Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

CONDENSED CONSOLIDATED BALANCE SHEETS

Unaudited, Expressed in United States Dollars, rounded to the nearest thousand	Note	As at March 31, 2024	As at December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		$ 67,193,000	$ 88,716,000
Accounts receivable and prepaid expenses		199,000	116,000
Income tax receivable		645,000	645,000
		$ 68,037,000	$ 89,477,000
Non-current assets			
Interest in joint venture	4	150,878,000	125,512,000
		$ 150,878,000	$ 125,512,000
TOTAL ASSETS		$ 218,915,000	$ 214,989,000
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		324,000	383,000
		$ 324,000	$ 383,000
Non-current liabilities			
Deferred tax liability	5	10,046,000	9,235,000
		$ 10,046,000	$ 9,235,000
TOTAL LIABILITIES		$ 10,370,000	$ 9,618,000
EQUITY			
Shareholders' equity		208,545,000	205,371,000
		$ 208,545,000	$ 205,371,000
TOTAL LIABILITIES AND EQUITY		$ 218,915,000	$ 214,989,000

See accompanying notes to the Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF LOSS

Unaudited, Expressed in United States Dollars, rounded to the nearest thousand (except per share amounts)	Note	Three months ended March 31, 2024	March 31, 2023
Revenue and other income			
Interest		$ 1,087,000	$ 558,000
		$ 1,087,000	$ 558,000
Costs and Expenses			
General and administrative	6	449,000	520,000
Share based compensation		8,000	133,000
Foreign exchange loss		19,000	1,000
		$ 476,000	$ 654,000
Earnings (loss) before the following:		$ 611,000	$ (96,000)
Share of loss in joint venture	4	(1,009,000)	(92,000)
Loss before income taxes		$ (398,000)	$ (188,000)
Income tax recovery	5	(158,000)	(82,000)
Net loss		$ (240,000)	$ (106,000)
Loss per share			
Basic and diluted	7	$ (0.01)	$ –

See accompanying notes to the Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

Unaudited, Expressed in United States Dollars, rounded to the nearest thousand	Note	Three months ended March 31, 2024	Three months ended March 31, 2023
Net loss		$ (240,000)	$ (106,000)
Other comprehensive earnings (loss)			
To be classified subsequently to profit or loss			
Share of revaluation of cash flow swap held in joint venture			
Gross amount	4	1,738,000	–
Tax effect		(385,000)	–
Net amount		$ 1,353,000	$ –
To not be classified subsequently to profit or loss			
Share of revaluation of investments held in joint venture			
Gross amount	4	2,637,000	804,000
Tax effect		(584,000)	(175,000)
Net amount		$ 2,053,000	$ 629,000
Total other comprehensive earnings		$ 3,406,000	$ 629,000
Total comprehensive earnings		$ 3,166,000	$ 523,000

See accompanying notes to the Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited, Expressed in United States Dollars, rounded to the nearest thousand	Note	Three months ended March 31, 2024	Three months ended March 31, 2023
Operating activities			
Net loss		$ (240,000)	$ (106,000)
Adjustments for operating activities:			
Share based compensation		8,000	133,000
Income tax recovery	5	(158,000)	(82,000)
Share of loss of joint venture	4	1,009,000	92,000
		859,000	143,000
Changes in non-cash operating working capital:			
Accounts receivables and prepaid expenses		(83,000)	(141,000)
Accounts payable and accrued liabilities		(59,000)	(358,000)
Changes in non-cash operating working capital		(142,000)	(499,000)
		$ 477,000	$ (462,000)
Investing activity			
Investment in joint venture	4	(22,000,000)	(1,150,000)
		$ (22,000,000)	$ (1,150,000)
Net decrease in cash and cash equivalents		(21,523,000)	(1,612,000)
Cash and cash equivalents, beginning of period		88,716,000	50,092,000
Cash and cash equivalents, end of period		$ 67,193,000	$ 48,480,000

