Grenville Strategic Royalty Corp (formally Troon Ventures Ltd.)

Interim Condensed Consolidated Financial Statements

For the Three Months Ended June 30, 2014

(Unaudited)

Grenville Strategic Royalty Corp. (formally Troon Ventures Ltd.)

Interim Condensed Consolidated Statements of Financial Position

[Unaudited] (Canadian dollars)

	Note	June 30, 2014	December 31, 2013
Assets			
Current Assets			
Cash and cash equivalents		$ 7,002,856	$ 593,417
Accrued interest and royalty payment receivable		215,180	20,606
Loan receivable – current portion		97,756	125,944
Receivable from tax authorities		607,085	166,036
Deposit and Prepaid expense		158,612	506,663
Total Current Assets		**8,081,489**	**1,412,666**
Non-Current Assets			
Loan receivable – long term		$ 59,607	$ 90,462
Equipment		8,310	-
Royalty agreements acquired		10,223,263	1,673,763
Total Non-Current Assets		**10,291,180**	**1,764,225**
Total Assets		**$ 18,372,669**	**$ 3,176,891**
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities		$ 209,147	$ 210,715
Shareholders' Equity (details included in Note 6)			
Share Capital		20,888,591	3,075,032
Warrants		1,044,074	-
Contributed Surplus		245,569	-
Accumulated Deficit		(4,014,712)	(108,856)
Total Shareholders' Equity		**18,163,522**	**2,966,176**
Total Liability and Shareholders' Equity		**$ 18,372,669**	**$ 3,176,891**

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors on August 17, 2014:

"William R. Tharp"
William R. Tharp, Director

"Steve Parry"
Steve Parry, Director

Grenville Strategic Royalty Corp. (formally Troon Ventures Ltd.)

Interim Condensed Consolidated Statement of Comprehensive Loss

[Unaudited] (Canadian dollars)

	Note	Three Months ended June 30, 2014	Six Months ended June 30, 2014	Period July 29 to December 31 2013 (audited)
Revenue				
Interest income on loans		$ 10,582	$ 23,047	$ 24,651
Royalty payment income		314,997	440,875	27,301
Other income		31,511	40,239	-
Total Revenue		**357,090**	**504,161**	**51,952**
Expenses				
Salaries, benefits and other staffing costs		$ 199,031	$ 627,299	$ -
Management and facility fees		33,695	64,982	45,000
Share-based payments	**10**	115,510	2,809,443	-
Foreign exchange loss, net		130,527	125,476	-
Professional fees	**11**	19,440	635,452	94,859
Consulting fees		27,938	54,988	9,200
Travel and entertainment		21,601	39,356	9,584
Insurance		5,257	6,195	1,037
Bank fees		1,311	2,454	489
Office supplies and other expenses		9,540	11,624	639
Repair and maintenance		7,063	11,196	-
Seminar and conference		10,192	20,192	-
Miscellaneous		595	1,360	-
Total operating expense		**581,700**	**4,410,017**	**160,808**
Loss before income taxes		**(224,610)**	**(3,905,856)**	**(108,856)**
Income Taxes				
Current income tax expense		-	-	-
Deferred income tax expense		-	-	-
Total Income Taxes		**-**	**-**	**-**
Loss and total comprehensive loss for period		**(224,610)**	**(3,905,856)**	**(108,856)**
Loss per share				
Basic and diluted loss per share		$ (0.0057)	$ (0.1147)	$ (0.0083)
Basic and diluted weighted average number of shares outstanding		39,269,856	34,039,280	13,052,403

See accompanying notes to financial statements.

Grenville Strategic Royalty Corp. (formally Troon Ventures Ltd.)

