Gold Royalties Corp.

1400 – 400 Burrard Street

Vancouver, BC   V6C 3A6

NOTICE

RE: INTERIM CONDESNED CONSOLIDATED FINANCIALS STATEMENTS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2015

These interim condensed consolidated financial statements for the three month period ended March 31, 2015 have not been reviewed by the auditors of Gold Royalties Corp.

GOLD ROYALTIES CORP.

"Erfan Kazemi"

ERFAN KAZEMI

Chief Financial Officer

Gold Royalties Corporation

Interim Condensed Consolidated Financial Statements

For the Periods ended March 31, 2015 and 2014

Unaudited - Prepared by management

(expressed in Canadian dollars)

Gold Royalties Corporation

Interim Condensed Consolidated Statement of Financial Position

(Unaudited – prepared by management)

	March 31, 2015	December 31, 2014
	$	$
Assets		
Current assets		
Cash	**1,978,673**	634,801
Accounts receivable	**87,989**	73,393
Prepaid expenses and deposits	**9,065**	1,865
Assets held for sale (note 4)	**-**	8,349,608
Total current assets	**2,075,727**	9,059,667
Non-current assets		
Royalty interests (note 5)	**2,212,000**	1,657,194
Total assets	**4,287,727**	10,716,861
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**55,959**	66,130
Total current liabilities	**55,959**	66,130
Non-current liabilities		
Convertible debenture (note 6)	**-**	6,490,411
Total liabilities	**55,959**	6,556,541
Shareholders' Equity		
Share capital	**12,341,275**	12,085,980
Contributed surplus	**1,859,776**	1,849,354
Warrants	**607,447**	607,447
Other equity	**57,715**	713,991
Deficit	**(10,634,445)**	(11,096,452)
Total equity	**4,231,768**	4,160,320
Total liabilities and equity	**4,287,727**	10,716,861

Going concern (note 2)
Subsequent events (note 2(ii))

Approved on behalf of the Board of Directors

"Nolan Watson"

Director

The notes are an integral part of these unaudited interim condensed consolidated financial statements.

Gold Royalties Corporation

Interim Condensed Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)

For the three months ended March 31, 2015 and 2014

(Unaudited – prepared by management)

	March 31, 2015	March 31, 2014
	$	$
Royalty revenue	**71,519**	83,561
Expenses		
Salary and benefits	**53,884**	95,438
Share based expense	**10,422**	30,729
Professional fees	**57,143**	12,333
Office and general	**43,853**	25,727
Depletion expense (note 5)	**37,905**	47,585
Rent	**7,924**	5,219
	(211,131)	(217,031)
Net operating loss	**(139,612)**	(133,470)
Financing expenses		
Impairment recovery on royalty interests (note 5)	**(592,711)**	-
Gain on settlement of convertible debenture (note 6)	**(52,558)**	-
Accretion of convertible debenture (note 6)	**25,897**	59,499
Interest on convertible debenture (note 6)	**17,753**	156,559
Net financing gain (expense)	**601,619**	(216,058)
Net income (loss) and comprehensive income (loss)	**462,007**	(349,528)
Basic and diluted earnings (loss) per share	**0.02**	(0.01)
Weighted average number of common shares outstanding during the period	**27,162,366**	24,767,012

The notes are an integral part of these unaudited interim condensed consolidated financial statements.

Gold Royalties Corporation

Interim Condensed Consolidated Statement of Changes in Shareholders' Equity

For the three months ended March 31, 2015 and 2014

(Unaudited – prepared by management)

	Share capital $	Contributed surplus $	Warrants $	Other Equity $	Deficit $	Total equity $
Balance, December 31, 2014	12,085,980	1,849,354	607,447	713,991	(11,096,452)	4,160,320
Common shares issued in debt settlement (note 6)	255,295	-	-	(656,276)	-	(400,981)
Net income for the period	-	-	-	-	462,007	462,007
Share based expense	-	10,422	-	-	-	10,422
Balance, March 31, 2015	12,341,275	1,859,776	607,447	57,715	(10,634,445)	4,231,768
Balance, December 31, 2013	**11,832,793**	**616,263**	**1,622,854**	**713,991**	**(4,744,775)**	**(10,041,126)**
Loss for the period	-	-	-	-	(349,528)	(349,528)
Share-based payment expense	-	30,729	-	-	-	30,729
Balance, March 31, 2014	**11,832,793**	**646,992**	**1,622,854**	**713,991**	**(5,094,303)**	**9,722,327**

The notes are an integral part of these unaudited interim condensed consolidated financial statements.

