Altius Renewable Royalties Corp.

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

For the three and nine months ended September 30, 2023

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") condensed consolidated financial statements for the three and nine months ended September 30, 2023 and related notes. This MD&A has been prepared as of November 6, 2023. Tabular amounts are 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.sedarplus.ca.

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 Source	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**

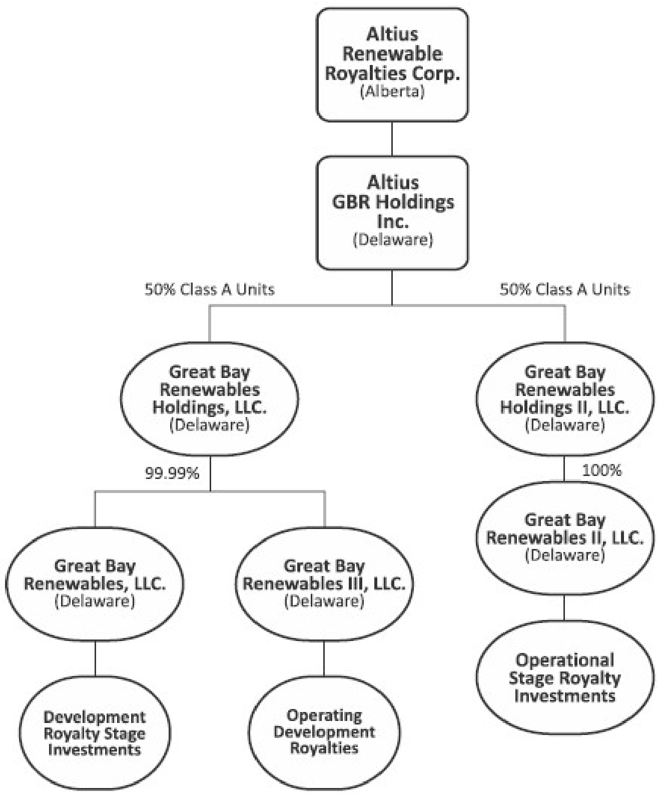
In addition to the operating and construction stage royalties noted above, the Joint Venture also holds:

- Rights to 11 royalties on wind projects representing total expected future production capacity of 2,695 MW (see Appendix B in this MD&A);
- Rights to 11 royalties on solar projects representing total expected future production capacity of 2,966 MW (see Appendix C in this MD&A);
- Royalty entitlements to 1,500 MW of renewable energy 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);
- Entitlements to royalties from a 2,300 MW portfolio of renewable energy 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); and

- Entitlements to royalties from a 5,300 MW portfolio of renewable energy projects to be developed in North America and any future development projects until a target return is achieved through its investment in Hexagon Energy (see "Hexagon Energy, LLC." in this MD&A).

Organizational Structure

The Corporation equity accounts for its 50% ownership interest in each of Great Bay Renewables Holdings, 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 seasons, weather, competing energy fuel prices, available generation and other factors. While prices in the first half of 2023 were lower due to a mild winter and lower competing natural gas prices, prices increased in the third quarter due to warmer summer weather and increased power demand in certain of the markets in which the Corporation has operating stage royalty interests. Longer term contracted 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 investments to a level that is sufficient to cover its overhead costs. This positive cash flow is expected to continue to grow with the expected commencement of commercial operations of the 300 MW El Sauz wind project expected in late 2023 and the continuing progression of new operating stage royalties emanating from its portfolio of development stage royalty investments.

On October 31, 2023, GBR entered into senior secured credit financing agreements in the aggregate amount of $246,500,000 which enables GBR to accelerate their growth trajectory in the renewable royalty sector while maintaining a competitive cost of capital. This agreement represents another strong endorsement of GBR's business model. GBR expects the interest rate on the fixed portion of the debt to be approximately 6.4% per annum excluding financing closing costs for the first three years and approximately 6.5% for the last two years of the term of the loan. See subsequent event in Quarterly Operational Highlights below.

With $371,000,000 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 has gained adoption and will continue to grow as a result of the transition to cleaner energy sources. 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 21.

Quarterly Operational Highlights

The Corporation's Joint Venture, GBR, reported total royalty revenue for the three and nine months ended September 30, 2023 of $3,868,000 and $7,803,000 respectively (September 30, 2022 - $2,891,000 and $5,304,000). The Corporation's proportionate revenue for the three and nine months ended September 30, 2023 was $2,467,000 and $5,619,000 respectively compared to $1,805,000 and $3,187,000 in the prior year periods. The increase in both royalty revenue and proportionate revenue reflect the underlying growth within the GBR royalty portfolio.

