Altius
RENEWABLE ROYALTIES

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

Years ended December 31, 2020 and 2019

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with Altius Renewable Royalties Corp. (the "Corporation", "ARR" or the "Company") consolidated financial statements for the year ended December 31, 2020 and related notes. This MD&A has been prepared as of March 25, 2021.

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

Caution Concerning Forward-Looking Statements, Forward-Looking Information

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

Caution Concerning Non-IFRS Measures

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

Additional information regarding the Corporation, including the Corporation's continuous disclosure materials, is available on the Corporation's website at www.arr.energy or through the SEDAR website at www.sedar.com.

Overview and Business Strategy

Altius Renewable Royalties Corp. is a renewable energy royalty company that invests in renewable energy developers and originators, through its joint venture, which investments generate a gross revenue royalty on a renewable energy project's revenues upon the sale of such project to an operator or long term investor in renewable energy projects. The Corporation may also invest directly in operating renewable energy projects or renewable energy projects under development also in return for a gross revenue royalty on the renewable energy project revenues.

Currently, ARR indirectly holds royalty investments related to a portfolio of more than 1,500 megawatts (MW) of development stage wind energy projects located in Texas, Nebraska, and Illinois, as well as a producing hydro-electric and solar energy royalty.

At December 31, 2020, TSX listed Altius Minerals Corporation ("Altius" or "the Parent") owned approximately 95% of the Corporation's issued and outstanding common shares. Subsequent to the year end, ARR completed an Initial Public Offering of 9,100,00 common shares following which Altius holds approximately 61% of the issued and outstanding shares of the Company.

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 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta, T2P 5C5.

The Corporation's overall performance is dependent on the industry and economy in which it operates. There are various forms of renewable power originating directly or indirectly from wind, hydroelectric, solar, biomass and geothermal sources. The renewable power industry in the U.S. is enjoying significant growth both in scale and diversity of production as it has become economically competitive with other forms of generation while also providing energy from sources that are non-polluting.

Strategy

Altius Renewable Royalties Corp.'s ("ARR" or "the Corporation") long-term strategy is to gain exposure to renewable power assets by owning and managing a portfolio of diversified renewable power royalties. The Corporation's primary approach to growing the business is to provide tailored financing solutions to renewable power project developers and operators in return for royalty on the projects gross revenues. See Appendix A – Summary of Operational and Development Renewable Energy Royalties for renewable royalties currently held by the Corporation.

In executing this strategy, the Corporation, through its joint venture in Great Bay Renewables LLC ("GBR") (see Apollo transaction in Operational Highlights), seeks interests that provide it direct exposure to revenue tied to renewable power assets, with limited marginal exposure to capital or operating costs.

ARR has identified demand for tailored financing solutions within the renewable power market in return for royalty-based financing. Royalty financing is a non-dilutive, customizable investment that can provide flexible terms at a comparatively attractive cost of capital. Traditional royalty-based financing has been used extensively in other industries, such as finite natural resource, industrial manufacturing, healthcare, and music. Furthermore, the adoption of royalty-based financing has been a major catalyst for certain industries. As a specific comparable, within the mining sector, royalty-based financing provided an alternative to traditional sources of capital, increased the overall supply of capital, and ultimately financed project development. The widespread acceptance of royalties within the mining sector fueled demand for royalty-based financing, which led to the growth of the sector itself. The Corporation believes there is a significant opportunity for royalty-based financing to play a similar role within the renewable energy sector.

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

Other than with respect to NEO Geothermal, which the Corporation does not consider to be a material asset, the Corporation does not operate renewable power assets or develop projects. ARR's business model is focused on financing development or later stage projects in order to manage and grow a portfolio of renewable power royalties. The Corporation believes that the advantages of this business model include the following:

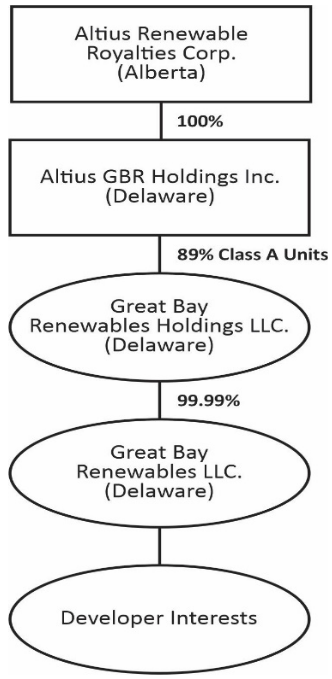
Focus and Scalability. As the Corporation's management does not handle operational decisions or tasks relating to the development of operation of renewable power projects, they are able to focus their resources on carrying out the Corporation's growth strategy of identifying and executing on renewable royalty-based investment opportunities. As such, ARR's business model allows it to be able to acquire and manage more renewable power interests than an operating company of similar size could generally effectively manage.

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

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

Summary Organizational Structure

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



As at December 31, 2020 ARR owned 89% of the joint venture and Apollo Fund own 11%. Under a joint venture agreement with Apollo Fund, Apollo Fund has the right to earn a 50% interest in in GBR by solely funding the first $80 million in approved investment opportunities made by GBR.

Operational Highlights

Selected Annual Financial Information

Expressed in United States Dollars, rounded to the nearest hundred (except per share amounts)	Year ended December 31, 2020	December 31, 2019	49 day period ended December 31, 2018
Revenue			
Attributable royalty	$ 206,900	$ 216,000	$ -
Management fee	18,000	22,000	-
Interest & investment	55,700	1,300	-
Attributable revenue (1)	$ 280,600	$ 239,300	$ -
Adjustment: joint venture revenue	(97,100)	-	-
IFRS revenue per consolidated financial statements	$ 183,500	$ 239,300	$ -
Costs and expenses	$ 3,807,300	$ 1,750,200	$ -
Adjusted EBITDA (1)	(973,800)	(919,100)	-
Net loss	(1,975,400)	(1,510,900)	-
Net loss per share - basic and diluted	$ (0.15)	$ (0.49)	$ -
Total assets	$ 71,533,500	$ 15,025,700	$ 100
Total liabilities	1,264,400	347,900	-

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

The Corporation had no results of operations during the 49-day period ended December 31, 2018 and therefore is not referenced in the below discussion.

Attributable royalty revenue was generated from two royalties during 2019 and 2020 and remained consistent period over period. Costs and expenses have increased year over year in reflection of increased business development supporting growth of the business. The growth of assets and liabilities reflects the acquisition of renewable royalty investments. See the discussion in Operational Highlights and Financial Performance and Results of Operations for activities during the year ended December 31, 2020 and 2019.

Common Equity Financing

During the year end December 31, 2020, the Corporation issued Common Shares to its parent and minority shareholders for cash proceeds of $50,070,000 (December 31, 2019 – $ 16,188,600) and $nil during the quarter ended December 31, 2020 (December 31, 2019 - $3,000,000).

The Corporation has used the funds to invest in the acquisition of GBR and to partially fund the TGE Investment and fully fund the Apex Investment.

IPO of Altius Renewable Royalties Corp.

Subsequent to December 31, 2020, on January 19, 2021 the Corporation filed and obtained a receipt for a preliminary base PREP prospectus with the securities regulatory authorities in each of the provinces and territories of Canada for an initial public offering of 9,100,000 common shares (the "IPO"). On February 25, 2021, ARR filed and obtained a receipt for a final base PREP prospectus and filed a supplemented PREP prospectus.

On March 3, 2021 the Corporation completed the IPO at a price of C$11.00 per share (the "Offering Price") for total gross proceeds of C$100,100,000. ARR granted to the Underwriters an over-allotment option to purchase up to an additional 1,365,000 Shares at the Offering Price for additional gross proceeds of up to $15,015,000 if the option is exercised in full. The over-allotment option can be exercised for a period of 30 days from the closing date of the IPO. The proceeds from the IPO will be used by the Corporation to fund additional renewable energy royalty focused investments to continue to support the growth of its renewable energy royalty business and for general corporate purposes as described in the supplemented PREP prospectus. Following the closing of the IPO the shares of the Corporation traded on the TSX under the symbol "ARR".

Joint Venture Agreement

On October 11, 2020, the Corporation, through newly created subsidiary Altius GBR Holdings, entered into the A&R LLC Agreement governing Great Bay Renewables Holdings ("GBR Holdings"), to provide for the terms of a joint venture on the GBR business in an effort to accelerate the growth of its innovative renewable power royalty business joint venture with certain funds (the "Apollo Funds") managed by affiliates of Apollo Global Management, Inc. ("Apollo"). Under the agreement structure, Apollo Fund will have the right to earn a 50% ownership interest in the GBR Joint Venture by solely funding the next $80,000,000 in approved investment opportunities in GBR (inclusive of amounts funded to date) subject to the terms and conditions of the A&R LLC Agreement. The board of directors governing the GBR Joint Venture is equally controlled by the Corporation and Apollo Fund. After the 50% ownership interest in the GBR Joint Venture has been earned by Apollo Fund, opportunities thereafter are intended to be funded equally by Apollo Fund and ARR (through Altius GBR Holdings).

The Corporation determined that as a result of the transaction with Apollo Fund it no longer controls GBR and as a result on October 11, 2020 derecognized the assets and liabilities of GBR from the consolidated balance sheet and recognized the investment retained in GBR at its fair value of $69,810,300 and recognized a gain on loss of control of $638,100. The Corporation determined that this investment is a joint venture and will use the equity method to account for this investment. ARR currently retains an 89% interest in the GBR Joint Venture and will be diluted to 50% ownership should Apollo Fund meet the funding parameters as noted in the above described agreement.

Renewable Royalties

Tri Global Energy Royalty Investment

On February 7, 2019, the Corporation announced its first renewable energy royalty transaction with Tri Global Energy LLC ("TGE"), through its subsidiary Tri Global Holdings ("TGH"). Pursuant to the TGE Agreement, the Corporation, through GBR, has the right to a 3% gross revenue royalty on each wind project created and a 1.5% gross revenue royalty on each solar project (subject to certain prescribed exceptions) until a target minimum royalty threshold is achieved. The Corporation committed to investing in tranches totaling $30,000,000 over five years as requested by TGE upon achievement of certain advancement milestones.

An initial investment of $7,500,000 was made in connection with the TGE Investment upon closing on February 6, 2019, with such investment being the first tranche under the TGE Agreement. In October 2019, TGE achieved certain milestones, making available to TGE a portion of the second tranche of funding of which the Corporation funded $3,000,000.