Interim Condensed Consolidated Statement of Changes in Equity

[Unaudited] (Canadian dollars)

	Number of shares	Note	Share Capital	Warrants	Contributed surplus	Accumulated deficit	Total
Proceeds on share issue	28,046,338		$ 3,087,332				$3,087,332
Share issue costs			(12,300)				(12,300)
Net loss for the period						(108,856)	(108,856)
Balance, December 31, 2013	**28,046,338**		**3,075,032**	**-**	**-**	**(108,856)**	**2,966,176**
Common shares exchanged and issued on the RTO	11,223,518	**5 & 6**	8,762,122				8,762,122
Stock warrants issued as part of RTO		**5 & 6**		1,044,074			1,044,074
Share-based payment as part of consideration of the RTO		**6**			87,442		87,442
Share-based payment for services provided		**6**			158,127		158,127
Special warrants issued		**6**		10,000,000			10,000,000
Special warrants issue costs		**6**		(767,862)			(767,862)
Special warrants converted to common shares	20,000,000		9,232,138	(9,232,138)			-
Share issue costs			(180,701)				(180,701)
Loss for the period						(3,905,856)	(3,905,856)
Balance, June 30, 2014	**59,269,856**		**$ 20,888,591**	**$1,044,074**	**$ 245,569**	**$ (4,014,712)**	**$18,163,522**

See accompanying notes to financial statements.

Grenville Strategic Royalty Corp. (formally Troon Ventures Ltd.)

Interim Condensed Consolidated Statement of Cash Flows

[Unaudited] (Canadian dollars)

	Note	Six months ended June 30, 2014	Period July 29 to December 31, 2013 (audited)
Cash flows from operating activities			
Total comprehensive loss for the period		$ (3,905,856)	$ (108,856)
Share-based payments		2,809,443	7,000
Depreciation		596	-
Unrealized Foreign exchange differences		121,215	-
Changes in non-cash operating working capital items	**13**	(8,584,912)	(2,372,759)
Net Cash flows used in Operating Activities		**(9,559,514)**	**(2,474,615)**
Cash flows from financing activity			
Issuance of common shares, net of costs		9,051,436	3,068,032
Cancellation of company shares prior to reverse takeover	**5**	(8,818)	-
Net Cash flows from Financing Activities		**9,042,618**	**3,068,032**
Cash flows from investing activity			
Purchase of equipment		$ (8,906)	-
Net increase in cash during the period		**(525,802)**	**593,417**
Cash acquired as part of reverse takeover		6,935,241	-
Cash and cash equivalents, beginning of period		593,417	-
Cash and cash equivalents , end of period		**$ 7,002,856**	**$ 593,417**

See accompanying notes to financial statements.

Grenville Strategic Royalty Corp. (formally Troon Ventures Ltd.)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) in Canadian dollars, for the period ending June 30, 2014

1. Corporate information

Grenville Strategic Royalty Corp., an Ontario predecessor to Grenville Corporation ("Grenville Ontario"), was incorporated on July 29, 2013. On February 19, 2014, Grenville Strategic Royalty Corp. amalgamated with 2399579 Ontario Inc. to form Grenville Ontario. As a result of the amalgamation, Grenville Ontario became a wholly-owned subsidiary of Troon Ventures Ltd., a British Columbia corporation, which was then renamed Grenville Strategic Royalty Corp. ("Company"). The registered office of the Company is located at 1200-750 W. Pender Street, Vancouver, British Columbia V6C 2T8.

The Company has one wholly owned subsidiary, Grenville Ontario. The Company buys royalty interests in the revenue generated by small and medium sized businesses operating across a wide range of industry sectors.

2. Basis of preparation

The financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. The functional and presentation currency is the Canadian dollar. Amounts are stated in and recorded to the nearest Canadian dollar except where otherwise indicated.

Statement of compliance

These unaudited interim condensed financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and based on the principles of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), London, and the Interpretations of the International Financial Reporting interpretations Committee (IFRIC).

These unaudited interim condensed consolidated financial statements do not include all of the information required for full financial statements and should be read in conjunction with the financial statements of Grenville Ontario for the period ended December 31, 2013 which under Note 2, include the Company's significant accounting policies. Accordingly, the accounting policies are the same as those applied in Grenville Ontario's annual financial statements. As Grenville Ontario only commenced operations in July 2013, there are no available comparisons for the 3 month period ended June 30, 2013 and 6 month period ended June 30, 2013. As a result, these unaudited interim condensed financial statements are using the audited financial statements for the period July 29 to December 31, 2013 as the comparison.

