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, 2024

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, 2024 and related notes. This MD&A has been prepared as of November 5, 2024. 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"), adjusted operating cash flow, 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 primarily 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.

On September 12 ARR announced that the Corporation and Royal Aggregator LP (the "Purchaser") (an affiliate of Northampton Capital Partners, LLC ("NCPL" and together with its controlled affiliates, "Northampton")) entered into a definitive arrangement agreement (the "Arrangement Agreement"), whereby the Purchaser will acquire all of the issued and outstanding common shares of the Corporation (the "ARR Shares"), other than those ARR Shares indirectly owned by Altius Minerals Corporation ("Altius Minerals"), by way of a statutory plan of arrangement under the *Business Corporations Act* (Alberta) (the "Transaction"). Altius Minerals currently holds 58% of the issued and outstanding ARR Shares on an undiluted basis.

Under the terms of the Arrangement Agreement, each ARR shareholder (other than Altius Minerals) (the "ARR Minority Shareholders") will receive cash consideration of CAD$12.00 for each ARR Share held (the "Consideration") for total Consideration of approximately C$162,000,000.

The Arrangement is conditional upon, among other things, receipt of an interim order from the Court of King's Bench of Alberta (the "Court") and receipt of approval under the Competition Act. On October 2, 2024, the Commissioner of Competition under the Competition Act issued an advanced ruling certificate to the Corporation in respect of the Arrangement which satisfied the Competition Act approval condition and on October 17, 2024, the Court granted the interim order with respect to the Arrangement satisfying such condition. The hearing of the application for the final order is anticipated to take place before a justice of the Court of King's Bench of Alberta on November 22, 2024. Subject to obtaining the required approval of Shareholders at a Special Meeting on November 19 and the receipt of the final order of the Court, the transaction is expected to close on or around the end of November, 2024. Following completion of the Transaction ARR will delist from the TSX and cease to be a reporting issuer. The Purchaser will hold 43% and Altius Minerals will indirectly hold 57% of the issued and outstanding ARR shares respectively.

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.

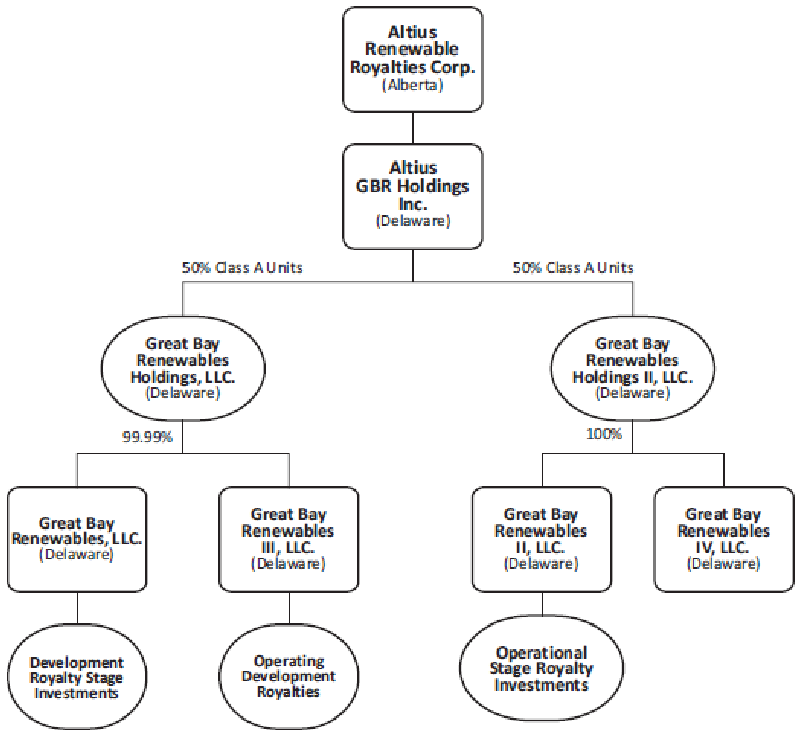
Project	Renewable Energy Source	Royalty Basis	Facility Size (MW)
Hansford County Wind Project	Wind	Fixed per MWh	658
Young Wind	Wind	2.5% of revenue	500
Canyon Wind	Wind	2.4% of revenue	308
Jayhawk	Wind	2.5% of revenue	195
Appaloosa	Wind	1.5% of revenue	175
Old Settler	Wind	Variable % of revenue	150
Cotton Plains	Wind	Variable % of revenue	50
El Sauz	Wind	2.5% of revenue	300
Prospero 2	Solar	Variable % of revenue	250
Angelo Solar	Solar	Variable % of revenue	195
Titan	Solar	Variable % of revenue	70
Phantom	Solar	Variable % of revenue	15
Clyde River	Hydro	10% of revenue	5
Operational			**2,871 MW**
Panther Grove	Wind	3% of revenue	400
Construction			**400 MW**

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

- Rights to 9 royalties on wind projects representing total expected future production capacity of 1,785 MW (see Appendix B in this MD&A);
- Rights to 12 royalties on solar projects representing total expected future production capacity of 3,104 MW (see Appendix C in this MD&A);
- Royalty entitlements to 2,000 MW of renewable energy projects expected to be developed in North America through its investment in Nova Clean Energy (see "Bluestar Capital LLC & Nova Clean Energy, LLC" in this MD&A);
- Entitlements to royalties from a 1,100 MW portfolio of renewable energy projects expected 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);
- Entitlements to royalties from a 7,000 MW portfolio of renewable energy projects expected 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);
- Entitlements to royalties from a portfolio of 77 distributed generation solar projects located in Minnesota and surrounding markets through its investment in Nokomis Energy, LLC. (see "Nokomis." in this MD&A); and
- Entitlements to two solar development projects totaling approximately 250 MWac through its loan to Red Stone Renewables (see "Red Stone Renewables, 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 extraction, 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, 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 typically 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 building a pipeline of development and construction stage projects 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. The Corporation's royalty interests hold a mixture of spot market based (or merchant) and contracted electricity price exposures. Market based prices fluctuate with seasons, weather, competing energy fuel prices, available generation and other factors. Prices in markets where the Corporation has merchant price exposure typically rise during warm summer months and then again during winter months. During the latter part of 2023 merchant prices increased due to warmer summer weather and increased power demand in certain of the markets in which the Corporation has operating stage royalty interests. In the first half of 2024 merchant prices were lower, particularly in ERCOT, where Texas experienced milder weather leading to fewer days of elevated merchant prices. Longer term contracted market prices for renewable energy have been generally increasing in recent periods owing to growing specific demand for renewable based energy and 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 exposure to inflationary cost pressures.