Subsequent event

On October 31, 2023, GBR entered into senior secured credit financing agreements with an initial term of 5 years in the aggregate amount of $246,500,000. The financing includes a $123,500,000 initial term facility ("ITF"), a $100,000,000 delayed draw term facility ("Delayed Draw Facility"), and a $23,000,000 letter of credit facility ("L/C"), with the two term facilities qualifying for green loan eligibility. MUFG Bank and Natixis are Coordinating Lead Arrangers, Bookrunners, and Syndication Agents with respect to the facilities. Natixis CIB also serves as Lead Hedge Arranger.

In connection with the financing, GBR entered into a floating-to-fixed interest rate swap to lock in approximately 100% of the interest rate on the ITF for the full term of the debt. In addition, GBR has entered into a floating to fixed interest rate swap to lock in approximately 50% of the initial draw beyond the initial term for the amortization period to reduce refinancing risk. GBR expects the interest rate on the fixed portion of the debt to be approximately 6.4% per annum excluding financing closing costs for the first three years and approximately 6.5% for the last two years of the term of the loan.

Repayments are based on expected interest rates and a 20-year amortization period and are repayable anytime without penalty.

GBR has pledged equity and security in the form of first lien on existing cash generating assets or expected near term cash generating assets of GBR along with a pledge of the equity in the subsidiary holdings in its development investments. The credit financing agreements do not require any security from ARR and ARR has not pledged any security in favour of the agreements.

The initial draw of $123,500,000 of the ITF was used for closing costs and return of capital totaling $108,250,000 to the shareholders of GBR, ARR and Apollo. The borrowing is intended to finance or reimburse investments previously made in Eligible Green Collateral Projects, under the categories of "Renewable Energy Production" and "Green Technologies – Energy Storage Systems", under the Green Loan Principles administered by the International Capital Market Association.

The Corporation intends to reinvest the debt proceeds back into GBR as future royalty investment opportunities arise.

Investment Growth

During the three months ended September 30, 2023 ARR and Apollo provided new funding of $7,000,000 for investments and working capital at the Joint Venture of which GBR invested a total of $6,310,000 into Hodson Energy, LLC. ("Hodson"), and Bluestar Energy Capital, LLC ("Bluestar"). A summary of GBR's total investments, in addition to certain investment costs, for the three and nine months ended September 30, 2023 are noted in the table below.

Project	Description	Three months ended September 30, 2023	Nine months ended September 30, 2023
Hexagon Energy, LLC. ("Hexagon")	Development stage, tranche investment	—	15,266,000
Hodson Energy, LLC.	Development stage, tranche investment	5,560,000	10,638,000
Nova Clean Energy, LLC.	Development stage, investment	—	1,500,000
Bluestar Energy Capital, LLC.	Development stage, investment	750,000	750,000
Other		—	1,000
Total Invested, including acquisition costs		$ 6,310,000	$ 28,155,000

GBR now holds or is entitled to royalties on over 30 wind and solar (+/- storage) projects in the United States. For additional discussion and analysis on the quarter ended September 30, 2023, refer to Investment Growth - Joint Venture Analysis below.

Financial Performance and Results of Operations

	Three months ended			Nine months ended		
	September 30, 2023	September 30, 2022	Variance	September 30, 2023	September 30, 2022	Variance
Revenue per condensed consolidated financial statements	$ 522,000	$ 235,000	$ 287,000	$ 1,693,000	$ 409,000	$ 1,284,000
Net (loss) earnings	(653,000)	313,000	(966,000)	(855,000)	(398,000)	(457,000)
Net (loss) earnings per share - basic and diluted	$ (0.02)	$ 0.01	$ (0.03)	$ (0.03)	$ (0.02)	$ (0.01)
Total assets	204,242,000	174,947,000	29,295,000	204,242,000	174,947,000	29,295,000
Total liabilities	6,758,000	7,733,000	(975,000)	6,758,000	7,733,000	(975,000)

Non-GAAP financial measures[1]						
Proportionate revenue [1]	$ 2,467,000	$ 1,805,000	$ 662,000	$ 5,619,000	$ 3,187,000	$ 2,432,000
Adjusted EBITDA [1]	1,513,000	998,000	515,000	2,750,000	774,000	1,976,000

[1] See non-GAAP financial measures section for definition and reconciliation

Revenue for the three and nine months ended September 30, 2023 relating to interest income is higher due to increased interest rates and higher cash balances in the current year periods. Net loss in the three and nine months ended September 30, 2023 was positively impacted by increased interest revenue which was offset by increases in share associate losses at GBR. The growth of assets, net of liabilities primarily reflects the acquisition of renewable royalty investments and value appreciation.

