Altius Renewable Royalties Corp.

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

For the three months ended March 31, 2023 and 2022

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Altius Renewable Royalties Corp. (the "Corporation", "ARR" or the "Company") consolidated financial statements for the three months ended March 31, 2023 and related notes. This MD&A has been prepared as of May 5, 2023. This MD&A is expressed in US dollars and rounded to the nearest thousand, 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

Proportionate royalty and other revenue ("proportionate 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 structures related to development through to operating-stage wind, solar, battery storage 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, in which it is partnered equally with certain funds (the "Apollo Funds") managed by affiliates of Apollo Global Management, Inc. ("Apollo").

A summary of the Joint Venture's operating and construction stage royalty interests is listed below and further information can be found in Appendix A within this MD&A.

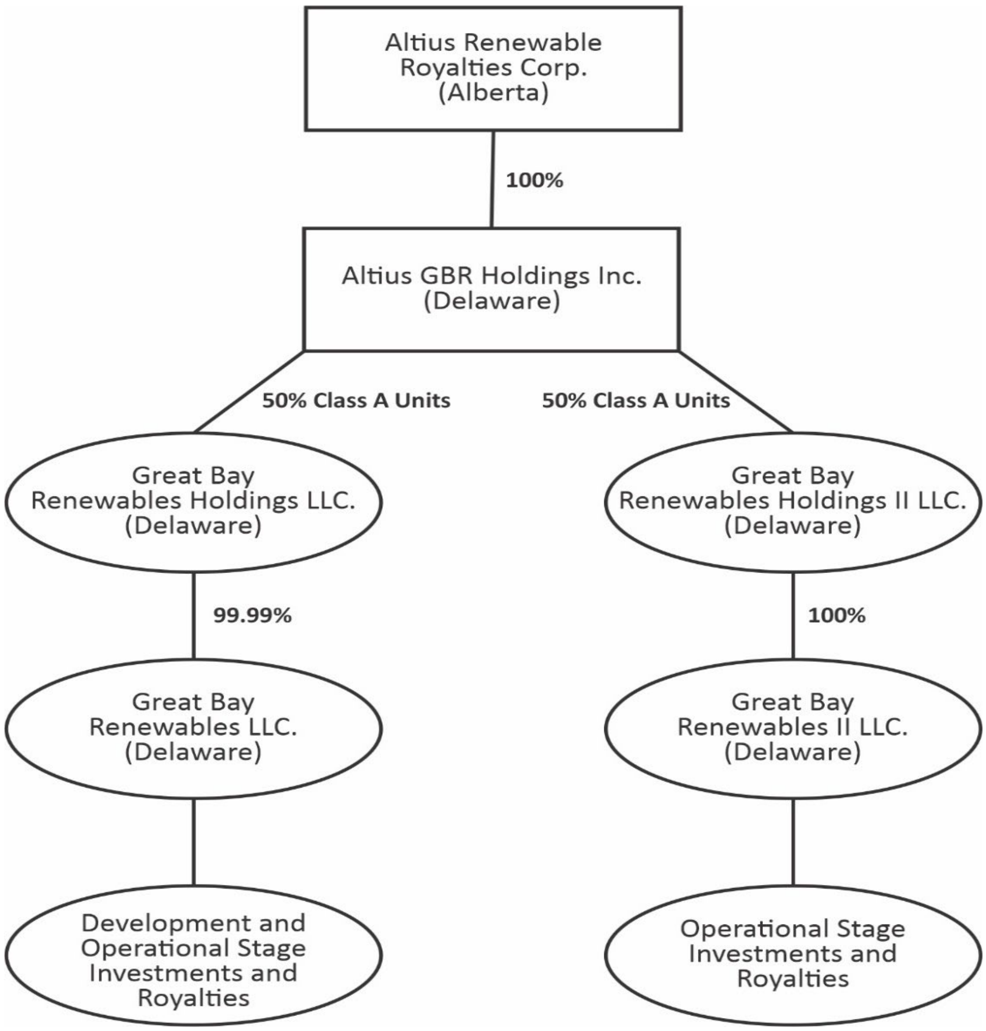
Project	Renewable Energy	Royalty Basis	Facility Size (MW)
Clyde River	Hydro	10% of revenue	5
Prospero 2	Solar	Variable	250
Phantom	Solar	Variable	15
Titan	Solar	Variable	70
Old Settler	Wind	Variable	150
Cotton Plains	Wind	Variable	50
Young Wind	Wind	2.5% of revenue	500
Hansford County Wind Project	Wind	Fixed per MWh	658
Appaloosa	Wind	1.5% of revenue	175
Jayhawk	Wind	2.5% of revenue	195
Operational			2,068 MW
El Sauz	Wind	2.5% of revenue	300
Construction			300 MW

In addition to the operating and construction stage royalties noted above, the Joint Venture also holds:

- Rights to 11 royalties on wind projects representing total expected future production capacity of 2,695MW (see Appendix B in this MD&A);
- Rights to 11 royalties on solar projects representing total expected future production capacity of 2,966MW (see Appendix C in this MD&A);
- Royalty entitlements to 1,500MW of renewable projects to be developed in North America through its investment in Nova Clean Energy (see "Bluestar Capital LLC & Nova Clean Energy, LLC" in the Corporation's MD&A for the year ended December 31, 2022; and
- Royalty entitlements to a 2,400MW portfolio of renewable projects to be developed in North America and any future development projects until a target return is achieved through its investment in Hodson Energy (see "Hodson Energy, LLC." in this MD&A).

