



Management's Discussion and Analysis of Financial Conditions and Results of Operations

Years Ended December 31, 2021 and 2020

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with Altius Renewable Royalties Corp. (the "Corporation", "ARR" or the "Company") consolidated financial statements for the year ended December 31, 2021 and related notes. This MD&A has been prepared as of March 3, 2022. This MD&A is expressed in US dollars and rounded to the nearest hundred, except per share amounts.

Caution Concerning Forward-Looking Statements, Forward-Looking Information

Management's discussion and analysis of financial condition and results of operations contains forward-looking statements. By their nature, these statements involve risks and uncertainties, many of which are beyond the Corporation's control, which could cause actual results to differ materially from those expressed in such forward-looking statements. Readers are cautioned not to place undue reliance on these statements. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Caution Concerning Non-GAAP Financial Measures

Attributable royalty and other revenue ("attributable revenue") and adjusted EBITDA do not have any standardized meaning prescribed under IFRS and should not be considered in isolation or as a substitute for measures of performance. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently. Detailed definitions and reconciliation to various IFRS measures can be found under 'Non-GAAP Financial Measures'. Additional information regarding the Corporation, including the Corporation's continuous disclosure materials, is available on the Corporation's website at www.arr.energy or through the SEDAR website at www.sedar.com.

Description of Business

Altius Renewable Royalties Corp. 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 and other types of renewable energy projects. The Corporation's operations are primarily managed through its Great Bay Renewables Holdings, LLC. and Great Bay Renewables Holdings II, LLC. joint ventures, collectively referred to herein as GBR or the joint venture, through which it is partnered with certain funds (the "Apollo Funds") managed by affiliates of Apollo Global Management, Inc. ("Apollo").

A summary of the joint venture's royalty interests can be seen below, and a detailed listing of the royalties can be seen in Appendix A – Summary of Operational and Development Stage Renewable Energy Royalties.

Project	Renewable Energy	Royalty Basis	Facility Size
Clyde River	Hydro	10% of revenue	5 MW
Prospero 2	Solar	Variable	250 MW
Phantom	Solar	Variable	15 MW
Old Settler	Wind	Variable	150 MW
Cotton Plains	Wind	Variable	50 MW
JayHawk	Wind	2.5% of revenue	195 MW
Operational			665 MW
TBA	Wind	2.5% of revenue	500 MW
El Sauz	Wind	2.5% of revenue	300 MW
Canyon	Wind	3% of revenue	360 MW
Panther Grove	Wind	3% of revenue	400 MW
Appaloosa	Wind	1.5% of revenue	175 MW
Hoosier Line	Wind	3% of revenue	180 MW
Blackford Wind	Wind	3% of revenue	200 MW
Flatland	Solar	1.5% of revenue	180 MW
Honey Creek	Solar	1.5% of revenue	400 MW
Blackford Solar	Solar	1.5% of revenue	150 MW
Development			2,845 MW
Total			3,510 MW

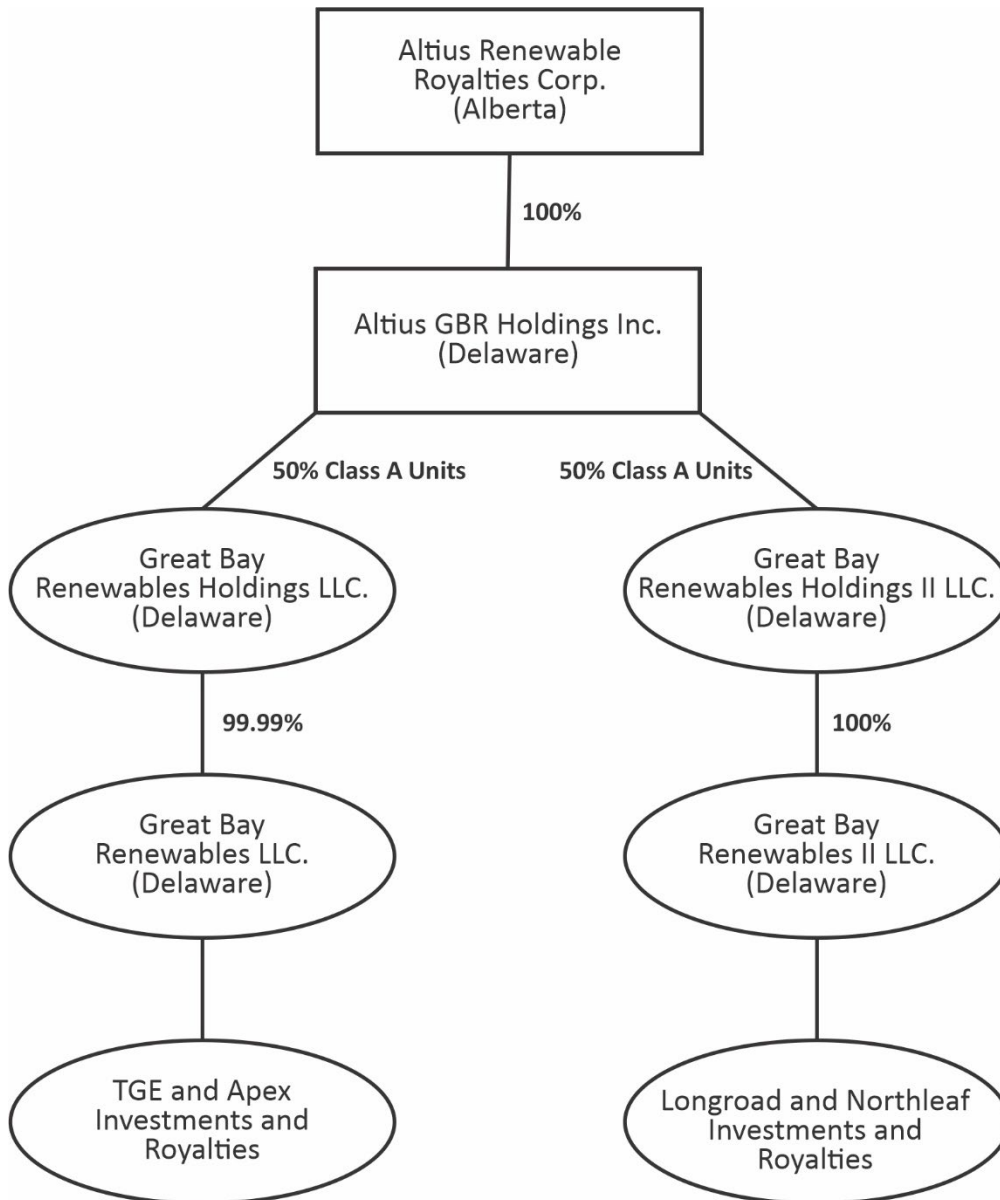
Organizational Structure

On October 11, 2020, the Corporation, through a newly created subsidiary Altius GBR Holdings, entered into a strategic relationship with the Apollo Funds to accelerate the growth of its innovative renewable energy royalty business. Under the agreement structure the Apollo Funds had the right to solely fund the next \$80,000,000 in approved investment opportunities in GBR and earn a 50% ownership in the 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.

On October 11, 2020, as a result of the governance structure with Apollo, the Corporation determined that is no longer controlled its subsidiary, Great Bay Renewables, Inc. ("GBR Inc"). The Corporation now accounts for its interests in Great Bay Renewables I, LLC ("GBR I") and Great Bay Renewables II, LLC. ("GBR II"), collectively referred to herein as GBR or the 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 revaluation of those investments are recorded in the Corporation's other comprehensive earnings.

The following represents a summarized organizational chart for ARR.



Strategy

ARR's long-term strategy is to gain exposure to renewable energy assets by owning and managing a portfolio of diversified renewable energy royalties. The Corporation's primary approach to growing the business is to provide tailored financing solutions to renewable energy project developers and operators in return for a royalty on a project's gross revenues. The Corporation executes this strategy through its joint venture with the Apollo Funds.

ARR has identified demand for capital investment within the renewable energy sector in return for royalty-based financing. Royalty-based financing has been used extensively in other industries, such as finite natural resource, industrial manufacturing, healthcare, and music. Furthermore, the adoption of royalty-based financing has often been a major growth catalyst for certain industries. As a specific comparable, within the mining sector where adoption of royalty financing has become widespread, it provides an alternative to traditional sources of capital, increases the overall supply of capital, and ultimately finances a significant component of project development. Through the Corporation's success to date in deploying capital it believes that royalty-based financing can play a similar role within the renewable energy sector.

