RE ROYALTIES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2019

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Cautionary Note to Investors Concerning Forward-looking Statements

This discussion includes certain statements that may be deemed "forward-looking information" or "forward-looking statements" within the meaning of Canadian and United States securities law. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions of future events or performance (often, but not always, using words or phrases including, but not limited to, "expects", "does not expect", "is expected", "anticipates", "does not anticipate", "plans", "estimates", "believes", "does not believe" or "intends", or stating that certain actions, events or results may, could, would, might or will be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking information". This information represents predictions, and actual events or results may differ materially.

Forward-looking information may relate to the Company's future outlook and anticipated events or results and may include statements regarding the Company's financial results, future financial position, expected growth of cash flows, business strategy, budgets, projected costs, projected capital expenditures, taxes, plans, objectives, industry trends and growth opportunities. Forward-looking information contained in this discussion is based on certain assumptions regarding expected growth, results of operations, performance, industry trends and growth opportunities.

While management considers these assumptions to be reasonable, based on information available, they may prove to be incorrect. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to risks associated with general economic conditions; adverse industry events; marketing costs; loss of markets; future legislative and regulatory developments involving the renewable energy industry; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the renewable energy industry generally; income tax and regulatory matters; the ability of the Company to implement its business strategies including expansion plans; competition; currency and interest rate fluctuations; and the other risks discussed under the heading "Risk Factors" in this MD&A. The foregoing factors are not intended to be exhaustive.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date hereof and the Company and its directors, officers and employees disclaim any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, you should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. All forward-looking information is expressly qualified in its entirety by this cautionary statement. Forward-looking information and other information contained herein concerning management's general expectations concerning the renewable energy industry are based on estimates prepared by management using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which management believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While management is not aware of any misstatements regarding any industry data or comparables presented herein, industry data and comparables are subject to change based on various factors. The Company has not independently verified any of this data from independent third party sources.

Any forward-looking statements contained in this discussion are made as of the date hereof and the Company does not undertake to update or revise them, except as may be required by applicable securities law.

1.1 DATE

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of RE Royalties Ltd. ("RER" or the "Company") for the year ended December 31, 2019 (the "Financial Statements") and related MD&A as publically filed on SEDAR at www.sedar.com.

The Company reports in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The following disclosure and associated Financial Statements are presented in accordance with IFRS. All monetary amounts herein are expressed in Canadian Dollars ("CAD"), unless stated otherwise.

This MD&A is prepared as of April 27, 2020.

1.2 OVERVIEW

Description of Business

RE Royalties Ltd., formerly Baetis Ventures Ltd., is a public company whose common shares are listed on the TSX Venture Exchange ("TSXV"), under the trading symbol "RE". The Company was incorporated on November 2, 2016 under the laws of the Province of British Columbia, Canada. The address of the Company's corporate office is 15th Floor, 1040 West Georgia Street, Vancouver, BC, V6E 4H1.

On November 6, 2018, the Company completed its qualifying transaction (the "Qualifying Transaction") under *TSXV Policy 2.4 – Capital Pool Companies*, and it concurrently changed its name from Baetis Ventures Ltd. to RE Royalties Ltd. Prior to the Qualifying Transaction, the Company was a Capital Pool Company (CPC) as defined pursuant to Policy 2.4 of the TSXV that performed no significant business activities other than the identification and evaluation of assets or business with the view of completing a qualifying transaction.

The Company acquires revenue-based royalties from renewable energy generation facilities by providing a non-dilutive royalty financing solution to privately held and publicly traded renewable energy generation and development companies. The Company's business objectives are to acquire a portfolio of long-term, stable, and diversified royalty streams from renewable energy generation facilities and to provide shareholders with capital appreciation and a growing, sustainable, long-term cash distribution.

Management has identified an underserviced segment in the renewable energy capital markets that lies between traditional debt and equity financing. For many small to medium-sized renewable energy companies ("SMREs"), a revenue-based royalty financing has many advantages with respect to flexibility, cost and contractual terms.

Traditional royalty-based financing has been used extensively in the North American natural resource, consumer service, industrial manufacturing, health-care, music and food sectors. Management believes that there is significant demand among SMREs for non-dilutive royalty based financing solutions due to a lack of innovation in the financing for renewable energy projects.