Organizational Structure

The Corporation equity accounts for its 50% ownership interest in each of Great Bay Renewables Holdings I, LLC ("GBR I") and Great Bay Renewables Holdings II, LLC ("GBR II") and reports 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 is 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.

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. Based upon the Corporation's success to date in deploying capital and evolving market conditions, it believes that royalty-based financing will continue to gain sector adoption and will play an important role within the renewable energy sector.

ARR can invest in any stage of a renewable energy project's life cycle. ARR seeks to optimize the risk adjusted return of its investments depending on the stage at which it invests. For development stage opportunities, the Corporation has structured its investments using a portfolio approach, mitigating the development and construction risk of any one specific project, while ensuring the agreements are structured to meet minimum return thresholds. In addition to development stage projects, ARR also makes investments in operating stage projects. Operational investments are typically tailored to meet the specific needs of the project owners, while again maintaining a minimum target return threshold for the Joint Venture. The mix of investments in operating assets and development stage projects provides the Joint Venture with current positive cash flow while growing a pipeline of development and construction stage projects to build for future growth of the Joint Venture.

The Corporation does not operate renewable energy assets or directly develop projects. ARR's business model is focused on passively financing development or operating stage projects in order to grow a portfolio of long-term renewable energy royalties. 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 gain exposure to and monitor more renewable projects 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 can invest and create royalty interests in a broad portfolio of renewable power assets across a spectrum of geographic regions and operators, thus reducing its dependency on any one asset, project, location, or counterparty.

Price Exposure. Several of the Corporation's royalty interests maintain exposure or partial exposure to market electricity prices. These prices fluctuate based upon weather, natural gas prices, commodity prices and other factors. While near term prices have been lower due to a mild winter and lower natural gas prices, longer term market prices have been generally increasing in recent periods owing to inflationary and other marginal cost pressures in the broader electrical generation industry. As the royalty interests are typically top-line or revenue-based, the Corporation can benefit from higher prices without meaningful direct exposure to inflationary cost pressures.

Outlook

The Corporation has now grown the portfolio of royalty generating projects to a level that is sufficient to cover its overhead costs. This positive cash flow is expected to continue to grow in the near term with acquisition of two operational royalties and the commencement of commercial operations of Young Wind and Appaloosa in late 2022 and with the expected commencement of commercial operations of the 300 MW El Sauz wind project in the first half of 2023.

With over $325,000,000 in investment agreements closed by the Joint Venture over the past four years, the Corporation believes that the royalty financing model for the renewable energy sector is growing and will increasingly be adopted by the sector. GBR continues to evaluate new royalty investment opportunities spanning the full spectrum of development to operational stage assets, which are expected to augment its embedded growth profile.

The Inflation Reduction Act in the U.S. provides extensions of the Investment Tax Credit and Production Tax Credit and other incentives for developers and operators of renewable energy projects which is expected to contribute to continued growth of the industry and opportunity for our royalty finance offering. Some of this positive sentiment has been offset by rising interest rates, supply chain constraints, interconnection backlogs and higher general equipment and construction costs. The Corporation will continue to carefully review broader market conditions to ensure that it continues to earn an appropriate risk-adjusted return on its investments and to seize upon the opportunities that challenges often create.

Non-GAAP Financial Measures

Management uses the following non-GAAP financial measures in this MD&A and other documents: proportionate royalty and other revenue (proportionate 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 17.

Quarterly Operational Highlights

The Corporation's Joint Venture, GBR, reported total royalty revenue for the quarter ended March 31, 2023 of $1,975,000, maintaining the previously provided annual guidance range of $11,500,000 to $13,500,000 as the Corporation anticipated lower revenues in the first quarter compared to remaining quarters of the year. The Corporation's proportionate revenue for the quarter was $1,554,000, which consists of royalty revenue and interest, compared to $649,000 in the prior year period.

Investment Growth

During the three months ended March 31, 2023 GBR invested a total of $5,077,000 (ARR and Apollo each provided new funding of $1,150,000 with the remainder funded from retained cash flows at the Joint Venture) into the Hodson Energy LLC ("Hodson") investment as well as additional investment costs noted below.