Growth in proportionate revenue for the three and nine months ended September 30, 2023 relates to the 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 for both the three and nine month periods 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			Nine months ended		
Revenue and other income	September 30, 2023	September 30, 2022	Variance	September 30, 2023	September 30, 2022	Variance
Interest income	$ 522,000	$ 235,000	$ 287,000	$ 1,693,000	$ 409,000	$ 1,284,000

Interest income for the three and nine months ended September 30, 2023 is higher than the comparable periods in 2022 due to increased interest rates on higher average cash balances.

Costs and Expenses

Costs and Expenses	Three months ended September 30, 2023	Three months ended September 30, 2022	Variance	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Variance
General and administrative expenses						
Professional fees	$ 222,000	$ 181,000	$ 41,000	$ 604,000	$ 486,000	$ 118,000
Office and administrative	148,000	147,000	1,000	474,000	490,000	(16,000)
Management fees	127,000	132,000	(5,000)	382,000	401,000	(19,000)
Director fees	31,000	30,000	1,000	91,000	94,000	(3,000)
Travel and accommodations	21,000	6,000	15,000	48,000	13,000	35,000
Total general and administrative expenses	549,000	496,000	53,000	1,599,000	1,484,000	115,000
Share-based compensation	57,000	79,000	(22,000)	314,000	280,000	34,000
Foreign exchange loss (gain)	8,000	8,000	–	(3,000)	17,000	(20,000)
	$ 614,000	$ 583,000	$ 31,000	$ 1,910,000	$ 1,781,000	$ 129,000

Professional fees for the three and nine months ended September 30, 2023 are higher than the comparable year periods reflecting an increase in tax and advisory fees due to various corporate development, environmental, social, and corporate governance initiatives undertaken during the current year periods.

Office and administrative costs during the three months ended September 30, 2023 reflect a decrease in insurance premiums offset by higher public company costs. Office and administrative costs for the nine months ended September 30, 2023 decreased compared to the prior year period as additional marketing costs were incurred in 2022.

Management fees relate to the Altius Minerals ("Altius") Management Services Agreement pursuant to which Altius provides management and administrative services and office space, to ARR. These fees are charged in Canadian dollars and are subject to foreign exchange fluctuations, resulting in a decrease for the three and nine months ended September 30, 2023 versus the comparable 2022 periods (See Related Party Transactions).

Director fees are were consistent for the three and nine months ended September 30, 2023 versus the comparable 2022 periods.

Travel and accommodations increased during the three and nine months ended September 30, 2023 as corporate development initiatives increased.

Share based compensation decreased during the three months ended September 30, 2023 compared to the prior year period relating to the timing of issuance of annual share-based units to directors. Share based compensation increased for the nine months ended September 30, 2023 as more units were awarded in 2023 compared to the prior year to date period.

Foreign exchange revaluations reflect the fluctuations of foreign currencies held in bank accounts and were consistent during the three months ended September 30, 2023 and 2022. The Corporation recognized foreign exchange gains in the nine months ended September 30, 2023 and losses in the prior year to date period.

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

	Three months ended			Nine months ended		
	September 30, 2023	**September 30, 2022**	**Variance**	**September 30, 2023**	**September 30, 2022**	**Variance**
Share of (loss) earnings in joint venture	$ (796,000)	$ 909,000	$ (1,705,000)	$ (1,051,000)	$ 1,300,000	$ (2,351,000)
	$ (796,000)	$ 909,000	$ (1,705,000)	$ (1,051,000)	$ 1,300,000	$ (2,351,000)
Income tax (recovery) expense	$ (235,000)	$ 248,000	$ (483,000)	$ (413,000)	$ 326,000	$ (739,000)

The Corporation recorded its share of loss from its Joint Venture of $796,000 and $1,051,000 for the three and nine months ended September 30, 2023 compared to earnings of $909,000 and $1,300,000 for the comparable periods. The current quarter and year to date results reflect increased revenues at GBR offset by increased amortization on royalty interests 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 at GBR. Bluestar and Nova are currently engaged in early-stage renewable energy development resulting in increased levels of expenses with minimal offsetting revenues thus far at those entities. Bluestar's and Nova's policy is to expense all development costs until the project achieves certain milestones, after which costs are capitalized. GBR records its portion of any losses incurred 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 for additional information.

Income tax (recoveries) expenses 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

	Three months ended			Nine months ended		
Other comprehensive earnings	**September 30, 2023**	**September 30, 2022**	**Variance**	**September 30, 2023**	**September 30, 2022**	**Variance**
Revaluation gains (loss) on investments	$ 1,677,000	$ (912,000)	$ 2,589,000	$ 3,855,000	$ 11,353,000	$ (7,498,000)

During the three and nine months ended September 30, 2023 the Corporation recognized its share of revaluation gains on investments held in the Joint Venture of $1,677,000 and $3,855,000 compared to (losses)/gains the prior year periods of

$(912,000) and $11,353,000 respectively. These revaluation gains (losses) are recorded in other comprehensive earnings and in the current year periods relate to valuation changes in the Joint Venture's investment in TGE, Hodson, Longroad and Northleaf. All other investments are recent and cost basis continues to be used as a proxy for fair value.