During the year ended December 31, 2020, and prior to the transaction with Apollo, the Corporation funded an additional $13,500,000 in connection with the TGE Investment. On October 15, 2020, as the first investment under the GBR Joint Venture (see "*GBR Joint Venture*"), GBR committed to an additional $25,000,000 towards royalty funding of TGE's portfolio of wind and solar energy development projects, bringing the total royalty capital commitment to $55,000,000. As TGE develops and sells individual projects, GBR is entitled to receive a gross revenue royalty on each project for the full life of the project, subject to certain prescribed exceptions. To date, TGE has sold nearly 1 GW of renewable energy projects subject to GBR agreements and currently has over 2 GW in its development pipeline. The total amount funded to TGE pursuant to the TGE Agreement is $31,000,000, of which $7,000,000 was invested subsequent to the transaction with Apollo.

TGE sold the 360 MW Canyon Wind project and the 400 MW Panther Grove project in separate transactions during the latter half of 2019. Under the terms of the TGE Agreement, the Corporation, through GBR, is entitled to receive a 3% gross revenue royalty on these projects. In early 2020, TGE sold the 180 MW Flatland Solar project, which includes a 1.5% gross revenue royalty contract in favour of GBR. This marked the Corporation's third renewable energy royalty entitlement, and the first related to a solar energy project, under the TGE Investment. Individual project royalties will remain in place for the life of the respective projects, including any extensions of or enhancements to such projects. See Appendix A for listing of renewable royalties.

Apex Clean Energy Royalty Investment

On March 10, 2020, pursuant to the Apex Investment, the Corporation, through GBR, entered into a $35,000,000 investment agreement with Apex Clean Energy ("Apex"), through its subsidiary Apex GBR, to obtain future royalties related to a broad portfolio of wind and solar energy development projects located across North America. The Corporation, through GBR, has the right to a 2.5% gross revenue royalty on each wind project sold and a 1.5% gross revenue royalty on each solar project (subject to certain prescribed exceptions) sold until a target minimum royalty threshold is achieved. Upon achieving certain milestones related to the vending of projects in Apex's development pipeline, mutual options become exercisable to provide additional $10,000,000 tranches of royalty investment.

Pursuant to the Apex Agreement, Apex has committed its current portfolio of renewable energy development projects, and any newly acquired projects that it develops, to this new royalty investment structure within the Corporation, excluding certain later stage portfolio projects that are already subject to sale, financing or construction commitments. As individual projects from within the development portfolio reach notice to proceed ("NTP"), the Corporation will be granted gross revenue royalties for wind energy and solar energy projects until the target minimum royalty return threshold is achieved. Each individual project royalty, once created and assigned, will encompass the full life of the project including any extensions or enhancements that might occur, subject to certain prescribed exceptions. These royalties are subject to a limited buy-out right which includes a significant premium to GBR. Individual project royalties will remain in place for the full life of the respective projects, including any extensions of or enhancements to such projects.

On March 1, 2021 GBR announced the creation of a first royalty, under its portfolio-based royalty financing with Apex. GBR is entitled to receive a 2.5% royalty on the 190 MW Jayhawk Wind project in Crawford and Bourbon Counties, Kansas and is expected to be operational later this year.

Transitional Services Agreement

On October 11, 2020, the Corporation, through GBR, and Altius Minerals Corporation ("Altius Minerals") entered into the GBR Transitional Services Agreement, pursuant to which Altius Minerals agreed to provide GBR with certain back office services including bookkeeping, accounting and treasury services as well as other services. Under the terms of the GBR Services Agreement, all bookkeeping, accounting and financial reporting services will be provided by Altius Minerals to GBR through 2020, with services provided into 2021 to be limited solely to finalizing 2020 accounting and financial reporting. The flat fee for such services is $7,500 per month. Back office treasury and cash management services for GBR will be provided until January 31, 2021 for a flat fee of $2,500 per month. Any additional out of pocket costs incurred by Altius Minerals the Parent (including director and officer insurance fees incurred on behalf of GBR prior to GBR obtaining its own director and officer insurance) will be invoiced to GBR monthly.

Services Agreements

Altius Minerals Agreement

ARR and Altius Minerals entered into a services agreement dated January 15, 2021 pursuant to which Altius Minerals will provide office space, management, and administrative services, including the services of the CEO (Brian Dalton), CFO (Ben Lewis) and corporate secretary (Flora Wood) to ARR for a monthly fee of C$50,000 plus applicable taxes beginning on February 1, 2021, which amount was calculated on a cost recovery basis, and will be reviewed and adjusted by agreement of the parties, if necessary, after three months. Following the initial review, the fees will be subject to a yearly review by the independent directors of ARR. Altius Minerals is also entitled to be reimbursed for reasonable out-of-pocket costs it incurs directly for ARR. Either ARR or Altius Minerals may terminate the Altius Minerals Services Agreement on 60 days' written notice to the other.

GBR-ARR Agreement

GBR and ARR entered into the GBR-ARR Services Agreement pursuant to which GBR has agreed to provide certain services to ARR in connection with providing support services, including communications with shareholders and stakeholders of ARR, review of public disclosure documents, assistance with the preparation of reports to the Board, attendance at Board meetings and such other services reasonably requested by ARR. As consideration for the services, ARR shall pay GBR a daily rate ranging from $800 to $2,000 for each individual providing services to ARR under the GBR-ARR Services Agreement. The GBR-ARR Services Agreement will terminate (i) on the date on which GBR has no continuing obligation to perform any services as a result of each services' expiration or termination and all fees for such services (including out of pocket costs) have been paid in full, (ii) at the election of GBR on the date that is nine months following written notice from GBR to ARR or (iii) in the event of an insolvency event of either party upon written notice of the other party.

Financial Performance and Results of Operations

Expressed in United States Dollars, rounded to the nearest hundred (except per share amounts)	Three months ended December 31, 2020	Three months ended December 31, 2019	Variance	Year ended December 31, 2020	Year ended December 31, 2019	Variance
Revenue						
Attributable royalty	$ 47,100	$ 58,800	$ (11,700)	$ 206,900	$ 216,000	$ (9,100)
Management fee	-	6,000	(6,000)	18,000	22,000	(4,000)
Interest & Investment	53,400	1,200	52,200	55,700	1,300	54,400
Attributable revenue (1)	$ 100,500	$ 66,000	$ 34,500	$ 280,600	$ 239,300	$ 41,300
Adjustment: joint venture revenue	(97,100)	-	(97,100)	(97,100)	-	(97,100)
IFRS revenue per consolidated financial statements	$ 3,400	$ 66,000	$ (62,600)	$ 183,500	$ 239,300	$ (55,800)
Costs and expenses	$ (517,600)	$ (510,800)	$ (6,800)	$ 3,807,300	$ 1,750,200	$ 2,057,100
Adjusted EBITDA (1)	(201,600)	(285,800)	84,200	(973,800)	(919,100)	(54,700)
Net earning (loss)	844,200	(444,800)	1,289,000	(1,975,400)	(1,510,900)	(464,500)
Net earnings (loss) per share - basic and diluted	$ 0.05	$ (0.11)	$ 0.16	$ (0.15)	$ (0.49)	$ 0.34
Total assets	$ 71,533,500	$ 15,025,700	$ 56,507,800	$ 71,533,500	$ 15,025,700	$ 56,507,800
Total liabilities	1,264,400	347,900	916,500	1,264,400	347,900	916,500

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

Revenue and Other Income

Expressed in United States Dollars, rounded to the nearest hundred	Three months ended			Year ended		
Attributable Revenue	December 31, 2020	December 31, 2019	Variance	December 31, 2020	December 31, 2019	Variance
Renewables						
Clyde River	$ 37,100	$ 49,000	$ (11,900)	$ 164,700	$ 179,500	$ (14,800)
Geothermal wells	10,000	9,800	200	42,200	36,500	5,700
Other						-
Interest and investment	53,400	1,200	52,200	55,700	1,300	54,400
Management fee	-	6,000	(6,000)	18,000	22,000	(4,000)
Attributable royalty revenue	$ 100,500	$ 66,000	$ 34,500	$ 280,600	$ 239,300	$ 41,300

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

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

The Corporation believes it will have adequate liquidity to support its operations and meet its financial obligations for the next twelve months. The Corporation entered into a joint venture with Apollo Fund, which granted Apollo Fund the right to earn a 50% ownership interest in GBR by solely funding the next $80,000,000 in approved investment opportunities in GBR. The Corporation also has completed an initial public offering and has significant cash on hand.

The Corporation's revenues may be impacted by electricity prices and as such a fluctuation in those prices could have a material effect on the Corporation's revenues and resulting profit or loss. Additionally, costs and the viability of renewable power projects are crucial to the Corporation's operations. Any factor affecting costs of developing a project or affecting the generation output of projects could significantly impact the Corporation's revenues.

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

During the year and quarter ended December 31, 2020, the Corporation's revenue on Clyde River was lower than the 2019 comparable periods on account of lower water flow due to less precipitation and less resulting hydroelectric production. There was slightly lower pricing pertaining to the geothermal wells in the three-month period ended September 30, 2020. The Corporation's revenue on geothermal wells was higher during the year and quarter ended December 31, 2020 as compared to the respective periods in 2019 due to an annual increase in thermal energy price rate and increased production of thermal renewable energy credits.

Management fees, from a third party related to the provision of office and administrative support, were slightly lower for the year and $nil for the quarter as a result of those services ceasing at the end of Q3 2020. Interest and investment income for the 2020 year and fourth quarter included a $60,000 distribution from TGE.

Costs and Expenses

Expressed in United States Dollars, rounded to the nearest hundred	Three months ended			Year ended		
Costs and Expenses	December 31, 2020	December 31, 2019	Variance	December 31, 2020	December 31, 2019	Variance
Share-based compensation	$ -	$ -	$ -	$ 2,301,800	$ -	$ 2,301,800
Salaries and wages	18,800	247,500	(228,700)	712,700	824,700	(112,000)
Amortization of intangible asset	-	131,800	(131,800)	395,500	483,400	(87,900)
Professional fees	52,300	102,900	(50,600)	217,600	224,400	(6,800)
Amortization of renewable royalty interests	-	27,800	(27,800)	83,300	101,800	(18,500)
Office and administrative	2,600	22,200	(19,600)	69,200	76,100	(6,900)
Travel and accomodations	-	9,200	(9,200)	26,400	33,200	(6,800)
Foreign exchange loss (gain)	-	(600)	600	800	6,600	(5,800)
	$ 73,700	$ 540,800	$ (467,100)	$ 3,807,300	$ 1,750,200	$ 2,057,100

The Corporation's share based compensation expense of $2,301,800 during the year ended December 31, 2020 is a result of the issuance of stock options to founding employees and a director for a value of $1,346,500 and the issuance of warrants to Altius Minerals of $955,300. Stock options were issued to the operating management team of GBR after the successful closing of the two renewable royalty acquisitions – TGE and Apex (as discussed above). These options and warrants are exercisable into Common Shares of the Corporation. There were no stock options issued during the year ended December 31, 2019 or during the quarter ended December 31, 2020. Warrants were issued to Altius Royalty Corporation for accumulated management services provided, and these were fair valued using an option pricing model in the year ended December 31, 2020. There were no such warrants issued in 2019 or during the quarter ended December 31, 2020.