Project	Description		Investment
Hodson Energy, LLC.	Development stage, tranche investment		5,077,000
Other			1,000
Total Investment		$	5,078,000

GBR now holds or is entitled to royalties on over 30 wind and solar (+/- storage) projects in the United States representing approximately 11 GW of renewable energy production. For additional details during the quarter ended March 31, 2023, refer to *Investment Growth - Joint Venture Analysis* below.

Financial Performance and Results of Operations

		Three months ended				
		March 31, 2023		March 31, 2022		Variance
Revenue per consolidated financial statements	$	558,000	$	41,000	$	517,000
Net loss		(106,000)		(242,000)		136,000
Net loss per share - basic and diluted	$	-	$	(0.01)	$	0.01
Total assets		202,004,000		166,443,000		35,561,000
Total liabilities		6,301,000		7,102,000		(801,000)
Non-GAAP financial measures (1)						
Proportionate revenue (1)	$	1,554,000	$	649,000	$	905,000
Adjusted EBITDA (1)		569,000		(161,000)		730,000

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

Revenue for the three months ended March 31, 2023 consists of interest income and is higher quarter over quarter due to increased interest rates and higher cash balances in the current year period. Net loss in the current quarter was positively impacted by revenue growth in the Joint Venture as well as rising interest rates leading to increased interest revenue. The growth of assets and liabilities primarily reflects the acquisition of renewable royalty investments, increasing the Corporation's investment in GBR.

Growth in proportionate revenue for the first quarter of 2023 relates to the newly acquired operating stage royalties acquired in late 2022, the commencement of revenue from Young Wind and Appaloosa as well as the increase in interest income as noted above. Adjusted EBITDA, which excludes the impact of non-cash share-based compensation, increased period over period as a result of the growth in revenue noted above.

The following section of the MD&A covers the financial performance and results of operation of the Corporation using its financial information as prepared under IFRS. The Corporation uses non-GAAP financial measures to assist in reporting its investment in joint venture which is described in the section *"Non-GAAP Financial Measures Analysis–Joint Venture Analysis"*.

Revenue and Other Income

	Three months ended		
Revenue and other income	March 31, 2023	March 31, 2022	Variance
Interest income	$ 558,000	$ 41,000	$ 517,000

Interest income for the quarter ended March 31, 2023 is higher than the comparable period in 2022 due to increased interest rates on higher average cash balances.

Costs and Expenses

	Three months ended		
Costs and Expenses	March 31, 2023	March 31, 2022	Variance
General and administrative expenses			
Professional fees	$ 196,000	$ 126,000	$ 70,000
Office and administrative	147,000	164,000	(17,000)
Management fees	127,000	138,000	(11,000)
Director fees	30,000	32,000	(2,000)
Travel and accomodations	20,000	4,000	16,000
Total general and aministrative expenses	520,000	464,000	56,000
Share-based compensation	133,000	30,000	103,000
Foreign exchange loss (gain)	1,000	(7,000)	8,000
	$ 654,000	$ 487,000	$ 167,000

Professional fees for the quarter ended March 31, 2023 are higher than the comparable year quarter reflecting an increase in tax and advisory fees due to various corporate development initiatives.

Office and administrative costs for the quarter ended March 31, 2023 were lower than the comparable year quarter due to a decrease in insurance premiums.

Management fees relate to the Altius Minerals ("Altius") Management Services Agreement pursuant to which Altius provides office space, management, and administrative services to ARR. These fees are charged in Canadian dollars and are subject to foreign exchange fluctuations, resulting in a decrease for the quarter ended March 31, 2023 versus the comparable 2022 period (See Related Party Transactions).

Director fees are charged in Canadian dollars and are subject to foreign exchange fluctuations, resulting in a decrease for the quarter ended March 31, 2023 versus the comparable 2022 period.

Travel and accommodations increased during the quarter ended March 31, 2023 as corporate development initiatives increased.

Share based compensation increased during the quarter ended March 31, 2023 compared to the prior year quarter as additional share based units were awarded during the current quarter which are issued annually to directors. The annual awards were issued in the second quarter of 2022.

Foreign exchange revaluations reflect the fluctuations of foreign currencies held in bank accounts. During the quarter ended March 31, 2023 the Corporation held less foreign currency than the prior year quarter, resulting in a slightly lower recorded foreign exchange gain.

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

	Three months ended		
	March 31, 2023	March 31, 2022	Variance
Share of loss (earnings) in joint venture	$ (92,000)	$ 166,000	$ (258,000)
Income tax recovery	$ (82,000)	$ (38,000)	$ (44,000)

The Corporation recorded its share of loss from its Joint Venture of $92,000 for the quarter ended March 31, 2023 compared to earnings of $166,000 for the comparable period. The current quarter reflects increased revenues at GBR offset by increased amortization and GBR's share of loss in associates in their Bluestar and Nova investments. Bluestar and Nova are significantly influenced investments and accounted for using the equity method. Bluestar and Nova are currently engaged in early-stage renewable energy development, resulting in increased levels of expenses and minimal offsetting revenues at those entities. GBR records its portion of any losses recorded in those investments. Please refer to *Non-GAAP Financial Measures Analysis– Joint Venture Analysis* and Note 4 of the Corporation's Consolidated Condensed Financial Statements.