Outlook

The Corporation has grown the portfolio of renewable energy investments to a level that is cash flow positive. This cash flow profile is expected to continue to grow with the recent commencement of operations of the 308 MW Canyon Wind and the 195 MW Angelo Solar projects in addition to the fourth quarter commencement of commercial operations of the 300 MW El Sauz wind project. The 400 MW Panther Grove Wind project that began construction in late 2023 and the progression of GBR's large portfolio of development stage royalty interests will contribute to revenue growth beyond 2024.

In late 2023 GBR entered into senior secured credit financing agreements in the aggregate amount of $246,500,000 with an initial amount drawn of $117,872,000. The credit facilities provide liquidity that enhances GBR's ability to continue to accelerate its growth trajectory in the renewable royalty sector while maintaining a competitive cost of capital. ARR has not pledged any security in favour of the agreements.

Since inception, the Corporation's 50% owned Joint Venture has entered into investment agreements with a total value of $492,000,000. The Corporation believes that the royalty financing model for the renewable energy sector has gained initial 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.

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), adjusted operating cash flow, 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 24.

Quarterly Operational Highlights

The Corporation's Joint Venture, GBR, reported total royalty revenue for the three and nine months ended September 30, 2024 of $4,190,000 and $11,216,000 respectively (September 30, 2023 - $3,868,000 and $7,803,000). In addition GBR's third quarter revenue included $844,000 of investment income associated with various interconnection and loan agreements. The Corporation's proportionate revenue for the three and nine months ended September 30, 2024 was $3,378,000 and $9,367,000 respectively compared to $2,467,000 and $5,619,000 in the prior year periods. GBR is maintaining the previously provided annual guidance range of $13,000,000 to $16,000,000.

During the three and nine months ended September 30, 2024 $7,000,000 and $54,000,000 respectively was funded into GBR equally by the Corporation and Apollo (September 30, 2023 – $7,000,000 and $24,300,000) to fund investments, capital calls and loans.

Refer to Investment Growth - Joint Venture Analysis for additional discussion and analysis relating to the quarter ended September 30, 2024 for additional information.

Financial Performance and Results of Operations of the Corporation

	Three months ended			Nine months ended		
	September 30, 2024	September 30, 2023	Variance	September 30, 2024	September 30, 2023	Variance
Revenue per condensed consolidated financial statements	$ 827,000	$ 522,000	$ 305,000	$ 2,805,000	$ 1,693,000	$1,112,000
Net earnings (loss)	455,000	(653,000)	1,108,000	(344,000)	(855,000)	511,000
Net earnings (loss) per share - basic and diluted	$ 0.01	$ (0.02)	$ 0.03	$ (0.01)	$ (0.03)	$ 0.02
Total assets	216,442,000	204,242,000	12,200,00C	216,442,000	204,242,000	12,200,000
Total liabilities	10,958,000	6,758,000	4,200,000	10,958,000	6,758,000	4,200,000
Non-GAAP financial measures(1)						
Proportionate revenue (1)	$ 3,378,000	$ 2,467,000	$ 911,000	$ 9,367,000	$ 5,619,000	$3,748,000
Adjusted operating cash flow	912,000	1,016,000	(104,000)	2,211,000	1,642,000	569,000
Adjusted EBITDA (1)	2,357,000	1,513,000	844,000	6,134,000	2,750,000	3,384,000

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

Revenue for the three and nine months ended September 30, 2024 is higher due to increased interest rates and higher cash balances in the current periods. Net earnings (loss) in the three and nine months ended September 30, 2024 was positively impacted by increased interest revenue as well as revenue growth in the Joint Venture, partially offset by GBR's share of non cash losses in equity accounted investments. The growth of assets and liabilities primarily reflects the acquisition of renewable royalty investments and value appreciation of existing investments thereby increasing the Corporation's investment in GBR.

Growth in proportionate revenue for the three and nine months ended September 30, 2024 relates to the operating stage royalties at GBR, investment income on various loan and interconnect agreements as well as the increase in ARR's interest income as noted above. Adjusted EBITDA, which excludes the impact of non-cash share-based compensation, increased for the three and nine months ended September 30, 2024 as a result of the revenue growth previously noted. The increase in adjusted operating cash flow for the nine months ended September 30, 2024 stemmed from the growth in revenue and was partially offset by debt service costs at GBR.

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, 2024**	**September 30, 2023**	**Variance**	**September 30, 2024**	**September 30, 2023**	**Variance**
Interest income	$ 827,000	$ 522,000	$ 305,000	$ 2,805,000	$ 1,693,000	$ 1,112,000

Interest income for the three and nine months ended September 30, 2024 is higher than the comparable periods in 2023 due to increased interest rates on higher average cash balances.

Costs and Expenses

	Three months ended			Nine months ended		
Costs and Expenses	**September 30, 2024**	**September 30, 2023**	**Variance**	**September 30, 2024**	**September 30, 2023**	**Variance**
Director fees	$ 253,000	$ 31,000	$ 222,000	$ 361,000	$ 91,000	$ 270,000
Management fees	160,000	127,000	33,000	484,000	382,000	102,000
Office and administrative	78,000	148,000	(70,000)	301,000	474,000	(173,000)
Travel and accommodations	23,000	21,000	2,000	45,000	48,000	(3,000)
Professional fees	(60,000)	222,000	(282,000)	330,000	604,000	(274,000)
Total general and administrative expenses	454,000	549,000	(95,000)	1,521,000	1,599,000	(78,000)
Share-based compensation	62,000	57,000	5,000	266,000	314,000	(48,000)
Foreign exchange loss (gain)	–	8,000	(8,000)	21,000	(3,000)	24,000
	$ 516,000	$ 614,000	$ (98,000)	$ 1,808,000	$ 1,910,000	$ (102,000)

Director fees have increased for the three and nine months ended September 30, 2024 as a result of an increase in fees recommended by the Compensation Committee which were approved by the Board in 2024.

