

GRENVILLE STRATEGIC ROYALTY CORP.

**Annual Information Form
for the Fiscal Year Ended December 31, 2014**

February 11, 2015

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GENERAL MATTERS AND FORWARD-LOOKING INFORMATION

Information contained in this Annual Information Form ("AIF") is given as at February 11, 2015. Unless otherwise noted or the context otherwise indicates, references to the "Corporation", "Grenville", "we", "us", "our" and "our company" refer to Grenville Strategic Royalty Corp. (formerly Troon Ventures Ltd.), and references to "Grenville Ontario" refer to Grenville Corporation (a successor to Grenville Strategic Royalty Corp.), a wholly-owned subsidiary of the Corporation. Unless otherwise indicated, all dollar amounts in this AIF are expressed in Canadian dollars.

Forward-Looking Information and Forward-Looking Statements

This AIF contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the *U.S. Private Securities Litigation Reform Act of 1995*. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only Grenville's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of Grenville's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information contained herein may include, but is not limited to, information with respect to: prospective financial performance; expenses and operations; anticipated cash needs and need for additional financing; anticipated funding sources; future growth plans; royalty acquisition targets and proposed or completed royalty transactions; estimated operating costs; estimated market drivers and demand; business prospects and strategy; anticipated trends and challenges in Grenville's business and the markets in which it operates; the amount and timing of the payment of dividends by Grenville; and Grenville's financial position. By identifying such information and statements in this manner, Grenville is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Grenville to be materially different from those expressed or implied by such information and statements.

An investment in securities of Grenville is speculative and subject to a number of risks including, without limitation, risks relating to: the need for additional financing; the relative speculative and illiquid nature of an investment in Grenville; the volatility of Grenville's share price; Grenville's lack of operating history; Grenville's ability to generate sufficient revenues; Grenville's ability to manage future growth; the limited diversification in Grenville's existing investments; ability to negotiate additional royalty purchases from new investee companies; dependence on the operations, assets and financial health of investee companies; limited ability to exercise control or direction over investee companies; potential defaults by investee companies and the unsecured nature of Grenville's investments; Grenville's ability to enforce on any default by an investee company; competition with other investment entities; tax matters; Grenville's ability to pay dividends in the future and the timing and amount of those dividends; reliance on key personnel, particularly our founders; dilution of shareholders' interest through future financings; and general economic and political conditions; as well as the risks discussed under the heading "Risk Factors" in this AIF. Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information and forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

In connection with the forward-looking information and forward-looking statements contained in this document, we have made certain assumptions. Assumptions about the performance of the Canadian and U.S. economies over the next 24 months and how that will affect Grenville's business and its ability to identify and close new opportunities with new investees are material factors that Grenville considered when setting its strategic priorities and objectives, and its outlook for its business. Key assumptions include, but are not limited to: assumptions that the Canadian and U.S. economies will continue to grow moderately over the next 12 to 24 months; that interest rates will not increase dramatically over the next 12 to 24 months; that Grenville's existing investees will continue to make royalty payments to Grenville as and when required; that the businesses of Grenville's investees will not experience material negative results; that Grenville will continue to grow its portfolio in a manner similar to what has already been established; that tax rates and tax laws will not change significantly in Canada and the U.S.; that more small to medium private and public companies will continue to require access to alternative sources of capital; that Grenville will have the ability to raise required equity and/or debt financing on acceptable terms; and that Grenville will have sufficient free cash flow to pay dividends. Grenville has also assumed that access to the capital markets will remain relatively stable, that the capital markets will perform with normal levels of volatility and that the Canadian dollar will not have a high amount of volatility relative to the U.S. dollar. In determining expectations for economic growth, Grenville primarily considers historical economic data provided by the Canadian and U.S. governments and their agencies.

Although Grenville believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and forward-looking statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements

There can be no assurance that the forward-looking information and forward-looking statements contained in this AIF and the documents incorporated by reference herein will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information and forward-looking statements.

The forward-looking information and forward-looking statements contained in this AIF are made as of February [11], 2015, and Grenville does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws.

All subsequent written and oral forward-looking information and forward-looking statements attributable to Grenville or persons acting on its behalf is expressly qualified in its entirety by this notice.

Trademarks and Trade Names

This AIF may contain trade names, trademarks or service marks of other companies. Grenville does not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of Grenville by, these other companies.

CORPORATE STRUCTURE

Name and Incorporation and General Development of the Business

The Corporation was incorporated under the laws of the Province of British Columbia on December 2, 1935 as "Sunshine Silver-Lead Company Limited (Non Personal Liability)". On February 14, 1936, the Corporation changed its name to "Silver Ridge Mining Company Limited (Non Personal Liability)". On October 11, 1977, the Corporation changed its name to "Consolidated Silver Ridge Mines Ltd. (N.P.L.)". On September 15, 1981, the Corporation changed its name to "Northcal Resources Ltd." On September 20, 1985, the Corporation changed its name to "Calnor Resources Ltd." On August 23, 1991, the Corporation changed its name to "Norcal Resources Ltd.". On June 18, 2002, the Corporation changed its name to "Troon Ventures Ltd." ("**Troon**").

The RTO

On December 17, 2013, Troon entered into a business combination agreement with Grenville Ontario, pursuant to which on February 19, 2014 the Corporation completed a reverse take-over business combination with Grenville Ontario (the "**RTO**"). Under the terms of the RTO:

- (a) each pre-RTO shareholder of the Corporation received 0.69 of a common share of the Corporation (the "**Common Shares**") and 0.34 of a transferable Common Share purchase warrant of the Corporation (the "**Warrants**") for each Common Share held immediately prior to the completion of the RTO, with each whole Warrant being exercisable into one Common Share at an exercise price of \$0.42 per Common Share for a period of 24 months from the date of issuance;
- (b) each pre-RTO shareholder of Grenville Ontario received one Common Share for each common share of Grenville Ontario held immediately prior to the completion of the RTO;
- (c) all outstanding stock options of Troon were exchanged for new stock options of the Corporation based on the exchange ratio described above, and each optionholder received additional stock options to purchase Common Shares exercisable until February 19, 2016 at an exercise price of \$0.42 per Common Share in order to reflect similar terms for optionees as were offered to shareholders of the Corporation through the Warrants; and
- (d) all outstanding stock options Grenville Ontario were exchanged for an equal number of stock options of the Corporation at the same exercise price, being \$0.028 per Common Share, and on the same terms as the Grenville Ontario stock options.

As part of the RTO, Grenville Strategic Royalty Corp., a predecessor to Grenville Ontario, amalgamated with a wholly-owned subsidiary of Troon to form Grenville Ontario pursuant to the terms of an amalgamation agreement dated December 17, 2013.

Our head and registered office is located at 860-625 Howe Street, Vancouver, British Columbia V6C 2T6. Our website address is www.grenvillesrc.com. The information on our website is not incorporated by reference into this AIF.

History of Troon

Prior to the completion of the RTO, Troon carried on no active business operations, having previously written off its interest in two mineral properties. During this period, Troon's activities consisted of the review and consideration of potential acquisition opportunities with a view to completing an acquisition and commencing active business operations.

History of Grenville Ontario

Grenville Ontario was incorporated on July 29, 2013 under the laws of the Province of Ontario. Grenville Ontario was established with the intention of developing a business based on the provision of non-dilutive royalty financing to North American small and medium sized enterprises ("**SMEs**") across a wide range of industry sectors.

From inception to the completion of the RTO, Grenville Ontario raised \$3,087,332 in seed capital and completed five royalty financings for aggregate investments of approximately \$2,410,000: 1) a loan note investment into Pliteq Inc. ("**Pliteq**"); 2) a streaming and royalty investment into Clear Blue Technologies Inc. ("**Clear Blue Technologies**"); 3) a royalty investment into Wmode Inc. ("**Wmode**"); 4) a royalty investment into 4tell Solutions Canada Inc. ("**4tell Solutions**"); and 5) a royalty investment into Bluedrop Performance Learning Inc. ("**Bluedrop**"), all of which are currently in the 1-4% royalty range targeted by Grenville.

Intercorporate Relationships

The Corporation has one wholly-owned subsidiary, Grenville Ontario, which was amalgamated pursuant to the laws of the Province of Ontario.

BUSINESS OF THE CORPORATION

General

Description of the Business

We seek to purchase non-dilutive, revenue-based royalties in private and public SME companies across all sectors except oil and gas and mining commodities, pharmaceuticals and film. Our royalty investments are structured to align with the interests of founders, management and shareholders of SMEs by protecting the ability of the existing management of investee companies to manage their business. We seek to provide capital as a catalyst for growth and, where possible, to attract broader funding for each investee company.

We believe that we have identified an underserved segment in North American capital markets that lies between traditional equity and debt financing. For many businesses, a revenue-based royalty instrument has advantages with respect to cost and contractual terms. Traditional royalties have been used extensively in the North American resource industry but have yet to have been applied effectively in a number of other sectors including cleantech, renewables, technology, services, healthcare and general manufacturing. We believe, based on discussions with a large sample of investee companies, that have supported our business model, that there is significant demand for non-dilutive royalty financing.

We buy royalty interests in the revenue streams generated across our broadly defined sectors of interest. We believe that we have identified a large and underserved finance market for companies typically generating up to \$50,000,000 in revenue, many of which are well managed and generating meaningful

cash flow. The royalty financing structure offered by Grenville can stand-alone, bridge or compliment the financing needs of these companies. In some cases, our royalty may act as a lead order in combination with other forms of financing. Our royalty financing structure is non-dilutive on an equity basis and better aligned with management in terms of growth, a model that has proven to be very successful in the oil and gas and mining commodities, pharmaceuticals and film industries.

Royalties are calculated based on the revenue generated by the investee company, require no traditional security, require no significant financial covenants and do not involve participation in equity ownership. As a result, we believe that royalty financing is better aligned with the vision of investee company management in terms of growth and does not compete equally for return with existing equity investors. A royalty can also be structured to either survive or be liquidated in the event of an acquisition of the investee company, which can be an advantage to founders and existing equity holders.

INSTRUMENT	COST	DILUTION	SECURITY	CONTROL	AVAILABILITY
SENIOR DEBT	4-8%	NO	SENIOR, COVENANTS	THROUGH SECURITY AND COVENANTS	LIMITED TO NONE FOR \$10-50MM COMPANY
MEZZANINE DEBT	12-18%	NO	SUB SECURITY AND COVENANTS	COVENANTS, BOARD RIGHTS	MODERATE
VENTURE DEBT	15-25%	YES, WARRANTS	SUB SECURITY, NEGATIVE IP PLEDGE, COVENANTS	COVENANTS, BOARD RIGHTS	GOOD
GRENVILLE REVENUE BASED ROYALTY	20-60%	NO	NONE	NONE	DEMAND CLEARLY MORE THAN SUPPLY
PRIVATE EQUITY	20-40%	YES	51% CONTROL	51% OWNERSHIP, BOARD, INVESTOR RIGHTS AGT	MODERATE WITH LOSS OF CONTROL
VENTURE CAPITAL	40-80%	YES	LIQUIDATION PREFERENCE	INVESTOR RIGHTS AGT, BOARD	POOR FOR \$10-50MM COMPANY

Figure 1: Financing alternatives

We seek to purchase royalties in companies where historical financial and product performance can be used as the primary gauge of risk. Investment due diligence is primarily focused on tangible, measurable historic results rather than forward-looking estimates more common in venture capital investments. We seek to generate returns by pricing royalty rates and structures capable of generating returns similar to venture capital-like investments, using a portfolio model which de-risks investment return through diversification. We believe that this can be accomplished by investing a small amount of capital in many companies and diversifying by sector, category (neutral, cyclical and defensive) and currency (currently Canadian and United States dollars). We use a formal due diligence process and implement investments using a variety of deal structures designed to optimize tax and accounting for both Grenville and the royalty seller.

Like other royalty companies, we have a highly scalable business where a small investment team can drive large numbers of transactions. Grenville utilizes a network of advisors, finders and consulting professionals who are available to augment our deal flow team on an as-needed basis. This structure also enables Grenville to effectively control fixed costs.

Market

We have identified a primary market segment that includes both private and public companies generating revenue of up to \$50,000,000 with a low cash burn and a requirement for growth capital. Our investment size ranges from \$100,000 to \$5,000,000 per investment, and could be a portion of a larger financing. While it is difficult to accurately quantify the number of companies in Canada and the U.S. that would fit our investment criteria, information available for companies listed on the Toronto Stock Exchange indicate more than 300 non-resource companies listed on the TSX Venture Exchange (the "TSXV") with market caps under \$200,000,000. Many of these companies, and a much larger number of private companies, have profiles that fit the royalty model. We believe that these entities, both in the United States and Canada, form the primary source of opportunity for our business during the next year. While the population of companies within North America is more than sufficient for us today, we intend to consider international investment in the future in jurisdictions with favourable tax environments and a similar financing gap to North America.