Salary and wages payable to the GBR employees for the quarter and year ended December 31, 2020 were lower than the comparable year periods as a result of the division of costs after the creation of the joint venture. For most of the fourth quarter, the Corporation accounted for its ownership in GBR using the equity method and reported its results as loss in joint venture. During the current year, there was also an increase of directors' fees included in the year ended December 31, 2020 as compared to the same period in 2019 due to slight increase in compensation.

Amortization of intangible assets relates to the amortization of non-compete agreements resulting from the acquisition of GBR. The non-compete agreement is being amortized over its useful life of 4 years and are lower for both the quarter and year ended December 31, 2020 as compared to the 2019 periods. The decrease is reflective of the Apollo transaction resulting in the Corporation accounting for its ownership in GBR using the equity method and reporting their results as loss in joint venture.

Professional fees incurred during the quarter ended December 31, 2020 are lower than the same period in 2019 as a result of the Corporation accounting for its ownership in GBR using the equity method and reported their results as loss in joint venture. On year over year basis, the professional fees are comparable as a result of ongoing corporate development efforts that persisted through 2020.

Amortization of renewable royalty interests are for royalty interests acquired through the purchase of GBR. These assets are being amortized over useful lives of 17 and 25 years and the expense is lower for both the quarter and year ended December as compared to the 2019 periods. For most of the fourth quarter, the Corporation accounted for its ownership in GBR using the equity method and reported their results as loss in joint venture.

Office and administrative and travel and accommodation costs incurred during the quarter ended December 31, 2020 were lower than the same period in 2019 as a result of the Corporation accounting for its ownership in GBR using the equity method and reported its results as loss in joint venture. On year over year basis, office and administrative costs were comparable.

On year over year basis, office and administrative costs are comparable as a result of ongoing business growth. Travel and accommodation costs during the year ended December 31, 2020 were comparable to the same period in 2019 as the majority of travel was incurred in the first quarter of 2020, before COVID-19 travel restrictions were in place.

Foreign exchange differences for the three months and years ended December 31, 2020 and 2019 reflects changes in the value of foreign currencies held in bank accounts (Canadian dollars) and exchange rate differences relating to amounts paid.

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

Expressed in United States Dollars, rounded to the nearest hundred	Three months ended			Year ended		
	December 31, 2020	December 31, 2019	Variance	December 31, 2020	December 31, 2019	Variance
(Gain) on loss of control of a subsidiary	$ (638,100)	$ -	$ (638,100)	$ (638,100)	$ -	$ (638,100)
Dilution (gain) on issuance of equity in joint venture	(226,600)	-	(226,600)	(226,600)	-	(226,600)
Share of loss in joint venture	273,500	-	273,500	273,500	-	273,500
	$ (591,200)	$ -	$ (591,200)	$ (591,200)	$ -	$ (591,200)
Income tax (recovery) expense	$ (383,200)	$ -	$ (383,200)	$ (1,057,100)	$ -	$ (1,057,100)

During the quarter and year ended December 31, 2020, the Corporation determined that as a result of the transaction with Apollo it no longer controlled the GBR subsidiary and has derecognized the assets and liabilities of GBR from the consolidated balance sheet and recognized the investment retained in GBR at its fair value of $69,810,300 and a dilution gain on loss of control of $638,100 on October 11, 2020. ARR retained a 91% interest in the GBR Joint Venture.

The GBR joint venture received funds from Apollo during the quarter ended December 31, 2020 as noted above and, as a result, the Corporation's ownership in the joint venture was diluted to 89% and a dilution gain of $226,600 was recognized.

The Corporation recorded its share of losses of GBR at December 31, 2020 for $273,500. The Corporation also recorded its portion of unrealized gains on investments held in GBR of $1,044,200 in other comprehensive earnings for the period ended December 31, 2020. Summarized financial information pertaining to GBR is included in Note 6 to the annual consolidated financial statements. During the 81 day period ended December 31, 2020, GBR incurred a loss of $307,400, attributable royalty revenue of $49,200 and other income of $60,000, general and administrative costs of $257,000 and amortization of $159,600. In addition, GBR recognized unrealized gains on their investments of $1,653,600. GBR used cash from operations of $40,600, investing cash inflows of $7,051,100 relating to Apollo's funding of the joint venture and financing cash outflows of $7,080,200 relating to additional investments in TGE, ending the period with $657,700 in cash.

Income tax recoveries were recorded in the three months and year ended December 31, 2020 relating to certain deferred tax assets which were not recognized during the comparable periods in 2019.

Summary of Quarterly Financial Information

The table below outlines select financial information related to the Corporation's most recent quarters. The financial information is extracted from the Corporation's unaudited condensed consolidated financial statements and should be read in conjunction with those statements and the annual audited consolidated financial statements. For the quarters presented below royalty and other income was generated from the Clyde River royalty and geothermal wells and is generally consistent on pricing, production and water flow. Net loss and net loss per share reflects revenue and costs and expenses and the underlying growth of the business over these periods. See additional discussion in Financial Performance and Results of Operations above.

Expressed in United States Dollars, rounded to the nearest hundred		December 31, 2020		September 30, 2020		December 31, 2019		September 30, 2019		December 31, 2018
Attributable revenue [1]	$	100,500	$	40,200	$	66,000	$	49,700	$	-
Adjusted EBITDA [1]		(201,600)		(295,700)		(285,800)		(226,400)		-
Net earnings (loss)		844,200		(349,700)		(444,800)		(386,000)		-
Net earnings (loss) per share - basic and diluted	$	0.05	$	(0.02)	$	(0.11)	$	(0.12)	$	-

** There are no additional quarters available for disclosure*

(1) Non IFRS measures section for definition and reconciliation

Liquidity and Cash Flows

At December 31, 2020, the Corporation relied primarily upon common equity issuances to its parent company Altius Minerals.

Subsequent to December 31, 2020, the Corporation raised C$100,100,000 in its initial public offering. The Corporation believes it will have adequate liquidity to support its operations and meet its financial obligations for at least the next twelve months.

As at December 31, 2020, the Corporation had current assets of $299,100 (December 31, 2019 - $281,600), including cash and cash equivalents of $19,200 (December 31, 2019 - $196,100) and current liabilities of $424,400 (December 31, 2019 - $347,900) including a balance payable to its parent of $164,500 (December 31, 2019 - $290,700). At December 31, 2020 and 2019, the Corporation had a working capital deficiency and continued to receive support from its parent, Altius Minerals until its initial public offering.

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

Expressed in United States Dollars, rounded to the nearest hundred	Year ended			
Summary of Cash Flows		December 31, 2020		December 31, 2019
Operating activities	$	(803,200)	$	(913,300)
Financing activities		50,498,300		16,479,300
Investing activities		(49,872,000)		(15,369,900)
Net increase in cash and cash equivalents		(176,900)		196,100
Cash and cash equivalents, beginning of year		196,100		-
Cash and cash equivalents, end of year	$	19,200	$	196,100

Operating Activities

Use of cash to fund operations for the year ended December 31, 2020 is lower than the comparable year ended December 31, 2019, which is consistent with a decrease in expenses as noted above in *"Costs and Expenses"*. The differences for the periods presented between operating cash flow and costs and expenses are impacted by non-cash items and working capital changes.

Financing Activities

During the year ended December 31, 2020, the Corporation received proceeds from the issuance of Common Shares of $50,070,000, as compared to $16,188,600 during the same year in 2019. The Corporation also received proceeds from a related party loan of $428,300 compared to $290,700 during the year ended December 31, 2020 and 2019 respectively.

Investing Activities

The Corporation funded $13,686,300 (which included $186,300 of acquisition costs) and $10,686,200 (which included $186,200 of acquisition costs) pursuant to the TGE Agreement during the year ended December 31, 2020 and 2019, respectively. During the year ended December 31, 2020, the Corporation invested $35,458,300 (which included $458,300 of acquisition costs) pursuant to the Apex Agreement and $nil during the comparable period in 2019. During the fourth quarter of 2020, upon completing the transaction with the Apollo Funds, the Corporation derecognized GBR's assets and liabilities, including $727,400 in cash. During the 2019 year, the Corporation acquired GBR for $5,000,000, net of cash assumed on acquisition of $316,300, for a total of $4,683,700.

Commitments and Contractual Obligations

As at December 31, 2020, the following are the Corporation's commitments and contractual obligations over the next 5 years:

	TGE	Mgmt services agreement	Total
2021	$ 21,190,000	$ 441,700	$ 21,631,700
2022	3,000,000	-	3,000,000
2023	-	-	-
2024	-	-	-
2025	-	-	-
	$ 24,190,000	$ 441,700	$ 24,631,700

The Corporation has committed to the TGE Investment, in tranches, a total of up to $24,000,000 that is anticipated to be funded over the next two years as certain milestones are achieved under the TGE Investment. Since the Corporation's timeline for the investments pursuant to the TGE Agreement is milestone based, the investment amounts may vary year to year and the amounts included in the above table are estimates.

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

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

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

Off Balance Sheet Arrangements

The Corporation does not have any off balance sheet arrangements.

Related Party Transactions

During the year ended December 31, 2020 the Corporation received an advance of $428,300 (December 31, 2019 - $290,700) from its parent. At December 31, 2020, $164,500 remains owing. During the year ended December 31, 2020, $554,500 of this amount was converted to 136,615 common shares at a price of $4.00 per common share.

During the year ended December 31, 2020 the Corporation paid compensation to key management personnel and directors of $298,200 (December 31, 2019 - $231,400) related to salaries and benefits and included $1,346,500 (December 31, 2019 - $nil) in share-based compensation.

During the year ended December 31, 2020, Altius Minerals Corporation billed the GBR joint venture $26,700 (December 31, 2019 - $nil) for finance and administrative services.

These related party 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 related parties.

Significant Accounting Policies

The preparation of financial statements in accordance with IFRS requires management to establish accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenues and expenses during the reporting period. The Corporation's significant accounting policies are described in Notes 2 and 3 to the annual financial statements for the year ended December 31, 2020. The Corporation's significant accounting policies are as follows:

Going Concern

The consolidated financial statements have been prepared on a going concern basis. The ability to continue operations in the normal course of business is dependent on several factors, including the Corporation's ability to secure funding.