While ARR's investment approach is somewhat project stage agnostic, ARR seeks to optimize the risk adjusted return of its investments. For development stage opportunities, the Corporation has structured its investments using a portfolio approach, mitigating the development and construction risk of any specific project, while ensuring the agreements are structured to meet a minimum return threshold. In addition to development stage projects, ARR has made two investments to date in operating stage projects.

The Corporation does not seek to operate renewable energy assets or directly develop projects. ARR's business model is focused on passively financing development or operating projects in order to grow a portfolio of renewable project royalty interests. The Corporation believes that the advantages of this business model include the following:

Focus and Scalability. As the Corporation's management does not handle operational decisions or tasks relating to the development or operation of renewable power projects, they are able to focus their time and resources on carrying out the Corporation's growth strategy of identifying and executing on renewable royalty-based investment opportunities. As such, ARR's business model allows it to acquire and monitor more renewable power interests than an operating company of similar size could generally effectively manage.

Exposure to Redevelopment Upside without Project Costs and Overhead. The Corporation believes that its royalty and royalty-like investment model provides exposure to several forms of project upside. ARR may benefit from any life extensions, re-powering, and other project enhancements, without incurring additional associated operating, development, or sustaining costs.

Asset Diversification. The Corporation is able to invest and create royalty interests in a broad portfolio of renewable power assets across a spectrum of geographic regions and operators, reducing its dependency on any one asset, project, location, or counterparty.

Non-GAAP Financial Measures

Management uses the following non-GAAP financial measures in this MD&A and other documents: attributable revenue, attributable royalty revenue, and adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA).

Management uses these measures to monitor the financial performance of the Corporation and believes these measures enable investors and analysts to compare the Corporation's financial performance with its competitors and/or evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace International Financial Reporting Standards (IFRS) measures, and do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies. Further information on the composition and usefulness of each non-GAAP financial measure, including reconciliation to their most directly comparable IFRS measures, is included in the non-GAAP financial measures section starting on page 22.

Annual Operational Highlights

Successful Execution of Business Strategy

During the year, GBR invested over \$123,000,000 into high quality renewable energy projects and today holds or is entitled to royalties on 16 US based hydro, wind, and solar projects representing approximately 3,510 MW. Looking ahead to 2022, the Corporation is encouraged by the current growth of its pipeline of investment opportunities and the sense of increasing acceptance of the benefits of its partner-like, non-dilutive financing structures within the full spectrum of the renewable energy sector.

IPO of Altius Renewable Royalties Corp.

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 \$6,353,900 were recorded for net proceeds to the Corporation of \$72,889,600.

On April 6, 2021 the Corporation announced that the underwriters partially exercised an over-allotment option for 694,000 common shares of the Corporation at a 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 are 26,513,889, of which Altius Minerals Corporation ("Altius") owns approximately 59%.

Tri-Global Energy

During the year ended December 31, 2021, Tri-Global Energy ("TGE") sold five projects for which GBR is entitled to gross revenue royalties as part of a royalty based portfolio funding agreement between the parties. The royalties created during the year include the 400 MW Honey Creek Solar project, the 175 MW Appaloosa Wind project, the 180 MW Hoosier Line Wind project, the 200 MW Blackford Wind project, and the 150 MW Blackford Solar project. Refer to Appendix A – Summary of Operational and Development Renewable Energy Royalties for more information.

Longroad Energy

On August 3, 2021 GBR closed a \$55,000,000 investment with Longroad Energy ("Longroad") related to Longroad's 331 MWdc (250 MWac) Prospero 2 solar project located in Andrews County, Texas ("Prospero 2"). The project achieved commercial operation on August 2, 2021 and is operated by Longroad. The solar facility is set upon lands leased from the University of Texas under a long-term lease agreement. Over two-thirds of the expected Prospero 2 power output is contracted to two companies under fifteen-year, unit contingent power purchase

agreements, with the remainder of the project's energy output expected to be sold into the ERCOT spot market. Refer to Financial Performance and Results of Operations - Joint venture for more information.

Northleaf Capital

On September 30, 2021 GBR closed a \$52,500,000 investment with Northleaf Capital Partners ("Northleaf") related to three operating-stage wind and solar renewable energy projects located in Texas (the "Northleaf Projects"). The acquired royalties included the 151 MW Old Settler wind project ("Old Settler"), the 50 MW Cotton Plains wind project ("Cotton Plains"), and the 15 MW Phantom Solar project ("Phantom Solar"). The output from Cotton Plains and Phantom Solar is sold at a fixed price under long-term contracts with the US Department of Defense through January 2045, while the output from Old Settler will be sold into the ERCOT market. The three projects have been in commercial operation since 2017. Refer to Financial Performance and Results of Operations - Joint venture for more information.

Apex Redemption

On December 31, 2021 Apex Clean Energy ("Apex") exercised a change of control-based option to redeem the remaining residual royalty financing provided by GBR. The option exercise followed the sale of a majority interest in Apex to Ares Capital. GBR retained three royalties earned prior to the sale: the 195 MW Jayhawk wind project, the 300 MW El Sauz wind project, and a 500 MW undisclosed wind project. Refer to Appendix A – Summary of Operational and Development Renewable Energy Royalties for more information.

The provisional redemption consideration, including a buyout premium, was approximately \$70,000,000, \$41,668,900 of which was a cash payment with the remainder representing the estimated value ascribed to the retained royalties in accordance with the agreement. Refer to Financial Performance and Results of Operations - Joint venture for more information.

Selected Annual Financial Information

Expressed in United States Dollars, rounded to the nearest hundred (except per share amounts)	Year ended		
	December 31, 2021	December 31, 2020	December 31, 2019
Revenue per consolidated financial statements	\$ 81,600	\$ 183,600	\$ 239,300
Attributable royalty	\$ 305,800	\$ 206,900	\$ 216,000
Management fee	-	18,000	22,000
Interest & investment	111,600	55,800	1,300
Attributable revenue ⁽¹⁾	\$ 417,400	\$ 280,700	\$ 239,300
Adjusted EBITDA ⁽¹⁾	\$ (2,958,100)	\$ (973,800)	\$ (919,100)
Net loss	(3,415,600)	(1,975,400)	(1,510,900)
Net loss per share - basic and diluted	\$ (0.14)	\$ (0.15)	\$ (0.49)
Total assets	\$ 165,565,400	\$ 71,533,500	\$ 15,025,700
Total liabilities	6,509,500	1,264,400	347,900

(1) See non-GAAP financial measures section for definition and reconciliation

Revenue for the current year primarily reflects interest income and is lower compared to 2020 due to the exclusion of revenues generated from the joint venture which were previously consolidated. Increased attributable royalty revenue for 2021 includes revenues generated from three newly acquired operating stage royalties, which was partially offset by a decrease attributable to the Corporation's diluted interest in GBR. Costs and expenses have decreased year over year primarily due to lower share-based compensation, partially offset by higher public

company related expenses. Adjusted EBITDA, which excludes the impact of non-cash share-based compensation, decreased year over year as a result of these increased costs. Net loss in the current year was negatively impacted by increased tax expense offset by decreased costs and dilution gains. The growth of assets and liabilities primarily reflects the acquisition of renewable royalty investments during the year, which are described in greater detail in the Annual Operational Highlights and Financial Performance and Results of Operations for activities during the year ended December 31, 2021 and 2020.