The Company's long-term objectives will be achieved by:

- Acquiring long-term renewable energy royalty streams backed by power purchase agreements or similar revenue programs from credit worthy utilities and/or facilities which operate in strong merchant markets with stable power pricing;
- Reinvesting capital to acquire new royalties and to grow royalty income and interest;

- Utilizing debt financing and/or co-investment structures to acquire additional royalties in order to enhance financial returns for shareholders; and
- Maintaining a low operating cost structure.

1.2.1 RENEWABLE ENERGY ROYALTY INVESTMENT UPDATE

The Company currently owns a portfolio of 75 royalties (63 as at December 31, 2019) on solar, wind and hydro projects operating in Canada, Europe and the United States. A summary of the Company's portfolio is as follows:

Client	Location	# of Royalties	Energy Type	Status	Generating Capacity	Original Investment (C$ million)
Aeolis Wind	British Columbia, Canada	1	Wind	Operational	102 MW	$ 1.24
OntarioCo	Ontario, Canada	49	Solar	Operational	16 MW	$ 5.0
Fresh Air Energy	Ontario, Canada	4	Solar	Operational	40 MW	$ 1.87
Scotian Windfields	Nova Scotia, Canada	12	Wind	Operational	40 MW	$ 4.64
Alpin Sun	Texas, USA	2	Solar	Development	152 MW	$ 1.3
Belltown Power	Texas, USA	1	Solar	Development	78 MW	$ 3.64
Jade Power	Romania	6	Solar, Wind, Hydro	Operational	39 MW	$ 3.8

<u>Impact of COVID-19</u>

In the first quarter of 2020, a public health emergency was declared globally as a result of a new strain of coronavirus called COVID-19 ("COVID-19"). COVID-19 has resulted in many countries and governments issuing "stay at home" orders which has restricted public gatherings, limited the ability of is residents to travel locally, regionally and internationally, and also the closure of various businesses.

COVID-19 has not materially impacted the Company's current portfolio of royalties. The renewable energy generation facilities that are operated by our clients, which underpin the royalty revenues received by the Company, continue to perform as expected, with minimal disruptions. Also see section "*1.18 Risk Factors*" for risk relating to Covid-19.

<u>New Royalty Investment Transactions completed after January 1, 2020</u>

A. Royalties on 40mw Operational Wind Projects in Nova Scotia

On February 6, 2020, the Company announced that it had acquired a portfolio of 12 gross revenue royalties on 12 operational wind energy generation projects in Nova Scotia, Canada ("Nova Scotia Wind Projects") from Scotian Windfields Inc. ("Scotian Windfields") for $1.34 million. The Company also provided an interest-bearing senior secured loan to Scotian Windfields of $3.3 million dollars with a term of 3 years.

The Nova Scotia Wind Projects were developed from 2013 to 2017 and have been operating for between 3 and 6 years. The Nova Scotia Wind Projects have a generating capacity of 39.7 megawatts (MW), and have 20-year power purchase agreements with fixed electricity purchase prices from Nova Scotia Power Incorporated ("NSPI"). The Nova Scotia Wind Projects generate approximately 132,000 megawatt hours (MWh) of clean energy per year.

New Royalty Investment Transactions completed for the year ended December 31, 2019

A. Royalties on 40 MW Operational Solar Parks in Southern Ontario

On June 19, 2019, the Company acquired a portfolio of gross revenue royalties on four separate operational solar parks in Ontario, Canada ("Ontario Solar Projects") from Fresh Air Energy Inc. for $1.87 million.

The Ontario Solar Projects are owned and operated by Northland Power Inc. and have a generation capacity of 40 MW and have been in operation since 2013. The Ontario Solar Projects generate approximately 60,000 MWh of clean energy per year.

B. Royalties on 49 Roof Top Solar Projects in Ontario

On May 15, 2019, the Company entered into a loan and royalty transaction with a private group of companies in Ontario ("OntarioCo") on 49 roof-top solar projects ("Solar Project Portfolio").