The Corporation has continued financial support from its ultimate parent, Altius Minerals, and management is exploring all available options to secure funding, including equity financing and strategic partnerships. Parent or outside investment is required to meet existing commitments primarily for continued growth of the business. The ongoing operating expenses and working capital requirements, including corporate development, would be nominal if growth was not anticipated. Ultimately, the Corporation must raise additional funds on favorable terms as well as generate sufficient revenue based on project lead times from development stage investments into royalties. The Corporation believes it will have adequate liquidity to support its operations and meet its financial obligations for the next twelve months. The Corporation has entered into the GBR Joint Venture with Apollo Fund, pursuant to which Apollo Fund has the right to earn a 50% interest in the GBR Joint Venture by solely funding the next $80,000,000 in approved investment opportunities in GBR following the entering into of the A&R LLC Agreement. The $80,000,000 million in approved investment opportunities includes amounts Apollo Fund has funded to date. Apollo Fund's interest in the GBR Joint Venture is based on the amount of capital contributions made by Apollo Fund to GBR Holdings. The Corporation has applied judgement in assessing funding to be provided by Apollo Fund and its parent (from existing liquidity and cash flow from operations). Subsequent to year end, the Corporation participated in an initial public offering and received gross proceeds of C$100,100,000 less underwriters' commission of C$6,006,000 for net proceeds of C$94,094,000.

The financial statements do not include any additional adjustments to the recoverability and classification of certain recorded asset amounts, classification of certain liabilities and changes to total comprehensive loss that might be necessary if the Corporation was unable to continue as a going concern.

Impairment of interest in joint venture

At each reporting date the carrying amounts of the Corporation's interests in joint ventures are reviewed to determine whether there is any indication that those assets are impaired. If an impairment indicator exists, the Corporation then must determine its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use, which is the present value of future cash flows expected to be derived from the asset.

In assessing value in use, the estimated future cash flows are discounted to their present value, using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in the consolidated statement of earnings. If an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in impairment in the statement of earnings.

Business combinations and goodwill

Applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition-date fair value. The excess, if any, of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of the acquisition-date fair values often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of royalty interests and other intangible assets acquired generally require a high degree of judgment, and include estimates of expected production levels, future prices, useful lives and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill in the purchase price allocation. Acquisition related costs are recognized in the statements of loss and comprehensive loss in the year of acquisition.

Goodwill is measured as the excess of the sum of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated goodwill impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Corporation's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit ("CGU") to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in total loss and comprehensive loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Investments

Under IFRS 9 – Financial Instruments, on initial recognition, the Corporation may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive earnings. The cumulative gain or loss is not reclassified to the statement of earnings on disposal of the equity investments, instead, it is transferred to retained earnings.

Impairment of renewable royalty interests

At each reporting date the carrying amounts of the royalties held by the Corporation are reviewed to determine whether there is any indication that those assets are impaired. If an impairment indicator exists, the Corporation then must determine its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use, which is the present value of future cash flows expected to be derived from the asset.

In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in the consolidated statement of loss and comprehensive loss. If an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in impairment in the consolidated statement of loss and comprehensive loss.

Intangible assets – renewable royalty interests

Royalty interests acquired are recognized separately from goodwill if the asset is separable or arises from contractual or legal rights. These intangible assets are also recognized when acquired individually or with a group of other assets. Royalty interests are initially recorded at their estimated fair value. Intangible assets with a finite life are amortized on a straight-line basis over their useful economic lives of 17-25 years as appropriate with the amortization expense included in the consolidated statements of loss and comprehensive loss. Intangible assets that are not yet ready for use are not amortized until available for use. All intangible assets are reviewed for impairment indicators at each reporting period. The useful lives are reviewed at each reporting period to ensure no adjustments are needed. The Corporation has no identifiable intangible assets for which the expected useful life is indefinite.

Intangible asset – other

Other intangible assets are initially recorded at their estimated fair value based on consideration paid to acquire the asset or recognized separately from goodwill if the asset is separable or arises from contractual or legal rights. These intangible assets have finite lives and are amortized over their useful economic lives on a straight-line basis over four years, the term of the non-competition agreement. The amortization expense is included in the consolidated statements of loss and comprehensive loss. All intangible assets are reviewed for impairment indicators at each reporting period. The useful lives are reviewed at each reporting period to ensure no adjustments are needed.

Critical Accounting Estimates

Areas requiring the use of management estimates include business combinations and related purchase price allocations, share based compensation including inputs to calculate such as interest rates and volatility, useful lives assessment for amortization and depletion of the renewable royalty interests and intangible assets, deferred income taxes and the consideration that deferred tax assets recorded meet the criteria for recognition, and the assumptions used in the determination of the fair value measurement and valuation process for investments in which there is no publicly traded market including key inputs, significant unobservable inputs and the relationship and sensitivity of those inputs to fair value. Details of the Corporation's critical accounting estimates can be found in Note 3 of the annual financial statements. The Corporation's critical accounting estimates are described further below.

Business combinations

For business combinations, the Corporation must make assumptions and estimates to determine the fair value of consideration paid and the purchase price allocation of the business being acquired. To do so, the Corporation must determine the acquisition-date fair value of the identifiable assets acquired, including intangible assets and liabilities assumed. Among other things, the determination of these fair market values involves the use of discounted cash flow analyses including key judgements such as discount rates and timing of cash flows. Goodwill, if any, is measured as the excess of the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree over the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date. These assumptions and estimates have an impact on the asset and liability amounts recorded in the consolidated balance sheet on the acquisition date. In addition, the estimated useful lives of the acquired amortizable assets, the identification of intangible assets and the determination of the indefinite or finite useful lives of intangible assets acquired will have an impact on the Corporation's future earnings.

Income taxes

The Corporation has available unused operating losses and temporary timing differences as disclosed in Note 8 to the annual financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that all or part of the related tax benefit will be realized.

Share-based compensation

The compensation cost for options granted to employees and directors is determined based on the estimated fair value of those instruments at the time of the grant using the Black-Scholes option pricing model and is amortized over the vesting period with an offset to share-based payment reserve. When options are exercised, the corresponding share-based payment reserve and the proceeds received by the Corporation are credited to share capital. At each reporting date the Corporation revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognized in the consolidated statement of earnings such that the cumulative expense reflects the revised estimate with a corresponding adjustment to reserves.

Warrants

Warrants issued without consideration or for good and services provided are considered equity and not recorded until exercised by the holder and do not violate the fixed for fixed concept. The Corporation then recognizes the proceeds and issuance of shares. Warrants issued for goods or services received are measured at fair value at the date of issue using the Black-Scholes pricing model, which incorporates certain input assumptions including the warrant price, risk-free interest rate, expected warrant life and expected share price volatility. The fair value is included as a component of equity and is transferred from warrants to common shares on exercise. Warrants exercised for settlement of financial liabilities results in the extinguishment and derecognition of the liability and the issuance of common shares.

Investments in joint ventures

The Corporation's joint venture holds renewable royalty interests and investments in renewable royalties. The renewable royalty interests are recorded straight line over the expected life of the asset. The investments in renewable royalties are recorded at fair value. The estimates used for amortization and fair value affect the related amount of the equity pickup and the assessment of the recoverability of the carrying value of these investments in joint ventures The Corporation has the ability to jointly control the relevant activities of these joint arrangements and has classified these as joint ventures.

Fair value measurements and valuation processes

Some of the Corporation's assets and liabilities are measured at fair value for financial reporting purposes and at each reporting date determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Corporation uses market-observable data to the extent it is available. The Corporation measures fair value by level using a fair value hierarchy.

Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; inputs that are derived principally from or corroborated by observable market data by correlation or other means; and estimates of expected volatility, expected life and expected risk-free rate of return; and

Level 3 – valuation techniques with significant unobservable market inputs. Amounts allocated to level 3 consist of acquisitions during the year.

Some of the Corporation's assets and liabilities are measured at fair value for financial reporting purposes and at each reporting date determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Corporation uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Corporation uses an income approach valuation methodology such as discounted cash flows and net present valuation calculations. During the year ended December 31, 2020, the Corporation recorded an unrealized gain on investments of $3,596,200 (December 31, 2019 - $nil) and an unrealized gain on investments held in joint venture of $1,044,200 (December 31, 2019 - $nil).

Valuation technique and key inputs

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

Internal Control over Financial Reporting

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The certifying officers have evaluated the effectiveness of the Corporation's internal control over financial reporting as of December 31, 2020 and have concluded that such controls are adequate and effective to ensure accurate and complete financial reporting in public filings. The consolidated financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out in the notes to the consolidated financial statements for the year ended December 31, 2020.

Evaluation and Effectiveness of Disclosure Controls and Procedures

The Corporation has established and maintains disclosure controls and procedures over financial reporting. The certifying officers have evaluated the effectiveness of the issuer's disclosure controls and procedures as of December 31, 2020 and have concluded that such procedures are adequate and effective to ensure accurate and complete disclosures in public filings. There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Financial instruments

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, where the exposure is deemed too high, the Corporation may enter into derivative contracts to reduce this exposure. The Corporation does not utilize derivative financial instruments for trading or speculative purposes.

A summary of the major financial instrument risks and the Corporation's approach to the management of these risks are included below.

Credit risk

Credit risk is the risk that a third-party might fail to fulfill its performance obligations under the terms of a financial instrument. Credit risk arises from cash and cash equivalents and receivables. The Corporation closely monitors its financial assets, including the receivables from royalty operators who are responsible for remitting royalty income.

The Corporation's cash and cash equivalents are held in fully segregated accounts and include only Canadian and U.S. dollar instruments. The Corporation does not expect any liquidity issues or credit losses on these instruments.

Foreign currency risk

Foreign currency rate risk is the risk that the fair value of future cash flows will fluctuate because of the changes in foreign exchange rates. The Corporation has a portion of its cash denominated in Canadian dollars for certain working capital items and corporate costs. The Corporation does not enter into any derivative contracts to reduce this exposure and maintains limited balances in other currencies. The foreign currency loss incurred was $800 and $6,600 for the years ended December 31, 2020 and 2019 respectively.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation receives continuing financial support from Altius Minerals, its ultimate parent, to ensure adequate working capital and future cash flows and continues to explore external funding options and believes that it is able to meet current and future obligations. This conclusion could change with a significant change in the operations of the Corporation or as a result of other developments including any unforeseen changes in the Corporation's relationship with Apollo Fund. See discussion in Liquidity section above.

Other price risk

The value of the Corporation's investments is exposed to fluctuations in price depending on a number of factors, including general market conditions, Corporation-specific operating performance and the success of the sale of projects. The Corporation does not utilize any derivative contracts to reduce this exposure.

