



Altius Renewable Royalties Corp.

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

Three and six months ended June 30, 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 and six months ended June 30, 2021 and related notes. This MD&A has been prepared as of August 4, 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 or through the SEDAR website at www.sedar.com.

Overview

Altius Renewable Royalties Corp. (“ARR” or “the Corporation”) is a renewable energy royalty company that invests in renewable energy projects, as well as developers and originators of renewable energy projects, through its joint venture. 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 also invests directly in advanced stage or operating renewable energy projects in return for royalties on the renewable energy project revenues.

Currently, ARR indirectly holds rights to royalty interests related to a portfolio of 2,245MW of development stage wind energy projects located in Texas, Nebraska, Indiana, Kansas, and Illinois, as well as a producing hydro-electric and solar energy royalty in Vermont. In addition, the Corporation also indirectly holds a royalty interest in the operational 250MW solar energy project, “Prospero 2”, located in Texas (See below summary of Quarterly Operational Highlights for more information).

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 Quarterly 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 a royalty on the projects gross revenues. The Corporation also invests in individual renewable energy projects in return for a royalty on the projects’ gross revenues. See Appendix A – Summary of Operational and Development Stage Renewable Energy Royalties. The Corporation executes this strategy through its Great Bay Renewables (“GBR”) joint venture (see Joint Venture Agreement in Quarterly 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 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 often been a major growth 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 somewhat project stage agnostic, ARR seeks to optimize the risk adjusted return of its investments. For development stage opportunities, the Corporation has structured its investments using a portfolio approach, mitigating the development and construction risk of any specific project, while ensuring the agreements are structured to meet a minimum return threshold. In addition to development stage projects, ARR has made one investment to date in an operating project.

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:

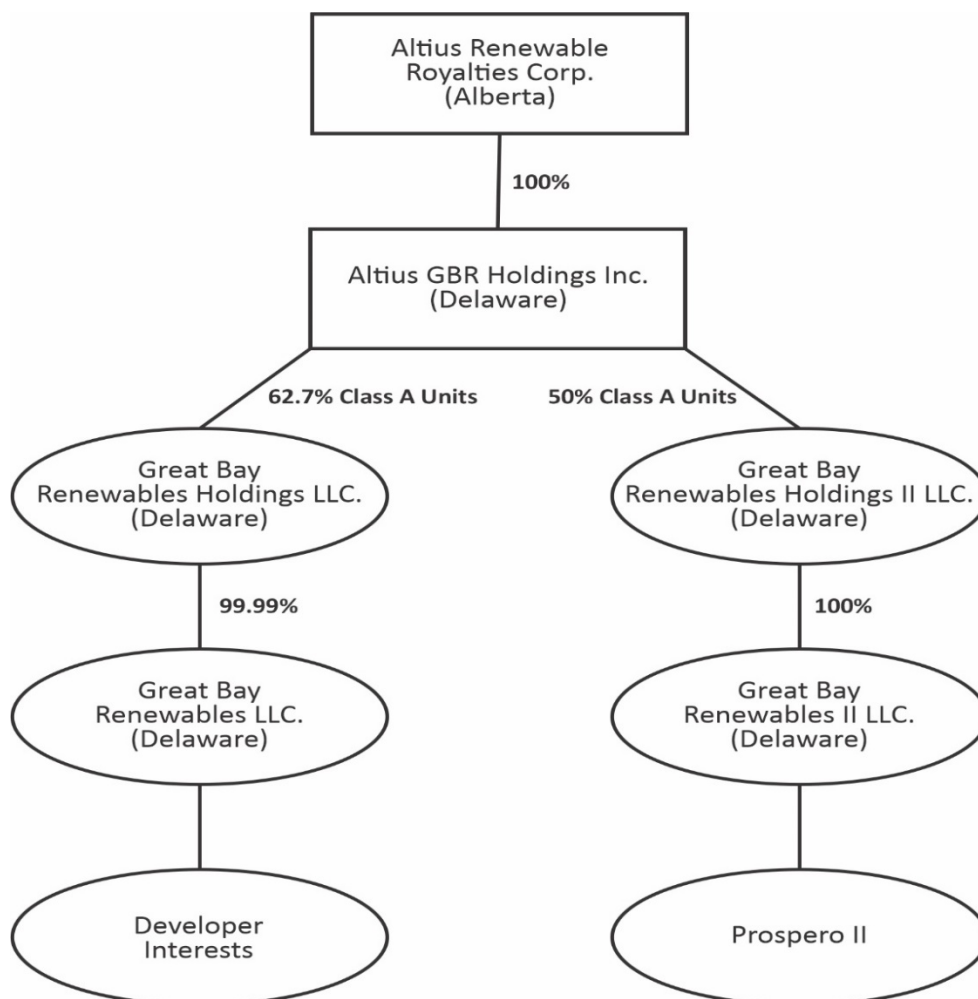
Focus and Scalability. As the Corporation's management does not handle operational decisions or tasks relating to the development or operation of renewable power projects, they are able to focus their resources on carrying out the Corporation's growth strategy of identifying and executing on renewable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