Financial Performance and Results of Operations

Revenue and Other Income

Expressed in United States Dollars, rounded to the nearest hundred (except per share amounts)	Three months ended			Year Ended		
	December 31, 2021	December 31, 2020	Variance	December 31, 2021	December 31, 2020	Variance
Revenue per consolidated financial statements	\$ 27,100	\$ 3,400	\$ 23,700	\$ 81,600	\$ 183,600	\$ (102,000)
Attributable royalty	\$ 206,800	\$ 47,100	\$ 159,700	\$ 305,800	\$ 206,900	\$ 98,900
Management fee	-	-	-	-	18,000	(18,000)
Interest	57,200	53,400	3,800	111,600	55,800	55,800
Attributable revenue ⁽¹⁾	\$ 264,000	\$ 100,500	\$ 163,500	\$ 417,400	\$ 280,700	\$ 136,700
Adjusted EBITDA ⁽¹⁾	\$ (859,000)	\$ (201,700)	\$ (657,300)	\$ (2,958,100)	\$ (973,800)	\$ (1,984,300)
Net (loss) earnings	(1,191,700)	904,100	(2,095,800)	(3,415,600)	(1,975,400)	(1,440,200)
Net (loss) earnings per share - basic and diluted	\$ (0.05)	\$ 0.05	\$ (0.10)	\$ (0.14)	\$ (0.15)	\$ 0.01
Total assets	\$ 165,565,400	\$ 71,533,500	\$ 94,031,900	\$ 165,565,400	\$ 71,533,500	\$ 94,031,900
Total liabilities	6,509,500	1,264,400	5,245,100	6,509,500	1,264,400	5,245,100

(1) See non-GAAP financial measures section for definition and reconciliation

Expressed in United States Dollars, rounded to the nearest hundred	Three months ended			Year Ended		
	December 31, 2021	December 31, 2020	Variance	December 31, 2021	December 31, 2020	Variance
Attributable Revenue						
Interest	\$ 57,200	\$ 53,400	\$ 3,800	\$ 111,600	\$ 55,700	\$ 55,900
Management fee	-	-	-	-	18,000	(18,000)
Attributable royalty revenue						
Clyde River	10,300	37,100	(26,800)	79,900	164,700	(84,800)
Cotton Plains	190,800	-	190,800	195,800	-	195,800
Geothermal wells	5,700	10,000	(4,300)	30,100	42,300	(12,200)
Attributable revenue ⁽¹⁾	\$ 264,000	\$ 100,500	\$ 163,500	\$ 417,400	\$ 280,700	\$ 136,700

(1) See non-GAAP financial measures section for definition and reconciliation

No management fee revenue was earned in the current quarter or year to date periods in 2021. Interest income for the 2021 year and fourth quarter was higher than the comparable periods in 2020 due to increased cash balances after completion of the Corporation's IPO.

Attributable revenue (see non-GAAP financial measures) resulting from the Corporation's relative ownership in GBR included royalty income from the Cotton Plains royalties, Clyde River, and on geothermal wells as well as interest income and management fees.

Pursuant to the TGE Investment the Corporation is entitled, through its subsidiaries, to royalties on projects that proceed through their respective development portfolio pipelines to reach commercial operations. The investment in TGE has not yet generated revenue for the Corporation as the projects are still in various stages of development through expected construction. The Jayhawk and Prospero 2 royalties are expected to begin to contribute to attributable revenue in 2022.

During the quarter and year ended December 31, 2021 the Corporation recognized attributable royalty income of \$190,800 and \$195,800 respectively from the Cotton Plains royalties which were acquired on September 30, 2021 (See Joint Venture Performance below). These

royalties consist of three underlying projects: Cotton Plains, Old Settler, and Phantom Solar, that make up the first cash flowing royalties acquired by GBR. During the year and quarter ended December 31, 2021, the Corporation's attributable revenue on Clyde River was lower than the 2020 comparable periods due mainly to waterflow at the facility being at a 10 year low and resulting in less hydroelectric production and, to a lesser degree, a maintenance issue, on track for resolution, with no additional future revenue losses expected. The revenue generated from geothermal wells was relatively consistent with the prior year periods relative to ownership.

Costs and Expenses

Expressed in United States Dollars, rounded to the nearest hundred						
Costs and Expenses	Three months ended			Year ended		
	December 31, 2021	December 31, 2020	Variance	December 31, 2021	December 31, 2020	Variance
Management fees	\$ 136,800	\$ -	\$ 136,800	\$ 513,400	\$ -	\$ 513,400
Office and administrative	181,400	2,600	178,800	544,500	69,200	475,300
Share-based compensation	59,600	-	59,600	290,200	2,301,800	(2,011,600)
Salaries and director fees	80,900	18,800	62,100	278,300	712,700	(434,400)
Professional fees	321,800	52,300	269,500	508,000	217,600	290,400
Amortization of intangible asset	-	-	-	-	395,500	(395,500)
Amortization of renewable royalty interests	-	-	-	-	83,300	(83,300)
Travel and accommodations	-	-	-	-	26,400	(26,400)
Foreign exchange (loss) gain	(4,100)	-	(4,100)	(245,100)	800	(245,900)
	\$ 776,400	\$ 73,700	\$ 702,700	\$ 1,889,300	\$ 3,807,300	\$ (1,918,000)

Overall costs and expenses for the year ended December 31, 2021 decreased by \$1,918,000 compared to the prior year which included increased costs related to the establishment of ARR as a public company.

Management fees during the year and quarter ended December 31, 2021 were related to the management services agreement with Altius that began in February 2021 and are therefore \$nil for the comparative periods of 2020 (see related party transactions).

Office and administrative costs incurred during the year and quarter ended December 31, 2021 were higher than the same periods in 2020 as a result of the additional public company costs and insurance expenses.

Share based compensation expenses during the quarter ended December 31, 2021 were higher than the comparative quarter based on timing of issuances. In 2020, stock options were issued to a director and founding shareholders and warrants were issued for management services at a value of \$1,346,500 and \$955,300, respectively. The expense in the current year and fourth quarter relate to issuances made to directors in 2021.

Salary and director fees were lower during the year and quarter ended December 31, 2021 compared to the same periods in 2020 as a result of the Corporation accounting for GBR employee salaries and wages through the loss in joint venture. The Corporation added four additional directors in 2021 in conjunction with its IPO process.

Professional fees incurred during the year and quarter ended December 31, 2021 were higher than the same periods in 2020 as a result of increased accounting fees as well as due diligence and investor relations consulting. Any professional fees directly relating to the Corporation's IPO and overallotment were recognized as share issuance costs.

Amortization of intangible asset relates to the amortization of non-compete agreements resulting from the acquisition of GBR in 2019. The non-compete agreements are being amortized over a useful life of 4 years and were \$nil for the quarter and year ended December 31, 2021.

The decrease is reflective of the Corporation accounting for its ownership in GBR using the equity method and reporting its results as loss in joint venture.

Amortization of renewable royalty interests are for royalty interests acquired through the purchase of GBR. These assets are being amortized over useful lives of 17 to 25 years and the expense was \$nil for the quarter and year ended December 31, 2021. The decrease is a result of the Corporation accounting for its ownership in GBR using the equity method and reporting its results as loss in joint venture.

Travel and accommodation costs during the year and quarter ended December 31, 2021 were lower compared to the same period in 2020 as no travel occurred due to COVID-19 travel restriction policies.

Foreign exchange differences reflect the fluctuations of foreign currencies held in bank accounts.

Other factors which contributed to the change in the Corporation's earnings are:

Expressed in United States Dollars, rounded to the nearest hundred	Three months ended			Year ended		
	December 31, 2021	December 31, 2020	Variance	December 31, 2021	December 31, 2020	Variance
(Gain) on loss of control of a subsidiary	\$ -	\$ (638,100)	\$ 638,100	\$ -	\$ (638,100)	\$ 638,100
Dilution (gain) on issuance of equity in joint venture	-	(226,600)	226,600	(462,500)	(226,600)	(235,900)
Share of loss in joint venture	237,100	273,500	(36,400)	1,533,900	273,500	1,260,400
	\$ 237,100	\$ (591,200)	\$ 828,300	\$ 1,071,400	\$ (591,200)	\$ 1,662,600
Income tax expense (recovery)	\$ 205,600	\$ (383,200)	\$ 588,800	\$ 536,500	\$ (1,057,100)	\$ 1,593,600

During the quarter and year ended December 31, 2021, the joint venture received funds totalling \$5,200,000 and \$97,950,000, respectively, from the Apollo Funds and \$5,200,000 and \$27,800,500, respectively, from the Corporation. As a result, the Corporation's ownership in the joint venture was diluted from 89% at December 31, 2020 to 50% at the end of 2021 resulting in a dilution gain of \$462,500 for the year ended December 31, 2021. In the prior period ended December 31, 2020 the Corporation was diluted from 91% to 89% and dilution gains of \$226,600 were recognized.