Companies within this target market often experience difficulty accessing growth capital. Although well established, with a long track record of operation, many SMEs fail to qualify for the investment criteria for existing capital providers:

- Traditional private equity institutional investors, one important source of growth capital, tend to invest in larger enterprises with higher growth potential and the ability to generate higher cash flows;
- Traditional venture capital investors tend to seek very high growth companies with potential for high multiple (greater than 10x) returns. Companies with this characteristic represent a small percentage of the total market; and
- Traditional lenders, such as banks, are highly risk-averse, and provide only limited capital to companies in our target market, with terms designed to protect their investment through asset-backed security or profitability covenants. This is often counter-productive to company growth, the principal driver behind the request for capital by the SME.

Royalties provide an alternative to private equity, venture capital and debt, and are better aligned with the growth imperative of many SMEs within the target market. We believe that royalties offer the following compelling advantages for this group of companies:

- A royalty preserves equity ownership for founders and early investors;
- Royalties can be structured with very simple paperwork versus more complex equity and debt instruments;
- A royalty does not require valuation, eliminating a potentially negative signal in the market. This preserves the investee company's ability to defer pricing until more growth is demonstrated;
- Royalty holders have better alignment with founders and existing investors - the royalty holder wins when management wins, and loses when management loses;
- Royalties are highly scalable. By virtue of the simple paperwork, it is affordable to structure smaller investments than with more complex equity and debt instruments;

- Royalties work well as multi-step investments where capital can be deployed over time as risk and opportunity change; and
- Royalties integrate well with multi-component financing structures where a combination of royalty, debt and equity are used to optimize cost of capital for the investee company.

Operating Plan

Our operating plan consists of six phases: deal flow generation, deal selection, term sheet, due diligence, contract signature and ongoing management.

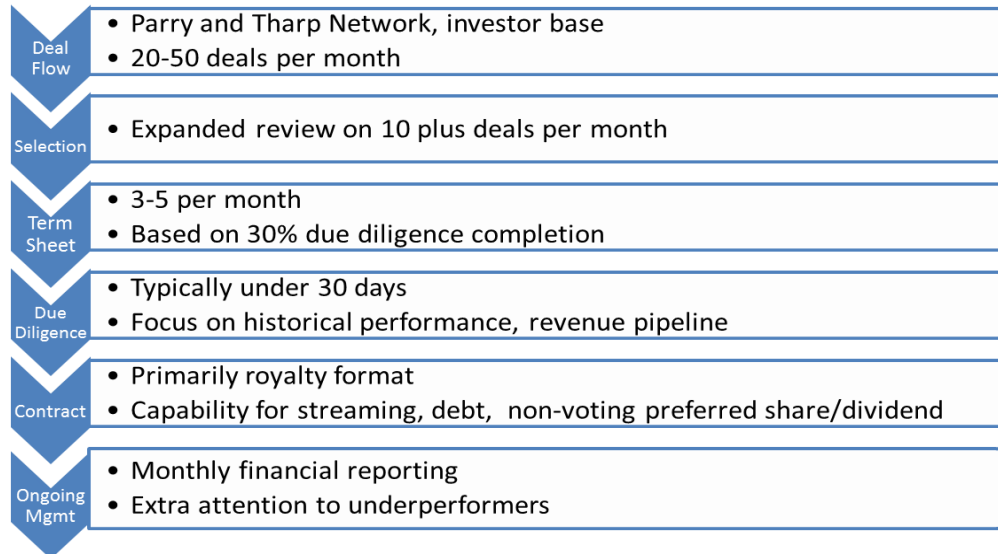


Figure 2: Grenville investment and operational process

In our early stages, we targeted to grow our royalty portfolio to greater than 10 investments in the shortest time frame possible, which was achieved in the fall of 2014. Subsequently, we have targeted a 2nd phase goal of 20 investments, where no one investment represents more than 10% of investable capital. We currently hold 18 discrete investments where no one investment represents greater than 10% of our invested capital. Now that we have established our core royalty portfolio, we plan to add royalties to the portfolio at an average pace of approximately 1-3 deals per month, or approximately 12-36 per year. While existing royalty deals range in value from \$100,000 - \$2,200,000, we intend for average deal size to range between \$100,000 and \$5,000,000. While these are targets only, and there is no assurance that they will be met, a broadly diversified portfolio is nonetheless a key element of our strategy.

Deal Flow

We commenced our market review process by accessing a database cooperatively assembled by founders William Tharp and Steven Parry (originally 150 entities). Since inception, Messrs. Tharp and Parry have further synthesized this process and commenced using their broad and extensive proprietary networks in the U.S. and Canada developed over their long investing careers. In addition, our existing investor base and professional network provide access to new opportunities.

Investment Policy

We have developed an investment selection policy that guides our investment process. This investment policy targets investee companies with the highest probability of achieving stable, long-term revenues

combined with a reasonable opportunity for growth. This selection methodology is significantly differentiated from the traditional forward-looking venture capital model, with a key focus on the age of potential investee companies.

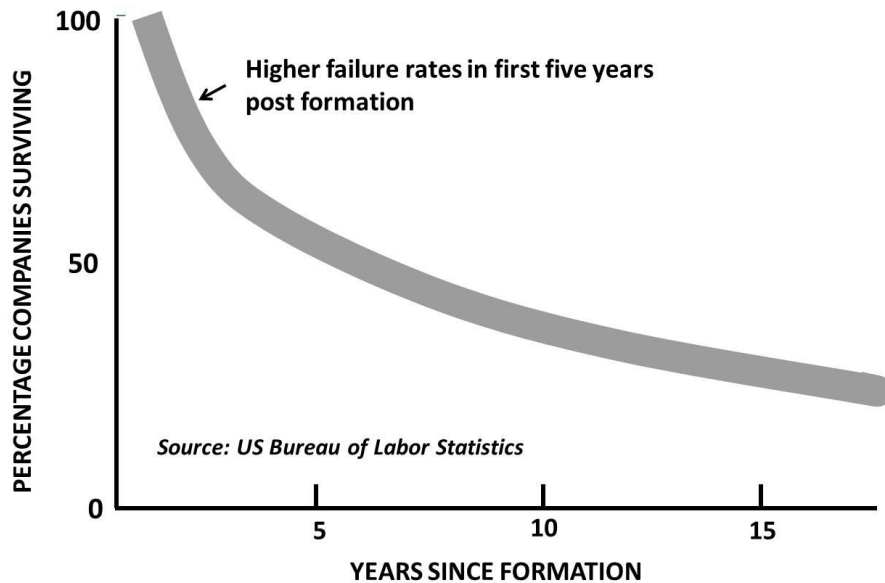


Figure 3: Failure rates by vintage year, U.S.

Two important observations derive from Figure 3. First, the failure rate of companies drops exponentially over time, with the first five years significantly more risky than subsequent years. Second, failure rates are extraordinarily stable across 17 vintage years. The consistency of the vintage curves (all vintages are contained within the grey band) demonstrates that failure rates are more related to company behaviour, which is consistent over time, rather than a reflection of market conditions. For instance, there is no significant variation around the last two significant recessions in 2001 and 2008. This strongly influences our deal selection towards companies with five years of operating history.

Our investment policy takes into account:

- Quality of management team;
- Level of investment by management;
- Specific criteria regarding historical revenues;
- Revenue pipeline demonstrating the ability to pay back a significant percentage of our investment;
- Where intellectual property is an important asset, the ability to defend the intellectual property estate;
- Where gross margins enable the sale of a royalty generally ranging from 1% up to 4% of gross sales;
- Cash flow control, particularly with respect to whether an investee company can reduce operating expenses under adverse revenue circumstances;

- Portfolio diversification, ensuring that a new investment does not create a concentration of risk related to sector or geography; and
- Striving to limit any one investment to no more than 10% of our available investment capital.

We will generally not invest in primary resource industries, where there is significant commodity pricing risk, or the film or pharmaceutical sectors, where revenue-based structures already play a prominent role.

Term sheet, due diligence and contracting process

We typically develop a valuation model based on approximately 20-30% completion of the required due diligence, largely focused on investee management, revenues and revenue-pipeline. Once complete, we issue a term sheet under the belief that a "shortest distance to no" relates to finding terms acceptable to the investee company. After signing of a term sheet, we complete our remaining due diligence and strive to execute a royalty purchase agreement within 30-45 days from initial review.

Based on greater than 25 years of SME funding experience, we have developed a focused and expedited due diligence process. We review the deal pipeline as deals are identified. Upon identification of a potential investment, a series of due diligence events are triggered. Given that our royalty structure exposes us to risks which are principally related to the investee company's top-line revenue, the result is a revenue-focused due diligence process, including:

- (a) In-depth review of historical financial statements (audited if available), pro-forma and projected financials.
- (b) In-depth analysis on historical revenues:
 - Historical revenue on a per-customer basis to identify any specific customer concentration risk going forward;
 - Historical revenue on a per-segment basis to identify any specific segment risk going forward;
 - An analysis on customer and segment trends to identify projected revenue growth;
 - Projected revenue on a per-customer and per-segment basis from company management; and
 - A sensitivity analysis based on identified potential revenue risk points going forward.
- (c) Meet with company management and sales staff:
 - Communicate potential revenue risk points going forward based on analysis in previous step;
 - Gain further insight on the company's revenue strategy going forward;
 - Gain further insight on the existing order book including contracted sales and pipeline going as far out as available; and

- Gather customer references from sales team.
- (d) Non-revenue due diligence items:
- In-depth analysis of the existing capital structure, with a specific focus on existing debt and resulting positive and negative covenants;
 - In-depth analysis on company margins, and cash flow generated from operations in order to evaluate the company's ability to pay royalty fees;
 - Site-visit to existing installation, project, or manufacturing plant; and
 - Determine fit with existing portfolio.

In addition, we also elect from time to time to use a third party (such as an accounting firm) to conduct additional corporate governance due diligence, where we believe this additional due diligence step may further de-risk an investment opportunity.

If at any point during due diligence, we believe that identified risk points have a high probability to materially impact the ability to recover capital over the course of the royalty agreement, the opportunity to invest is declined or deferred until conditions change.

Deal Structures

We consider four deal structures:

DEAL STRUCTURE	ATTRIBUTES	USAGE	COMMENT
Conventional Loan	Unsecured & subordinate	Limited	Used selectively, in circumstances where rapid payback and/or a high initial rate of return (" IRR ") are available.
Traditional Royalty	Unsecured & subordinate	Majority / Highest weighting	We purchase the royalty and the investee company pays a monthly royalty payment.
Streaming Royalty	Unsecured & subordinate	Limited	Earlier stage deals where we will structure buy/sell arrangements where initial returns are represented by the delta between the price at which we acquire product from the investee company and the price at which it immediately sells the product back to the target. Streaming agreements will likely be balanced off with a royalty purchased agreement.

Preferred Share	Unsecured & Subordinate	Unlikely to be used by Grenville	Under certain conditions, a dividend may be the most tax efficient structure for both Grenville and the investee company.
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Our first choice in each of these structures is to set the royalty rate at a level where a security interest is not required to meet the threshold of the risk-reward algorithm. We often structure transactions with a partial buy-down of the royalty, typically at the election of the investee company, at a point in time often structured as a multiple on our return of capital. If the investee company defaults under the royalty purchase agreement, including failure to pay the monthly royalty, this buyback option typically falls away if the default is not cured within a specified period of time. We believe that the potential loss of the buyout option represents a significant deterrent to default by the investee company. For a company making revenues of \$1,000,000 per month, the cash savings from not paying a royalty in the tens of thousands per month is dwarfed by the long term cost of the full royalty.

Ongoing Management

Post investment, we primarily manage monthly royalty payments through access to monthly management financial statements and quarterly and annual financial statements. We retain the right to re-audit in the event of dispute. In the event of an uncured default, we generally have the right to demand full repayment of our invested capital while maintaining the right to receive ongoing royalty payments. In addition, as noted above, the investee company's right to buy out the royalty is typically eliminated upon the occurrence of an uncured default. In the circumstance of continued non-payment, we may seek recourse through legal action.

Although we do not take a board seat on the boards of our investee companies, our royalty purchase agreements contain approval rights in our favour in respect of certain fundamental transactions involving our investee companies, including in respect of proposed asset or share sales by investee companies, proposed changes to the accounting policies of investee companies and the creation of any liens or encumbrances on any material intellectual property assets of investee companies.

Existing Portfolio

As at February 10, 2015, we have completed the following royalty financings for total invested capital of approximately \$24,732,168: 1) a loan note investment into Pliteq; 2) a streaming and royalty investment into Clear Blue Technologies (including a follow-on investment); 3) a royalty investment into Wmode; 4) a royalty investment into 4tell (including a follow-on investment); 5) a royalty investment into Bluedrop (including a follow-on investment); 6) a royalty investment into Pro Fit Optix Holding Company, LLC, doing business as PFO Global Group ("**PFO Global Group**") (including a follow-on investment); 7) a royalty investment into Cherubim Builders Group, LLC ("**Cherubim**"); 8) a royalty investment into Insight Downhole Tools Inc. ("**Insight**"); 9) a royalty investment into Aquam Corporation (formerly Nu Flow Technologies) ("**Aquam**"); 10) a royalty investment into Mera Development Corporation ("**Mera**") (including a follow-on investment); 11) a royalty investment into INOVx Solutions ("**INOVx**"); 12) a royalty investment into Sécurité Above Inc. ("**Above Security**"); 13) a royalty investment into One Up Games, LLC ("**OneUp Games**"); 14) a royalty investment into DS Handling Systems Limited ("**DS Handling**"); 15) a royalty investment into Lattice Biologics Inc. ("**Lattice Biologics**"); 16) a royalty investment into BG Furniture Ltd. ("**BG Furniture**"); 17) a royalty investment into APO Group Inc. ("**AP0 Group**"); 18) a royalty investment into Medical Imaging Corp. ("**MEDD**"); and (19) a royalty investment into Switch Marketing and Communications Ltd. ("**Switch Video**"). The weighted average royalty rate for all investments made by us to date is 3.86%.