Subsequent to June 30, 2021, a new legal entity was formed, Great Bay Renewables II LLC. (“GBR II”). This new entity is jointly controlled by the Corporation and Apollo and is subject to the same governance structure and investment mandate as the original GBR entity. A more detailed description of ARR's organizational structure can be found in the Corporation's most recent AIF and below in Quarterly Operational Highlights.

Post closing, the Apollo Funds will have funded \$59,000,000 in total, approximately \$48,000,000 of which counts towards the Apollo Funds' initial \$80,000,000 commitment. The balance of \$32,000,000 is expected to be funded by the end of 2021. Upon completion of the Apollo Funds' earn-in, the joint venture partners will fund new opportunities on an equal basis.

ARR's ownership in GBR is currently 62.7% and Apollo's share of GBR is 37.3%. GBR II is jointly owned by ARR and the Apollo Funds with each of ARR and the Apollo Funds controlling 50% of the entity (see “Longroad Energy Royalty Investment” section below).

Quarterly Operational Highlights

IPO of Altius Renewable Royalties Corp.

On March 3, 2021, the Corporation completed its IPO for total gross proceeds of \$79,243,500 (C\$100,100,000) and issued 9,100,000 common shares.

On April 6, 2021 the underwriters partially exercised an 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 \$533,200 add to the proceeds raised from the IPO to be used as investment capital for the purchase of renewable energy royalties.

Joint Venture Agreement

The Corporation acquires renewable royalty investments through its joint venture with Apollo Funds. As at June 30, 2021 the Corporation's interest in GBR was 85.6% (December 31, 2020 – 89%). During the second quarter Apollo invested \$500,000 (June 30, 2020 - \$nil) and during the six months ended June 30, 2021 invested \$3,500,000 (June 30, 2020 - \$nil). As a result of these investments by Apollo, the Corporation has recorded dilution gains of \$16,100 and \$299,100 for the three and six months ended June 30, 2021 in the consolidated statement of loss.

Renewable Royalties

The Corporation, through its subsidiaries, has royalty interests in the following ten renewable energy projects:

- 195MW 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
- 200 MW Blackford Wind project resulting in a 3% royalty

- 150 MW Blackford Solar project resulting in a 1.5% royalty
- 250 MW (331 MWdc) Prospero 2 Solar project with varying royalty rates (see “Longroad Energy Royalty Investment” below)

Projects entered into in the second quarter of 2021 are described within the Tri Global Energy Royalty Investment, Apex Clean Energy Royalty Investment, and Longroad Energy Royalty Investment below.

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

Tri Global Energy Royalty Investment

No investments were made by GBR during the three months ended June 30, 2021 based on the terms of an agreement with Tri Global Energy LLC. GBR’s investment in TGE during the six months ended June 30, 2021 amount to \$3,000,000 and the total invested amount at June 30, 2021 is \$34,476,000. During the comparable three months ended June 30, 2020, GBR invested \$8,500,000 under its agreement with TGE.

