



Condensed Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying condensed consolidated financial statements of Altius Renewable Royalties Corp. (the "Corporation") as at September 30, 2024 and for the nine months then ended, have been prepared by management of the Corporation and approved by the Corporation's Audit Committee.

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying condensed consolidated financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of the condensed consolidated financial statements by an entity's auditor.

CONDENSED CONSOLIDATED BALANCE SHEETS

Unaudited, Expressed in United States Dollars, rounded to the nearest thousand	Note	As at	
		September 30, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		\$ 62,141,000	\$ 88,716,000
Accounts receivable and prepaid expenses		2,110,000	116,000
Income tax receivable		616,000	645,000
		\$ 64,867,000	\$ 89,477,000
Non-current assets			
Interest in joint venture	4	151,575,000	125,512,000
		\$ 151,575,000	\$ 125,512,000
TOTAL ASSETS		\$ 216,442,000	\$ 214,989,000
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		1,838,000	383,000
		\$ 1,838,000	\$ 383,000
Non-current liabilities			
Deferred tax liability	5	9,120,000	9,235,000
		\$ 9,120,000	\$ 9,235,000
TOTAL LIABILITIES		\$ 10,958,000	\$ 9,618,000
EQUITY			
Shareholders' equity		205,484,000	205,371,000
		\$ 205,484,000	\$ 205,371,000
TOTAL LIABILITIES AND EQUITY		\$ 216,442,000	\$ 214,989,000

See accompanying notes to the Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

Unaudited, Expressed in United States Dollars, rounded to the nearest thousand (except per share amounts)	Note	Three months ended		Nine months ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Revenue and other income					
Interest		\$ 827,000	\$ 522,000	\$ 2,805,000	\$ 1,693,000
		\$ 827,000	\$ 522,000	\$ 2,805,000	\$ 1,693,000
Costs and Expenses					
General and administrative	6	454,000	549,000	1,521,000	1,599,000
Share based compensation		62,000	57,000	266,000	314,000
Foreign exchange loss (gain)		-	8,000	21,000	(3,000)
		\$ 516,000	\$ 614,000	\$ 1,808,000	\$ 1,910,000
Earnings (loss) before the following:		\$ 311,000	\$ (92,000)	\$ 997,000	\$ (217,000)
Share of earnings (loss) in joint venture	4	192,000	(796,000)	(1,606,000)	(1,051,000)
Earnings (loss) before income taxes		\$ 503,000	\$ (888,000)	\$ (609,000)	\$ (1,268,000)
Income tax expense (recovery)	5	48,000	(235,000)	(265,000)	(413,000)
Net earnings (loss)		\$ 455,000	\$ (653,000)	\$ (344,000)	\$ (855,000)
Earnings (loss) per share					
Basic and diluted	7	\$ 0.01	\$ (0.02)	\$ (0.01)	\$ (0.03)

See accompanying notes to the Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

Unaudited, Expressed in United States Dollars, rounded to the nearest thousand	Note	Three months ended		Nine months ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net earnings (loss)		\$ 455,000	\$ (653,000)	\$ (344,000)	\$ (855,000)
Other comprehensive (loss) earnings					
To be classified subsequently to profit or loss					
Share of revaluation of cash flow swap held in joint venture					
Gross amount	4	(2,503,000)	-	(381,000)	-
Tax effect		554,000	-	84,000	-
Net amount		\$ (1,949,000)	\$ -	\$ (297,000)	\$ -
To not be classified subsequently to profit or loss					
Share of revaluation of investments held in joint venture					
Gross amount	4	(18,000)	1,677,000	1,050,000	3,855,000
Tax effect		4,000	(367,000)	(232,000)	(843,000)
Net amount		\$ (14,000)	\$ 1,310,000	\$ 818,000	\$ 3,012,000
Total other comprehensive (loss) earnings		\$ (1,963,000)	\$ 1,310,000	\$ 521,000	\$ 3,012,000
Total comprehensive (loss) earnings		\$ (1,508,000)	\$ 657,000	\$ 177,000	\$ 2,157,000