See accompanying notes to the Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Unaudited, Expressed in United States Dollars, except per share amounts	Note	Common Shares		Other Equity Reserves	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Equity
		Number	Amount				
Balance, December 31, 2022		30,782,689	$ 171,582,000	$ 2,912,000	$ 28,235,000	$ (7,682,000)	$ 195,047,000
Net loss and comprehensive earnings, January 1 to March 31, 2023		–	–	–	629,000	(106,000)	523,000
Share-based compensation		–	–	133,000	.	–	133,000
Balance, March 31, 2023		30,782,689	$ 171,582,000	$ 3,045,000	$ 28,864,000	$ (7,788,000)	$ 195,703,000
Net loss and comprehensive earnings, April 1 to December 31, 2023		–	–	–	10,456,000	(965,000)	9,491,000
Common shares issued under long term incentive plan		4,918	39,000	(73,000)	–	–	(34,000)
Share-based compensation		–	–	211,000	–	–	211,000
Balance, December 31, 2023		30,787,607	$ 171,621,000	$ 3,183,000	$ 39,320,000	$ (8,753,000)	$ 205,371,000
Net loss and comprehensive earnings, January 1 to March 31, 2024		–	–	–	3,406,000	(240,000)	3,166,000
Share-based compensation		–	–	8,000	–	–	8,000
Balance, March 31, 2024		30,787,607	$ 171,621,000	$ 3,191,000	$ 42,726,000	$ (8,993,000)	$ 208,545,000

See accompanying notes to the Condensed Consolidated Financial Statements

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Altius Renewable Royalties Corp. (“ARR” or “the Corporation”) is a renewable energy royalty company whose investments result in the creation of gross revenue royalties and royalty-like payments related to development through operating stage wind, solar, battery storage and other types of renewable energy projects. The Corporation was created on November 13, 2018 as Blue Sky Renewable Royalties Corp. and subsequently changed its name on February 2, 2019.

ARR indirectly holds interests in a portfolio of 2,376 MW of operational wind, solar, and hydro-electric projects located in Texas, Kansas, California and Vermont as well as royalty interests related to a portfolio of approximately 5,784 MW of development stage wind and solar energy projects located across the United States including Texas, Indiana, Pennsylvania, Virginia, Wyoming, Nebraska, Colorado, and Illinois and 895 MW of wind projects under construction. In addition the Corporation indirectly holds investments in renewable project developers that entitle it to additional royalty interest grants upon project sales to third parties.

As at March 31, 2024 TSX listed Altius Minerals Corporation (“Altius” or the "Parent”) owned 58% (December 31, 2023 – 58%) of the Corporation.

ARR is incorporated and domiciled in Canada. The head office of the Corporation is located at 2nd Floor, 38 Duffy Place, St. John’s, Newfoundland and Labrador A1B 4M5. Its registered office is located at 4200 Bankers Hall West, 888 3rd St. SW Calgary, Alberta, T2P 5C5.

These condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 2, 2024.

2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34) as issued by the International Accounting Standards Board (IASB). These condensed consolidated financial statements have been prepared on an historical cost basis, except for financial assets classified at fair value through other comprehensive income. All amounts are expressed in United States dollars, rounded to the nearest thousand, unless otherwise stated. Tabular amounts are presented in United States dollars, rounded to the nearest thousand with the exception of per share amounts.

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

3. MATERIAL ACCOUNTING POLICIES, ESTIMATES AND PRONOUNCMENTS

These condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as the annual consolidated financial statements of the Corporation as at and for the year ended December 31, 2023. The Corporation has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2023.

4. INTEREST IN JOINT VENTURE

		GBR Joint Venture
Balance, December 31, 2022	$	151,095,000
Investment in joint venture		15,950,000
Distribution from joint venture		(54,125,000)
Share of loss		(1,742,000)
Revaluation of investments[1]		18,313,000
Revaluation of cash flow swap[1]		(3,979,000)
Balance, December 31, 2023	$	125,512,000
Investment in joint venture		22,000,000
Share of loss		(1,009,000)
Revaluation of investments[1]		2,637,000
Revaluation of cash flow swap[1]		1,738,000
Balance, March 31, 2024	$	150,878,000

[1] *Recognized through other comprehensive earnings*

The Corporation, with certain funds (the "Apollo Funds") managed by affiliates of Apollo Global Management, Inc. ("Apollo") hold interests in two joint venture entities, both with a 50% ownership interest in Great Bay Renewables Holdings, LLC ("GBR I") and Great Bay Renewables Holdings II, LLC ("GBR II"), collectively referred to herein as "GBR" or the "Joint Venture". The Corporation's share of earnings (loss) and other comprehensive earnings (loss) is reflective of its 50% ownership of the Joint Venture as at March 31, 2024 and March 31, 2023.

During the three months ended March 31, 2024 the Corporation invested $22,000,000 into GBR to fund the Angelo Solar project ("Angelo"), Hexagon Energy, LLC. ("Hexagon"), Hodson Energy LLC ('Hodson"), Bluestar Energy Capital LLC ("Bluestar") and Nova Clean Energy, LLC. ("Nova") tranches detailed below. During the three months ended March 31, 2023, $1,150,000 was invested into GBR to fund a milestone based investment in Hodson.