The Corporation recorded \$237,100 and \$1,533,900 in share of losses of GBR for the quarter and year ended December 31, 2021, respectively. In comparison, the Corporation recognized \$273,500 for the same periods last year as prior to the fourth quarter the results were consolidated within the consolidated results. The Corporation recorded its portion of revaluation gains on investments held in GBR for the year of \$5,042,300 compared to \$1,471,000 for the year ended December 31, 2020 in other comprehensive earnings. The Corporation also recognized its share of realized gains on investments held in GBR of \$13,053,700 for the year ended December 31, 2021 in other comprehensive earnings compared to \$nil in the prior year. Detailed analysis pertaining to the joint venture can be found in Note 4 of the consolidated financial statements and below in Joint Venture Performance.

During the year and quarter ended December 31, 2021, higher tax expense compared to tax recoveries in the prior year comparable periods reflect deferred tax changes in the underlying investment in the joint venture. The Corporation recognizes all deferred tax liabilities and, if applicable, any offsetting deferred tax assets at its subsidiary level. Any deferred tax assets relating to loss carry forwards and other tax pools at the parent are not recognized on the basis that it is not yet probable they will be realized. As a result of the redemption of Apex, the Corporation's current tax payable associated with the gain is recognized in other comprehensive earnings.

Financial Performance and Results of Operations - Joint Venture

Tri Global Energy Royalty Investment

Pursuant to the agreement with TGE, GBR has committed to \$55,000,000 in exchange for a 3% gross revenue royalty on each wind project sold and a 1.5% gross revenue royalty on each solar project sold (subject to certain prescribed exceptions) from TGE's project development portfolio until a target minimum return threshold is achieved. The investment amounts will be deployed in tranches over five years as requested by TGE upon the achievement of certain advancement milestones that assure the ultimate realization of producing royalty interest entitlements in favour of GBR. The total deployed amount at December 31, 2021 is \$45,586,800 (including acquisition costs of \$586,800).

During the quarter ended December 31, 2021, GBR invested \$9,595,800 (includes acquisition costs of \$95,800) under the agreement with TGE (December 31, 2020 - \$2,019,100 including acquisition costs of \$19,900). During the year ended December 31, 2021, GBR invested \$14,146,900 (includes acquisition costs of \$146,900) under the agreement with TGE (December 31, 2020 - \$13,686,000 including acquisition costs of \$186,600).

During the year ended December 31, 2021, TGE sold five projects for which GBR is entitled to gross revenue royalties as part of a royalty-based portfolio funding agreement between the parties. The royalties created during the year include the 400 MW Honey Creek Solar project, the 175 MW Appaloosa Wind project, the 180 MW Hoosier Line Wind project, the 200 MW Blackford Wind project, and the 150 MW Blackford Solar project. Refer to Appendix A – Summary of Operational and Development Renewable Energy Royalties for more information.

Apex Clean Energy Royalty Investment

On March 10, 2020, the Corporation, through GBR, entered into a \$35,000,000 investment agreement with Apex to obtain future royalties related to a broad portfolio of wind and solar energy development projects located across North America of over 30 GW. The Corporation, through GBR, gained the right to a 2.5% gross revenue royalty on each wind project sold and a 1.5% gross revenue royalty on each solar project sold (subject to certain prescribed exceptions) until a target minimum royalty threshold is achieved. On July 21, 2021, the Corporation, through GBR, closed a follow-on royalty investment of \$20,000,000 with Apex.

On December 31, 2021 Apex exercised a change of control-based option to redeem the remaining residual royalty financing provided by GBR. The option exercise followed the sale of a majority interest in Apex to Ares Capital. GBR retained three royalties earned prior to the sale: the 195 MW Jayhawk wind project, the 300 MW El Sauz wind project, and a 500 MW undisclosed wind project. Refer to Appendix A – Summary of Operational and Development Renewable Energy Royalties for more information.

The provisional redemption consideration, including a buyout premium, was approximately \$70,000,000, \$41,668,900 of which was a cash payment with the remainder representing the estimated value ascribed to the retained royalties in accordance with the agreement.

Longroad Energy Royalty Investment

On August 2, 2021, ARR announced that GBR completed a \$35,000,000 royalty-like investment with Longroad to Longroad's 250 MW Prospero 2 solar project located in Andrews County, Texas. This was ARR's first investment directly into an operating project. The project achieved commercial operation on August 2, 2021 and is operated by Longroad. Under the terms of the investment agreement, GBR will receive a gross revenue payment commencing in January 2022 at rates that vary over time and which achieve GBR's investment hurdles while optimizing Longroad's project level cash flow profile. The gross revenue payment will remain in place for the life of the Prospero 2 solar project, including any extensions of or enhancements to such project.

On average, annual revenue to GBR from the Prospero 2 royalty is expected to be approximately \$850,000 per year starting on January 1, 2022 and continuing through 2026 before then stepping up to approximately \$4,000,000 - \$7,000,000 per year for the following five years. On average, annual revenue to GBR is expected to be approximately \$4,000,000 - \$4,500,000 over an initial expected 30-year project life. GBR expects to earn a return of 8-12% on its investment over the initial life of the project.

At December 31, 2021 the total investment in Longroad was \$35,495,200 (including acquisition costs of \$495,200).

Northleaf Capital Partners Royalty Investment

On September 30, 2021, ARR announced that GBR completed a \$52,500,000 investment with Northleaf Capital related to Northleaf's portfolio of three operating projects: (i) the 151 MW Old Settler wind project located in Floyd County, Texas (ii) the 50 MW Cotton Plains wind project located in Floyd County, Texas, and (iii) the 15 MW Phantom solar project located in Bell County, Texas. The Northleaf Projects achieved commercial operations in 2017. Under the terms of the agreement with Northleaf, GBR receives a gross revenue payment at rates that vary over time and which achieve GBR's hurdles while optimizing Northleaf's project level cash flow profile. The gross revenue payment will remain in place for the life of the Northleaf Projects, including any extensions of or enhancements to such projects.

On average, annual revenue to GBR from the Northleaf Projects is expected to be approximately \$4,000,000 - \$7,000,000 for the first ten years. GBR expects to earn a return of 8-12% on its investment over the initial life of the projects.

At December 31, 2021 the total investment in Northleaf was \$53,398,400 (including acquisitions costs of \$898,400).

Summarized Joint Venture Financial Information

The table below presents summarized financial information on a 100% basis for the GBR joint venture.

	Three Months Ended		Year Ended		81 days ended	
	December 31, 2021		December 31, 2021		December 31, 2020	
Statement of Loss and Comprehensive Earnings						
Revenue						
Royalty income	\$	413,500	\$	543,600	\$	49,200
Other revenue		74,500		165,000		60,000
Expenses						
General and administrative expense	\$	(807,400)	\$	(2,370,800)	\$	(257,000)
Amortization		(154,800)		(619,100)		(159,600)
Net loss	\$	(474,100)	\$	(2,281,300)	\$	(307,400)
Other comprehensive earnings		22,687,800		28,653,100		1,653,600
Total comprehensive earnings	\$	22,213,700	\$	26,371,800	\$	1,346,200
Statement of Cash Flows						
Operating activities	\$	(1,768,900)	\$	(1,952,300)	\$	(40,600)
Investing activities		32,058,800		(81,538,000)		7,051,100
Financing activities		10,400,000		125,522,900		(7,080,200)
Net increase (decrease) in cash and cash equivalents	\$	40,689,900	\$	42,032,600	\$	(69,700)
Cash and cash equivalents, beginning of period		2,000,400		657,700		727,400
Cash and cash equivalents, end of period	\$	42,690,300	\$	42,690,300	\$	657,700

During the quarter and year ended December 31, 2021 GBR recognized royalty income of \$381,700 and \$391,700, respectively from the newly acquired Cotton Plains royalties on September 30, 2021. During the year and quarter ended December 31, 2021, revenue on Clyde River was

lower than the 2020 comparable periods due to the factors stated above. The revenue generated from geothermal wells was relatively consistent with the prior year periods relative to ownership.

During the quarter and year ended December 31, 2021 GBR's general and administrative expenses were higher than prior periods due to increased salary and compensation costs that were consistent with the growth of the joint venture with respect to its increased investing activity.