The financial statements were approved and authorized by the Board of Directors on August 17, 2014.

3. Significant accounting judgements, estimates, and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, and the disclosure of contingent liabilities, at the end of the reporting periods. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

Royalty agreements acquired

For the royalty agreements acquired the term of the agreement is normally perpetual and the royalty amount received can be dependent on the revenues of the investee. As a result uncertainties exist as to how long the agreements will exist and the royalty payment income that will be received. In order to determine the effective interest rate that will apply for the entire term of the agreement the Company must estimate the expected cash flows based on the Company's experience of such investments and the investee's historical cash flows. At the end of each quarter the Company will review the estimated cash flows to see if they need to be revised based on the actual level of cash flows received.

Fair value of stock options and warrants

Determining the fair value of stock options and warrants requires judgments related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of equity.

4. Significant accounting policies

The same accounting policies and method of computation are followed in the unaudited interim condensed consolidated financial statements as compared with Grenville Ontario's audited consolidated financial statements including the notes for the period ended December 31, 2013.

As a result of the reverse take-over (RTO) (see note 5 for more details), the Company has adopted in the current period IFRS 10 Consolidated *Financial Statements* and in particular the definition of control. The definition focuses on the need to have both power and variable returns before control is present. Applying this revised definition meant that for the RTO Grenville Ontario is the accounting acquirer even though the Company was the legal acquirer. As a result of the RTO the Company's consolidated financial statements are a continuation of Grenville Ontario's financial statements.

(Unaudited) in Canadian dollars, for the period ending June 30, 2014

At the date of authorization of these financial statements, certain new standards, amendments, and interpretations to existing IFRS standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments, and interpretations that are expected to be relevant to the Corporation's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

The IASB has and will issue a collection of amendments as part of its annual project "Improvements to IFRSs." The amendments address details of the recognition, measurement, and disclosure of business transactions and serve to standardize terminology. They consist mainly of editorial changes to existing standards. Except as otherwise specified, the amendments, which have not yet been endorsed, are to be applied for annual periods beginning on or after January 1,, 2014. They will not have a material impact on the presentation of the Company's financial position or results of operations.

In November 2009, the IASB issued IFRS 9 *Financial Instruments*, which addresses the classification and measurement of financial assets. The new standard defines two instead of four measurement categories for financial assets, with classification to be based partly on the Company's business model and partly on the characteristics of the contractual cash flows from the respective financial asset. An embedded derivative contained in a financial asset will no longer have to be assessed for possible separate accounting treatment. Application of IFRS 9 is mandatory though the effective date is not yet established. However the effective date will not be any earlier than January 2016. The impact of the new standard will mean that the Company's loan receivable and royalty agreements acquired will be subsequently measured at fair value and the changes in fair value will be reflected in the statement of comprehensive income and loss. This change will not impact the cash flows generated by the Company's activities but could have a material presentation impact in the financial statements.

5. Reverse Takeover

The reverse take-over (RTO) was completed on February 19, 2014 between Grenville Ontario and Troon Ventures Ltd on the following basis:

- the Company shareholders received 0.69 of a common share of the Company and 0.34 of a transferable share purchase warrant ("Share Warrant") for each common share that they owned. Each Share Warrant is convertible into one common share at an exercise price of $0.42 within two years of the completion of the RTO;
- the 880,000 outstanding stock options of the Company were replaced for new stock options based on an exchange ratio of 0.69. Each option holder also received an additional stock option exercisable for a period of two years at an exercise price of $0.42 per common share reflecting similar terms being offered by the Share Warrant;
- Grenville Ontario shareholders received one common share of the Company in consideration for each common share of Grenville Ontario held by them;
- the 357,143 stock options outstanding in Grenville Ontario at a price of $0.028 per share were exchanged for stock options of the Company at the same price and on the same terms;
- upon completion of the RTO there were 39,269,856 common shares issued and outstanding of which 19,321,106 were held by the previous holders of the Company's common shares. All 9,660,538 Share Warrants were held by previous holders of the Company's common shares; and
- the Company changed its name from Troon Ventures Ltd to Grenville Strategic Royalty Corp. and now trades on the TSX Venture Exchange under the symbol "GRC".