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

Below is a summary of the Joint Venture's assets, liabilities, income, expense and cash flow, presented on a 100% basis.

	As at March 31, 2024 Total	As at December 31, 2023 Total
Balance Sheets		
Current assets		
Cash	$ 4,689,000	$ 5,208,000
Loan receivable[1]	3,360,000	–
Other current assets	2,519,000	2,277,000
Non-current assets		
Investments[1]	$ 330,797,000	$ 300,315,000
Investment in associate [1]	2,393,000	2,128,000
Royalty interests[1]	70,116,000	57,569,000
Total Assets	**$ 413,874,000**	**$ 367,497,000**
Current liabilities		
Trade and other payables	$ 461,000	$ 1,552,000
Current portion of long-term debt[1]	828,000	828,000
Non-current liabilities		
Long-term debt[1]	$ 109,116,000	$ 108,774,000
Derivative - cash flow swap[1]	4,340,000	7,959,000
Total Liabilities	**$ 114,745,000**	**$ 119,113,000**

[1] *Refer to below tables for breakdown*

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

	Three months ended March 31, 2024 Total	Three months ended March 31, 2023 Total
Statement of Loss and Comprehensive Earnings		
Revenue		
Royalty revenue	$ 4,912,000	$ 1,975,000
Interest revenue	39,000	15,000
Expenses		
General and administrative expense	$ (1,202,000)	$ (929,000)
Interest on long term debt	(2,341,000)	–
Amortization	(543,000)	(485,000)
Other items impacting net (loss) earnings		
Gain on disposal of geothermal wells	–	132,000
Share of loss in associates	(2,883,000)	(892,000)
Net loss	$ (2,018,000)	$ (184,000)
Other comprehensive earnings, revaluation of investments	5,274,000	1,608,000
Other comprehensive earnings, fair value adjustment of cash flow swap	3,476,000	–
Total comprehensive earnings	$ 6,732,000	$ 1,424,000
Statement of Cash Flows		
Operating activities	$ 320,000	$ 961,000
Financing activities	43,967,000	2,300,000
Investing activities	(44,806,000)	(4,644,000)
Net decrease in cash and cash equivalents	$ (519,000)	$ (1,383,000)
Cash and cash equivalents, beginning of period	5,208,000	2,863,000
Cash and cash equivalents, end of period	$ 4,689,000	$ 1,480,000

Joint venture Agreement

During the three months ended March 31, 2024 $44,000,000 was funded into GBR equally by the Corporation and Apollo (March 31, 2023 – $2,300,000). This amount, in addition to cash on hand at GBR, was used to fund the Angelo Solar investment as well as capital calls associated with the Hexagon, Hodson, Bluestar and Nova investment tranches noted below.

Angelo Solar

On February 29, 2024 GBR entered into a $30,000,000 royalty investment with Apex Clean Energy ("Apex") related to Apex's 195 MWac Angelo Solar project in Tom Green County, Texas ("Angelo") which is anticipated to achieve commercial operations in Q2 2024. The royalty investment has been structured using royalty rates that vary over time and achieve GBR's investment hurdles.

During the three months ended March 31, 2024 GBR invested $30,000,000 into Angelo and incurred acquisition costs of $697,000 (March 31, 2023 - $nil) for a total investment of $30,697,000.

Hexagon Energy, LLC.

Investment

During the three months ended March 31, 2024 GBR invested $7,500,000 into Hexagon and incurred acquisition costs of $75,000 (March 31, 2023 - $nil). As at March 31, 2024 the total invested in Hexagon is $27,198,000 with incurred acquisition costs of $441,000 for a total investment of $27,639,000 (December 31, 2023 - $22,500,000 with incurred acquisitions costs of $366,000 for a total investment of $22,866,000).

During the quarter ended March 31, 2024 GBR received cash proceeds from Hexagon of $4,203,000 related to project sales. GBR recognized $1,401,000 as royalty revenue and $2,802,000 as a return of capital based upon the terms of the agreement. GBR is entitled to 10% of the project sales proceeds from any project sales to third parties by Hexagon. This 10% of project sales does not count toward the calculation of GBR's minimum return threshold and the total expected renewable royalties to be granted under the Hexagon investment agreement are unaffected by this supplemental revenue sharing. GBR may elect to receive up to an additional 20% of sales proceeds with such additional sales proceeds being credited toward the calculation of GBR's minimum return threshold and the total expected renewable royalties to be granted under the agreement.