Amortization expense is related to Clyde River and geothermal wells and are amortized over their useful life. Newly assigned royalty interests will amortize upon commencement of revenue.

During the year ended December 31, 2021, GBR recognized revaluation gains on investments of \$6,473,200 and realized gains on investments of \$22,179,700 which were recorded in other comprehensive earnings. During the quarter, GBR recognized revaluation gains on investments of \$508,100 and realized gains on investments of \$22,179,700, inclusive of any reclasses within other comprehensive earnings.

During the year ended December 31, 2021 GBR utilized cash from operations of \$1,952,300. Investing cash outflows of \$81,538,000 related primarily to investments in TGE, Northleaf and Longroad, and financing cash inflows of \$125,522,900 relating to funding from partners (the Corporation and Apollo Funds).

During the quarter ended December 31, 2021 GBR utilized cash from operations of \$1,768,900. Investing cash inflows of \$32,058,800 related primarily to the Apex funding redemption of \$41,668,900, partially offset by tranche payments to TGE of \$9,595,800, and financing cash inflows of \$10,400,000 relating to funding from partners (the Corporation and Apollo Funds).

Summary of Quarterly Financial Information

The table below outlines select financial information related to the Corporation's most recent quarters. The financial information is extracted from the Corporation's consolidated financial statements and should be read in conjunction.

Expressed in United States Dollars, rounded to the nearest hundred	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Revenue per consolidated financial statements	\$ 27,100	\$ 35,500	\$ 16,600	\$ 2,400
Attributable revenue ⁽¹⁾	263,900	52,800	70,400	30,300
Adjusted EBITDA ⁽¹⁾	(839,000)	(680,100)	(841,800)	(577,200)
Net earnings (loss)	(1,191,700)	(1,410,500)	(682,500)	(130,900)
Net earnings (loss) per share - basic and diluted	\$ (0.05)	\$ (0.05)	\$ (0.03)	\$ (0.01)

Expressed in United States Dollars, rounded to the nearest hundred	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Revenue per consolidated financial statements	\$ 3,400	\$ 40,300	\$ 87,900	\$ 52,000
Attributable revenue ⁽¹⁾	100,500	40,300	87,900	52,000
Adjusted EBITDA ⁽¹⁾	(201,700)	(295,700)	(163,300)	(313,100)
Net earnings (loss)	904,100	(349,700)	(2,057,200)	(472,600)
Net earnings (loss) per share - basic and diluted	\$ 0.05	\$ (0.02)	\$ (0.14)	\$ (0.08)

(1) See Non-GAAP financial measures section for definition and reconciliation

Royalty and other income was generated from the Clyde River royalty, the recently acquired Cotton Plains royalties, and geothermal wells and is generally dependent on pricing and production levels. Adjusted EBITDA, net earnings (loss) and net earnings (loss) per share have

fluctuated reflecting the underlying growth of the business over these periods. See additional discussion in Financial Performance and Results of Operations above.

Liquidity and Cash Flows

During the year ended December 31, 2021, the Corporation raised net proceeds of \$78,695,800 through the IPO and over-allotment exercise. The Corporation believes it will have adequate liquidity to support its operations and investments and to meet its financial obligations for at least the next twelve months. The Corporation expects to co-fund any new investments with its partner and subsequent to year end, as a result of the Apex redemption, GBR distributed \$20,500,000 each back to the Corporation and Apollo Funds.

At December 31, 2021, the Corporation had current assets of \$49,425,800 (December 31, 2020 - \$299,100), including cash and cash equivalents of \$49,304,200 (December 31, 2020 - \$19,200) and current liabilities of \$2,214,800 (December 31, 2020 - \$424,400) including a balance payable to its parent of \$nil (December 31, 2020 - \$164,500).

The Corporation's sources of cash flow are from royalty and other income as held in the joint venture as well as management fees relating to the provision of office and administrative support to a third-party and the issuance of shares.

Summary of Cash Flows	Year ended	
	December 31, 2021	December 31, 2020
Operating activities	\$ (1,365,800)	\$ (803,200)
Financing activities	78,531,300	50,498,300
Investing activities	(27,880,500)	(49,872,000)
Net increase in cash and cash equivalents	49,285,000	(176,900)
Cash and cash equivalents, beginning of year	19,200	196,100
Cash and cash equivalents, end of year	\$ 49,304,200	\$ 19,200

Operating Activities

Use of cash to fund operations for the year ended December 31, 2021, is higher than the year ended December 31, 2020 which is consistent with an increase in expenses.

Financing Activities

During the year ended December 31, 2021, the Corporation received net proceeds from the IPO and over-allotment of \$78,695,800 as compared to proceeds on issuance of common shares of \$50,070,000 during the year ended 2020. During the year ended December 31, 2021, the Corporation repaid funds on related party loan of \$164,500 compared to a receipt of proceeds from a related party of \$323,700 in the previous year.

Investing Activities

During the year ended December 31, 2021, in accordance with the joint venture arrangement with Apollo Funds, the Corporation invested \$27,880,500 in its joint venture to fund its portion of the Longroad and Northleaf investments, TGE tranche payments and general and administrative expenses in GBR. During the year ended December 31, 2020, the Corporation funded \$13,686,300 (including \$186,300 in acquisition costs) pursuant to the TGE Agreement and \$35,458,300 (which included \$458,300 of acquisition costs) pursuant to the Apex

Agreement. As a result of the loss of control of GBR Inc., the Corporation's cash was reduced by cash balances held by GBR Inc. of \$727,400 at the time of deconsolidation in October 2020.

Commitments and Contractual Obligations

As at December 31, 2021, the following are the Corporation's commitments and contractual obligations over the next five calendar years:

	TGE	Mgmt services agreement	Total
2022	10,000,000	552,000	10,552,000
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
	\$ 10,000,000	\$ 552,000	\$ 10,552,000

The Corporation has committed to the TGE Investment, in tranches, a total of up to \$10,000,000 that is anticipated to be funded over the next twelve months as certain milestones are achieved. Since the Corporation's timeline for the investments pursuant to the TGE Agreement is milestone based, the investment amounts may vary year to year and the amounts included in the above table are estimates. GBR is committed under a consulting agreement to remit 1% in transaction fees to a finder on \$5,000,000 of the remaining TGE commitment.

See related party transactions for a summary of other agreements that the Corporation has entered into with respect to various services.

The Corporation anticipates it will meet its obligations with its current cash float and any royalty income it will ultimately receive from the investments made by GBR. The Corporation anticipates it will meet its obligations under the TGE Agreement with its available cash and support from Apollo Funds pursuant to the Joint venture.

Off Balance Sheet Arrangements

The Corporation does not have any off balance sheet arrangements.

Related Party Transactions

GBR Services Agreement

GBR LLC and Altius Minerals Corporation ("Altius Minerals") entered into the GBR Services Agreement on October 11, 2020 pursuant to which Altius Minerals agreed to provide GBR with certain back office services including bookkeeping, accounting, treasury services as well as other services previously provided to GBR. Under the terms of the GBR Services Agreement, all bookkeeping, accounting and financial reporting services will be provided by Altius Minerals to GBR through 2020, with services provided into 2021 to be limited solely to finalizing 2020 accounting and financial reporting. Altius Minerals will also invoice GBR for certain direct costs that it incurs on GBR's behalf. During the year ended December 31, 2021, Altius Minerals billed the Joint venture \$17,500 (December 31, 2020 - \$26,700) for finance and administrative services.

Altius Minerals Services Agreement

The Corporation and Altius Minerals entered into a services agreement dated January 15, 2021 pursuant to which Altius Minerals will provide office space, management, and administrative services, including the services of certain executives to the Corporation for a monthly fee of C\$50,000 plus applicable taxes beginning on February 1, 2021, which amount was calculated on a cost recovery basis, and will be reviewed and adjusted by agreement of the parties, if necessary. Following the initial review, the fees will be subject to a yearly review by the independent directors of the Corporation. Altius Minerals is also entitled to be reimbursed for reasonable out-of-pocket costs it incurs directly for the Corporation. Either the Corporation or Altius Minerals may terminate services agreement on 60 days' written notice to the other and in other prescribed circumstances, including in certain events of insolvency and if there is a violation of the confidentiality and non-use obligations set forth in the agreement. During the year ended December 31, 2021 Altius billed the Corporation \$513,400 (C\$632,500) (December 31, 2021 - \$nil) for office space, management, and administrative services. At December 31, 2021 the balance owing to Altius is \$nil.