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

During the second quarter of 2021, TGE sold two additional renewable energy projects, the 200 MW Blackford Wind project and the 150 MW Blackford Solar project to Leeward Renewable Energy. The two sales result in creation of 3.0% and 1.5% royalties in favour of GBR on each project respectively. TGE announced the sale of three projects in the first quarter of 2021 including the 400 MW Honey Creek Solar project, the 180 MW Hoosier Line Wind project, both to Leeward Renewable Energy, and the 175 MW Appaloosa Wind project to an undisclosed buyer. These sales result in the creation of 1.5%, 3% and 1.5% royalties in favour of GBR on each project respectively.

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 195 MW Jayhawk Wind project in Crawford and Bourbon Counties, Kansas. The Jayhawk wind project is currently under construction with commercial operations expected in Q4 2021. The royalty was assigned to GBR on August 1, 2021.

Apex has grown its development pipeline of clean energy projects to over 27 gigawatts (GW).

On July 21, 2021, the Corporation announced that GBR had closed a follow-on royalty investment of \$20,000,000 with Apex, bringing the total investment in Apex to \$55,000,000. By exercising the option to provide additional capital, Apex’s ability to buy out GBR’s original \$35,000,000 investment has been eliminated, except in the case of a reorganization or change of control. Apex does, however, retain the flexibility to satisfy the return of principal for the incremental \$20,000,000 investment through the delivery of additional royalties or cash. In the case of a cash buyout, any accrued return on capital invested related to the \$20,000,000 will be settled with incremental royalties.

Longroad Energy Royalty Investment

On August 3, 2021, the Corporation announced that GBR II had completed a \$35,000,000 royalty investment with Longroad Energy (“Longroad”) related to Longroad’s 331 MWdc (250 MWac) Prospero 2 solar project located in Andrews County, Texas. Longroad is a top-tier developer, owner, and operator of renewable energy projects, having developed over 60 renewable energy projects totaling over 6 GWs across North America. This is ARR’s first investment directly into an operating project. The project achieved commercial operation on August 2,

2021 and is operated by Longroad. The solar facility is set upon lands leased from the University of Texas under a long-term lease agreement. Over two-thirds of the expected Prospero 2 power output is contracted to two companies, Davita and Zimmer Biomet, under fifteen-year unit contingent power purchase agreements, with the remainder of the project's energy output expected to be sold into the ERCOT spot market.

Under the terms of the Longroad Agreement, GBR II receives a gross revenue royalty commencing in January 2022 at rates that vary over time and which achieve GBR II's investment hurdles while optimizing Longroad's project level cash flow profile. The royalty will remain in place for the life of the Prospero 2 solar project, including any extensions of or enhancements to such project.

Annual revenue from Prospero 2 is expected to be approximately \$850,000 per year starting on January 1, 2022 and continuing through 2026 before then stepping up to approximately \$4,700,000 per year for the following five years. On average, annual revenue is expected to be approximately \$4.0-4.5 million over an initial expected 30-year project life. Great Bay II expects to earn a return of 8-12% on its investment over the initial life of the project.

The Longroad investment was heavily negotiated by both parties to provide the Corporation with protections designed to ensure that the Prospero 2 project will be managed properly, in an effort to protect and ensure profitability of the Longroad investment, while also allowing Longroad the ability to operate the project. The contractual protections fall into the following broad categories: 1. In connection with the Longroad investment transaction, Longroad made certain representations and warranties regarding the Prospero 2 solar project. To the extent those representations and warranties prove to be materially inaccurate, GBR II has certain indemnification rights. 2. GBR II has consent/approval rights over issuance of additional debt over an agreed upon percentage of project value. 3. Great Bay II has three primary rights in the event of a material default or breach of the agreement by Longroad: (i) the ability to provide a member loan, (ii) the right to remove Longroad as Manager of the project (iii) the right to declare a default.

Longroad has the option to buy down the royalty from GBR II at a premium and subsequently GBR II has the option to retain a smaller contractual royalty on the project.

GBR II receives reporting information similar to that received by other investors and lenders in the project.

ARR and the Apollo Funds have agreed to fund the Longroad investment with approximately 70% of the funding provided by the Apollo Funds and the balance of \$11,100,000 to be funded directly by ARR through a new sidecar entity, GBR II, which is jointly owned by ARR and the Apollo Funds with each of ARR and the Apollo Funds controlling 50% of the entity. The Longroad investment is held directly by GBR II.