Loan receivable

On March 28, 2024 GBR entered into a $10,100,000 interconnection (IC) support facility to assist Hexagon. The secured facility will be used to fund the refundable portions of certain interconnection deposits for six solar development projects totaling approximately 1,500 MWac that Hexagon has selected for advancement in the MISO interconnection queue. These projects are part of Hexagon’s approximately 7.0 GW development portfolio from which GBR is entitled to receive future royalties. GBR will receive monthly interest payments during the term at an interest rate that falls within GBR's target return threshold. The facility with Hexagon can be drawn in tranches and matures on December 31, 2024. The first tranche of $3,360,000 was funded by GBR during the quarter.

Hodson Energy LLC

During the three months ended March 31, 2024 GBR invested $2,800,000 into Hodson and incurred acquisition costs of $28,000 (March 31, 2023 - Investment of $5,000,000, acquisition costs of $77,000) for a total invested at March 31, 2024 of $27,738,000 including a warrant balance of $237,000 (December 31, 2023 - $24,910,000, acquisition costs of $410,000 including warrants of $237,000).

Bluestar Energy Capital LLC & Nova Clean Energy, LLC

During the three months ended March 31, 2024 GBR invested $2,500,000 into Nova (March 31, 2023 - $nil). As at March 31, 2024 the total invested into Nova is $9,000,000 with incurred acquisition costs of $107,000 for a total investment of $9,107,000 (December 31, 2023 - $6,500,000 with incurred acquisition costs of $107,000 for a total investment of $6,607,000).

During the three months ended March 31, 2024 GBR invested $648,000 into Bluestar (March 31, 2023 - $nil). As at March 31, 2024 the total invested into Bluestar is $4,846,000 (December 31, 2023 - $4,198,000).

During the three months ended March 31, 2024 GBR recorded its share of loss of $2,883,000 in relation to these investments (March 31, 2023 - $892,000).

Tri Global Energy LLC ("TGE")

As at March 31, 2024 and December 31, 2023 the total invested in TGE is $47,116,000 including acquisition costs of $616,000. During the three months ended ended March 31, 2024, the Canyon Wind Royalty ("Canyon") was assigned to GBR through its agreement with TGE after achieving commercial operations. The provisional fair value of $13,090,000 was determined using a discounted cash flow model and was reclassified from investments to royalty interests.

Longroad Energy ("Longroad")

As at March 31, 2024 and December 31, 2023 the total invested in Longroad's Prospero 2 project is $35,495,000 including acquisition costs of $495,000.

Titan Solar ("Titan")

As at March 31, 2024 and December 31, 2023 the total invested in Longroad's Titan Solar project is $46,800,000 including acquisition costs of $800,000.

Northleaf Capital Partners ("Northleaf")

As at March 31, 2024 and December 31, 2023 the total invested in Northleaf is $53,401,000 including acquisition costs of $901,000.

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

Level 3 Financial Assets (GBR)

A summary of renewable energy investments that are classified as financial assets held in GBR is as follows. Additional information including fair value hierarchy can be found in Note 9.

	TGE	Longroad	Northleaf	Titan	Hodson[1]	Hexagon	Angelo Solar	Total
Balance, December 31, 2022	$ 65,950,000	$ 42,789,000	$ 59,356,000	$ 46,799,000	$ 14,272,000	$ –	$ –	$229,166,000
Additional investments	–	–	–	1,000	10,638,000	22,866,000	–	33,505,000
Reclassification from royalty interests	1,018,000	–	–	–	–	–	–	1,018,000
Revaluation gains (losses) through OCI	12,861,000	6,830,000	(89,000)	7,071,000	3,712,000	6,241,000	–	36,626,000
Balance, December 31, 2023	$ 79,829,000	$ 49,619,000	$ 59,267,000	$ 53,871,000	$ 28,622,000	$ 29,107,000	$ –	$300,315,000
Additional investments	–	–	–	–	2,828,000	7,575,000	30,697,000	41,100,000
Reclassification to royalty interest	(13,090,000)	–	–	–	–	–	–	(13,090,000)
Revaluation gains through OCI	3,197,000	(123,000)	(51,000)	185,000	892,000	1,174,000	–	5,274,000
Return of capital	–	–	–	–	–	(2,802,000)	–	(2,802,000)
Balance, March 31, 2024	$ 69,936,000	$ 49,496,000	$ 59,216,000	$ 54,056,000	$ 32,342,000	$ 35,054,000	$ 30,697,000	$330,797,000

[1] *Includes warrants valued at $237,000*

Investment in Associate (GBR)

A summary of renewable energy investments that are classified as investments in associates held by GBR is as follows.