Gold Royalties Corporation

Interim Condensed Consolidated Statement of Cash Flows
For the three months ended March 31, 2015 and 2014
(Unaudited – prepared by management)

	March 31, 2015	March 31, 2014
	$	$
Cash (used in) provided by:		
Operating activities		
Net income (loss) for the period	462,007	(349,528)
Adjustments for:		
Impairment reversal on royalty interest (see note 5)	(592,711)	
Share based payments	10,422	30,729
Accretion of convertible debenture	25,897	59,499
Depletion expense	37,905	47,585
Gain on settlement of convertible debenture (note 6)	(52,558)	-
	(109,038)	(211,715)
Change in accounts receivable	**(14,596)**	(18,361)
Change in prepaid expenses and deposits	**(7,200)**	(7,233)
Change in accounts payable and accrued liabilities	**(10,171)**	(36,540)
	(141,005)	(273,849)
Investing activities		
Disposal of asset held for sale (note 4)	**8,349,608**	-
Royalty advance payments	**-**	20,000
	8,349,608	20,000
Financing activities		
Accrued interest on convertible debt (note 6)	**17,753**	156,559
Repayment of convertible debenture principal and interest (note 6)	**(6,882,484)**	-
	(6,864,731)	156,559
Change in cash	**1,343,872**	(97,290)
Cash, beginning of year	**634,801**	589,847
Cash, end of period	**1,978,673**	492,557

Supplemental cash flow information

During the three months ended March 31, 2015, the Company paid $nil taxes (2014 - $nil) and paid $1,256,835 (2014 - $nil) in interest related to the convertible debenture settlement (see note 6). As part of the settlement, the Company issued common shares (see note 6) fair valued at $255,295 (2014 - $nil) .

The notes are an integral part of these unaudited interim condensed consolidated financial statements.

1 Reporting entity

Gold Royalties Corporation (the "Company"), is incorporated under the Alberta Business Corporations Act. The Company's operations focus primarily on precious metals mining royalties, particularly gold net smelter returns and gold metal stream royalties. The Company's head office is located at Suite 1400, 400 Burrard Street Vancouver BC V6C 3A6 Canada.

2 Going concern

i) These interim condensed consolidated financial statements have been prepared on a going concern basis which assumes that the Company will realize the carrying value of its assets and discharge its liabilities in the normal course of business. As of the date of these interim condensed consolidated financial statements, the Company holds a portfolio of royalty interests on properties within Canada, the majority of which have yet to start production. As a royalty company, there are limited requirements for capital expenditures.

During the three months ended March 31, 2015, the Company recongized a net income totaling $462,007 and used funds in operations totaling $109,038. The ability of the Company to continue as a going concern including meeting its obligations, funding future operations and recovering the carrying value of the royalty interests is dependent upon the successful extraction of minerals and receipt of royalty revenue in relation to its royalty interests. There can be no assurance that the extraction of minerals will be successful or that sufficient royalty revenues will be earned to meet the Company's ongoing cash outflows, and accordingly significant doubt exists over the Company's ability to continue as a going concern. If unsuccessful, the Company may be required to curtail operations unless additional financing arrangements are completed or support from shareholders is received. The outcome of these matters cannot be determined at this time.

These interim condensed consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying interim condensed consolidated financial statements.

ii) Subsequent to March 31, 2015, the Company entered into the following transactions:

The Company closed an arrangement agreement (the "Arrangement Agreement") pursuant to which all of the outstanding common shares of the Company will be acquired by Sandstorm Gold Ltd (TSX: SSL) (the "Acquirer") by way of a statutory plan of arrangement (the "Arrangement"). Pursuant to the Arrangement, shareholders of the Company will receive common shares of the Acquirer on the basis of 0.045 common shares of the Acquirer for each 1 common share of the Company. All warrants and stock options outstanding within the Company as of the Arrangement date will receive, on subsequent exercise of such warrants and options in accordance with its terms and for the same aggregate exercise price, 0.045 of an Acquirer common share. In connection with the Arrangement, Gold Royalties will apply to delist the Gold Royalties Shares from the TSX Venture Exchange.

The Arrangement received shareholder approval and regulatory approval on April 23, 2015 and April 28, 2015 respectively.