Liquidity and Cash Flows

The Corporation has available cash of $37,777,000 at September 30, 2023. In addition, GBR has available cash of $3,057,000 at September 30, 2023 which is sufficient to fund short term working capital and operations at the GBR level. Subsequent to quarter end, GBR entered into senior secured credit financing agreements in the aggregate amount of $246,500,000. The initial draw of $123,500,000 was used for closing costs and return of capital totaling $108,250,000 to the Joint Venture partners with remaining liquidity of $123,000,000 remaining on the credit facility.

The Corporation expects to continue 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.

At September 30, 2023 the Corporation had current assets of $38,193,000 (December 31, 2022 - $50,518,000), including cash and cash equivalents of $37,777,000 (December 31, 2022 - $50,092,000) and current liabilities of $328,000 (December 31, 2022 - $566,000).

	Nine months ended	
Summary of Cash Flows	**September 30, 2023**	**September 30, 2022**
Operating activities	$ (165,000)	$ (1,615,000)
Financing activities	–	–
Investing activities	(12,150,000)	7,209,000
Net (decrease) increase in cash and cash equivalents	(12,315,000)	5,594,000
Cash and cash equivalents, beginning of period	50,092,000	49,304,000
Cash and cash equivalents, end of period	$ 37,777,000	$ 54,898,000

Operating Activities

The Corporation used less cash to fund operations for the nine months ended September 30, 2023 than the prior year period due to working capital changes and higher interest income.

Financing Activities

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

Investing Activities

During the nine months ended September 30, 2023 the Corporation invested $12,150,000 in the Joint Venture to fund investments into renewable energy projects (September 30, 2022 - $12,000,000). During the nine months ended September 30, 2022 the Corporation received a cash distribution from GBR of $20,850,000 after the redemption of an investment. In the prior year period the Corporation paid cash taxes of $1,641,000 in relation to realized gain on the redemption of an investment.

Investment Growth - Joint Venture Analysis

The Corporation's 50% Joint Venture, GBR, invested a total of $6,310,000 during the three months ended September 30, 2023 and $28,155,000 during the nine months ended September 30, 2023.

Hexagon Energy, LLC.

On June 21, 2023 the Corporation announced that GBR executed agreements to invest a total of $45,000,000 in milestone-based tranches into Hexagon's portfolio of solar, solar plus battery storage and standalone battery storage development project. Hexagon, based in Charlottesville, Virginia, committed its portfolio of 43 development projects totaling 5.3 GWac located across 12 states and four regional transmission organizations as well as any additional projects added to its portfolio in the future to this new royalty investment structure with GBR. GBR will receive a 2.5% gross revenue royalty on each solar and solar plus storage project and a 1.0% gross revenue royalty on each standalone storage project vended by Hexagon until a minimum target return threshold is achieved. The investment into Hexagon will be invested in tranches over approximately the next three years as Hexagon achieves certain project advancement milestones.

During the three and nine months ended September 30, 2023 GBR invested $nil and $15,000,000 into Hexagon and incurred acquisition costs of $266,000 for a total recorded investment balance of $15,266,000.

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 three and nine months ended September 30, 2023 GBR invested $5,500,000 and $10,500,000 into Hodson and incurred acquisition costs of $60,000 and $138,000 for a total investment balance at September 30, 2023 of $24,910,000 including warrants valued at $237,000.

Bluestar Energy Capital LLC ("Bluestar") & Nova Clean Energy, LLC ("Nova")

On May 4, 2022 the Corporation announced that GBR has executed agreements to invest a total of $32,500,000 into a new global renewables development platform, Bluestar. GBR will invest the majority of the commitment into Nova, the North American renewables development subsidiary of Bluestar and in exchange will receive royalties on 1.5 GW of renewable energy projects commercialized by Nova as well as a minority equity interest in Nova. Nova continues to make good progress in building its greenfield development pipeline as the current portfolio with site control has now grown to over 2 GW of wind, solar and battery storage projects.

During the three and nine months ended September 30, 2023 GBR invested $nil and $1,500,000 into Nova for a investment balance at September 30, 2023 into Nova of $6,607,000.

During the three and nine months ended September 30, 2023 GBR invested $750,000 into Bluestar for a total investment balance at September 30, 2023 of $3,750,000.

Tri Global Energy LLC ("TGE")

During the three months ended September 30, 2023, GBR and TGE finalized the valuation of the Appaloosa Wind royalty, in accordance with the terms of the agreement, and as a result the assigned value of the royalty interest was adjusted downward by $1,018,000. The reduction in value of the Appaloosa royalty interest will be reflected in the calculation on the hurdle rate for the TGE investment, resulting in additional royalties received from TGE.