Set out below is a brief description of each active investment in our portfolio:

Pliteq: Pliteq is a privately-held company headquartered in Toronto, Ontario. Pliteq is an engineering company specializing in providing structural, vibration, and sound control solutions using recycled materials. Pliteq is able to create their product with up to 94% recycled rubber. Pliteq's products are engineered for superior acoustical performance in reducing the transmission of airborne and impact sound through wall and floor/ceiling assemblies.

Wmode: Wmode is a privately-held company headquartered in Calgary, Alberta with offices in Toronto and San Francisco. Wmode is a leading technology and service company in the rapidly growing connected device, mobile and app marketplace. Wmode historically provided fully managed, hosted app ecosystem services in the mobile market, but extended their business in July 2011 to TV and enterprise with the launch of their AppCarousel Platform. Wmode provides highly-tailored solutions across an expanded connected device network.

Clear Blue Technologies: Clear Blue Technologies is a technology company whose employees have more than 20 years of experience in the engineering and high-technology fields. Clear Blue Technologies' vision is to combine environmentally-friendly energy with innovative hardware in order to deliver reliable, intelligent, and high performance Smart Off-Grid solutions that are easy to install, reduce total cost of ownership and can be monitored and controlled over the internet. Clear Blue Technologies' Horizon controller and Horizon cloud software can be integrated into a wide variety of products or used as the basis for Smart Off-Grid lighting, security and micro-grid installations.

4tell Solutions: 4tell Solutions is a privately-held company headquartered in Toronto, Ontario. 4tell Solutions is a leading provider of platform technology solutions that optimize the financial, energy and environmental performance of the built environment. 4tell Solutions' iPlan (patent pending) technology platform provides proven solutions to a number of market sectors including government, healthcare, education, pharmaceuticals, financial services, real estate, architecture and engineering. iPlan delivers SaaS solutions that enable its clients to capture, consolidate and analyze traditionally disparate data sets across their asset portfolios to create actionable knowledge. This knowledge empowers investors, owners and operators to develop and execute effective capital investment strategies to reduce costs, mitigate risks, generate efficiencies, and realize environmental objectives resulting in improved bottom line results and increased return on investments.

Bluedrop: Bluedrop is an innovator in workplace training for individuals, corporations, military personnel and the public sector. Launched in 2004, with six offices and over 120 employees, Bluedrop is transforming the workplace by designing, developing and delivering practical, actionable and affordable training content that improves individual and overall performance of organizations. Bluedrop is ranked in the Top 50 Defence Companies by Canadian Defence Review (CDR). Bluedrop is also recognized as one of the Top 3 eLearning companies in Canada by Backbone Magazine in their "Best of Everything in Canadian Tech" issue.

PFO Global Group: PFO Global Group is an innovative manufacturer of advanced lens designs, complete eyewear and mobile dispensing equipment. PFO Global Group is in its fifth year of operation and supplies finished eyewear products for U.S. healthcare entitlement programs, the largest being Medicaid. With interactive manufacturing systems that connect the world, complete material fulfillment systems and a proprietary online ordering system, PFO Global Group is focused on meeting today's economic needs with tomorrow's technology. Headquartered in Irving Texas with high capacity manufacturing facilities and R&D centers around the world, PFO

Global Group is committed to optical technologies that enhance the quality of life and transform business.

Cherubim: Cherubim is a Fort Worth, Texas-based holding company with three operating subsidiaries in the construction industry: WaterMasters Restoration Inc. ("**WaterMasters**"), Designer Lane, Inc. ("**Designer Lane**") and Metroplex Home Repair Inc., DBA Gregg Construction ("**Gregg Construction**"). Gregg Construction was originally established in 1972 and operates as a full service restoration and reconstruction company with an emphasis on catastrophic event restoration in both the residential and commercial arena, as well as multiple insurance carrier loss programs. WaterMasters was established in 1999 as an emergency services/mitigation provider and currently operates as a full service restoration and reconstruction company with a heavy emphasis on large loss/fire events in the insurance arena. Designer Lane was established in 2001 as a construction materials supply company within the group. Cherubim was formed in 2011 to consolidate these three operating subsidiaries.

Insight: Insight is a Canadian-controlled private Alberta-based corporation specializing in measurement while drilling products and service. Insight provides directional drilling services and engages in the development and commercialization of measurement while drilling ("**MWD**") near bit technology. Insight offers MWD equipment and tools, pulser drivers and directional sensors, and MWD software. Insight was incorporated in 2010 and is based out of Calgary with offices throughout Alberta.

Aquam: Aquam is a manufacturer and installer of innovative technologies to rehabilitate the inner infrastructure of deteriorated or failing water piping systems using an array of cured-in-place epoxy pipe lining solutions. Aquam is a world leader in total inside infrastructure clean water solutions for small diameter pipes. Aquam's marketplace includes residential and commercial multi-story structures, industrial and institutional facilities, electrical and gas facilities, the hospitality market, oil rigs and maritime vessels. Aquam was incorporated in 1998 and is based in San Diego, California with a manufacturing plant in Oshawa, Ontario. The company has a full sales team in Canada and throughout a number of offices in the United States including San Diego, Sarasota, Washington D.C., and Houston.

Mera: Mera is a family-owned engineering services firm focused on providing data technology solutions to two specific sectors; the oil and gas sector and the food processing sector. Mera offers services throughout North American and select global markets in connection with the development, deployment, and integration of data as well as training and performance optimization. Mera's team includes a combination of business professionals, engineers and information technology specialists with over 30 years' experience within oil and gas and other industrial sectors. Mera was incorporated in 1987 and is headquartered in Regina, Saskatchewan.

INOVx: INOVx is the pioneer and leading provider of Asset Virtualization® software to support Enterprise Asset Management (EAM) in the process industries. INOVx's asset virtualization approach to EAM improves plant productivity, safety and decision making cycles by facilitating seamless integration of the asset's "physical condition" with various plant-wide engineering, inspection, operation and maintenance systems. With a track record of successful client projects across the globe and proven software applications, INOVx is uniquely positioned to make Asset Virtualization an integral and a key part of an industrial plant's daily asset management discipline. Founded in 1999, INOVx is privately held.

Above Security: Above Security is a privately held provider of managed security solutions based in Montreal, Quebec, with over 15 years of experience providing security services to networks of

over 250 private and government-owned organizations in nearly 40 countries. Above Security's solutions deliver customized services for monitoring and protecting clients' critical and sensitive IT assets 24 hours a day, seven days a week. Above Security was founded in 1999, and has representative offices in North America, Europe and the Middle East.

OneUp Games: OneUp Games is a leading mobile sports network that develops global live-play, sports-based, social gaming platforms for mobile users. Through its premium mobile sports platform, fans are linked to teams, leagues, sponsors and sports media properties while being offered a deeper and more engaging live sports experience. As a leading second-screen sports provider, OneUp Games has developed partnerships with the National Football League, Major League Baseball, National Basketball Association, National Hockey League, PGA Tour and Nascar, together with more than 30 professional and college teams. OneUp Games is located in West Palm Beach, Florida.

DS Handling: DS Handling is a privately held, Orangeville, Ontario-based provider of specialized package and pallet handling systems with over 30 years' experience providing conveyer services to the distribution and fulfillment, postal and courier, food and beverage, and general manufacturing industries primarily in Canada and the United States. DS Handling's solutions include custom design, manufacturing, control, and implementation of package and handling systems. DS Handling was founded in 1983 and has offices in Toronto and Vancouver.

Lattice Biologics: Lattice Biologics is a leader in the innovative medical field of allograft healthcare services, producing allograft products for use in various clinical applications. Known industry wide for their allograft quality, operational efficiency and customer satisfaction, Lattice operates from its state-of-the-art facility in Scottsdale, Arizona. Lattice Biologics' staff of highly trained tissue bank specialists, surgical technicians, certified sterile processing and distribution technicians and CNC operators maintain the highest standards of aseptic technique throughout each step of the manufacturing process, from donor acceptance to the final packaging and distribution of finished allografts. Lattice has offices in Toronto and Vancouver.

BG Furniture: BG Furniture is an 85 year old enterprise manufacturing high quality solid wood furniture in Walkerton, Ontario. The company is run by two well-known furniture industry executives, Adam Huffman and Dirk Neilsen, who are modernizing the manufacturing facility to produce more customer selection and industry-leading delivery times.

MEDD: Headquartered in Las Vegas, Nevada, with offices in Toronto, Pennsylvania, and Florida, MEDD is engaged in providing comprehensive medical imaging services to clients in the United States and Canada through its five diagnostic centres and its Teleradiology services centre.

Switch Video: Switch Video is one of the web industry's largest video production companies based in North America. They produce simple explainer videos to help big and small companies simplify their product offerings through easy-to-watch, easier-to-understand videos in various languages. Switch Video has produced over 450 videos for clients worldwide ranging from small businesses to Fortune 1000 enterprises including – Hewlett-Packard, Shaw Communications, Microsoft, The United Nationals, and Brown-Forman.

On November 10, 2014, we announced that we had recorded a \$1,000,000 non-recurring write down on one of our investments, being the investment in APO Group. We have commenced enforcement proceedings against APO Group in an effort to collect all or some portion of our investment, but there is no guarantee that any portion of our investment will be recovered.

Infrastructure and Operating Expense

We have operated our business conservatively to date in order to preserve resources, focusing our operating model on the scalability of our structure and the ability of a small group of employees to process a large number of royalty transactions. While an increase in the size of our team will be required as the number of royalty transactions increases, we believe that we will likely only require an additional two to three investment team members as we work towards increasing the number of royalty transactions to 100.

Competitive Conditions

Currently, we do not believe that there are any direct competitors offering royalty financing to SMEs in non-resource sectors with a long term investment horizon. Alaris Royalty Corp. offers a similar product to larger, more established private companies where it is possible to negotiate significantly larger royalty investments. In the U.S., there are several firms offering royalty-type financing with a capped structure and a requirement for rapid payback. These royalties tend to involve high gross margin technology companies where a high percentage of revenues (and perhaps 75-80% of cash flows) can be dedicated to the payment of the royalty. This is significantly more aggressive financing than our typical royalty structure from a time to payback perspective.

COMPANY	DESCRIPTION
PUBLIC COMPANIES	
Alaris Royalty Corp.	Buy royalties structured as non-voting, dividend bearing preferred LP unit investments. Target established industrial companies, typical investments greater than \$30 million per deal however as low as \$7 million. Deal team under 10 people.
Franco Nevada Corporation	Mining royalties. Small deal team.
Silver Wheaton Corp.	Mining royalties. Small deal team.
Sandstorm Gold Ltd.	Mining royalties. Small deal team.
PRIVATE COMPANIES AND FUNDS	
Rock and Hammer Ventures	Regional revenue-based finance fund focused on Utah. Buy 3-8% capped royalties with rapid payback. Will encumber up to 25% of revenue stream of seller. Sub \$500k per investment. Two person investment team.
Royalty Capital	Large Boston-based venture capital firm using royalty model for last 20 years. Typical investments are between \$20- \$200 million.
Lighter Capital	Seattle-based fund buying capped royalties in IT related and SaaS type businesses. \$250k- \$1 million investments, 25%+ IRR requirement. Four person deal team.

Employees

As at December 31, 2014, Grenville had 5 full-time employees and engaged the services of one consultant. Additionally, Grenville has approximately 12 arm's-length third party advisors providing deal finding and general due diligence services.

Grenville generally enters into non-disclosure, confidentiality and intellectual property assignment covenants with all new employees and consultants as a condition of employment or engagement.

Specialized Skill and Knowledge

Royalty financing requires a team whose members have a specialized set of skills and who can draw from a broad base of knowledge. The founders of Grenville, Messrs. Tharp and Parry, collectively have over 40 years of experience with mezzanine debt, venture capital, private equity and capital markets matters with in-depth insight into the mining, cleantech, industrial and financial services sectors and general expertise across a broad range of other sectors, and both are active, hands-on investors with considerable investment experience.

Intangible Properties

We believe that market awareness of our brand and financing model will contribute significantly to the success of our business. We also believe that maintaining and enhancing our brand will be critical to maintaining our competitive advantage. As such, we intend to actively promote our financing model across and through a wide spectrum of partners and business contacts. These initiatives will aim to increase the visibility and credibility of our financing model.

