



Condensed Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Unaudited)

## CONDENSED CONSOLIDATED BALANCE SHEETS

Unaudited, Expressed in United States Dollars, rounded to the nearest thousand	Note	As at	
		June 30, 2024	December 31, 2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 65,947,000	\$ 88,716,000
Accounts receivable and prepaid expenses		189,000	116,000
Income tax receivable		616,000	645,000
		\$ 66,752,000	\$ 89,477,000
<b>Non-current assets</b>			
Interest in joint venture	4	150,404,000	125,512,000
		\$ 150,404,000	\$ 125,512,000
<b>TOTAL ASSETS</b>		\$ 217,156,000	\$ 214,989,000
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		267,000	383,000
		\$ 267,000	\$ 383,000
<b>Non-current liabilities</b>			
Deferred tax liability	5	9,629,000	9,235,000
		\$ 9,629,000	\$ 9,235,000
<b>TOTAL LIABILITIES</b>		\$ 9,896,000	\$ 9,618,000
<b>EQUITY</b>			
Shareholders' equity		207,260,000	205,371,000
		\$ 207,260,000	\$ 205,371,000
<b>TOTAL LIABILITIES AND EQUITY</b>		\$ 217,156,000	\$ 214,989,000

See accompanying notes to the Condensed Consolidated Financial Statements

## CONDENSED CONSOLIDATED STATEMENTS OF LOSS

Unaudited, Expressed in United States Dollars, rounded to the nearest thousand (except per share amounts)	Note	Three months ended		Six months ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Revenue and other income</b>					
Interest		\$ 891,000	\$ 613,000	\$ 1,978,000	\$ 1,171,000
		\$ 891,000	\$ 613,000	\$ 1,978,000	\$ 1,171,000
<b>Costs and Expenses</b>					
General and administrative	6	618,000	530,000	1,067,000	1,050,000
Share based compensation		196,000	124,000	204,000	257,000
Foreign exchange loss (gain)		2,000	(12,000)	21,000	(11,000)
		\$ 816,000	\$ 642,000	\$ 1,292,000	\$ 1,296,000
Earnings (loss) before the following:		\$ 75,000	\$ (29,000)	\$ 686,000	\$ (125,000)
Share of loss in joint venture	4	(789,000)	(163,000)	(1,798,000)	(255,000)
Loss before income taxes		\$ (714,000)	\$ (192,000)	\$ (1,112,000)	\$ (380,000)
Income tax recovery	5	(155,000)	(96,000)	(313,000)	(178,000)
<b>Net loss</b>		\$ (559,000)	\$ (96,000)	\$ (799,000)	\$ (202,000)
<b>Loss per share</b>					
Basic and diluted	7	\$ (0.02)	\$ (0.01)	\$ (0.03)	\$ (0.01)

See accompanying notes to the Condensed Consolidated Financial Statements

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

Unaudited, Expressed in United States Dollars, rounded to the nearest thousand	Note	Three months ended		Six months ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Net loss</b>		\$ (559,000)	\$ (96,000)	\$ (799,000)	\$ (202,000)
<b>Other comprehensive (loss) earnings</b>					
<b>To be classified subsequently to profit or loss</b>					
Share of revaluation of cash flow swap held in joint venture					
Gross amount	4	384,000	-	2,122,000	-
Tax effect		(85,000)	-	(470,000)	-
Net amount		\$ 299,000	\$ -	\$ 1,652,000	-
<b>To not be classified subsequently to profit or loss</b>					
Share of revaluation of investments held in joint venture					
Gross amount	4	(1,569,000)	1,374,000	1,068,000	2,178,000
Tax effect		348,000	(301,000)	(236,000)	(476,000)
Net amount		\$ (1,221,000)	\$ 1,073,000	\$ 832,000	\$ 1,702,000
Total other comprehensive (loss) earnings		\$ (922,000)	\$ 1,073,000	\$ 2,484,000	\$ 1,702,000
<b>Total comprehensive (loss) earnings</b>		\$ (1,481,000)	\$ 977,000	\$ 1,685,000	\$ 1,500,000

See accompanying notes to the Condensed Consolidated Financial Statements

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited, Expressed in United States Dollars, rounded to the nearest thousand	Note	Six months ended	
		June 30, 2024	June 30, 2023
<b>Operating activities</b>			
Net loss		\$ (799,000)	\$ (202,000)
Adjustments for operating activities:			
Share based compensation		204,000	257,000
Income tax recovery	5	(313,000)	(178,000)
Share of loss of joint venture	4	1,798,000	255,000
		1,689,000	334,000
Changes in non-cash operating working capital:			
Accounts receivables and prepaid expenses		(73,000)	(63,000)
Accounts payable and accrued liabilities		(116,000)	(399,000)
Changes in non-cash operating working capital		(189,000)	(462,000)
		\$ 701,000	\$ (330,000)
<b>Investing activities</b>			
Investment in joint venture	4	(23,500,000)	(8,650,000)
Income taxes received		30,000	-
		\$ (23,470,000)	\$ (8,650,000)
Net decrease in cash and cash equivalents		(22,769,000)	(8,980,000)
Cash and cash equivalents, beginning of period		88,716,000	50,092,000
<b>Cash and cash equivalents, end of period</b>		<b>\$ 65,947,000</b>	<b>\$ 41,112,000</b>