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 nine months ended September 30, 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 21 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.

Proportionate revenue	Three months ended September 30, 2023	Three months ended September 30, 2022	Three months ended Variance	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Nine months ended Variance
Proportionate interest	$ 531,000	$ 235,000	$ 296,000	$ 1,715,000	$ 410,000	$ 1,305,000
Proportionate royalty revenue						
Northleaf investment	880,000	1,154,000	(274,000)	1,674,000	2,141,000	(467,000)
Titan Solar	407,000	–	407,000	743,000	–	743,000
Prospero 2	279,000	199,000	80,000	402,000	340,000	62,000
SPP Wind	189,000	–	189,000	559,000	–	559,000
ERCOT Wind	154,000	–	154,000	447,000	–	447,000
Other	27,000	217,000	(190,000)	79,000	296,000	(217,000)
Total proportionate revenue (1)	$ 2,467,000	$ 1,805,000	$ 662,000	$ 5,619,000	$ 3,187,000	$ 2,432,000
Adjusted EBITDA (1)	$ 1,513,000	$ 998,000	$ 515,000	$ 2,750,000	$ 774,000	$ 1,976,000

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

During the three and nine months ended September 30, 2023, the Corporation recognized proportionate royalty revenue of $880,000 and $1,674,000 respectively from the Northleaf investment royalties which consist of Cotton Plains, Old Settler and Phantom. The portfolio was subject to lower merchant pricing during the current year periods compared to the prior year periods resulting in a decrease in revenue, particularly from Old Settler wind during the first half of the year with merchant pricing materially improving in the third quarter. 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 $407,000 and $743,000 during the three and nine months September 30, 2023. Third quarter revenue was lower than expected due to a delay in the release of an escrow associated with the completion of a local transmission upgrade, which upon release will result in an approximate $1.0 million recognition of revenue for GBR.

Prospero 2 project proportionate royalty revenue of $279,000 and $402,000 was higher during three and nine months ended September 30, 2023 as a result of increased merchant pricing relative to the prior year comparative periods.

Revenue from the SPP grid increased in the current year periods primarily as a result of the Hansford County wind project which was acquired in the fourth quarter of 2022, contributing $163,000 and $525,000 respectively for the three and nine months ended September 30, 2023. 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 now includes Young Wind and Appaloosa as both achieved commercial operations in the fourth quarter of 2022 and contributed $154,000 and $447,000 respectively for the three and nine months ended September 30, 2023.

Other proportionate royalty revenue for the three and nine months ended September 30, 2023 consisted of Clyde River which contributed $27,000 and $79,000 respectively as production increased from the prior year periods. The increase in the current year periods was offset by the sale of geothermal wells in the first quarter of 2023. In addition, during the nine months ended September 30, 2023 the Corporation recognized $125,000 of investment income relating to consent fees under its agreement with TGE

Proportionate interest for the three and nine months ended September 30, 2023 is higher than the comparable periods in 2022 due to increased interest rates on higher average cash balances.

Adjusted EBITDA increased to $1,513,000 and $2,750,000 respectively for the three and nine months ended September 30, 2023. Factors impacting Adjusted EBITDA include increases to both proportionate revenue which is discussed above and general and administrative expenses at the Corporation and the Joint Venture. During three and nine months ended September 30, 2023 expenses recognized by ARR and the Joint Venture were slightly higher than the prior year periods 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 Cash Flow at the Joint Venture

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

Summary of Joint Venture Cash Flows	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Operating activities	$ 3,614,000	$ 2,298,000
Financing activities	24,300,000	(17,700,000)
Investing activities	(27,720,000)	(23,904,000)
Net increase in cash and cash equivalents	194,000	(39,306,000)
Cash and cash equivalents, beginning of period	2,863,000	42,690,000
Cash and cash equivalents, end of period	$ 3,057,000	$ 3,384,000

Operating Activities

During the nine months ended September 30, 2023 the Joint Venture generated cash from operations of $3,614,000 reflecting the addition of operating royalties and resulting revenue growth in comparison to the comparable period in 2022 when GBR had fewer operating royalties.

Financing Activities

During the nine months ended September 30, 2023 financing cash inflows of $24,300,000 related to partner funding into the Joint Venture from ARR and Apollo for the Hexagon acquisition and Hodson investment tranche. Financing net cash outflows of $17,700,000 in the prior year period related to $41,700,000 of funds distributed to the joint venture partners after the Apex redemption in the fourth quarter of 2021, net of the cash inflows of $24,000,000 from partners for the investment in Bluestar and Nova and Hodson.