The Company delisted from the TSX Venture on May 5, 2015.

3 Basis of presentation

The interim condensed consolidated financial statement have been prepared in accordance with International Accounting Standards ("IAS") 34 – *"Interim Financial Reporting"* as issued by the International Accounting Standards Board ("IASB") using the accounting policies and methods of computation disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2014. These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2014 and exclude certain disclosures required to be included in annual consolidated financial statements.

The policies applied in these interim condensed consolidated financial statements are based on IFRS issued as of May 29, 2015, the date the Board of Directors approved the statements.

4 Asset held for sale

On December 23, 2014, the Company announced that it had entered into an agreement with Franco-Nevada Corporation to dispose of its Eagle and Lynx royalties (the "Royalties"), and accordingly these Royalties were classified as held for sale at December 31, 2014. On January 14, 2015, the Company closed the transaction selling the Royalties for gross proceeds of $7,000,000 USD ($8,349,608 CDN). The carrying value of the Royalties exceeded the proceeds received and consequently an impairment of $674,312 was recorded in the statement of comprehensive loss as at December 31, 2014.

5 Royalty interests

For the periods presented, the Company had the following royalty interests:

Royalty Interest	December 31, 2014 Net book value $	Acquisition Purchase Price $	Acquisition Costs $	Royalty Advance Payments $	Depletion & Impairment $	Transfer to Assets Held for Sale $	March 31, 2015 Net book value $
Bachelor Lake	420,085	-	-	-	(37,905)	-	382,180
Blende	1,012,527	-	-	-	-	-	1,012,527
KM61	55,323	-	-	-	-	-	55,323
Seymour Lake	78,548	-	-	-	-	-	78,548
Hart	1,492,368	-	-	-	-	-	1,492,368
Justin/Hit	516,240	-	-	-	-	-	516,240
Barry Project	452,365	-	-	-	-	-	452,365
Iron Horse Project	609,947	-	-	-	-	-	609,947
Eastern Extension Gold Deposit	450,446	-	-	-	-	-	450,446
Bradshaw Gold Deposit	762,009	-	-	-	-	-	762,009
Barry/Windfall/Waconichi Royalties	88,336	-	-	-	-	-	88,336
Royalty impairment reversal (current year)	-	-	-	-	-	-	592,711
Royalty impairment - historic	(4,281,000)	-	-	-	-	-	(4,281,000)
	1,657,194	-	-	-	(37,905)	-	2,212,000

Royalty Interest	December 31, 2013 Net book value $	Acquisition Purchase Price $	Acquisition Costs $	Royalty Advance Payments $	Depletion & Impairment $	Transfer to Assets Held for Sale $	December 31, 2014 Net book value $
Bachelor Lake	596,319	-	-	-	(176,234)	-	420,085
Blende	1,012,527	-	-	-	-	-	1,012,527
KM61	55,323	-	-	-	-	-	55,323
Seymour Lake	78,548	-	-	-	-	-	78,548
Hart	1,492,368	-	-	-	-	-	1,492,368
Eagle/Lynx (note 6)	9,058,929	-	-	(35,000)	(674,312)	(8,349,608)	-
Justin/Hit	516,240	-	-	-	-	-	516,240
Barry Project	452,365	-	-	-	-	-	452,365
Iron Horse Project	609,947	-	-	-	-	-	609,947
Eastern Extension Gold Deposit	450,446	-	-	-	-	-	450,446
Bradshaw Gold Deposit	762,009	-	-	-	-	-	762,009
Barry/Windfall/Waconichi Royalties	-	85,526	2,800	-	-	-	88,326
Royalty impairment	-	-	-	-	(4,281,000)	-	(4,281,000)
	15,085,022	85,526	2,800	(35,000)	(5,131,546)	(8,349,608)	1,657,194

During the three months ended March 31, 2015, the Company reversed a previously recognized impairment on royalty interests due to the change in market condition which improved its fair value less cost of disposal.

