



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

Three months ended March 31, 2021

*This Management's Discussion and Analysis ("MD&A") should be read in conjunction with Altius Renewable Royalties Corp. (the "Corporation", "ARR" or the "Company") consolidated financial statements for the three months ended March 31, 2021 and related notes. This MD&A has been prepared as of May 6, 2021.*

*This MD&A is expressed in US dollars and rounded to the nearest hundred, except per share amounts.*

*Caution Concerning Forward-Looking Statements, Forward-Looking Information*

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

*Caution Concerning Non-IFRS Measures*

*Attributable royalty and other revenue ("attributable revenue") and adjusted EBITDA do not have any standardized meaning prescribed under IFRS and should not be considered in isolation or as a substitute for measures of performance. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently. Detailed definitions and reconciliation to various IFRS measures can be found under 'Non-IFRS Measures'.*

*Additional information regarding the Corporation, including the Corporation's continuous disclosure materials, is available on the Corporation's website at [www.arr.energy](http://www.arr.energy) or through the SEDAR website at [www.sedar.com](http://www.sedar.com).*

## Overview

Altius Renewable Royalties Corp. (“ARR” or “the Corporation”) is a renewable energy royalty company that funds renewable energy project originators and developers on a project portfolio basis. These investments result in the creation of gross revenue royalties on those projects that successfully advance through the developer pipelines to become operating assets. The Corporation may also invest directly in advanced stage or operating renewable energy projects in return for a gross revenue royalty on the renewable energy project revenues.

Currently, ARR indirectly holds royalty interests related to a portfolio of more than 1,800 megawatts (MW) of development stage wind energy projects located in Texas, Nebraska, and Illinois, as well as a producing hydro-electric and solar energy royalty in Vermont.

On March 3, 2021 the Corporation completed its Initial Public Offering (“IPO”) raising gross proceeds of C\$100,100,000. On April 6, 2021 the Corporation announced that the IPO underwriters exercised an over-allotment option for 694,000 common shares of the Corporation at the IPO price of C\$11.00 per share for total gross proceeds of C\$7,634,000. The total shares issued and outstanding following the partial exercise of the over-allotment option are 26,513,889 shares, of which Altius Minerals Corporation (“Altius”) owns 59%. See IPO in Operational Highlights for additional information.

## Strategy

ARR’s long-term strategy is to gain exposure to renewable power assets by owning and managing a portfolio of diversified renewable power royalties. The Corporation’s primary approach to growing the business is to provide tailored financing solutions to renewable power project developers and operators in return for royalty on the projects gross revenues. See Appendix A – Summary of Operational and Development Renewable Energy Royalties for renewable royalties currently held by the Corporation. The Corporation executes this strategy through its Great Bay Renewables (“GBR”) joint venture (see Apollo transaction in Operational Highlights).

ARR has identified demand for tailored financing solutions within the renewable power sector in return for royalty-based financing. Royalty financing is a non-dilutive, customizable investment that can provide flexible terms at a comparatively attractive cost of capital. Traditional 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 been a major catalyst for certain industries. As a specific comparable, within the mining sector where adoption for 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. The Corporation believes there is an opportunity for royalty-based financing to play a similar role within the renewable energy sector.

While ARR’s investment approach is project stage agnostic, ARR seeks to optimize the risk adjusted return of its investments. To date, the Corporation has structured its investments using a portfolio approach, mitigating the development and construction risk of any specific project, while ensuring the agreements are structured to meet a minimum return threshold. In addition to development stage projects, ARR may also consider royalty investments into later stage projects and operating projects that may require additional capital.

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

*Focus and Scalability.* As the Corporation’s management does not handle operational decisions or tasks relating to the development of operation of renewable power projects, they are able to focus their resources on carrying out the Corporation’s growth strategy of identifying