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 which have increased in the three and nine months ended September 30, 2024 to C$63,000 per month (see Related Party Transactions). These fees are charged in Canadian dollars and are also subject to foreign exchange fluctuations.

Office and administrative costs during the three and nine months ended September 30, 2024 reflect a decrease in insurance premiums and marketing expenses.

Travel and accommodations consist of various corporate development and training initiatives and were consistent with previous periods.

Professional fees for the three and nine months ended September 30, 2024 are lower than the comparable prior year period and reflects changes related to various corporate development and environmental, social, and corporate governance initiatives undertaken. Any professional fees associated with the Arrangement Agreement have been deferred in the 2024 periods pending the close of the Arrangement in the fourth quarter.

Share based compensation increased during the three months ended September 30, 2024 compared to the prior year period relating to the timing of issuance of annual share-based units to directors. Share based compensation decreased for the nine months ended September 30, 2024 as less units were awarded in the current year.

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

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

	Three months ended			Nine months ended		
	September 30, 2024	September 30, 2023	Variance	September 30, 2024	September 30, 2023	Variance
Share of earnings (loss) in joint venture	$ 192,000	$ (796,000)	$ 988,000	$ (1,606,000)	$ (1,051,000)	$ (555,000)
Income tax expense (recovery)	48,000	(235,000)	283,000	(265,000)	(413,000)	148,000
Net earnings (loss)	$ 455,000	$ (653,000)	$ 1,108,000	$ (344,000)	$ (855,000)	$ 511,000

The Corporation recorded its share of earnings (loss) from the Joint Venture of $192,000 and $(1,606,000) for the three and nine months ended September 30, 2024 compared to its share of (loss) of $(796,000) and $(1,051,000) for the comparable year periods. The current quarter reflects increases to revenues at GBR offset by increases to general and administrative costs, interest on long term debt as well as GBR's share of loss in associates in its 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 at this stage. 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 Condensed Consolidated Financial Statements for additional information.

Income tax expense (recovery) reflect any earnings from the Joint Venture as well as any deferred tax changes in the Corporation's underlying investment in GBR. Any tax 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 at the parent.

Net earnings (loss) for the three and nine months ended September 30, 2024 was positively impacted by increased interest revenue, a decrease in GBR's share of non cash losses in equity investments, offset by cost increases noted above.

Other Comprehensive Earnings

	Three months ended			Nine months ended		
Other comprehensive earnings	**September 30, 2024**	**September 30, 2023**	**Variance**	**September 30, 2024**	**September 30, 2023**	**Variance**
Revaluation (losses) gains on investments	$ (18,000)	$ 1,677,000	$ (1,695,000)	$ 1,050,000	$ 3,855,000	$(2,805,000)
Fair value adjustment of cash flow swap	(2,503,000)	–	(2,503,000)	(381,000)	–	(381,000)
	$ (2,521,000)	$ 1,677,000	$ (4,198,000)	$ 669,000	$ 3,855,000	$ (3,186,000)

During the three and nine months ended September 30, 2024 the Corporation recognized its share of revaluation gains (losses) on investments held in the Joint Venture of $(18,000) and $1,050,000 compared to gains of $1,677,000 and $3,855,000 in the prior year periods respectively. The revaluation of investments relates to valuation changes in GBR's investments in TGE, Hodson, Hexagon, Longroad, Northleaf and Titan. The Angelo Solar and Nokomis investments were recently acquired and cost continues to be used as a proxy for fair value.

During the three and nine months ended September 30, 2024 the Corporation recognized its share of the fair value adjustment of a cash flow swap held in the Joint Venture of $2,503,000 and $381,000 which relate to GBR's floating to fixed interest rate swap entered into in connection with its credit financing. These revaluations are recorded in the Corporation's other comprehensive earnings.

Liquidity and Cash Flows

The Corporation had available cash of $62,141,000 at September 30, 2024. In addition, GBR had cash of $5,224,000 at September 30, 2024 which is sufficient to fund short term working capital and operations at the GBR level including the current portion of debt of $1,678,000. GBR has available liquidity of $105,628,000 undrawn on a senior secured credit facility that closed in the fourth quarter of 2023. ARR has not pledged any security in favour of the agreement.

The Corporation expects to continue to co-fund new investments made by GBR together 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 moving forward the anticipated co funding with the Purchaser once the Arrangement Agreement closes in the fourth quarter.

At September 30, 2024 the Corporation had current assets of $64,867,000 (December 31, 2023 - $89,477,000), including cash and cash equivalents of $62,141,000 (December 31, 2023 - $88,716,000) and current liabilities of $1,838,000 (December 31, 2023 - $383,000).

Summary of Cash Flows	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Operating activities	$ 724,000	$ (165,000)
Financing activity	(329,000)	–
Investing activities	(26,970,000)	(12,150,000)
Net decrease in cash and cash equivalents	$ (26,575,000)	$ (12,315,000)
Cash and cash equivalents, beginning of period	88,716,000	50,092,000
Cash and cash equivalents, end of period	$ 62,141,000	$ 37,777,000

Operating Activities

The Corporation generated operating cash flows during the nine months ended September 30, 2024 primarily due to higher interest income for the Corporation.

Financing Activity

The Corporation net settled stock options in the nine months ended September 30, 2024 resulting in cash outflows of $329,000.

Investing Activities

During the nine months ended September 30, 2024 the Corporation invested $27,000,000 in the Joint Venture to fund investments into renewable energy projects noted below (September 30, 2023 - $12,150,000). The Corporation also received an income tax refund of $30,000 during the current year period.