See accompanying notes to the Condensed Consolidated Financial Statements

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Unaudited, Expressed in United States Dollars, except per share amounts	Common Shares		Other Equity Reserves	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Equity
	Number	Amount				
Balance, December 31, 2022	30,782,689	\$ 171,581,000	\$ 2,912,000	\$ 28,236,000	\$ (7,682,000)	\$ 195,047,000
Net loss and comprehensive earnings, January 1 to June 30, 2023	-	-	-	1,702,000	(202,000)	1,500,000
Share-based compensation	-	-	257,000	-	-	257,000
Balance, June 30, 2023	30,782,689	\$ 171,581,000	\$ 3,169,000	\$ 29,938,000	\$ (7,884,000)	\$ 196,804,000
Net loss and comprehensive earnings, July 1 to December 31, 2023	-	-	-	9,383,000	(869,000)	8,514,000
Common shares issued under long term incentive plan	4,918	39,000	(73,000)	-	-	(34,000)
Share-based compensation	-	-	87,000	-	-	87,000
Balance, December 31, 2023	30,787,607	\$ 171,620,000	\$ 3,183,000	\$ 39,321,000	\$ (8,753,000)	\$ 205,371,000
Net loss and comprehensive earnings, January 1 to June 30, 2024	-	-	-	2,484,000	(799,000)	1,685,000
Share-based compensation	-	-	204,000	-	-	204,000
Balance, June 30, 2024	30,787,607	\$ 171,620,000	\$ 3,387,000	\$ 41,805,000	\$ (9,552,000)	\$ 207,260,000

See accompanying notes to the Condensed Consolidated Financial Statements

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

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### 1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Altius Renewable Royalties Corp. ("ARR" or "the Corporation") is a renewable energy royalty company whose investments result in the creation of gross revenue royalties and royalty-like payments related to development through operating stage wind, solar, battery storage and other types of renewable energy projects. The Corporation was created on November 13, 2018 as Blue Sky Renewable Royalties Corp. and subsequently changed its name on February 2, 2019.

ARR indirectly holds interests in a portfolio of 2,571 MW of operational wind, solar, and hydro-electric projects located in Texas, Kansas, California and Vermont as well as royalty interests related to a portfolio of approximately 4,889 MW of development stage wind and solar energy projects located across the United States including Texas, Indiana, Pennsylvania, Virginia, Wyoming, Nebraska, Colorado, and Illinois and 700 MW of wind projects under construction. In addition the Corporation indirectly holds investments in renewable project developers that entitle it to additional royalty interest grants upon project sales to third parties.

As at June 30, 2024 TSX listed Altius Minerals Corporation ("Altius" or the "Parent") owned 58% (December 31, 2023 – 58%) of the Corporation.

ARR is incorporated and domiciled in Canada. The head office of the Corporation is located at 2nd Floor, 38 Duffy Place, St. John's, Newfoundland and Labrador A1B 4M5. Its registered office is located at 4200 Bankers Hall West, 888 3rd St. SW Calgary, Alberta, T2P 5C5.

These condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on August 5, 2024.

### 2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34) as issued by the International Accounting Standards Board (IASB). These condensed consolidated financial statements have been prepared on an historical cost basis, except for financial assets classified at fair value through other comprehensive income. All amounts are expressed in United States dollars, rounded to the nearest thousand, unless otherwise stated. Tabular amounts are presented in United States dollars, rounded to the nearest thousand with the exception of per share amounts.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

### 3. MATERIAL ACCOUNTING POLICIES, ESTIMATES AND PRONOUNCEMENTS

These condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as the annual consolidated financial statements of the Corporation as at and for the year ended December 31, 2023. The Corporation has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2023.

### 4. INTEREST IN JOINT VENTURE

	GBR Joint Venture	
Balance, December 31, 2022	\$	151,095,000
Investment in joint venture		15,950,000
Distribution from joint venture		(54,125,000)
Share of loss		(1,742,000)
Revaluation of investments <sup>(1)</sup>		18,313,000
Revaluation of cash flow swap <sup>(1)</sup>		(3,979,000)
<b>Balance, December 31, 2023</b>	\$	<b>125,512,000</b>
Investment in joint venture		23,500,000
Share of loss		(1,798,000)
Revaluation of investments <sup>(1)</sup>		1,068,000
Revaluation of cash flow swap <sup>(1)</sup>		2,122,000
<b>Balance, June 30, 2024</b>	\$	<b>150,404,000</b>

<sup>(1)</sup> Recognized through other comprehensive earnings

The Corporation, with certain funds (the "Apollo Funds") managed by affiliates of Apollo Global Management, Inc. ("Apollo") hold interests in two joint venture entities, both with a 50% ownership interest in Great Bay Renewables Holdings, LLC ("GBR I") and Great Bay Renewables Holdings II, LLC ("GBR II"), collectively referred to herein as "GBR" or the "Joint Venture". The Corporation's share of earnings (loss) and other comprehensive earnings (loss) is reflective of its 50% ownership of the Joint Venture as at June 30, 2024 and June 30, 2023.