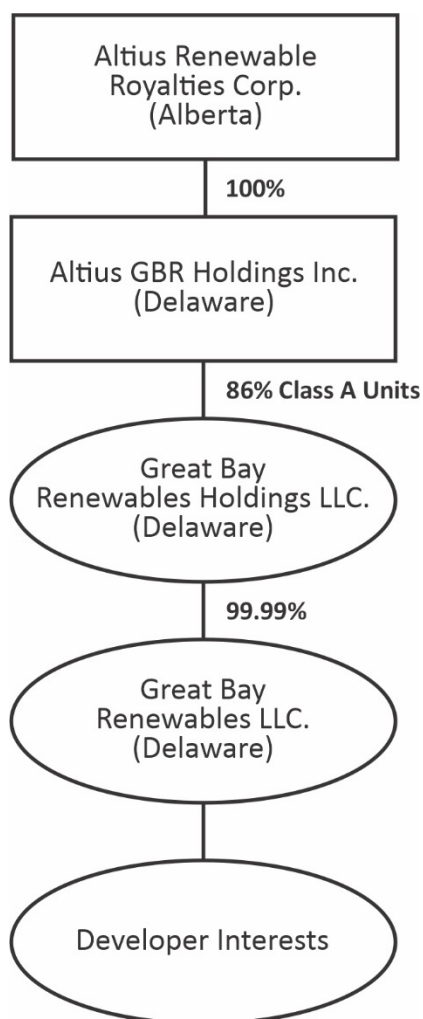
and executing on renewable royalty-based investment opportunities. As such, ARR's business model allows it to be able to acquire and manage more renewable power interests than an operating company of similar size could generally effectively manage.

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

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

### Summary Organizational Structure

The following represents a summarized organizational chart for ARR. A more detailed description of ARR's organizational structure can be found in the Corporation's most recent AIF.



As at March 31, 2021 ARR owned 86% of the joint venture and Apollo Funds managed by affiliates of Apollo Global Management, Inc. (“Apollo”) own 14%. Under a joint venture agreement with Apollo Funds, Apollo Funds has the right to earn a 50% interest in GBR by solely funding the first \$80 million in approved investment opportunities made by GBR.

### *Quarterly Operational Highlights*

#### *IPO of Altius Renewable Royalties Corp.*

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

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

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

On April 6, 2021 the underwriters partially exercised the over-allotment option and were issued 694,000 common shares of the Corporation at the IPO price of C\$11.00 per share for total gross proceeds of C\$7,634,000. The total shares issued and outstanding following the partial exercise of the over-allotment option are 26,513,889 shares.

Gross proceeds raised from the partial exercise of the over-allotment option of \$6,081,500 (C\$7,634,000) less share issuance costs of \$364,900 (C\$458,000) add to the proceeds raised from the IPO to be used as investment capital for the purchase of renewable energy royalties.

### *Renewable Royalties*

The Corporation, through its subsidiary has currently invested or entered into agreement to invest in the following seven renewable energy projects for which royalties will apply:

- 190MW JayHawk Wind project resulting in a 2.5% royalty
- 360MW Canyon Wind project resulting in a 3% royalty
- 400MW Panther Grove Wind project resulting in a 3% royalty
- 180MW Flatland Solar project resulting in a 1.5% royalty
- 400MW Honey Creek Solar project resulting in a 1.5% royalty
- 175MW Appaloosa Wind project resulting in a 1.5% royalty
- 180MW Hoosier Line Wind project resulting in a 3% royalty

Projects entered into in the first quarter of 2021 and subsequent to quarter end are described within the Tri Global Energy and Apex Clean Energy Royalty Investments below.

For further information, Appendix A contains a detailed comprehensive listing of all renewable royalties.

### *Tri Global Energy Royalty Investment*

During the three months ended March 31, 2021, GBR invested an additional \$3,000,000 based on the terms of an agreement with Tri Global Energy LLC to bring GBR's total investment in TGE to \$34,481,700. During the comparable three months ended March 31, 2020, GBR invested \$3,500,000 based on the terms of the agreement.

To date, TGE has sold nearly 1 GW of renewable energy projects that are subject to GBR royalty rights and currently has over 2 GW in its development pipeline.

In the first quarter of 2021, TGE announced the sale of three additional renewable energy projects, the 180 MW Hoosier Line Wind project and the 400 MW Honey Creek Solar project to Leeward Renewable Energy and the 175 MW Appaloosa Run wind project to an established buyer. The three sales result in creation of 3%, 1.5% and 1.5% royalties in favour of GBR on each project respectively. These sales represent an additional three project royalties for a total of six to be created under GBR's royalty-based funding support agreement with TGE.

Individual project royalties will remain in place for the life of the respective projects, including any extensions of or enhancements to such projects.