GBR-ARR Services Agreement

GBR and the Corporation entered into the GBR-ARR Services Agreement pursuant to which GBR has agreed to provide certain services to the Corporation on an interim basis in connection with this initial public offering and providing post initial public offering support services, including communications with shareholders and stakeholders of the Corporation, review of public disclosure documents, assistance with the preparation of reports to the Board, attendance at Board meetings and such other services reasonably requested by ARR. As consideration for the services, the Corporation shall pay GBR a daily rate ranging from US\$800 to US\$2,000 for each individual providing services to the Corporation under the services agreement. The agreement also stipulates the maximum amount of time per employee that may be spent on various services thereunder. During the year ended December 31, 2021 GBR billed the Corporation \$105,000 (December 31, 2021 - \$nil) for support services. At December 31, 2021 the balance owing to GBR is \$nil.

Other

During the year ended December 31, 2021 the Corporation repaid an advance of \$164,500 (December 31, 2020 - received an advance of \$428,300) from its parent. At December 31, 2021, no amounts remain owing between the two entities. During the year ended December 31, 2020, an outstanding advance of \$554,500 was converted to 136,615 common shares at a price of \$4 per common share. There was no gain or loss recorded on settlement of the related party loan with shares.

During the year ended December 31, 2021 the Corporation paid salaries and benefits to key management personnel and directors of \$263,300 (December 31, 2020 - \$298,200) and recognized share-based compensation of \$290,200 (December 31, 2021 - \$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.

Significant Accounting Policies

The preparation of financial statements in accordance with IFRS requires management to establish accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenues and expenses during the reporting period. The Corporation's significant accounting policies are described in Notes 2 and 3 to the annual financial statements for the year ended December 31, 2021. The Corporation has not adopted any new accounting policies during the year ended December 31, 2021. The Corporation's significant accounting policies are as follows:

Impairment of interest in joint venture

At each reporting date the carrying amounts of the Corporation's interests in joint ventures are reviewed to determine whether there is any indication that those assets are impaired. If an impairment indicator exists, the Corporation then must determine its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use, which is the present value of future cash flows expected to be derived from the asset.

In assessing value in use, the estimated future cash flows are discounted to their present value, using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in the consolidated statement of earnings. If an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in impairment in the statement of loss.

Investments

Under IFRS 9 – Financial Instruments, on initial recognition, the Corporation may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive earnings. The cumulative gain or loss is not reclassified to the statement of earnings on disposal of the equity investments, instead, it is transferred within another component of equity.

Impairment of renewable royalty interests

At each reporting date the carrying amounts of the royalties held by the Corporation are reviewed to determine whether there is any indication that those assets are impaired. If an impairment indicator exists, the Corporation then must determine its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use, which is the present value of future cash flows expected to be derived from the asset.

In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in the consolidated statement of loss and comprehensive loss. If an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in impairment in the consolidated statement of loss and comprehensive loss.

Revenue recognition

Royalty and investment income is recognized when (i) the underlying renewable asset receives payment for generated energy and other revenue streams of the asset subject to the royalty or such amount can be measured with reliability, and (ii) the amount of royalty income is determined and reasonably expected to be paid in accordance with the payment terms of the royalty or investment agreement. Interest and investment income is recognized on an accrual basis. Management fee revenue for office administration and support is recognized when a customer obtains control of promised services in an amount that reflects the consideration the Corporation expects to receive in exchange for those goods and services. The Corporation determined that royalty income is not in scope of IFRS 15 as it does not meet the criteria for contract with a customer.

Intangible assets – renewable royalty interests

Royalty interests acquired are recognized separately from goodwill if the asset is separable or arises from contractual or legal rights. These intangible assets are also recognized when acquired individually or with a group of other assets. Royalty interests are initially recorded at their estimated fair value. Intangible assets with a finite life are amortized on a straight-line basis over their useful economic lives of 17-25 years as appropriate with the amortization expense included in the consolidated statements of loss and comprehensive loss. Intangible assets that are not yet ready for use are not amortized until available for use. All intangible assets are reviewed for impairment indicators at each reporting period. The useful lives are reviewed at each reporting period to ensure no adjustments are needed. The Corporation has no identifiable intangible assets for which the expected useful life is indefinite.

Critical Accounting Estimates

Areas requiring the use of management estimates include business combinations and related purchase price allocations, determination of an acquisition of an asset or a business, share based compensation including inputs to calculate such as interest rates and volatility, useful lives assessment for amortization and depletion of the renewable royalty interests and intangible assets, deferred income taxes and the consideration that deferred tax assets recorded meet the criteria for recognition, and the assumptions used in the determination of the fair value measurement and valuation process for investments and royalties in which there is no publicly traded market including key inputs, significant unobservable inputs and the relationship and sensitivity of those inputs to fair value. Details of the Corporation's critical accounting estimates can be found in Note 3 of the annual consolidated financial statements. The Corporation has not adopted any new accounting policies during the year ended December 31, 2021.

Income taxes

The Corporation has available unused operating losses and temporary timing differences as disclosed in Note 8 to the annual financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that all or part of the related tax benefit will be realized.

Investments in joint ventures

The Corporation has the ability to jointly control the relevant activities of these joint arrangements and has classified these investments as joint ventures (Note 4 of the annual consolidated financial statements). The Corporation's joint venture holds renewable royalty interests and investments in renewable royalties. The amortization of renewable royalty interests is recorded straight line over the expected life of the asset. The investments in renewable royalties are recorded at fair value and, considering the longevity of the projects, the Corporation has determined that any investment income is a return on investment and is therefore recorded in earnings. The estimates used for amortization

and fair value affect the related amount of the equity pickup and the assessment of the recoverability of the carrying value of these investments in joint ventures.

Fair value measurements and valuation processes

If certain of the Corporation's assets and liabilities are measured at fair value, at each reporting date the Corporation determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Corporation uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Corporation uses an income approach valuation methodology such as discounted cash flows and net present valuation calculations. When an income approach is not possible or the purchase is recent, the Corporation uses cost as a proxy for fair value.

The Corporation's joint venture holds investments in preferred shares (Note 4 of the annual consolidated financial statements) that will yield cash distributions or distributions in the form of renewable royalty contracts on renewable energy projects at a future date. The joint venture has the right to receive cash distributions based on a percentage of the gross revenues of the renewable assets associated with each investment with Northleaf and Longroad. The joint venture also has the right to receive a gross revenue royalty until the estimated value of such royalties at the time of commercial operations achieve a minimum return threshold on the investment under the agreement with TGE. The number of royalties to be granted is dependent on pricing, timing of permits, and construction timing of commercial operations, technology, size of the project and expected energy rates.

These investments are not traded in the active market and the fair value is determined using an income approach methodology and primarily using the discounted cash flow valuation of the expected portfolio of royalties to be granted. The valuations of these private equity investments can be sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Further information on unobservable inputs and related qualitative analysis are provided in Note 9 in the consolidated financial statements.

The Corporation measures fair value by level using a 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.

During the year ended December 31, 2021, the Corporation recorded revaluation gains on investments held in joint venture of \$5,042,300 and realized gains on investments of \$13,053,700. The Corporation recognized revaluation gains on investments held in joint venture of \$1,471,000 and revaluation gains on investments of \$5,066,500 in other comprehensive earnings for the year ended December 31, 2020.

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 investments (Longroad and Northleaf) and the royalty contracts that have been or will be granted in exchange for the investments (TGE and Apex). The total number and value of royalty contracts to be ultimately awarded under the TGE investment agreement is subject to a minimum return threshold, which has the effect of muting the potential value impact of several of the unobservable inputs. The total cash distributions to be received under the Longroad and Northleaf Agreements is also subject to minimum return thresholds. 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.