During the six months ended June 30, 2024 the Corporation invested \$23,500,000 into GBR (June 30, 2023, \$8,650,000).



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

Below is a summary of the Joint Venture's assets, liabilities, income, expense and cash flow, presented on a 100% basis.

	Note	As at June 30, 2024	As at December 31, 2023
<b>Balance Sheets</b>			
<b>Current assets</b>			
Cash		\$ 3,151,000	\$ 5,208,000
Loan receivable	c	3,360,000	-
Other current assets		2,586,000	2,277,000
<b>Non-current assets</b>			
Investments	a	\$ 321,602,000	\$ 300,315,000
Investment in associate	b	1,980,000	2,128,000
Royalty interests	e	69,573,000	57,569,000
Loan receivable	c	11,059,000	-
<b>Total Assets</b>		<b>\$ 413,311,000</b>	<b>\$ 367,497,000</b>
<b>Current liabilities</b>			
Trade and other payables		\$ 1,468,000	\$ 1,552,000
Current portion of long-term debt	d	518,000	828,000
<b>Non-current liabilities</b>			
Long-term debt	d	\$ 109,406,000	\$ 108,774,000
Derivative - cash flow swap	d	3,714,000	7,959,000
<b>Total Liabilities</b>		<b>\$ 115,106,000</b>	<b>\$ 119,113,000</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

	Note	Three months ended		Six months ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Statement of Loss and Comprehensive Earnings (Loss)</b>					
<b>Revenue</b>					
Royalty revenue		\$ 2,114,000	\$ 1,960,000	\$ 7,026,000	\$ 3,935,000
Interest and investment income		957,000	10,000	996,000	25,000
<b>Expenses</b>					
General and administrative expense		\$ (1,087,000)	\$ (798,000)	\$ (2,289,000)	\$ (1,727,000)
Interest on long term debt	d	(2,606,000)	-	(4,947,000)	-
Amortization	e	(543,000)	(443,000)	(1,086,000)	(928,000)
<b>Other items impacting net loss</b>					
Gain on disposal of geothermal wells		-	-	-	132,000
Share of loss in associates	b	(413,000)	(1,055,000)	(3,296,000)	(1,947,000)
<b>Net loss</b>		\$ (1,578,000)	\$ (326,000)	\$ (3,596,000)	\$ (510,000)
Other comprehensive earnings (loss), revaluation of investments		\$ (3,139,000)	\$ 2,747,000	\$ 2,135,000	\$ 4,355,000
Other comprehensive earnings, fair value adjustment of cash flow swap		768,000	-	4,244,000	-
<b>Total comprehensive earnings (loss)</b>		\$ (3,949,000)	\$ 2,421,000	\$ 2,783,000	\$ 3,845,000
<b>Statement of Cash Flows</b>					
Operating activities		\$ 876,000	\$ 951,000	\$ 1,196,000	\$ 1,912,000
Financing activities		2,589,000	15,000,000	46,556,000	17,300,000
Investing activities		(5,003,000)	(16,765,000)	(49,809,000)	(21,409,000)
Net decrease in cash and cash equivalents		\$ (1,538,000)	\$ (814,000)	\$ (2,057,000)	\$ (2,197,000)
Cash and cash equivalents, beginning of period		4,689,000	1,480,000	5,208,000	2,863,000
<b>Cash and cash equivalents, end of period</b>		\$ 3,151,000	\$ 666,000	\$ 3,151,000	\$ 666,000

### Joint venture Agreement

During the six months ended June 30, 2024 \$47,000,000 was funded into GBR equally by the Corporation and Apollo (June 30, 2023 – \$17,300,000). These amounts, in addition to cash on hand at GBR, was used to fund the following investments, capital calls and developer loans.

	Note	Six months ended June 30, 2024	Six months ended June 30, 2023
Investments (net of return of capital)	a	\$ 42,801,000	\$ 20,343,000
Investments in associates	b	3,148,000	1,500,000
Loan receivables	c	3,860,000	-
<b>Total</b>		\$ 49,809,000	\$ 21,843,000

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

### (a) Investments - Level 3 Financial Assets (GBR)

A summary of renewable energy investments that are classified as financial assets held in GBR is as follow (expressed in thousands of United States dollars). Additional information including fair value hierarchy can be found in Note 9.

