

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of Grenville Strategic Royalty Corp. (formerly Troon Ventures Ltd.) ("Grenville", the "Company", "our" or "we") is for the nine months ended September 30, 2015. The information in this MD&A is current as of November 16, 2015 and should be read in conjunction with the unaudited interim condensed consolidated financial statements and notes thereto for the three months and nine months ended September 30, 2015 and the audited annual financial statements and MD&A for the year ended December 31, 2014.

The Company's unaudited interim condensed consolidated financial statements and notes thereto for the nine months ended September 30, 2015 have been prepared based on the principles of International Financial Reporting Standards (IFRS) and International Accounting Standard 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board (IASB), London, and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and are recorded in Canadian dollars. Certain dollar amounts in this MD&A have been rounded to the nearest thousands of dollars.

FORWARD-LOOKING INFORMATION

This MD&A and documents incorporated by reference contain 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 the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company'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; , including the Company's opinion regarding the current and future performance of its portfolio, 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 the Company's business and the markets in which it operates; the amount and timing of the payment of dividends by the Company; and the Company's financial position. By identifying such information and statements in this manner, the Company 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 the Company to be materially different from those expressed or implied by such information and statements.

An investment in securities of the Company 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 the Company; the volatility of the Company's share price; the Company's limited operating history; the Company's ability to generate sufficient revenues; the Company's ability to manage future growth; the limited diversification in the Company's existing investments; the Company's ability to negotiate additional royalty purchases from new investee companies; the Company's dependence on the operations, assets and financial health of its investee companies; the Company's limited ability to exercise control or direction over investee companies; potential defaults by investee companies and the unsecured nature of the Company's investments; the Company's ability to enforce on any default by an investee company; competition with other investment entities; tax matters, including the potential impact of the *Foreign Account Tax Compliance Act* on the Company; the potential impact of the Company being classified as a Passive Foreign Investment Company ("PFIC"); the Company's ability to pay dividends in the future and the timing and amount of those dividends; reliance on key personnel, particularly the Company's 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" on pages 16 to 22 of the Annual Information Form of the Company dated February 11, 2015 and the risks discussed herein. Although the Company has 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 MD&A, the Company has made certain assumptions. Assumptions about the performance of the Canadian and U.S. economies over the next 24 months and how that will affect the Company's business and its ability to identify and close new opportunities with new investees are material factors that the Company 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 relevant to the Company's investment focus will remain relatively stable over the next 12 to 24 months; that interest rates will not increase dramatically over the next 12 to 24 months; that the Company's existing investees will continue to make royalty payments to the Company as and when required; that the businesses of the Company's investees will not experience material negative results; that the Company 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 the Company will have the ability to raise required equity and/or debt financing on acceptable terms; and that the Company will have sufficient free cash flow to pay dividends. The Company 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, the Company primarily considers historical economic data provided by the Canadian and U.S. governments and their agencies. Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and 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 statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements.

The forward-looking information and forward-looking statements contained in this MD&A are made as of the date of this MD&A, and the Company 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 statements attributable to the Company or persons acting on its behalf is expressly qualified in its entirety by this notice.

NON-IFRS MEASURES

This MD&A also refers to certain key performance indicators, including EBITDA, Adjusted EBITDA, free cash flow, average royalty payment per million invested, twelve month total royalty income moving average, weighted average royalty rate, rolling three month average investment per month and rolling three month average investment per transaction to assist in assessing the Company's financial performance. EBITDA, Adjusted EBITDA, average royalty payment per million invested, twelve month total royalty income moving average, weighted average royalty rate, rolling three month average investment per month and rolling three month average investment per transaction (the "**Non-IFRS Measures**") are financial measures used in this MD&A that are not standard measures under IFRS. The Company's method of calculating the Non-IFRS Measures may differ from the methods used by other issuers. Therefore, the Company's Non-IFRS measures may not be comparable to similar measures presented by other issuers. See section "**Definition of Non-IFRS Measures**" for an explanation on how they are calculated. These Non-IFRS measures should only be interpreted in conjunction with the most recently audited financial statements of the Company for the year ended December 31, 2014, which are available on SEDAR at www.sedar.com.

OVERVIEW

Grenville earns its revenues by providing capital to private and public businesses (individually, an "**investee**" and collectively the "**investees**") primarily in exchange for long-term revenue streams. Revenues and returns come from three primary sources: 1) royalty revenues from the investees typically consisting of regular monthly payments that are contractually agreed to between Grenville and each investee ("**Royalties**"), which are typically perpetual or set for various contracted durations, received monthly, and reviewed and adjusted quarterly and/or annually based on the audited and unaudited performance of the investee's gross revenue or "top-line" performance; 2) contract buyouts ("**Contract Buyouts**") and contract buydowns ("**Contract Buydowns**"), where an investee repurchases a royalty from Grenville under contracted terms; and 3) other interest or investment income which may arise from any other forms of investment held by Grenville in the investee companies including, without limitation, capital from the sale of equity, capital generated subsequent to the sale of a secured investment, or value released from warrants, at the time of exercise.

THE REVERSE TAKE-OVER

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

- (a) each pre-RTO shareholder of the Company received 0.69 of a new common share of the Company and 0.34 of a transferable share purchase warrant of the Company 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 Corporation received one common share of the Company for each common share of Grenville Corporation held immediately prior to the completion of the RTO;
 - (c) all outstanding stock options of the Company were exchanged for new stock options of the Company based on the exchange ratio described above, and each option-holder 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 Company through the warrants;
 - (d) all outstanding stock options of Grenville Corporation were exchanged for an equal number of stock options of the Company at the same exercise price, being \$0.028 per common share, and on the same terms as the original stock options; and
 - (e) the Company changed its name from Troon Ventures Ltd. to Grenville Strategic Royalty Corp.

In accordance with the guidance under *IFRS 3 Business Combinations*, the substance of the transaction is an RTO of a non-operating entity since the Company's prior activities were limited to the management of cash resources and the maintenance of its listing and accordingly did not constitute a business. As Grenville Corporation has obtained control, in accordance with *IFRS 10 Consolidated Financial Statements*, the Company's unaudited condensed consolidated financial statements are a continuation of Grenville Corporation's financial statements.

The most significant impact of the RTO on the Company was the acquisition of cash and cash equivalents amounting to \$6,935,241.

GENERAL DESCRIPTION OF THE BUSINESS

Grenville is a leading royalty investment company in the small to medium (SME) private and public marketplace in North America. Grenville has 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 improving cash flow, however face difficult financing hurdles from traditional debt and equity alternatives. Grenville makes non-dilutive, revenue-based investments which align with the interests of founders, management and shareholders of SMEs. The Company seeks to provide capital as a catalyst for growth and, where possible, to attract broader funding for each investee company. Grenville believes that it has identified an underserved segment in North America which lies between traditional equity and debt financing with cost and contractual advantages.

Grenville is focused on building out a large, highly diversified portfolio of royalties and royalty-related investments including currency (USD or CDN dollar), sector (neutral, cyclical or defensive) and investment type (stable growth, high growth or hybrid growth) diversification. The portfolio is actively managed with the aim to maintain a continual balance across currency, sector and investment type.

The Company is not an operator of businesses. Grenville's business model is focused on managing and growing its portfolio of royalties and royalty-related investments. The advantages of this business model are:

- Exposure to the dynamic North American SME marketplace and long-term underlying revenue growth optionality;
- Limited exposure to many of the risks associated with individual small operating companies;
- Free cash-flowing investments with manageable cash requirements across the portfolio;
- A high-margin business that can generate cash through numerous economic cycles;
- A scalable and diversified business in which a large number of assets can be managed with a small stable overhead; and
- A forward-looking business in which management focuses on growth opportunities rather than operational or development issues.

Grenville's financial results in the short-term are primarily tied to cash-flow generated from its portfolio of producing assets. From time to time, financial results are also supplemented by Contract Buyouts or Contract Buydowns. Over the longer-term, results are impacted by the underlying, low volatility, growth resulting from its core portfolio of investments held. Grenville has a long-term focus on making investments and recognizes that consistency of management and investment execution enables stronger deal velocity. While still a relatively young company, Grenville's approach has provided a strong balance sheet to enable it to make new investments.

At September 30, 2015, Grenville had \$20.7 million in working capital. Grenville's shares are listed on the TSX Venture Exchange under the symbol GRC. An investment in Grenville's shares is expected to provide investors with yield and exposure to the public and private, North America SME growth market while limiting exposure to many of the risks of operating companies in the same sector.

Since completion of the RTO over 18 months ago, the Company has grown its portfolio, initiated a monthly dividend since February, 2015, which it increased by 40% in November, 2015.

RESULTS OF OPERATIONS

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Revenues	\$ 4,537,725	\$ 905,384	\$ 8,446,957	\$ 1,409,546
Profit/(Loss) for the period	3,899,245	528,558	5,272,510	(3,377,297)
EBITDA/EBITDA (Loss) ⁽¹⁾	5,750,802	874,439	8,495,384	(3,030,819)
Adjusted EBITDA ⁽¹⁾	4,326,034	541,579	5,904,581	551,810
Adjusted EBITDA excluding impairment provision	3,916,970	541,579	6,503,922	551,810
Free cash flow ⁽¹⁾	2,654,803	(388,668)	3,597,072	(292,587)
Basic Earnings/(Loss) per share	0.0394	0.0089	0.0614	(0.0734)
Diluted Earnings/(Loss) per share	0.0321	0.0089	0.0532	(0.0734)
Weighted basic average number of shares outstanding	98,852,649	59,302,462	85,887,369	45,996,104
Weighted diluted average number of shares outstanding	131,186,719	72,481,663	116,524,019	52,551,317
Dividend paid and payable on common shares during the period	1,235,118	-	3,054,849	-
Dividend per share on annualized basis	0.05	-	0.05	-
Royalty agreements acquired and new loans in period	4,970,940	9,540,053	18,130,210	18,210,768
Aggregate royalty agreements acquired and loans	42,762,458	20,120,768	42,762,458	20,120,768
Aggregate net proceeds on Contract Buyouts	4,170,510	-	4,170,510	-
Weighted average royalty rate ⁽¹⁾	3.74%	3.64%	3.74%	3.64%

⁽¹⁾ ETIBDA, Adjusted EBITDA, Free cash flow and weighted average royalty rate are non-IFRS measures. Refer to section Definition of Non-IFRS Measures for further explanation and definitions.