Investing Activities

Investing cash outflows of $27,720,000 for the nine months ended September 30, 2023 related to the investment in Hexagon, the investment tranche paid to Hodson and additional investment into Bluestar and Nova, partially offset by the cash proceeds of $435,000 on the disposition of geothermal wells. These agreements are described in the Investment Growth – Joint Venture Analysis section of this MD&A. The amounts in the prior year period reflect investments in Bluestar and Nova, Hodson, tranche payment into the Tri Global Energy, LLC. ("TGE") and legal costs related to the 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 condensed consolidated financial statements and should be read in conjunction with the same.

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Revenue per condensed consolidated financial statements	$ 522,000	$ 613,000	$ 558,000	$ 372,000
Proportionate revenue (1)	2,467,000	1,598,000	1,554,000	1,234,000
Adjusted EBITDA (1)	1,513,000	669,000	569,000	56,000
Net loss	(653,000)	(96,000)	(106,000)	(382,000)
Net loss per share - basic and diluted	$ (0.02)	$ (0.01)	$ –	$ (0.01)

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Revenue per condensed consolidated financial statements	$ 235,000	$ 134,000	$ 41,000	$ 27,000
Proportionate revenue (1)	1,805,000	732,000	649,000	264,000
Adjusted EBITDA (1)	998,000	(63,000)	(161,000)	(859,000)
Net earnings (loss)	313,000	(469,000)	(242,000)	(1,192,000)
Net earnings (loss) per share - basic and diluted	$ 0.01	$ (0.02)	$ (0.01)	$ (0.05)

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

Revenue in the condensed consolidated financial statements includes interest income which has increased over time as a result of rising interest rates and higher cash balances . Proportionate revenue was generated mainly from renewable royalty investments as described in greater details in Non-GAAP financial measures analysis section in this MD&A and is affected by the growing portfolio of operating assets with quarterly fluctuations affected by seasonality . Adjusted EBITDA, follows the trend of revenue growth. Net earnings (loss) and net earnings (loss) per share are impacted by the preceding factors and are also negatively impacted by the Joint Venture's share of losses in associates Bluestar and Nova which are development stage enterprises. 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 September 30, 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]	Hexagon[1][2]	Total
2023	$ 128,000	$ 500,000	$ 750,000	$ 3,750,000	$ 5,128,000
2024	–	7,000,000	7,000,000	7,500,000	21,500,000
2025	–	3,625,000	–	3,750,000	7,375,000
2026	–	–	–	–	–
2027	–	–	–	–	–
	$ 128,000	$ 11,125,000	$ 7,750,000	$ 15,000,000	$ 34,003,000

[1] *GBR commitments are presented at a 50% basis*

[2] *Annual commitments are estimates based on expected milestone achievements*

GBR is committed under a consulting agreement to remit the following payments on the Hodson and Hexagon investments 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, Hodson and Hexagon investment agreements to fund up to an additional $22,250,000 and $15,500,000 and $30,000,000 respectively. The commitments are associated with the expectation of future capital calls and the timing and amounts are at the discretion of the board or manager of each company. In addition, Hodson and Hexagon must achieve certain milestones for future funding to be requested.

The Corporation anticipates it will meet its obligations with its current cash 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 September 30, 2023, Altius billed the Corporation $127,000 (C$172,000) (September 30, 2022 - $132,000 (C$173,000)) for office space, management, and administrative services. During the nine months ended September 30, 2023, Altius billed the Corporation $382,000 (C$517,000) (September 30, 2022 - $401,000 (C$518,000)) for office space, management, and administrative services. At September 30, 2023 the balance owing to Altius is $nil.

GBR Services Agreement

During the three months ended September 30, 2023, Altius billed GBR $23,000 (September 30, 2022 - $23,000) for finance and administrative services. During the nine months ended September 30, 2023, Altius billed GBR $68,000 (September 30, 2022 - $68,000) for finance and administrative services. At September 30, 2023 the balance owing to Altius is $8,000.

GBR-ARR Services Agreement

During the three months ended September 30, 2023, GBR billed the Corporation $17,000 (September 30, 2022- $14,000) for support services. During the nine months ended September 30, 2023, GBR billed the Corporation $57,000 (September 30, 2022 - $39,000) for support services. At September 30, 2023 the balance owing to GBR is $2,000.

Other

During the three months ended September 30, 2023, the Corporation paid salaries and benefits to directors of $29,000 (September 30, 2022 - $28,000) and recognized share-based compensation of $57,000 (September 30, 2022 - $79,000). During the nine months ended September 30, 2023, the Corporation paid salaries and benefits to directors of $86,000 (September 30, 2022 - $89,000) and recognized share-based compensation of $314,000 (September 30, 2022 - $280,000).

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 three and nine months ended September 30, 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 nine months ended September 30, 2023.