Expressed in thousands of United States dollars	TGE	Longroad	Northleaf	Titan	Hodson <sup>(1)</sup>	Nokomis	Hexagon	Angelo Solar	Total
Balance, December 31, 2022	\$ 65,950	\$ 42,789	\$ 59,356	\$ 46,799	\$ 14,272	\$ -	\$ -	\$ -	\$ 229,166
Additional investments	-	-	-	1	10,638	-	22,866	-	33,505
Reclassification from royalty interests	1,018	-	-	-	-	-	-	-	1,018
Revaluation gains (losses) through OCI	12,861	6,830	(89)	7,071	3,712	-	6,241	-	36,626
Balance, December 31, 2023	\$ 79,829	\$ 49,619	\$ 59,267	\$ 53,871	\$ 28,622	\$ -	\$ 29,107	\$ -	\$ 300,315
Additional investments	-	-	-	-	5,086	2,243	7,575	30,699	45,603
Reclassification to royalty interest	(13,090)	-	-	-	-	-	-	-	(13,090)
Revaluation gains (losses) through OCI	5,686	(2,605)	(1,400)	(2,592)	981	-	2,065	-	2,135
Reclassification to loan	-	-	-	-	(10,559)	-	-	-	(10,559)
Return of capital	-	-	-	-	-	-	(2,802)	-	(2,802)
Balance, June 30, 2024	\$ 72,425	\$ 47,014	\$ 57,867	\$ 51,279	\$ 24,130	\$ 2,243	\$ 35,945	\$ 30,699	\$ 321,602

<sup>(1)</sup> Includes warrants valued at \$237,000

### Nokomis Energy

On June 27, 2024 GBR entered into a \$30,000,000 royalty investment with Nokomis Energy, LLC. ("Nokomis") to gain future royalties related to a portfolio of solar development projects. The funds will be invested in tranches as Nokomis achieves certain project advancement milestones. As individual pipeline projects are developed, GBR will receive a gross revenue royalty agreement on each project until a target minimum return is achieved.

During the six months ended June 30, 2024 GBR invested \$2,000,000 into Nokomis and incurred acquisition costs of \$243,000 for a total investment of \$2,243,000.

### Angelo Solar

On February 29, 2024 GBR entered into a \$30,000,000 royalty investment agreement with Apex Clean Energy ("Apex") related to Apex's 195 MWac Angelo Solar project in Tom Green County, Texas ("Angelo") which achieved commercial operations in June 2024. The royalty investment has been structured using royalty rates that vary over time and achieve GBR's investment hurdles.

During the six months ended June 30, 2024 GBR invested \$30,000,000 into Angelo and incurred acquisition costs of \$699,000 for a total investment of \$30,699,000.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

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### *Hexagon Energy, LLC.*

During the six months ended June 30, 2024 GBR invested \$7,500,000 into Hexagon and incurred acquisition costs of \$75,000 (June 30, 2023 - \$nil). As at June 30, 2024 the net total invested in Hexagon is \$27,198,000 with incurred acquisition costs of \$441,000 for a total investment of \$27,639,000 (December 31, 2023 - \$22,500,000 with incurred acquisitions costs of \$366,000 for a total investment of \$22,866,000).

During the six months ended June 30, 2024 GBR received cash proceeds from Hexagon of \$4,203,000 related to project sales. GBR recognized \$1,401,000 as royalty revenue and \$2,802,000 as a return of capital based upon the terms of the agreement. GBR is entitled to 10% of the project sales proceeds from any project sales to third parties by Hexagon. This 10% of project sales does not count toward the calculation of GBR's minimum return threshold and the total expected renewable royalties to be granted under the Hexagon investment agreement are unaffected by this supplemental revenue sharing. GBR may elect to receive up to an additional 20% of sales proceeds with such additional sales proceeds being credited toward the calculation of GBR's minimum return threshold and the total expected renewable royalties to be granted under the agreement.

### *Hodson Energy LLC*

During the six months ended June 30, 2024 GBR invested \$5,086,000 into Hodson, including acquisition costs of \$28,000 (June 30, 2023 - investment of \$5,000,000, acquisition costs of \$77,000) for a net total invested at June 30, 2024 of \$19,438,000 including a warrant balance of \$237,000 (December 31, 2023 - \$24,910,000, acquisition costs of \$410,000 including warrants of \$237,000). Refer to Note 4(c) for information regarding the developer loan provided to Hodson during the six months ended June 30, 2024.

### *Tri Global Energy LLC ("TGE")*

As at June 30, 2024 and December 31, 2023 the total invested in TGE is \$47,116,000 including acquisition costs of \$616,000. During the six months ended June 30, 2024, the Canyon Wind Royalty ("Canyon") was assigned to GBR through its agreement with TGE after achieving commercial operations. The provisional fair value of \$13,090,000 was determined using a discounted cash flow model and was reclassified from investments to royalty interests.

### *Longroad Energy ("Longroad")*

As at June 30, 2024 and December 31, 2023 the total invested in Longroad's Prospero 2 project is \$35,495,000 including acquisition costs of \$495,000.

### *Titan Solar ("Titan")*

As at June 30, 2024 and December 31, 2023 the total invested in Longroad's Titan Solar project is \$46,800,000 including acquisition costs of \$800,000.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

### *Northleaf Capital Partners ("Northleaf")*

As at June 30, 2024 and December 31, 2023 the total invested in Northleaf is \$53,401,000 including acquisition costs of \$901,000.

### *(b) Investment in Associate (GBR)*

A summary of renewable energy investments that are classified as investments in associates held by GBR is as follows.