Revenue analysis

Three months ended September 30 2015

	Three months ended September 30, 2015	% of revenue	Three months ended September 30, 2014	% of revenue	Growth %
Interest income on loans	\$ 22,756	0.5	\$ 8,579	1.0	165.3
Royalty payment income	2,298,409	50.6	842,595	93.0	172.8
Realized gains on Contract Buyouts	2,196,642	48.4	-	-	N/A
Other income	19,918	0.5	54,210	6.0	(63.3)
Total revenue	\$ 4,537,725	100.0	\$ 905,384	100.0	401.2

Nine months ended September 30 2015

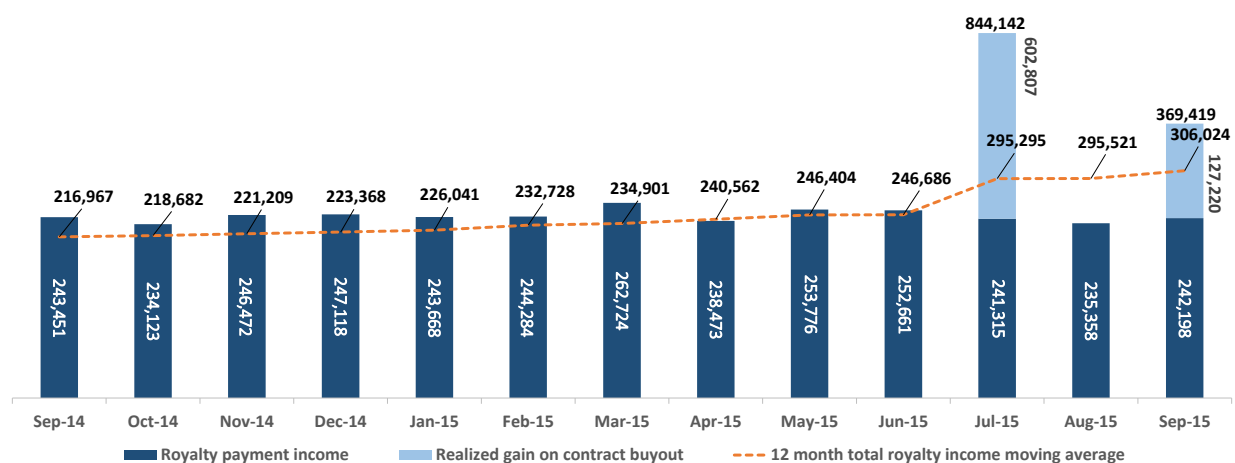
	Nine months ended September 30, 2015	% of revenue	Nine months ended September 30, 2014	% of revenue	Growth %
Interest income on loans	\$ 48,165	0.6	\$ 31,626	2.2	52.3
Royalty payment income	5,879,539	69.6	1,283,470	91.1	358.1
Realized gains on Contract Buyouts	2,196,642	26.0	-	-	N/A
Other income	322,611	3.8	94,450	6.7	241.6
Total revenue	\$ 8,446,957	100.0	\$1,409,546	100.0	499.3

Revenues were \$4,537,725 for the three-month period ended September 30, 2015 compared to \$905,384 for the three-months ended September 30, 2014. Royalty payment income represented 50.6% of total revenue for the three-month period ended September 30, 2015 compared to 93.0% of total revenue for the three-month period ended September 30, 2014. The increase in royalty payment income from \$842,595 for the three-months ended September 30, 2014 to \$2,298,409 for the three-month period ended September 30, 2015 was due to total aggregate investments increasing by 112.5%. Realized gains on Contract Buyouts were \$2,196,642 for the three-month period ended September 30, 2015 and zero for the three-month period ended September 30, 2014. The realized gains on Contract Buyouts came from the royalty agreements with Wmode Inc. and DS Handling Inc.

Revenues were \$8,446,957 for the nine-month period ended September 30, 2015 compared to \$1,409,546 for the nine-months ended September 30, 2014. The growth in royalty payment income of 358.1% reflected total aggregate investments increasing by 112.5% between the nine-month period ended September 30, 2015 and the nine-month period ended September 30, 2014. Realized gains on Contract Buyouts were \$2,196,642 for the nine-month period ended September 30, 2015 and zero for the nine-month period ended September 30, 2014.

For the three-month period ended September 30, 2015, other income was made up of interest earned of \$43,125 and a loss from adjustments to the carrying cost of investments of \$23,207 as a result of revising the estimated cash flows on 2 investments during the period and the reversing of an adjustment to the carrying cost made previously for Wmode Inc. as a result of the investment being boughtout during the period. The interest earned of \$43,125 for the three-month period ended September 30, 2015 and \$137,842 for the nine-month period ended September 30, 2015 was on short term investments of available cash. The available cash arose following the issue of common shares in February 2015 and May 2015. The interest earned of \$54,210 for the three-month period ended September 30, 2014 and \$94,450 for the nine-month period ended September 30, 2014 was on available cash following the issue of special warrants at the end of March 2014 and the convertible debentures in July 2014. The adjustments to the carrying cost of investments of \$184,769 due to the change in the estimated cash flows on 5 investments was recognized in accordance with AG8 of IAS 39 *Financial Instruments* and was made up of 3 investments increasing the carrying amount by \$823,592, for two investments the carrying amount was reduced by \$516,663 and the reversing of an adjustment to the carrying cost of \$122,160 made previously for Wmode Inc. as a result of the investment being boughtout during the period.

The average royalty payment per million invested, (a non-IFRS measure, refer to Definition of Non-IFRS Measures for definition) including realized gains on Contract Buyouts and net of write-downs and investments in non-accrual for the period from September 2014 to September 2015 was as follows:



The average royalty payment per million invested (a non-IFRS measure, refer to Definition of Non-IFRS Measures for definition) for the month of September 2015 was \$242,198 for the royalty payment income, and \$369,419 including the realized gain on Contract Buyouts during the month, an increase of \$127,221. The royalty payment income result (excluding the Contract Buyout Gain) is slightly lower than the previous quarter due to an adjustment that required cancelling of 2 months royalty payments due from INOVx that were previously earned as a result of the terms of the contract buyout that closed in October. Taking this adjustment into account, the result for September 2015 would have been \$250,583 for the royalty payment income only. As this quarter was the first where realized gains on Contract Buyouts arose, the above table includes a twelve month total royalty income moving average (a non-IFRS measure, refer to Definition of Non-IFRS Measures for definition) and includes royalty payment income and realized gains on Contract Buyouts. The purpose of this metric is to provide a comparison between the long term impacts of recurring royalty revenues and intermittent Contract Buyout revenue.

During the three-month period ended September 30, 2015, the Company recognized a recovery of \$409,064 related to the \$1,000,000 impairment previously recorded on the APO Group investment. In the three-month period ended June 30, 2015, an impairment provision of \$1,008,405 was recognized on another company investment that was reflected in the impairment provision expense for the nine-month period ended September 30, 2015. At September 30, 2015, management maintained the provision of \$1,008,405 even though the business continues to operate, makes a partial royalty payment to Grenville each month, and shows increased product orders. Based on the Company's ability to provide operational and financial support to this investee, management believes there is no imminent risk that the investee's business will discontinue. Grenville is providing financial and operational support to strengthen the financial position of the investee and to ensure that the investee's business continues to operate efficiently. Management will continue to review the financial position of this investee and the appropriateness of the impairment provision.

Total operating expenses were \$(797,379) for the three-month period ended September 30, 2015, and included a net foreign exchange gain of \$1,510,814, of which \$1,518,461 related to an unrealized foreign exchange gain on the translation of royalty agreements acquired in US dollars and a share-based payment expense of \$70,486. Total operating expenses for the three-month period ended September 30, 2014 was \$31,686 and included a net foreign exchange gain of \$373,302, of which \$360,819 related to an unrealized foreign exchange gain on the translation of royalty agreements and a share-based payment expense of \$27,959.

Total operating expenses were \$(630,220) for the nine-month period ended September 30, 2015, and included a net foreign exchange gain of \$2,552,248, of which \$2,544,163 related to an unrealized foreign exchange gain on the translation of US dollar denominated royalty agreements and a share-based payment expense of \$138,129. Total operating expenses for the nine-month period ended September 30, 2014 were \$4,441,703 and included expenses of \$3,636,197 directly attributable to the RTO.

Salaries, benefits and other staffing costs were \$366,887 for the three-month period ended September 30, 2015, compared to \$212,979 for the three-month period ended September 30, 2014. Included in the \$366,887 was the first full quarter of the remuneration of the new managing director of the Company. Salaries, benefits and other staffing costs were \$979,877 for the nine-month period ended September 30, 2015, compared to \$840,278 for the nine-month period ended September 30, 2014. Included in the \$840,278 was a one-time severance payment of \$400,000 to the former chief executive officer of the Company's predecessor, Troon Ventures Ltd., which was incurred as of the date of the RTO. Salaries, benefits and other staffing costs excluding this severance cost were higher for the nine-month period ended September 30, 2015 because of the increased number of employees including a new managing director and investment team member, severance paid to a former employee who left

the company in the first quarter of 2015 and directors' fees that were incurred for the full period in 2015 but in 2014 were incurred for only six months.

Management and facility fees were \$32,105 and \$118,543 for the three-month and nine-month periods ended September 30, 2015 respectively, compared to \$37,800 and \$102,782 for the three-month and the nine-month periods ended September 30, 2014 respectively. The higher cost for the nine-month period ended September 30, 2015 compared to the nine-month period ended September 30, 2014 was a result of the relocation of the Company's corporate office in December 2014.

Share-based payment expenses were \$70,486 for the three-month period ended September 30, 2015, compared to \$27,959 for the three-month period ended September 30, 2014. The increase in the expense was a result of an additional 4,715,000 options issued during the current year. Share-based payment expenses were \$138,129 for the nine-month period ended September 30, 2015, compared to \$2,837,402 for the nine-month period ended September 30, 2014. The expense for the nine-month period ended September 30, 2014 included \$2,651,316 recognized as a result of the RTO that took place on February 19, 2014. The \$2,651,316 represented the difference between the fair value of the consideration and the fair value of the identifiable net assets acquired as a result of the RTO.

Professional fees were \$140,877 for the three-month period ended September 30, 2015, compared to \$73,364 for the three-month period ended September 30, 2014. Professional fees were higher for the three-month period ended September 30, 2015 due to higher portfolio activity requiring more professional services. Professional fees were \$410,888 for the nine-month period ended September 30, 2015, compared to \$763,804 for the nine-month period ended September 30, 2014. Professional fees were higher for the nine-month period ended September 30, 2014 due to the fact that professional fees in the aggregate amount of \$584,881 were incurred in connection with the RTO that was completed on February 19, 2014.

Office and general administrative expenses were \$103,080 for the three-month period ended September 30, 2015, compared to \$52,886 for the three-month period ended September 30, 2014. The expenses for the three-month period ended September 30, 2015 were higher due to higher travel costs as a result of the larger investment team and higher overall running costs of the office. The expenses for the nine-month period ended September 30, 2015 were \$274,591 compared to \$145,263 for the nine-month period ended September 30, 2014.

There was a foreign exchange gain of \$1,510,814 recognized for the three-month period ended September 30, 2015 compared to \$373,302 for the three-month period ended September 30, 2014. Of the \$1,510,814, \$1,518,461 related to the unrealized gain from the translation of the portfolio denominated in US dollars. The closing exchange rate at September 30, 2015 was \$1.3345 compared to \$1.2490 at June 30, 2015. For the nine-month period ended September 30, 2015, there was a foreign exchange gain of \$2,552,248 compared to a foreign exchange gain of \$247,826 for the nine-month period ended September 30, 2014. \$2,544,163 of the exchange gain of \$2,552,248 related to the unrealized gain from the translation of the US dollar denominated royalty investment reflecting the strengthening of the USD from \$1.1601 at the end of December 2014 to \$1.3345 as of September 30, 2015.

Financing expenses were \$422,371 and \$1,264,464 for the three-month and nine-month periods ended September 30, 2015, respectively related to the convertible debentures issued in July 2014. Of these expenses, \$347,835 and \$1,037,835 respectively was in respect of interest and \$74,536 and \$226,629 respectively was for the accretion portion of the initial transaction costs and the equity component recognized. As the convertible debentures were issued on July 10, 2014, financing expenses were \$370,160 for the three-month and nine-month periods ended September 30, 2014, of which \$310,500 and \$59,660 was in respect of interest and accretion respectively.

Income taxes were \$1,422,552 and \$1,940,862 for the three-month and nine-month periods ended September 30, 2015 respectively. The effective tax rate used was 26.5% and a full provision was made for all temporary differences. Due to the availability of trading losses there was a small income tax income of \$25,020 recognized for the three-month and nine-month periods ended September 30, 2014.

EBITDA (a non-IFRS measure, refer to Definition of Non-IFRS Measures for definition) was \$5,750,802 and \$8,495,384 for the three-month and nine-month periods ended September 30, 2015 respectively, compared to EBITDA (EBITDA loss) (a non-IFRS measure, refer to Definition of Non-IFRS Measures for definition) of \$874,439 and \$(3,030,819) for the three-month and nine-month periods ended September 30, 2014 respectively. EBITDA increased by a combination of growth in revenues in both periods, in particular the realized gains on Contract Buyouts of \$2,196,642, foreign exchange gains of \$1,510,814 and \$2,552,248 in the three-month and nine-month periods ended September 30, 2015 and RTO related costs of \$3,636,197 included in the three-month and nine-month periods ended September 30, 2014.