Fair value measurements and valuation processes

Some 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 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 three and nine months ended September 30, 2023 the Corporation recorded revaluation gains on investments held in joint venture of $1,677,000 and $3,855,000 respectively. The Corporation recognized revaluation gains on investments held in joint venture of $912,000 and $11,353,000 for the comparable periods in 2022.

Valuation technique and key inputs

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

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

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

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 September 30, 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 and nine months ended September 30, 2023. There has been no change in the Corporation's internal control over financial reporting during the quarter ended September 30, 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 September 30, 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.

Risk Management

An investment in securities of the Corporation involves a significant degree of risk that should be considered prior to making an investment decision. In addition to discussions of key success factors and business issues elsewhere in this MD&A, the investor should consider risk factors. Please refer to the Corporation's Annual Information Form ("AIF") for the year ended December 31, 2022 for a complete listing of risk factors specific to the Corporation.

Outstanding Share Data

At November 6, 2023, the Corporation had 30,787,607 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.

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 condensed 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		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
IFRS revenue per condensed consolidated financial statements	$ 522,000	$ 235,000	$ 1,693,000	$ 410,000
Adjust: joint venture revenue[(1)]	1,945,000	1,570,000	3,926,000	2,777,000
Proportionate revenue	$ 2,467,000	$ 1,805,000	$ 5,619,000	$ 3,187,000
Joint venture revenue consists of				
Northleaf Investment	$ 1,759,000	$ 2,308,000	$ 3,347,000	$ 4,282,000
Titan	813,000	–	1,485,000	–
Prospero 2	558,000	398,000	804,000	680,000
SPP Wind	378,000	–	1,118,000	–
ERCOT Wind	309,000	–	893,000	–
Interest	19,000	–	44,000	–
Other	52,000	436,000	157,000	592,000
GBR revenue, 100% basis	$ 3,888,000	$ 3,142,000	$ 7,848,000	$ 5,554,000
GBR revenue, 50% basis	$ 1,945,000	$ 1,570,000	$ 3,926,000	$ 2,777,000

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

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 September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
(Loss) earnings before income taxes	$ (888,000)	$ 561,000	$ (1,268,000)	$ (72,000)
Addback (deduct):				
Share-based compensation	57,000	79,000	314,000	280,000
Foreign currency loss (gain)	8,000	8,000	(3,000)	17,000
(Loss) earnings from joint ventures	796,000	(909,000)	1,051,000	(1,300,000)
GBR EBITDA [(2)]	1,540,000	1,259,000	2,656,000	1,849,000
Adjusted EBITDA	$ 1,513,000	$ 998,000	$ 2,750,000	$ 774,000
GBR EBITDA [(1)]				
Net (loss) earnings	(1,593,000)	1,817,000	(2,103,000)	2,601,000
Addback (deduct):				
Amortization	440,000	222,000	1,368,000	642,000
Share of loss in associates	4,231,000	493,000	6,178,000	493,000
Gain on disposal of Geothermal wells	–	–	(132,000)	–
Other adjustments	–	(14,000)	–	(37,000)
GBR Adjusted EBITDA, 100%	$ 3,078,000	$ 2,518,000	$ 5,311,000	$ 3,699,000
GBR Adjusted EBITDA, 50% [(2)]	$ 1,540,000	$ 1,259,000	$ 2,656,000	$ 1,849,000

[(1)] *Refer to note 4 - Condensed Consolidated 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 Proportionate revenue and Adjusted EBITDA	Three months ended September 30, 2023					Three months ended September 30, 2022			
	ARR[1]	GBR[2]	Elimination of Partner's 50%[3]	Other Adjustments[4]	Total	ARR[1]	GBR[2]	Elimination of Partner[3]	Total
Revenue									
Interest	$ 522,000	$ 19,000	$ (10,000)	$ –	$ 531,000	$ 235,000	$ –	$ –	$ 235,000
Royalty	–	3,868,000	(1,934,000)	2,000	1,936,000	–	3,142,000	(1,572,000)	1,570,000
Proportionate revenue	$ 522,000	$ 3,887,000	$ (1,944,000)	$ 2,000	$2,467,000	$ 235,000	$3,142,000	$ (1,572,000)	$ 1,805,000
Adjusted EBITDA	$ (27,000)	$ 3,078,000	$ (1,538,000)	$ –	$ 1,513,000	$ (261,000)	$2,518,000	$ (1,259,000)	$ 998,000