	<b>Bluestar</b>	<b>Nova</b>	<b>Total</b>
Balance, December 31, 2022	\$ 2,351,000	\$ 3,619,000	\$ 5,970,000
Additional investments	1,198,000	1,500,000	2,698,000
Share of loss	(1,421,000)	(5,119,000)	(6,540,000)
Balance, December 31, 2023	\$ 2,128,000	\$ -	\$ 2,128,000
Additional investments	648,000	2,500,000	3,148,000
Share of loss	(796,000)	(2,500,000)	(3,296,000)
Balance, June 30, 2024	\$ 1,980,000	\$ -	\$ 1,980,000

### *Bluestar Energy Capital LLC & Nova Clean Energy, LLC*

During the six months ended June 30, 2024 GBR invested \$648,000 into Bluestar (June 30, 2023 - \$nil). As at June 30, 2024 the total invested into Bluestar is \$4,846,000 (December 31, 2023 - \$4,198,000).

During the six months ended June 30, 2024 GBR invested \$2,500,000 into Nova (June 30, 2023 - \$1,500,000). As at June 30, 2024 the total invested into Nova is \$9,000,000 with incurred acquisition costs of \$107,000 for a total investment of \$9,107,000 (December 31, 2023 - \$6,500,000 with incurred acquisition costs of \$107,000 for a total investment of \$6,607,000).

During the six months ended June 30, 2024 GBR recorded its share of loss of \$3,296,000 in relation to these investments (June 30, 2023 - \$1,947,000).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

### (c) Loans Receivable

	Hexagon	Hodson	Total
Balance, December 31, 2023	\$ -	\$ -	-
Reclassification from investments	-	10,559,000	10,559,000
Loans	3,360,000	500,000	3,860,000
Balance, June 30, 2024	\$ 3,360,000	\$ 11,059,000	\$ 14,419,000

#### Hexagon Energy, LLC.

On March 28, 2024 GBR entered into a \$10,100,000 interconnection (IC) support facility with Hexagon. The secured facility will be used to fund the refundable portions of certain interconnection deposits for six solar development projects totaling approximately 1,950 MWac that Hexagon has selected for advancement in the MISO and PJM interconnection queues. These projects are part of Hexagon's approximately 7.0 GW development portfolio from which GBR is entitled to receive future royalties. GBR will receive monthly interest payments during the term at an interest rate that falls within GBR's target return threshold. The facility with Hexagon can be drawn in tranches and matures on December 31, 2024. The first tranche of \$3,360,000 was funded in cash by GBR during the first quarter of 2024 and remains outstanding at June 30, 2024. During the quarter ended June 30, 2024 GBR has financed an additional \$2,400,000 using its letter of credit facility.

#### Hodson Energy, LLC.

On June 4, 2024 GBR executed an amendment to the operating agreement with Hodson which resulted in the reclassification of \$10,559,000 in certain Class R Capital Contributions to loans receivable. The loans are secured and bear interest that falls within GBR's target return threshold. On June 27, 2024 an additional \$500,000 loan was provided to Hodson for a total loan receivable of \$11,059,000 as of June 30, 2024. These loans mature no later than January 31, 2025.

#### Red Stone Renewables, LLC.

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

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

### (d) Debt (GBR)

At amortized cost	June 30, 2024	December 31, 2023
Long-term debt	\$ 109,924,000	\$ 109,602,000
Current	518,000	828,000
Non-current	109,406,000	108,774,000
	\$ 109,924,000	\$ 109,602,000

On October 31, 2023 GBR entered into senior secured credit financing agreements ("financing") with a term of 5 years and a maturity date of October 31, 2028 in an aggregate amount of \$246,500,000 bearing interest at variable rates. The financing includes a \$123,500,000 initial term facility ("ITF"), a \$100,000,000 delayed draw term facility ("Delayed Draw Facility"), and a \$23,000,000 letter of credit facility ("L/C"), with the two term facilities qualifying for green loan eligibility. MUFG Bank and Natixis are Coordinating Lead Arrangers, Bookrunners, and Syndication Agents with respect to the facilities.

GBR's principal repayments are based on expected royalty cash flows and a 20 year amortization period. The financing allows for additional repayments without penalty and any unused portion of the financing is available for qualifying investments with draw amounts based on established sizing criteria. GBR has pledged equity and security in the form of a first lien on existing cash generating assets or expected near term cash generating assets of GBR along with a pledge of the equity in the subsidiary holdings in its development investments. The credit financing agreements do not require any security from ARR and ARR has not pledged any security in favour of the agreements. During the six months ended June 30, 2024, a principal payment of \$310,000 was made on the ITF.

There were no additional cash amounts drawn on the credit facilities during the six months ended June 30, 2024. During the year ended December 31, 2023 the ITF of \$123,500,000 (of which \$117,872,000 had been drawn by GBR) was used for closing costs and return of capital totaling \$108,250,000 to the shareholders of GBR, ARR and Apollo. The borrowing is intended to finance or reimburse investments previously made in Eligible Green Collateral Projects, under the categories of "Renewable Energy Production" and "Green Technologies – Energy Storage Systems", under the Green Loan Principles administered by the International Capital Market Association. As of June 30, 2024 there was approximately \$13,512,000 of letter of credits issued on the L/C as required for debt service reserves as well as for interconnection loan agreements described above (December 31, 2023 - \$4,738,000 for debt service reserves).