Investment Growth - Joint Venture Analysis

The Corporation's 50% Joint Venture, GBR, invested a total of $7,804,000 and $60,415,000 during the three and nine months ended September 30, 2024 (September 30, 2023 - $6,310,000 and $28,155,000) into the following:

Project	Description	Three months ended September 30, 2024	Nine months ended September 30, 2024
Hexagon Energy, LLC. ("Hexagon")	Development stage, investment tranche	$ —	$ 7,575,000
Angelo Solar	Construction stage 195 MW solar project, investment	—	30,699,000
Nokomis Energy, LLC.	Development stage, investment tranche	4,051,000	6,294,000
Total investments		$ 4,051,000	$ 44,568,000
Nova Clean Energy, LLC.	Development stage, investment tranche	$ —	$ 2,500,000
Bluestar Energy Capital, LLC.	Development stage, investment tranche	—	648,000
Total investments in associates		$ —	$ 3,148,000
Hexagon Energy, LLC	Loan	$ —	$ 3,360,000
Hodson Energy, LLC.	Loan	3,753,000	9,339,000
Total loans		$ 3,753,000	$ 12,699,000
Total Invested, including acquisition costs		**$ 7,804,000**	**$ 60,415,000**

Nokomis Energy,

On June 27, 2024 GBR entered into a $30,000,000 royalty investment with Nokomis Energy, LLC. ("Nokiois") to gain future royalties related to a portfolio of solar development projects. The funds will be invested in tranches as Nokomis achieves certain project advancement milestones. As individual pipeline projects are developed, GBR will receive a gross revenue royalty agreement on each project until a target minimum return is achieved. In addition GBR has the option to receive other cash payments from Nokomis that will count towards the target rate of return. During the nine months ended September 30, 2024 GBR invested $6,000,000 into Nokomis and incurred acquisition costs of $294,000 for a total invested amount of $6,294,000. Subsequent to September 30, 2024 GBR funded $3,000,000 into Nokomis.

Angelo Solar

On February 29, 2024 the Corporation announced that GBR entered into a $30,000,000 royalty investment with Apex Clean Energy ("Apex") related to Apex's 195 MWac Angelo Solar project in Tom Green County, Texas ("Angelo") which achieved commercial operations in June 2024. This investment was funded jointly by ARR and Apollo and has been structured using royalty rates that vary over time and achieve GBR's investment hurdles. During the nine months ended September 30, 2024 GBR invested $30,000,000 into Angelo and incurred acquisition costs of $699,000 for a total invested amount of $30,699,000. Royalty revenue on Angelo will commence in the fourth quarter.

Hexagon Energy, LLC.

On March 28, 2024 GBR entered into a $10,100,000 interconnection (IC) support facility with Hexagon. The secured facility will be used to fund the refundable portions of certain interconnection deposits for six solar development projects totaling approximately 1,950 MWac that Hexagon has selected for advancement in the MISO and PJM interconnection queues. These projects are part of Hexagon's approximately 7.0 GW development portfolio from which GBR is entitled to receive future royalties. GBR will receive monthly interest payments during the term at an interest rate that falls within GBR's target return threshold. The facility with Hexagon can be drawn in tranches and matures on December 31, 2024. The first tranche of $3,360,000 was funded in cash by GBR during the first quarter of 2024 and remains outstanding at September 30, 2024. During the nine months ended September 30, 2024 GBR financed a total of $6,098,000 using its letter of credit facility.

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 projects. At the time of closing, Hexagon, based in Charlottesville, Virginia, committed a portfolio of 43 development projects, totaling 5.3 GWac, located across 12 states as well as any additional projects added to its portfolio in the future to the royalty investment structure. 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. In addition, GBR has an option to take a portion of the proceeds from the sale of development projects, with a portion of this then credited to achieving the minimum target return threshold. 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. The investment into Hexagon is expected to be completed in tranches over approximately the next two years as Hexagon achieves certain project advancement milestones.

During the nine months ended September 30, 2024 GBR invested $7,500,000 under the Hexagon agreements and incurred acquisition costs of $75,000 for a total investment amount of $30,441,000.

During the nine months ended September 30, 2024 GBR received cash proceeds from Hexagon of $6,743,000 related to project sales. GBR recognized $2,248,000 as royalty and other revenue and $4,495,000 as a return of capital based upon the terms of the agreement. GBR is entitled to 10% of the project sales proceeds from any project sales to third parties by Hexagon. This 10% of project sales does not count toward the calculation of GBR's minimum return threshold and the total expected renewable royalties to be granted under the Hexagon investment agreement are unaffected by this supplemental revenue sharing. GBR may elect to receive up to an additional 20% of sales proceeds with such additional sales proceeds being credited toward the calculation of GBR's minimum return threshold and the total expected renewable royalties to be granted under the agreement.

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. In addition, GBR has an option to take a portion of the proceeds from the sale of development projects, with any proceeds to be credited to achieving the minimum target return threshold. The targeted IRR threshold is consistent with the upper end 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 nine months ended September 30, 2024 GBR invested $5,088,000 into Hodson and incurred acquisition costs of $28,000 for a net total invested amount at September 30, 2024 of $19,438,000 including warrants valued at $237,000.

On June 4, 2024 GBR executed an amendment to the operating agreement with Hodson which resulted in the reclassification of $10,559,000 in certain Class R Capital Contributions to loans receivable. The loans are secured and bear interest that falls within GBR's target return threshold. During the nine months ended September 30, 2024 additional loans of $4,250,000 was provided to Hodson for a total loan receivable of $14,809,000 as of September 30, 2024. These loans mature no later than January 31, 2025. During the nine months ended September 30, 2024, GBR recognized $1,295,000 of investment income associated with this loan.

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

On May 4, 2022 the Corporation announced that GBR 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 which continues to make progress in building its greenfield development pipeline.

During the nine months ended September 30, 2024 GBR invested $2,500,000 into Nova for a total amount invested at September 30, 2024 of $9,107,000.

During the nine months ended September 30, 2024 GBR invested $648,000 into Bluestar for a total invested amount at September 30, 2024 of $4,846,000.

On July 24, 2024 GBR entered into a follow-on transaction with its development partner, Nova Clean Energy, LLC ("Nova") to provide a $40,000,000 secured term loan facility ("the Loan"). As part of the facility, GBR will receive up to 500 MW of additional royalties on Nova's pipeline of projects, depending on the amount drawn as projects are commercialized by Nova. This is in addition to the royalties on 1.5 GW of renewable energy projects GBR received as part of its initial investment into Nova and its parent company Bluestar Energy Capital in May 2022. Since that time, Nova has built an extensive pipeline of 25 wind, solar and battery storage projects totaling approximately 6.5 GW. Subsequent to September 30, 2024 GBR funded $24,000,000 of the Loan to Nova.

Red Stone Renewables, LLC.