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	Nine months ended	
		September 30, 2024	September 30, 2023
Operating activities			
Net loss		\$ (344,000)	\$ (855,000)
Adjustments for operating activities:			
Share based compensation		266,000	314,000
Income tax recovery	5	(265,000)	(413,000)
Share of loss of joint venture	4	1,606,000	1,051,000
		1,607,000	952,000
Changes in non-cash operating working capital:			
Accounts receivables and prepaid expenses		(1,994,000)	10,000
Accounts payable and accrued liabilities		1,455,000	(272,000)
Changes in non-cash operating working capital		(539,000)	(262,000)
		\$ 724,000	\$ (165,000)
Financing activity			
Net settlement of stock options		(329,000)	-
		\$ (329,000)	\$ -
Investing activities			
Investment in joint venture	4	(27,000,000)	(12,150,000)
Income taxes received		30,000	-
		\$ (26,970,000)	\$ (12,150,000)
Net decrease in cash and cash equivalents		(26,575,000)	(12,315,000)
Cash and cash equivalents, beginning of period		88,716,000	50,092,000
Cash and cash equivalents, end of period		\$ 62,141,000	\$ 37,777,000

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 September 30, 2023	-	-	-	3,012,000	(855,000)	2,157,000
Common shares issued under long term incentive plan	4,918	39,000	(73,000)	-	-	(34,000)
Share-based compensation	-	-	314,000	-	-	314,000
Balance, September 30, 2023	30,787,607	\$ 171,620,000	\$ 3,153,000	\$ 31,248,000	\$ (8,537,000)	\$ 197,484,000
Net loss and comprehensive earnings, October to December 31, 2023	-	-	-	8,073,000	(216,000)	7,857,000
Share-based compensation	-	-	30,000	-	-	30,000
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 September 30, 2024	-	-	-	521,000	(344,000)	177,000
Common shares issued under long term incentive plan	89,791	480,000	(810,000)	-	-	(330,000)
Share-based compensation	-	-	266,000	-	-	266,000
Balance, September 30, 2024	30,877,398	\$ 172,100,000	\$ 2,639,000	\$ 39,842,000	\$ (9,097,000)	\$ 205,484,000

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)

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.

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

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

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

ARR indirectly holds interests in a portfolio of 2,871 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 400 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

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 November 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.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

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 ⁽¹⁾		18,313,000
Revaluation of cash flow swap ⁽¹⁾		(3,979,000)
Balance, December 31, 2023	\$	125,512,000
Investment in joint venture		27,000,000
Share of loss		(1,606,000)
Revaluation of investments ⁽¹⁾		1,050,000
Revaluation of cash flow swap ⁽¹⁾		(381,000)
Balance, September 30, 2024	\$	151,575,000

⁽¹⁾ 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 September 30, 2024 and September 30, 2023.

During the nine months ended September 30, 2024 the Corporation invested \$27,000,000 into GBR (September 30, 2023, \$12,150,000).

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 September 30, 2024	As at December 31, 2023
Balance Sheets			
Current assets			
Cash		\$ 5,224,000	\$ 5,208,000
Loan receivable	c	3,360,000	-
Other current assets		2,758,000	2,277,000
Non-current assets			
Investments	a	\$ 323,480,000	\$ 300,315,000
Investment in associate	b	1,573,000	2,128,000
Royalty interests	e	69,464,000	57,569,000
Loan receivable	c	14,809,000	-
Total Assets		\$ 420,668,000	\$ 367,497,000
Current liabilities			
Trade and other payables		\$ 1,645,000	\$ 1,552,000
Current portion of long-term debt	d	1,678,000	828,000
Non-current liabilities			
Long-term debt	d	\$ 108,054,000	\$ 108,774,000
Derivative - cash flow swap	d	8,720,000	7,959,000
Total Liabilities		\$ 120,097,000	\$ 119,113,000