In connection with the financing, GBR entered into floating-to-fixed interest rate swaps to lock in approximately 100% of the interest rate on the ITF for the full term of the debt and approximately 50% of the initial draw beyond (less principal payments made in the first five years) the maturity date through the 20 year amortization period to reduce refinancing risk. GBR expects the interest rate on the debt to be approximately 6.4% per annum, excluding financing closing costs, for the first three years and approximately 6.5% for the last two years over the initial term of the loan. As of June 30, 2024 the balance outstanding on the swap was \$121,801,000 (December 31, 2023 - \$122,107,000). GBR has applied hedge accounting

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

to this relationship whereby the change in fair value of the effective portion of the hedging derivative is recognized in accumulated other comprehensive earnings. Settlement of both the fixed and variable portions of the interest rate swap occurs on a quarterly basis. The full amount of the hedge was determined to be effective as of June 30, 2024. GBR has classified this financial instrument as a cash flow hedge and the fair value of the hedging instrument is recorded as a liability of \$3,714,000 (December 31, 2023 – \$7,959,000) on GBR's balance sheet. ARR has recorded its 50% portion of other comprehensive earnings (loss) associated with this financial instrument in the consolidated statements of comprehensive earnings.

GBR is amortizing costs attributable to securing the financing of \$8,647,000 over 5 years using an effective interest rate of 8.25%. During the three and six months ended June 30, 2024, \$392,000 and \$766,000 respectively (June 30, 2023 - \$nil) of the costs were recognized as interest expense in long term debt in the statement of loss of GBR

GBR is in compliance with debt covenants related to the financing and as at June 30, 2024 has approximately \$105,628,000 of additional liquidity remaining.

The following principal repayments for the financing are required over the next five calendar years and thereafter.

	<b>Total</b>
2024	\$ 518,000
2025	1,795,000
2026	5,119,000
2027	2,235,000
2028 & thereafter	107,895,000
	\$ 117,562,000
Less: unamortized debt costs	7,638,000
	\$ 109,924,000



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

### (e) Royalty Interests (GBR)

A summary of royalty interests held in GBR is as follows:

	As at December 31, 2023	Net additions & reclassifications	Disposals	As at June 30, 2024
<b>Renewable royalty interests</b>				
Jayhawk - Wind	\$ 8,011,000	\$ -	\$ -	8,011,000
El Sauz - Wind	8,262,000	-	-	8,262,000
Young Wind - Wind	19,875,000	-	-	19,875,000
Appaloosa - Wind	3,795,000	-	-	3,795,000
Hansford County - Wind	17,789,000	-	-	17,789,000
Clyde River - Hydro	2,185,000	-	-	2,185,000
Canyon - Wind	-	13,090,000	-	13,090,000
<b>Balance, end of period</b>	<b>\$ 59,917,000</b>	<b>\$ 13,090,000</b>	<b>\$ -</b>	<b>73,007,000</b>
<b>Accumulated amortization</b>				
Jayhawk - Wind	\$ (512,000)	\$ (134,000)	\$ -	(646,000)
Young Wind - Wind	(662,000)	(331,000)	-	(993,000)
Appaloosa - Wind	(149,000)	(63,000)	-	(212,000)
Hansford County - Wind	(592,000)	(296,000)	-	(888,000)
Clyde River - Hydro	(433,000)	(44,000)	-	(477,000)
Canyon - Wind	-	(218,000)	-	(218,000)
<b>Balance, end of period</b>	<b>\$ (2,348,000)</b>	<b>\$ (1,086,000)</b>	<b>\$ -</b>	<b>(3,434,000)</b>
<b>Net book value</b>	<b>\$ 57,569,000</b>	<b>\$ 12,004,000</b>	<b>\$ -</b>	<b>69,573,000</b>
	As at December 31, 2022	Net additions & reclassifications	Disposals	As at December 31, 2023
<b>Renewable royalty interests</b>				
Jayhawk - Wind	\$ 8,011,000	\$ -	\$ -	8,011,000
El Sauz - Wind	8,262,000	-	-	8,262,000
Young Wind - Wind	19,875,000	-	-	19,875,000
Appaloosa - Wind	4,813,000	(1,018,000)	-	3,795,000
Hansford County - Wind	17,789,000	-	-	17,789,000
Neo Geothermal - Thermal	389,000	-	(389,000)	-
Clyde River - Hydro	2,185,000	-	-	2,185,000
<b>Balance, end of period</b>	<b>\$ 61,324,000</b>	<b>\$ (1,018,000)</b>	<b>\$ (389,000)</b>	<b>\$ 59,917,000</b>
<b>Accumulated amortization</b>				
Jayhawk - Wind	\$ (245,000)	\$ (267,000)	\$ -	(512,000)
Young Wind - Wind	-	(662,000)	-	(662,000)
Appaloosa - Wind	-	(149,000)	-	(149,000)
Hansford County - Wind	-	(592,000)	-	(592,000)
Neo Geothermal - Thermal	(90,000)	-	90,000	-
Clyde River - Hydro	(345,000)	(88,000)	-	(433,000)
<b>Balance, end of period</b>	<b>\$ (680,000)</b>	<b>\$ (1,758,000)</b>	<b>\$ 90,000</b>	<b>(2,348,000)</b>
<b>Net book value</b>	<b>\$ 60,644,000</b>	<b>\$ (2,776,000)</b>	<b>\$ (299,000)</b>	<b>57,569,000</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