After the funding of the Longroad Investment, ARR holds approximately \$65,000,000 in cash.

Financial Performance and Results of Operations

Expressed in United States Dollars, rounded to the nearest hundred (except per share amounts)	Three months ended			Six months ended		
	June 30, 2021	June 30, 2020	Variance	June 30, 2021	June 30, 2020	Variance
Revenue						
Attributable royalty	\$ 53,800	\$ 81,500	\$ (27,700)	\$ 81,600	\$ 126,400	\$ (44,800)
Management fee	-	6,000	(6,000)	-	12,000	(12,000)
Interest & Investment	16,600	400	16,200	19,100	1,500	17,600
Attributable revenue ⁽¹⁾	\$ 70,400	\$ 87,900	\$ (17,500)	\$ 100,700	\$ 139,900	\$ (39,200)
Adjustment: joint venture revenue	(53,800)	-	(53,800)	(81,600)	-	(81,600)
IFRS revenue per consolidated financial statements	\$ 16,600	\$ 87,900	\$ (71,300)	\$ 19,100	\$ 139,900	\$ (120,800)
Costs and expenses						
Adjusted EBITDA ⁽¹⁾	(841,800)	(154,000)	(687,800)	(1,419,000)	(474,700)	(944,300)
Net earning (loss)	(682,500)	(2,057,200)	1,374,700	(813,300)	(2,529,800)	1,716,500
Net earnings (loss) per share - basic and diluted	\$ (0.03)	\$ (0.14)	\$ 0.11	\$ (0.04)	\$ (0.24)	\$ 0.20
Total assets	\$ 157,951,800	\$ 66,325,300	\$ 91,626,500	\$ 157,951,800	\$ 66,325,300	\$ 91,626,500
Total liabilities	3,487,400	1,098,000	2,389,400	3,487,400	1,098,000	2,389,400

(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			Six months ended		
	June 30, 2021	June 30, 2020	Variance	June 30, 2021	June 30, 2020	Variance
Attributable Revenue						
Renewables						
Clyde River	\$ 44,800	\$ 71,000	\$ (26,200)	\$ 62,500	\$ 104,600	\$ (42,100)
Geothermal wells	9,000	10,500	(1,500)	19,100	21,800	(2,700)
Other						
Interest and investment	16,600	400	16,200	19,100	1,500	17,600
Management fee	-	6,000	(6,000)	-	12,000	(12,000)
Attributable royalty revenue ⁽¹⁾	\$ 70,400	\$ 87,900	\$ (17,500)	\$ 100,700	\$ 139,900	\$ (39,200)

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

Revenue and other income are primarily generated from attributable 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. As noted above, the Corporation has completed an initial public offering and has significant cash available to fund its share of future investments. As well, 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 (since increased to \$91,000,000 as described above) in approved investment opportunities in GBR of which \$13,430,500 has been funded as at June 30, 2021 with a further \$45,300,000 subsequent to quarter end. Once Apollo has earned 50% both parties will be expected to fund their proportionate share of future investments.

During the three and six months ended June 30, 2021, the Corporation accounted for revenues in GBR through equity accounting in its consolidated statement of earnings therefore impacting revenues in the consolidated financial statements. Any related analysis is reported using attributable revenue (see non-IFRS measures).

During the three and six months ended June 30, 2021, the Corporation's revenue on Clyde River was lower than the 2020 comparable periods 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 periods.

No management fee revenue was earned in the current quarter. Interest and investment income for three and six months ended June 30, 2021 was higher than the comparable periods in 2020 due to increased cash balances after completion of the Corporation's IPO.

