Altius Renewable Royalties Corp.

Condensed Consolidated Financial Statements

For the three months and six months ended June 30, 2021 and 2020

(unaudited)

CONDENSED CONSOLIDATED BALANCE SHEETS

Unaudited, Expressed in United States Dollars, rounded to the nearest hundred	Note		As at June 30, 2021		December 31, 2020
ASSETS					
Current assets					
Cash and cash equivalents		$	77,999,200	$	19,200
Accounts receivable and prepaid expenses			345,500		279,900
		$	78,344,700	$	299,100
Non-current assets					
Interest in joint venture	4		79,607,100		71,234,400
		$	79,607,100	$	71,234,400
TOTAL ASSETS		$	157,951,800	$	71,533,500
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities			443,500		259,900
Related party loan	7		-		164,500
		$	443,500	$	424,400
Non-current liabilities					
Deferred tax liability	5		3,043,900		840,000
		$	3,043,900	$	840,000
TOTAL LIABILITIES		$	3,487,400	$	1,264,400
EQUITY					
Shareholders' equity	6		154,464,400		70,269,100
		$	154,464,400	$	70,269,100
TOTAL LIABILITIES AND EQUITY		$	157,951,800	$	71,533,500

See accompanying notes to the Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF LOSS

Unaudited, Expressed in United States Dollars, rounded to the nearest hundred, except per share amounts	Note	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Revenue and other income					
Royalty Revenue		$ -	81,500	-	126,400
Management fee		-	6,000	-	12,000
Interest & investment		16,600	400	19,100	1,500
		$ 16,600	$ 87,900	$ 19,100	$ 139,900
Costs and Expenses					
Management services	7	$ 159,200	$ -	$ 238,500	$ -
Office and administrative		162,900	18,000	214,100	45,200
Professional fees		80,000	-	103,000	77,300
Salaries and director fees		68,000	223,800	135,200	467,800
Share based compensation		41,000	2,301,800	171,600	2,301,800
Amortization of intangible asset	4	-	131,800	-	263,700
Amortization of renewable royalty interests	4	-	27,800	-	55,500
Travel and accommodations		-	11,000	-	25,900
Foreign exchange gain		(51,600)	(1,600)	(260,400)	-
		$ 459,500	$ 2,712,600	$ 602,000	$ 3,237,200
Loss before the following		(442,900)	(2,624,700)	(582,900)	(3,097,300)
Dilution gain on issuance of equity in joint venture	4	16,100	-	299,100	-
Share of loss in joint venture	4	(504,600)	-	(942,000)	-
Loss before income taxes		(931,400)	(2,624,700)	(1,225,800)	(3,097,300)
Income tax recovery	5	(248,900)	(567,500)	(412,500)	(567,500)
Net loss		$ (682,500)	$ (2,057,200)	$ (813,300)	$ (2,529,800)
Loss per share					
Basic and diluted	6	$ (0.03)	$ (0.14)	$ (0.04)	$ (0.24)

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 hundred	Note	Three months ended		Six months ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Net loss		$ (682,500)	$ (2,057,200)	$ (813,300)	$ (2,529,800)
Other comprehensive earnings					
To not be classifed subsequently to profit or loss					
Unrealized gain on investments					
Gross amount		-	4,666,200	-	4,666,200
Tax effect		-	(1,354,100)	-	(1,354,100)
Net amount		$ -	$ 3,312,100	$ -	$ 3,312,100
Share of unrealized gain on investments held in joint venture					
Gross amount	4	3,101,000	-	9,015,600	-
Tax effect		(899,900)	-	(2,616,300)	-
Net amount		$ 2,201,100	$ -	$ 6,399,300	$ -
Total other comprehensive earnings		$ 2,201,100	$ 3,312,100	$ 6,399,300	$ 3,312,100
Total comprehensive earnings		$ 1,518,600	$ 1,254,900	$ 5,586,000	$ 782,300