Income tax recoveries reflect any earnings from the Joint Venture as well as any deferred tax changes in the Corporation's underlying investment in GBR. Any tax expense (recovery) relating to the royalty investments held in GBR is recorded in other comprehensive earnings. 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 level will not be recognized until there is a history of earnings.

Other Comprehensive Earnings

Other comprehensive earnings	Three months ended March 31, 2023	Three months ended March 31, 2022	Variance
Revaluation gains on investments	$ 804,000	$ 537,000	$ 267,000

During the quarter ended March 31, 2023 the Corporation recognized its share of revaluation gains on investments held in the Joint Venture of $804,000 compared to the prior year period of $537,000. These revaluation gains were recorded in other comprehensive earnings and in the current year period relate to valuation changes in the Joint Venture's investment in TGE, Longroad and Northleaf. All other investments are recent and cost continues to be used as a proxy for fair value.

Liquidity and Cash Flows

The Corporation has available cash of $48,480,000 at March 31, 2023. In addition, GBR has available cash of $1,480,000 at March 31, 2023 which is sufficient to fund working capital and operations at the GBR level. The Corporation expects to co-fund any new investments made by GBR with its joint venture partner, Apollo. The Corporation's sources of cash flow are from royalty revenue and other income in the Joint Venture, and the issuance of shares. GBR continues to evaluate its options to fund future growth, including potentially adding a component of leverage to its capital structure.

At March 31, 2023 the Corporation had current assets of $49,047,000 (December 31, 2022 - $50,518,000), including cash and cash equivalents of $48,480,000 (December 31, 2022 - $50,092,200) and current liabilities of $208,000 (December 31, 2022 - $566,000).

Summary of Cash Flows	Three months ended March 31, 2023	Three months ended March 31, 2022
Operating activities	$ (462,000)	$ (336,000)
Financing activities	-	-
Investing activities	(1,150,000)	20,850,000
Net (decrease) increase in cash and cash equivalents	(1,612,000)	20,514,000
Cash and cash equivalents, beginning of period	50,092,000	49,304,000
Cash and cash equivalents, end of period	$ 48,480,000	$ 69,818,000

Operating Activities

The Corporation used cash to fund operations for the quarter ended March 31, 2023 which is lower than the prior year period due to working capital changes.

Financing Activities

There were no financing activities during the current and prior year periods.

Investing Activities

During the quarter ended March 31, 2023 the Corporation invested $1,150,000 in the Joint Venture to fund investments into renewable energy projects. During the quarter ended March 31, 2022 the Corporation received a cash distribution from GBR of $20,850,000 after the redemption of an investment.

Investment Growth - Joint Venture Analysis

The Corporation's 50% Joint Venture, GBR, invested a total of $5,078,000 during the quarter ended March 31, 2023.

Hodson Energy, LLC ("Hodson")

On July 29, 2022 GBR entered into a transaction with U.S. renewable energy developer, Hodson, to gain future royalties related to Hodson's portfolio of solar plus battery storage development projects. GBR will be granted a 3% gross revenue royalty on all projects developed and vended by Hodson until a minimum total return threshold is achieved. The targeted IRR threshold is consistent with the upper part of GBR's previously disclosed 8-12% base hurdle rate range before factoring potential longer-term option value realizations and the potential value of warrants in the common equity of Hodson that it received as part of the transaction.

During the quarter ended March 31, 2023 GBR invested a milestone tranche payment of $5,000,000 into Hodson and incurred acquisition costs of $77,000 for a total recorded investment balance of $19,112,000.

Sale of Non-core Geothermal wells

On January 6, 2023 GBR sold the assets of NEO Geothermal for cash proceeds of $435,000. The assets, consisting of a geothermal wellfield located under a building in Portsmouth, New Hampshire, were sold to the building owner. Closing costs of $4,000 were incurred and a gain of $132,000 was recorded on GBR's income statement for the three months ended March 31, 2023.

Non-GAAP Financial Measures Analysis– Joint Venture Analysis

This section of the MD&A uses non-GAAP financial measures to describe certain results as if the Corporation proportionately consolidated its Joint Venture on a 50% basis. See definitions, reconciliations and additional information for each specific non-GAAP measure on page 17 of this MD&A. Refer to Note 4 of the Corporation's Consolidated Financial Statements for the results and operations of the Joint Venture.

Proportionate Revenue and Adjusted EBITDA

The following table and discussion reflect revenue and adjusted EBITDA on a 50% basis as if GBR was proportionately consolidated for both 2023 and 2022 periods.