Costs and Expenses

Costs and Expenses	Three months ended			Six months ended		
	June 30, 2021	June 30, 2020	Variance	June 30, 2021	June 30, 2020	Variance
Management fees	\$ 159,200	\$ -	\$ 159,200	\$ 238,500	\$ -	\$ 238,500
Office and administrative	162,900	18,000	144,900	214,100	45,200	168,900
Share-based compensation	41,000	2,301,800	(2,260,800)	171,600	2,301,800	(2,130,200)
Salaries and director fees	68,000	223,800	(155,800)	135,200	467,800	(332,600)
Professional fees	80,000	-	80,000	103,000	77,300	25,700
Amortization of intangible asset	-	131,800	(131,800)	-	263,700	(263,700)
Amortization of renewable royalty interests	-	27,800	(27,800)	-	55,500	(55,500)
Travel and accommodations	-	11,000	(11,000)	-	25,900	(25,900)
Foreign exchange gain	(51,600)	(1,600)	(50,000)	(260,400)	-	(260,400)
	\$ 459,500	\$ 2,712,600	\$ (2,253,100)	\$ 602,000	\$ 3,237,200	\$ (2,635,200)

The Corporation's share based compensation expenses during the three and six months ended June 30, 2021 are lower than the previous year as a result of the issuance of stock options to founding employees and a director for a value of \$1,346,500 and the issuance of warrants for management services provided by Altius of \$955,300 in 2020. The Corporation does not intend to issue additional options to directors going forward.

Management fees during the three and six months ended June 30, 2021 were higher than the comparable period and relate to the management services agreement with Altius that began in February 2021 (see related party transactions).

Salary and director fees were lower in the three and six months ended June 30, 2021 as a result of the Corporation accounting for the GBR employee salaries and wages through the loss in joint venture. The Corporation added four additional directors in 2021 in conjunction with its IPO process.

Office and administrative costs incurred during the three and six months ended June 30, 2021 were higher than the same periods in 2020 as a result of the additional public company costs and insurance expenses during the periods.

Professional fees incurred during the three and six months ended June 30, 2021 are higher than the same period in 2020 as a result of more external corporate development services as well as audit and review fees incurred in the current periods. Any professional fees relating to the Corporation's IPO and overallotment were recognized as share issuance costs during the three and six months ended June 30, 2021.

Amortization of intangible asset 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 three and six months ended June 30, 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.

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 three and six months ended June 30, 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.

Travel and accommodation costs during the three and six months ended June 30, 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			Six months ended		
	June 30, 2021	June 30, 2020	Variance	June 30, 2021	June 30, 2020	Variance
Dilution (gain) on issuance of equity in joint venture	(16,100)	-	(16,100)	(299,100)	-	(299,100)
Share of loss in joint venture	504,600	-	504,600	942,000	-	942,000
	\$ 488,500	\$ -	\$ 488,500	\$ 642,900	\$ -	\$ 642,900
Income tax recovery	\$ (248,900)	\$ (567,500)	\$ 318,600	\$ (412,500)	\$ (567,500)	\$ 155,000

During the three and six months ended June 30, 2021, the GBR joint venture received funds totalling \$500,000 and \$3,500,000 from Apollo and as a result, the Corporation's ownership in the joint venture was diluted and total dilution gains of \$16,100 and \$299,100 were recognized in the consolidated statement of loss.

The Corporation recorded its share of losses of GBR for the three and six months ended June 30, 2021 for \$504,600 and \$942,000 respectively (June 30, 2020 - \$nil and \$nil). The Corporation also recorded its portion of unrealized gains on investments held in GBR of \$3,101,000 and \$9,015,600 in other comprehensive earnings for the three and six months ended June 30, 2021. In the comparable periods ended June 30, 2020, the Corporation consolidated the results of GBR and recognized unrealized gains on investments of \$4,666,200 and \$4,666,200 respectively in other comprehensive earnings.

Income tax recoveries were recorded in the three and six months ended June 30, 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 unaudited condensed consolidated financial statements. During the three months ended June 30, 2021, GBR incurred losses of \$589,300, attributable royalty revenue of \$62,800 and other income of \$11,100, general and administrative costs of \$513,300 and amortization of \$149,900. In addition, GBR recognized unrealized gains on their investments in TGE and Apex of \$3,621,600. GBR used cash from operations of \$434,600, investing cash inflows of \$500,000 relating to Apollo's funding of the joint venture and financing cash inflows of \$3,800 relating to reimbursement of costs pertaining to investments in TGE and Apex.