See accompanying notes to the Condensed Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited, Expressed in United States Dollars, rounded to the nearest hundred	Note		Six months ended June 30, 2021		June 30, 2020
Operating activities					
Net loss		$	(813,300)	$	(2,529,800)
Share based compensation			171,600		2,301,800
Income tax recovery	5		(412,500)		(567,500)
(Gain) on dilution of joint venture	4		(299,100)		-
Share of loss of joint venture	4		942,000		-
Amortization of intangible asset			-		263,700
Amortization of renewable royalty interests			-		55,500
			402,000		2,053,500
Changes in non-cash operating working capital					
(Increase) decrease in accounts receivables and prepaid expenses			(65,700)		2,400
Increase (decrease) in accounts payable and accrued liabilities			(159,400)		84,600
Changes in non-cash operating working capital		$	(225,100)	$	87,000
		$	(636,400)	$	(389,300)
Financing activities					
Proceeds on issuance of common shares (net of share issuance costs of $6,544,100)	6		78,780,900		47,070,000
(Repayment) proceeds from related party loan	7		(164,500)		274,200
		$	78,616,400	$	47,344,200
Investing activities					
Investment in TGE			-		(8,627,500)
Investment in Apex Clean Energy			-		(35,457,300)
		$	-	$	(44,084,800)
Net increase in cash and cash equivalents			77,980,000		2,870,100
Cash and cash equivalents, beginning of period			19,200		196,100
Cash and cash equivalents, end of period		$	77,999,200	$	3,066,200

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 Number	Common Shares Amount	Other Equity Reserves	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Equity
Balance, December 31, 2019		4,063,775	$ 16,188,700	$ -	$ -	$ (1,510,900)	$ 14,677,800
Net (loss) and comprehensive earnings January 1 to June 30, 2020		-	-	-	3,312,100	(2,529,800)	782,300
Share-based compensation		-	-	1,346,500	-	-	1,346,500
Warrants issued		-	-	955,300	-	-	955,300
Common shares issued		11,906,000	47,624,500	-	-	-	47,624,500
Balance, June 30, 2020		15,969,775	63,813,200	2,301,800	3,312,100	(4,040,700)	65,386,400
Net (loss) and comprehensive earnings July 1 to December 31, 2020		-	-	-	1,328,200	554,500	1,882,700
Common shares issued		750,114	3,000,000	-	-	-	3,000,000
Balance, December 31, 2020		16,719,889	66,813,200	2,301,800	4,640,300	(3,486,200)	70,269,100
Net (loss) and comprehensive earnings January 1 to June 30, 2021		-	$ -	$ -	$ 6,399,300	$ (813,300)	5,586,000
Share-based compensation		-	-	171,600	-	-	171,600
Common shares issued	6	9,794,000	85,325,000	-	-	-	85,325,000
Share issuance costs	6	-	(6,887,300)	-	-	-	(6,887,300)
Balance, June 30, 2021		26,513,889	$ 145,250,900	$ 2,473,400	$ 11,039,600	$ (4,299,500)	$ 154,464,400

See accompanying notes to 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 that invests in renewable energy projects, as well as developers and originators of renewable energy projects, through its joint venture. The investments generate a gross revenue royalty on a renewable energy project upon the sale of such project. The Corporation was created on November 13, 2018 as Blue Sky Renewable Royalties Corp. and subsequently changed its name on February 2, 2019. The Corporation indirectly holds royalty investments related to a portfolio of 2,495 megawatts (MW) of development stage and construction stage wind energy projects located in Texas, Nebraska, Indiana, and Illinois, as well as a producing hydro-electric and solar energy royalty. At June 30, 2021, TSX listed Altius Minerals Corporation ("Altius" or "the Parent") owned 59% 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 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta, T2P 5C5.

These condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors August 4, 2021.

2. BASIS OF PRESENTATION

These condensed consolidated financial statements have been prepared in accordance with the 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 derivative assets and liabilities, and financial assets classified at fair value through profit or loss or through other comprehensive income.

All amounts are expressed in United States dollars, rounded to the nearest hundred, unless otherwise stated. Tabular amounts are presented in United States dollars, rounded to the nearest hundred with the exception of per share amounts.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND PRONOUNCEMENTS

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, 2020. 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, 2020.