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		Nine months ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Statement of Loss and Comprehensive Earnings (Loss)					
Revenue					
Royalty revenue		\$ 4,190,000	\$ 3,868,000	\$ 11,216,000	\$ 7,803,000
Interest and investment income		912,000	19,000	1,908,000	44,000
Expenses					
General and administrative expense		\$ (1,135,000)	\$ (809,000)	\$ (3,424,000)	\$ (2,536,000)
Interest on long term debt	d	(2,622,000)	-	(7,569,000)	-
Amortization	e	(555,000)	(440,000)	(1,641,000)	(1,368,000)
Other items impacting net loss					
Gain on disposal of geothermal wells		-	-	-	132,000
Share of loss in associates	b	(407,000)	(4,231,000)	(3,703,000)	(6,178,000)
Net earnings (loss)		\$ 383,000	\$ (1,593,000)	\$ (3,213,000)	\$ (2,103,000)
Other comprehensive earnings, revaluation of investments		\$ (36,000)	\$ 3,355,000	\$ 2,099,000	\$ 7,710,000
Other comprehensive earnings, fair value adjustment of cash flow swap		(5,005,000)	-	(761,000)	-
Total comprehensive earnings (loss)		\$ (4,658,000)	\$ 1,762,000	\$ (1,875,000)	\$ 5,607,000
Statement of Cash Flows					
Operating activities		\$ 1,777,000	\$ 1,701,000	\$ 2,973,000	\$ 3,614,000
Financing activities		6,406,000	7,000,000	52,962,000	24,300,000
Investing activities		(6,110,000)	(6,310,000)	(55,919,000)	(27,720,000)
Net increase in cash and cash equivalents		\$ 2,073,000	\$ 2,391,000	\$ 16,000	\$ 194,000
Cash and cash equivalents, beginning of period		3,151,000	666,000	5,208,000	2,863,000
Cash and cash equivalents, end of period		\$ 5,224,000	\$ 3,057,000	\$ 5,224,000	\$ 3,057,000

Joint venture Agreement

During the nine months ended September 30, 2024 \$54,000,000 was funded into GBR equally by the Corporation and Apollo (September 30, 2023 – \$24,300,000). These amounts, in addition to cash on hand at GBR, was used to fund the following investments, capital calls and developer loans.

	Note	Nine months ended	
		September 30, 2024	September 30, 2023
Investments (net of return of capital)	a	\$ 45,161,000	\$ 25,905,000
Investments in associates	b	3,148,000	2,250,000
Loan receivables	c	7,610,000	-
Total		\$ 55,919,000	\$ 28,155,000

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 ⁽¹⁾	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	-	-	-	-	5,088	6,294	7,575	30,699	49,656
Reclassification to royalty interest	(13,536)	-	-	-	-	-	-	-	(13,536)
Revaluation gains (losses) through OCI	7,533	(3,484)	(1,638)	(4,151)	1,699	-	2,140	-	2,099
Reclassification to loan	-	-	-	-	(10,559)	-	-	-	(10,559)
Return of capital	-	-	-	-	-	-	(4,495)	-	(4,495)
Balance, September 30, 2024	\$ 73,826	\$ 46,135	\$ 57,629	\$ 49,720	\$ 24,850	\$ 6,294	\$ 34,327	\$ 30,699	\$ 323,480

⁽¹⁾ 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. In addition GBR has the option to receive other cash payments from Nokomis that will count towards the target rate of return.

During the nine months ended September 30, 2024 GBR invested \$6,000,000 into Nokomis and incurred acquisition costs of \$294,000 for a total investment of \$6,294,000. Subsequent to September 30, 2024 \$3,000,000 was funded by GBR into Nokomis

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

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

Hexagon Energy, LLC.

During the nine months ended September 30, 2024 GBR invested \$7,500,000 into Hexagon and incurred acquisition costs of \$75,000 (September 30, 2023 - investment of \$15,000,000, acquisition costs of \$266,000) for a net total investment at September 30, 2024 of \$25,505,000 with incurred acquisition costs of \$441,000 for a total investment of \$25,946,000 (December 31, 2023 - \$22,500,000 with incurred acquisitions costs of \$366,000 for a total investment of \$22,866,000).

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

Hodson Energy LLC

During the nine months ended September 30, 2024 GBR invested \$5,088,000 into Hodson, including acquisition costs of \$29,000 (September 30, 2023 - investment of \$10,500,000, acquisition costs of \$138,000) for a net total invested at September 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 nine months ended September 30, 2024.

Tri Global Energy LLC ("TGE")

As at September 30, 2024 and December 31, 2023 the total invested in TGE is \$47,116,000 including acquisition costs of \$616,000. During the nine months ended September 30, 2024, the Canyon Wind Royalty ("Canyon") was assigned to GBR, through its agreement with TGE, after achieving commercial operations. The fair value of \$13,536,000 was determined using a discounted cash flow model and was reclassified from investments to royalty interests.

Longroad Energy ("Longroad")

As at September 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Titan Solar ("Titan")

As at September 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.

Northleaf Capital Partners ("Northleaf")

As at September 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.