In accordance with the guidance under *IFRS 3 Business Combinations,* the substance of the transaction is a reverse take-over of a non-operating entity. The Company's activities prior to the RTO were limited to the management of cash resources and the maintenance of its listing and accordingly the transaction did not constitute a business combination. As a result as the Company has granted equity instruments the transaction was considered a capital transaction, with Grenville Ontario been identified as the accounting acquirer and the equity consideration been measured at fair value in accordance with the guidance under *IFRS 3 Business Combinations*. As a result, as Grenville Ontario has obtained control, the Company's consolidated financial statements are a continuation of Grenville Ontario's financial statements and the difference between the fair value of the consideration and the net identifiable assets are recognized as a RTO transaction expense in the statement of comprehensive loss under Share-based payments.

Based on the statement of financial position of the Company at the time of the RTO, the net assets at fair value were $7,251,140 made up as follows:

Cash and cash equivalents	$ 6,935,241
Other assets	395,182
Accounts payable and accrued expenses	(79,283)
Total	**$ 7,251,140**

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) in Canadian dollars, for the period ending June 30, 2014

The fair value of the consideration and the RTO transaction expense recognized in comprehensive loss was calculated as follows:

Consideration:

Fair value of 19,321,106 common shares included in the exchange on February 19, 2014	$	8,762,122
Fair value of 9,660,538 warrants issued on February 19, 2014		1,044,074
Fair value of 910,146 replacement stock options vested on February 19, 2014 (**Note 6**)		87,442
Amount paid to cancel shares of the Company prior to RTO		8,818
Total	**$**	**9,902,456**
Identifiable assets acquired (see above)		7,251,140
RTO transaction expense (Note 10)	**$**	**2,651,316**

6. Share capital and other components of equity

Common shares

The authorized share capital of the Company consists of an unlimited number of voting common shares without par value. The issued and outstanding common shares at June 30, 2014 were 39,269,856 (December 31 2013: 28,046,338). The following was the movement in the number of issued common shares on the date of the RTO:

19,321,106 new common shares were exchanged for 28,046,338 existing common shares of the Company (**Note 5**)	(8,725,232)
19,948,750 common shares were issued to the shareholders of Grenville Ontario (**Note 5**)	19,948,750
Total	**11,223,518**

On May 15, 2014, 20,000,000 special warrants were converted into 20,000,000 common shares. No additional proceeds were received on the date of conversion and there were costs of $180,701 incurred in converting the special warrants into common shares.

Special Warrants

20,000,000 special warrants were issued on March 27, 2014 on a "bought deal" private placement basis at a price of $0.50 per special warrant for aggregate gross proceeds of $10,000,000. The issuing costs of the special warrants were $767,862.

Each Special Warrant is exercisable by the holder into one common share of the Company. Any unexercised Special Warrants were deemed to be exercised, with no further action on the part of the holder, on May 15, 2014 which was the third business day after the date on which a receipt for a final prospectus has been issued by applicable securities regulators.

Share Warrants

The details of the Share Warrants issued during the period and outstanding at June 30, 2014 (December 31, 2013: -) are:

Issue date	Number of Warrants outstanding	Exercise price	Expiry date	Remaining contractual life (years)
February 19, 2014	9,660,538	$0.42	February 19, 2016	1.64

Each Share Warrant is convertible into one common share of the Company. The fair value of the Share Warrants issued during the period was estimated at the date of issue using the Black-Scholes Option Pricing Model using the following assumptions:

Expected stock price volatility		35.45%
Expected life		2
Risk free interest rate		1%
Expected dividend yield		0%
Weighted average fair value per warrant granted	$	0.1081

Grenville Strategic Royalty Corp. (formally Troon Ventures Ltd.)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) in Canadian dollars, for the period ending June 30, 2014

Stock Options

The purpose the Company's Stock Option Plan ("the "Plan") is to develop the interest of and provide an incentive to eligible employees, directors and consultants of the corporation and its affiliates. The Plan provides for the issuance of a maximum of 10% of the issued and outstanding common shares. Options granted may vest over certain time periods within the option period, which will limit the number of options that may be exercised. Each stock option is exercisable into one common share of the Company at the price specified in the terms of the option.