Adjusted EBITDA (a non-IFRS measure, refer to Definition of Non-IFRS Measures for definition) was \$4,326,034 and \$5,904,581 for the three-month and nine-month period ended September 30, 2015, respectively, compared to an Adjusted EBITDA (a non-IFRS measure, refer to Definition of Non-IFRS Measures for definition) of \$541,579 and \$551,810 for the three-month and nine-month periods ended September 30, 2014, respectively. The increase in Adjusted EBITDA since the three-month and nine-month periods ended September 30, 2014 was due to increased revenues of \$3,632,341 and \$7,037,411 respectively as a result of \$22,641,690 in new royalty agreements acquired since the end of September 2014 and the realized gains on Contract Buyouts of \$2,196,642.

The Company generated free cash flow (a non-IFRS measure, refer to Definition of Non-IFRS Measures for definition) of \$2,654,803 and \$3,597,072 for the three-month and nine-month period ended September 30, 2015 respectively compared to \$(388,668) and \$(292,587) for the three-month and nine-month periods ended September 30, 2014, respectively. The increase in free cash flow (a non-IFRS measure, refer to Definition of Non-IFRS Measures for definition) for the three-month and nine-month period ended September 30, 2015 increased due to the increase in revenues in particular the realized gains on Contract Buyouts of \$2,196,642.

Profit/(loss) after taxes was \$3,899,245 and \$5,272,510 for the three-month and nine-month period ended September 30, 2015 respectively compared to a profit/(loss) after taxes of \$528,558 and \$(3,377,297) for the three-month and nine-month period ended September 30, 2014 respectively. The increase in the profit after taxes arose due to an increase in revenues of \$3,632,341 and \$7,037,411 respectively, and the foreign exchange gain of \$1,510,814 and \$2,552,248 in the three and nine-month period ended September 30, 2015, the total RTO related costs of \$3,636,197 that were incurred in the three-month and nine-month periods ended September 30, 2014.

Portfolio Update

The Company's portfolio continued to show strong performance during the three-months ended September 30, 2015, as evidenced by the strong royalty revenues and the first two Contract Buyouts executed through the sale of investee companies to third parties. This generated a return of capital of \$4,170,510 to the Company that is available for re-investment in new royalty agreements. Capital deployed for the three-month period ended September 30, 2015 was \$4,970,940. There was one new-company investment and five follow-on investments in the three-month period ended September 30, 2015. From October 1, 2015 to November 16, 2015, an additional \$4,659,925 was deployed in one new company investment, and three additional follow-on investments. Total capital deployed from December 31, 2014 to November 16, 2015 was \$22,790,135 into nine new-companies and eighteen follow-on investments. Total investments to date equals fifty one made up of twenty eight new-company investments and twenty three additional follow-on investments. As of November 16, 2015 total capital deployed less the capital returned from Contract Buyouts was \$38,355,250.

The Weighted Average Royalty Rate (a non-IFRS measure, refer to Definition of Non-IFRS Measures for definition) for all the royalty financings made as of September 30, 2015 was 3.74%, compared to 3.56% for all the investments made (including any write-downs) as of December 31, 2014.

New-Company Investments

Updates on each of the two investees where a royalty agreement was closed during the period from July 1, 2015 to November 16, 2015 are as follows:

Medallion Holding Company ("Medallion"): Medallion is a holding company for three operating businesses including; Medallion Financial Distributors, Medallion Wealth Partners, and SMC Advisory Network, LLC. Medallion Financial Distributors is a well-established marketing organization and insurance product wholesaler based in Ohio. Medallion Wealth Partners was setup to expand the business through a roll-up of well-established one-operator tax and accounting firms in the Southern California area. SMC Advisory Network, LLC is a small registered investment advisor with limited operations.

Agnity Global, Inc. ("Agnity"): Agnity was originally established in California by Sanjeev Chawla in 2008. Through its subsidiary, Agnity Communications, Inc., Agnity operates in the telecommunications industry providing solutions for network virtualization and the seamless migration from legacy networks such as 3G to 4G/LTE. Agnity also owns a Healthcare-focused division, Agnity Healthcare, Inc., providing HIPAA compliant secure mobile contextual messaging and communication applications to clinicians and healthcare.

In addition to new company investments, Grenville also made additional follow-on investments to the following:

Switch Video Inc. (“Switch Video”): During the three-months ended September 30, 2015, Grenville assisted the employees of Switch Video in the completion of a management buyout from the previous owner. Grenville provided additional capital to Switch Video in the form of a \$410,000 follow-on royalty investment, a \$100,000 loan and a guarantee on an existing credit line maintained by Switch with its senior lender. This mix of instruments is designed to optimize Switch’s financial and operational flexibility while maintaining Grenville’s access to a long term royalty stream. As part of the transaction, Grenville was issued 5% of the outstanding common shares of Switch as an inducement to Grenville’s follow-on investment.

Lattice Biologics Inc. (“Lattice”): Grenville assisted Lattice in negotiating the terms of a reverse takeover transaction with Blackstone Ventures Inc., TSX Venture-listed company. To facilitate that transaction, Grenville provided a secured loan to Lattice in the amount of US \$700,000 to fund working capital through the RTO process.

Above Security Inc. (“Above”): On August 14, 2015 and October 15, 2015, the Company loaned \$180,000 and \$750,000, respectively, to Above as bridge financing to fund Above during the process of its acquisition by Hitachi Systems, Ltd. The acquisition was completed on October 15, 2015 and Grenville’s royalty agreement terminated on October 20, 2015 and Grenville received \$6,460,000 inclusive of principal and interest on this note.

Manifest Communications Inc. (“Manifest”): The Company completed a \$250,000 follow on investment in Manifest Communications on August 19, 2015.

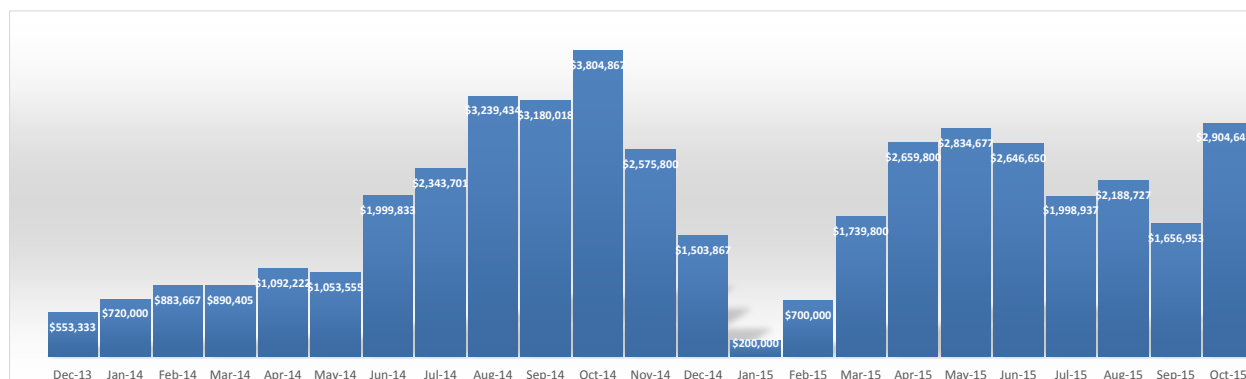
BG Furniture Inc. (“BG”): BG required new financing for its key manufacturing equipment when its existing finance company decided to exit the business. Grenville purchased an additional \$550,000 royalty interest under its existing royalty agreement with BG on September 4, 2015 on a fully secured basis and provided a working capital loan in the amount of \$100,000 on October 30, 2015 by way of a promissory note which is convertible, at Grenville’s election, into either the existing royalty or a minority preferred equity share.

Dove Cleaners (“Dove”): On October 2, 2015, the Company completed a \$200,000 second tranche investment following the successful completion of a milestone in the royalty agreement.

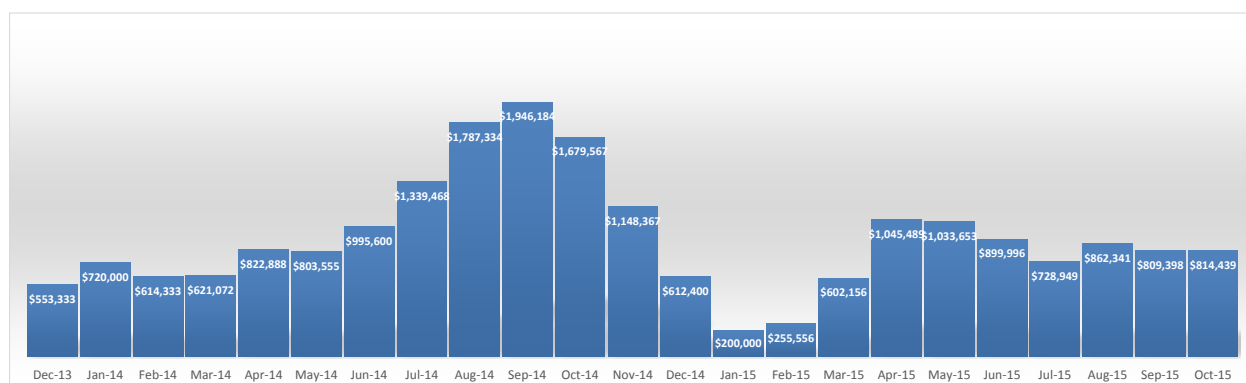
Rolling Three Month Analysis of Investments

The rolling three month metrics (a non-IFRS measure, refer to Definition of Non-IFRS Measures for definition) are used by management to monitor trends in the size, volume and velocity in investments, to gain insight into portfolio performance, and to assist with risk management. For the three-month period ended September 30, 2015, the investment pace for the period was consistent with our objective of one to three investments per month. The rolling three month average investment per month and average investment amount per month was \$2,904,642 and \$814,439 respectively, similar to the three-months ended June 30, 2015 and ahead of the slower pace seen in the three-months ended March 31, 2015. Our target remains 1-3 transactions, or investments, per month with an average investment amount placed per month of between \$2,000,000 and \$4,000,000. This, in turn, implies an average investment per transaction range between \$666,667 and \$4,000,000.

Rolling three month average investment per month



Rolling three month average investment per transaction



Portfolio Performance Profile

Each quarter, Grenville carries out a portfolio performance (“**Portfolio Performance**”) review. This analysis relies on managements’ judgement of the facts and circumstances impacting the investee, as well as Grenville’s intentions as they relate to the particular investment holdings. The review considers Grenville’s expected return from royalty revenues, Contract Buyouts and income from other financial instruments. Management considers many factors in this analysis including collection variations and arrangements within agreements; delinquency trends, sales volumes and the investee’s ability to maintain its financial conditions; and Grenville’s ability to impact an investee’s financial outcomes, without limitation. Portfolio Performance is monitored based on our internal management guidelines.

The Portfolio Performance review process is a distinctly different analysis than the credit quality (“**Credit Quality**”) review process as provided in the “**Credit quality, impairment allowance and past due**” section herein. Included in the credit quality review are the disclosures required under IFRS 7 *Financial Statements Disclosures* which incorporates only reference to risk, and does not take into account the financial return of Contract Buyouts and other financial return-potential instruments, which can add material revenue returns to Grenville, designed intentionally by management to offset what can be lower performing investments. A credit quality review assessment is typically considered most relevant to lending organizations. In contrast, Portfolio Performance is an important management tool used by the Company to optimize operating like an investor, managing the adversity and opportunity of the investments held, and more accurately account for the typically positive shareholder value-impact of Contract Buyouts and buydowns that are not taken into account by the credit quality approach.