4. INTEREST IN JOINT VENTURES

Expressed in United States Dollars, rounded to the nearest hundred		GBR, LLC
Balance, December 31, 2019	$	-
Equity interest on loss of control of subsidiary		69,810,300
Share of loss		(273,500)
Unrealized gains on investments (1)		1,471,000
Dilution gain		226,600
Balance, December 31, 2020	$	71,234,400
Share of loss		(942,000)
Unrealized gains on investments (1)		9,015,600
Dilution gain		299,100
Balance, June 30, 2021	$	79,607,100

(1) Recognized through other comprehensive earnings

The Corporation accounts for its interest in GBR as a joint venture and equity accounts for its share of earnings or loss and its share of other comprehensive earnings or loss. The renewable energy investments form part of the joint venture and the Corporation's share of any unrealized gains and losses relating to revaluation of those investments are recorded in the Corporation's other comprehensive earnings.

On October 11, 2020, the Corporation, through a newly created subsidiary Altius GBR Holdings, entered into a strategic relationship with certain funds (the "Apollo Funds") managed by affiliates of Apollo Global Management, Inc. ("Apollo") to accelerate the growth of its innovative renewable energy royalty business. Under the agreement structure the Apollo Funds will have the right to solely fund the next $80,000,000 in approved investment opportunities in GBR in exchange for a 50% ownership in the GBR joint venture formed and domiciled in Delaware, USA, with opportunities thereafter funded equally by the Apollo Funds and the Corporation with an equally shared governance structure. The GBR joint venture owns 100% of GBR, LLC. The capital of the GBR Joint Venture is divided into Class A Units issued to Altius GBR Holdings and Apollo and Class B Units issued to management of GBR. The Class B Units are non voting and carry no approval or consent rights other than certain actions disproportionately affecting the Class B Units. As at June 30, 2021 the Corporation's interest in GBR was 85.6% (December 31, 2020 – 89%) as a result of additional funding by Apollo. During the six months ended June 30, 2021, dilution gains totalling $299,100 were recorded in the consolidated statement of loss. Subsequent to June 30, 2021 as a result of additional investments by Apollo, ARR's interest in GBR was diluted to 62.7% (see Note 9 Subsequent Events).

Below is summary of assets, liability, income, expenses and cash flow of the joint venture, on a 100% basis. The financial information as at and for the three and six months ended June 30, 2021 with comparative amounts for the 81 day period ended December 31, 2020 reflect the period for which GBR was not consolidated. Prior period comparative information was consolidated in the financial results of the Corporation.

Expressed in United States Dollars, rounded to the nearest hundred	GBR LLC. As at June 30, 2021	As at December 31, 2020
Balance Sheets		
Current assets		
Cash	$ 487,100	$ 657,700
Other current assets	68,300	59,000
Non-current assets		
Royalty interests	2,305,600	2,361,200
Investment in TGE	46,235,600	38,164,200
Investment in APEX	40,923,200	35,466,800
Other non-current assets	804,400	1,058,400
Current liabilities		
Trade and other payables	$ 92,400	$ 197,800

	Three months ended June 30, 2021	Six months ended June 30, 2021	81 days ended December 31, 2020
Statement of Loss and Comprehensive Earnings			
Revenue			
Royalty income	$ 62,800	$ 95,100	$ 49,200
Other revenue	11,100	79,500	60,000
Expenses			
General and administrative expense	$ (513,300)	$ (962,500)	$ (257,000)
Amortization	(149,900)	(309,500)	(159,600)
Net loss	$ (589,300)	$ (1,097,400)	$ (307,400)
Other comprehensive earnings - unrealized gains on investments	3,621,600	10,492,200	1,653,600
Total comprehensive earnings	3,032,300	9,394,800	1,346,200
Statement of Cash Flows			
Operating activities	$ (434,600)	$ (635,000)	$ (40,600)
Investing activities	500,000	3,500,000	7,051,100
Financing activities	3,800	(3,035,600)	(7,080,200)
Net decrease in cash and cash equivalents	$ 69,200	$ (170,600)	$ (69,700)
Cash and cash equivalents, beginning of period	417,900	657,700	727,400
Cash and cash equivalents, end of period	$ 487,100	$ 487,100	$ 657,700

Joint Venture Agreement

The GBR joint venture received funds totalling $500,000 and $3,500,000 from Apollo during the three and six months ended June 30, 2021. As at June 30, 2021, Apollo has invested $13,430,500 of the $80,000,000 based on the terms of the agreement.