On June 14, 2024 GBR entered into a $6,100,000 interconnection support facility to assist Red Stone Renewables, LLC. ("Red Stone") by funding the refundable portions of certain interconnection deposits for two solar development projects totaling approximately 250 MWac that Red Stone has selected for advancement in the PJM interconnection queue. These projects are part of Red Stone's approximately 850 MW development portfolio. GBR has utilized its letter of credit facility to post deposits with PJM until the two solar projects reach certain milestones, at which point the deposits are refundable.

The loan is secured, matures no later than January 31, 2025, and bears interest at rates consistent with GBR's return threshold. As part of the agreement with Red Stone, GBR has also been granted a royalty purchase option on the two solar projects. The royalty purchase option for each project expires six months after that project reaches commercial operations, with the royalty purchase price calculated based upon predetermined parameters. During the nine months ended September 30, 2024 GBR has financed $6,012,000 of this IC using its letter of credit facility.

Non-GAAP Financial Measures Analysis– Joint Venture Analysis

This section of the MD&A uses non-GAAP financial measures to evaluate the underlying performance of the Joint Venture. See definitions, reconciliations and additional information for each specific non-GAAP measure on page 24 of this MD&A. Refer to Note 4 of the Corporation's Condensed Consolidated Financial Statements for the results and operations of the Joint Venture.

Proportionate Revenue, Adjusted EBITDA and Adjusted Operating Cash Flow

The following table and discussion reflect revenue, adjusted EBITDA and adjusted operating cash flow on a 50% basis as if GBR was proportionately consolidated for both 2024 and 2023 periods presented.

Proportionate revenue	Three months ended September 30, 2024	Three months ended September 30, 2023	Three months ended Variance	Nine months ended September 30, 2024	Nine months ended September 30, 2023	Nine months ended Variance
Proportionate interest	$ 1,283,000	$ 531,000	$ 752,000	$ 3,759,000	$ 1,715,000	$ 2,044,000
Proportionate royalty revenue						
Northleaf investment	553,000	880,000	(327,000)	1,314,000	1,674,000	(360,000)
Titan Solar	620,000	407,000	213,000	1,562,000	743,000	819,000
Prospero 2	118,000	279,000	(161,000)	271,000	402,000	(131,000)
SPP Wind	178,000	189,000	(11,000)	604,000	559,000	45,000
ERCOT Wind	167,000	154,000	13,000	620,000	447,000	173,000
Other	459,000	27,000	432,000	1,237,000	79,000	1,158,000
Total proportionate revenue (1)	$ 3,378,000	$ 2,467,000	$ 911,000	$ 9,367,000	$ 5,619,000	$ 3,748,000
Adjusted EBITDA (1)	$ 2,357,000	$ 1,513,000	$ 844,000	$ 6,134,000	$ 2,750,000	$ 3,384,000
Adjusted operating cash flow(1)	$ 912,000	$ 1,016,000	$ (104,000)	$ 2,211,000	$ 1,642,000	$ 569,000

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

Proportionate interest for the three and nine months ended September 30, 2024 is higher than the comparable periods in 2023 due to increased interest rates on higher average cash balances at ARR as well as investment income associated with various interconnection and loan agreements at GBR.

During the three and nine months ended September 30, 2024, the Corporation recognized proportionate royalty revenue of $553,000 and $1,314,000 respectively from the Northleaf investment royalties which consist of Cotton Plains, Old Settler and Phantom Solar. The portfolio was subject to lower merchant pricing during the current quarter and year to date period compared to the prior year periods. 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 contributed proportionate royalty revenue of $620,000 and $1,562,000 during the three and nine months ended September 30, 2024, higher than prior year periods due to improved market pricing. During the first quarter of 2024 the Corporation recognized a proportionate $629,000 escrow amount associated with the completion of a local transmission line resulting in increased revenue on a year to date basis.

Prospero 2 project proportionate royalty revenue of $118,000 and $271,000 for the three and nine months ended September 30, 2024 decreased from the prior year periods due to market prices.

Revenue from the SPP region was comparable for the three months ended September 30, 2024 and 2023. For the nine months ended September 30, 2024, revenue increased due to higher production at the Hansford County wind project, contributing $550,000 for the period . Revenue from this royalty is based on a fixed dollar amount per megawatt hour of generation with no pricing component.

Revenue from the ERCOT grid increased for the three and nine months ended September 30, 2024, primarily due to the addition of the Canyon Wind project which began contributing to revenue in the first quarter of 2024 after achieving commercial operations in January 2024.

Other proportionate royalty revenue for the three and nine months ended September 30, 2024 included $423,000 and $1,124,000 respectively related to GBR's share of proceeds from Hexagon project sales. GBR is entitled to 10% of the project sales proceeds from any project sales to third parties by Hexagon. The minimum return threshold and the total expected renewable royalties to be granted under the Hexagon investment agreement are unaffected by this supplemental revenue sharing. In addition, above average waterflow at the Clyde River hydro project led to higher royalty revenue during the 2024 periods.

Adjusted EBITDA increased to $2,357,000 and $6,134,000 respectively for the three and nine months ended September 30, 2024. Factors impacting Adjusted EBITDA are increases to both proportionate revenue which is discussed above as well as general and administrative expenses at the Corporation and the Joint Venture. During the three and nine months ended September 30, 2024 expenses recognized by the Joint Venture were slightly higher than the prior year periods due to increased salaries and wages at the Joint Venture relating to its growth and increased investing and business development activity.

Adjusted operating cash flows follow the trend of increases to proportionate revenue and costs, including the addition of interest on long-term debt at the Joint Venture.

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, 2024	Nine months ended September 30, 2023
Operating activities	$ 2,973,000	$ 3,614,000
Financing activities	52,962,000	24,300,000
Investing activities	(55,919,000)	(27,720,000)
Net decrease in cash and cash equivalents	16,000	194,000
Cash and cash equivalents, beginning of period	5,208,000	2,863,000
Cash and cash equivalents, end of period	$ 5,224,000	$ 3,057,000

Operating Activities

During the nine months ended September 30, 2024 the Joint Venture generated cash from operations of $2,973,000 reflecting the addition of operating royalties and resulting revenue growth offset by interest expense on long term debt in comparison to the prior year period when GBR had fewer royalties in operation and no long term debt in place.

Financing Activities

During the nine months ended September 30, 2024 net financing cash inflows of $52,962,000 relate primarily to partner funding into the Joint Venture from ARR and Apollo for the investments noted above. Net financing cash inflows of $24,300,000 in the prior year period related to partner funding for the Hexagon and Hodson investments.