The details of the options granted during the period and outstanding at June 30, 2014 (December 31, 2013: 357,143) are:

Issue Date	Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date	Remaining contractual life
February 19, 2014	303,341	303,341	$0.42	February 19, 2016	1.89
February 19, 2014	124,117	124,117	$0.87	February 19, 2016	1.89
February 19, 2014	344,778	344,778	$0.58	June 13, 2017	3.20
February 19, 2014	137,910	137,910	$0.51	March 13, 2018	3.95
February 19, 2014	357,143	89,286	$0.028	August 1, 2018	4.34
April 3, 2014	1,645,000	411,250	$0.50	April 3, 2014	4.76
May 26, 2014	465,000	116,250	$0.52	May 26, 2014	4.90
Total	**3,377,289**	**1,526,932**			
Weighted average exercise price	**$0.4678**	**$0.5070**			

Share-based payments

The Company uses the Black-Scholes option pricing model to calculate the fair value of the options granted during the period. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. The following weighted average assumptions were used to estimate the weighted average grant date fair value:

Assumption		
Expected stock price volatility		35.93%
Expected life		4.45
Risk free interest rate		1.61%
Expected dividend yield		0%
Weighted average fair value per option granted	$	0.1844

Share-based payments for the 6 month period ended June 30, 2014 on stock options were as follows:

RTO transaction expense **(Note 5)**	$	87,442
For services provided **(Note10)**		158,127
Total	**$**	**245,569**

The expense recognized for services provided during the three month period ended June 30, 2014 was $115,510 (**Note 10**).

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) in Canadian dollars, for the period ending June 30, 2014

7. Fair values

Set out below is a comparison by class of the carrying amount and fair value of the Company's financial instruments that are carried in the financial statements.

Financial assets	Carrying Costs June 30, 2014	Fair Value June 30, 2014	Carrying Costs December 31, 2013	Fair Value December 31, 2013
Cash and cash equivalents	$ 7,002,856	$ 7,002,856	$ 593,417	$ 593,417
Accrued interest and royalty payment receivable	215,180	215,180	20,606	20,606
Loan receivable – current portion	97,756	97,756	125,944	125,944
Loan receivable – long term	59,607	59,607	90,462	90,462
Royalty agreements acquired	10,223,263	10,223,263	1,673,763	1,673,763
Deposit – funds held in escrow	-	-	500,000	500,000
Total Financial Assets	**17,598,662**	**17,598,662**	**3,004,192**	**3,004,192**
Financial liabilities				
Accounts payable and accrued liabilities	209,147	209,147	210,715	210,715
Total Financial Liabilities	**$ 209,147**	**$ 209,174**	**$ 210,715**	**$ 210,715**

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Receivables, deposits, accounts payable and accrued liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair value of the loan receivable and royalty agreements acquired are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk, and remaining maturities

Fair value hierarchy

The only financial instruments measured at fair value were cash and cash equivalents. All other financial assets are classified as loan and receivable and measured at amortized cost. Similarly all financial liabilities are measured at amortized cost.

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

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

The financial assets measured at fair value are by hierarchy as follows:

	Total	Level 1	Level 2	Level 3
June 30, 2014				
Cash and cash equivalents	$ 7,002,856	$ 7,002,856	-	-
December 31, 2013				
Cash and cash equivalents	$ 593,417	$ 593,417	-	-

During the reporting period there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

8. Financial risk management objectives and policies

The Company's primary risk management objective is to protect the Company's assets and cash flow. The Company is exposed to market, credit, interest rate, foreign exchange and liquidity risks. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading for speculative purposes shall be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise several types of risk: interest rate risk, currency risk, commodity price risk, and other price risk, such as equity risk.