	Bluestar	Nova	Total
Balance, December 31, 2022	$ 2,351,000	$ 3,619,000	$ 5,970,000
Additional investments	1,198,000	1,500,000	2,698,000
Share of loss	(1,421,000)	(5,119,000)	(6,540,000)
Balance, December 31, 2023	$ 2,128,000	$ –	$ 2,128,000
Additional investments	648,000	2,500,000	3,148,000
Share of loss	(383,000)	(2,500,000)	(2,883,000)
Balance, March 31, 2024	$ 2,393,000	$ –	$ 2,393,000

Debt (GBR)

At amortized cost	March 31, 2024	December 31, 2023
Long-term debt	$ 109,944,000	$ 109,602,000
Current	828,000	828,000
Non-current	109,116,000	108,774,000
	$ 109,944,000	$ 109,602,000

On October 31, 2023 GBR entered into senior secured credit financing agreements ("financing") with a term of 5 years and a maturity date of October 31, 2028 in an aggregate amount of $246,500,000 bearing interest at variable rates. The financing includes a $123,500,000 initial term facility ("ITF"), a $100,000,000 delayed draw term facility ("Delayed Draw

Facility"), and a $23,000,000 letter of credit facility ("L/C"), with the two term facilities qualifying for green loan eligibility. MUFG Bank and Natixis are Coordinating Lead Arrangers, Bookrunners, and Syndication Agents with respect to the facilities.

GBR principal repayments are based on expected royalty cash flows and a 20 year amortization period. The financing allows for additional repayments without penalty and any unused portion of the financing is available for qualifying investments with draw amounts based on established sizing criteria. GBR has pledged equity and security in the form of a first lien on existing cash generating assets or expected near term cash generating assets of GBR along with a pledge of the equity in the subsidiary holdings in its development investments. The credit financing agreements do not require any security from ARR and ARR has not pledged any security in favour of the agreements.

There were no amounts drawn on the credit facilities during the three months ended March 31, 2024. During the year ended December 31 2023 the ITF of $123,500,000 (of which $117,872,000 has been drawn by GBR) was used for closing costs and return of capital totaling $108,250,000 to the shareholders of GBR, ARR and Apollo. The borrowing is intended to finance or reimburse investments previously made in Eligible Green Collateral Projects, under the categories of "Renewable Energy Production" and "Green Technologies – Energy Storage Systems", under the Green Loan Principles administered by the International Capital Market Association. As of March 31, 2024 and December 31, 2023 there was approximately $4,738,000 of letter of credits issued on the L/C as required for debt service reserves.

In connection with the financing GBR entered into floating-to-fixed interest rate swaps to lock in approximately 100% of the interest rate on the ITF for the full term of the debt and approximately 50% of the initial draw beyond (less principal payments made in the first five years) the maturity date through the 20 year amortization period to reduce refinancing risk. GBR expects the interest rate on the debt to be approximately 6.4% per annum, excluding financing closing costs, for the first three years and approximately 6.5% for the last two years over the initial term of the loan. As of March 31, 2024 the balance outstanding on the swap was $122,107,000 (December 31, 2023 - $122,107,000). GBR has applied hedge accounting to this relationship whereby the change in fair value of the effective portion of the hedging derivative is recognized in accumulated other comprehensive earnings. Settlement of both the fixed and variable portions of the interest rate swap occurs on a quarterly basis. The full amount of the hedge was determined to be effective as of March 31, 2024. GBR has classified this financial instrument as a cash flow hedge and the fair value of the hedging instrument is recorded as a liability of $4,340,000 (December 31, 2023 – $7,959,000) on GBR's balance sheet. ARR has recorded its 50% portion of other comprehensive earnings (loss) associated with this financial instrument in the consolidated statements of comprehensive earnings.

GBR is amortizing costs attributable to securing the financing of $8,545,000 over 5 years using an effective interest rate of 8.25%. During the quarter ended March 31, 2024, $374,000 of the costs were recognized as interest expense in long term debt in the statement of loss of GBR (March 31, 2023 - $nil). There were no principal repayments made during the quarter ended March 31, 2024.