Subsequent to June 30, 2021, Apollo funded an additional $20,200,000 and $25,100,000 related to two additional royalty investments (See Note 9 Subsequent Events).

Tri Global Energy LLC

During the six months ended June 30, 2021, using certain proceeds received from Apollo, GBR invested an additional $3,000,000 plus acquisition costs of $31,900 based on the terms of the agreement with Tri Global Energy LLC. (December 31, 2020 - $31,444,200 including acquisition costs of $444,200). As at June 30, 2021, the total cost of the investment in TGE is $34,476,000 (includes acquisition costs of $476,000).

On April 26, 2021, TGE announced the sale of two renewable energy projects, namely the 180 MW Hoosier Line Wind project and the 400 MW Honey Creek Solar project to Leeward Renewable Energy, a portfolio company of Canadian pension fund subsidiary OMERS Infrastructure. The two sales resulted in creation of a 3% royalty on the wind project and a 1.5% royalty on the solar project within GBR.

On May 3, 2021, TGE announced the sale of its 175 MW Appaloosa Run wind project in West Texas to an established buyer. The sale results in creation of a 1.5% royalty within GBR, under its royalty-based portfolio funding agreement with TGE.

On June 2, 2021, TGE announced the sale of the 200 MW Blackford Wind project and the 150 MW Blackford Solar project both in Indiana to Leeward Renewable Energy. The sale results in creation of 3% and 1.5% royalties respectively within GBR, under its royalty-based portfolio funding agreement with TGE.

Apex Clean Energy

As at June 30, 2021, the total cost of the investment in Apex is $35,470,400 (includes $470,400 of acquisition costs). During the six months ended June 30, 2021, GBR incurred $3,600 in acquisition costs based on the terms of the agreement with Apex Clean Energy (December 31, 2020 - $35,466,800 including acquisition costs of $466,800).

On March 1, 2021 ARR announced the creation of its first royalty in its jointly controlled entity, GBR, under the portfolio based royalty financing with Apex Clean Energy ("Apex"). GBR is entitled to receive a 2.5% royalty on the 195 MW Jayhawk Wind project in Crawford and Bourbon Counties, Kansas.

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

Expressed in United States Dollars, rounded to the nearest hundred		As at December 31, 2020		Additions		As at June 30, 2021
Renewable royalty interests						
Neo Geothermal - Thermal	$	389,000	$	-	$	389,000
Clyde River - Hydro		2,185,000		-		2,185,000
Balance, end of period	$	2,574,000	$	-	$	2,574,000
Accumulated amortization						
Neo Geothermal - Thermal	$	44,200	$	11,600	$	55,800
Clyde River - Hydro		168,600		44,000		212,600
Balance, end of period	$	212,800	$	55,600	$	268,400
Net book value	$	2,361,200	$	(55,600)	$	2,305,600

Key management compensation

During the three months ended June 30, 2021 GBR LLC paid compensation to key management personnel and directors of $87,600 (June 30, 2020 - $61,300) related to salaries and benefits. During the six months ended June 30, 2021, GBR LLC paid compensation to key management personnel and directors of $175,100 (June 30, 2020 - $122,500) related to salaries and benefits.

Commitments

On January 29, 2021 GBR committed under a short term lease on office space including operating costs for future minimum lease payments of $21,500 per annum until the lease expired in March 2024. GBR has applied the exemptions from IFRS 16 in relation to this lease.

GBR has committed to the TGE Investment, in tranches, a total of up to $21,000,000 that is anticipated to be funded over the next two years as certain milestones are achieved under the TGE Investment.

GBR is committed under a consulting agreement to remit the following payments until royalty funding has been completed or the agreement terminated with respect to current investments held in the joint venture:

- $150,000 on each date that GBR 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.