	Three months ended		
Proportionate revenue	March 31, 2023	March 31, 2022	Variance
Proportionate interest	$ 566,000	$ 41,000	525,000
Proportionate royalty revenue			
Northleaf investment	429,000	527,000	(98,000)
Titan Solar	141,000	-	141,000
Prospero 2	43,000	55,000	(12,000)
SPP Wind	192,000	10,000	182,000
ERCOT Wind	160,000	-	160,000
Other	23,000	16,000	7,000
Total proportionate revenue (1)	$ 1,554,000	$ 649,000	$ 905,000
Adjusted EBITDA (1)	$ 569,000	$ (161,000)	$ 730,000

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

During the quarter ended March 31, 2023, the Corporation recognized proportionate royalty revenue of $429,000 from the Northleaf investment royalties which consist of Cotton Plains, Old Settler and Phantom. The portfolio was subject to low merchant pricing during the quarter compared to the prior year quarter resulting in a decrease in revenue from Old Settler wind which is fully merchant. GBR's revenues are recognized upon each project's actual receipt of payment from contract and merchant sales, which typically lag the timing of generation.

Titan Solar, acquired late in the fourth quarter of 2022, contributed proportionate royalty revenue of $141,000 during the quarter ended March 31, 2023.

Prospero 2 project proportionate royalty revenue of $43,000 was recognized during quarter ended March 31, 2023. Low merchant pricing and less than expected production resulted in a decrease in quarter over quarter revenue.

Revenue from the SPP grid connection has increased in the current quarter primarily as a result of the Hansford County wind project which was acquired in the fourth quarter of 2022 contributing $188,000. Revenue from this royalty is expected to be relatively stable from quarter to quarter, due to the nature of the royalty being a fixed dollar amount per megawatt hour of generation.

Revenue from the ERCOT grid connection has increased in the current quarter as a result of Young Wind and Appaloosa which both achieved commercial operations in the fourth quarter of 2022 contributing $160,000.

Other proportionate royalty revenue of $23,000 for the quarter ended March 31, 2023 is higher than the prior year period as production at Clyde River increased from the prior year period.

Proportionate interest for the quarter ended March 31, 2023 is higher than the comparable period in 2022 due to increased interest rates on higher average cash balances.

Adjusted EBITDA increased to $569,000 for the three months ended March 31, 2023. Factors impacting Adjusted EBITDA include proportionate revenue as well as general and administrative expenses at the Corporation and the Joint Venture. During the quarter ended March 31, 2023 expenses recognized by ARR and the Joint Venture were slightly higher than the prior year quarter due to increased professional fees at the Corporation and increased salaries and wages at the Joint Venture relating to the growth of the Joint Venture and its increased investing and business development activity.

Liquidity and Cashflow at the Joint Venture

The following table and discussion reflect 100% of cash flows in the Joint Venture.

	Three months ended	
Summary of Joint Venture Cash Flows	March 31, 2023	March 31, 2022
Operating activities	$ 961,000	$ 175,000
Financing activities	2,300,000	(41,700,000)
Investing activities	(4,644,000)	(10,000)
Net decrease in cash and cash equivalents	(1,383,000)	(41,535,000)
Cash and cash equivalents, beginning of period	2,863,000	42,690,000
Cash and cash equivalents, end of period	$ 1,480,000	$ 1,155,000

Operating Activities

During the quarter ended March 31, 2023 the Joint Venture generated cash from operations of $961,000 reflecting the addition of operating royalties and resulting revenue growth in comparison to the first quarter of 2022 when GBR had fewer operating royalties.

Financing Activities

During the quarter ended March 31, 2023 financing cash inflows of $2,300,000 related to partner funding into the Joint Venture from ARR and Apollo for the Hodson investment tranche. Financing cash outflows of $41,700,000 in the prior year quarter related to funds distributed to the joint venture partners after the Apex redemption in the fourth quarter of 2021.

Investing Activities

Investing cash outflows of $4,644,000 for the quarter ended March 31, 2023 related to the investment tranche paid to Hodson, partially offset by the cash proceeds on the disposition of geothermal wells. The Hodson agreement is described in the *Investment Growth - Joint Venture Analysis section* of this MD&A. The amounts in the prior year period reflect legal costs relating to the Tri Global Energy, LLC. ("TGE") and Northleaf Capital Partners ("Northleaf") agreements.