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

GBR is in compliance with debt covenants related to the financing and as at March 31, 2024 has approximately $105,628,000 of additional liquidity remaining.

The following principal repayments for the financing are required over the next five calendar years and thereafter.

		Total
2024	$	828,000
2025		1,795,000
2026		5,119,000
2027		2,235,000
2028 & thereafter		107,895,000
	$	117,872,000
Less: unamortized debt costs		7,928,000
	$	109,944,000

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

Royalty Interests (GBR)

A summary of royalty interests held in GBR is as follows:

	As at December 31, 2023	Net additions & reclassifications	Disposals	As at March 31, 2024
Renewable royalty interests				
Jayhawk - Wind	$ 8,011,000	$ –	$ –	$ 8,011,000
El Sauz - Wind	8,262,000	–	–	8,262,000
Young Wind - Wind	19,875,000	–	–	19,875,000
Appaloosa - Wind	3,795,000	–	–	3,795,000
Hansford County - Wind	17,789,000	–	–	17,789,000
Clyde River - Hydro	2,185,000	–	–	2,185,000
Canyon - Wind	–	13,090,000	–	13,090,000
Balance, end of period	$ 59,917,000	$ 13,090,000	$ –	$ 73,007,000
Accumulated amortization				
Jayhawk - Wind	$ (512,000)	$ (67,000)	$ –	$ (579,000)
Young Wind - Wind	(662,000)	$ (166,000)	–	(828,000)
Appaloosa - Wind	(149,000)	$ (31,000)	–	(180,000)
Hansford County - Wind	(592,000)	$ (148,000)	–	(740,000)
Clyde River - Hydro	(433,000)	(22,000)	–	(455,000)
Canyon - Wind	–	(109,000)	–	(109,000)
Balance, end of period	$ (2,348,000)	$ (543,000)	$ –	$ (2,891,000)
Net book value	$ 57,569,000	$ 12,547,000	$ –	$ 70,116,000

	As at December 31, 2022	Net additions & reclassifications	Disposals	As at December 31, 2023
Renewable royalty interests				
Jayhawk - Wind	$ 8,011,000	$ –	$ –	$ 8,011,000
El Sauz - Wind	8,262,000	–	–	8,262,000
Young Wind - Wind	19,875,000	–	–	19,875,000
Appaloosa - Wind	4,813,000	(1,018,000)	–	3,795,000
Hansford County - Wind	17,789,000	–	–	17,789,000
Neo Geothermal - Thermal	389,000	–	(389,000)	–
Clyde River - Hydro	2,185,000	–	–	2,185,000
Balance, end of period	$ 61,324,000	$ (1,018,000)	$ (389,000)	$ 59,917,000
Accumulated amortization				
Jayhawk - Wind	$ (245,000)	$ (267,000)	$ –	$ (512,000)
Young Wind - Wind	–	(662,000)	–	(662,000)
Appaloosa - Wind	–	(149,000)	–	(149,000)
Hansford County - Wind	–	(592,000)	–	(592,000)
Neo Geothermal - Thermal	(90,000)	–	90,000	–
Clyde River - Hydro	(345,000)	(88,000)	–	(433,000)
Balance, end of period	$ (680,000)	$ (1,758,000)	$ 90,000	$ (2,348,000)
Net book value	$ 60,644,000	$ (2,776,000)	$ (299,000)	$ 57,569,000

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

Key management compensation (GBR)

During the three months ended March 31, 2024 GBR paid compensation to key management personnel of $894,000 (March 31, 2023 - $803,000) related to salaries and benefits.

Commitments (GBR)

As at March 31, 2024 the following are GBR's commitments and contractual obligations, of which the Corporation's commitments would be at a 50% basis, over the next five calendar years:

	Bluestar & Nova	Hodson	Hexagon	Hexagon IC Facility	Total
2024	$ 14,354,000	$ 9,700,000	$ 7,500,000	$ 6,740,000	$ 38,294,000
2025	4,300,000	3,000,000	7,500,000	–	14,800,000
2026	–	–	–	–	–
2027	–	–	–	–	–
2028	–	–	–	–	–
	$ 18,654,000	$ 12,700,000	$ 15,000,000	$ 6,740,000	$ 53,094,000

GBR is committed under a consulting and financial advisory agreement to remit the following payments on the Hodson and Hexagon investments, until royalty funding has been completed or the agreement has been terminated:

- $150,000 on each date that the Joint Venture signs definitive documentation in connection with a royalty investment;
- 1.5% of the first $20,000,000 in funded value; plus
- 1% of funded value greater than $20,000,000 but less than $50,000,000; less
- The aggregate amount of the above payments.