See Note 7 for a summary of related party transactions; see Note 8 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:

Expressed in United States Dollars, rounded to the nearest hundred		June 30, 2021		December 31, 2020
Non capital loss carryforwards	$	771,100	$	545,300
Carrying value of investments in excess of tax values		(3,815,000)		(1,385,300)
	$	(3,043,900)	$	(840,000)

		June 30, 2021		December 31, 2020
Deferred tax liabilities	$	(3,815,000)	$	(1,385,300)
Deferred tax assets		771,100		545,300
Total deferred income tax	$	(3,043,900)	$	(840,000)

Components of income tax (recovery) are as follows:

Expressed in United States Dollars, rounded to the nearest hundred	Three months ended				Six months ended			
		June 30, 2021		June 30, 2020		June 30, 2021		June 30, 2020
Current tax	$	-	$	-	$	-	$	-
Deferred tax		(248,900)		(567,500)		(412,500)		(567,500)
	$	(248,900)	$	(567,500)	$	(412,500)	$	(567,500)

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

6. SHAREHOLDERS EQUITY

Share capital

The Corporation is authorized to issue an unlimited number of one class of shares, designated as common shares.

On January 15, 2021, the Corporation filed articles of amendment and consolidated its common shares on the basis of one post-consolidation common share for every four pre-consolidation common shares. The consolidation was effected on January 15, 2021. The Corporation's number of issued and outstanding shares are retrospectively presented to reflect the 4:1 share consolidation.

Initial Public Offering and Over-Allotment

On January 19, 2021 the Corporation filed and obtained a receipt for a preliminary base PREP prospectus with the securities regulatory authorities in each of the provinces and territories of Canada for an initial public offering of 9,100,000 common shares (the "IPO"). On February 25, 2021, ARR filed and obtained a receipt for a final base PREP prospectus and filed a supplemented PREP prospectus.

On March 3, 2021 the Corporation completed its IPO of 9,100,000 common shares at a price of C$11.00 per share for total gross proceeds of $79,243,500 (C$100,100,000). Share issuance costs of $6,354,000 were recorded for net proceeds to the Corporation of $72,889,500.

The Corporation granted the underwriters of the IPO an over-allotment option which is exercisable at the underwriters' sole discretion at anytime, in whole or in part, from time to time, for a period of 30 days after closing of the IPO, to purchase at the IPO price, up to an additional 1,365,000 common shares to cover over-allotments, if any and for market stabilization purposes.

On April 6, 2021 the Corporation announced that the underwriters partially exercised the over-allotment option granted for 694,000 common shares of the Corporation at the IPO price of C$11.00 per share for total gross proceeds of $6,081,500 (C$7,634,000) less share issuance costs of $533,300. The total shares issued and outstanding following the partial exercise of the over-allotment option are 26,513,889 shares.

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. The weighted average number of outstanding common shares used in the net earnings (loss) per share calculations reflect the 4:1 share consolidation of the Corporation's issued common shares which became effective on January 15, 2021.

	Three months ended		Six months ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Basic and diluted	26,468,131	14,917,347	23,028,674	10,360,753

7. RELATED PARTY TRANSACTIONS

Altius Minerals Services Agreement

During the three months ended June 30, 2021, Altius billed the Corporation $159,200 (C$187,500) (June 30, 2020 - $nil) for office space, management, and administrative services. During the six months ended June 30, 2021, Altius billed the Corporation $238,500 (C$287,500) (June 30, 2020 - $nil) for office space, management, and administrative services. At June 30, 2021, the balance owing to Altius is $nil.

GBR-ARR Services Agreement

During the three months ended June 30, 2021, GBR billed the Corporation $11,100 (June 30, 2020 - $nil) post initial public offering support services. During the six months ended June 30, 2021, GBR billed the Corporation $79,500 (June 30, 2020 - $nil) for initial public offering and post initial public offering support services. Of this amount, $63,500 is included in share issuance costs. At June 30, 2021, the balance owing to GBR is $nil.

GBR Services Agreement

During the three months ended June 30, 2021, no costs were billed from Altius to GBR (June 30, 2020 - $nil) for finance and administrative services. During the six months ended June 30, 2021, Altius billed GBR $17,500 (June 30, 2020 - $nil) for finance and administrative services. At June 30, 2021, the balance owed from GBR is $nil.

Other

During the three months ended June 30, 2021, the Corporation received an advance of $nil (June 30, 2020 - $95,400) from its parent. During the six months ended June 30, 2021, the Corporation received an advance of $7,900 (June 30, 2020 - $274,200) from its parent. As at June 30, 2021, there are no amounts owing to the parent (December 31, 2020 - $164,500).