### *Apex Clean Energy Royalty Investment*

On March 1, 2021 ARR announced the creation of its first royalty under its portfolio based royalty financing agreement with Apex Clean Energy ("Apex"). GBR is entitled to receive a 2.5% royalty on the 190 MW Jayhawk Wind project in Crawford and Bourbon Counties, Kansas.

To date, Apex has sold one project (190 MW Jayhawk Wind) of renewable energy projects subject to GBR agreements and currently has over 15 GW in its development pipeline. The total amount funded to APEX pursuant to the Apex Agreement is \$35,000,000, all of which was invested prior to the transaction with Apollo at the time the deal with Apex was closed in March 2020.

### *Joint Venture Agreement*

The Corporation acquires renewable royalty investments through its joint venture with Apollo Funds. Under the agreement structure the Apollo Funds have the right to solely fund the next \$80 million in approved investment opportunities in GBR in exchange for a 50% ownership in the GBR joint venture, with opportunities thereafter funded equally by the Apollo Funds and the Corporation. As at March 31, 2021 the Corporation's interest in GBR was reduced to 86% (December 31, 2020 – 89%) as a result of earn-in funding amounts provided by Apollo to date. As a result, a dilution gain of \$283,000 was recorded in the consolidated statement of loss.

## Financial Performance and Results of Operations

Expressed in United States Dollars, rounded to the nearest hundred (except per share amounts)	Three months ended		
	March 31, 2021	March 30, 2020	Variance
<b>Revenue</b>			
Attributable royalty	\$ 27,800	\$ 45,000	\$ (17,200)
Management fee	-	6,000	(6,000)
Interest & Investment	2,500	1,100	1,400
Attributable revenue <sup>(1)</sup>	\$ 30,300	\$ 52,100	\$ (21,800)
Adjustment: joint venture revenue	(27,800)	-	(27,800)
IFRS revenue per consolidated financial statements	\$ 2,500	\$ 52,100	\$ (49,600)
<b>Costs and expenses</b>			
Adjusted EBITDA <sup>(1)</sup>	\$ (142,600)	\$ (524,700)	\$ 382,100
Net earning (loss)	(577,200)	(311,300)	(265,900)
Net earnings (loss)	(130,900)	(472,600)	341,700
Net earnings (loss) per share - basic and diluted	\$ (0.01)	\$ (0.08)	\$ 0.07
Total assets	\$ 151,288,900	\$ 56,642,500	\$ 94,646,400
Total liabilities	3,932,500	937,100	2,995,400

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

Effective October 11, 2020, the Corporation accounted for its interest in GBR as a joint venture and equity accounts for its share of earnings or loss and its share of other comprehensive earnings or loss going forward. Prior to October 11, 2020 the Corporation consolidated the financial results of GBR for financial reporting.

## Revenue and Other Income

Expressed in United States Dollars, rounded to the nearest hundred	Three months ended		
	March 31, 2021	March 31, 2020	Variance
<b>Attributable Revenue</b>			
<b>Renewables</b>			
Clyde River	\$ 17,800	\$ 33,600	\$ (15,800)
Geothermal wells	10,000	11,400	(1,400)
<b>Other</b>			
Interest and investment	2,500	1,100	1,400
Management fee	-	6,000	(6,000)
Attributable royalty revenue	\$ 30,300	\$ 52,100	\$ (21,800)

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

Revenue and other income are primarily generated from royalty income on the Clyde River royalty, and on geothermal wells through NEO Geothermal as well as interest income and management fees. Pursuant to the TGE Investment and the Apex Investment, the Corporation is entitled to royalties on projects that proceed through their respective development portfolio pipelines to reach commercial operations. The Corporation will continue to be granted royalties until a certain return threshold is met, as prescribed in the relevant royalty agreements and in the TGE Agreement and Apex Agreement, respectively. The investments in TGE and Apex have not yet generated revenue for the Corporation as the projects are still in various stages of development through construction.

The Corporation believes it will have adequate liquidity to support its operations and meet its financial obligations for at least the next twelve months. During the fourth quarter of 2020, the Corporation entered into a joint venture with Apollo Funds, which granted Apollo Funds the right to earn a 50% ownership interest in GBR by solely funding the next \$80,000,000 in approved investment opportunities in GBR of which \$12,930,500 has been funded at March 31, 2021. Once Apollo has earned 50% both parties will be expected to fund their proportionate share of future investments. In addition, as noted above, the Corporation also has completed an initial public offering and has significant cash available to fund its share of future investments.