The definitions of the guidelines used and the amounts in each category as of September 30, 2015, June 30, 2015, March 31, 2015 and December 31, 2014 were:

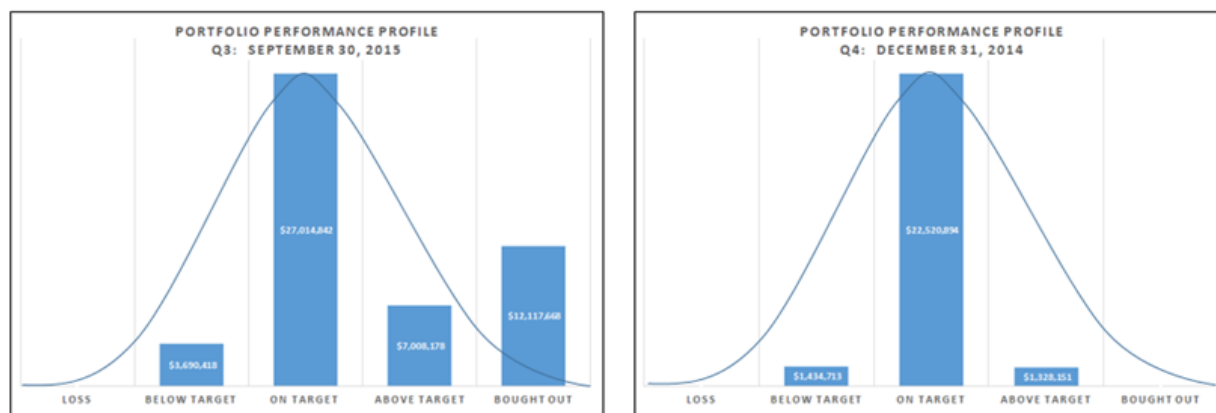
Bought out: means a contract buyout occurred within the past 12 months from the date of this MD&A.

Above Target: means the future return of the investment is expected to be greater than the expected return to Grenville at the time of investment. This category would include investments that are paying more than the contracted minimum royalty payment in the agreement and/or management has received detailed communication from the investee regarding exercise of a Contract Buyout or buydown. This category also includes buydown amounts received over the past 12 months.

On Target: means the investment's return is in line with expectation at the time of investment. This category includes both companies that are paying a recurring amount, whether according to the original or a modified agreement above or below the original target. Depending on contract terms, the expected return may or may not include reference to a contract minimum.

Below Target: means that Grenville's return on the investment is lower than expected. The expected lower return could be a result of existing or forecasted financial weaknesses of the investee. Typically, Grenville will work with the company to provide operational and/or financial assistance to correct the issues. Management also often assists companies in getting financing from other parties and may agree to temporary or permanent modifications to adjust the company’s target.

Loss: means the investment has been written off within the past 12 months. Investments are written off when, in the opinion of management, the investment has absolutely no recovery value or that it is not practical nor desirable to continue efforts to recover more of the value of the investment.



Category	Sept. 30, 2015	%	June 30, 2015	%	March 31, 2015	%	December 31, 2014	%
Bought out	\$ 12,117,668	24.3	\$ 2,783,010	6.7	\$ -	-	\$ -	-
Above Target	7,008,178	14.1	7,523,736	18.1	2,538,235	8.0	1,328,151	5.3
On Target	27,014,842	54.2	27,108,506	65.4	27,649,243	87.1	22,520,894	89.1
Below Target	3,690,417	7.4	4,038,447	9.8	1,540,436	4.9	1,434,713	5.6
Loss	-	-	-	-	-	-	-	-
Total	\$ 49,831,105	100	\$ 41,453,699	100	\$ 31,727,914	100	\$ 25,283,758	100

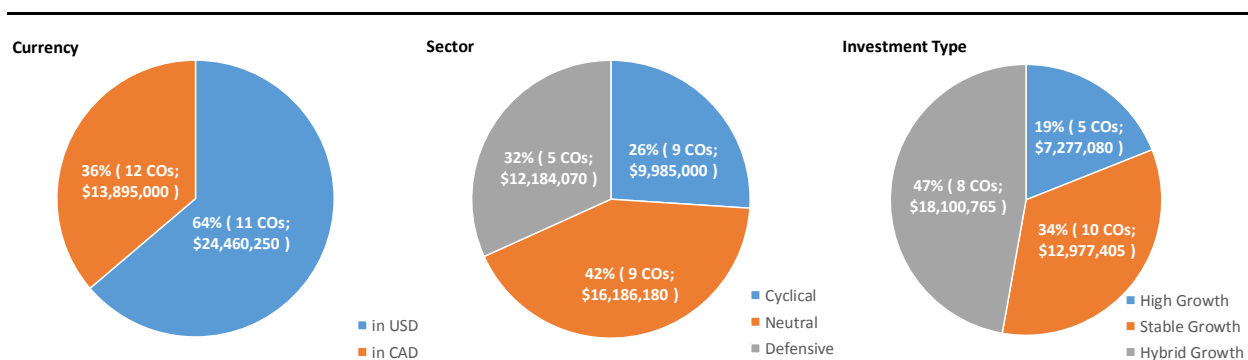
Since December 2014, Portfolio Performance for the Below Target category has remained at a similar level while the Above Target and Bought Out categories have shown significant growth, in line with management expectations, reflecting Grenville's investment strategy to invest across a portfolio of companies diversified by currency, sector and investment type.

The reconciliation between the amounts stated in this table and the amounts recognized on the statement of financial position is as follows:

Category	Sept. 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014
Carrying amount in the statement of financial position	\$ 41,876,972	\$ 37,705,405	\$ 30,727,914	\$ 24,283,758
Impairment provision included in carrying amount	1,539,966	1,949,030	1,000,000	1,000,000
Realized gains on Contract Buyouts	6,414,167	1,799,264	-	-
Total	\$ 49,831,105	\$ 41,453,699	\$ 31,727,914	\$ 25,283,758

Diversification Analysis

As of November 16, 2015 the diversification analysis of the Company's portfolio holdings, by currency, sector and investment type is provided, as follows:



	Cyclical	%	Neutral	%	Defensive	%	Total	%
Number of investments	9	39.1	9	39.1	5	21.8	23	100
Canadian investments	\$ 9,985,000	100	\$ 1,910,000	11.8	\$ 2,000,000	16.4	\$13,895,000	36.2
US investments	-	-	14,276,180	88.2	10,184,070	83.6	24,460,250	63.8
Sector total	\$ 9,985,000	100	\$ 16,186,180	100	\$ 12,184,070	100	\$38,355,250	100
Sector %	26.0%		42.2%		31.8%			

Excluded from the investment information above is one investment that was written down and four investments that have been boughtout.

The Company has developed an investment framework focused on building a balanced, diversified portfolio in the small-to-SME sized, public and private, North American operating company marketplace. We measure and manage diversification based on currency, industrial sector and growth profile. With 23 investments (net of one impairment and four Contract Buyouts as of November 16, 2015) management believes the current level of diversification is consistent with our internal business plan. We will continue to rebalance the portfolio through selection of new investments and management of contract buyout opportunities, on an opportunistic basis. This strategy is intended to protect investors against significant losses from major swings in performance in any sector of the economy, whether in Canada or the United States.

Credit Quality, impairment allowance and past due

The Company carries out, on a quarterly basis, a credit quality review of the portfolio of royalty agreements acquired and loan receivable balance. The review relies on managements' judgement based on delinquency trends, sales volumes and the investee's ability to maintain its financial condition. The quality of the investments is monitored based on our internal risk ratings described below. The disclosures required under IFRS 7 *Financial Statements Disclosures* are provided in the tables below and incorporates only reference to risk. The descriptions of the internal risk ratings used and the carrying amounts in each category as of September 30, 2015, June 30, 2015, March 31, 2015 and December 31, 2014 were:

Satisfactory means that the investment is fully recoverable even if there is some deficiency or vulnerability to changing economic conditions.

Special mention means that the investment has potential weaknesses that deserve close attention by the management of the investee. If left uncorrected, these potential weaknesses may result in deterioration of the recovery of the investment at some future date. Special Mention investments do not expose the Company to sufficient risk to warrant classification as substandard or doubtful or require any impairment provision.

Substandard is characterized by the distinct possibility that the Company will sustain some loss on the investment if the financial deficiencies identified are not corrected. Substandard investments do not mean that impairment is imminent or that an impairment loss will be incurred by the Company. In most cases the Company will assist the investee in correcting the financial deficiencies either by providing financial and operational support and/or assisting the investee in obtaining finance from another party.

Doubtful contains the features of “substandard” with the added characteristic that the financial deficiencies are significant enough to create some uncertainty as to the full recovery of the investment value. In most cases the Company will assist the investee in correcting the financial deficiencies either by providing financial and operational support and/or assisting the investee in obtaining finance from another party. Doubtful normally includes investments that have an impairment provision if the expected recovery is below the carrying value of the investment.

Loss does not mean that the investment has absolutely no recovery value, but rather it is not practical nor desirable to defer writing off this investment or continue efforts to recover more of the value of the investment.

The results for each quarter and updates on each category are as follows:

Category	Sept. 30, 2015	%	June 30, 2015	%	March 31, 2015	%	December 31, 2014	%
Satisfactory	\$ 30,487,805	70.2	\$ 25,625,185	64.6	\$ 25,811,146	81.5	\$ 22,059,305	87.6
Special Mention	1,717,595	4.0	4,048,746	10.2	2,915,968	9.2	383,400	1.5
Substandard	9,121,572	21.0	8,031,474	20.3	1,937,808	6.1	1,738,853	6.9
Doubtful	2,089,966	4.8	1,949,030	4.9	1,000,000	3.3	1,000,000	4.0
Loss	-	-	-	-	-	-	-	-
Total	\$ 43,416,938	100	\$ 39,654,435	100	\$ 31,664,922	100	\$ 25,181,558	100

Satisfactory

As of September 30, 2015, the percentage of Satisfactory investments has increased from 64.6% as of June 30, 2015 to 70.2%.

Special Mention

During the quarter, one investment was moved from Special Mention to Satisfactory as a result of the investment being bought out in early October 2015, recording a profit over the term of the investment. As of September 30, 2015, there were two investments in this category where the financial performance had improved and it is management’s belief, assuming the financial performance continues to improve to a particular level, these investments will be moved to Satisfactory at the end of the fourth quarter based on the information available to us. Neither of these investments have ever been past due on a royalty payment.

Substandard

No new company investments were added to this category during the three-month period ended September 30, 2015. Included in this category are investees that have either recently completed new financing or are as of today completing new financing either through private placements, Grenville providing additional financing or through a merger with another entity. It is management’s belief that each of the businesses are going concerns and there is not a short term risk of any of the businesses discontinuing or ceasing operations based on the information that is currently available to Grenville. It is management’s belief that combined with the new financing, increasing revenues and reduced costs, the financial condition of these investees will improve during future periods and be continually re-assessed during this period for suitability to be re-categorized.

Doubtful

No new company investments were added to this category during the quarter. The movement during the quarter included \$409,064 which was recovered on the APO Group investment. Grenville provided additional financing to the other impaired investment in exchange for security on Grenville’s full investment. Grenville holds a senior secured position on equipment and inventory that is worth at least \$850,000 with additional collateral in a percentage of the investee’s inventory and junior security on the rest of the investee’s assets. While APO Group has ceased operations, the other investee has a continuing business that is generating monthly revenues. Management’s belief is that this investee will continue to show improved operating results with financial and operational support from Grenville and based on the information available at this time, there is little likelihood of the investee ceasing business in the short term. As of September 30, 2015, the carrying value of the investments in this category was \$2,089,966 of which there is security valued at a minimum of \$850,000 against which there was an impairment allowance of \$1,539,966. The impairment allowance as a percentage of total measured investments was 3.5%.

The aging analysis of the outstanding royalty payments on the portfolio of royalty agreements acquired and loan receivable was:

	Sept. 30, 2015	%	June 30, 2015	%	March 31, 2015	%	December 31, 2014	%
Not past due	\$ 31,422,801	72.3	\$ 27,853,620	70.2	\$ 27,516,863	86.9	\$ 22,442,705	89.1
Past due								
- 30 days or less	8,628,741	19.9	9,851,785	24.8	1,249,832	4.0	1,738,853	6.9
- 30 to 60 days	-	-	-	-	1,898,227	6.0	-	-
- 61 to 90 days	1,275,430	2.9	-	-	-	-	-	-
Non-accrual	2,089,966	4.9	1,949,030	5.0	1,000,000	3.1	1,000,000	4.0
Total	\$ 43,416,938	100	\$ 39,654,435	100	\$ 31,664,922	100	\$ 25,181,558	100

As of September 30, 2015, there were three investments included in the 30 days or less past due category that were all collected during October 2015. As of November 16, 2015, there was one full royalty payment received on the investment in the 61 to 90 days category since September 30, 2015.