GBR has committed under the Bluestar & Nova investments, Hodson and Hexagon investments to fund up to an additional $18,654,000, $12,700,000, and $15,000,000 respectively. The commitments are associated with the expectation of future capital calls and the timing and amounts are at the discretion of the board or manager of each company. In addition, Hodson and Hexagon must achieve certain milestones for future funding to be requested. GBR's remaining commitment of $6,740,000 on the interconnection facility with Hexagon can be drawn in tranches and matures on December 31, 2024, and a portion of this amount is permitted to be funded using the existing $23,000,000 letter of credit facility.

On January 29, 2021 GBR committed under a short term lease on office space including operating costs for future minimum lease payments of $40,000 per annum until the lease expires in March 2024. GBR has applied the exemptions from IFRS 16 in relation to this lease and has therefore not recorded a right-of-use asset and lease liability.

The final value of royalties assigned to GBR under the Apex agreement was to be determined six months following the commercial operation date of the associated project. Apex and the Joint Venture agreed to a true-up mechanism to be used in the future in the event that the current estimates for the final value of the royalties used in determining the redemption payment differ from the actual final values determined. The true-up mechanism is based on the same valuation methodology that would have been used if the redemption did not occur. Based on the final valuation of each royalty, Apex may owe a cash payment to the Joint Venture, or vice versa. As of the date of these financial statements, the amount is indeterminate, and no amount is reflected herein.

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

See Note 8 for a summary of related party transactions; see Note 9 for financial instruments and fair value qualitative and quantitative analysis.

5. INCOME TAXES

Significant components of the deferred tax assets and liabilities are as follows:

	March 31, 2024	December 31, 2023
Non capital loss carryforwards	$ 1,838,000	$ 1,387,000
Carrying value of investments in excess of tax values	(11,884,000)	(10,622,000)
	$ (10,046,000)	$ (9,235,000)

	March 31, 2024	December 31, 2023
Deferred tax assets	$ 1,838,000	$ 1,387,000
Deferred tax liabilities	(11,884,000)	(10,622,000)
Total deferred income tax	$ (10,046,000)	$ (9,235,000)

Components of income tax recovery are as follows:

	Three months Ended	
	March 31, 2024	March 31, 2023
Current tax	$ –	$ –
Deferred tax	(158,000)	(82,000)
	$ (158,000)	$ (82,000)

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

6. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months Ended March 31, 2024	March 31, 2023
Office and administrative	$ 128,000	$ 147,000
Professional fees	115,000	196,000
Management fees	164,000	127,000
Director fees	34,000	30,000
Travel and accommodations	8,000	20,000
	$ 449,000	$ 520,000

7. SHAREHOLDERS EQUITY

Net loss per share

Basic and diluted net loss per share were calculated using the weighted average number of common shares for the respective periods.

	Three months Ended March 31, 2024	March 31, 2023
Basic	30,787,607	30,783,000
Diluted	31,266,229	31,263,000

8. RELATED PARTY TRANSACTIONS

Altius Minerals Services Agreement

During the three months ended March 31, 2024 Altius billed the Corporation $164,000 (C$217,000) (March 31, 2023 - $127,000 (C$173,000)) for office space, management, and administrative services. At March 31, 2024 the balance owing to Altius is $164,000.

GBR Services Agreement

During the three months ended March 31, 2024 Altius billed GBR $23,000 (March 31, 2023 - $23,000) for finance and administrative services. At March 31, 2024 the balance owing to Altius is $nil.

GBR-ARR Services Agreement

During the three months ended March 31, 2024 GBR billed the Corporation $14,000 (March 31, 2023 - $22,000) for support services. At March 31, 2024 the balance owing to GBR is $nil.

Other

During the year ended March 31, 2024 the Corporation paid salaries and benefits to directors of $28,000 (March 31, 2023 - $28,000) and recognized share-based compensation of $8,000 (March 31, 2023 – $133,000).

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation's financial assets and liabilities are measured at fair value on a recurring basis by level within the fair value hierarchy.

Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; inputs that are derived principally from or corroborated by observable market data by correlation or other means; and estimates of expected volatility, expected life and expected risk-free rate of return, and;

Level 3 – valuation techniques with significant unobservable market inputs.

The Corporation does not have any financial assets and liabilities subject to the fair value hierarchy. The fair value of the Corporation's other financial instruments approximates the carrying values due to their short-term nature. The below note summarizes the financial instruments held in the Corporation's joint venture.