Summary of Quarterly Financial Information of the Corporation

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

	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Revenue per consolidated financial statements	$ 558,000	$ 372,000	$ 235,000	$ 134,000
Proportionate revenue (1)	1,554,000	1,234,000	1,805,000	732,000
Adjusted EBITDA (1)	569,000	56,000	999,000	(63,000)
Net earnings (loss)	(106,000)	(382,000)	313,000	(469,000)
Net earnings (loss) per share - basic and diluted	$ -	$ (0.01)	$ 0.01	$ (0.02)

	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Revenue per consolidated financial statements	$ 41,000	$ 27,000	$ 36,000	$ 17,000
Proportionate revenue (1)	649,000	264,000	53,000	70,000
Adjusted EBITDA (1)	(161,000)	(859,000)	(680,000)	(842,000)
Net earnings (loss)	(242,000)	(1,192,000)	(1,411,000)	(683,000)
Net earnings (loss) per share - basic and diluted	$ (0.01)	$ (0.05)	$ (0.05)	$ (0.03)

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

Revenue in the consolidated financial statements includes interest income. Proportionate revenue was generated from renewable royalty investments as described in greater details in Non-GAAP financial measures analysis section in this MD&A. Adjusted EBITDA, net earnings (loss) and net earnings (loss) per share have fluctuated reflecting the underlying growth of the business over these periods and from variability in electricity prices in some markets. See additional discussion in *Financial Performance and Results of Operations – IFRS* and *Non-GAAP Financial Measures Analysis– Joint Venture Analysis* above.

Commitments and Contractual Obligations

As at March 31, 2023, the following are the Corporation's commitments and contractual obligations over the next five calendar years:

	Mgmt services agreement	Bluestar & Nova (1)	Hodson (1)	Total
2023	$ 388,000	$ 3,000,000	$ 7,000,000	$ 10,388,000
2024	-	9,250,000	3,500,000	12,750,000
2025	-	-	-	-
2026	-	-	-	-
2027	-	-	-	-
	$ 388,000	$ 12,250,000	$ 10,500,000	$ 23,138,000

(1) GBR commitments are presented at a 50% basis

GBR is committed under a consulting agreement to remit the following payments on the Hodson investment until royalty funding has been completed or the agreement terminated:

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

GBR has committed under the Bluestar and Nova and Hodson investment agreements to fund up to an additional $24,500,000 and $21,000,000 respectively. The commitments are associated with the expectation of future capital calls and the timing and amounts are at the discretion of the board or manager of each company. In addition, Hodson must achieve certain milestones for future funding to be requested.

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 with support from Apollo Funds pursuant to the Joint Venture agreement.

The final value of royalties assigned to GBR under the Apex Clean Energy ("Apex) agreement was to be determined six months following the commercial operation date of the associated project. Apex and the Joint Venture agreed to a true-up mechanism to be used in the future in the event that the current estimates for the final value of the royalties used in determining the redemption payment differ from the actual final values determined. The true-up mechanism is based on the same valuation methodology that would have been used if the redemption did not occur. Based on the final valuation of each royalty, Apex may owe a cash payment to the Joint Venture, or vice versa.

Off Balance Sheet Arrangements

The Corporation does not have any off balance sheet arrangements.

Related Party Transactions

Altius Minerals Services Agreement

During the three months ended March 31, 2023 Altius billed the Corporation $127,000 (C$173,000) (March 31, 2022 - $138,000 (C$173,000)) for office space, management, and administrative services. At March 31, 2023 the balance owing to Altius is $nil.

GBR Services Agreement

During the three months ended March 31, 2023 Altius billed GBR $23,000 (March 31, 2022 - $23,000) for finance and administrative services. At March 31, 2023 the balance owing to Altius is $nil.

GBR-ARR Services Agreement

During the three months ended March 31, 2022 GBR billed the Corporation $22,000 (March 31, 2022 - $6,000) for support services. At March 31, 2023 the balance owing to GBR is $nil.

Other

During the three months ended March 31, 2023 the Corporation paid salaries and benefits to directors of $28,000 (March 31, 2022 - $39,000) and recognized share-based compensation of $133,000 as the annual award of DSUs was made and several directors have elected to receive their cash based retainer in the form of share-based units (March 31, 2022 – $30,000).

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

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 the notes to the annual financial statements for the year ended December 31, 2022. The Corporation has not adopted any new accounting policies during the quarter ended March 31, 2023.

Critical Accounting Estimates

Areas requiring the use of management estimates include business combinations and related purchase price allocations, 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 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 the notes to the annual consolidated financial statements and there have been no changes during the three months ended March 31, 2023.

Fair value measurements and valuation processes

Certain of the Corporation's assets are measured at fair value, and 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 condensed 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 condensed 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 quarter ended March 31, 2023 the Corporation recorded revaluation gains on investments held in joint venture of $804,000. The Corporation recognized revaluation gains on investments held in joint venture of $537,000 for the three months ended March 31, 2022.

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). The Corporation uses publicly available information for regional power purchase agreement prices expectations 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.

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 are also subject to various return thresholds. 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 March 31, 2023 and have concluded that such controls are adequate and effective to ensure accurate and complete financial reporting in public filings. The condensed 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 condensed consolidated financial statements for the three months ended March 31, 2023. There has been no change in the Corporation's internal control over financial reporting during the Corporation's quarter ended March 31, 2023, 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 March 31, 2023 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.