	Bluestar	Nova	Total
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	(1,203,000)	(2,500,000)	(3,703,000)
Balance, September 30, 2024	\$ 1,573,000	\$ -	\$ 1,573,000

Bluestar Energy Capital LLC & Nova Clean Energy, LLC

During the nine months ended September 30, 2024 GBR invested \$648,000 into Bluestar (September 30, 2023 - \$750,000). As at September 30, 2024 the total invested into Bluestar is \$4,846,000 (December 31, 2023 - \$4,198,000).

During the nine months ended September 30, 2024 GBR invested \$2,500,000 into Nova (September 30, 2023 - \$1,500,000). As at September 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 nine months ended September 30, 2024 GBR recorded its share of loss of \$3,703,000 in relation to these investments (September 30, 2023 - \$6,178,000).

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	4,250,000	7,610,000
Balance, September 30, 2024	\$ 3,360,000	\$ 14,809,000	\$ 18,169,000

Nova Clean Energy, LLC.

On July 24, 2024 GBR entered into a follow-on agreement with Nova to provide up to a \$40,000,000 secured term loan facility. 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. Subsequent to September 30, 2024 \$24,000,000 was funded by GBR on this facility.

Hexagon Energy, LLC.

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

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. During the nine months ended September 30, 2024 additional loans of \$4,250,000 was provided to Hodson for a total loan receivable of \$14,809,000 as of September 30, 2024. These loans mature no later than January 31, 2025.

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

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

projects are part of Red Stone's approximately 850 MW development portfolio. GBR has utilized its letter of credit facility to post deposits with PJM until the two solar projects reach certain milestones, at which point the deposits are refundable. The loan is secured, matures no later than January 31, 2025, and bears interest at rates consistent with GBR's return threshold. As part of the agreement with Red Stone, GBR has also been granted a royalty purchase option on the two solar projects. The royalty purchase option for each project expires six months after that project reaches commercial operations, with the royalty purchase price calculated based upon predetermined parameters. During the nine months ended September 30, 2024 GBR has financed \$6,012,000 of this IC using its letter of credit facility.

(d) Debt (GBR)

At amortized cost	September 30, 2024	December 31, 2023
Long-term debt	\$ 109,732,000	\$ 109,602,000
Current	1,678,000	828,000
Non-current	108,054,000	108,774,000
	\$ 109,732,000	\$ 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.

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 nine months ended September 30, 2024, principal payments of \$828,000 were made on the ITF.

There were no additional cash amounts drawn on the credit facilities during the nine months ended September 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 September 30, 2024 there was \$17,209,000 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).

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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 September 30, 2024 the balance outstanding on the swap was \$121,247,000 (December 31, 2023 - \$122,107,000). GBR has applied hedge accounting 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 September 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 \$8,720,000 (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 \$8,720,000 over 5 years using an effective interest rate of 8.25%. During the three and nine months ended September 30, 2024, \$794,000 and \$1,168,000 respectively (September 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 September 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.

	Total
2024	\$ —
2025	1,795,000
2026	5,119,000
2027	2,235,000
2028 & thereafter	107,895,000
	\$ 117,044,000
Less: unamortized debt costs	7,312,000
	\$ 109,732,000

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(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 September 30, 2024
Renewable royalty interests				
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	-	13,536,000	-	13,536,000
Balance, end of period	\$ 59,917,000	\$ 13,536,000	\$ -	\$ 73,453,000
Accumulated amortization				
Jayhawk - Wind	\$ (512,000)	\$ (200,000)	-	\$ (712,000)
Young Wind - Wind	(662,000)	(497,000)	-	(1,159,000)
Appaloosa - Wind	(149,000)	(94,000)	-	(243,000)
Hansford County - Wind	(592,000)	(445,000)	-	(1,037,000)
Clyde River - Hydro	(433,000)	(67,000)	-	(500,000)
Canyon - Wind	-	(338,000)	-	(338,000)
Balance, end of period	\$ (2,348,000)	\$ (1,641,000)	\$ -	\$ (3,989,000)
Net book value	\$ 57,569,000	\$ 11,895,000	\$ -	\$ 69,464,000
	As at December 31, 2022	Net additions & reclassifications	Disposals	As at December 31, 2023
Renewable royalty interests				
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
Balance, end of period	\$ 61,324,000	\$ (1,018,000)	\$ (389,000)	\$ 59,917,000
Accumulated amortization				
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)
Balance, end of period	\$ (680,000)	\$ (1,758,000)	\$ 90,000	\$ (2,348,000)
Net book value	\$ 60,644,000	\$ (2,776,000)	\$ (299,000)	\$ 57,569,000