Internal Control over Financial Reporting

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The certifying officers have evaluated the effectiveness of the Corporation's internal control over financial reporting as of December 31, 2021 and have concluded that such controls are adequate and effective to ensure accurate and complete financial reporting in public filings. The consolidated financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out in the notes to the consolidated financial statements for the year ended December 31, 2021. There has been no change in the Corporation's internal control over financial reporting during the Corporation's year ended December 31, 2021, that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Evaluation and Effectiveness of Disclosure Controls and Procedures

The Corporation has established and maintains disclosure controls and procedures over financial reporting. The certifying officers have evaluated the effectiveness of the issuer's disclosure controls and procedures as of December 31, 2021 and have concluded that such procedures are adequate and effective to ensure accurate and complete disclosures in public filings. There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Risk Factors

An investment in securities of the Corporation involves a significant degree of risk that should be considered prior to making an investment decision. For a detailed listing of the Corporation's risk factors and key success factors can be found in the Corporation's Annual Information From. The investor should consider the following financial risk factors:

Financial instrument Risk

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 below.

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 cash equivalents and receivables. The Corporation closely monitors its financial assets, including the receivables from royalty operators who are responsible for remitting royalty income. The Corporation's cash and cash equivalents are held in fully segregated accounts and include only Canadian and U.S. dollar instruments. The Corporation does not expect any liquidity issues or credit losses on these instruments.

Foreign currency risk

Foreign currency rate risk is the risk that the fair value of future cash flows will fluctuate because of the changes in foreign exchange rates. The Corporation has a portion of its cash denominated in Canadian dollars for certain working capital items and corporate costs. The Corporation does not enter into any derivative contracts to reduce this exposure and maintains limited balances in other currencies. The foreign currency gain (loss) incurred was \$245,100 and \$800 for the years ended December 31, 2021 and 2020 respectively.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation has adequate working capital, expected future cash flows from its joint venture and continues to explore external funding options and believes that it is able to meet current and future obligations. This conclusion could change with a significant change in the operations of the Corporation or as a result of other developments. See discussion in Liquidity section above.

Other price risk

The value of the Corporation's investments is exposed to fluctuations in price depending on a number of factors, including general market conditions, Corporation-specific operating performance and the success of the sale of projects. The Corporation does not utilize any derivative contracts to reduce this exposure.

Risk Related to COVID-19

The current outbreak of the novel coronavirus (COVID-19) declared by the World Health Organization in March 2020, and any future emergence and spread of similar pathogens, could have a material adverse effect on global and local economic and business conditions. In response to the outbreak, governmental authorities in Canada, the United States and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, nonessential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The efforts to contain COVID-19 have negatively impacted the global economy, disrupted manufacturing operations as well as global supply chains and created significant volatility and disruption of financial markets. Moreover, COVID-19 may result in a global recession. Businesses in many countries around the globe, including in Canada and the United States, have been required to close, or materially alter their day-to-day operations, which may prevent many businesses from operating. These containment measures are subject to change and the respective government authorities may tighten the restrictions at any time.

The Corporation has been closely monitoring developments related to COVID-19. In response to COVID-19, the Corporation is following all applicable rules and regulations as set out by the relevant health authorities. The extent to which the coronavirus impacts the Corporation's operations, and the operations of the power generation facilities in which the Corporation invests, will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including: actions that may be taken by governments and private businesses to attempt to contain COVID-19, the duration of the outbreak, and new information that may emerge concerning the severity of the coronavirus, among others. In particular, the impact of COVID-19 on the supply chain in the construction and development space is not yet fully understood. Any present or future impacts on the supply chain could influence the timing and cost of the renewable power projects under development and delay the development of future projects.

The Corporation may take further actions as may be required by government authorities or as it determines are in the best interests of its business partners. There is no guarantee that the Corporation, or the power generation facilities in which the Corporation invests, will not experience significant disruptions in the future. For example, Facility Owners and their employees may be prevented from conducting business activities for an indefinite period due to the transmission of the disease or due to emergency measures or restrictions that may be requested by governmental authorities. COVID-19 may affect the financial viability of renewable power developers and originators, impact their ability to develop and construct renewable power facilities and could cause them to exit certain business lines, or change the terms on which they are willing to provide royalties. Further, the economic and business contraction that may occur as a result of restrictions imposed by governments has and may continue to affect the demand for power generation. A reduction in energy demand or changes in general economic or market conditions which have an adverse impact on energy process could adversely affect the Corporation's profitability, results of operation and financial conditions.

Moreover, the spread of the coronavirus globally is expected to have a material adverse effect on global and regional economies and to continue to negatively impact stock markets. These adverse effects on the economy, the stock market and potentially the Corporation's share price could adversely impact the Corporation's ability to raise capital. Any of these developments, and others, could have a material adverse effect on the Corporation's profitability, results of operation and financial condition, could delay its business development plans and could heighten many of the known risks described in this "Risk Factors" section.

Listing on the TSX via TSX Sandbox

The Corporation has been listed on the TSX via TSX Sandbox. TSX Sandbox is an initiative intended to facilitate listing applications that may not satisfy the original listing requirements of TSX, but due to facts or situations unique to a particular issuer otherwise warrant a listing on TSX. As the Corporation did not meet the original listing requirements of the TSX as set out in Section 3.09(a) of the TSX Company Manual, the TSX exercised its discretion to waive the requirements for historical pre-tax earnings and pre-tax cash flow in granting the Corporation approval for listing pursuant to TSX Sandbox.

Listing of the ARR Shares was subject to (i) a minimum of 1,000,000 freely tradeable ARR Shares having an aggregate market value of at least C\$4,000,000, and at least 300 public holders each holding one board lot or more; (ii) compliance with the TSX security based compensation arrangement policies; (iii) completion of the initial public offering with the public raise resulting in minimum gross proceeds of C\$75 million; (iv) the market capitalization of the Corporation being at least C\$250 million upon the completion of the initial public offering and listing on the TSX; (v) receipt of an undertaking by or on behalf of the Corporation to make certain enhanced disclosures; and (vi) the Corporation fulfilling all of the requirements of the TSX on or before May 11, 2021. All of these conditions have been satisfied.

The Corporation will remain listed pursuant to the TSX Sandbox until (a) the later of (i) the time it has deployed 50% of the proceeds raised pursuant to the initial public offering, and (ii) 12 months from its original listing date; (b) one year without significant compliance issues; and (c) the Corporation being in compliance with the provisions of Part VI of the TSX Company Manual. The Corporation has a limited history of operations and there can be no assurance that the Corporation's business will be successful or profitable or that the Corporation will be able to successfully execute its business model and growth strategy.

Outstanding Share Data

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 Common Shares are retrospectively presented to reflect the 4:1 share consolidation including the weighted average number of outstanding Common Shares used in the net earnings (loss) per share calculations and the number and pricing of outstanding and exercisable options and warrants.

At March 3, 2022, the Corporation had 26,513,889 Common Shares outstanding, 3,093,835 warrants outstanding and 1,147,082 stock options outstanding.

Non-GAAP Financial Measures

Management uses these measures to monitor the financial performance of the Corporation and believes these measures enable investors and analysts to compare the Corporation's financial performance with its competitors and/or evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace International Financial Reporting Standards (IFRS) measures, and do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies.

The non-GAAP financial measures are reconciled to the most directly comparable IFRS measure in the sections below. Tabular amounts are presented in US dollars, rounded to the nearest hundred.

Attributable revenue

Attributable revenue is defined by the Corporation as total revenue and other income from the consolidated financial statements plus the Corporation's proportionate share of revenue in the joint venture. The Corporation's key decision makers use attributable royalty revenue as a basis to evaluate the business performance. The joint venture revenue and general and administrative costs are not reported gross in the consolidated statement of (loss) since they are generated in a joint venture in accordance with IFRS II Joint Arrangements which requires net reporting as an equity pick up. Management uses this measure to reflect the Corporation's economic interest in its operations prior to the application of equity accounting to help allocate financial resources and provide investors with information that it believes is useful in understanding the scope of its business, irrespective of the accounting treatment. Details of the joint venture's operations are disclosed in Note 4 to the Corporation's consolidated financial statements.

The table below reconciles attributable revenue to revenue in the consolidated financial statements.