Outstanding Share Data

At May 5, 2023, the Corporation had 30,782,689 Common Shares outstanding, 3,093,835 warrants outstanding and 1,147,082 stock options outstanding.

Non-GAAP Financial Measures

Management uses certain Non-GAAP Financial 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 thousand.

Proportionate revenue

Proportionate revenue, formally referred to as attributable revenue, is defined by the Corporation as total revenue and other income from the condensed consolidated financial statements plus the Corporation's proportionate share of revenue in the Joint Venture. Proportionate royalty revenue is the proportionate share of total royalty revenue in the Joint Venture. The Corporation's key decision makers use proportionate 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 11 Joint Arrangements which requires net reporting as an equity pick up. Management uses proportionate revenue 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 condensed consolidated financial statements.

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

Reconciliation to non-GAAP financial measures Proportionate revenue	Three months ended March 31, 2023	March 31, 2022
IFRS revenue per consolidated financial statements	$ 558,000	$ 41,000
Adjust: joint venture revenue[1]	996,000	608,000
Proportionate revenue	$ 1,554,000	$ 649,000
Joint venture revenue consists of		
Northleaf Investment	$ 429,000	$ 527,000
Titan	141,000	-
Prospero 2	43,000	55,000
SPP Wind	192,000	-
ERCOT Wind	160,000	-
Interest	8,000	-
Other	23,000	26,000
Total joint venture revenue	$ 996,000	$ 608,000

(1) Based on the Corporation's proportionate share of the Joint Venture's revenue

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 foreign exchange, 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 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 determine 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 condensed consolidated financial statements to adjusted EBITDA:

Reconciliation to non-GAAP financial measures Adjusted EBITDA	Three months ended March 31, 2023	March 31, 2022
Loss before income taxes	$ (188,000)	$ (280,000)
Addback (deduct):		
Share based compensation	133,000	30,000
Foreign currency loss (gain)	1,000	(7,000)
Loss (earnings) from joint ventures	92,000	(166,000)
GBR EBITDA (2)	531,000	262,000
Adjusted EBITDA	$ 569,000	$ (161,000)
GBR EBITDA (1)		
(Loss) earnings before income taxes	$ (184,000)	$ 332,000
Addback (deduct):		
Amortization	485,000	199,000
Share of loss in associates	892,000	-
Gain on disposal of Geothermal wells	(132,000)	-
Other adjustments	-	(6,000)
GBR EBITDA, 100% basis	$ 1,061,000	$ 525,000
GBR EBITDA, 50% basis (2)	$ 531,000	$ 262,000

(1) Note 4 - Consolidated Condensed Financial Statements

(2) The Corporation's proportionate share of GBR for each reporting period

The table below reconciles both non-GAAP financial measures above using the financial statements of both ARR and the GBR Joint Venture (see Note 4 to the Corporation's condensed consolidated financial statements).

Reconciliation to non-GAAP financial measures	Three months ended March 31, 2023				Three months ended March 31, 2022				
Proportionate revenue and Adjusted EBITDA	ARR[1]	GBR[2]	Elimination of Partner's 50%[3]	Total	ARR[1]	GBR[2]	Elimination of Partner 50%[3]	Other Adjustments[4]	Total
Revenue									
Interest	$ 558,000	$ 15,000	$ (7,000)	$ 566,000	$ 41,000	$ -	$ -	$ -	$ 41,000
Royalty		1,975,000	(987,000)	988,000	-	1,217,000	(608,000)	-	609,000
Other	-	-	-	-	-	6,000	-	(6,000)	-
Proportionate revenue	$ 558,000	$ 1,990,000	$ (994,000)	$ 1,554,000	$ 41,000	$ 1,223,000	$ (608,000)	$ (6,000)	$ 650,000
Adjusted EBITDA	$ 38,000	$ 1,061,000	$ (530,000)	$ 569,000	$ (423,000)	$ 525,000	$ (263,000)	$ -	$ (161,000)

(1) As per the Corporation's Consolidated Financial Statements

(2) Represents GBR on a 100% basis as per Note 4 of the Corporation's condensed consolidated financial statements

(3) Reflects elimination of other partner ownership

(4) Reflects elimination of balances between the Corporation and GBR

Altius
RENEWABLE ROYALTIES

Appendix A – Summary of Operating and Construction Stage Renewable Energy Royalties