RISK FACTORS

An investment in our securities should only be considered by those investors who can afford a total loss of their investment. The risks presented below should not be considered to be exhaustive and may not represent all of the risks that we may face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. If any of the risks described below or in our other public filings occur, our business, financial condition, results of operations or prospects could be materially adversely affected.

Dependence on the Performance of Investee Companies

We will be dependent on the operations, assets and financial health of the SMEs from which we purchase royalties. Our ability to meet our operating expenses in the long term will be largely dependent on the royalty payments received from investee companies, which will be our sole source of cash flow. Royalty payments from investee companies will generally be based on a percentage of such companies' top line revenues. Accordingly, if the financial performance of an investee company declines, cash payments to us will likely decline. The failure of any investee company to fulfill its royalty payment obligations to us could adversely affect our financial condition and cash flow. We conduct due diligence on each of our investee companies prior to entering into agreements with them and monitor investee company activities by receiving and reviewing regular financial reports. Nonetheless, there is a risk that there may be some liabilities or other matters that are not identified through our due diligence or ongoing monitoring that may have an adverse effect on an investee company's business.

Limited Control Over Investee Company Management

Although our royalty purchase agreements do contain approval rights in our favour in respect of certain fundamental transactions involving our investee companies, we do not have significant control over any of our investee companies or their operations as we do not mandate board representation as a condition to investment. Royalty payments received from our investee companies therefore depend upon a number of factors that may be outside of our control.

Risk of Payment Defaults under Royalty Agreements

While we believe that we have structured, and will continue to structure, our royalty purchase agreements in such a way as to encourage payment of royalties and discourage default, there is no guarantee that investee companies will not default on their royalty payment obligations to us as a result of business failure, obligations to shareholders, obligations to lenders or to other investors or stakeholders or for other reasons, or that on the occurrence of a default by an investee company we will be able to recover all or any of our investment, or that the investee company will have sufficient assets to satisfy our loss. As a result, we may be required to record a write-down of some or all of our investment, as we did in connection with our investment in APO Group. Such failure could have a material adverse effect on our business, financial condition, results of operations or prospects.

In addition, because we have structured, and generally intend to structure, our investments in investee companies on an unsecured basis, our rights, including payment rights, will be subordinate to the rights of secured lenders of investee companies and other parties holding security interests or other senior claims against investee companies, which may limit our ability to recover any losses from investee companies. If we elect to take enforcement measures against an investee company, significant time and costs may be incurred in connection with those enforcement efforts without any guarantee of success.

Financing Risks

We do not have any history of significant earnings and, due to the nature of our business, there can be no assurance that we will be profitable. While we may generate additional working capital through equity or debt offerings or through the receipt of royalty payments from our investee companies, there is no assurance that such funds will be sufficient to facilitate the development of our business as currently planned or, in the case of equity financings, whether such funds will be available on terms acceptable to us or at all.

Early Stage of Development

We are an early stage company. There will be limited financial, operational and other information available with which to evaluate our prospects. There can be no assurance that our operations will be profitable in the future or will generate sufficient cash flow to satisfy our working capital requirements. In addition, as an early stage company we may not yet have all of the skills or personnel necessary to properly analyze and value royalty opportunities.

Limited Number of Investee Companies

We have purchased royalties from a small number of investee companies to date. While our intention is to purchase a large number of royalties from companies in different industry sectors, it will take time to attain such diversification, if such diversification can be achieved at all. Until such time as diversification is achieved, we may have a significant portion of our assets dedicated to a single business sector or industry. In the event that any such business or industry is unsuccessful or experiences a downturn, this could have a material adverse effect on our business, financial condition, results of operations or prospects.

Ability to Negotiate Additional Royalty Purchases

A key element of our growth strategy involves purchasing additional royalties from new investee companies. Our ability to identify investee companies and acquire additional royalties is not guaranteed. Achieving the benefits of future investments will depend in part on successfully identifying and capturing

such opportunities in a timely and efficient manner and in structuring such arrangements to ensure a stable and growing stream of revenues.

Ability to Manage Future Growth

Our ability to achieve desired growth will depend on our ability to identify, evaluate and successfully negotiate royalty purchases from investee companies. Achieving this objective in a cost-effective manner will be a product of our sourcing capabilities, our management of the investment process, our ability to provide capital on terms that are attractive to potential investee companies and our access to financing on acceptable terms. As we grow, we will also be required to hire, train, supervise and manage new employees. Failure to effectively manage any future growth or to successfully negotiate suitable royalty purchases could have a material adverse effect on our business, financial condition, results of operations or prospects.

Exercise of Buyout Option

Some of our royalty purchase agreements with investee companies contain or will contain buyout options which allow investee companies to repurchase royalties for a set price. Although we believe that the repurchase prices will adequately compensate us for lost royalty payments, if we have miscalculated the value of a buyout option relative to the ongoing value of a lost royalty stream, our return on an investment may be lower than expected, which could have a material adverse effect on our business, financial condition, results of operations or prospects.

Risks Facing Investee Companies

As previously noted, our financial condition and results of operations will be affected by the performance of the SMEs in which we invest capital through royalty purchases. Each investee company will also be subject to risks which will affect their financial condition. Given that we are not privy to all aspects of the businesses in which we will make future investments, it is impossible to predict exactly what risks investee companies will face. Nonetheless, we expect that typical risks which SMEs might face include the following:

- Investee companies may need to raise capital through equity or debt financing. Such equity or debt may impair our investee companies' ability to finance their future operations and capital needs. Flexibility to respond to changing business and economic conditions and to business opportunities may thereby be limited.
- The success of our investee companies may depend on the management talents and efforts of one or two persons or a small group of persons. The death, disability or resignation of one or more of these persons could have a material adverse impact on an investee company.
- Investee companies may require additional working capital to carry out their business activities and to expand their businesses. If such working capital is not available, the financial performance and development of the businesses of our investee companies may be adversely affected.
- Damage to the reputation of our investee companies' brands could negatively impact consumer opinion of those companies or their related products and services, which could have an adverse effect on their businesses.
- Investee companies may face intense competition, including competition from companies with greater financial and other resources, more extensive development, manufacturing, marketing,

and other capabilities. There can be no assurance that our investee companies will be able to successfully compete against their competitors or that such competition will not have a material adverse effect on their businesses.

- Investee companies may experience reduced revenues with the loss of a customer representing a high percentage of their monthly revenues.
- Investee companies may experience reduced revenues due to an inability to meet regulatory requirements, or may experience losses of revenues due to unforeseeable changes in regulations imposed by various levels of government.
- Investee companies may rely on government or other subsidy programs for revenue or profit generation. Changes or elimination of such programs may have an adverse effect on the company.
- Investee companies may derive some of their revenues from non-Canadian sources and may experience negative financial results based on foreign exchange losses.

Impact of Regulation and Regulatory Changes

We and our investee companies will be subject to a variety of laws, regulations and guidelines in the jurisdictions in which we and they operate and may become subject to additional laws, regulations and guidelines in the future in the jurisdictions in which we and they operate. The financial and managerial resources necessary to ensure such compliance could escalate significantly in the future which could have a material adverse effect on our and the investee companies' business, resources, financial condition, results of operations and cash flows. Such laws and regulations are also subject to change and it is impossible for us to predict the cost or impact of changes to such laws and regulations on its future operations.

Competition from Other Investment Companies

We compete with a number of private equity funds and mezzanine funds, investment banks, equity and non-equity based investment funds and other sources of financing, including the public capital markets. Some of our competitors are substantially larger and have considerably greater financial resources than we do. Competitors may have a lower cost of funds and many have access to funding sources and unique structures that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments than we can. Pressure from our competitors may have a material adverse effect on our business, financial condition, results of operations or prospects.

Outstanding Debt

Certain features of our outstanding debt could adversely affect our ability to raise additional capital, fund operations or pay dividends, could expose us to interest rate risks or limit our ability to react to changes in the economy and its industry, or could prevent us from meeting certain of our business objectives. In addition, any conversion of interest or principal on our outstanding debt, including but not limited to the Debentures (as defined below), into Common Shares will dilute the interests of existing holders of Common Shares.

Impact of Quarterly and Annual Financial Reporting

There can be no assurance that we will be profitable on a quarterly or annual basis. Our business strategies may not be successful. As a reporting company, we will be required to report financial results on an annual and quarterly basis. If our business is not profitable, the market price of our listed securities may decline.

Currency Fluctuations

Certain of our royalties may be paid and received in United States dollars and potentially other foreign currencies. The Canadian dollar relative to the United States dollar or other foreign currencies is subject to fluctuations. Failure to adequately manage foreign exchange risk could therefore adversely affect our business, financial condition, results of operations or prospects.

Reliance on Key Personnel

Our success will depend on the abilities, experience, efforts and industry knowledge of our senior management and other key employees. The long-term loss of the services of any key personnel for any reason could have a material adverse effect on business, financial condition, results of operations or prospects. In addition, our growth plans may require additional employees, increase the demand on management and produce risks in both productivity and retention levels. We may not be able to attract and retain additional qualified management and employees as needed in the future. There can be no assurance that we will be able to effectively manage our growth, and any failure to do so could have a material adverse effect on our business, financial condition, results of operations or prospects.

Conflicts of Interest

Certain of our directors and officers will also serve as directors and/or officers of other companies. Consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Grenville and our shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such director may have a conflict of interest in accordance with the procedures set forth in applicable corporate legislation and under other applicable laws.

Effect of General Economic and Political Conditions

Our business, and the business of each of our investee companies, is subject to the impact of changes in national or North American economic conditions including, but not limited to, recessionary or inflationary trends, equity market conditions, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence. These economic conditions may be further affected by political events throughout the world that cause disruptions in the financial markets, either directly or indirectly. Adverse economic and political developments could have a material adverse effect on our and our investee companies' business, financial condition, results of operations or prospects.

Legal Proceedings

In the normal course of business we may be subject to lawsuits, claims, regulatory proceedings, and litigation for amounts not covered by our liability insurance. Some of these proceedings could result in significant costs, whether or not resolved in our favour.

Analyst reports

The trading price of our listed securities will be influenced by the research and other reports that industry or securities analysts publish about us, our business, our market or our competitors. If any of the analysts who cover us changes his or her recommendation regarding our listed securities adversely, or provides more favourable relative recommendations about our competitors, the price of our listed securities would likely decline. If any analyst who covers us were to cease such coverage or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the price of our listed securities or trading volumes to decline.

Volatility of Price of Listed Securities

Securities markets throughout the world are cyclical and, over time, tend to undergo high levels of price and volume volatility. A publicly traded company will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which our listed securities will trade cannot be predicted. The market price of our listed securities could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the results of any public announcements we make, general economic conditions, and other factors. Increased levels of volatility and resulting market turmoil may adversely impact the price of our listed securities. If, as we expect, we are required to access capital markets to carry out our development objectives, the state of domestic and international capital markets and other financial systems could affect our access to, and cost of, capital. Such capital may not be available on terms acceptable to us or at all, and this could have a material adverse impact on our business, financial condition, results of operations or prospects.

Dilution

We anticipate that we will be required to conduct additional equity financings in order to finance additional royalty purchases and develop our business as currently planned. Any further issuance of equity shares pursuant to such equity financings will dilute the interests of existing shareholders, and existing shareholders will have no pre-emptive rights in connection with any such future issuances.

No Guarantee as to Timing or Amount of Dividends

Holders of our common shares do not have a right to dividends on such shares unless declared by our board of directors (the "**Board**"). The declaration of dividends is at the discretion of our Board, even if we have sufficient funds, net of our liabilities, to pay such dividends, and the declaration of any dividend will depend on our financial results, cash requirements, future prospects and other factors deemed relevant by our Board.

We may not declare or pay a dividend if there are reasonable grounds to believe that (i) we are, or after the payment would be, unable to pay our liabilities as they become due, or (ii) the realizable value of our assets would thereby be less than the aggregate of our liabilities, including those arising in the ordinary course of business. Dividends are not guaranteed and may fluctuate or be reduced or eliminated. There can be no assurance as to the levels of dividends to be paid by us, if any. The market value of our common shares may deteriorate if we are unable to pay dividends in accordance with our dividend strategy, or not at all, and such deterioration may be material.

Foreign Account Tax Compliance

The *Foreign Account Tax Compliance Act* ("**FATCA**") is U.S. tax legislation that came into effect on July 1, 2014. FATCA generally imposes certain U.S. reporting and information gathering requirements,

as well as a 30 percent withholding tax applied to certain payments received by a "foreign financial institution".

Specifically with respect to a Canadian entity, FATCA (as modified by the intergovernmental agreement between Canada and the United States, the "IGA", and the *Income Tax Act* (Canada) and the regulations thereunder (the "Tax Act")) requires a "reporting Canadian financial institution" to, amongst other things:

- (a) report to the Canada Revenue Agency (the "CRA") certain information regarding its U.S. holders and certain U.S. persons that indirectly hold interests in such reporting Canadian financial institution (other than equity and debt interests that are regularly traded on an established securities market); and
- (b) comply with certain reporting, verification, due diligence and other procedures established by the U.S. Internal Revenue Service (the "IRS") and/or the CRA.