Expressed in United States Dollars, rounded to the nearest hundred		Three months ended,			
Reconciliation to non-GAAP financial measures		December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Attributable revenue					
IFRS revenue per consolidated financial statements	\$	27,200	\$ 35,300	\$ 16,600	\$ 2,500
Adjust: joint venture revenue		236,800	17,500	53,800	27,800
Attributable revenue	\$	264,000	\$ 52,800	\$ 70,400	\$ 30,300
Attributable royalty		206,800	17,500	53,800	27,800
Other		57,200	35,300	16,600	2,500
Attributable revenue	\$	264,000	\$ 52,800	\$ 70,400	\$ 30,300

Expressed in United States Dollars, rounded to the nearest hundred		Three months ended,			
Reconciliation to non-GAAP financial measures		December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Attributable revenue					
IFRS revenue per consolidated financial statements	\$	3,400	\$ 40,200	\$ 87,900	\$ 52,100
Adjust: joint venture revenue		97,100	-	-	-
Attributable revenue	\$	100,500	\$ 40,200	\$ 87,900	\$ 52,100
Attributable royalty		47,100	33,400	81,500	45,000
Other		53,400	6,800	6,400	7,100
Attributable revenue	\$	100,500	\$ 40,200	\$ 87,900	\$ 52,100

Adjusted EBITDA

Adjusted EBITDA is defined by the Corporation as net earnings (loss) before taxes, amortization, interest, non-recurring items, non-cash amounts such as impairment, losses and gains, and share based compensation. The Corporation also adjusts earnings in joint ventures to reflect our proportionate share of EBITDA on those joint ventures assets which exclude amortization of royalty interests as well as adjusting for any one time items. Adjusted EBITDA is a useful measure of the performance of our business, especially for demonstrating the impact that EBITDA in joint ventures have on the overall business. Management uses adjusted EBITDA to evaluate the cash generated in a given period that will be available to fund the Corporation's future operations, growth opportunities, shareholder dividends and to service debt obligations as well as to provide a level of comparability to similar entities. Management believes adjusted EBITDA provides useful information to investors in evaluating the Corporation's operating results in the same manner as Management and the Board of Directors.

The table below reconciles net earnings (loss) per the financial statements to adjusted EBITDA:

Expressed in United States Dollars, rounded to the nearest hundred

Three months ended

Reconciliation to non-GAAP financial measures Adjusted EBITDA	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Earnings (loss) before income taxes	\$ (986,100)	\$ (667,100)	\$ (931,400)	\$ (294,500)
Addback(deduct):				
Amortization and depletion	-	-	-	-
Share based compensation	59,600	59,100	41,000	130,500
Dilution gain on issuance of equity in joint venture	-	(163,400)	(16,100)	(283,000)
Foreign currency (gain) loss	(4,100)	19,400	(51,600)	(208,800)
Loss from joint ventures	237,100	354,800	504,600	437,400
GBR EBITDA ⁽¹⁾	(165,500)	(282,900)	(388,300)	(358,800)
Adjusted EBITDA	\$ (859,000)	\$ (680,100)	\$ (841,800)	\$ (577,200)
(1) GBR EBITDA				
Revenue	\$ 236,800	\$ 17,500	\$ 53,800	\$ 27,900
Operating income (expenses)	(402,300)	(300,400)	(442,100)	(386,700)
GBR Adjusted EBITDA	\$ (165,500)	\$ (282,900)	\$ (388,300)	\$ (358,800)

Expressed in United States Dollars, rounded to the nearest hundred

Three months ended

Reconciliation to non-GAAP financial measures Adjusted EBITDA	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Earnings (loss) before income taxes	\$ 520,900	\$ (456,100)	\$ (2,624,700)	\$ (472,600)
Addback(deduct):				
Amortization and depletion	-	159,600	159,600	159,600
Share based compensation	-	-	2,301,800	-
Dilution gain on issuance of equity in joint venture	(226,600)	-	-	-
Foreign currency (gain) loss	100	800	-	(100)
Gain on deconsolidation of subsidiary	(638,100)	-	-	-
(Earnings) loss from joint ventures	273,500	-	-	-
GBR EBITDA ⁽¹⁾	(131,500)	-	-	-
Adjusted EBITDA	\$ (201,700)	\$ (295,700)	\$ (163,300)	\$ (313,100)
(1) GBR EBITDA				
Revenue	\$ 97,100	\$ -	\$ -	\$ -
Operating income (expenses)	(228,600)	-	-	-
GBR Adjusted EBITDA	\$ (131,500)	\$ -	\$ -	\$ -

Appendix A – Summary of Operational and Development Renewable Energy Royalties

Project	Location	Project Seller	Renewable Energy Source	Project Owner/Developer	Facility Size (MWac)	Grid Connection	Status ⁽¹⁾⁽²⁾	Expected COD	Expected Life	Royalty Basis
Clyde River	Orleans County, Vermont (USA)	-	Hydro	Gravity Renewables	5 MW	ISO New England	Operational	N/A	22 Years	10% of revenue
Prospero 2	Andrews County, Texas (USA)	-	Solar	Longroad Energy	250 MW	ERCOT	Operational	N/A	30 Years	Variable
Old Settler	Floyd County, Texas (USA)	-	Wind	Northleaf Capital	150 MW	ERCOT	Operational	N/A	25 Years	Variable
Cotton Plains	Floyd County, Texas (USA)	-	Wind	Northleaf Capital	50 MW	DND	Operational	N/A	25 Years	Variable
Phantom	Bell County, Texas (USA)	-	Solar	Northleaf Capital	15 MW	DND	Operational	N/A	25 Years	Variable
JayHawk	Crawford and Bourbon County, Kansas (USA)	Apex	Wind	WEC Energy / Invenergy	195 MW	SPP	Operational	N/A	25 Years	2.5% of revenue
TBA	TBA	TBA	Wind	TBA	500 MW	ERCOT	Late-stage Development	TBA	25 Years	2.5% of revenue
El Sauz	Willacy County, Texas (USA)	Apex	Wind	JERA Renewables	300 MW	ERCOT	Late-stage Development	Q4 2022	25 Years	2.5% of revenue
Appaloosa	Upton County, Texas (USA)	TGE	Wind	NextEra Energy Resources	175 MW	ERCOT	Late-stage Development	Q4 2022	25 Years	1.5% of revenue
Canyon	Scurry County, Texas (USA)	TGE	Wind	Silverpeak	360 MW	ERCOT	Late-stage Development	Q3 2023	25 Years	3% of revenue
Flatland	Scurry County, Texas (USA)	TGE	Solar	Silverpeak	180 MW	ERCOT	Mid-stage Development	Q2 2023	25 Years	1.5% of revenue
Panther Grove	Woodford County, Illinois (USA)	TGE	Wind	Copenhagen Infrastructure Partners	400 MW	PJM	Mid-stage Development	Q4 2023	25 Years	3% of revenue
Honey Creek	White County, Indiana (USA)	TGE	Solar	Leeward	400 MW	PJM	Mid-stage Development	Q4 2023	25 Years	1.5% of revenue
Hoosier Line	White County, Indiana (USA)	TGE	Wind	Leeward	180 MW	PJM	Mid-stage Development	Q4 2023	25 Years	3% of revenue
Blackford Wind	Blackford County, Indiana (USA)	TGE	Wind	Leeward	200 MW	PJM	Mid-stage Development	Q4 2023	25 Years	3% of revenue
Blackford Solar	Blackford County, Indiana (USA)	TGE	Solar	Leeward	150 MW	PJM	Mid-stage Development	Q4 2023	25 Years	1.5% of revenue

1. There are no assurances that development state projects will ultimately achieve commercial operation or that the Corporation's joint venture will receive any royalty revenue from the development stage projects

2. Mid-stage and late-stage development activities, include, but not limited to, determining the offtake strategy, finalizing and optimizing project size, costs, equipment and layout, finalizing interconnection approvals and costs, and seeking tax equity and other investors.

Disclosure with respect to the TGE investment, including: a minimum return threshold range; methodology to calculate the minimum return threshold; the development projects and the energy capacity relating thereto; a detailed description of the investment; an overview of the steps the Corporation has taken and the information the Corporation has reviewed and continues to review in order to evaluate the performance and risks of its material investments and a description as to how the Corporation has determined the fair value of these investments at each reporting date; and other material terms of the contract, can be found in the Corporation's long-form prospectus dated February 25, 2021. See the Corporation's Annual Information Form dated March 3, 2022 for project level disclosure related to TGE.