During the six months ended June 30, 2021, GBR incurred losses of \$1,097,400, attributable royalty revenue of \$95,100 and other income of \$79,500, general and administrative costs of \$962,500 and amortization of \$309,500. In addition, GBR recognized unrealized gains on their investments of \$10,492,200. GBR used cash from operations of \$635,000, investing cash inflows of \$3,500,000 relating to Apollo's funding

of the joint venture and financing cash outflows of \$3,035,600 relating to additional investments in TGE and Apex, ending the period with \$487,100 in cash.

During the 81 days ended December 31, 2020 GBR incurred a net 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	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Attributable revenue ⁽¹⁾	\$ 70,400	\$ 30,300	\$ 100,500	\$ 40,200
Adjusted EBITDA ⁽¹⁾	(841,800)	(577,200)	(201,600)	(295,700)
Net earnings (loss)	(682,500)	(130,900)	844,200	(349,700)
Net earnings (loss) per share - basic and diluted	\$ (0.05)	\$ (0.01)	0.05	\$ (0.02)

Expressed in United States Dollars, rounded to the nearest hundred	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
Attributable revenue ⁽¹⁾	\$ 87,900	\$ 52,000	\$ 66,000	\$ 49,700
Adjusted EBITDA ⁽¹⁾	(163,300)	(311,400)	(285,800)	(226,600)
Net earnings (loss)	(2,057,200)	(472,600)	(444,800)	(386,000)
Net earnings (loss) per share - basic and diluted	\$ (0.14)	\$ (0.08)	(0.11)	\$ (0.12)

⁽¹⁾ Non IFRS measures section for definition and reconciliation

Liquidity and Cash Flows

During the six months ended June 30, 2021, the Corporation raised net proceeds of \$78,780,900 through the IPO and over-allotment exercise. 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 June 30, 2021, the Corporation had current assets of \$78,344,700 (December 31, 2020 - \$299,100), including cash and cash equivalents of \$77,999,200 (December 31, 2020 - \$19,200) and current liabilities of \$443,500 (December 31, 2020 - \$424,400) including a balance payable to its parent of \$nil (December 31, 2020 - \$164,500).

The Corporation's sources of cash flow are from royalty and other income, as held in the joint venture, 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.

Summary of Cash Flows	Six months ended	
	June 30, 2021	June 30, 2020
Operating activities	\$ (636,400)	\$ (389,300)
Financing activities	78,616,400	47,344,200
Investing activities	-	(44,084,800)
Net increase in cash and cash equivalents	77,980,000	2,870,100
Cash and cash equivalents, beginning of year	19,200	196,100
Cash and cash equivalents, end of year	\$ 77,999,200	\$ 3,066,200

Operating Activities

Use of cash to fund operations for the six month period ended June 30, 2021 is higher than the comparable period ended June 30, 2020, which is consistent with an increase in expenses as noted above in "Costs and Expenses".

Financing Activities

During the six months ended June 30, 2021, the Corporation received net proceeds from the IPO and over-allotment of \$78,780,900 as compared to proceeds on issuance of common shares of \$47,070,000 to Altius as well as outside investors during the same period in 2020. During the six months ended June 30, 2021, the Corporation repaid funds on related party loan of \$164,500 while in the six months ended June 30, 2020, the Corporation received proceeds from a related party of \$274,200.

Investing Activities

The Corporation funded \$8,627,500 (including \$127,500 in acquisition costs) pursuant to the TGE Agreement and \$35,457,300 (which included \$457,300 of acquisition costs) pursuant to the Apex Agreement during the six months ended June 30, 2020. There were no investments completed during the current year quarter under these agreements as they were incurred in GBR which is accounted for as an interest in joint venture in which Apollo Funds has the right to earn a 50% interest.