The following table shows for each past due period the actual outstanding royalty payment:

	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014
Past due				
- 30 days or less	\$ 181,102	\$ 190,450	\$ 25,948	\$ 25,948
- 30 to 60 days	27,245	-	79,163	-
- 61 to 90 days	27,245	-	-	-
Total	\$ 235,592	\$ 190,450	\$ 105,111	\$ 25,948

Investments overview

For royalty investments and debt advances completed as of the date hereof: (a) the amount invested and advanced by Grenville; (b) the date of completion of the investment and advance; (c) the nature of the interest acquired by Grenville; (d) the accounting valuation as at the date of each investment and advance; (e) the royalty, interest or other payments earned by Grenville from such investment during the fiscal year ended December 31, 2014; (f) the royalty, interest or other payments earned by Grenville from such investment during the nine-months ended September 30, 2015; (g) whether the royalty investment requires payment of a minimum monthly payment by the investee company; and (h) whether the investment provides the investee company with the right to buydown or buyout part or all of the royalty is as follows:

Investee Company and Nature of Interest Acquired by the Company	Date of Completion of First Investment	Investment Amount / Acquisition Cost	Transaction Costs Capitalized in accordance with IFRS ⁽¹⁾	Accounting Valuation of Invested Amount at Time of Investment	Royalty, Interest or Other Payments Earned by the Company during the Year Ended December 31, 2014	Royalty, Interest or Other Payments Earned by the Company during the 9 months ended September 30, 2015	Minimum Monthly Payments ⁽²⁾	Buyout / Buydown Options
Pliteq (loan)	August 1, 2013	\$250,000	\$1,864.50	\$251,864.50	\$166,659.56	\$124,992.00	N/A	N/A
Clear Blue (streaming royalty)	November 12, 2013	\$125,000, plus a follow-on investment of \$250,000	\$8,400.00	\$133,400 (initial investment) and \$250,000 (follow-on investment)	\$3,649.47	\$4,683	No	Yes
Wmode (gross sales royalty)	November 1, 2013	\$1,000,000	\$4,912.50	\$1,004,912.50	\$212,013.32	\$121,284.40	No	Yes and option exercised on July 23, 2015.

Investee Company and Nature of Interest Acquired by the Company	Date of Completion of First Investment	Investment Amount / Acquisition Cost	Transaction Costs Capitalized in accordance with IFRS ⁽¹⁾	Accounting Valuation of Invested Amount at Time of Investment	Royalty, Interest or Other Payments Earned by the Company during the Year Ended December 31, 2014	Royalty, Interest or Other Payments Earned by the Company during the 9 months ended September 30, 2015	Minimum Monthly Payments ⁽²⁾	Buyout / Buydown Options
4tell Solutions (gross sales royalty)	December 31, 2013	USD\$500,000 (\$535,000), plus a follow-on investment of USD\$500,000 (\$555,215)	Nil	\$535,000 (initial investment) and \$555,215 (follow-on investment)	\$174,375.80	\$178,842.08	No	Yes
Bluedrop (gross sales royalty)	January 10, 2014	\$500,000, plus: (i) a follow-on investment of \$500,000 and (ii) a standby royalty facility of up to \$650,000, of which no amounts have been advanced by Company to date.	\$450	\$500,450 (initial investment) and \$500,000 (follow-on investment)	\$155,189.74	\$166,909.39	Yes	Yes
PFO Global Group (gross sales royalty and unsecured convertible promissory note ⁽⁵⁾)	February 25, 2014	USD\$1,000,000 (\$1,116,000), plus a follow-on investment of USD\$500,000 (\$544,050), and USD\$250,000 (\$304,950). Advance under promissory note is USD\$400,000 (\$499,880)	Nil	USD \$1,000,000 (\$1,116,000 initial investment) plus \$544,050 (follow-on investment) and USD\$250,000 (\$304,950). Advance under promissory note is USD\$400,000 (\$499,880)	\$307,813.02	\$423,359	Yes	Yes
Cherubim (gross sales royalty)	April 28, 2014	USD\$1,000,000 (\$1,105,450)	Nil	\$1,105,450	\$186,376.40	\$238,439.75	Yes	Yes
Insight (gross sales royalty)	May 30, 2014	\$1,250,000	Nil	\$1,250,000	\$181,636.00	\$233,532.00	Yes	Yes
Aquam (gross sales royalty)	June 6, 2014	\$2,000,000	Nil	\$2,000,000	\$273,055.17	\$505,908.02	Yes	Yes
Mera (gross sales royalty)	June 13, 2014	\$850,000, plus a follow-on investment of \$100,000	Nil	\$850,000 (initial investment) and \$100,000 (follow-on investment)	\$121,048.48	\$174,810.47	Yes	Yes
INOvx (gross sales royalty)	July 1, 2014	USD\$2,000,000 (\$2,137,053)	Nil	\$2,137,053	\$269,156.00	\$199,776.00	Yes	Yes and option exercised on October 6, 2015.
Above Security (gross sales royalty and unsecured convertible promissory note ⁽⁵⁾)	August 15, 2014	\$2,000,000 initial investment, plus two follow-on investments of	Nil	\$2,000,000 initial investment, plus two follow-on investments of	\$189,517.65	\$534,601.25	Yes	Yes and option exercised on October

Investee Company and Nature of Interest Acquired by the Company	Date of Completion of First Investment	Investment Amount / Acquisition Cost	Transaction Costs Capitalized in accordance with IFRS ⁽¹⁾	Accounting Valuation of Invested Amount at Time of Investment	Royalty, Interest or Other Payments Earned by the Company during the Year Ended December 31, 2014	Royalty, Interest or Other Payments Earned by the Company during the 9 months ended September 30, 2015	Minimum Monthly Payments ⁽²⁾	Buyout / Buydown Options
		\$500,000 each. Advance under the promissory note was \$180,000 and \$750,000.		\$500,000 each. Advance under the promissory note was \$180,000 and \$750,000.				20, 2015.
OneUp Games (gross sales royalty)	August 15, 2014	USD\$2,000,000 (\$2,187,200)	Nil	USD\$2,000,000 (\$2,187,200)	\$215,940.66	\$476,891.00	Yes	Yes
DS Handling (gross sales royalty)	September 5, 2014	\$1,000,000	Nil	\$1,000,000	\$79,860.77	\$182,637.00	Yes	Yes and option exercised on September 25, 2015.
Lattice Biologics (gross sales royalty and secured convertible promissory note ⁽⁵⁾ ⁽⁶⁾)	September 12, 2014	USD\$2,000,000 (\$2,215,800), plus a follow-on investment of USD\$200,000 (\$243,890) and USD\$800,000 (\$975,840). Advance under the promissory note was USD\$700,000 (\$916,860)	Nil	USD\$2,000,000 (\$2,215,800) initial investment plus a follow-on investment of USD\$200,000 (\$243,890) and USD\$800,000 (\$975,840). Advance under the promissory note was USD\$700,000 (\$916,860).	\$166,301.81	\$543,053.88	Yes	Yes
BG Furniture (gross sales royalty and convertible promissory note ⁽⁷⁾)	October 17, 2014	\$750,000 plus a follow-on investment of \$200,000 and \$550,000. Advance under the promissory note was \$100,000.	Nil	\$750,000 (initial investment) plus a follow-on investment of \$200,000 and \$550,000. Advance under the promissory note was \$100,000.	\$38,810.50	\$109,206.95	Yes	Yes
APO Group (gross sales royalty)	October 17, 2014	\$1,000,000	Nil	\$1,000,000	Nil	Nil	Yes	Yes
MEDD (gross sales royalty)	October 31, 2014	USD\$2,000,000 (\$2,261,400)	Nil	USD\$2,000,000 (\$2,261,400)	\$87,720.09	\$385,243.85	Yes	Yes
Switch Video (gross sales royalty and promissory note)	November 21, 2014	\$500,000 plus a follow-on investment of \$410,000.	Nil	\$500,000 plus a follow-on investment of \$410,000.	\$13,888.72	\$93,749.85	Yes	Yes

Investee Company and Nature of Interest Acquired by the Company	Date of Completion of First Investment	Investment Amount / Acquisition Cost	Transaction Costs Capitalized in accordance with IFRS ⁽¹⁾	Accounting Valuation of Invested Amount at Time of Investment	Royalty, Interest or Other Payments Earned by the Company during the Year Ended December 31, 2014	Royalty, Interest or Other Payments Earned by the Company during the 9 months ended September 30, 2015	Minimum Monthly Payments ⁽²⁾	Buyout / Buydown Options
WATCH IT! (gross sales royalty)	February 25, 2015	\$1,000,000 plus a follow-on investment of \$1,000,000	Nil	\$1,000,000 (initial investment) and \$1,000,000 (follow-on investment)	Nil ⁽³⁾	\$229,308.75	Yes	Yes
Interiormark (gross sales royalty)	March 20, 2015	USD\$1,750,000 (\$2,217,600)	Nil	\$2,217,600	Nil ⁽³⁾	297,048.41	Yes	Yes
Humble Abode (gross sales royalty)	March 31, 2015	USD\$550,000 (701,800) plus a follow-on investment of USD\$450,000 (\$558,540)	Nil	\$ USD\$550,000 (701,800) plus a follow-on investment of USD\$450,000 (\$558,540)	Nil ⁽³⁾	127,970.01	Yes	Yes
Dove Cleaners (gross sales royalty)	April 29, 2015	\$1,300,000 plus a follow-on investment of \$200,000.	Nil	\$1,300,000 plus a follow-on investment of \$200,000.	Nil ⁽³⁾	135,417.00	Yes	Yes
Expert Home (gross sales royalty)	April 30, 2015	\$1,560,000	Nil	\$1,560,000	Nil ⁽³⁾	162,500	Yes	Yes
Manifest (gross sales royalty)	June 29, 2015	\$250,000	Nil	\$250,000	Nil ⁽³⁾	23,017	Yes	Yes
TruGolf (gross sales royalty)	June 30, 2015	USD\$1,000,000 (\$1,246,900)	Nil	USD\$1,000,000 (\$1,246,900)	Nil ⁽³⁾	82,462	Yes	Yes
Medallion (gross sales royalty)	August 26, 2015	USD\$2,000,000 (\$2,664,000)	Nil	USD\$2,000,000 (\$2,664,000)	Nil ⁽³⁾	54,135	Yes	Yes
Agnity (gross sales royalty and unsecured convertible promissory note ⁽⁵⁾)	October 30, 2015	USD\$2,000,000 (\$2,625,400). Advance under the promissory note was USD\$750,000 (\$984,525).	Nil	USD\$2,000,000 (\$2,625,400). Advance under the promissory note was USD\$750,000 (\$984,525).	Nil ⁽³⁾	Nil ⁽⁴⁾	Yes	Yes

Notes:

- (1) Certain transaction costs which were not otherwise reimbursed by the investee companies on Grenville's initial investments were capitalized by Grenville in accordance with IFRS. All transaction costs on subsequent investments were reimbursed by the applicable investee companies.
- (2) 95.2% of Grenville's total invested capital is subject to a requirement by the applicable investee company to pay the greater of a pre-defined minimum monthly amount or the applicable royalty rate based on the investee company's revenue for the immediately preceding month.
- (3) No payments were earned under this royalty agreement during the year ended December 31, 2014 as the agreement was entered into following the completion of the 2014 financial year.
- (4) No payments were earned under this royalty agreement during the nine-month period ended September 30, 2015 as the agreement was entered after the end of the quarter.
- (5) The Company has an option to convert any unpaid balance on or after the maturity date into an additional royalty interest pursuant to and in accordance with the terms of the existing royalty agreement between the parties.
- (6) As part of the advance, the Company has been granted a warrant to purchase 500,000 common shares at an exercise price of \$0.60 exercisable for a period of 24 months.
- (7) The Company has an option to convert any unpaid balance on or after the maturity date into an additional royalty interest or Series A convertible preferred shares pursuant to and in accordance with the terms of the existing agreements between the parties.