Project	Location	Project Seller	Renewable Energy Source	Project Owner/Developer	Facility Size (MWac)	Grid Connection	Status	Expected COD[3]	Royalty Basis
Prospero 2	Andrews County, Texas (USA)	-	Solar	Longroad Energy	250	ERCOT	Operational	N/A	Variable[1]
JayHawk	Crawford and Bourboun County, Kansas (USA)	Apex	Wind	WEC Energy / Invenergy	195	SPP	Operational	N/A	2.5% of revenue
Old Settler[2]	Floyd County, Texas (USA)	-	Wind	Northleaf Capital	150	ERCOT	Operational	N/A	Variable[1]
Cotton Plains[2]	Floyd County, Texas (USA)	-	Wind	Northleaf Capital	50	ERCOT	Operational	N/A	Variable[1]
Young Wind	Texas (USA)	Apex	Wind	NextEra Energy Resources	500	ERCOT	Operational	N/A	2.5% of revenue
Appaloosa	Upton County, Texas (USA)	TGE	Wind	NextEra Energy Resources	175	ERCOT	Operational	N/A	1.5% of revenue
Hansford County	Texas (USA)	Apex	Wind	Undisclosed	658	TBA	Operational	N/A	Fixed per MWh
Phantom[2]	Bell County, Texas (USA)	-	Solar	Northleaf Capital	15	DND	Operational	N/A	Variable[1]
Titan Solar	California (USA)	Sunpin	Solar	Longroad Energy	70	CAISO	Operational	N/A	Variable[1]
Clyde River	Orleans County, Vermont (USA)	-	Hydro	Gravity Renewables	5	ISO New England	Operational	N/A	10% of revenue
El Sauz	Willacy County, Texas (USA)	Apex	Wind	JERA Renewables	300	ERCOT	Construction	Q2 2023	2.5% of revenue

1. Royalties with variable rates adjust under certain conditions, guaranteeing a minumum return threshold under certain timelines, after which a lower royalty percentage is applied

2. While Old Settler Wind Project, Cotton Plains Wind Project, and Phantom Solar Project are three separate projects, GBR's investment was under one agreement, which includes the three projects as a single portfolio

3. Commercial Operations Date (COD) estimated from public information, project originators, and project owners. Dates are subject to change.

Appendix B – Summary of Development Wind Properties Under Royalty

Project[3]	Location	Renewable Energy Source	Project Owner/Developer	Facility Size (MWac)	Grid Connection	Status	Expected COD[2]	Royalty Basis
Blackford Wind	Indiana	Wind	Leeward	200	PJM	Development	2023	3% of revenue
Water Valley Wind	Texas	Wind	Enbridge	150	ERCOT	Development	2023	3% of revenue
Vermillion Grove Wind	Illinois	Wind	Enbridge	255	PJM	Development	2023	3% of revenue
Canyon[1]	Texas	Wind	TBA	360	ERCOT	Development	2024	2.5% sliding scale
Panther Grove I	Illinois	Wind	Copenhagen Infastructure Partners	400	PJM	Development	2024	3% of revenue
Hoosier Line	Indiana	Wind	Leeward	180	PJM	Development	2024	3% of revenue
Sugar Loaf Wind	Nebraska	Wind	Enbridge	150	SPP	Development	2024	3% of revenue
Shannon Wind	Illinois	Wind	Enbridge	150	PJM	Development	2024	3% of revenue
Wyoming I	Wymoning	Wind	Enbridge	250	WECC	Development	2025	3% of revenue
Easter	Texas	Wind	Enbridge	300	SPP	Development	2025	3% of revenue
Cone/Crosby III	Texas	Wind	Enbridge	300	SPP	Development	2026	3% of revenue

1. Facility size may be completed in phases
2. Expected COD based on Enbridge release on January 31, 2023
3. Project seller: TGE

Appendix C – Summary of Development Solar Properties Under Royalty

Project[4]	Location	Renewable Energy Source	Project Owner/Developer	Facility Size (MWac)	Grid Connection	Status	Expected COD[2]	Royalty Basis
Lawrence Solar	Pennsylvania	Solar	Enbridge	175	PJM	Development	2023	1.5% of revenue
Cadillac Solar - El Dorado	Texas	Solar	Enbridge	400	ERCOT	Development	2023	1.5% of revenue
Blackford Solar	Indiana	Solar	Leeward	150	PJM	Development	2024	1.5% of revenue
Cadillac Solar - Deville	Texas	Solar	Enbridge	350	ERCOT	Development	2024	1.5% of revenue
Gloucester Solar	Virginia	Solar	Enbridge	150	PJM	Development	2024	1.5% of revenue
Vermillion Solar	Illinois	Solar	Enbridge	150	PJM	Development	2024	1.5% of revenue
Honey Creek[1]	Indiana	Solar	Leeward	400	PJM	Development	2024	1.5% of revenue
Flatland	Texas	Solar	TBA	180	ERCOT	Development	2025	1.5% of revenue equiv[3]
3 Early Stage TGE Projects	Western USA	Solar	Enbridge	1011	WECC	Development	TBA	1.5% of revenue

1. Facility size may be completed in phases
2. Expected COD based on Enbridge release on January 31, 2023
3. Flatland payments fixed equivalent to 1.5%, see ARR press release dated June 29, 2022
4. Project seller: TGE