Investing Activities

Investing net cash outflows of $55,919,000 for the nine months ended September 30, 2024 relate to the Nokomis and Angelo Solar investments, Hexagon (offset by $4,495,000 return of capital), Bluestar and Nova investment tranches and various interconnection and other loans. These agreements are described in the Investment Growth – Joint Venture Analysis section of this MD&A. The amounts in the prior year period reflect an investment in Hexagon and Hodson, partially offset by $435,000 of proceeds for the disposition of geothermal wells.

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, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Revenue per condensed consolidated financial statements	$ 827,000	$ 891,000	$ 1,087,000	$ 972,000
Proportionate revenue (1)	3,378,000	2,427,000	3,563,000	2,315,000
Adjusted EBITDA (1)	2,357,000	1,265,000	2,513,000	1,015,000
Adjusted operating cash flow(1)	912,000	662,000	637,000	1,344,000
Net earnings (loss)	455,000	(559,000)	(240,000)	(216,000)
Net earnings (loss) per share - basic and diluted	$ 0.01	$ (0.02)	$ (0.01)	$ (0.01)

	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
Adjusted operating cash flow(1)	1,016,000	607,000	19,000	629,000
Net loss	(653,000)	(96,000)	(106,000)	(382,000)
Net loss per share - basic and diluted	$ (0.02)	$ (0.01)	$ –	$ (0.01)

(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 is 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 and non-recurring amounts relating to Hexagon project sales and the Titan Solar escrow release in the first quarter of 2024. Adjusted EBITDA generally follows the trend of revenue growth while adjusted operating cash flow also benefited from revenue growth and in the current year periods was offset by interest expense on long term debt at the Joint Venture. 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, 2024, 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]	Nova - Loan[1]	Nokomis[1]	Total
2024	$ 161,000	$ 250,000	$ 1,596,000	$ –	$ 12,000,000	$ 1,500,000	$ 15,507,000
2025	–	8,414,000	–	7,500,000	8,000,000	4,500,000	28,414,000
2026	–	664,000	–	–	–	6,000,000	6,664,000
2027	–	–	–	–	–	–	–
2028	–	–	–	–	–	–	–
	$ 161,000	$ 9,328,000	$ 1,596,000	$ 7,500,000	$20,000,000	$ 12,000,000	$ 50,585,000

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

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

The commitments detailed above are associated with the expectation of future capital calls and the timing and amounts are at the discretion of the investee. In addition, Bluestar & Nova, Hodson, Hexagon and Nokomis must achieve certain milestones for future funding to be requested. Both the Hexagon and Red Stone interconnection support facilities were funded using GBR's letters of credit. Subsequent to September 30, 2024 $24,000,000 was drawn on the Nova loan facility of which the Corporation funded its 50% or $12,000,000.

GBR is committed under a consulting agreement to remit the following payments related to 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.

The Corporation anticipates it will meet its share of joint venture obligations using current cash and any future royalty income distributed from GBR.

The final value of royalties assigned to GBR under the Apex agreement will be determined six months following the commercial operation date of underlying royalty projects. Upon redemption of the royalty investment agreement between Apex and GBR, a true-up mechanism was agreed to be used in the event that the provisional estimates for the value of the royalties used in determining the redemption payment differ from the actual final determined value of received royalties. The true-up mechanism is based on the same valuation methodology that would have been used if the redemption did not occur. Three royalties were created under the Apex agreement prior to the redemption. Although the Apex originated Jayhawk and Young Wind projects have been in operation for more than 6 months and their individual valuations determined in accordance with the agreement, GBR and Apex have agreed to complete one final true-up calculation after the El Sauz project achieves 6 months of operations. Based on the final valuation Apex may owe a cash payment to the

Joint Venture, or vice versa. As of the date of this MD&A, the amount is indeterminate, and no amount is reflected herein. The Corporation does not expect the adjustment to be significant.

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, 2024, Altius billed the Corporation $160,000 (C$217,000) (September 30, 2023 - $127,000 (C$172,000)) for office space, management, and administrative services. During the nine months ended September 30, 2024, Altius billed the Corporation $484,000 (C$652,000) (September 30, 2023 - $382,000 (C$517,000)) for office space, management, and administrative services. At September 30, 2024 the balance owing to Altius is $nil.

GBR Services Agreement

During the three months ended September 30, 2024, Altius billed GBR $23,000 (September 30, 2023 - $23,000) for finance and administrative services. During the nine months ended September 30, 2024, Altius billed GBR $68,000 (September 30, 2023 - $68,000) for finance and administrative services. At September 30, 2024 the balance owing to Altius is $nil.

GBR-ARR Services Agreement

During the three months ended September 30, 2024, GBR billed the Corporation $23,000 (September 30, 2023- $17,000) for support services. During the nine months ended September 30, 2024, GBR billed the Corporation $61,000 (September 30, 2023 - $57,000) for support services. At September 30, 2024 the balance owing to GBR is $23,000.

Other

During the three months ended September 30, 2024, the Corporation paid salaries and benefits to directors of $241,000 (September 30, 2023 - $29,000) and recognized share-based compensation of $62,000 (September 30, 2023 - $57,000). During the nine months ended September 30, 2024, the Corporation paid salaries and benefits to directors of $335,000 (September 30, 2023 - $86,000) and recognized share-based compensation of $266,000 (September 30, 2023 - $314,000).

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.

Material 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. All of the Corporation's material accounting policies are described in the notes to the annual financial statements for the year ended December 31, 2023. The Corporation has not adopted any new accounting policies during the three and nine months ended September 30, 2024.

Critical Accounting Estimates

Areas requiring the use of management estimates include 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, 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, 2024.

Fair value measurements and valuation processes

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

The Corporation's joint venture holds investments in certain preferred shares (Note 4 of the Consolidated Financial Statements) that will (i) have the right to receive distributions based on a percentage of the gross revenues of the renewable assets associated with each investment /or (ii) yield distributions in the form of cash or royalty contracts on renewable energy projects at a future date. The joint venture also has the right to be granted gross revenue royalties on a portfolio of renewable energy projects or cash proceeds from the sale of renewable energy projects from the portfolio until the estimated value of the cash and such royalties at the time of commercial operations achieve a minimum return threshold on the investment. 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, cash distributed, and expected energy rates.