During the quarter ended March 31, 2021, the Corporation accounted for revenues in GBR through equity accounting in its consolidated statement of earnings therefore reducing revenues in the consolidated financial statements. Any related analysis is reported using attributable revenue (see non-IFRS measures).

During the quarter ended March 31, 2021, the Corporation's revenue on Clyde River was lower than the 2020 comparable period on account of lower water flow due to less precipitation and less resulting hydroelectric production. The revenue generated from geothermal wells was relatively consistent with the prior year period.

No management fees were incurred in the current quarter. Interest and investment income for the quarter ended March 31, 2021 was slightly higher than the same quarter in 2020 due to increased cash balances.

### Costs and Expenses

Costs and Expenses	Three months ended		
	March 31, 2021	March 31, 2020	Variance
Share-based compensation	\$ 130,500	\$ -	\$ 130,500
Management fees	84,000	6,000	78,000
Salaries and director fees	67,200	244,100	(176,900)
Office and administrative	51,200	26,100	25,100
Professional fees	18,400	72,400	(54,000)
Amortization of intangible asset	-	131,800	(131,800)
Amortization of renewable royalty interests	-	27,800	(27,800)
Travel and accommodations	-	14,900	(14,900)
Foreign exchange loss (gain)	(208,700)	1,600	(210,300)
	\$ 142,600	\$ 524,700	\$ (382,100)

The Corporation's share based compensation expense of \$130,500 during the period ended March 31, 2021 is higher than the previous year as a result of the issuance of stock options to directors in conjunction with services provided prior to the IPO. There were no options issued in the first quarter of 2020. The Corporation does not intend to issue additional options to directors going forward.

Salary and director fees were lower in the quarter ended March 31, 2021 as a result of the Corporation accounting for the GBR employee salaries and wages through the loss in joint venture. The Corporation also added four additional directors in the current period.

Amortization of intangible assets relates to the amortization of non-compete agreements resulting from the acquisition of GBR. The non-compete agreements are being amortized over a useful life of 4 years and are \$nil for the quarter ended March 31, 2021. The decrease is reflective of the Apollo transaction in the fourth quarter of 2020 resulting in the Corporation accounting for its ownership in GBR using the equity method and reporting their results as loss in joint venture.

Professional fees incurred during the quarter ended March 31, 2021 are lower than the same period in 2020 as a result of less external corporate development services being utilized in the current period. Professional fees relating to the Corporation's IPO were recognized as share issuance costs in the current quarter.

Management fees during the current quarter were higher than the comparable period and relate to the management services agreement with GBR that began in January 2021 (see related party transactions).

Amortization of renewable royalty interests are for royalty interests acquired through the purchase of GBR. These assets are being amortized over useful lives of 17 and 25 years and the expense is \$nil for the quarter ended March 31, 2021. The decrease is reflective of the Apollo



transaction resulting in the Corporation accounting for its ownership in GBR using the equity method and reporting its results as loss in joint venture.

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

Travel and accommodation costs during the period ended March 31, 2021 of \$nil were lower compared to the same period in 2020 as no travel was incurred due to COVID-19 travel restriction policies.

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

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

Expressed in United States Dollars, rounded to the nearest hundred	Three months ended		
	March 31, 2021	March 31, 2020	Variance
Dilution (gain) on issuance of equity in joint venture	(283,000)	-	(283,000)
Share of loss in joint venture	437,400	-	437,400
	\$ 154,400	\$ -	\$ 154,400
Income tax recovery	\$ (163,300)	\$ -	\$ (163,300)

The GBR joint venture received funds totalling \$3,000,000 from Apollo during the quarter ended March 31, 2021 as noted above and, as a result, the Corporation's ownership in the joint venture was diluted to 86% and a dilution gain of \$283,000 was recognized.

The Corporation recorded its share of losses of GBR at March 31, 2021 for \$437,400 (March 31, 2020 - \$nil). The Corporation also recorded its portion of unrealized gains on investments held in GBR of \$5,914,600 (March 31, 2020 - \$nil) in other comprehensive earnings for the period ended March 31, 2021. During the March 31, 2020 three month period, the results of GBR were consolidated in the Corporation.