Since July 22, 2015 the Company has closed four Contract Buyouts. For these buyouts, the table below discloses: (a) the aggregate investment amount; (b) the date of the buyout; (c) the gross amount received and the net amount; (d) the realized gain on the Contract Buyout; (e) the cumulative cash generated including the royalty payments by the investment over the life of the investment; and (g) cash on cash return as of the date hereof is as follows:

Investee Company	Date of Buyout	Aggregate Investment Amount	Gross Amount Received ¹	Net Amount Received	Gains realized on Contract Buyout	Cumulative cash generated over the life of the investment	Cash on cash return
Wmode	July 23, 2015	\$1,000,000	\$2,783,010	\$2,783,010	\$1,799,264	\$3,147,358	3.15
DS Handling	September 25, 2015	\$1,000,000	\$1,387,500	\$1,387,500	\$397,378	\$1,650,268	1.65
INOVx	October 6, 2015	USD\$ 2,000,000 (\$2,137,000)	\$2,279,725	\$2,247,158	\$1,918 ⁽¹⁾	\$2,722,238	1.27
Above Security	October 20, 2015	\$3,000,000	\$6,000,000	\$5,700,000	\$2,735,317	\$6,453,861	2.15

(1) This amount includes the realized foreign exchange gain of \$422,898 when the royalty agreement was boughtout.

OUTLOOK

As the Company continues to scale its business, it is building a diversified U.S. and Canadian dollar portfolio consisting of cyclical, neutral and defensive asset classes and varying revenue growth categories. The portfolio has been designed through diversification and asset selection to mitigate a level of portfolio company impairment that would be expected in small to medium enterprise (SME) investments. The Company has invested more than \$47.4 million of capital across 51 investments in 28 portfolio companies. Management is building a balanced portfolio based on the pricing of risk in the SME market a rate of \$250,000 of annual revenue per million of invested capital ⁽¹⁾, equivalent to a portfolio return of 25%. The portfolio has reached a scale at which it is generating stable income and Adjusted EBITDA ⁽¹⁾, allowing the Company to declare dividends. The four contract buyouts announced since the beginning of Q3 2015 generated a return in excess of the 25% targeted portfolio return and represent a material ancillary revenue source for the company. Management believes contract buyouts will continue to form a meaningful part of the Company's annual revenue stream. However, given their nature, the timing of buyouts and buydowns will be more irregular than monthly royalty revenue streams of the Company's core portfolio, which are consistent in nature. Total contract buyouts to date of \$12.1 million have generated additional cash flow to the business of \$5.0 million.

Grenville's royalty agreements with its portfolio companies provided revenue to the Company of approximately \$4.5 million for the three-month period ended September 30, 2015. As of November 16, 2015, management estimates October 2015 revenues will be approximately \$0.775 million, excluding the \$2.31 million in revenue as a result of the buyout of the Company's Above Security and INOVx investments. Since the end of the third quarter, Grenville has completed \$2.6 million in new investments. Operating expenses for Q3 2015, excluding any foreign exchange effects, were approximately \$0.21 million per month, and are estimated to be in the range of \$2.2 million to \$2.8 million on an annualized basis in Q3 2015.

Grenville's unique capital offering continues to fill an expansive niche in North American small to medium enterprise, growth-capital markets. With continued access to funding accretive to shareholder value, management is confident the Company will be able to add new portfolio companies to its existing portfolio holdings. Each new portfolio company added will further diversify and strengthen Grenville's existing portfolio balance. Management also believes that the revenue contribution per portfolio-company added will be priced at roughly the same rate as existing companies within the portfolio.

Grenville may also expand the range of financial instruments and solutions employed where the use of these additional instruments can enhance or defend portfolio value, including secured and unsecured short-term debt instruments, the granting of security on existing investments and equity-based instruments. At the present time, the use of secured and unsecured short-term debt instruments, totaling \$1.9 million in aggregate investments, forms an immaterial percentage of the Company's total investments.

Certain information contained herein may be considered to be future oriented financial information or financial outlook under applicable securities laws. The purpose of providing such information in this MD&A is to demonstrate the visibility that the Company has with respect to its revenue streams, and such statements are subject to the risks and assumptions identified under the heading "Forward Looking Information" above. Readers are cautioned that the information may not be appropriate for other purposes.

SUMMARY OF QUARTERLY RESULTS

The following table provides selected unaudited financial information for each quarters since Grenville commenced operations.

	Three months ended September 30, 2015	Three months ended June 30, 2015	Three months ended March 31, 2015	Three months ended December 31, 2014	Three months ended September 30, 2014	Three months ended June 30, 2014	Three months ended March 31, 2014	Period July 29, 2013 to December 31, 2013
Total revenue	\$ 4,537,725	\$ 2,298,542	\$ 1,610,690	\$ 1,535,246	\$ 905,384	\$ 357,090	\$ 147,071	\$ 51,952
Total profit/(loss) for the period attributable to shareholders	3,899,245	(25,716)	1,398,981	(80,461)	528,558	(224,610)	(3,681,246)	(108,856)
Basic earnings/(loss) per share	0.0394	(0.0003)	0.0208	(0.0014)	0.0089	(0.0057)	(0.1280)	(0.0083)
Diluted earnings/(loss) per share	0.0321	(0.0003)	0.0185	(0.0014)	0.0089	(0.0057)	(0.1280)	(0.0083)

The increase in revenues in each quarter was due to the increasing portfolio balance resulting from \$42,762,458 in new royalty agreements acquired and in the the three months period ended September 30, 2015 realized gains on Contract Buyouts of \$2,196,642. The loss for the three months ended March 31, 2014 included \$3,636,197 of expense directly relating to the RTO. For the quarters since then the operating resulting has improved because of the increased revenues. There were no discontinued operations in any of the periods.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2015 the Company's capital resources were \$46,831,472, made up as follows:

99,224,266 common shares	\$ 46,366,984
6,906,567 share warrants at an exercise price of \$0.42 with an expiry date of February 19, 2016.	814,992
Contributed surplus	439,617
Equity component of the convertible debenture	558,831
Accumulated Deficit	(1,348,952)

On March 27, 2014, the Company raised gross proceeds of \$10,000,000 through the issuance of 20,000,000 special warrants. The special warrants were converted on May 15, 2014 into 20,000,000 common shares. After deducting issuing costs, the net proceeds received were \$9,051,437. All of the net proceeds were utilized to acquire new royalty agreements between May 15, 2014 and December 31, 2014.

The Company closed a "bought deal" offering of 8% convertible unsecured subordinated debentures, maturing on December 31, 2019. The offering was for \$15,000,000 with an overallotment of \$2,250,000. The overallotment was exercised in full, resulting in aggregate gross proceeds of \$17,250,000. All of the net proceeds were utilized to acquire royalty agreements between September 2014 and the end of April 2015. The interest payments under the debenture will amount to \$1,380,000 per annum.

The Company closed a "bought deal" offering of 19,828,300 common shares at a price of \$0.58 per share on February 26, 2015. The offering was for \$10,000,000 with an overallotment of \$1,500,414. The overallotment was exercised in full resulting in aggregate gross proceeds of \$11,500,414. The net proceeds of the offering were \$10,517,207 and since the end of September 2015, all of the net proceeds have been utilized to acquire new royalty agreements and fund follow-on investments.

On May 7, 2015, the Company closed a "bought deal" offering, of 17,250,000 common shares at a price of \$0.80 per share. The offering was for \$12,000,000 with an overallotment of \$1,800,000. The overallotment was exercised in full resulting in aggregate gross proceeds of \$13,800,000. The net proceeds of the offering were \$12,788,897 and since the end of September 2015, \$4,761,855 of the net proceeds have been used to acquire new royalty agreements and fund follow-on investments. The balance of \$8,027,042 will be used to acquire new royalty agreements over the next three to six months.

A summary of all the offerings and details of the use of proceeds is in the following table:

Offering	Closing Date	Gross Proceeds	Net Proceeds	Amount used to acquire royalty agreements as of November 16, 2015	Amount yet to be used as of November 16, 2015
20 million special warrants exercisable into common shares @ \$0.50 per special warrant	March 27, 2014	\$10,000,000	\$9,051,436	\$9,051,436	-
17,250,000 8% convertible unsecured subordinated debentures	July 10, 2014	\$17,250,000	\$15,905,455	\$15,905,455	-
19,828,300 common shares @ \$0.58 per share	February 26, 2015	\$11,500,414	\$10,517,207	\$10,517,207	-
17,250,000 common shares @ \$0.80 per share	May 7, 2015	\$13,800,000	\$12,788,897	\$4,761,855	\$8,027,042

Since March 15, 2015 the Company paid a monthly dividend of \$0.00416 per share. The dividends paid from March 15 to November 17 were \$3,467,941 in the aggregate. A further dividend of \$0.00583 per share will be paid on December 15, 2015 to shareholders of record on November 30, 2015. All dividend payments came from accumulated and available free cash flow (a non-IFRS measure, refer to Definition of Non-IFRS Measures for definition).

The Company's cash position at September 30, 2015 was \$20,709,898 of which \$8,027,042 was available to fund the business other than acquiring royalty agreements. All cash was held in short-term, high-quality liquid investments. The Company is satisfied that it has sufficient cash resources to meet all current obligations. The Company's cash position at November 16, 2015 is () and as the Company continues to grow, it will be required to raise additional capital on a regular basis.

WORKING CAPITAL

Grenville's working capital at September 30, 2015 and December 31, 2014 was made up as follows:

	September 30, 2015	December 31, 2014
Cash and cash equivalents	\$ 20,709,898	\$ 9,748,841
Accrued interest and royalty payment receivable	1,183,293	491,060
Loan receivable – current portion	1,431,050	55,613
Royalty agreement acquired – current portion	5,183,163	104,689
Receivable from tax authorities	179,050	267,705
Deposit and prepaid expense	151,662	80,997
Accounts payable and accrued expenses	(760,813)	(279,546)
Dividend payable	(412,773)	-
Finance lease liability – current portion	(2,882)	(3,748)
Income tax payable	(713,979)	(80,384)
Total	\$ 26,947,669	\$ 10,385,227

The Company is of the view that it is able to meet all of its obligations as they become due.

A summary of the contractual and other obligations as at September 30, 2015 were:

Contractual obligation	Total	Less than 1 year	1-4 years	5 years
Accounts payable and accrued liabilities	\$ 760,813	\$ 760,813	\$ -	\$ -
Dividend	412,773	412,773	-	-
Convertible debenture	17,250,000	-	17,250,000	-
Finance lease payments	13,330	2,882	10,448	-
Payments under an operating lease	317,268	152,148	165,120	-
Total	\$ 18,754,184	\$ 1,328,616	\$ 17,425,568	\$ -

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. The Company measures all financial instruments subsequently at amortized cost except for cash and cash equivalents. Of the financial instruments measured at amortized cost, only accounts payable and accrued liabilities and the convertible debentures were not classified as loans and receivables.

Cash and cash equivalents are classified as held-for-trading and are subsequently measured at fair value. All cash and cash equivalents were invested in short term high quality liquid investments. In the opinion of management these measures ensure that the Company is not exposed to credit or liquidity risk on these cash and cash equivalent balances. The cash and cash equivalents balances at September 30, 2015 were \$20,709,898.

For financial assets measured at amortized cost, Grenville will assess whether impairment has occurred at each reporting period. As of the date hereof, there are no additional financial assets impaired or past due from what was reported in the unaudited condensed interim consolidated financial statements for the nine-month period ended September 30, 2015. In monitoring credit risk for the royalty agreements acquired and the loan receivable, the Company considers the payment history, industry, sales volume and aging trends, maturity, and other relevant factors. The Company performs periodic credit evaluations of the financial condition of the investee. Further details are included under Credit Quality, impairment allowance and past due in the portfolio section of this MD&A. As at September 30, 2015, the maximum credit exposure for the royalty agreements acquired and the loan receivable was \$41,876,972. The Company has foreign currency exposures to United States dollars. The transaction exposure will be minimized by converting all foreign currency to Canadian dollars immediately. The Company is aware that a translation exposure exists and will continue to monitor the impact on its reported results and take the required hedging action when management considers it necessary. The foreign exchange exposure at September 30, 2015 was 20,377,947 United States dollars representing 31.7% of total assets.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant credit, market and liquidity risks. The Company does not hold any financial derivatives at September 30, 2015 either for hedging or speculative purposes.