These investments are not traded in the active market and the fair value is determined using an income approach methodology primarily 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 or the royalty contracts to be granted in exchange. 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. The Corporation records its share of fair value changes in these investments through other comprehensive earnings.

During the three and nine months ended September 30, 2024 the Corporation recorded revaluation (losses) gains on investments held in joint venture of $(18,000) and $1,050,000 respectively. The Corporation recognized revaluation gains on investments held in joint venture of $1,677,000 and $3,855,000 for the comparable periods in 2023.

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 "Operating Royalty Investments" (Prospero II, Northleaf and Titan Solar) and the royalty contracts to be granted in exchange for the "Development Royalty Investments" (TGE, Hodson and Hexagon investments).

The total number and value of royalty contracts, or in certain instances cash, to be ultimately awarded under the Development Royalty Investments 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 Operating Royalty Investments 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, 2024 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 consolidated financial statements for the three and nine months ended September 30, 2024. There has been no change in the Corporation's internal control over financial reporting during the quarter ended September 30, 2024, 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, 2024 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, 2023 for a complete listing of risk factors specific to the Corporation.

Outstanding Share Data

At November 5, 2024, the Corporation had 30,877,398 Common Shares outstanding, 3,093,835 warrants outstanding and 883,147 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 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 September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
IFRS revenue per condensed consolidated financial statements	$ 827,000	$ 522,000	$ 2,805,000	$ 1,693,000
Adjust: joint venture revenue[(1)]	2,551,000	1,945,000	6,562,000	3,926,000
Proportionate revenue	$ 3,378,000	$ 2,467,000	$ 9,367,000	$ 5,619,000
Joint venture revenue consists of				
Northleaf Investment	$ 1,107,000	$ 1,759,000	$ 2,631,000	$ 3,347,000
Titan	1,240,000	813,000	3,123,000	1,485,000
Prospero 2	235,000	558,000	541,000	804,000
SPP Wind	356,000	378,000	1,208,000	1,118,000
ERCOT Wind	334,000	309,000	1,239,000	893,000
Interest and investment	912,000	19,000	1,908,000	44,000
Other	918,000	52,000	2,474,000	157,000
GBR revenue, 100% basis	$ 5,102,000	$ 3,888,000	$ 13,124,000	$ 7,848,000
GBR revenue, 50% basis	$ 2,551,000	$ 1,945,000	$ 6,562,000	$ 3,926,000

[(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, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Earnings (loss) before income taxes	$ 503,000	$ (888,000)	$ (609,000)	$ (1,268,000)
Addback (deduct):				
Share-based compensation	62,000	57,000	266,000	314,000
Foreign currency (gain) loss	–	8,000	21,000	(3,000)
Earnings (loss) from joint ventures	(192,000)	796,000	1,606,000	1,051,000
GBR EBITDA [(2)]	1,984,000	1,540,000	4,850,000	2,656,000
Adjusted EBITDA	$ 2,357,000	$ 1,513,000	$ 6,134,000	$ 2,750,000
GBR EBITDA [(1)]				
Net earnings (loss)	383,000	(1,593,000)	(3,213,000)	(2,103,000)
Addback (deduct):				
Amortization	555,000	440,000	1,641,000	1,368,000
Interest on long-term debt	2,622,000	–	7,569,000	–
Share of loss in associates	407,000	4,231,000	3,703,000	6,178,000
Gain on disposal of geothermal wells	–	–	–	(132,000)
GBR Adjusted EBITDA, 100%	$ 3,967,000	$ 3,078,000	$ 9,700,000	$ 5,311,000
GBR Adjusted EBITDA, 50% [(2)]	$ 1,984,000	$ 1,540,000	$ 4,850,000	$ 2,656,000

[(1)] Refer to note 4 - Condensed Consolidated Financial Statements

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

Adjusted operating cash flow

Adjusted operating cash flow is defined as cash provided (used in) in operations in the consolidated financial statements adjusted for the Corporation's proportionate share of cash flows from operations in the Joint Venture. Adjusted operating cash flow is a useful measure of performance of our business and management believes this information can be used by investors to analyze cash flows generated from operations irrespective of accounting treatment. This measure reflects the Corporation's economic interest in its operations prior to the application of equity accounting.

The table below reconciles adjusted operating cash flow to operating cash flow in the consolidated financial statements:

Adjusted operating cash flow	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Operating cash flow per condensed consolidated financial statements	$ 23,000	$ 165,000	$ 724,000	$ (165,000)
Addback:				
GBR operating cash flow[2]	$ 889,000	$ 851,000	$ 1,487,000	$ 1,807,000
Adjusted operating cash flow	$ 912,000	$ 1,016,000	$ 2,211,000	$ 1,642,000
GBR operating cash flow[1]				
GBR operating cash flow, 100%	$ 1,777,000	$ 1,701,000	$ 2,973,000	$ 3,614,000
GBR operating cash flow, 50%	$ 889,000	$ 851,000	$ 1,487,000	$ 1,807,000

(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, 2024**				**Three months ended September 30, 2023**				
	ARR[1]	**GBR[2]**	**Elimination of Partner's 50%**	**Total**	**ARR[1]**	**GBR[2]**	**Elimination of Partner's 50%**	**Other Adjustments [4]**	**Total**
Revenue									
Interest and investment income	$ 827,000	$ 912,000	$ (456,000)	$ 1,283,000	$ 522,000	$ 19,000	$ (10,000)	$ –	$ 531,000
Royalty	–	4,190,000	(2,095,000)	2,095,000	–	$ 3,868,000	(1,934,000)	2,000	1,936,000
Proportionate revenue	$ 827,000	$ 5,102,000	$ (2,551,000)	$ 3,378,000	$ 522,000	$ 3,887,000	$ (1,944,000)	$ 2,000	$ 2,467,000
Adjusted EBITDA	$ 373,000	$ 3,968,000	$ (1,984,000)	$ 2,357,000	$ (27,000)	$ 3,079,000	$ (1,540,000)	$ 1,000	$ 1,513,000
Adjusted operating cash flow	$ 23,000	$ 1,777,000	$ (888,000)	$ 912,000	$ 165,000	$ 1,702,000	$ (851,000)	$ –	$ 1,016,000