Income tax recoveries were recorded in the three months ended March 2021 relating to certain deferred tax assets, which were not recognized during the comparable periods in 2020.

Summarized financial information pertaining to GBR is included in Note 4 to the condensed consolidated financial statements. During the three month period ended March 31, 2021, GBR incurred a loss of \$508,100, attributable royalty revenue of \$32,300 and other income of \$68,400, general and administrative costs of \$449,200 and amortization of \$159,600. In addition, GBR recognized unrealized gains on their investments of \$6,870,600. GBR used cash from operations of \$200,000, investing cash inflows of \$3,000,000 relating to Apollo's funding of the joint venture and financing cash outflows of \$3,039,300 relating to additional investments in TGE, ending the period with \$418,400 in cash. During the three month period ended March 31, 2020, GBR incurred a loss of \$307,400, attributable royalty revenue of \$49,200 and other income of \$60,000, general and administrative costs of \$257,000 and amortization of \$159,600. GBR used cash from operations of \$40,600, investing cash inflows of \$7,051,000 relating to funding by Altius and financing cash outflows of \$7,080,200 relating to additional investments in TGE, ending the period with \$657,700 in cash.

### *Summary of Quarterly Financial Information*

The table below outlines select financial information related to the Corporation's most recent quarters. The financial information is extracted from the Corporation's unaudited condensed consolidated financial statements and should be read in conjunction with those statements and the annual audited consolidated financial statements. For the quarters presented below royalty and other income was generated from the

Clyde River royalty and geothermal wells and is generally dependent on pricing, production and water flow. Net loss and net loss per share reflect revenue and costs and expenses and the underlying growth of the business over these periods. See additional discussion in Financial Performance and Results of Operations above.

Expressed in United States Dollars, rounded to the nearest hundred	March 31, 2021	December 31, 2020	September 30, 2020
Attributable revenue <sup>(1)</sup>	\$ 30,300	\$ 100,500	\$ 40,200
Adjusted EBITDA <sup>(1)</sup>	(577,200)	(201,600)	(295,700)
Net earnings (loss)	(130,900)	844,200	(349,700)
Net earnings (loss) per share - basic and diluted	\$ (0.01)	\$ 0.05	\$ (0.02)

Expressed in United States Dollars, rounded to the nearest hundred	March 31, 2020	December 31, 2019	September 30, 2019	December 31, 2018
Attributable revenue <sup>(1)</sup>	\$ 52,000	\$ 66,000	\$ 49,700	\$ -
Adjusted EBITDA <sup>(1)</sup>	(311,300)	(285,800)	(226,400)	-
Net earnings (loss)	(472,600)	(444,800)	(386,000)	-
Net earnings (loss) per share - basic and diluted	\$ (0.08)	\$ (0.11)	\$ (0.12)	-

\* There are no additional quarters available for disclosure

(1) Non IFRS measures section for definition and reconciliation

### Liquidity and Cash Flows

During the three months ended March 31, 2021, the Corporation raised net proceeds of \$72,889,500 through the IPO. The Corporation believes it will have adequate liquidity to support its operations and meet its financial obligations for at least the next twelve months.

As at March 31, 2021, the Corporation had current assets of \$74,294,300 (December 31, 2020 - \$299,100), including cash and cash equivalents of \$73,781,600 (December 31, 2020 - \$19,200) and current liabilities of \$1,539,600 (December 31, 2020 - \$424,400) including a balance payable to its parent of \$172,400 (December 31, 2020 - \$164,500).

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

Expressed in United States Dollars, rounded to the nearest hundred	Three months ended	
	March 31, 2021	March 31, 2020
<b>Summary of Cash Flows</b>		
Operating activities	\$ (257,800)	\$ 119,700
Financing activities	74,020,200	41,678,800
Investing activities	-	(38,957,100)
Net increase in cash and cash equivalents	73,762,400	2,841,400
Cash and cash equivalents, beginning of year	19,200	196,100
Cash and cash equivalents, end of year	\$ 73,781,600	\$ 3,037,500

### Operating Activities

Use of cash to fund operations for the period ended March 31, 2021 is lower than the comparable period ended March 31, 2020, which is consistent with an increase in expenses as noted above in "Costs and Expenses".