Commitments and Contractual Obligations

As at June 30, 2021, the following are the Corporation's commitments and contractual obligations over the next five calendar years:

	TGE	Mgmt services agreement	Total
2021	\$ 18,160,000	\$ 240,900	\$ 18,400,900
2022	3,000,000	-	3,000,000
2023	-	-	-
2024	-	-	-
2025	-	-	-
	\$ 21,160,000	\$ 240,900	\$ 21,400,900

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 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 will ultimately receive from the investments made by GBR. 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

Altius Minerals Services Agreement

During the three months ended June 30, 2021, Altius Minerals Corporation billed the Corporation \$159,200 (C\$187,500) (June 30, 2020 - \$nil) for office space, management, and administrative services. During the six months ended June 30, 2021, Altius Minerals Corporation billed the Corporation \$238,500 (C\$287,500) (June 30, 2020 - \$nil) for office space, management, and administrative services.

GBR-ARR Services Agreement

During the three months ended June 30, 2021, GBR billed the Corporation \$11,100 (June 30, 2020 - \$nil) post initial public offering support services. During the six months ended June 30, 2021, GBR billed the Corporation \$79,500 (June 30, 2020 - \$nil) for initial public offering and post initial public offering support services. Of this amount, \$63,500 is included in share issuance costs.

GBR Services Agreement

During the three months ended June 30, 2021, no costs were billed from Altius Minerals Corporation to GBR (June 30, 2020 - \$nil) for finance and administrative services. During the six months ended June 30, 2021, Altius Minerals Corporation billed GBR \$17,500 (June 30, 2020 - \$nil) for finance and administrative services.

Other

During the three months June 30, 2021, the Corporation received an advance of \$nil (June 30, 2020 - \$95,400) from its parent. During the six months June 30, 2021, the Corporation received an advance of \$7,900 (June 30, 2020 - \$274,200) from its parent. As at June 30, 2021, there are no amounts owing to the parent (December 31, 2020 - \$164,500).

During the three months ended June 30, 2021, the Corporation paid salaries and benefits to key management personnel and directors of \$60,300 (June 30, 2020 - \$80,100) and recognized share-based compensation of \$41,000 (June 30, 2020 - \$1,346,500). During the six months ended June 30, 2021, the Corporation paid salaries and benefits to key management personnel and directors of \$127,600 (June 30, 2020 - \$179,400) and recognized share-based compensation of \$171,600 (June 30, 2020 - \$1,346,500).

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

Significant Accounting Policies

The preparation of financial statements in accordance with IFRS requires management to establish accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenues and expenses during the reporting period. The Corporation's significant accounting policies are described in Notes 2 and 3 to the annual financial statements for the year ended December 31, 2020. The Corporation has not adopted any new accounting policies during the three and six months ended June 30, 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 and six months ended June 30, 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 and six months ended June 30, 2021, the Corporation recorded unrealized gains on investments held in joint venture of \$3,101,000 and \$9,015,600. The Corporation consolidated the results of GBR and recognized unrealized

gains on investments of \$4,666,200 and \$4,666,200 respectively in other comprehensive earnings for the three and six months ended June 30, 2020.

Valuation technique and key inputs

The Corporation applies an income approach methodology primarily modelled with risk adjusted discounted cash flows to capture the present value of expected future economic benefits to be derived from the ownership of the 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 June 30, 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 and six months ended June 30, 2021. There has been no change in the Corporation's internal control over financial reporting during the Corporation's three months ended June 30, 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 June 30, 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 August 4, 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		June 30, 2021	March 31, 2021	December 31, 2020	September 30 2020
Attributable revenue					
Revenue					
Attributable royalty	\$	53,800	\$ 27,800	\$ 47,100	\$ 33,400
Other		16,600	2,500	53,400	6,800
Attributable revenue		70,400	30,300	100,500	40,200
Adjust: joint venture revenue		(53,800)	(27,800)	(97,100)	-
IFRS revenue per consolidated financial statements	\$	16,600	\$ 2,500	\$ 3,400	\$ 40,200