6 Convertible debenture

On July 30, 2012, the Company issued a non-brokered convertible debenture in the amount of $5,400,000 (the "Debenture") to Callinan Royalties Corporation. The Debenture bears an interest rate of 10% per annum, compounded quarterly, and has a maturity date of July 30, 2016. As of December 31, 2014, the Company has accrued $1,239,082 (December 31, 2013 - $817,344) of interest expense. The Debenture is convertible into units of the Company at the option of the holder at any time up to the date of maturity. The conversion price is $0.80 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each common share purchase warrant entitles the holder thereof to purchase one common share of the Company at a price of $1.20 per common share until July 30, 2016. The interest can be deferred in full to the maturity date and can be paid in common shares of the Company at the then 5-day weighted-average market share price. The Debenture can also be redeemed in either cash, or for a 60% ownership position in royalties on the Eagle Zone and Lynx Zone mining properties. The Company has the right to redeem the Debenture for a cash payment of $8,600,000 at any point up to the maturity date, subject to the holder first having a pre-emptive right to convert the amount then outstanding into equity of the Company. The Debenture is secured by a general security agreement over the Company's assets.

The Debenture is a compound financial instrument and as such has been bifurcated into a liability and equity component. The residual valuation method was used to determine the equity portion of the Debenture. Under this approach, the liability component was valued first, and the difference between the proceeds of the Debenture and the fair value of the liability was assigned to the equity component. The Company allocated $4,448,012 to the liability component and $951,988 to the equity component upon issuance of the Debenture.

The present value of the liability component was calculated using a discount rate of 15% per annum which approximated the interest rate that would have been applicable to non-convertible debt of the Company at the time the Debenture was issued. Through a non-cash interest expense, the liability component of the Debenture will be increased to its face value of $5,400,000 over the 4 year life of the Debenture using the effective yield method.

The following table summarizes the accounting of the Debenture:

	Debenture
	$
Balance, December 31, 2013	5,602,302
Accretion of liability component	237,996
Accrued interest expense	650,113
Balance, December 31, 2014	**6,490,411**
Accretion of liability component	25,897
Accrued interest expense	17,753
Cash paid for settlement	(6,882,484)
Shares issued for settlement	(255,295)
Equity component adjustment	656,276
Gain from settlement for period ended March 31, 2015	52,558

On January 12, 2015, the Company sold its Eagle and Lynx royalty interests for gross proceeds of $7,000,000 USD ($8,349,608 CDN) (note 4). The proceeds were used to extinguish the principal balance and accrued interest owing under the Debenture, pursuant to the Company's right to repay the Debenture prior to its maturity date of July 2016 for a one-time cash payment of $8,600,000 CDN. The Company made a one-time cash payment of $6,882,484 CDN and issued 2,836,603 common shares to Callinan Royalties (the "Lender") at a fair value of $255,295, which is $0.09 per share. The Lender accepted the cash payment and common shares as settlement for the original principal and its accrued interest through to the closing date of the settlement of January 12, 2015.

The residual valuation method was used to allocate the consolidation between liabilities and equity. Under this approach $6,481,503 was allocated to the liability component and $656,276 was allocated to equity. The present value of the consolidation to be allocated to liability was calculated using a 15% discount rate, which approximate the interest rate that would have been applicable to the non-convertible portion of the convertible debenture.

7 Share capital

a) Authorized

Unlimited number of common shares, no par value
Unlimited number of voting convertible, redeemable, preferred shares, no par value

b) **Issued**

	Number of Common Shares	Amount $
Balance, December 31, 2013	**24,767,012**	**11,832,793**
Royalty interest acquisition (note 7)	328,948	85,526
Private placement (ii)	720,000	177,309
Share issue costs (ii)	-	(9,648)
Balance, December 31, 2014	**25,815,960**	**12,085,980**
Share issued for settlement of convertible debenture (note 6)	2,836,603	255,295
Balance, March 31, 2015	**28,652,563**	**12,341,275**

As at March 31, 2015, there is 578,400 common shares (December 31, 2014 – 578,400) held in escrow.

c) **Stock options**

The Company established a stock option plan (the "Plan") for the benefit of employees, directors, officers and consultants of the Company. The maximum number of options available under the Plan is limited to 10% of the issued and outstanding common shares on the date the option is granted. The terms of each grant, including the price, vesting period and the exercisable period are determined by the Board of Directors.