### *Financing Activities*

During the period ended March 31, 2021, the Corporation received net proceeds from the IPO of \$74,012,300 as compared to proceeds on issuance of common shares of \$41,500,000 to Altius during the same period in 2020. The Corporation also received funds from a related party loan of \$7,900 compared to \$178,800 during the periods ended March 31, 2021 and 2020 respectively.

### *Investing Activities*

The Corporation funded \$3,500,000 pursuant to the TGE Agreement and \$35,457,100 (which included \$457,100 of acquisition costs) pursuant to the Apex Agreement during the three months ended March 31, 2020. There were no investments completed during the current year quarter under these agreements.

### *Commitments and Contractual Obligations*

As at March 31, 2021, the following are the Corporation's commitments and contractual obligations over the next 5 years:

	TGE	Mgmt services agreement	Total
2021	\$ 18,160,000	\$ 441,700	\$ 18,601,700
2022	3,000,000	-	3,000,000
2023	-	-	-
2024	-	-	-
2025	-	-	-
	\$ 21,160,000	\$ 441,700	\$ 21,601,700

The Corporation has committed to the TGE Investment, in tranches, a total of up to \$21,000,000 that is anticipated to be funded over the next twelve months as certain milestones are achieved under the TGE Investment. Since the Corporation's timeline for the investments pursuant to the TGE Agreement is milestone based, the investment amounts may vary year to year and the amounts included in the above table are estimates.

The Corporation is also party to the Altius Minerals Services Agreement pursuant to which Altius Minerals will provide office space, management, and administrative services, including the services of the CEO, CFO and corporate secretary to ARR for a monthly fee of C\$50,000 plus applicable taxes beginning on February 1, 2021, which amount was calculated on a cost recovery basis, and will be reviewed and adjusted by agreement of the parties, if necessary, after three months. Following the initial review, the fees will be subject to a yearly review by the independent directors of ARR. Altius Minerals is also entitled to be reimbursed for reasonable out-of-pocket costs it incurs directly for ARR.

ARR and GBR entered into the GBR – ARR Services Agreement pursuant to which GBR has agreed to provide certain services to ARR in connection with ARR's initial public offering and providing post initial public offering support services, including communications with shareholders and stakeholders of ARR, review of public disclosure documents, assistance with the preparation of reports to the Board, attendance at Board meetings and such other services reasonably requested by ARR. As consideration for the services, ARR shall pay GBR a daily rate ranging from \$800 to \$2,000 for each individual providing services to ARR under the GBR-ARR Services Agreement.

The Corporation anticipates it will meet its obligations with its current cash float and any royalty income it receives. The Corporation anticipates it will meet its obligations under the TGE Agreement and Apex Agreement from support from Apollo Funds pursuant to the GBR joint venture.

### *Off Balance Sheet Arrangements*

The Corporation does not have any off balance sheet arrangements.

### *Related Party Transactions*

#### *GBR Services Agreement*

During the three months ended March 31, 2021, Altius Minerals Corporation billed GBR \$17,500 (March 31, 2020 - \$nil) for finance and administrative services.

#### *Altius Minerals Services Agreement*

During the three months ended March 31, 2021, Altius Minerals Corporation billed ARR \$79,400 (C\$100,000) (March 31, 2020 - \$nil) for office space, management, and administrative services.

#### *GBR-ARR Services Agreement*

During the three months ended March 31, 2021, GBR billed ARR \$68,400 (March 31, 2020 - \$nil) for initial public offering and post initial public offering support services.

### *Other*

During the three months March 31, 2021 the Corporation received an advance of \$7,900 (March 31, 2020 - \$178,800) from its parent. At March 31, 2021, a balance of \$172,400 remains owing (December 31, 2020 - \$164,500).

During the three months ended March 31, 2021 the Corporation paid compensation to key management personnel and directors of \$67,200 (March 31, 2020 - \$99,300) related to salaries and benefits and included \$130,500 (March 31, 2020 - \$nil) in share-based compensation.

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

### *Significant Accounting Policies*

The preparation of financial statements in accordance with IFRS requires management to establish accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenues and expenses during the reporting period. The Corporation's significant accounting policies are described in Notes 2 and 3 to the annual financial statements for the year ended December 31, 2020. The Corporation has not adopted any new accounting policies during the three months ended March 31, 2021.

### *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 Note 3 of the annual financial statements. The Corporation has not adopted any new accounting policies during the three months ended March 31, 2021.