Other Risk Factors and Key Success Factors

An investment in securities of the Corporation involves a significant degree of risk that should be considered prior to making an investment decision. In addition to discussions of risk factors and business issues elsewhere in this MD&A, the investor should consider the following risk factors:

Risks Relating to the Corporation's Business, Industry and Operating Environment

Dependency on Renewable Power Generation Facility Owners for the Operation of Power Generation Facilities

The operations of the power generation facilities in which the Corporation holds royalty interests will be dependent upon the facility owner or operator of the renewable power generation facility (collectively, the "Facility Owner"), and the Corporation has no input as to how these facilities are operated. As a result of the Corporation's operating model, the Corporation's future cash flow is dependent upon the activities of the Facility Owners. Such Facility Owners: (i) may have business interests or targets that are inconsistent with those of the Corporation; (ii) may take action contrary to the Corporation's policies or objectives; (iii) may be unable or unwilling to fulfill their obligations under their agreements with the Corporation; (iv) may be unable or unwilling to comply with the underlying power or electricity purchase or sale agreement between the owner of a facility generating electricity and a third-party acquirer of electricity ("PPA"); or, (v) may experience financial, operational or other difficulties, including insolvency, which could limit the Facility Owner's ability to perform its obligations under the royalty agreement. Any such action could have a material adverse effect on the Corporation's future profitability, results of operations and financial condition.

Dependency on Renewable Power Generation Facility Owners for the Development of Power Generation Facilities

The development of the power generation facilities that are not yet operational and in which the Corporation will hold royalty interests will be dependent upon the Facility Owner's ability to complete the development, raise financing, complete construction and place the facility into operation at the name plate capacity, and the Corporation will have no input as to how these facilities will be developed, financed or constructed. The anticipated timing of the phases of development of power generation facilities may materially differ from the Corporation's expectations. While the Corporation has made efforts to mitigate its exposure to risk over the longer term by structuring contracts based on a return threshold calculation, the failed development or a material delay in the development, financing, construction or start of operations at a power generation facility could have a material adverse effect on the Corporation's profitability, results of operation and financial condition over the short or medium term.

Dependency on Sale of Renewable Power Projects to Third Parties

The Corporation, through its subsidiary GBR, has provided and will provide (based on the achievement of certain milestones, where applicable) a portion of the development capital to TGE and Apex to finance the advancement of each developer's portfolio of development stage renewable power projects. In exchange for the Corporation's investment, GBR will be entitled to a newly created contractual royalty on each project that is sold by such developer to a third-party or affiliate. While the Corporation's ability to receive royalties for its investments is not tied to any particular project being successfully developed and sold and while the Corporation has conducted extensive due diligence concerning the financial viability of TGE and Apex, the Corporation's ability to receive royalties is and will be contingent upon TGE and Apex's overall ability to successfully sell projects to third-party operators or an affiliate, while also continuing to meet their own financial and liquidity requirements. The Corporation has negotiated contractual protections in an effort to mitigate risks associated with bankruptcy or insolvency, however, certain of the Corporation's rights in this regard may be subordinated to senior lenders. Currently, the TGE and Apex relationships account for the vast majority of the Corporation's expected future royalty revenue. Any failure or delay in the ability of TGE and Apex to sell any of their respective projects or any material decline in the financial viability of TGE or Apex could have a material adverse effect on the Corporation's profitability, results of operations and financial condition. Historical project sales do not necessarily predict the likelihood of future project sales or future performance of the Shares. See "*TGE Investment*" and "*Apex Investment*".

Limited Access to Data and Disclosure Regarding the Operation of Power Generation Facilities

As a royalty holder, the Corporation will be entitled to audit the books and records of the Facility Owners on a periodic basis and may have rights to access and inspect the power generation facilities. These rights will provide the Corporation with further insight into the operations from time to time and will assist in confirming compliance with the royalty agreements. However, the Corporation is not, and will not be, the owner or operator of any of the power generation facilities underlying its current or future royalties. Consequently, unless otherwise provided for under contract, the Corporation will have limited periodic access to data on the underlying operations or to the underlying facilities themselves. This could affect its ability to assess the value of a royalty on a timely basis and performance of the royalty agreements with the Facility Owners. In addition, royalty agreements may be subject to confidentiality arrangements that govern the disclosure of information with regard to royalties and as a result the Corporation may not be in a position to publicly disclose non-public information with respect to certain royalties. The limited and potentially delayed access to data and disclosure regarding the operations of the properties in which the Corporation has an interest may restrict the Corporation's ability to assess the value or enhance its performance, which may result in a material and adverse effect on the Corporation's profitability, results of operation and financial condition and may limit the Corporation's ability to allow investors to assess the value of the Corporation.

Reliance on Facility Owner Reporting and Information

The Corporation relies on public disclosure and other information regarding the power generation facilities it receives from the Facility Owners. The Corporation must rely on the accuracy and timeliness of the public disclosure and other information it receives from the Facility Owners of the power generation facilities, and use such information in its analyses, forecasts and assessments relating to its own business and to prepare its disclosure with respect to the royalties. Further, the Corporation relies on information provided by the Facility Owners to determine the fair market value and return thresholds for the royalty arrangements. If the information provided by the Facility Owners to the Corporation contains material inaccuracies or omissions or is not released in a timely manner, the Corporation's revenues may be adversely affected, its financial disclosure and calculations may be inaccurate, and its ability to accurately forecast or achieve its stated financial forecasts and objectives may be materially impaired, which may have a material adverse effect on the Corporation.

Dependency on Facility Owners for the Calculation of Royalty Amounts

The amounts deliverable under the royalty agreements are calculated by the Facility Owners of the power generation facilities based on electricity produced and sold at the revenue meter, and renewable power credits sold. Each Facility Owner's calculation of royalty amounts is subject to and dependent upon the adequacy and accuracy of its production and accounting functions, and errors may occur from time to time in the calculations made by a Facility Owner. In certain instances, the Corporation may not have the contractual right to receive production information for all of its royalties. As a result, the Corporation's ability to detect errors in royalty amounts may be limited, and the possibility exists that the Corporation will need to make retroactive revenue adjustments in respect of royalties and if not detected may adversely affect receipt of proper entitlements. Some of the royalty agreements provide the right to audit the operational calculations and production data for the associated royalty amounts; however, such audits may not occur until many months following recognition of the royalty revenue and may require the Corporation to adjust revenue in later periods.

Delay or Failure of Royalty Payments

The Corporation will be dependent to a large extent upon the financial viability and operational effectiveness of Facility Owners. Payments from production generally flow through the Facility Owner and there is a risk of delay in receiving such revenues or the reduction of such revenues from those anticipated by the Corporation. Payments may be delayed or reduced by a variety of causes including damage sustained to the power generation facilities, accidents at the power generation facilities, recovery by the operators of expenses incurred in the operation of the power generation facilities, or the insolvency of the operator. A material delay or failure to receive any royalty payments from the owners and operators may result in a material adverse effect on the Corporation's profitability, results of operation and financial condition. Such delays or failures may also impact the Corporation's ability to achieve its anticipated minimum return threshold.

Subordinated or no Security Interest

The Corporation's rights to payment under the royalties must, in most cases, be enforced by contract, and may or may not include the protection of a security interest over property that the Corporation could readily liquidate, and if such security interest exists it may be further subordinated to other sources of financing. The Corporation's rights under the royalties will not constitute an interest in land. This may affect the Corporation's ability to collect outstanding royalties upon a default. In the event of a bankruptcy or insolvency of a Facility Owner, the Corporation may be treated like any other unsecured creditor or be subordinated to other creditors, and therefore have a limited prospect for full recovery of royalty revenue.

Royalty and Other Interests May Not Be Honored by Facility Owners

The Corporation's royalty and other interests in renewable power projects are largely contractually based. Parties to contracts do not always honor contractual terms and contracts themselves may be subject to interpretation or technical defects. Non-performance by grantors of royalty and other interests may occur if such counterparties find themselves unable to honor their contractual commitments due to financial distress or other reasons. In such circumstances, the Corporation may not be able to receive its contractual entitlements. No assurance can be given that the Corporation's financial results will not be adversely affected by the failure of a grantor of royalty or similar interests to fulfill their contractual obligations in the future.

To the extent grantors of royalty and other interests do not abide by their contractual obligations, the Corporation would be forced to take legal action to enforce its contractual rights, including any security interests. Such litigation may be time consuming and costly, and as with all litigation no guarantee of success can be made. Should any such decision be determined adversely to the Corporation, it may have a material adverse effect on the Corporation's future profitability, results of operations and financial condition.

Rights in Favour of Third Parties

The Corporation may invest in royalty interests that are subject to: (i) buy-down right provisions pursuant to which a Facility Owner may buy-back all or a portion of the royalty; or (ii) pre-emptive rights pursuant to which parties to various operating and royalty agreements may have the right of first refusal or first offer with respect to a proposed sale or assignment of a royalty to the Corporation. Holders of these rights may exercise them such that certain royalty interests would be lost, reduced or otherwise not be available to the Corporation. Any such exercise may result in the elimination of a royalty interest for compensation to the Corporation and it may have a material adverse effect on the Corporation's future profitability, results of operations and financial condition.

The Realized Return from the Corporation's Investments may vary from the Minimum Return Threshold

The Corporation is targeting a minimum return threshold of 8-12% on a pre-tax unlevered basis on investments in the portfolios of renewable energy developers. This return is based upon negotiated terms with respective developers that are reflective of the cost of competing sources of capital at the time of the investment as well as risk assessment factors determined by ARR that include the size of the investment relative to the overall size and quality of the developer's project portfolio, historical track record of project sales and capital structure amongst other factors. The actual realized return over the duration of the investment may vary from the minimum return threshold. As an example, a material change in the expected operations at a power generation facility or the expected commodity pricing could have a material adverse effect on the Corporation's profitability, results of operation and financial condition over the short or medium term and result in a lower realized return than the minimum return threshold.

Increased Competition for Royalty Interests

In sourcing investment opportunities, the Corporation has to compete with other low cost debt and other incentives that may be available to developers on comparable or more favourable terms. Further, although the Corporation believes that, as a pioneer in providing royalty financing in the renewable power sector, it currently faces limited competition in providing such royalty financing, the success of the Corporation's business model may lead other companies to engage in a similar royalty financing model in the renewable power sector as there are low barriers to entry. If the Corporation has to compete with larger companies with substantial financial resources, operational capabilities or long earnings records, the Corporation may be at a competitive disadvantage in investing in and financing renewable power projects. Accordingly, there can be no assurance that the Corporation will be able to compete successfully against other larger companies or alternative sources of financing in providing royalty financing in the renewable power sector at a viable cost, which may have a material adverse effect on the Corporation's profitability, results of operation and financial condition.