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(f) Key management compensation (GBR)

During the three months ended September 30, 2024 GBR paid compensation to key management personnel of \$179,000 (September 30, 2023 - \$188,000) related to salaries and benefits. During the nine months ended September 30, 2024 GBR paid compensation to key management personnel and directors of \$1,264,000 (September 30, 2023 - \$1,177,000) related to salaries and benefits.

(g) Commitments (GBR)

As at September 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	Nova - Loan	Nokomis	Total
2024	\$ 500,000	\$ 3,191,000	\$ -	\$ 24,000,000	\$ 3,000,000	\$ 30,691,000
2025	16,827,000	-	15,000,000	16,000,000	9,000,000	56,827,000
2026	1,327,000	-	-	-	12,000,000	13,327,000
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
	\$ 18,654,000	\$ 3,191,000	\$ 15,000,000	\$ 40,000,000	\$ 24,000,000	\$ 100,845,000

GBR is committed under a consulting and financial advisory agreement to remit the following payments on the Nokomis, 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.

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 used in the future in the event that the current estimates for the final value of the royalties used in determining the

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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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:

	September 30, 2024		December 31, 2023	
Non capital loss carryforwards	\$	2,368,000	\$	1,387,000
Carrying value of investments in excess of tax values		(11,488,000)		(10,622,000)
	\$	(9,120,000)	\$	(9,235,000)

	September 30, 2024		December 31, 2023	
Deferred tax assets	\$	2,368,000	\$	1,387,000
Deferred tax liabilities		(11,488,000)		(10,622,000)
Total deferred income tax	\$	(9,120,000)	\$	(9,235,000)

Components of income tax recovery are as follows:

	Three months ended		Nine months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Current tax	\$	-	\$	-
Deferred tax	48,000	(235,000)	(265,000)	(413,000)
	\$	48,000	\$	(265,000)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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6. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended		Nine months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Office and administrative	\$ 78,000	\$ 148,000	\$ 301,000	\$ 474,000
Professional fees	(60,000)	222,000	330,000	604,000
Management fees	160,000	127,000	484,000	382,000
Director fees	253,000	31,000	361,000	91,000
Travel and accommodations	23,000	21,000	45,000	48,000
	\$ 454,000	\$ 549,000	\$ 1,521,000	\$ 1,599,000

7. SHAREHOLDERS EQUITY

Net earnings (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		Nine months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Basic	30,795,001	30,787,285	30,790,090	30,784,240
Diluted	33,245,476	31,302,955	33,086,601	31,270,098

8. RELATED PARTY TRANSACTIONS

Altius Minerals Services Agreement

During the three months ended September 30, 2024, Altius billed the Corporation \$160,000 (C\$217,000) (September 30, 2023 - \$127,000 (C\$172,000)) for office space, management, and administrative services. During the nine months ended September 30, 2024, Altius billed the Corporation \$484,000 (C\$652,000) (September 30, 2023 - \$382,000 (C\$517,000)) for office space, management, and administrative services. At September 30, 2024 and December 31, 2023 the balance owing to Altius is \$nil.

GBR Services Agreement

During the three months ended September 30, 2024, Altius billed GBR \$23,000 (September 30, 2023 - \$23,000) for finance and administrative services. During the nine months ended September 30, 2024, Altius billed GBR \$68,000 (September 30, 2023 - \$68,000) for finance and administrative services. At September 30, 2024 and December 31, 2023 the balance owing to Altius is \$nil.

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GBR-ARR Services Agreement

During the three months ended September 30, 2024, GBR billed the Corporation \$23,000 (September 30, 2023- \$17,000) for support services. During the nine months ended September 30, 2024, GBR billed the Corporation \$61,000 (September 30, 2023 - \$57,000) for support services. At September 30, 2024 the balance owing to GBR is \$23,000. (December 31, 2023 - \$nil)

Other

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

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

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.

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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.

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.

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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 \$923,000 for the Development Royalty Investments and \$12,394,000 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 \$1,784,000 change in valuation of the Operating Royalty Investments.</p>

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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.