### (f) Key management compensation (GBR)

During the three months ended June 30, 2024 GBR paid compensation to key management personnel of \$191,000 (June 30, 2023 - \$188,000) related to salaries and benefits. During the six months ended June 30, 2024 GBR paid compensation to key management personnel and directors of \$1,085,000 (June 30, 2023 - \$989,000) related to salaries and benefits.

### (g) Commitments (GBR)

As at June 30, 2024 the following are GBR's commitments and contractual obligations, of which the Corporation's commitments would be at a 50% basis, over the next five calendar years:

	Bluestar & Nova	Hodson	Hexagon	Hexagon IC Facility	Nokomis	Total
2024	\$ 14,354,000	\$ 6,941,000	\$ 7,500,000	\$ 3,698,000	\$ 10,000,000	\$ 42,493,000
2025	4,300,000	-	7,500,000	-	6,000,000	17,800,000
2026	-	-	-	-	12,000,000	12,000,000
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
	\$ 18,654,000	\$ 6,941,000	\$ 15,000,000	\$ 3,698,000	\$ 28,000,000	\$ 72,293,000

GBR is committed under a consulting and financial advisory agreement to remit the following payments on the Hodson and Hexagon investments, until royalty funding has been completed or the agreement has been terminated:

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

The commitments detailed above are associated with the expectation of future capital calls and the timing and amounts are at the discretion of the investee. In addition, Bluestar & Nova, Hodson, Hexagon and Nokomis must achieve certain milestones for future funding to be requested. GBR's remaining commitment of \$3,698,000 on the interconnection facility with Hexagon can be drawn in tranches and matures on December 31, 2024, and a portion of this amount is permitted to be funded using the existing \$23,000,000 letter of credit facility.

On January 29, 2021 GBR committed under a short term lease on office space including operating costs for future minimum lease payments of \$40,000 per annum until the lease expires in March 2027. GBR has applied the exemptions from IFRS 16 in relation to this lease and has therefore not recorded a right-of-use asset and lease liability.

The final value of royalties assigned to GBR under the Apex agreement was to be determined six months following the commercial operation date of the associated project. Apex and the Joint Venture agreed to a true-up mechanism to be

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

used in the future in the event that the current estimates for the final value of the royalties used in determining the redemption payment differ from the actual final values determined. The true-up mechanism is based on the same valuation methodology that would have been used if the redemption did not occur. Based on the final valuation of each royalty, Apex may owe a cash payment to the Joint Venture, or vice versa. As of the date of these financial statements, the amount is indeterminate, and no amount is reflected herein.

See Note 8 for a summary of related party transactions; see Note 9 for financial instruments and fair value qualitative and quantitative analysis.

### 5. INCOME TAXES

Significant components of the deferred tax assets and liabilities are as follows:

	June 30, 2024	December 31, 2023
Non capital loss carryforwards	\$ 2,123,000	\$ 1,387,000
Carrying value of investments in excess of tax values	(11,752,000)	(10,622,000)
	\$ (9,629,000)	\$ (9,235,000)

	June 30, 2024	December 31, 2023
Deferred tax assets	\$ 2,123,000	\$ 1,387,000
Deferred tax liabilities	(11,752,000)	(10,622,000)
Total deferred income tax	\$ (9,629,000)	\$ (9,235,000)

Components of income tax recovery are as follows:

	Three months ended		Six months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Current tax	\$ -	\$ -	\$ -	\$ -
Deferred tax	(155,000)	(96,000)	(313,000)	(178,000)
	\$ (155,000)	\$ (96,000)	\$ (313,000)	\$ (178,000)

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

### 6. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended		Six months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Office and administrative	\$ 95,000	\$ 179,000	\$ 223,000	\$ 326,000
Professional fees	275,000	186,000	390,000	382,000
Management fees	160,000	128,000	324,000	255,000
Director fees	74,000	30,000	108,000	60,000
Travel and accommodations	14,000	7,000	22,000	27,000
	\$ 618,000	\$ 530,000	\$ 1,067,000	\$ 1,050,000

### 7. SHAREHOLDERS EQUITY

#### *Net loss per share*

Basic and diluted net loss per share were calculated using the weighted average number of common shares for the respective periods.

	Three months ended		Six months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Basic	30,787,607	30,782,689	30,787,607	30,782,689
Diluted	33,111,853	31,283,859	32,997,564	31,260,824

### 8. RELATED PARTY TRANSACTIONS

#### *Altius Minerals Services Agreement*

During the three months ended June 30, 2024, Altius billed the Corporation \$160,000 (C\$218,000) (June 30, 2023 - \$128,000 (C\$172,000)) for office space, management, and administrative services. During the six months ended June 30, 2024, Altius billed the Corporation \$324,000 (C\$435,000) (June 30, 2023 - \$255,000 (C\$345,000)) for office space, management, and administrative services. At June 30, 2024 and December 31, 2023 the balance owing to Altius is \$nil.