Interest rate risk

The Company has no interest rate exposure. The Company invests surplus cash in bank deposits which, due to their short term nature, do not expose the Company to any material interest rate risks. For Loan Receivable and Royalty agreements acquired the income can vary on a monthly basis and is not a function of an underlying interest rate.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company starting in 2014 have foreign currency exposures to United States dollar and the transaction exposure will be minimized by converting all foreign currency to Canadian dollars immediately. The Company are aware that the translation exposure exists and continue to monitor the impact on its reported results. The foreign exchange exposure at June 30, 2014 was $3,608,754 in United States dollars.

Commodity price risk

The Company is not subject to price risk from fluctuations in market prices of commodities either directly or through the royalty agreements acquired.

Equity price risk

The Company has no exposure to equity price risk.

Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company enters into royalty arrangements with clients in which a purchase price is advanced in return for participation in a company's revenue stream. This can take the form of a royalty, streaming arrangement or loan, without limitation. The carrying amount of cash, loan receivable and royalty agreements acquired represents the maximum exposure to credit risk and at June 30, 2014 this amounted to $17,598,662 (December 31, 2013: $3,004,192). The cash is held by a Canadian bank which is rated A+ and the cash is invested in short term liquid investments. Since the inception of the Company, no losses have been suffered in relation to loan receivable and royalty agreements or arrears on any payments.

In monitoring credit risk, the Company considers industry, sales volume and aging trends, maturity, and other relevant factors. The Company performs ongoing credit evaluations of its customers' financial condition and limits the amount of credit extended when deemed necessary. Purchase limits established for certain accounts represent the maximum open balance permitted without approval from management. If required, the Company maintains reserves for potential credit losses relating to specific exposures.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. The Company continuously reviews both actual and forecasted cash flows to ensure that the Company has appropriate capital capacity.

The following table summarizes the amount of contractual undiscounted future cash flow requirements for financial instruments as at June 30, 2014 and December 31, 2013 respectively:

Contractual obligations	2014	2015	2016	2017	Total
Accounts payable and accrued liabilities	209,147	-	-	-	**$ 209,147**

Contractual obligations	2014	2015	2016	2017	
Accounts payable and accrued liabilities	210,715	-	-	-	**$ 210,715**

(Unaudited) in Canadian dollars, for the period ending June 30, 2014

Capital management

The Company manages its capital which consists of share capital with the primary objective of safeguarding it and providing sufficient working capital to sustain the day-to-day operations. During the period the Company raised additional capital of $10,000,000 through the issue of Special Warrants which were subsequently converted to common shares. In July 2014, the Company raised additional capital of $17,250,000 by issuing unsecured convertible debentures (**Note 14**).

The Company will continually assess the adequacy of its capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and the risk characteristics of the business.

9. Operating segment information

For management purposes, the Company activities are managed and monitored by senior management as one operating segment. The financial statements included are the same financial statements that management uses to monitor the performance of the Company.

Entity-wide information

All the Company's reported revenue is from external customers and the breakdown by country is:

	3 months period ended June 30, 2014	6 months period ended June 30, 2014	Period July 29 to December 31, 2013
Canada	$ 175,173	$ 274,244	$ 51,952
United States	181,917	229,917	-
Totals	**$ 357,090**	**$ 504,161**	**$ 51,952**

As the Company's portfolio is made up of a limited number of transactions, the royalty payment income and the interest income on loans for four investees' is greater than 10% of the total revenues.

For non-current assets, the breakdown by country is:

	June 30, 2014	December 31, 2013
Canada	$ 4,556,680	$ 1,764,225
United States	5,734,500	-
Totals	**$ 10,291,180**	**$ 1,764,225**

10. Share-based payments

The amount in the statement of comprehensive loss was made up as follows:

RTO transaction expense **(Note 5)**	$ 2,651,316
Expense recognized for services provided based on vesting conditions of stock options **(Note 6)**	158,127
Total expense recognized in comprehensive loss	**$ 2,809,443**

The amount in the statement of comprehensive loss for 3 months ended June 30, 2014 of $115,510 **(Note 6)** related to the amount recognized for services provided based on vesting conditions of stock options.