During the three months ended June 30, 2021, the Corporation paid salaries and benefits to key management personnel and directors of $60,300 (June 30, 2020 - $80,100) and recognized share-based compensation of $41,000 (June 30, 2020 - $1,346,500). During the six months ended June 30, 2021, the Corporation paid salaries and benefits to key management personnel and directors of $127,600 (June 30, 2020 - $179,400 and recognized share-based compensation of $171,600 (June 30, 2020 - $1,346,500).

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.

8. 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.

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

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

The following table reconciles the fair value measurements of the Corporation's level 3 financial assets which include renewable energy investments held in a joint venture:

Expressed in Untited States Dollars, rounded to the nearest hundred		TGE		Apex		Level 3 Investments
Balance, December 31, 2019	$	10,686,200	$	-	$	10,686,200
Additions		20,757,900		35,466,800		56,224,700
Revaluation gains through OCI		6,720,100		-		6,720,100
Balance, December 31, 2020	$	38,164,200	$	35,466,800	$	73,631,000
Additions		3,031,900		3,600		3,035,500
Revaluation gains through OCI		5,039,500		5,452,800		10,492,300
Balance, June 30, 2021	$	46,235,600	$	40,923,200	$	87,158,800

Refer to Note 4 for details regarding renewable energy investments that are held in the GBR 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 primarily modelled with risk adjusted discounted cash flows to capture the present value of expected future economic benefits to be derived from the ownership of the royalty contracts to be granted in exchange for the investments. The total number and value of royalty contracts to be ultimately awarded is subject to a minimum return threshold, which has the effect of muting the potential value impact of several of the unobservable 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 gives information about how the fair value of these investments are determined and in particular, the significant unobservable inputs.

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

Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to fair value	Quantitative impact
Discount rate	The Corporation applies a range of risk adjusted discount rates to the expected project royalties based on the stage of development and an assessment of the likelihood of completion.	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 $9,737,000 to the valuation of these instruments.
Timing of commercial operations	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. The expected timing of the commercial operations date (the date upon which cash flows are expected to commence) will impact the fair value calculation.	As the commercial operations date approach and the time to cashflow shortens, the value will increase based on the time value of money. Impact is dependent on reduction in time and appropriate risk adjusted discount rate. Given the minimum return threshold it is expected that the impact of timing of commercial operations will be muted as delays will result in a higher number of royalties granted and thus a higher value. Nominal impact.

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, where the exposure is deemed too high, the Corporation may enter into derivative contracts to reduce this exposure. The Corporation does not utilize derivative financial instruments for trading or speculative purposes.

A summary of the major financial instrument risks and the Corporation's approach to the management of these risks are included in the December 31, 2020 annual consolidated financial statements except as noted below:

COVID -19

Certain impacts to public health conditions particular to the coronavirus (COVID-19) outbreak did not have a significant negative impact on the operations and profitability of the Corporation. The extent of the impact to the financial performance of the Corporation will depend on future developments, including (i) the duration and spread of the outbreak, (ii) the restrictions and advisories, (iii) the effects on the financial markets, (iv) the effects on the economy overall and (v) the effect on commodity prices, all of which are highly uncertain and cannot be predicted. The impact of COVID-19 on the Corporation's investments could be volatile as financial markets and commodity prices adjust accordingly.

9. SUBSEQUENT EVENTS

Apex Royalty Financing

On July 21, 2021, the Corporation announced that GBR had closed a follow-on royalty investment of $20,000,000 with Apex related to Apex's broad portfolio of wind, solar and energy storage development projects located across North America. GBR originally provided an initial $35,000,000 in royalty financing to Apex in March 2020, with agreed mutual options for additional funding.

Longroad Energy

On August 3, 2021, the Corporation announced that GBR has closed a $35,000,000 royalty investment with Longroad Energy ("Longroad") related to Longroad's 331 MWdc (250 MWac) Prospero 2 solar project located in Andrews County, Texas. Longroad is a top-tier developer, owner and operator of renewable energy projects, having developed over 60 renewable energy projects totaling over 6 GWs across North America.

Apollo Funds and ARR agreed to fund the Longroad investment in a separate legal entity, GBR II, of which approximately 70% of the funding provided by Apollo and the balance of $11,100,000 to be funded by ARR.