Reconciliation to non-GAAP financial measures Proportionate revenue and Adjusted EBITDA	Nine months ended September 30, 2023					Nine months ended September 30, 2022			
	ARR[1]	GBR[2]	Elimination of Partner's 50%[3]	Other Adjustments[4]	Total	ARR[1]	GBR[2]	Elimination of Partner[3]	Total
Revenue									
Interest	$ 1,693,000	$ 44,000	$ (22,000)	$ –	$ 1,715,000	$ 409,000	$ –	$ –	$ 409,000
Royalty	–	7,803,000	(3,901,000)	2,000	3,904,000	–	5,554,000	(2,776,000)	2,778,000
Proportionate revenue	$ 1,693,000	$ 7,847,000	$ (3,923,000)	$ 2,000	$5,619,000	$ 409,000	$5,554,000	$ (2,776,000)	$ 3,187,000
Adjusted EBITDA	$ 94,000	$ 5,311,000	$ (2,655,000)	$ –	$2,750,000	$(1,075,000)	$3,699,000	$ (1,850,000)	$ 774,000

(1) *As per the Corporation's Condensed 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, 2021 ownership was diluted from 89% to 50%*

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

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	Q4 2023	2.5% of revenue

[1] Royalties with variable rates adjust under certain conditions, guaranteeing a minimum 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) based on ERCOT GIM Project Details June 2023

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
Canyon Wind	Texas	Wind	TBA	360[4]	ERCOT	Development	2025+[3]	2.5% sliding scale[7]
Blackford Wind	Indiana	Wind	Leeward	200	PJM	Development	2025+[4]	3% of revenue
Vermillion Grove Wind	Illinois	Wind	Enbridge	255	PJM	Development	2025[4]	3% of revenue
Panther Grove I	Illinois	Wind	Copenhagen Infrastructure Partners	400	PJM	Development	2025+	3% of revenue
Hoosier Line[7]	Indiana	Wind	Leeward	180	PJM	Development	2025+	3% of revenue
Shannon Wind	Illinois	Wind	Enbridge[2]	150	PJM	Development	2025+[4]	3% of revenue
Sugar Loaf Wind	Nebraska	Wind	Enbridge[2]	150	SPP	Development	2025+[4]	3% of revenue
Wyoming I	Wyoming	Wind	Enbridge[2]	250	WECC	Development	2025[4]	3% of revenue
Easter	Texas	Wind	Enbridge[2]	300	SPP	Development	2025[4]	3% of revenue
Cone/Crosby III	Texas	Wind	Enbridge[2]	300	SPP	Development	2026[4]	3% of revenue
Water Valley Wind	Texas	Wind	Enbridge[2]	150	ERCOT	Development	2026[3]	3% of revenue

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

(2) *Developer TGE was acquired by Enbridge, see ARR press release on 09/29/2022*

(3) *Expected COD based on ERCOT GIM Project Details September 2023 or adjusted based on internal estimates for construction start date*

(4) *Expected COD based on internal assumptions and not detailed knowledge of construction date*

(5) *Facility size may be completed in phases*

(6) *Project may be converted to solar*

(7) *Flatland fixed payments equivalent to 1.5%, see ARR press release 06/29/2022*

Appendix C – Summary of Development Solar Properties Under Royalty

Project	Location	Renewable Energy Source	Project Owner/ Developer	Facility Size (MWac)	Grid Connection	Status	Expected COD[1]	Royalty Basis
Blackford Solar	Indiana	Solar	Leeward	150	PJM	Development	2025+[4]	1.5% of revenue
Lawrence Solar	Pennsylvania	Solar	Enbridge	175	PJM	Development	2025e+ [4]	1.5% of revenue
Honey Creek[1]	Indiana	Solar	Leeward	400[6]	PJM	Development	2025+[4]	1.5% of revenue
Gloucester Solar	Virginia	Solar	Enbridge[2]	150	PJM	Development	2025+[4]	1.5% of revenue
Vermillion Solar	Illinois	Solar	Enbridge[2]	150	PJM	Development	2025[4]	1.5% of revenue
Cadillac Solar - Deville	Texas	Solar	Enbridge[2]	350	ERCOT	Development	2025[3]	1.5% of revenue
Cadillac Solar - El Dorado	Texas	Solar	Enbridge[2]	400	ERCOT	Development	2025[3]	1.5% of revenue
Flatland	Texas	Solar	TBA	180	ERCOT	Development	2025[3]	1.5% of revenue equiv[7]
3 Early Stage TGE Projects	Western USA	Solar	Enbridge[2]	1011	WECC	Development	TBA	1.5% of revenue

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

[2] Developer TGE was acquired by Enbridge, see ARR press release on 09/29/2022

[3] Expected COD based on ERCOT GIM Project Details September 2023 with internal adjustments for construction start date

[4] Expected COD based on internal assumptions and not detailed knowledge of start of construction date

[5] Facility size may be completed in phases

[6] Project may be converted to solar

[7] Flatland fixed payments equivalent to 1.5%, see ARR press release 06/29/20222