11. RTO transaction expense

Included under legal and professional expenses for the 6 month period ended June 30, 2014 is $584,881 of costs directly related to the RTO.

12. Income taxes

The Company anticipates that there are non-capital losses which may be carried forward to reduce future taxable income. A deferred tax asset will be recognized to the extent that it is probable that the non-capital losses can be used to reduce future taxable income. The Company will assess at the end of each quarter, the extent that it has become probable that future taxable profit will become available to allow such a deferred tax asset to be recognized.

13. Changes in non-cash operating working capital items

	6 months period ended June 30, 2014	Period July 29 to December 31, 2014
Loan receivable	$ 59,043	$ (216,406)
Royalty agreements acquired	(8,670,714)	(1,673,763)
Accrued interest and royal payment receivable	(194,574)	(20,606)
Receivable from tax authorities	(441,049)	(166,036)
Deposit and prepaid expense	348,051	(506,663)
Accounts payable	(1,568)	210,715
Net assets acquired net of cash and cash equivalents under the Reverse Take-over (**Note 5**)	315,899	-
Total changes in non-cash operating working capital items	**$ (8,584,912)**	**$ (2,372,759)**

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) in Canadian dollars, for the period ending June 30, 2014

14. Events after the reporting period

Royalty agreements acquired

In July 2014, the Company advanced a first installment under a royalty agreement in the amount of US$2,000,000. In August 2014, the Company entered into two new royalty agreements and the amounts advanced were $2,000,000 and US$2,000,000 respectively.

Convertible debentures

On July 10, 2014 and July 17, 2014, the Company announced that the “bought deal” prospectus offering for convertible unsecured subordinated debentures (the "**Debentures**"), that closed on July 10, 2014, resulted in an aggregate gross proceeds of $17,250,000. 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 commencing December 31, 2014. 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 the Company for redemption of the Debentures into common shares at a conversion price of $0.92 per common share, being a conversion rate of 1,086.9565 common shares for each $1,000 principal amount of Debentures.

For accounting purposes, the Debentures will be separated into their liability and equity components using the effective interest rate method. The fair value of the liability component at the time of issue will be determined based on an estimated rate for the Debentures without the conversion feature. The fair value of the equity component will be determined as the difference between the face value of the Debentures and the fair value of the liability component.

The Debentures are direct, unsecured obligations of the Company, subordinated to other indebtedness of the Company for borrowed money and ranking equally with all other unsecured subordinated indebtedness. The Debentures are not be redeemable before December 31, 2017. On or after December 31, 2017, but prior to the Maturity Date, the Company may, at its option, redeem the Debentures, in whole or in part, at a price equal to the principal amount of the Debentures plus all accrued and unpaid interest up to but excluding the date of redemption.

The Debentures are listed for trading on the TSX Venture Exchange under the symbol GRC.DB. The Company intends to use the net proceeds from the issue for the future purchase of revenue royalties in the Company's target markets.

15. Related party disclosures

A Management Agreement (“Agreement”) exists between the Company and a company controlled by one of the Directors of the Company. The base fee for the Agreement’s services is set at the rate of $10,000 per month (the “Base Fees”) plus applicable HST, together with any such increments as the Board of Directors of the Company may from time to time determine. The term of this Agreement is until December 31, 2014 (the “Term”) and subject to termination provisions. For the 3 months period ended March 31, 2014 and 6 months period ended June 30, 2014 the Company incurred $60,000 and $30,000 respectively under the Agreement.

Key management personnel

	3 months period ended June 30, 2014	6 months period ended June 30, 2014	Period July 29 to December 31, 2013
Short term employee benefits	$ 161,720	169,165	-
Share-based payments	81,513	160,184	-
Consultancy fees	24,375	35,625	-
Severance payment	-	400,000	-
Totals	**267,608**	**764,974**	**-**

The key management personnel are identified as the members of the board of directors and the officers of the Company.