As all accounts payable and accrued liabilities are short-term, the Company has sufficient cash available to settle all liabilities when due. The Company expects that there is sufficient cash available to meet all working capital requirements for at least the next twelve months.

The fair value of receivables, accounts payable and accrued liabilities approximates their carrying value due to their short-term maturity. The fair value of the loan receivable and royalty agreements acquired by the Company are estimated by the Company by discounting future cash flows using a discount rate based on a weighted average cost of capital using variables from the industry in which each investee company operates. Future cash flows are weighted by the Company by using a combination of a probability approach and a terminal value approach, and the fair value for each investment is individually calculated by discounting estimated future cash flows using a discount rate that takes into account the size of the investee, term, credit risk and changes in market conditions. The fair value of the convertible debentures is based on valuation techniques taking into account trading values, market rates of interest, the current conditions in credit markets and the current estimated credit margins applicable to the Company based on similar issues. There was no change in fair value that was recognized in the total comprehensive income for the three-month period ended September 30, 2015 and the nine-month period ended September 30, 2015.

COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS

As at September 30, 2015, Grenville had no commitments for material capital expenditures, no contingencies and no off-balance sheet arrangements; however, the Company has entered into two royalty agreements that include commitments to invest up to \$850,000 at the discretion of the investees.

As at September 30, 2015, the only material contractual obligations were the convertible debentures (see Liquidity and Capital Resources) and the payments of \$317,268 under the lease agreement for the Company's office in Toronto.

TRANSACTIONS BETWEEN RELATED PARTIES

a) Related Party Transaction

The Company entered into an independent contractor agreement with Quantum Leap Asset Management Limited ("QLAM"), a company controlled by William Tharp, a director and the Chief Executive Officer of the Company, dated July 29, 2013, for the provision of general office and administrative services (the "QLAM Agreement"). The QLAM Agreement expired on December 31, 2014 by mutual agreement of the parties though the Company continued to pay some outstanding obligations of QLAM totalling \$24,356 between January 2015 and May 2015.

Under the terms of the QLAM Agreement, the Company paid QLAM a maximum of \$10,000 per month, plus applicable taxes, primarily for the Company's proportionate share of the cost of QLAM's office rent and ancillary services, payable in advance on the first day of the month. If the Company requests the provision of additional services, the parties will negotiate pricing and payment terms for such additional services. For the three-month period ended March 31, 2014 the Company incurred \$30,000 in fees under the QLAM Agreement. As mentioned above, the Company continued to pay some outstanding obligations of QLAM totalling \$24,356 between January 2015 and May 2015. The Company expensed this in full in the three-month period ended December 31, 2014.

b) Compensation of key management personnel

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Short term employee benefits	\$ 276,181	\$ 157,594	\$ 588,470	\$ 326,759
Share-based payments	52,551	14,310	91,225	174,494
Consultancy fees	40,000	33,750	113,750	69,375
Severance payment	-	-	-	400,000
Total	\$ 368,732	\$ 205,654	\$ 793,445	\$ 970,628

The severance payment of \$400,000 was paid to the former President and Chief Executive Officer of Troon Ventures Ltd. who continues to be an independent director of Grenville.

Since March 27, 2014 the Executive Chairman and Chief Executive Officer received salary compensation and the non-executive board members received directors' fees.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company as it grows will continue to enhance the internal controls over financial reporting.

LIMITATIONS OF CONTROLS AND PROCEDURES

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

Management is required to make estimates when preparing the financial statements. Estimates may include the cash flows for royalty agreements acquired throughout the agreement, amounts of liabilities for services provided but not yet invoiced, share-based payments, deferred income tax assets and impairment of financial assets.

Royalty agreements acquired are classified as loans and receivable as the terms of the royalty agreements provide that payments to be made by investee companies are fixed or determinable. The Company has concluded that it is highly probable (which it defines as a probability equal to or exceeding 75%) that it will collect greater than 85% of its initial investment under each royalty agreement on the basis that each royalty agreement contains one or more of the following terms: (i) a right in favour of the investee company to buydown or buyout part or all of the Company's royalty in exchange for a principal payment that, when combined with royalty payments made to the date of the buydown or buyout, exceed the value of the Company's initial investment; and (ii) the payment of a minimum monthly royalty payment by the investee company, which provides the Company with certainty of payment over time.

The Company must also use estimates in order to determine the effective interest rate. 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 throughout the agreement. In order to determine the effective interest rate that will apply for the entire term of the agreements, the Company must estimate the expected cash flows based on the Company's experience of such investments, the terms of the agreement and the investee's historical cash flows. Those royalty agreements that contain a provision requiring an investee company to make a minimum monthly royalty payment provide the Company with a strong indication of what expected cash flows under that royalty agreement should be over time. In addition to historical revenues of investee companies, the Company also considers other factors, such as external market factors, future performance and industry performance, in estimating expected cash flows from an investment. 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.

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.

RECENT ACCOUNTING DEVELOPMENTS

The Company has adopted IFRS from incorporation as required by the Accounting Standards Board of the Canadian Institute of Chartered Accountants. The Company has adopted IFRS 10, 11, 12 and 13 which were effective on January 1, 2013. The IASB has and will issue a collection of amendments as part of its annual project "Improvements to IFRSs." 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 instruments. Application of IFRS 9 is mandatory from the effective date of January 1, 2018 but adoption before that date is possible. The Company has carried out an impact analysis and the new standard will mean that the Company's 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 and as a result will not have a material adverse effect on the Company's business, financial condition, results of operations or prospects but could have a material impact in the presentation of the financial statements.

In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers*, which addresses the recognition of revenue. The new standard is out of scope for the Company as 100% of its revenues are generated by financial instruments.

OUTSTANDING SHARES

The Company is authorized to issue an unlimited number of common shares, without nominal or par value, and no other classes of shares. As of November 16, 2015, there were issued and outstanding: (a) 1,000,000 Common Shares; (b) 1,000,000 warrants to acquire common shares at an exercise price of \$0.42; (c) 7,976,718 options under the company's stock option Plan to acquire 7,976,718 common shares, at a weighted average exercise price of \$0.7069; and (d) convertible debentures at a conversion price of \$0.92 (or a conversion rate of 1,086.9565 common shares for each \$1,000 principal amount of debentures) which, if converted into common shares at that price, would result in the issuance of 18,750,000 common shares.

RISK FACTORS

An investment in the Company's 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 the Company may face. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the Company's business operations. If any of the risks described below or in the Company's other public filings occur, the Company's business, financial condition, results of operation or prospects could be materially adversely affected.

Dependence on the Performance of Investee Companies

The Company will be dependent on the operations, assets and financial health of the SMEs from which royalties are purchased. The ability to meet operating expenses in the long term will be largely dependent on the royalty payments received from investee companies and realized gains on Contract Buyouts which will be the sources 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 the Company will likely decline. The failure of any investee company to fulfill its royalty payment obligations could adversely affect the Company's financial condition and cash flow. The Company conducts due diligence on each of our investee companies prior to entering into agreements with them and monitors 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 the due diligence or ongoing monitoring that may have an adverse effect on an investee company's business.

Limited Control Over Investee Company Management

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

Risk of Payment Defaults under Royalty Agreements

While the Company believes that the Company has structured, and will continue to structure, the 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 as a result of business failure, obligations to shareholders, obligations to lenders or to other investors or stakeholders, or that on the occurrence of a default by an investee company the Company will be able to recover all or any of the investment. Such failure could have a material adverse effect on the Company's business, financial condition, results of operations or prospects. In addition, because the Company has structured, and generally intends 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 against investee companies.

Volatility of Share Price

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 the Company's listed securities will trade cannot be predicted. The market price of the Company's listed securities could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the results of any public announcements Grenville make, general economic conditions, and other factors. Increased levels of volatility and resulting market turmoil may adversely impact the price of the Company's listed securities. If as the Company expects, Grenville is required to access capital markets to carry out its development objectives, the state of domestic and international capital markets and other financial systems could affect the Company's access to, and cost of, capital. Such capital may not be available on terms acceptable to the Company or at all, and this could have a material adverse impact on the Company's business, financial condition, results of operations or prospects.

Financing Risks

The Company does not have any history of significant earnings and due to the nature of our business, there can be no assurance that the Company will be profitable. While the Company 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.

Outstanding Debt

Certain features of the Company's outstanding debt could adversely affect the Company's ability to raise additional capital, fund operations or pay dividends, could expose the Company to interest rate risks or limit the Company's ability to react to changes in the economy and its industry, or could prevent the Company from meeting certain of its business objectives. In addition, any

conversion of interest or principal on the Company's outstanding debt into common shares of the Company will dilute the interests of existing shareholders.

Dilution

The Company anticipates that it will be required to conduct additional equity financings in order to finance additional royalty purchases and develop the Company's 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.

Early Stage of Development

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

Limited Number of Investee Companies

Grenville has purchased royalties from a small number of investee companies to date. While the 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, the Company 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 the Company's business, financial condition, results of operations or prospects.

Ability to Negotiate Additional Royalty Purchases

A key element of the growth strategy involves purchasing additional royalties from new investee companies. Grenville's 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

The ability to achieve desired growth will depend on the Company's 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 the Company's sourcing capabilities, the management of the investment process, the ability to provide capital on terms that are attractive to potential investee companies and our access to financing on acceptable terms. As Grenville grows, the Company 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 the royalty purchase agreements with investee companies contain or will contain buyout options which allow investee companies to repurchase royalties for a set price. While the buyout provision is designed to produce enhanced returns, if the Company has miscalculated the value of a buyout option relative to the ongoing value of a lost royalty stream, the 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. In addition if the lost royalty stream is not replaced with a new royalty stream on a timely basis, there will be a reduction in the Company's revenues in the financial periods following the exercise of the buyout which could have a material adverse effect on our business, financial condition, results of operations or prospects.

Risks Facing Investee Companies

As previously noted, the financial condition and results of operations will be affected by the performance of the SMEs in which the Company invests capital through royalty purchases. Each investee company will also be subject to risks which will affect their financial condition. Given that the Company is 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, the Company expects 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

The Company and investees are subject to a variety of laws, regulations and guidelines in the jurisdictions in which the Company and investees operate and may become subject to additional laws, regulations and guidelines in the future in such jurisdictions. 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.

PFIC Status for U.S. Investors

Generally, unfavourable rules may apply to U.S. investors who own and dispose of securities of a PFIC for any year during which the U.S. investor holds such securities (regardless of whether the company continues to be a PFIC), including, without limitation, increased tax liabilities under U.S. tax laws and regulations and additional reporting requirements. Specifically, if a non-U.S. entity is classified as a PFIC, any gain on disposition of securities of a PFIC and any "excess distribution" received by a U.S. holder would be: (i) deemed to have been earned ratably over the period such holder owns such securities; (ii) taxed at ordinary income tax rates; and (iii) subject to an interest charge for the deemed deferral in payment of the tax.

A non-U.S. entity will be a PFIC for any taxable year in which either (i) at least 75% of its gross income is passive income, or (ii) at least 50% of the value (determined on the basis of a quarterly average) of its assets is attributable to assets that produce or are held for the production of passive income.

The Company has not made, and does not expect to make, a determination as to whether it is or has ever been a PFIC. Consequently, there can be no assurance that the Company has never been a PFIC or will not become a PFIC for any tax year during which U.S. investors hold securities of the Company.

U.S. investors are urged to consult their own tax advisors regarding the possible application of the PFIC rules and the consequences of holding securities of the Company if the Company is treated as a PFIC for any taxable year in which a U.S. investor holds its securities.