Further, unless a reporting Canadian financial institution complies with the FATCA reporting requirements (as modified by the IGA), it may be subject to 30 percent tax on certain payments it receives from U.S. withholding agents.

A Canadian entity that is not a financial institution generally will be a non-financial foreign entity ("NFFE"). An NFFE does not have registration requirements on the IRS portal, but may face a similar 30 percent FATCA withholding on certain payments unless it provides certain documentation to applicable withholding agents.

Pursuant to the IGA, the Tax Act and published CRA guidance, we may be a reporting Canadian financial institution. We will continuously monitor any future guidance from the IRS and/or the CRA and will comply with any future changes in guidance as they relate to us to ensure that we are fully compliant with any differing or additional requirements that such guidance may dictate.

Sale of Listed Securities by Existing Holders

If holders of our listed securities sell substantial amounts of such listed securities in the public market, the market price of such securities may decline. The perception among investors that these sales will occur could also have this effect.

DIVIDEND POLICY

The declaration of dividends is within the discretion of our Board, even if we have sufficient funds, net of our liabilities, to pay such dividends. To date, we have not paid any dividends to our shareholders. On February 6, 2015 we announced the declaration of a dividend in the amount of \$0.00416 per share to be paid on March 16, 2015 to shareholders of record of the close of business on February 27, 2015. Any future declaration of dividends will depend on our financial results, cash requirements, future prospects and other factors deemed relevant by the Board.

CAPITAL STRUCTURE

Grenville is authorized to issue an unlimited number of Common Shares without nominal or par value, and no other classes of shares. As of the date of this AIF, there are issued and outstanding: (a) 59,512,826 Common Shares; (b) Warrants to acquire 9,430,066 Common Shares; (c) options to acquire 3,364,790 Common Shares; and (d) convertible unsecured subordinated debentures (the "**Debentures**") in the aggregate principal amount of \$17,250,000, which Debentures are convertible at the holder's option at any

time prior to the close of business on the earlier of the Maturity Date (as defined below) and the business day immediately preceding the date specified by Grenville for redemption of the Debentures into Common Shares at a conversion price of \$0.92 per Common Share, subject to adjustment upon the occurrence of certain events.

Common Shares

The holders of Common Shares are entitled to dividends, if, as and when declared by the Board, to one vote per share at meetings of the shareholders of the Corporation and, upon dissolution, to share equally in such assets of the Corporation as are distributable to the holders of Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption, conversion or exchange rights, nor do they contain any sinking or purchase fund provisions or provisions permitting or restricting the issuance of additional securities or any other material restrictions. The Common Shares do not contain any provisions requiring a security holder to contribute additional capital.

Debentures

The Debentures were issued pursuant to a Convertible Debenture Indenture dated July 10, 2014 as amended pursuant to an Amended and Restated Convertible Debenture Indenture dated September 19, 2014, each between Computershare Trust Company of Canada (the "**Indenture Trustee**") and Grenville (the "**Trust Indenture**"). The Debentures bear interest from the date of issue at 8% per annum, payable semi-annually in arrears on June 30 and December 31 in each year. The Debentures have a maturity date of December 31, 2019 (the "**Maturity Date**"). The Debentures are convertible at the holder's option at any time prior to the close of business on the earlier of the Maturity Date and the business day immediately preceding the date specified by Grenville for redemption of the Debentures into Common Shares at a conversion price of \$0.92 per Common Share (the "**Conversion Price**"), being a conversion rate of 1,086.9565 Common Shares for each \$1,000 principal amount of Debentures, subject to adjustment upon the occurrence of certain events. Holders of the Debentures (each, a "**Debentureholder**") who convert their Debentures will become holders of record of Common Shares on the business day immediately following the conversion date. The Debentures are listed for trading on the TSXV under the symbol GRC.DB.

The Trust Indenture provides for adjustment of the Conversion Price in certain events, including the subdivision or consolidation of the outstanding Common Shares, the distribution of Common Shares by way of dividend or otherwise, the issuance of rights or warrants to acquire Common Shares or securities convertible into Common Shares at less than 95% of the then volume weighted average trading price of the Common Shares on the TSXV for the 20 consecutive trading days ending five trading days prior to the applicable date (the "**Current Market Price**"), and the distribution to all or substantially all holders of Common Shares of any securities or assets (other than cash dividends). The Corporation will not be required to make adjustments to the Conversion Price unless the cumulative effect of such adjustments would change the Conversion Price by at least 1%.

In the case of any reclassification of the Common Shares or a capital reorganization of the Corporation (other than a subdivision, redivision, reduction, combination or consolidation of the outstanding Common Shares) or an amalgamation, arrangement or merger of the Corporation or a similar transaction with or into any other person or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other person or other entity or a liquidation, dissolution or winding-up or other similar transaction of the Corporation, the terms of the conversion privilege shall be adjusted so that each Debenture shall, after such event, be convertible into the kind and amount of securities or assets of the Corporation or of the person or other entity resulting from such event, as the case may be, which the Debentureholder thereof would have been entitled to receive as a result of such

event if on the effective date or the record date, as the case may be, of such event the Debentureholder had been the registered holder of the number of Common Shares into which the Debenture was convertible prior to the effective date or the record date, as the case may be, of such event.

No fractional Common Shares will be issued on any conversion of the Debentures. The Corporation shall satisfy fractional interests by a cash payment equal to the Current Market Price of any fractional interest. Debentureholders will not be entitled to any rights with respect to the Common Shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on the Common Shares, other than extraordinary dividends that the board of directors of the Corporation designates as payable to the Debentureholders), but if a Debentureholder subsequently converts its Debentures into Common Shares, such holder will be subject to all changes affecting the Common Shares.

The foregoing is a summary of the material provisions of the Trust Indenture, but is not, and does not purport to be, a complete summary and is qualified in its entirety by reference to the provisions of the Trust Indenture, a copy of which may be obtained on request without charge from the Chief Financial Officer of Grenville at 220 Bay Street, Suite 5000, Toronto, Ontario, M5J 2W4 or electronically on the Corporation's profile at www.sedar.com.

MARKET FOR SECURITIES

Common Shares

The Common Shares were listed on the NEX Board of the TSXV under the symbol "TVN.H" until February 21, 2014, at which time Grenville's stock symbol was changed to "GRC" following completion of the RTO on February 19, 2014. The monthly high and low trading prices and the monthly volume for the Common Shares during the 12 month period preceding the date of this AIF were as set out in the chart below. The common shares of Grenville Ontario were not listed on any stock exchange.

Month	Per Common Share		Monthly Volume
	High (\$)	Low (\$)	
February 2015 ⁽¹⁾	0.71	0.54	8,493,295
January 2015	0.64	0.55	2,355,734
December 2014	0.66	0.53	3,341,826
November 2014	0.75	0.52	8,724,552
October 2014	0.80	0.57	14,152,178
September 2014	0.94	0.66	12,974,182
August 2014	0.77	0.64	4,266,250
July 2014	0.79	0.63	7,885,139
June 2014	0.72	0.54	5,951,690
May 2014	0.55	0.47	878,662
April 2014	0.54	0.43	772,733
March, 2014	0.57	0.42	1,195,122
February 2014	0.65	0.44	1,392,586

Note:

- (1) Up to and including February 11, 2015.

Warrants

The Warrants are listed on the TSXV under the symbol "GRC.WT". The monthly high and low trading prices and the monthly volume for the Warrants from the date of issuance thereof are as set out in the chart below.

Month	Per Warrant		Monthly Volume
	High (\$)	Low (\$)	
February 2015 ⁽¹⁾	0.265	0.16	118,218
January 2015	0.20	0.16	65,152
December 2014	0.25	0.13	54,219
November 2014	0.32	0.20	15,108
October 2014	0.38	0.22	103,384
September 2014	0.45	0.22	96,596
August 2014	0.31	0.26	167,561
July 2014	0.35	0.22	78,683
June 2014	0.33	0.16	245,104
May 2014	0.20	0.11	10,545
April 2014	0.20	0.16	92,890
March 2014	0.25	0.165	139,320
February 2014 ⁽²⁾	0.20	0.07	87,007

Notes:

- (1) Up to and including February 11, 2015.
- (2) The Warrants commenced trading on February 21, 2014.

Debentures

The Debentures are listed on the TSXV under the symbol "GRC.DB". The monthly high and low closing prices and the monthly volume for the Debentures from the date of issuance thereof are as set out in the chart below.

Month	Per Debenture		Monthly Volume
	High (\$)	Low (\$)	
February 2015 ⁽¹⁾	96.00	94.99	219,000
January 2015	97.51	90.02	322,000
December 2014	98.50	96.55	308,000
November 2014	102.00	98.49	469,000
October 2014	111.94	100.76	623,000
September 2014	103.96	98.50	2,555,000
August 2014	99.94	97.75	1,307,000
July 2014 ⁽²⁾	100.75	96.99	1,461,000

Notes:

- (1) Up to and including February 11, 2015.
- (2) The Debentures commenced trading on July 10, 2014.

PRIOR SALES

The following table describes all issuances of: (a) Common Shares; (b) options to acquire Common Shares; (c) Warrants to acquire Common Shares; (d) special warrants to acquire Common Shares (each, a "Special Warrant"); (e) Common Shares issued on exercise of Special Warrants; and (f) Debentures convertible into Common Shares, that have occurred in the 12 months immediately preceding the date of this AIF:

Date	Type of Security	Number of Securities	Price Per Security Issued or to be Issued (or Exercise Price per Security, where applicable)
February 11, 2015	Common Shares ⁽⁴⁾	68,615	\$0.42
February 10, 2015	Common Shares ⁽⁴⁾	13,792	\$0.42
February 4, 2015	Common Shares ⁽⁴⁾	11,500	\$0.42
January 21, 2015	Common Shares ⁽⁴⁾	8,500	\$0.42
December 9, 2014	Common Shares ⁽⁵⁾	3,570	\$0.028
November 6, 2014	Common Shares ⁽⁴⁾	37,000	\$0.42
September 22, 2014	Common Shares ⁽⁴⁾	36,204	\$0.42
September 12, 2014	Common Shares ⁽⁴⁾	21,500	\$0.42
September 8, 2014	Common Shares ⁽⁴⁾	13,792	\$0.42
September 5, 2014	Common Shares ⁽⁵⁾	8,928	\$0.028
August 22, 2014	Common Shares ⁽⁴⁾	6,000	\$0.42
August 19, 2014	Common Shares ⁽⁴⁾	11,500	\$0.42
August 1, 2014	Common Shares ⁽⁴⁾	2,069	\$0.42
July 23, 2014	\$2,250,000 aggregate principal amount of Debentures	2,250	\$1,000 per Debenture ⁽²⁾
July 15, 2014	\$15,000,000 aggregate principal amount of Debentures	15,000	\$1,000 per Debenture ⁽²⁾
May 26, 2014	Options to acquire Common Shares	465,000	\$0.52
May 14, 2014	Common Shares underlying the Special Warrants	20,000,000	\$0.50 ⁽³⁾
April 3, 2014	Options to acquire Common Shares	1,645,000	\$0.50
March 27, 2014	Special Warrants exercisable into Common Shares	20,000,000	\$0.50
February 19, 2014	Options to acquire Common Shares ⁽¹⁾	303,341	\$0.42
February 19, 2014	Options to acquire Common Shares ⁽¹⁾	124,117	\$0.87
February 19, 2014	Options to acquire Common Shares ⁽¹⁾	344,778	\$0.58
February 19, 2014	Options to acquire Common Shares ⁽¹⁾	137,910	\$0.51
February 19, 2014	Options to acquire Common Shares ⁽¹⁾	357,143	\$0.028
February 19, 2014	Warrants to acquire Common Shares ⁽¹⁾	9,660,538	\$0.42
February 19, 2014	Common Shares ⁽¹⁾	39,269,856	\$0.42

Notes:

- (1) Issued pursuant to the terms, and in connection with the completion, of the RTO.
- (2) Each Debenture is convertible into Common Shares, at any time prior to the close of business on the earlier of December 31, 2019 or, if called for redemption, on the business day immediately preceding the date specified by the Corporation for redemption of the Debentures, at a conversion price of \$0.92 per Common Share, equal to a conversion rate of approximately 1,086.9565 Common Shares per \$1,000 principal amount of Debentures, subject to adjustment upon the occurrence of certain events.
- (3) Each Special Warrant entitled the holder thereof to receive one Common Share on the exercise of the Special Warrant for no additional consideration. All outstanding Special Warrants were converted into Common Shares on a one-for-one basis on May 14, 2014.
- (4) Issued pursuant to the exercise of an equal number of Warrants.
- (5) Issued pursuant to the exercise of an equal number of options.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table sets out the number of Common Shares, Warrants and options to acquire Common Shares held, to the knowledge of Grenville, in escrow or that are subject to a contractual restriction on transfer:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer ⁽²⁾	Percentage of class
Common Shares	5,622,562 ⁽¹⁾⁽²⁾	9.45% ⁽³⁾
Warrants	328,157 ⁽⁴⁾	3.48% ⁽⁵⁾
Options to acquire Common Shares	267,864 ⁽⁶⁾	7.96% ⁽⁷⁾

Notes:

- (1) Of this amount: (a) 4,050,000 Common Shares are held in escrow by Computershare Investor Services Inc. (the "**Escrow Agent**") pursuant to the terms of a Tier 2 value security escrow agreement executed in connection with the completion of the RTO, and will be released from escrow in six equal installments every six months, with the next release scheduled to occur on February 19, 2015; (b) 916,250 Common Shares held by 13 non-principal shareholders of Grenville are subject to TSXV seed share resale restrictions until February 19, 2105; and 656,312 Common Shares are held in escrow by the Escrow Agent pursuant to the terms of a Tier 2 surplus escrow agreement executed in connection with the completion of the RTO, and will be released from escrow in three equal installments every six months, with the next release scheduled to occur on February 19, 2015.
- (2) In addition to the Common Shares referenced above, all of the Common Shares owned or controlled, directly or indirectly, by Messrs. Tharp and Parry are subject to a contractual restriction on transfer until October 24, 2018 pursuant to the terms of lock-up agreements executed by such individuals.
- (3) Based on the total number of Common Shares outstanding of 59,512,826.
- (4) These Warrants are held in escrow by the Escrow Agent pursuant to the terms of a Tier 2 surplus escrow agreement executed in connection with the completion of the RTO, and will be released from escrow in three equal installments every six months, with the next release scheduled to occur on February 19, 2015.
- (5) Based on the total number of Warrants outstanding of 9,430,066.
- (6) These options to acquire Common Shares are held in escrow by the Escrow Agent pursuant to the terms of a Tier 2 value security escrow agreement executed in connection with the completion of the RTO, and will be released from escrow in six equal installments every six months, with the next release scheduled to occur on February 19, 2015.
- (7) Based on the total number of options to acquire Common Shares outstanding of 3,364,790.