#### *Fair value measurements and valuation processes*

Some of the Corporation's assets and liabilities are measured at fair value for financial reporting purposes and at each reporting date 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. 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. Amounts allocated to level 3 consist of acquisitions during the year.

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. During the three months ended March 31, 2021, the Corporation recorded an unrealized gain on investments held in joint venture of \$5,914,600 (March 31, 2020 - \$nil).

#### *Valuation technique and key inputs*

The Corporation applies an income approach methodology primarily modelled with risk adjusted discounted cash flows to capture the present value of expected future economic benefits to be derived from the ownership of the royalty contracts to be granted in exchange for the investments. The total number and value of royalty contracts to be ultimately awarded is subject to a minimum return threshold, which has the effect of muting the potential value impact of several of the unobservable inputs. If an income approach is not possible or the investment is recent, the Corporation utilizes cost as a proxy for fair value. The Corporation works with valuation specialists to establish valuation methodologies and techniques for Level 3 assets including 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.

#### *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 annual financial statements and MD&A for the year ended December 31, 2020 for a complete listing of risk factors specific to the Corporation. The following risk, while disclosed in the year end MD&A, has been identified in the current period as critical.

#### *COVID-19*

Certain impacts to public health conditions particular to the coronavirus (COVID-19) outbreak did not have a significant negative impact on the operations and profitability of the Corporation. The extent of the impact to the financial performance of the Corporation will depend on

future developments, including (i) the duration and spread of the outbreak, (ii) the restrictions and advisories, (iii) the effects on the financial markets, (iv) the effects on the economy overall and (v) the effect on commodity prices, all of which are highly uncertain and cannot be predicted. The impact of COVID-19 on the Corporation's investments and royalty and streaming assets could be volatile as financial markets and commodity prices adjust accordingly.

#### *Internal Control over Financial Reporting*

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The certifying officers have evaluated the effectiveness of the Corporation's internal control over financial reporting as of March 31, 2021 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 months ended March 31, 2021. There has been no change in the Corporation's internal control over financial reporting during the Corporation's quarter ended March 31, 2021 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

#### *Evaluation and Effectiveness of Disclosure Controls and Procedures*

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

#### *Outstanding Share Data*

On January 15, 2021, the Corporation filed articles of amendment and consolidated its Common Shares on the basis of one post-consolidation Common Share for every four pre-consolidation Common Shares. The consolidation was effected on January 15, 2021. The Corporation's number of issued and outstanding Common Shares are retrospectively presented to reflect the 4:1 share consolidation including the weighted average number of outstanding Common Shares used in the net earnings (loss) per share calculations and the number and pricing of outstanding and exercisable options and warrants.

At May 6, 2021 the Corporation had 26,513,889 Common Shares outstanding, 3,093,835 warrants outstanding and 1,147,082 stock options outstanding.

#### *Non-IFRS Measures*

Attributable royalty and other revenue ("attributable revenue") and adjusted EBITDA are intended to provide additional information only and does not have any standardized meaning prescribed under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. 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. For a reconciliation of these measures to various IFRS measures, please see the Corporation's MD&A disclosure below. Tabular amounts are presented in hundreds of US dollars.

1. Attributable revenue is defined by the Corporation as total revenue and other income from the consolidated financial statements plus the Corporation's proportionate share of gross royalty revenue in the joint ventures. The Corporation's key decision makers use attributable royalty revenue and related attributable royalty expenses as a basis to evaluate the business performance. The attributable royalty revenue amounts, together with amortization of royalty interests, general and administrative costs, are not reported gross in the consolidated statement of earnings (loss) since the royalty revenues are being generated in a joint venture and IFRS 11 Joint Arrangements requires net reporting as an equity pick up. The reconciliation to IFRS reports the elimination of the attributable revenues and reconciles to the revenues recognized in the consolidated statements of earnings (loss). Attributable revenue per share is derived by using the basic weighted average number of shares for the period as the denominator.
2. Adjusted EBITDA is defined by the Corporation as net earnings (loss) before taxes, amortization, interest, non-recurring items, non-cash amounts such as impairment, losses and gains, and share based compensation. The Corporation also adjusts earnings in joint ventures to reflect the Corporation's attributable share of EBITDA on those assets which exclude amortization of royalty interests as well as adjusting for any one time items. Adjusted EBITDA is a useful measure of the performance of our business, especially for demonstrating the impact that EBITDA in joint ventures have on the overall business. Adjusted EBITDA identifies 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. Adjusted EBITDA per share is derived by using the basic weighted average number of shares for the period as the denominator. Adjusted EBITDA margin is calculated using adjusted EBITDA as the numerator and attributable revenue as the denominator.