Competition from Other Investment Companies

The Company competes 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 the Company's competitors are substantially larger and have considerably greater financial resources than the Company does. Competitors may have a lower cost of funds and many have access to funding sources and unique structures that are not available to Grenville. In addition, some of the competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments than the Company. Pressure from the Company's competitors may have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Impact of Quarterly and Annual Financial Reporting

There can be no assurance that the Company will be profitable on a quarterly or annual basis. The business strategies may not be successful. As a reporting company, the Company will be required to report financial results on an annual and quarterly basis. If the Company's business is not profitable, the market price of the Company's shares may decline.

No Guarantee as to Timing or Amount of Dividends

Holders of the Company's common shares do not have a right to dividends on such shares unless declared by the Board of Directors of the Company. The declaration of dividends is at the discretion of the Board of Directors of the Company, even if the Company has sufficient funds, net of its liabilities, to pay such dividends, and the declaration of any dividend will depend on the Company's financial results, cash requirements, future prospects and other factors deemed relevant by the Board of Directors of the Company.

The Company may not declare or pay a dividend if there are reasonable grounds to believe that (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realizable value of the Company's assets would thereby be less than the aggregate of its 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 the Company, if any. The market value of the common shares of the Company may deteriorate if the Company is unable to pay dividends in accordance with its dividend strategy, or not at all, and such deterioration may be material.

Currency Fluctuations

Certain of the Company's 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

Grenville's success will depend on the abilities, experience, efforts and industry knowledge of the Company's 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, the growth plans may require additional employees, increase the demand on management and produce risks in both productivity and retention levels. The Company may not be able to attract and retain additional qualified management and employees as needed in the future. There can be no assurance that the Company will be able to effectively manage growth, and any failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Conflicts of Interest

Certain of the Company's 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 the Company's 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

Grenville's 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 the business, financial condition, results of operations or prospects of the Company and its investee companies.

Sale of Common Shares by Existing Shareholders

If the Company's shareholders sell substantial amounts of the Company's shares in the public market, the market price of the Company's shares may decline.

Legal Proceedings

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

Analyst Reports

The trading price of the Company's common shares will be influenced by the research and other reports that industry or securities analysts publish about it, its business, its market or its competitors. If any of the analysts who cover the Company changes his or her recommendation regarding the Company's stock adversely, or provides more favourable relative recommendations about the Company's competitors, Grenville's stock price would likely decline. If any analyst who covers the Company were to cease

such coverage or fail to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

APPROVAL

The Board of Directors of the Company approved this MD&A on November 16, 2015.

ADDITIONAL INFORMATION

A copy of this MD&A, as well as additional information concerning the Company, is available on SEDAR at www.sedar.com.

DEFINITION OF NON-IFRS MEASURES

The following key performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative or replacement of net earnings or any other measure of performance under IFRS. These non-IFRS measures do not have any standardized meaning and may not be comparable to similar measures presented by other issuers. These non-IFRS measures will be found throughout this report and the definitions can be found below.

EBITDA refers to earnings determined in accordance with IFRS, before depreciation and amortization, net of gain or loss on disposal of capital assets, interest expense and income tax expense. EBITDA is used by management and many investors to determine the ability of an issuer to generate cash from operations. Management believes EBITDA is a useful supplemental measure from which to determine the Company's ability to generate cash available for royalty investments, working capital, income taxes and dividends.

Adjusted EBITDA refers to EBITDA excluding items that are non-recurring in nature or will not have a cash impact in the immediate future. "Adjusted EBITDA" is calculated by adding back non-recurring charges and significant long-term unrealized gains or losses to EBITDA. Management deems non-recurring charges to be unusual and/or infrequent charges that the Company incurs outside of its common day-to-day operations. Management considers unrealized foreign exchange differences on royalty agreements acquired, unrealized adjustments made to the carrying amount as a result of revising estimated cash flows on royalty agreements acquired, and share-based payment expense as long term, unrealized, gains and losses and therefore included as an adjustment when determining Adjusted EBITDA. Adding back these adjustments allows management to assess EBITDA from ongoing operations. The following table reconciles EBITDA measures to IFRS measures reported in the consolidated statements of comprehensive income/ (loss) for the periods ended as indicated:

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Profit/(Loss) before income taxes	\$ 5,321,797	\$ 503,538	\$ 7,213,372	\$ (3,402,317)
Depreciation	6,634	741	17,548	1,338
Financing expense	422,371	370,160	1,264,464	370,168
EBITDA/EBITDA (Loss)	5,750,802	874,439	8,495,384	(3,030,819)
Adjustments:				
Unrealized foreign exchange (gain)/loss on carrying amount of Royalty Agreements Acquired	(1,518,461)	(360,819)	(2,544,163)	(239,654)
Unrealized adjustment to carrying amount of royalty agreements as a result of revising estimated cash flows	23,207	-	(184,769)	-
Share-based payment expense	70,486	27,959	138,129	186,086
RTO transaction expense ⁽¹⁾	-	-	-	2,651,316
Severance payment	-	-	-	400,000
Legal and professional expenses directly related to RTO	-	-	-	584,881
Adjusted EBITDA	\$ 4,326,034	\$ 541,579	\$ 5,904,581	\$ 551,810

(1) The RTO transaction expense arises from a share-based payment. As the expense is so significant and relates to a specific transaction it is included under RTO transaction expense rather than Share-based payment expense.

Free Cash Flow refers to the amount of cash that is available to the Company as a result of operating activities. "Free Cash Flow" is calculated by deducting from net cash flows used for operating activities as presented in the consolidated statements of cash flows, the interest amount in financing expense, the movement in income tax payable during the period and adding back the royalty agreements acquired in the period. The following table reconciles the Free Cash Flow measure to IFRS measures reported in the audited consolidated financial statements:

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Net cash generated/(used) by/(in) operating activities	\$ 1,339,069	\$ (9,554,393)	\$ (10,067,120)	\$ (19,113,907)
Royalty agreements acquired	4,970,940	9,540,054	18,130,210	18,210,768
Royalty agreements acquired and loans Contract Buyout and loan repayments	(2,790,807)	-	(2,790,807)	-
Debenture interest paid	-	-	(690,000)	-
Interest payable – movement in period	(351,616)	(310,500)	(351,616)	(310,500)
Income tax payable- movement in period	(512,783)	(63,829)	(633,595)	(63,829)
RTO expenses not paid from Free cash flow	-	-	-	984,881
Free Cash Flow	2,654,803	(388,668)	3,597,072	(292,587)

Average royalty payment per million invested refers to the royalty payment income earned and the realized gains on Contract Buyouts during the period, converted into an annualized amount and by reference to a \$1 million investment. This is used by management to monitor the performance of a royalty investment and the portfolio compared to the pre-determined target of \$250,000 per million invested. The following table shows the calculation for each month since September 2014:

Ref.	Sep-15	Aug-15	Jul-15	Jun-15	May-15	Apr-15	Mar-15	Feb-15	Jan-15	Dec-14	Nov-14	Oct-14	Sep-14
Royalty payment													
Interest income on loans	2,843	3,071	3,294	18,389	1,290	1,325	1,360	1,394	1,651	1,905	2,150	2,392	2,629
Royalty payment income	792,539	739,921	748,468	719,520	695,478	597,377	580,085	497,192	491,480	529,808	455,890	386,741	357,388
Principal payments	(39,309)	(31,062)	(31,506)	9,839	565	3,076	16,073	4,887	(12,249)	(45,052)	22,215	32,804	15,564
Realized gain on contract buyouts	397,378	-	1,799,264	-	-	-	-	-	-	-	-	-	-
Total Royalty payment	1,153,451	711,930	2,519,520	747,748	697,333	601,778	597,518	503,472	480,882	486,661	480,255	421,937	375,581
Capital Deployed													
Starting balance	37,755,518	34,841,518	36,791,518	34,236,198	31,711,568	28,851,568	25,732,168	23,732,168	23,632,168	23,632,168	23,132,168	20,120,768	16,904,968
Royalty agreements acquired less buyouts	(90,000)	2,914,000	(1,000,000)	2,555,320	2,524,630	2,860,000	3,119,400	2,000,000	100,000	-	500,000	4,011,400	3,215,800
Impairment - non accrual	(500,000)	-	(950,000)	-	-	-	-	-	-	-	-	-	(1,000,000)
Ending balance	37,165,518	37,755,518	34,841,518	36,791,518	34,236,198	31,711,568	28,851,568	25,732,168	23,732,168	23,632,168	23,632,168	23,132,168	20,120,768
Average capital deployed*	37,460,518	36,298,518	35,816,518	35,513,858	32,973,883	30,281,568	27,291,868	24,732,168	23,682,168	23,632,168	23,382,168	21,626,468	18,512,868
Average royalty per \$1m invested													
Sep-15	369,493	235,358	844,142	252,661	253,776	238,473	262,724	244,284	243,668	247,118	246,472	234,123	243,451
Aug-15													
Jul-15													
Jun-15													
May-15													
Apr-15													
Mar-15													
Feb-15													
Jan-15													
Dec-14													
Nov-14													
Oct-14													
Sep-14													
Analysis													
Royalty payment income	242,198	235,358	241,315	252,661	253,776	238,473	262,724	244,284	243,668	247,118	246,472	234,123	243,451
Realized gain on contract buyout	127,295	-	602,827	-	-	-	-	-	-	-	-	-	-
Total royalty income	369,493	235,358	844,142	252,661	253,776	238,473	262,724	244,284	243,668	247,118	246,472	234,123	243,451
12 month total royalty income moving average													
- Total royalty income (Ref C)	306,024	295,521	295,295	246,686	246,404	240,562	234,901	232,728	226,041	223,368	221,209	218,682	216,967

* Starting balance plus ending balance divided by 2

** Average of the sum of the current month and the previous 11 months.

Twelve month total royalty income moving average represents the average of the royalty payment income and realized gains in the current month and the previous eleven months. The table directly above shows the calculation for each month since September 2014.

Weighted average royalty rate represents the applicable royalty rate, stipulated in the royalty agreement, weighted by the investment amount under each agreement over the aggregate investments. This is used by management to assess the portfolio compared to the pre-determined targets. The calculation is carried out on a transaction by transaction basis and weighted by the investment amount over the aggregate investments.

Rolling three month average investment per month represents the average of the cost of the investments in royalty agreements in the current month and the previous two months.

Rolling three month average investment per transaction represents the average of the transaction size for the investments in royalty agreements in the current month and the previous two months.

These rolling three month metrics are used by management to monitor trends in the size, volume and velocity in investments, to gain insight into portfolio performance, risk management, future financing requirements and portfolio diversification indicators, without limitation.

The calculation of the rolling three month average investment per month and the rolling three month average transaction per transaction since September, 2014 are:

Rolling three month average investment per month and average investment per transaction

	Ref.	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15
Royalty agreements acquired	A	\$3,215,800	\$4,011,600	\$ 500,000	\$ -	\$ 100,000	\$ 2,000,000	\$ 3,119,400	\$ 2,860,000	\$ 2,524,630	\$ 2,555,320	\$ 916,860	\$ 3,094,000	\$ 960,000	\$ 4,659,925
# of transactions closed in mth	B	2	3	1	0	1	3	3	2	4	4	1	3	2	5
Average deal size (Ref A / Ref B)	C	\$1,607,900	\$1,337,200	\$500,000	\$0	\$100,000	\$666,667	\$1,039,800	\$1,430,000	\$621,158	\$638,830	\$916,860	\$1,031,333	\$480,000	\$931,985
3 month moving average*															
- Average investment per month (Ref A)		\$3,180,018	\$3,804,867	\$2,575,800	\$1,503,867	\$200,000	\$700,000	\$1,739,800	\$2,659,800	\$2,834,677	\$2,646,650	\$1,998,937	\$2,188,727	\$1,656,953	\$2,904,642
- Average investment per transaction (Ref C)		\$1,946,184	\$1,679,567	\$1,148,367	\$612,400	\$200,000	\$255,556	\$602,156	\$1,045,489	\$1,033,653	\$899,996	\$728,949	\$862,341	\$809,398	\$814,439

* average of the sum of the current month and the previous 2 months.