DIRECTORS AND OFFICERS

The following table sets forth the names, municipalities of residence, positions held with and principal occupations of the directors and executive officers of Grenville and, if a director, the year in which the person first became a director:

Name and Municipality of Residence	Position with Grenville	Principal Occupation during the Previous Five Years ⁽¹⁾	Director Since
William R. Tharp ⁽²⁾ Toronto, Ontario, Canada	President, CEO and Director	See below	February 19, 2014
Steven Parry ⁽³⁾ Tiny, Ontario, Canada	Chairman and Director	See below	February 19, 2014
Paul De Luca ⁽³⁾ Toronto, Ontario, Canada	Director	See below	February 19, 2014

Name and Municipality of Residence	Position with Grenville	Principal Occupation during the Previous Five Years⁽¹⁾	Director Since
Catherine McLeod-Seltzer ⁽³⁾⁽⁴⁾⁽⁵⁾ West Vancouver, British Columbia, Canada	Director	See below	May 23, 2008
Andrea Zaradic ⁽⁴⁾ North Vancouver, British Columbia, Canada	Director	See below	June 6, 2012
Gaston Tano ⁽²⁾ Toronto, Ontario, Canada	Director	See below	April 16, 2014
Paul B. Sweeney ⁽²⁾⁽⁴⁾ Vancouver, British Columbia, Canada	Director	See below	April 16, 2014
Donnacha Rahill Toronto, Ontario, Canada	CFO	See below	N/A
Kevin Jarrett Toronto, Ontario, Canada	VP Investments and Corporate Secretary	See below	N/A
Oleg Dubrovsky Toronto, Ontario, Canada	Controller	See below	N/A

Notes:

- (1) Please see "Directors and Executive Officers" below for a description of principal occupations within the five years preceding the date of this AIF.
- (2) Member of the Audit Committee.
- (3) Member of the Corporate Governance and Nominating Committee.
- (4) Member of the Compensation Committee
- (5) Ms. McLeod-Seltzer also owns or controls 699,068 Warrants.

The directors of the Corporation are elected at each annual meeting of shareholders and hold office until the next annual meeting of shareholders, or until a successor is elected or appointed.

As at February 11, 2015, the directors and executive officers of the Corporation as a group beneficially owned, or controlled or directed, directly or indirectly, a total of 7,611,107 Common Shares, representing approximately 12.79% of the total number of Common Shares outstanding.

Directors and Executive Officers

The following are brief biographies of the directors, executive officers and senior management of Grenville:

William R. Tharp, Chief Executive Officer, President and Director, age 53. Mr. Tharp is the founder of Climate Change Infrastructure, a 20-year old pioneer in the financial markets focused on the low-carbon, water-constrained, alternative energy and efficiency marketplace. Climate Change Infrastructure's wholly owned subsidiary, Quantum Leap Asset Management Limited, launched and managed the E2 Venture Fund Inc., the alternative energy & efficiency portion of the Covington Venture Fund Inc., Venture Partners Balance and Equity Funds, First Asset Renewable Power Funds Series I, II & III, which became Sprott Power, and Quantum Leap Mortgage Investment Fund. Between these Funds, over \$600,000,000 in investment was mobilized with strong investment returns. Notable investments include RuggedCom (lead investor), Ventus Wind Energy, Trilliant Networks and Clean Energy Developments. Mr. Tharp has

over 10 years' experience in merchant banking in both Canada and the United Kingdom and almost 20 years as an entrepreneur working principally in the alternative energy and efficiency marketplace. In 2012, Mr. Tharp received The Environmental Responsibility Leadership Award from The CEO Global Network and in 2014 was a recipient of the Arbor Award from the University of Toronto.

Steven Parry, Executive Chairman, age 59. Mr. Parry previously worked as Managing Director at NGEN Partners, one of the original cleantech funds in the U.S. (founded in 2001). At NGEN, Mr. Parry assisted in raising over \$500,000,000 over three funds and acted as lead investor in highly ranked companies in renewables, powertech, pollution abatement, water and energy efficiency. Notable investments include DIRTT Environmental Solutions (TSX:DRT) (Chairman) and Fallbrook Technologies (Lead Director). Mr. Parry has developed comprehensive experience as a manager, developer and mentor of deal generation teams in both operational and finance organizations. Prior to his career in venture capital, Mr. Parry spent over twenty years as a professional in the resource industry, including engagement as manager for the BHP Billiton junior exploration investment program and CEO/President of two Canadian public companies. He is a recipient of the Canada 125 Medal for his activist work on behalf of Canadian resource communities. Mr. Parry is a dual U.S.-Canadian citizen with a long history of trans-border value creation.

Paul De Luca, Director, age 41. Paul De Luca is the managing partner of Owens Wright LLP, a law firm in Toronto. Mr. De Luca is experienced in corporate and securities matters, with an emphasis on corporate finance, public and private mergers and acquisitions, corporate governance and venture capital transactions. Mr. De Luca has particular experience in advising public companies in connection with securities law compliance and corporate governance matters, including ongoing advice to boards of directors and special committees as well as extensive transactional experience in all areas of corporate and securities law covering a large spectrum of industries, including technology, renewable energy, mining and financial services. Mr. De Luca is a member of the Law Society of Upper Canada and holds a Bachelor of Laws from Queens University and a Master of Laws from New York University, and is currently a director of Nordex Explosives Ltd. (TSXV:NXX) and Loyalist Group Limited (TSXV:LOY).

Catherine McLeod-Seltzer, Director, age 54. Ms. McLeod-Seltzer is the Chairman of Bear Creek Mining Corporation and a recognized leader in the minerals industry for her ability to create growth-focused companies that generate significant shareholder value. Ms. McLeod-Seltzer partners with successful geological teams and has been instrumental in helping build a number of successful mineral companies in the past 20 years, including Arequipa Resources, Francisco Gold, Miramar Mining, Bear Creek Mining, Stornoway Diamonds and Peru Copper Inc. Ms. McLeod-Seltzer was named Mining Man of the Year by The Northern Miner in 1999 and in 1997 she was given the "Award for Performance" by the Association of Women in Finance. She has also held a position on the Financial Post's "Power 50" and received Canada's Most Powerful Women Top 100 Award. Ms. McLeod-Seltzer has raised more than \$600,000,000 in working capital for mining exploration in the past 20 years, and been directly involved in more than \$4 billion in corporate transactions in the mining industry. Her leadership and financial expertise, access to capital and respect from the exploration and mining community have been invaluable assets to the companies she is involved in and have created significant wealth for shareholders. Ms. McLeod-Seltzer's directorships in other publicly traded companies include Kinross Gold Corporation and Major Drilling Group International.

Andrea Zaradic, Director, age 49. Ms. Zaradic is a professional mechanical engineer with over 25 years of experience in corporate and project development. With an extensive international mining projects portfolio ranging from feasibility, through to operations prior to becoming President and CEO of Troon, she was previously VP Project Development for Keegan Resources' Esaase Gold project in Ghana, West Africa, Manager of Infrastructure development for Canico Resource Corp. on the Onca Puma nickel laterite project in Brazil and Senior Process Operations engineer for BHP Billiton's Ekati Diamond Mine.

Ms. Zaradic was VP Operations and Development for Magma Energy Corp., a renewable energy company and, as one of the founders, took the company through a highly successful IPO and acquisition of HS Orka, the largest privately held geothermal company in Iceland. Ms. Zaradic was also instrumental in the 2012 merger between Magma Energy Corp. and Plutonic Power, now Alterra Power. In addition, Ms. Zaradic has several years' experience managing automotive and stationary fuel cell development programs at Ballard power, a leading Proton Exchange Membrane Fuel Cell research and development company as well as holding a Master's degree in mechanical engineering. Ms. Zaradic is a registered Professional Engineer in the provinces of British Columbia and Ontario.

Gaston Tano, Director, age 45. Mr. Tano is a seasoned senior finance executive with over 20 years of experience in global companies. Mr. Tano has a broad based international profile including financial operations, reporting, treasury, risk management and taxation. Since August 2011, he has been the Executive Vice-President and Chief Financial Officer of Spin Master Limited, a multi-category children's entertainment company that is recognized a global growth leader within the toy industry. From October 2008 to August 2011, Mr. Tano was the Senior Vice President and Chief Financial Officer of CCL Industries Inc., a TSX-listed company that is a leading global supplier of packaging solutions to large customers in the consumer packaged goods, healthcare and consumer durable segments. Prior to that, Mr. Tano spent 13 years with Bacardi Limited, the international spirits company, in various progressing finance positions, ultimately becoming Global Corporate Controller based in the company's corporate head office in Bermuda. Mr. Tano has both Canadian Chartered Professional Accountant and U.S. Certified Public Accountant (Illinois) designations.

Paul B. Sweeney, Director, age 65. Mr. Sweeney has been an independent business consultant since May 2011. Mr. Sweeney is currently a director of Tahoe Resources Inc. (TSX: THO; NYSE: TAHO), where he is chair of the audit committee and a member of the compensation committee, and OceanaGold Corporation (TSXV: OGC), where he is a member of the audit committee and a member of the compensation committee. From May 2010 to May 2011, Mr. Sweeney was a part-time commercial advisor to Plutonic Power Corporation and subsequently Alterra Power Corp. From August 2009 to April 2010, he served as Plutonic Power Corporation's President. Mr. Sweeney was Executive Vice President, Corporate Development of Plutonic Power Corporation from October 2008 to August 2009 and was Executive Vice President, Business Development of Plutonic Power Corporation from January 2007 to October 2008. He was an independent business and financial consultant from 2005 to 2007 and was Vice President and Chief Financial Officer of Canico Resource Corp. from 2002 to 2005. Mr. Sweeney has over 35 years' experience in financial management of mining and renewable energy companies.

Donnacha Rahill, CFO, age 49. Mr. Rahill is a financial services specialist with over 20 years of experience in a number of senior finance positions in Ireland, Canada and Singapore. Mr. Rahill has a diversified experience in financial services covering leasing, life insurance and banking. Mr. Rahill has over 10 years of experience acting as CFO for companies in financial services and prior to being a CFO managing the treasury activities of 2 multi-national companies out of Ireland. Mr. Rahill was CFO for the subsidiary in Canada and Asia Pacific of De Lage Landen International (a subsidiary of Rabobank) which had significant portfolio growth during his time with the company. Mr. Rahill is a Fellow of the Institute of Chartered Accountants in Ireland and was admitted to membership in November 1987. Mr. Rahill spent six years in public practice in Ireland with BDO and Price Waterhouse.

Oleg Dubrovsky, Controller, age 61. Oleg Dubrovsky works as Financial Controller at a Toronto-based manufacturing company, and provides controllership services to a select group of clients. Mr. Dubrovsky has worked directly with Mr. Tharp since March 2003, preparing financial statements for QLAM and affiliated companies, working with auditors, banks, and the Canada Revenue Agency on a variety of matters. Mr. Dubrovsky holds a Master of Science degree in electrical engineering from Kiev Polytechnic University, is a Qualified Accountant in the UK (with five years of experience at a chartered accounting

firm), and was granted a Master Controller Certificate from Certified Management Accountants, Ontario in 2012.