#### *GBR Services Agreement*

During the three months ended June 30, 2024, Altius billed GBR \$22,000 (June 30, 2023 - \$23,000) for finance and administrative services. During the six months ended June 30, 2024, Altius billed GBR \$45,000 (June 30, 2023 - \$45,000) for finance and administrative services. At June 30, 2024 and December 31, 2023 the balance owing to Altius is \$nil.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

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### *GBR-ARR Services Agreement*

During the three months ended June 30, 2024, GBR billed the Corporation \$24,000 (June 30, 2023- \$18,000) for support services. During the six months ended June 30, 2024, GBR billed the Corporation \$38,000 (June 30, 2023 - \$40,000) for support services. At June 30, 2024 and December 31, 2023 the balance owing to GBR is \$nil.

### *Other*

During the three months ended June 30, 2024, the Corporation paid salaries and benefits to directors of \$66,000 (June 30, 2023 - \$29,000) and recognized share-based compensation of \$196,000 (June 30, 2023 - \$124,000). During the six months ended June 30, 2024, the Corporation paid salaries and benefits to directors of \$94,000 (June 30, 2023 - \$57,000) and recognized share-based compensation of \$204,000 (June 30, 2023 - \$257,000).

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

## 9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation's financial assets and liabilities are measured at fair value on a recurring basis by level within the 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.

The Corporation does not have any financial assets and liabilities subject to the fair value hierarchy. The fair value of the Corporation's other financial instruments approximates the carrying values due to their short-term nature. The below note summarizes the financial instruments held in the Corporation's joint venture.

### *Reconciliation of Level 3 fair value measurements of financial instruments*

Refer to Note 4 for a reconciliation of the fair value measurements of the Corporation's level 3 financial assets which included renewable energy investments as well as a financial liability that are held in its joint venture. Below is a summary of the valuation technique, key inputs, significant unobservable inputs, relationship and sensitivity of these assets.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

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### *Valuation technique and key inputs*

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

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

### *Significant unobservable inputs*

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

### *Relationship and sensitivity of unobservable inputs to fair value*

The following table provides information about how the fair value of these investments, are determined and in particular, the significant unobservable inputs. Any recent acquired investments (Angelo and Nokomis) are measured at cost which approximates fair value.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to fair value	Quantitative impact
Discount rate	<p>The Corporation uses risk adjusted discount rates and or hurdle rates of return to determine the fair value of the Development Royalty Investments based on the stage of development.</p> <p>For the Operating Royalty Investments, ARR determines a discount rate based on the expected weighted average cost of capital (WACC) of the Corporation using a capital asset pricing model.</p>	<p>The lower the discount rate the higher the value of an individual royalty. The higher the discount rate the lower the value of the individual royalty.</p> <p>A 1% change in discount rates results in a change of \$7,515,000 for the Development Royalty Investments and \$12,438,000 for the Operating Royalty Investments.</p>
Timing of commercial operations	<p>For the Development Royalty Investments, there are a series of anticipated project development milestones that occur as a project approaches commercial operations. As each project development milestone nears completion or is met, the risk associated with the project reaching commercial operations decreases.</p>	<p>While the timing of commercial operations may impact the fair market value of a specific royalty, this impact on the investment is muted because of the minimum return threshold concept implicit in the investments. As a result, any delays for an individual royalty will result in a higher number of royalties being granted to the Corporation, which will offset the reduction in investment value from the delay of any individual royalty.</p>
Power prices	<p>The Corporation uses available forecast data of market power prices in order to calculate expected royalty revenue over the life of each project subject to merchant power prices. The forecasted power prices have a direct impact on forecasted annual revenue for the Corporation's Operating Royalty Investments.</p>	<p>The Operating Royalty Investments agreements are structured such that royalty rates will often vary over the life of a specific project so that the Corporation's targeted IRR threshold is met. These mechanisms effectively mute the long-term impact of merchant power prices on the valuations. Several of the Corporation's royalties are also contracted under long-term PPAs and are not exposed to market power prices. Given the minimum return threshold on the TGE investment, it is expected that the impact of power prices will be muted as declines will result in a higher number of royalties granted and thus a higher value.</p> <p>A 10% increase in power prices results in a \$2,108,000 change in valuation of the Operating Royalty Investments.</p>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Expressed in United States dollars, rounded to the nearest thousand, except per share amounts)

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### *Risk Management*

The Corporation's financial assets and financial liabilities are exposed to various risk factors that may affect the fair value presentation or the amount ultimately received or paid on settlement of its assets and liabilities. The Corporation manages these risks through prudent investment and business decisions and does not currently utilize derivative financial instruments for trading or speculative purposes.

There has been no change in the Corporation's approach to the financial instrument risks identified in the notes to annual consolidated financial statements for the year ended December 31, 2023.

### **10. SUBSEQUENT EVENTS**

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