During the period ended March 31, 2015, there were no options granted, and there were no exercises or expiry. The following table summarizes information about the Company's stock options outstanding at March 31, 2015:

	March 31, 2015		December 31, 2014	
	Number of Options Exercisable and Outstanding	**Weighted Avg. Exercise Price $**	Number of Options Exercisable and Outstanding	Weighted Avg. Exercise Price $
Outstanding, beginning of year	**1,315,000**	**0.68**	1,150,000	0.79
Granted	-	-	375,000	0.40
Cancelled	-	-	(70,000)	0.825
Forfeitures	-	-	(140,000)	0.825
Outstanding, end of period	**1,315,000**	**0.68**	1,315,000	0.68

The total stock options outstanding at March 31, 2015 and December 31, 2014 are as follows:

Exercise prices ($)	Options outstanding	Weighted average remaining term (years)	Weighted average exercise price ($)	Options exercisable	Weighted average exercise price ($)
0.00-1.00	1,315,000	3.26	0.68	1,167,500	0.66

d) **Warrants**

Warrants to acquire common shares outstanding at March 31, 2015 are as follows:

	Number of warrants issued and exercisable	Amount $	Weighted average exercise price $	Weighted average Remaining life (years)
Balance, December 31, 2012	9,851,114	1,268,288	0.74	2.06
Private placement	1,960,000	390,749	0.50	1.78
Share issue costs	-	(36,183)	-	-
Balance, December 31, 2013	11,811,114	1,622,854	0.70	1.17
Private placement	720,000	74,691	0.50	1.08
Share issue costs	-	(1,910)	-	-
Reallocation of warrant fair value upon expiry	(4,391,112)	(1,088,188)	(0.48)	-
Balance, December 31, 2014, March 31, 2015	8,140,002	607,447	0.50	0.67

e) **Broker warrants**

	Number of Broker Warrants	Weighted Average Exercise Price $	Amount $	Weighted Average Life (years)
Balance, December 31, 2012	647,500	0.79	222,910	1.35
Exercise of broker warrants acquired on Acquisition	(21,700)	-	-	-
Broker Unit – common share portion	38,625	0.40	8,001	1.68
Broker Unit – warrant portion	38,625	0.50	7,951	1.68
Balance, December 31, 2013	703,050	0.76	238,862	0.53
Expiry of broker warrants	(625,800)	0.80	(222,910)	-
Balance, December 31, 2014, March 31, 2015	77,250	0.40	15,952	0.68

8 Related party transactions

The Company's related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

The Company incurred the $11,250 (March 31, 2014 - $nil) of professional fees with related parties during the three months ended March 31, 2015. The professional fees were paid or accrued to a Company owned by an officer of the Company. These expenses were measured at the exchange amounts agreed upon by the parties. As at March 31, 2015 the Company had amounts payable of $7,875 (December 31, 2014 - $nil) to these parties.

9 Financial instruments and risk management

The Board of Directors oversees managements' establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

a) Fair values

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and the convertible debenture. The fair value of all the financial instruments, other than cash and the convertible debenture, approximate their carrying value due to their short-term nature.

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

At March 31, 2015 and December 31, 2014, the Company's cash have been subject to Level 1 valuation.

b) Credit risk

Credit risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. Credit risk arises from cash and accounts receivables. The Company closely monitors its financial assets and maintains its cash deposits in high quality financial institutions. The maximum credit risk exposure for all of the Company's current financial assets is the carrying value of those assets.

As at March 31, 2015, the Company had cash of $1,978,693 (December 31, 2014 - $634,801) deposited with one major Canadian financial institution. As the amounts are deposited with a Canadian chartered bank, management has assessed the risk of loss to be minimal.

c) Market risk

Market risk is the risk that changes in market factors, such as commodity prices or interest rates, will affect the value of the Company's financial instruments. The Company manages market risk by either accepting it or mitigating it through the use of economic strategies.

(i) Commodity price risk

The Company's royalty interest revenue is subject to fluctuations from changes in market prices of the underlying minerals. The market prices are the primary drivers of the Company's profitability and ability to generate free cash flow. All of the Company's future revenue is un-hedged.

(ii) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Currently, the Company's interest rate exposure arises mainly from the interest receipts on cash and the fixed interest rate on the convertible debenture.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company ensures, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or harm to the Company's reputation. The Company's financial liabilities consist of accounts payable and accrued liabilities, and convertible debenture. As at March 31, 2015 and December 31, 2014, the Company has sufficient cash resources to meet all of its current liabilities as they become due.

10 Capital management

The Company defines capital to be components of shareholders' equity. The Company's objective in managing capital is to ensure its ability to maintain its operations and achieve its growth objectives (note 1). The Company does not have any externally imposed capital management requirements. Management reviews its capital management approach on an ongoing basis and believes its current approach is reasonable given the size of the Company. There has been no change in management's approach to capital management during the year.