Kevin Jarrett, VP Investments, age 26. Kevin Jarrett has worked directly with Mr. Tharp at Climate Change Infrastructure, primarily as an analyst at QLAM since January 2011. Prior to joining Climate Change Infrastructure, Mr. Jarrett graduated from the Richard Ivey School of Business at the University of Western Ontario in September 2010. Mr. Jarrett is highly involved in portfolio due diligence and the royalty-pricing process. Mr. Jarrett was granted a Certificate in Derivative Market Strategies by the Canadian Securities Institute in 2012, and is currently a CFA Level II Candidate.

Corporate Cease Trade Orders or Bankruptcies

Within 10 years before the date of this AIF, none of the directors or executive officers of the Corporation was a director, chief executive officer or chief financial officer of any company (including the Corporation) that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued while the person was acting in the capacity as director, chief executive officer or chief financial officer, or was subject to an order that was issued after the person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as described below, none of the directors or executive officers of the Corporation, or, to the knowledge of the Corporation, any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, are, or within 10 years prior to the date of this AIF has been, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Parry was elected as a director of Energy and Power Solutions, Inc. ("**EPS**") in 2007 as the designee of NGEN Partners. EPS provided energy efficiency solutions to the industrial market. In September 2011, EPS filed for bankruptcy protection pursuant to Chapter 11 of the U.S. Bankruptcy Code. Mr. Parry ceased to be a director in June 2011 and, in January 2012, EPS entered into settlement agreements with NGEN Partners to, among other things, release past and current officers, directors, employees and agents of NGEN Partners. In addition, Mr. Parry was elected as a director of Tioga Energy, Inc. ("**Tioga**") and SolFocus, Inc. ("**SolFocus**") as the designee of NGEN Partners. Tioga and SolFocus were providers of photovoltaic solar systems. Tioga and SolFocus conducted an assignment for the benefit of creditors in April 2013 and May 2013, respectively, and Mr. Parry ceased to be director of each upon such assignments.

None of the directors or executive officers of the Corporation, or, to the knowledge of the Corporation, any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has, within 10 years prior to the date of this AIF, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Penalties or Sanctions

No director or executive officer of the Corporation, or, to the knowledge of the Corporation, any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

- (a) penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Board Committees

Audit Committee

A copy of the Corporation's Audit Committee Charter is attached hereto as Schedule "A".

The members of the Audit Committee are Mr. Sweeney (as Chairperson), Mr. Tano and Mr. Tharp, each of whom, other than Mr. Tharp, is "independent" for the purposes of National Instrument 52-110 – Audit Committees ("**NI 52-110**"). All members of the Audit Committee are "financially literate" for the purposes of NI 52-110. Mr. Sweeney is the Chair of the Audit Committee.

All three members of the Audit Committee have been senior officers and/or directors of publicly traded companies or have been business executives, in each case with the responsibility of performing financial functions, for a number of years. In these positions, each such director has been responsible for receiving financial information relating to the entities of which they were directors, officers or executives. They have, or have developed, an understanding of financial statements generally and of how statements are used to assess the financial position of a company and its operating results. Each member of the Audit Committee also has a significant understanding of the business in which Grenville is engaged and has an appreciation for the relevant accounting principles used in Grenville's business.

Further, each member has the requisite education and experience that has provided the member with:

- an understanding of the accounting principles used by Grenville to prepare Grenville's financial statements;
- the ability to assess the general application of the above-noted principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Grenville's financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

The Audit Committee's primary responsibility is to assist the Board in discharging its oversight responsibilities with respect to financial matters and compliance with laws and regulations. The

committee's specific responsibilities with respect to its oversight of financial matters include, among other things: to select, evaluate, monitor the independence of, and recommend an auditor to the Board for appointment or reappointment, as the case may be, by Grenville's shareholders and make recommendations with respect to the auditor's compensation; to review and determine the auditor's fee and the terms of the auditor's engagement and inform the Board thereof; where the committee may deem it appropriate, to recommend to the Board that the auditor be terminated; to meet with senior management without the auditor present to discuss the performance of the auditor; to pre-approve any audit services, and any non-audit services permitted under applicable law, to be performed by the auditor; to review and approve the audit plan; to review with senior management and the auditor the annual audited consolidated financial statements, together with the auditor's report thereon and the interim financial statements, before recommending them to the Board, and review with senior management and the auditor the relevant management's discussion and analysis relating thereto; to review other financial reporting and disclosures, including earnings press releases and other press releases disclosing financial information and all other financial statements of Grenville that require approval by the Board before they are released to the public; to oversee the integrity of Grenville's financial reporting processes and disclosures, including its internal controls, disclosure controls and procedures and compliance with legal and regulatory requirements, and to report regularly to the Board on such matters; to oversee the Corporation's risk management function; to review with senior management the status of taxation matters; and to review and oversee Grenville's investment strategies and policies.

The Audit Committee reviews and pre-approves all audit and non-audit services to be provided to Grenville by its external auditors on an annual basis. Before the appointment of the external auditor for any non-audit service, the Audit Committee considers the compatibility of the service with the auditor's independence.

The following table indicates the aggregate fees billed to Grenville by its auditors in respect of its 2014 fiscal year:

Year	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
2014	\$47,750 ¹	Nil	Nil	Nil

Note:

- (1) Reflects the aggregate of the fees billed to the Corporation prior to and subsequent to the completion of the RTO.

The following table indicates the aggregate fees billed to Grenville's predecessor, Troon, by its auditors in respect of its 2013 fiscal year:

Year	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
2013	\$11,220	Nil	Nil	Nil

The following table indicates the aggregate fees billed to Grenville Ontario by its auditors in respect of its 2013 fiscal year:

Year	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
2013	\$12,000 ¹	\$12,500 ⁽¹⁾	Nil	Nil

Note:

- (1) Audit-related fees relate to fees billed by Grenville Ontario's auditors in 2013 for the preparation of the audited financial statements of Grenville Ontario for the period from incorporation (July 29, 2013) to October 31, 2013.

Grenville is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations).

Corporate Governance and Nominating Committee

The members of the Corporate Governance and Nominating Committee are Mr. De Luca (as Chairperson), Mr. Parry and Ms. McLeod-Seltzer. All of the members of the Corporate Governance and Nominating Committee, other than Mr. Parry, are independent.

The Corporate Governance and Nominating Committee's principal responsibilities include:

- developing and recommending to the Board criteria for selecting board and committee members;
- establishing procedures for identifying and evaluating director candidates, including nominees recommended by shareholders;
- identifying individuals qualified to become board members;
- recommending to the Board the persons to be nominated for election as directors and to each of the Board's committees;
- reviewing and making recommendations to the Board regarding the appointment and succession of Grenville's directors and officers;
- developing and recommending to the Board a code of business conduct and ethics and a set of corporate governance guidelines; and
- overseeing the evaluation of the Board, its committees and management.

Compensation Committee

The members of the Compensation Committee are Ms. McLeod-Seltzer (as Chairperson), Mr. Sweeney and Ms. Zaradic. All of the members of the Compensation Committee are independent.

The Compensation Committee's principal responsibilities include:

- acting in an advisory capacity to the Board;
- reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer and Executive Chairman, evaluating the performance of the Chief Executive Officer and Executive Chairman in light of those corporate goals and objectives and determining (or making recommendations to the Board with respect to) the compensation level of the Chief Executive Officer and Executive Chairman, respectively, based on this evaluation;
- making recommendations to the Board with respect to compensation, incentive-compensation plans and equity-based plans of the officers, other than the Chief Executive Officer and Executive Chairman, and directors;

- reviewing and approving, prior to public disclosure, all public disclosure on executive compensation and produce a report on executive officer compensation for inclusion in the Corporation's management information circular and proxy statement; and
- in conjunction with the Corporate Governance and Nominating Committee, overseeing the evaluation of, and report to the Board on, the performance of Grenville's management.

Conflicts of Interest

The directors of Grenville are required by applicable law to act honestly and in good faith with a view to the best interests of Grenville and to disclose any interest that they may have in any project or opportunity of Grenville. In the event that a conflict of interest arises at a meeting of the directors of Grenville, the conflict of interest must be declared and a director who declares a conflict of interest must abstain from participating and voting for or against the approval of any project or opportunity in which he has an interest. The remaining directors will determine whether or not Grenville will participate in any such project or opportunity.

To Grenville's knowledge, there are no known existing or potential conflicts of interest between Grenville and its directors, officers or other members of management as a result of their outside business interests. For information regarding transactions we have engaged in with our directors and executive officers, or affiliates or associates of our directors or executive officers, see "*Interest of Management and Others in Material Transactions*" below.

The directors and officers of Grenville are aware of the applicable law governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest. Grenville will rely upon such applicable law in respect of any conflicts of interest of its directors and officers or in respect of any breaches of duty by any of its directors or officers.

PROMOTERS

William R. Tharp and Steven Parry took the initiative in founding Grenville Ontario and arranging for its organization and, accordingly, may be considered to be promoters of Grenville. The number and percentage of Common Shares beneficially owned or controlled, directly or indirectly, by Messrs. Tharp and Parry, and the nature and amount of the items of value, including money, property, contracts, options or rights of any kind, received or to be received by Messrs. Tharp and Parry directly or indirectly from Grenville, is set out in the joint information circular of Troon and Grenville Ontario dated January 14, 2014 prepared in connection with the special meeting of shareholders of each of Troon and Grenville Ontario held on February 13, 2014.

LEGAL PROCEEDINGS

There are no ongoing legal or administrative proceedings material to Grenville or Grenville Ontario to which Grenville or Grenville Ontario is a party or to which any of their respective assets is subject, nor is Grenville or Grenville Ontario aware that any such proceedings are contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than the participation of a director of Grenville in (a) the offering of Special Warrants on March 27, 2014 and (b) the offering of Debentures on July 10, 2014, none of the (i) directors or executive officers of Grenville, (ii) shareholders of Grenville, that, to the knowledge of Grenville, beneficially own, or control, directly or indirectly, more than 10% of any class of shares of Grenville, or (iii) any associate or affiliate of the persons referred to in (i) and (ii), has any material interest, directly or indirectly, in any transaction with Grenville within the three most recently completed financial years, or during the current financial year, of Grenville that has materially affected or is reasonably expected to materially affect Grenville. Messrs. Tharp, Parry and De Luca, or affiliates thereof, were shareholders of Grenville Ontario at the time of the completion of the RTO. However, prior to the completion of the RTO, Grenville Ontario and all of its shareholders, including Messrs. Tharp, Parry and De Luca, were at arm's-length with the Corporation.

TRANSFER AGENT AND REGISTRAR

Grenville's transfer agent and registrar for the Common Shares and Warrants is Computershare Investor Services Inc. at its office at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9; telephone: 1 (800) 564-6253.

Grenville's debenture agent for the Debentures is Computershare Trust Corporation of Canada at its office at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9; telephone: 1 (800) 564-6253.

MATERIAL CONTRACTS

The only material contract entered into by Grenville or Grenville Ontario that is still in effect and is required to be filed under Section 12.2 of National Instrument 51-102 – *Continuous Disclosure Obligations* is the Trust Indenture referred to under "Capital Structure".

INTERESTS OF EXPERTS

Grenville's financial statements for the fiscal year ended December 31, 2014 have been audited by Goodman & Associates LLP. Goodman & Associates LLP has advised Grenville that it is independent of the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

In connection with the RTO, the Corporation obtained a formal valuation of the issued and outstanding shares of Grenville Ontario as at November 15, 2013 pursuant to a valuation report dated December 6, 2013 prepared by Evans & Evans, Inc. (the "**Valuation Report**"). As at the date of the Valuation Report, the designated professionals of Evans & Evans, Inc., as a group, owned beneficially, directly or indirectly, less than one percent of the outstanding Common Shares. Evans & Evans, Inc. did not receive, nor will they receive, any interest, direct or indirect, in any securities or other property of Grenville or its affiliates or associates in connection with the preparation of the Valuation Report.

ADDITIONAL INFORMATION

Additional information concerning Grenville and Grenville Ontario, including directors' and officers' remuneration and indebtedness, principal holders of Grenville's securities and securities authorized for issuance under Grenville's equity compensation plans, is contained in the information circular of Grenville dated July 21, 2014 prepared in connection with the annual and special meeting of the shareholders of Grenville held on August 19, 2014.

Additional financial information concerning Grenville and Grenville Ontario, including Grenville's audited financial statements, the notes thereto, the auditor's report thereon and related management's discussion and analysis for the year ended December 31, 2014, can be found on Grenville's profile on SEDAR at www.sedar.com.

SCHEDULE "A"

CHARTER OF THE AUDIT COMMITTEE

GRENVILLE STRATEGIC ROYALTY CORP.

1. Objectives

The Audit Committee (the "Committee") is appointed by the board of directors (the "Board") of Grenville Strategic Royalty Corp. (the "Corporation") to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting issues and issues relating to the appointment and review of the auditor for the Corporation.