Reconciliation of Level 3 fair value measurements of financial instruments

Refer to Note 4 for a reconciliation of the fair value measurements of the Corporation's level 3 financial assets which included renewable energy investments as well as a financial liability that are held in its joint venture. Below is a summary of the valuation technique, key inputs, significant unobservable inputs, relationship and sensitivity of these assets.

Valuation technique and key inputs

The Corporation applies an income approach methodology, using risk adjusted discounted cash flows or hurdle rate of returns, to capture the present value of expected future economic benefits to be derived from the ownership of the investments (Longroad, Northleaf and Titan Solar) and the royalty contracts to be granted in exchange for the TGE, Hodson and Hexagon investments.

The total number and value of royalty contracts, or in certain instances cash, to be ultimately awarded under the TGE, Hodson and Hexagon investment agreements is subject to a minimum return threshold, which has the effect of muting the potential value of key inputs on the present value of the expected future economic benefits of the investments. The total value to be received under the Longroad, Northleaf and Titan Solar agreements are also subject to various return thresholds, which has the effect of muting the potential value impact of key inputs. If an income approach is not possible or the investment is recent, the Corporation utilizes cost as a proxy for fair value. The Corporation works with valuation specialists to establish valuation methodologies and techniques for Level 3 assets including the valuation approach, assumptions using publicly available and internally available information, updates for changes to inputs to the model and reconciling any changes in the fair value of the assets for each reporting date within its financial models.

Significant unobservable inputs

The Corporation uses publicly available information for power purchase agreement prices and merchant power pricing, as well as estimates related to timing of revenues and cash flows, discounts rates and timing of commercial operations all of which are key inputs into the valuation model.

Relationship and sensitivity of unobservable inputs to fair value

The following table provides information about how the fair value of these investments, are determined and in particular, the significant unobservable inputs. The recently acquired Angelo Solar investment is currently measured at cost which approximates fair value.

Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to fair value	Quantitative impact
Discount rate	The Corporation uses risk adjusted discount rates and or hurdle rates of return to determine the fair value of the TGE, Hexagon and Hodson investments based on the stage of development. For the Northleaf, Longroad and Titan royalty investments, ARR determines a discount rate based on the expected weighted average cost of capital (WACC) of the Corporation using a capital asset pricing model.	The lower the discount rate the higher the value of an individual royalty. The higher the discount rate the lower the value of the individual royalty. A 1% change in discount rates results in a change of $6,800,000 for the investment in TGE, $351,000 for the investment in Hodson, $169,000 for the investment in Hexagon and $12,977,000 for the royalty investments in Northleaf, Longroad and Titan.
Timing of commercial operations	For the TGE, Hodson and Hexagon investments, there are a series of anticipated project development milestones that occur as a project approaches commercial operations. As each project development milestone nears completion or is met, the risk associated with the project reaching commercial operations decreases.	While the timing of commercial operations may impact the fair market value of a specific royalty, this impact on the investment is muted because of the minimum return threshold concept implicit in the investments. As a result, any delays for an individual royalty will result in a higher number of royalties being granted to the Corporation, which will offset the reduction in investment value from the delay of any individual royalty.
Power prices	The Corporation uses available forecast data of market power prices in order to calculate expected royalty revenue over the life of each project subject to merchant power prices. The forecasted power prices have a direct impact on forecasted annual revenue for the Corporation's Northleaf, Longroad and Titan royalty investments.	The Northleaf, Longroad and Titan agreements are structured such that royalty rates will often vary over the life of a specific project so that the Corporation's targeted IRR threshold is met. These mechanisms effectively mute the long-term impact of merchant power prices on the valuations. Several of the Corporation's royalties are also contracted under long-term PPAs and are not exposed to market power prices. Given the minimum return threshold on the TGE investment, it is expected that the impact of power prices will be muted as declines will result in a higher number of royalties granted and thus a higher value. A 10% increase in power prices results in a $2,748,000 change in valuation of Northleaf, Longroad and Titan.

Risk Management

The Corporation's financial assets and financial liabilities are exposed to various risk factors that may affect the fair value presentation or the amount ultimately received or paid on settlement of its assets and liabilities. The Corporation manages these risks through prudent investment and business decisions and does not currently utilize derivative financial instruments for trading or speculative purposes.

There has been no change in the Corporations approach to the financial instrument risks identified in the notes to annual consolidated financial statements for the year ended December 31, 2023.