Expressed in United States Dollars, rounded to the nearest hundred		Three months ended,			
Reconciliation to IFRS measures		June 30, 2020	March 31, 2020	December 31 2019	September 30 2019
Attributable revenue					
Revenue					
Attributable royalty	\$	81,500	\$ 45,000	\$ 58,800	\$ 43,600
Other		6,400	7,100	7,200	6,100
Attributable revenue		87,900	52,100	66,000	49,700
Adjust: joint venture revenue		-	-	-	-
IFRS revenue per consolidated financial statements	\$	87,900	\$ 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			
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
	Earnings (loss) before income taxes	\$ (931,400)	\$ (294,500)	\$ 521,000
Addback(deduct):				
Amortization and depletion	-	-	-	159,600
Share based compensation	41,000	130,500	-	-
Dilution gain on issuance of equity in joint venture	(16,100)	(283,000)	(226,600)	-
Foreign currency (gain) loss	(51,600)	(208,800)	100	800
Gain on deconsolidation of subsidiary	-	-	(638,100)	-
Loss from joint ventures	504,600	437,400	273,500	-
GBR EBITDA ⁽¹⁾	(388,300)	(358,800)	(131,500)	-
Adjusted EBITDA	\$ (841,800)	\$ (577,200)	\$ (201,600)	\$ (295,700)
(1) GBR EBITDA				
Revenue	\$ 53,800	\$ 27,900	\$ 97,100	\$ -
Operating income (expenses)	(442,100)	(386,700)	(228,600)	-
GBR Adjusted EBITDA	\$ (388,300)	\$ (358,800)	\$ (131,500)	\$ -

Expressed in United States Dollars, rounded to the nearest hundred

Reconciliation to IFRS measures Adjusted EBITDA	Three months ended			
	June 30, 2020	March 31, 2020	December 31, 2020	September 30, 2020
	Earnings (loss) before income taxes	\$ (2,624,700)	\$ (472,600)	\$ (444,800)
Addback(deduct):				
Amortization and depletion	159,600	159,600	159,600	159,500
Share based compensation	2,301,800	-	-	-
Foreign currency (gain) loss	-	1,600	(600)	(100)
Adjusted EBITDA	\$ (163,300)	\$ (311,400)	\$ (285,800)	\$ (226,600)

Appendix A – Summary of Operational and Development Renewable Energy Royalties

Project	Location	Project Seller	Renewable Energy Source	Project Owner/Developer	Facility Size (MWac)	Grid Connection	Status ⁽¹⁾⁽²⁾	Expected COD	Expected Life	Royalty Basis
Clyde River	Orleans County, Vermont (USA)	-	Hydro	Gravity Renewables	5 MW	ISO New England	Operational	N/A	22 Years	10% of revenue
Prospero 2	Andrews County, Texas (USA)	-	Solar	Longroad Energy	250 MW	ERCOT	Operational	N/A	30 Years	Varies
JayHawk	Crawford and Bourbon County, Kansas (USA)	Apex	Wind	WEC Energy / Invernergy	195 MW	SPP	Construction	Q4 2021	25 Years	2.5% of revenue
Canyon	Scurry County, Texas (USA)	TGE	Wind	Silverpeak	360 MW	ERCOT	Late-stage Development	Q4 2022	25 Years	3% of revenue
Flatland	Scurry County, Texas (USA)	TGE	Solar	Silverpeak	180 MW	ERCOT	Mid-stage Development	Q4 2022	25 Years	1.5% of revenue
Panther Grove	Woodford County, Illinois (USA)	TGE	Wind	Copenhagen Infrastructure Partners	400 MW	PJM	Mid-stage Development	Q4 2023	25 Years	3% of revenue
Honey Creek	White County, Indiana (USA)	TGE	Solar	Leeward	400 MW	PJM	Mid-stage Development	Q4 2023	25 Years	1.5% of revenue
Appaloosa	Upton County, Texas (USA)	TGE	Wind	Undisclosed	175 MW	ERCOT	Mid-stage Development	Q4 2022	25 Years	1.5% of revenue
Hoosier Line	White County, Indiana (USA)	TGE	Wind	Leeward	180 MW	PJM	Mid-stage Development	Q4 2023	25 Years	3% of revenue
Blackford Wind	Blackford County, Indiana (USA)	TGE	Wind	Leeward	200 MW	PJM	Mid-stage Development	Q4 2023	25 Years	3% of revenue
Blackford Solar	Blackford County, Indiana (USA)	TGE	Solar	Leeward	150 MW	PJM	Mid-stage Development	Q4 2023	25 Years	1.5% of revenue

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

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