Risks Arising from Joint Venture

The Corporation has entered into the A&R LLC Agreement to provide for the terms of the GBR Joint Venture among the Corporation and Apollo Fund, pursuant to which Apollo Fund expects to earn a 50% interest in the GBR Joint Venture. Pursuant to the A&R LLC Agreement, the board of directors of GBR Holdings, the joint venture entity, must approve any investment decisions. Such board of directors is jointly controlled by the Corporation and Apollo Fund and unless the Corporation can solely pursue and fund a sidecar structure in certain instances the Corporation cannot make independent investment decisions that it believes are beneficial for its operations, which may materially and adversely limit or otherwise impact the Corporation's results, operations and financial condition, unless it is able to fund such investment solely through the sidecar investment mechanism. There is therefore no guarantee that the Corporation will be able to execute its preferred business or operational strategy as it does not have sole or majority control of the decisions to be undertaken by the GBR Joint Venture. Further, if the Corporation is not able to meet future capital calls in the GBR Joint Venture its ownership in the GBR Joint Venture may be diluted, which could result in ARR losing joint control of the GBR Joint Venture. Such loss of joint control would result in ARR having less input with respect to the future direction of GBR, and the royalty interests held by GBR.

PPA Contract Risks

The underlying power generation facilities are initially expected to operate under PPAs. Such contracts contain performance benchmarks that must be achieved and other obligations that must be complied with by the Facility Owner such as the deliver of specific amount of power on specific hours of specific days. There is no assurance that counterparties to PPAs will perform their obligations or make required or anticipated payments to the Facility Owner. Failure of the counterparties to PPAs to perform their obligations or make required or anticipated payments to the Facility Owner could limit the Facility Owner's ability to perform its obligations under the royalty arrangements. In addition, PPAs may require settlement at a delivery point other than the facility itself and the risk of such delivery can be born by the Facility Owner and royalty holder.

PPA Contract Expiration Risks

Power generated from the underlying power generation facilities is, in the majority of cases, to be sold under PPAs that expire at various times. When a PPA expires, there can be no assurance that a subsequent PPA will be available or, if available, that any such subsequent PPA will be on terms, or at prices, acceptable to the Facility Owner or consistent with expiring PPAs or that the PPA will be replaced by another PPA. Failure by the Facility Owner to enter into a subsequent PPA on terms and at prices that permit the operation of a facility on a profitable basis could have a material adverse effect on the royalties received by the Corporation.

Concentration Risk

The business of the Corporation is to invest in royalty interests in the renewable power generation sector only. Given the concentration of the Corporation's exposure to the renewable power generation sector, the Corporation's investment portfolio will be more susceptible to adverse economic or regulatory occurrences affecting the renewable power generation sector than an investment fund that holds a diversified portfolio of securities.

Further, the Corporation has currently partnered with two developers, TGE and Apex, which relationships account for the vast majority of the Corporation's near term expected royalty revenue. Any adverse developments affecting the development of TGE or Apex's renewable power projects, may have a material adverse effect on the Corporation's profitability, financial condition and results of operations.

Moreover, while the Corporation's intention is to purchase a large number of royalties from different companies in different renewable power generation segments, it will take time to attain such diversification. Until diversification is achieved, the Corporation may have a significant portion of its assets dedicated to a small number of renewable power generation facilities or only a couple segments of the renewable power generation sector. In the event that any such business or renewable power generation segment is unsuccessful or experiences a downturn, a material adverse effect on the Corporation's profitability, results of operation and financial condition may result.

Limitation of Insurance

The Corporation will maintain insurance policies, covering usual and customary risks associated with its business, with credit-worthy insurance carriers. A royalty interest in a renewable power generation facility is generally exposed to the risks inherent in the construction and operation of electricity generation facilities, such as breakdowns, manufacturing defects, labour disputes, accidents, natural disasters, theft, and sabotage. The Corporation relies on the Facility Owner's insurance policies to cover certain of such losses, particularly those arising from force majeure, natural disasters, or sabotage, among other things. While the Corporation typically requires projects to carry insurance under its royalty agreements, a significant uninsured loss or a loss that significantly exceeds the limits of the Facility Owner's insurance policies could have a material adverse effect on the Corporation's royalty interests and its profitability, results of operation and financial condition.

General Risks Involved in the Operations of a Power Generation Facility

The revenue generated by the Corporation from a royalty interest is dependent on the amount of electricity generated by underlying power generation facilities. The ability of the power generation facilities to generate the amount of electricity expected is a primary determinant in the amount of revenues that will be received by the Corporation. A number of different factors, including but not limited to: equipment failure due to wear and tear, latent defect, design error, operator error, slow response to outages due to underperforming monitoring systems, changes in wind patterns, changes in solar irradiation patterns, reliance upon transmission systems and associated curtailment by off-takers provided under the terms of the PPA, and vandalism or theft could adversely affect the amount of electricity produced, and thus the revenues and cash flows of the Corporation. Extreme weather events, which may be more frequent due to climate change, may also impact the operations of power generation facilities. Unplanned outages or prolonged downtime for maintenance and repair may increase operating and maintenance expenses and reduce revenues as a result of selling less electricity. To the extent that a facility's equipment requires longer than forecasted down times for maintenance and repair, or suffers disruptions of power generation for other reasons, the profitability, results of operation and financial condition of the Corporation could be adversely affected.

Technological Advancements Could Impact the Corporation's Future Operations and Financial Condition

The Corporation's future revenue and expectations regarding the continued increase in demand for renewable power in the U.S. are to some extent dependent on the advancement of technology in the renewable power industry and could be impacted by changes and advancements in technology, or lack there of, including the development of large scale energy storage. To the extent that technological advancements are delayed or fail to function as expected, the Corporation's assumptions about its future revenue and operations could be adversely affected. There is also no assurance that the Corporation will be able to respond effectively to technological advancements in the renewable power industry, which could have an adverse impact on the Corporation's revenue and operations.

Demand for Energy may be Negatively Impacted by Changes in General Economic, Social and Market Conditions.

The revenue derived by the Corporation from its royalty portfolio may be significantly affected by changes in energy prices and the demand for renewable sources of energy. The anticipated value of a royalty and performance of the royalty agreements with Facility Owners is based on assumptions relating to the demand for renewable sources of energy. That demand may change as a result of fluctuations in general economic conditions, energy prices, and social perception of renewable power generation facilities. On January 20, 2021, President Joe Biden announced that the U.S. had re-entered the Paris Climate Agreement, a nonbinding agreement signed among approximately 194 nations to reduce emissions and keep the increase in global temperatures well below 3.6 degrees Fahrenheit compared with preindustrial levels. Entry into the Paris Climate Agreement requires the U.S. to set voluntary targets to reduce domestic emissions. As the U.S. is the world's second-largest emitter of greenhouse gases, government action to limit the greenhouse gases may result in further acceleration of renewable power as a primary energy source.

The emergence of initiatives designed to reduce greenhouse gas emissions and control or limit the effects of climate change has increased the incentive to increase energy efficiency and reduce energy consumption. In addition, significant technological advancements are taking place in the electric industry, including advancements related to self-generation and distributed energy technologies.

Increased adoption of these practices, requirements and technologies could reduce demand for utility-scale electricity generation, which may adversely affect market prices at which the Facility Owners can sell electric power and consequently reduce the ability of ARR's renewable power developer partners to successfully develop and sell projects.

Energy conservation, energy efficiency, distributed generation, community choice aggregation and other factors that reduce energy demand or changes in general economic or market conditions which have an adverse impact on energy prices could adversely affect the Corporation's profitability, results of operation and financial condition.

Negative Public or Community Response to Renewable Power Generation Facilities

Growth in the Corporation's business depends in large part on the desire for renewable power facilities. Negative public or community response to renewable power facilities could adversely affect the development of and demand for wind or solar power energy. This type of negative response could lead to legal, public relations and other challenges for the developers in which the Corporation has made investments anticipating that such investments will yield future royalties. Such negative response could also lead to delays in development and construction, achieving commercial operations for a facility and generating revenues. Such delays or disruptions could have a material adverse effect on the Corporation's future profitability, results of operation and financial condition.

Reputational Risks

The Corporation's profitability, results of operation and financial condition may be negatively impacted as a result of any negative public opinion towards the Corporation, or as a result of any negative sentiment toward, or in respect of, the Corporation's reputation with stakeholders, special interest groups, political leadership, the media or other entities. Further, the Corporation's return on royalty investments may be negatively impacted as a result of any negative public opinion towards any of the power generation facilities in the Corporation's royalty investment portfolio, their Facility Owners, or any of its joint venture partners. Reputational damage can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Since the Corporation does not ultimately have direct control over how it, the assets in which it holds royalty or other investment interests, the Facility Owners, or the joint venture partners are perceived by others, reputational loss could occur and have a material adverse impact on the trading price of its securities.

Permitting Risk

The Corporation may invest in royalty interests in power generation facilities that will require various property rights, permits and licenses in order to commence commercial operations or conduct current and future operations, and delays or a failure to obtain such property rights, permits and licenses, or a failure to comply with the terms of any of such property rights, permits and licenses could result in interruption or closure of operations at the facility. Such interruptions or closures could have a material adverse effect on the Corporation's future profitability, results of operation and financial condition.

Changes in Legislation, Regulations, and Government Policies

The business of the Corporation's underlying royalty investments is subject to the applicable legislative, regulatory and policy regime in place for the renewable power generation sector. As such, the Corporation's royalty portfolio and business generally is susceptible to significant delays, changes or anticipated changes or adverse regulatory occurrences affecting the renewable power generation sector or government incentives which may favour competitors or competitive sources of electrical generation. In most jurisdictions, once the government implements specific renewable power policies or incentives either supporting a specific renewable power generator or the renewable power generating sector as a whole, such policies or incentives are generally applicable for a specified period of time (such as for example the PTC and ITC tax incentive programs described above, which have ten year and five year availability windows, respectively, tied to the stage of the project). However, the government may modify its tax, tariff, or incentive regimes, and the future availability of any policies or incentives that increase demand for renewable power generation, either in current jurisdictions beyond the prescribed timeframes or in new jurisdictions, is uncertain. Any changes in the regulatory frameworks governing the renewable power generation sector could have a material adverse effect on the Corporation's profitability, results of operation and financial condition.