The Committee acknowledges the corporate governance guidelines issued by the Canadian Securities Administrators in National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101") and National Policy 58-201 Corporate Governance Guidelines ("NP 58-201"), and other regulatory provisions as they pertain to financial reporting and accounting matters. The objective of the Committee is to review, monitor and promote appropriate accounting practices of the Corporation.

The Audit Committee (the "Committee") is responsible for assisting the board of directors of the Corporation (the "Board") in general oversight and monitoring of:

- (i) the integrity of the Corporation's consolidated financial statements;
- (ii) the Corporation's compliance with applicable legal and regulatory requirements related to financial reporting;
- (iii) the qualifications, independence and performance of the Corporation's auditor;
- (iv) the design and implementation of accounting systems, internal controls and disclosure controls, including the Corporation's written disclosure policy, if any;
- (v) the review and identification of the principal risks facing the Corporation and development of appropriate procedures to monitor and mitigate such risks; and
- (vi) any additional matters delegated to the Committee by the Board.

The Committee's oversight role regarding compliance systems shall not include responsibility for the Corporation's actual compliance with applicable laws and regulations.

The Committee will continuously review and modify this Charter with regards to, and to reflect changes in, the business environment, industry standards on matters of financial reporting and accounting, additional standards which the Committee believes may be applicable to the Corporation's business, the location of the Corporation's business and its shareholders and the application of laws and policies.

2. Composition

The Committee will be comprised of not less than three directors, selected by the Board on the recommendation of the Corporate Governance and Nominating Committee. Unless otherwise permitted by applicable law, each member of the Committee will be both "independent" and "financially literate"

within the meaning of applicable securities laws including, without limitation, Multilateral Instrument 52-110 - *Audit Committees* (“MI 52-110”).

The members of the Committee shall be appointed or re-appointed by the Board on an annual basis and shall continue as members of the Committee until their successors are appointed or until they cease to be directors of the Corporation. Any member may be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to meet the qualifications set out above. The Board will fill vacancies on the Committee by appointment from among qualified members of the Board. If a vacancy exists on the Committee, the remaining members will exercise all of its powers so long as a quorum remains in office.

Each year, the Board will appoint one member who is qualified for such purpose to be Chairman of the Committee. If, in any year, the Board does not appoint a Chairman of the Committee, the incumbent Chairman of the Committee will continue in office until a successor is appointed.

3. Meetings and Minutes

(a) Scheduling

The Committee will meet as often as it determines is necessary to fulfill its responsibilities, which in any event will be not less than quarterly. A meeting of the Committee may be called by the auditor, the Chairman of the Committee, the Chairman, the Chief Executive Officer, the Chief Financial Officer or any Committee member.

Meetings will be held at a location in Canada determined by the Chairman of the Committee and notice shall be given in accordance with the provisions of the Corporation's bylaws.

(b) Notice to Auditor

The auditor is entitled to receive notice of every meeting of the Committee and, at the expense of the Corporation, to attend and be heard thereat and, if so requested by a member of the Committee, shall attend any meeting of the Committee held during the term of office of the auditor.

(c) Agenda

The Chairman of the Committee will establish the agenda for each meeting. Any member may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any meeting raise subjects that are not on the agenda for the meeting.

(d) Distribution of Information

The Chairman of the Committee will distribute, or cause the officers of the Corporation to distribute, an agenda and meeting materials in advance of each meeting to allow members sufficient time to review and consider the matters to be discussed.

(e) Attendance and Participation

Each member is expected to attend all meetings. A member who is unable to attend a meeting in person may participate by telephone or teleconference.

A portion of each meeting will be held without management (including management directors) being present.

(f) Quorum

Two members will constitute a quorum for any meeting of the Committee.

(g) Voting and Approval

At meetings of the Committee, each member will be entitled to one vote and questions will be decided by a majority of votes. In case of an equality of votes, the Chairman of the Committee will not have a second or casting vote in addition to his or her original vote.

(h) Procedures

Procedures for Committee meetings will be determined by the Chairman of the Committee or a resolution of the Committee or the Board.

(i) Transaction of Business

The powers of the Committee may be exercised at a meeting where a quorum is present in person or by telephone or other electronic means, or by resolution in writing signed by all members entitled to vote on that resolution at a meeting of the Committee.

(j) Absence of Chairman of the Committee

In the absence of the Chairman of the Committee at a meeting of the Committee, the members in attendance must select one of them to act as chairman of that meeting.

(k) Secretary

The Committee may appoint one of its members or any other person to act as secretary.

(l) Minutes of Meetings

A person designated by the Chairman of the Committee at each meeting will keep minutes of the proceedings of the Committee and the Chairman will cause an officer of the Corporation to circulate copies of the minutes to each member on a timely basis.

4. Scope, Duties and Responsibilities

The Committee is responsible for performing the duties set out below as well as any other duties at any time required by law to be performed by the Committee or otherwise delegated to the Committee by the Board:

(a) Appointment and Review of the Auditor

The auditor is ultimately accountable to the Committee and reports directly to the Committee. Accordingly, the Committee will evaluate and be responsible for the Corporation's relationship with the auditor. Specifically, the Committee will:

- (i) select, evaluate and recommend an auditor to the Board for appointment or reappointment, as the case may be, by the Corporation's shareholders and make recommendations with respect to the auditor's compensation;
- (ii) review and approve the auditor's engagement letter;
- (iii) resolve any disagreements between senior management and the auditor regarding financial reporting;
- (iv) at least annually, obtain and review a report by the auditor describing:
 - (A) the auditor's internal quality-control procedures, including the safeguarding of confidential information;
 - (B) any material issues raised by such procedures, or the review of the auditor by an independent oversight body, such as the Canadian Public Accountability Board, respecting independent audits carried out by the auditor, and the steps taken to deal with any issues raised in any such review;
- (v) meet with senior management not less than quarterly without the auditor present for the purpose of discussing, among other things, the performance of the auditor and any issues that may have arisen during the quarter; and
- (vi) where appropriate, recommend to the Board that the auditor be terminated.

(b) Confirmation of the Auditor's Independence

At least annually, and in any event before the auditor issues its report on the annual financial statements, the Committee will:

- (i) review a formal written statement from the auditor describing all of its relationships with the Corporation;
- (ii) discuss the auditor any relationships or services that may affect its objectivity and independence (including considering whether the auditor's provision of any permitted non-audit services is compatible with maintaining its independence);
- (iii) obtain written confirmation from the auditor that it is objective within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs and is an independent public accountant within the meaning of the Independence Standards of the Canadian Institute of Chartered Accountants; and
- (iv) confirm that the auditor has complied with applicable rules, if any, with respect to the rotation of certain members of the audit engagement team.

(c) Pre-Approval of Non-Audit Services

The approval of the appointment of the auditor for any non-audit service to be provided to the Corporation must be obtained from the Committee in advance; provided that it will not approve any service that is prohibited under the rules of the Canadian Public Accountability Board or the Independence Standards of the Canadian Institute of Chartered Accountants. Before the appointment of the auditor for any non-audit service, the Committee will consider the compatibility of the service with the auditor's independence. The Committee may pre-approve the appointment of the auditor for any non-audit services by adopting specific policies and procedures, from time to time, for the engagement of the auditor for non-audit services.

(d) Communications with the Auditor

The Committee has the authority to communicate directly with the auditor and will meet privately with the auditor periodically to discuss any items of concern to the Committee or the auditor.

(e) Review of the Audit Plan

The Committee will discuss with the auditor the nature of an audit and the responsibility assumed by the auditor when conducting an audit under generally accepted auditing standards. The Committee will review a summary of the auditor's audit plan for each audit and approve the audit plan with such amendments as it may agree with the auditor.

(f) Review of Audit Fees

The Committee will review and determine the auditor's fee and the terms of the auditor's engagement and inform the Board thereof. In determining the auditor's fee, the Committee will consider, among other things, the number and nature of reports to be issued by the auditor, the quality of the internal controls of the Corporation, the size, complexity and financial condition of the Corporation and its subsidiaries and the extent of support to be provided to the auditor by the Corporation.

(g) Review of Consolidated Financial Statements

The Committee will review and discuss with senior management and the auditor the annual audited consolidated financial statements, together with the auditor's report thereon and the interim financial statements, before recommending them for approval by the Board. The Committee will also review and discuss with senior management and the auditor management's discussion and analysis relating to the annual audited financial statements and interim financial statements, where applicable. The Committee may also, if it so elects, engage the auditor to review the interim financial statements prior to the Committee's review of such financial statements.

(h) Review of Other Financial Information

The Committee will review:

- (i) all earnings press releases and other press releases disclosing financial information, as well as all financial information and written earnings guidance provided to analysts and rating agencies;
- (ii) all other financial statements of the Corporation that require approval by the Board before they are released to the public, including, without limitation, financial statements for use in

prospectuses or other offering or public disclosure documents and financial statements required by regulatory authorities; and

- (iii) disclosures made to the Committee by the Chief Executive Officer and Chief Financial Officer during their certification process for applicable securities law filings by the Corporation (where applicable) about any significant deficiencies and material weaknesses in the design or operation of the Corporation's internal controls over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize and report financial information, and any fraud involving senior management or other employees who have a significant role in the Corporation's internal control over financial reporting.

(i) Oversight of Internal Controls and Disclosure Controls

The Committee will review periodically with senior management of the Corporation the adequacy of the internal controls and procedures that have been adopted by the Corporation and its subsidiaries to safeguard assets from loss and unauthorized use and to verify the accuracy of the financial records. The Committee will review any special audit steps adopted in light of material control deficiencies or identified weaknesses.

The Committee will review with senior management of the Corporation the controls and procedures that have been adopted by the Corporation to confirm that material information about the Corporation and its subsidiaries that is required to be disclosed under applicable law or stock exchange rules is disclosed.

(j) Legal Compliance

The Committee will review any legal matters that could have a significant effect on the Corporation's financial statements.

(k) Risk Management

The Committee will oversee the Corporation's risk management function and, on a quarterly basis, will review a report from senior management describing the major financial, legal, operational and reputational risk exposures of the Corporation and the steps senior management has taken to monitor and control such exposures.

(l) Taxation Matters

The Committee will review with senior management the status of taxation matters of the Corporation.

(m) Employees of the Auditor

The Committee will review and approve policies for the hiring by the Corporation of any partners and employees and former partners and former employees of the present or former auditor.

(n) Evaluation of Financial and Accounting Personnel

The Committee will have direct responsibility to:

- (i) develop a position description for the Chief Financial Officer, setting out the Chief Financial Officer's authority and responsibilities, and present it to the Corporate Governance and Nominating Committee and Board for approval;
- (ii) review and approve the goals and objectives that are relevant to the Chief Financial Officer's compensation and present the same to the Corporate Governance and Nominating Committee and Board for approval;
- (iii) evaluate the Chief Financial Officer's performance in meeting his or her goals and objectives;
- (iv) review and assess the performance of the Corporation's financial and accounting personnel; and
- (v) recommend to the Corporate Governance and Compensation Committee and Board remedial action where necessary.

(o) Signing Authority and Approval of Expenses

The Committee will determine the signing authority of officers and directors in connection with the expenditure and release of funds. The Committee will also review the Chief Executive Officer's and Chief Financial Officer's expense statements. Director expense statements will be reviewed by the Chief Executive Officer. Where the Chief Executive Officer thinks it advisable, he or she may request that the Committee review director expense statements.

5. Complaints Procedure

The Committee will administer the Corporation's Whistleblower Policy for the receipt, retention and follow-up of complaints received by the Corporation regarding accounting, internal controls, disclosure controls or auditing matters and the confidential, anonymous submission of concerns by employees of the Corporation regarding such matters.

6. Reporting

The Committee will regularly report to the Board on:

- (i) the auditor's independence, engagement and fees;
- (ii) the performance of the auditor and the Committee's recommendations regarding its reappointment or termination;
- (iii) the adequacy of the Corporation's internal controls and disclosure controls;
- (iv) the Corporation's risk management procedures;
- (v) its recommendations regarding the annual and interim financial statements of the Corporation, including any issues with respect to the quality or integrity of the financial statements;
- (vi) its review of any applicable annual and interim management's discussion and analysis;

- (vii) any complaints made under, and the effectiveness of, the Corporation's Whistleblower Policy;
- (viii) the Corporation's compliance with applicable legal and regulatory requirements related to financial reporting; and
- (ix) all other significant matters it has addressed or reviewed and with respect to such other matters that are within its responsibilities, together with any associated recommendations.

7. Assessment

At least annually, the Corporate Governance and Nominating Committee will review the effectiveness of the Committee in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with the mandate adopted by the Board.

8. Review and Disclosure

The Committee will review this Charter at least annually and submit it to the Corporate Governance and Nominating Committee together with any proposed amendments. The Corporate Governance and Nominating Committee will review the Charter and submit it to the Board for approval with such further proposed amendments as it deems necessary and appropriate.

9. Access to Outside Advisors and Records

The Committee may retain independent counsel and any outside advisor at any time and has the authority to determine any such advisors' fees and other retention terms. The Committee, and any outside advisors retained by it, will have access to all records and information, relating to the Corporation and all their respective officers, employees and agents which it deems relevant to the performance of its duties.