Expressed in United States Dollars, rounded to the nearest  
hundred

Three months ended,

Reconciliation to IFRS measures	March 31, 2021	December 31, 2020	September 30 2020
Attributable revenue			
Revenue			
Attributable royalty	\$ 27,800	\$ 47,100	\$ 33,400
Other	2,500	53,400	6,800
Attributable revenue	30,300	100,500	40,200
Adjust: joint venture revenue	(27,800)	(97,100)	-
IFRS revenue per consolidated financial statements	\$ 2,500	\$ 3,400	\$ 40,200

Expressed in United States Dollars, rounded to the nearest  
hundred

Three months ended,

Reconciliation to IFRS measures	March 31, 2020	December 31 2019	September 30 2019	December 31, 2018
Attributable revenue				
Revenue				
Attributable royalty	\$ 45,000	\$ 58,800	\$ 43,600	\$ -
Other	7,100	7,200	6,100	-
Attributable revenue	52,100	66,000	49,700	-
Adjust: joint venture revenue	-	-	-	-
IFRS revenue per consolidated financial statements	\$ 52,100	\$ 66,000	\$ 49,700	\$ -

Expressed in United States Dollars, rounded to the nearest hundred

Reconciliation to IFRS measures Adjusted EBITDA	Three months ended		
	March 31, 2021	December 31, 2020	September 30, 2020
	Earnings (loss) before income taxes	\$ (294,500)	\$ 521,000
Addback(deduct):			
Amortization and depletion	-	-	159,600
Share based compensation	130,500	-	-
Dilution gain on issuance of equity in joint venture	(283,000)	(226,600)	-
Foreign currency (gain) loss	(208,800)	100	800
Gain on deconsolidation of subsidiary	-	(638,100)	-
(Earnings) loss from joint ventures	437,400	273,500	-
GBR EBITDA <sup>(1)</sup>	(358,800)	(131,500)	-
Adjusted EBITDA	\$ (577,200)	\$ (201,600)	\$ (295,700)

(1) GBR EBITDA

Revenue	\$ 27,900	\$ 97,100	\$ -	\$ -
Operating income (expenses)	(386,700)	(228,600)	-	-
GBR Adjusted EBITDA	\$ (358,800)	\$ (131,500)	\$ -	\$ -

Expressed in United States Dollars, rounded to the nearest hundred

Reconciliation to IFRS measures Adjusted EBITDA	Three months ended			
	March 31, 2020	December 31, 2020	September 30, 2020	December 31, 2018
	Earnings (loss) before income taxes	\$ (472,600)	\$ (444,800)	\$ (386,000)
Addback(deduct):				
Amortization and depletion	159,600	159,600	159,500	-
Foreign currency (gain) loss	1,600	(600)	(100)	-
Adjusted EBITDA	\$ (311,400)	\$ (285,800)	\$ (226,600)	\$ -



## Appendix A – Summary of Operational and Development Renewable Energy Royalties

Project	Project Seller	Renewable energy source	Project Owner/Developer	Facility Size	Status	Royalty basis
Clyde River (Vermont)	-	Hydro	Gravity Renewables	5 MW	Operational	10% of revenue
JayHawk (Kansas)	APEX	Wind	WEC Energy / Invenergy	190 MW	Construction	2.5% of revenue
Canyon (Texas)	TGE	Wind	Silverpeak	360 MW	Late-stage Development	3% of revenue
Panther Grove (Illinois)	TGE	Wind	Copenhagen Infrastructure Partners	400 MW	Mid-stage Development	3% of revenue
Flatland (Texas)	TGE	Solar	Silverpeak	180 MW	Mid-stage Development	1.5% of revenue
Honey Creek (Indiana)	TGE	Solar	Leeward	400 MW	Mid-stage Development	1.5% of revenue
Appaloosa (Texas)	TGE	Wind	Undisclosed	175 MW	Mid-stage Development	1.5% of revenue
Hoosier Line (Indiana)	TGE	Wind	Leeward	180 MW	Mid-stage Development	3% of revenue