General Economic, Market Risks and Political Conditions

The Corporation's operations are affected by the condition and overall strength of the global economy and, in particular, the economies of Canada and the U.S. The occurrence of periods of poor economic conditions or low or negative economic growth could have an adverse impact on the Corporation's results and restrict the Corporation's ability to expand its royalty portfolio or pay dividends to its shareholders. The Corporation's ability to invest in royalty interests in renewable power generation is, in part, dependent upon, and also correlated to, market risks and political conditions; in particular, adverse events in financial markets, which may have a profound effect on global or local economies. Some key impacts of general financial market turmoil include contraction in credit markets resulting in a widening of credit spreads, devaluations and enhanced volatility in global equity, commodity and foreign exchange markets and a general lack of market liquidity. A slowdown in the financial markets or other key measures of the global economy or the local economies of the regions in which the Corporation operates (including, but not limited to, employment rates, business conditions, inflation, fuel and energy costs, commodity prices, lack of available credit, the state of the financial markets, interest rates and tax rates) may adversely affect the Corporation's growth, profitability, results of operation and financial condition.

Natural Disasters and Other Catastrophic Events

The power generation facilities and operations from which royalty revenue is derived could be exposed to potential interruption and damage (partial or full loss) resulting from extreme weather events such as environmental disasters (e.g. floods, high winds, fires, and earthquakes), severe weather conditions and equipment failures. Extreme weather events may become more frequent due to climate change. There can be no assurance that in the event of an earthquake, hurricane, tornado, act of war or other natural, manmade or technical catastrophe all or some parts of the generation facilities and infrastructure systems of the power generation facilities in which the Corporation holds a royalty interest will not be disrupted. The occurrence of a significant event which disrupts the ability of the renewable power generation facility to produce or sell electricity for an extended period could have a material adverse effect on the Corporation's future profitability, results of operation and financial condition.

Health, Safety and Environmental Risks

The ownership, construction and operation of power generation facilities carries an inherent risk of liability related to worker health and safety and the environment, including the risk of government imposed orders to remedy unsafe conditions and/or to remediate or otherwise address environmental contamination, potential penalties for contravention of health, safety and environmental laws, licences, permits and other approvals, and potential civil liability. Compliance with health, safety and environmental laws (and any future changes to such laws) and the requirements of licences, permits and other approvals remain material to the Facility Owners' businesses. These laws, regulations and permits, and the enforcement and interpretation thereof, change frequently and generally have become more stringent over time. The Facility Owners' power generation facilities may become subject to government orders, investigations, reviews, inquiries or other proceedings (including civil claims) relating to health, safety and environmental matters. Failure to comply with environmental, health and safety requirements may expose Facility Owners' to litigation, fines or other sanctions, including the revocation of permits and suspension of operations.

The occurrence of any of these events or any changes, additions to, stricter interpretations of or more rigorous enforcement of, health, safety and environmental laws, licences, permits or other approvals could have a significant impact on operations and/or result in additional material expenditures, costly compliance requirements and ultimately affect the ability of facility owners to pay the Corporation royalties.

Risk Related to COVID-19

The current outbreak of the novel coronavirus (COVID-19) declared by the World Health Organization in March 2020, and any future emergence and spread of similar pathogens, could have a material adverse effect on global and local economic and business conditions. In response to the outbreak, governmental authorities in Canada, the United States and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, nonessential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The efforts to contain COVID-19 have negatively impacted the global economy, disrupted manufacturing operations as well as global supply chains and created significant volatility and disruption of financial markets. Moreover, COVID-19 may result in a global recession. Businesses in many countries around the globe, including in Canada and the United States, have been required to close, or materially alter their day-to-day operations, which may prevent many businesses from operating. These containment measures are subject to change and the respective government authorities may tighten the restrictions at any time.

The Corporation has been closely monitoring developments related to COVID-19. In response to COVID-19, the Corporation is following all applicable rules and regulations as set out by the relevant health authorities. The extent to which the coronavirus impacts the Corporation's operations, and the operations of the power generation facilities in which the Corporation invests, will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including: actions that may be taken by governments and private businesses to attempt to contain COVID-19, the duration of the outbreak, and new information that may emerge concerning the severity of the coronavirus, among others. In particular, the impact of COVID-19 on the supply chain in the construction and development space is not yet fully understood. Any present or future impacts on the supply chain could influence the timing and cost of the renewable power projects under development and delay the development of future projects.

The Corporation may take further actions as may be required by government authorities or as it determines are in the best interests of its business partners. There is no guarantee that the Corporation, or the power generation facilities in which the Corporation invests, will not experience significant disruptions in the future. For example, Facility Owners and their employees may be prevented from conducting business activities for an indefinite period due to the transmission of the disease or due to emergency measures or restrictions that may be requested by governmental authorities. COVID-19 may affect the financial viability of renewable power developers and originators, impact their ability to develop and construct renewable power facilities and could cause them to exit certain business lines, or change the terms on which they are willing to provide royalties. Further, the economic and business contraction that may occur as a result of restrictions imposed by governments has and may continue to affect the demand for power generation. A reduction in energy demand or changes in general economic or market conditions which have an adverse impact on energy process could adversely affect the Corporation's profitability, results of operation and financial conditions.

Moreover, the spread of the coronavirus globally is expected to have a material adverse effect on global and regional economies and to continue to negatively impact stock markets. These adverse effects on the economy, the stock market and potentially the Corporation's share price could adversely impact the Corporation's ability to raise capital. Any of these developments, and others, could have a material adverse effect on the Corporation's profitability, results of operation and financial condition, could delay its business development plans and could heighten many of the known risks described in this "Risk Factors" section.

Key Personnel Attraction and Retention

The Corporation's success depends in large measure on certain key personnel which the Corporation relies on for their knowledge of the renewable power generation industry, relationships within the industry and experience in identifying, evaluating and completing investments. The Corporation does not have any key person insurance in effect for the Corporation. As the Corporation's business activity grows, additional key financial and administrative personnel, as well as additional staff, may be required. There can be no assurance that the Corporation will be able to continue to attract and retain all personnel necessary for the development and operation of its business. The loss of the services of such key personnel, or failure to attract and retain such personnel, could adversely affect the Corporation's profitability, results of operation and financial condition.

Breach of Confidentiality

When considering potential business relationships or other transactions with third parties the Corporation may disclose confidential information relating to the business, operations or affairs of the Corporation. Although confidentiality agreements are signed by third parties prior to the disclosure of any confidential information, a breach by a third-party could put the Corporation at competitive risk and may cause significant damage to its business. The harm to the Corporation's business from a breach of confidentiality cannot presently be quantified but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, the Corporation will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

Legal Proceedings and Liability

The Corporation may become party to legal claims arising in the ordinary course of business, including commercial, employment, and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Corporation to incur significant expenses. In addition, the Corporation's insurance or indemnities may not cover all claims that may be asserted against it, and any claims asserted against it, regardless of merit or eventual outcome, may harm its reputation. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on business operating results, cash flows or financial condition.

In addition, potential litigation may arise on properties underlying the royalties (for example, litigation between joint venture partners or between Facility Owners and original property owners or neighbouring property owners). As a royalty holder, the Corporation will not generally have any influence on such litigation, nor will it generally have access to data. To the extent that litigation results in the cessation or reduction of operations by facility operators (whether temporary or permanent), it could have a material and adverse effect on the Corporation's profitability, results of operations and financial condition.

Changes in Accounting Standards and Interpretations

IFRS accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to the Corporation's business, including revenue recognition, impairment of intangible assets and income taxes are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments could significantly change the Corporation's reported financial performance or financial condition in accordance with generally accepted accounting principles. Further, the Corporation's implementation of and compliance with changes in accounting rules, including new accounting rules and interpretations, could adversely affect the Corporation's reported financial position or operating results or cause unanticipated fluctuations in its reported operating results in future periods.

Limited Operating History

While many members of management have expertise and comparable operating experience, the Corporation itself has a limited history of operations and there can be no assurance that the Corporation's business will be successful or profitable or that the Corporation will be able to successfully execute its business model and growth strategy. If the Corporation cannot execute its business model and growth strategy, it may result in a material adverse effect on the Corporation's profitability, results of operation and financial condition. Since the Corporation is an early stage company, there will be limited financial, operational and other information available to evaluate the Corporation's prospects, and such information may not be a reliable basis for evaluating the Corporation's business prospects or the future value of the Common Shares.

The Corporation is a Holding Company

The Corporation's material assets are its direct and indirect equity interests in our subsidiaries, including subsidiaries. The Corporation is, therefore, dependent upon payments, dividends and distributions from its subsidiaries for funds to pay its operating and other expenses and to pay future cash dividends or distributions, if any, to holders of our Common Shares, and we may have tax costs in connection with any dividend or distribution.

Execution of Investment Strategy

As part of the Corporation's business strategy, it has sought and will continue to seek to invest in royalty interests in the renewable power generation sector. In pursuit of such opportunities, the Corporation may fail to identify or select appropriate investment targets, or negotiate acceptable arrangements, including arrangements to finance the investments.

The Corporation may be unable to identify or select appropriate investment targets in the numbers or at the pace it currently expects for a variety of reasons, including, among other things, the following: (i) the demand for renewable power systems failing to develop sufficiently or taking longer than expected to develop; (ii) issues related to identifying, engaging, contracting, compensating and maintaining relationships with Facility Owners, operators and developers, and the negotiation of royalty agreements; (iii) issues related to construction, permitting, the environment, and governmental approvals with respect to renewable power generation facilities; (iv) a reduction in government incentives or adverse changes in policy and laws for the development or use of renewable power, including tax credits; and (v) other government or regulatory actions that could impact the Corporation's business model.

If the challenges of identifying or selecting appropriate investments targets increase, the Corporation's pool of available opportunities may be limited, which may result in a material adverse effect on the Corporation's profitability, results of operation and financial condition.

Further, the Corporation cannot assure that it can complete any investment or business arrangement that it pursues, or is pursuing, on favourable terms, or that any investment or business arrangements completed will ultimately benefit the Corporation. In connection with any future investments or business arrangements, the Corporation may incur indebtedness or issue equity securities, resulting in increased interest expense or dilution of the percentage ownership of existing shareholders. Unprofitable investments or business arrangements, or additional indebtedness or issuances of securities in connection with such investments or business arrangements, may adversely affect the price of common stock and negatively affect the Corporation's results of operations and financial condition.

Inaccurate Estimates of Growth Strategy

Market opportunity estimates and growth strategies are subject to significant uncertainty and are based the Corporation's assumptions and estimates that may not prove to be accurate. As the royalty financing model is relatively nascent in the renewable power industry, it may not gain acceptance, or experience widespread growth, as anticipated. Further, even if the estimate of market opportunity and growth strategy does prove to be accurate, the Corporation could fail to capture a significant portion, or any portion, of the available market.