Reconciliation to non-GAAP financial measures Proportionate revenue and Adjusted EBITDA	**Nine months ended September 30, 2024**				**Nine months ended September 30, 2023**				
	ARR[1]	**GBR[2]**	**Elimination of Partner's 50%**	**Total**	**ARR[1]**	**GBR[2]**	**Elimination of Partner's 50%**	**Other Adjustments [4]**	**Total**
Revenue									
Interest and investment income	$2,805,000	$ 1,908,000	$ (954,000)	$ 3,759,000	$ 1,693,000	$ 44,000	$ (22,000)	$ –	$ 1,715,000
Royalty	–	11,216,000	(5,608,000)	5,608,000	–	7,803,000	(3,901,000)	2,000	3,904,000
Proportionate revenue	$2,805,000	$ 13,124,000	$ (6,562,000)	$ 9,367,000	$ 1,693,000	$ 7,847,000	$ (3,923,000)	$ 2,000	$ 5,619,000
Adjusted EBITDA	$ 1,284,000	$ 9,701,000	$ (4,851,000)	$ 6,134,000	$ 94,000	$ 5,312,000	$ (2,656,000)	$ –	$ 2,750,000
Adjusted operating cash flow	$ 724,000	$ 2,973,000	$ (1,486,000)	$ 2,211,000	$ (165,000)	$ 3,614,000	$ (1,807,000)	$ –	$ 1,642,000

[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*

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

Table 1 - Operating Royalties

Project	Location	Project Seller	Renewable Energy Source	Project Owner/ Developer	Facility Size (MWac)	Grid Connection	Status	Royalty Basis
Hansford County	Texas (USA)	Apex	Wind	Undisclosed	658	SPP	Operational	Fixed(1)
Young Wind	Texas (USA)	Apex	Wind	NextEra Energy Resources	500	ERCOT	Operational	2.5% of revenue
Canyon Wind	Texas (USA)	TGE	Wind	NextEra Energy	308	ERCOT	Operational	2.4% of revenue(4)
Jayhawk	Crawford and Bourboun County, Kansas (USA)	Apex	Wind	WEC Energy / Invenergy	195	SPP	Operational	2.5% of revenue
Appaloosa	Upton County, Texas (USA)	TGE	Wind	NextEra Energy Resources	175	ERCOT	Operational	1.5% of revenue
Old Settler(3)	Floyd County, Texas (USA)	-	Wind	Northleaf Capital	150	ERCOT	Operational	Variable(2)
Cotton Plains(3)	Floyd County, Texas (USA)	-	Wind	Northleaf Capital	50	ERCOT	Operational	Variable(2)
El Sauz	Willacy County, Texas (USA)	Apex	Wind	JERA Renewables	300	ERCOT	Operational	2.5% of revenue
Prospero 2	Andrews County, Texas (USA)	-	Solar	Longroad Energy	250	ERCOT	Operational	Variable(2)
Angelo Solar	Tom Green County, Texas (USA)	Apex	Solar	Apex	195	ERCOT	Operational	Variable(6)
Titan Solar	California (USA)	Sunpin	Solar	Longroad Energy	70	CAISO	Operational	Variable(2)
Phantom(3)	Bell County, Texas (USA)	-	Solar	Northleaf Capital	15	DND	Operational	Variable(2)
Clyde River	Orleans County, Vermont (USA)	-	Hydro	Gravity Renewables	5	ISO New England	Operational	10% of revenue

Table 2 - Royalties Under Construction

Project	Location	Project Seller	Renewable Energy Source	Project Owner/ Developer	Facility Size (MWac)	Grid Connection	Status	Expected COD[5]	Royalty Basis
Panther Grove I	Illinois (USA)	TGE	Wind	Copenhagen Infrastructure Partner	400	PJM	Construction	2025/2026	3% of revenue

(1) Fixed Rate per MWh, see Press Release dated 12/20/2022

(2) Royalties with variable rates adjust under certain conditions, guaranteeing a minimum return threshold under certain timelines, after which a lower royalty percentage is applied

(3) 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

(4) Canyon sliding scale royalty between 2-3%, see ARR press release 06/29/2022

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

(6) Royalties with variable rates adjust under certain conditions, guaranteeing a minimum return threshold under certain timelines, after which a lower royalty percentage is applied

Appendix B – Summary of Development Wind Properties Under Royalty

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

Note: Sum of wind and solar early-stage development projects related to Enbridge acquisition is 15 compared to 17 referenced in the Material Change Report filed Oct 5 2022 (see SEDAR) because of two multi-phase projects

[1] *Expected COD based on internal assumptions and not detailed knowledge of construction date*

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

[3] *Project may be converted to solar*

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+	1.5% of revenue
Lawrence Solar	Pennsylvania	Solar	Enbridge[2]	175	PJM	Development	2025e+	1.5% of revenue
Honey Creek	Indiana	Solar	Leeward	400[3]	PJM	Development	2025+	1.5% of revenue
Gloucester Solar	Virginia	Solar	Enbridge[2]	150	PJM	Development	2025+	1.5% of revenue
Vermillion Solar	Illinois	Solar	Enbridge[2]	150	PJM	Development	2025+	1.5% of revenue
Cadillac Solar - Deville	Texas	Solar	Enbridge[2]	350	ERCOT	Development	2025+	1.5% of revenue
Cadillac Solar - El Dorado	Texas	Solar	Enbridge[2]	400	ERCOT	Development	2025+	1.5% of revenue
Flatland	Texas	Solar	TBA	180	ERCOT	Development	2025+	1.5% of revenue equiv[4]
Undisclosed	Virginia	Solar	Hexagon	138	Undisclosed	Development	TBA	Undisclosed
3 Early Stage TGE Projects	Western USA	Solar	Enbridge[2]	1011	WECC	Development	TBA	1.5% of revenue

Note: Sum of wind and solar early-stage development projects related to Enbridge acquisition is 15 compared to 17 referenced in the Material Change Report filed Oct 5 2022 (see SEDAR) because of two multi-phase projects

[1] *Expected COD based on internal assumptions and not detailed knowledge of construction date*

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

[3] *Facility size may be completed in phases*

[4] *Flatland fixed payments equivalent to 1.5%, see ARR press release 06/29/2022*