Ability to Fund and Manage Rapid Growth

The Corporation has experienced, and expects to continue to experience, rapid growth which has placed, and will continue to place, significant demands on its financial capability. The Corporation expects that its growth strategy will require it to commit substantial financial resources in the future. As the Corporation's operations grow in size, scope and complexity, it will need to improve and upgrade its systems and infrastructure, which will require significant expenditures and allocation of valuable management resources. The Corporation plans to obtain financing in the future primarily through further equity financing or debt financing. There can be no assurance that the Corporation will succeed in obtaining additional financing, now or in the future. Failure to adapt to the Corporation's changing needs as it executes on its growth strategy may result in a material adverse effect on the Corporation's profitability, results of operation and financial condition.

Risks Relating to the Corporation's Relationship with Altius Minerals

Altius Minerals' Substantial Influence over the Corporation

Altius Minerals will be the majority shareholder of the Corporation and will be able to nominate two directors to the Board. As a result, Altius Minerals will be able to exercise substantial influence over the operations and administration of the Corporation. Altius Minerals personnel who will provide services to the Corporation under the Altius Minerals Services Agreement are not required to have as their primary responsibility the management and administration of the Corporation or to act exclusively for the Corporation.

Uncertainty as a Result of Change in the Role and Ownership of Altius Minerals

Following the expiry of any lock-up period or other contractual restrictions, Altius Minerals may transfer its interest in the Corporation to a third-party, including in a merger or consolidation or in a transfer of all or substantially all of its assets, without the consent of the Corporation's shareholders. The Corporation cannot predict with any certainty the effect that any such transfer would have on the trading price of the Common Shares or the Corporation's ability to raise capital or make investments in the future. As a result, the future of the Corporation would be uncertain and the Corporation's business, financial condition and results of operations may suffer.

Conflicts of Interest

The Corporation's ownership and management structure involves a number of relationships that may give rise to conflicts of interest between the Corporation and the shareholders, on the one hand, and Altius Minerals, on the other hand. Such conflicts of interest may not be resolved in a manner that is in the best interests of the Corporation or the best interests of its shareholders. In certain instances, the interests of Altius Minerals may differ from the interests of the Corporation and its shareholders.

Risks Related the Common Shares

Volatility of Market Price for the Common Shares

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control, including the following: (i) actual or anticipated fluctuations in the Corporation's results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other companies that investors deem comparable to the Corporation; (iv) the loss or resignation of executive officers and other key personnel of the Corporation; (v) sales or perceived sales of additional Common Shares; (vi) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors which prove to be ill considered; (vii) short sales, hedging and other derivative transactions in our Common Shares; (viii) investors' general perception of the Corporation and the public's reaction to the Corporation's press releases, other public announcements and filings with Canadian securities regulators; (ix) general political, economic, industry and market conditions, including fluctuations in commodity prices; and (x) trends, concerns, technological or competitive developments, regulatory changes and other related issues in the renewable power generation industry or the Corporation's target markets.

Financial markets have experienced significant price and volume fluctuations in recent years that have particularly affected the market prices of equity securities of companies and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Corporation's operating revenue, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values which may result in impairment losses. Certain institutional investors may base their investment decisions on consideration of the Corporation's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares.

Listing on the TSX via TSX Sandbox

The Corporation has been listed on the TSX via TSX Sandbox. TSX Sandbox is an initiative intended to facilitate listing applications that may not satisfy the original listing requirements of TSX, but due to facts or situations unique to a particular issuer otherwise warrant a listing on TSX.

As the Corporation did not meet the original listing requirements of the TSX as set out in Section 3.09(a) of the TSX Corporation Manual, the TSX exercised its discretion to waive the requirements for historical pre-tax earnings and pre-tax cash flow in granting the Corporation approval for listing pursuant to TSX Sandbox. Listing of the Common Shares was subject to (i) a minimum of 1,000,000 freely tradeable Common Shares having an aggregate market value of at least C$4,000,000, being at least 300 public holders each holding one board lot or more; (ii) compliance with the TSX security based compensation arrangement policies; (iii) Completion of the Offering with the public raise resulting in minimum gross proceeds of C$75 million; (iv) the market capitalization of the Corporation being at least C$250 million upon the completion of the Offering and listing on the TSX; (v) receipt of an undertaking by or on behalf of the Corporation to make certain enhanced disclosures; and (vi) the Corporation fulfilling all of the requirements of the TSX on or before May 11, 2021. All of these conditions have been satisfied.

The Corporation will remain listed pursuant to the TSX Sandbox until (a) the later of (i) the time it has deployed 50% of the proceeds raised pursuant to the Offering and (ii) 12 months from its original listing date; (b) one year without significant compliance issues; and (c) the Corporation being in compliance with the provisions of Part VI of the TSX Corporation Manual.

The Corporation has a limited history of operations and there can be no assurance that the Corporation's business will be successful or profitable or that the Corporation will be able to successfully execute its business model and growth strategy.

Future Dividend Payments are not Guaranteed

The payment of dividends by the Corporation in the future is not guaranteed. The Board will have the discretion to determine the amount of any future dividends to be declared and paid to shareholders. The payment of any dividends by the Corporation in the future will depend on, among other things, results of operations; financial condition; expected future levels of earnings; future operating cash flow; liquidity requirements; market opportunities; income taxes; debt repayments; legal, regulatory and contractual constraints; working capital requirements; tax laws and any other factors the Board may deem relevant. The Corporation's future short and long-term borrowings may prohibit the Corporation from paying dividends at any time at which a default or event of default would exist under such debt, or if a default or event of default would exist as a result of paying a dividend.

Future Sales of Common Stock by Insiders

The Corporation and Altius Minerals have agreed that it will not issue, in the case of the Corporation, and sell, in the case of Altius Minerals, or offer, grant any option to purchase or agree to issue or sell, as applicable, any equity securities of the Corporation or other securities convertible into, or exchangeable or exercisable for, equity securities of the Corporation for a period of 180 days from the date of closing of the Offering, subject to certain exceptions. After the expiration of the 180-day lockup Altius Minerals will be able to sell such Common Shares in the public markets. Any such sales, or the perception that such sales might occur, could have a material adverse effect on the price of the Common Shares or could impair the ability of the Corporation to obtain capital through an offering of equity securities.

Equity Dilution

The Board may issue an unlimited number of Common Shares without any vote or action by the Corporation's shareholders, subject to the rules of any stock exchange on which the Corporation's securities may be listed from time to time. The Corporation may make future acquisitions or enter into financings or other transactions involving the issuance of securities. If the Corporation issues any additional equity, the percentage ownership of existing shareholders will be reduced and diluted and the price of the Common Shares could decline.

Outstanding Share Data

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

At March 25, 2021 the Corporation had 25,819,889 Common Shares outstanding, 3,093,835 warrants outstanding and 1,147,082 stock options outstanding.

Non-IFRS Measures

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

1. Attributable revenue is defined by the Corporation as total revenue and other income from the consolidated financial statements plus the Corporation's proportionate share of gross royalty revenue in the joint ventures. The Corporation's key decision makers use attributable royalty revenue and related attributable royalty expenses as a basis to evaluate the business performance. The attributable royalty revenue amounts, together with amortization of royalty interests, general and administrative costs, are not reported gross in the consolidated statement of earnings (loss) since the royalty revenues are being generated in a joint venture and IFRS 11 Joint Arrangements requires net reporting as an equity pick up. The reconciliation to IFRS reports the elimination of the attributable revenues and reconciles to the revenues recognized in the consolidated statements of earnings (loss). Attributable revenue per share is derived by using the basic weighted average number of shares for the period as the denominator.

2. Adjusted EBITDA is defined by the Corporation as net earnings (loss) before taxes, amortization, interest, non-recurring items, non-cash amounts such as impairment, losses and gains, and share based compensation. The Corporation also adjusts earnings in joint ventures to reflect the Corporation's attributable share of EBITDA on those assets which exclude amortization of royalty interests as well as adjusting for any one time items. Adjusted EBITDA is a useful measure of the performance of our business, especially for demonstrating the impact that EBITDA in joint ventures have on the overall business. Adjusted EBITDA identifies the cash generated in a given period that will be available to fund the Corporation's future operations, growth opportunities, shareholder dividends and to service debt obligations. Adjusted EBITDA per share is derived by using the basic weighted average number of shares for the period as the denominator. Adjusted EBITDA margin is calculated using adjusted EBITDA as the numerator and attributable revenue as the denominator.

Expressed in United States Dollars, rounded to the nearest hundred	Three months ended,				
Reconciliation to IFRS measures Attributable revenue	December 31 2020	September 30 2020	December 31 2019	September 30 2019	December 31 2018
Revenue					
Attributable royalty	$ 47,100	$ 33,400	$ 58,800	$ 43,600	$ -
Other	53,400	6,800	7,200	6,100	-
Attributable revenue	100,500	40,200	66,000	49,700	-
Adjust: joint venture revenue	(97,100)	-	-	-	-
IFRS revenue per consolidated financial statements	$ 3,400	$ 40,200	$ 66,000	$ 49,700	$ -

Expressed in United States Dollars, rounded to the nearest hundred	Three months ended				
Reconciliation to IFRS measures Adjusted EBITDA	December 31, 2020	September 30, 2020	December 31, 2019	September 30, 2019	December 31, 2018
Earnings (loss) before income taxes	$ 521,000	$ (456,100)	$ (444,800)	$ (386,000)	$ -
Addback(deduct):					
Amortization and depletion	-	159,600	159,600	159,500	-
Share based compensation	-	-	-	-	-
Dilution gain on issuance of equity in joint venture	(226,600)	-	-	-	-
Foreign currency (gain) loss	100	800	(600)	(100)	-
Gain on deconsolidation of subsidiary	(638,100)	-	-	-	-
(Earnings) loss from joint ventures	273,500	-	-	-	-
GBR EBITDA (1)	(131,500)	-	-	-	-
Adjusted EBITDA	$ (201,600)	$ (295,700)	$ (285,800)	$ (226,600)	$ -

(1) GBR EBITDA					
Revenue	$ 97,100	$ -	$ -	$ -	$ -
Operating income (expenses)	(228,600)	-	-	-	-
GBR Adjusted EBITDA	$ (131,500)	$ -	$ -	$ -	$ -

Altius
RENEWABLE ROYALTIES

Appendix A – Summary of Operational and Development Renewable Energy Royalties

Property	Renewable energy source	Project Owner/Developer	Facility Size	Status	Royalty basis
Clyde River	Hydro	Gravity Renewables	5 MW	Operational	Revenue
Canyon	Wind	Silverpeak	360 MW	Late-stage Development	Revenue
JayHawk	Wind	WEC Energy / Invenergy	190 MW	Late-stage Development	Revenue
Panther Grove	Wind	Copenhagen Infastructure Partners	400 MW	Mid-stage Development	Revenue
Flatland	Solar	Silverpeak	180 MW	Mid-stage Development	Revenue