Pursuant to the agreement with OntarioCo, the Company provided a $5 million interest-bearing loan to OntarioCo with a one year term, in exchange for a gross revenue royalty on the Solar Project Portfolio. The Solar Project Portfolio has a combined generation capacity of 15.7 MW and has been in operation for between three to four years, and all are qualified under the Ontario Feed-in-Tariff program. OntarioCo will be utilizing the proceeds of the Loan to complete construction on a separate portfolio of solar projects in Canada.

The Solar Project Portfolio generates approximately 18 MWh of clean energy per year.

Royalty Investment Transactions completed in the fiscal years 2016, 2017 and 2018

A. Alpin Sun GmbH

In February 2018, RER US 1 LLC, an affiliate ("RER US") established by the Company, entered into an equity purchase transaction with Alpin Sun GmbH ("Alpin Sun"), whereby RER US acquired a 50% interest in a portfolio of four separate advanced stage development solar projects in Texas, totaling 352 MW (the "Projects"). The ultimate goal of both RER US and Alpin Sun is to develop the Texas Projects to the point where they are ready to build, and then to sell the Projects to a third party to build and operate.

The total investment commitment for the 50% equity investment in the Projects is for US$5 million (the "Texas Investment"). The Company contributed US$1 million ("RER Investment") with the remaining US$4 million contributed by a consortium of private investors. The Texas Investment is structured as a US limited liability company (the "Project Entities"), whereby RER US holds the 50% interest in the Projects. The Company is the manager of RER US pursuant to a management services agreement dated December 13, 2017, whereby the Company provides technical, financial, administrative, and management services to RER US. The Company also incurs third-party costs on behalf of RER US. Such third-party costs include, for example, travel, communication services, and information technology services. Third-party costs are billed at cost without markup.

In addition to owning a portion of RER US's 50% ownership in the Projects, the Company will also receive 50% of a 2% Gross Revenue Royalty payable to RER US for a period of twenty years, on any revenue generated by any of the Projects. Revenue is defined to include electricity sales, renewable credits, insurance proceeds and liquated damages/warranty claims, if any.

In December 2018, RER US and an arm's-length party entered into two separate sale agreements (the "Sale Agreements") whereby RER US sold its equity interest in two of the four Project Entities for an aggregate price of US$6 million, based on US$30,000 per MW (200MW total). In December 2018, pursuant to the Sale Agreements and upon execution thereof, RER US received US$1.4 million (the "Down Payment") in cash, representing 23.33% of the total sale proceed. The remainder of US$4.6 million (the "Contingent Payments") of the aggregate sale price is receivable in tranches subject to certain milestones leading up to the completion of the projects. Once complete, the remaining two projects (152MW) are expected to generate approximately 320,000 MWh of clean energy per year.

Upon execution of the Sale Agreements, RER US derecognized its investment in the underlying two Project Entities. However, as of December 31, 2018, RER US had recognized only the Down Payment and had deferred the recognition of the Contingent Payments to be recognized upon completion of the related milestones, which milestones has been delayed.

Prior to the execution of the Sale Agreements, the Company's royalty interest in the underlying projects was bought-out for US$300,000, which has been recognized as income from royalty buyout in the financial statements for the year ended December 31, 2018.

As of the date of this MD&A, RER US had not yet received the Contingent Payments.

B. Belltown Power Texas

In December 2018, the Company entered into a loan agreement for US$2.8 million ("Belltown Loan") with a subsidiary of Belltown Power Texas, LLC ("Belltown") whereby the Company provided US$42,050 in a cash advance to Belltown and a US$2.76 million letter of credit for up to one year on behalf of Belltown, in order for Belltown to post certain collateral for grid connection for the 78 MW Rippey solar project ("Rippey Project") located in Texas. The project is expected to generate approximately 145,000 MWh of clean energy per year.

The Belltown Loan bore interest at 10% per annum for the first six months, and 15% per annum from the seventh month to the end of the term of the loan. In addition, the Company received a 1% gross revenue royalty interest in the Rippey Project.

In March 2019, Belltown repaid the Belltown Loan and the letter of credit was returned and cancelled, while the Company retained the royalty interest in the Rippey Project.

C. Aeolis Wind

The Company has a secured non-revolving term loan with Aeolis Wind Power Corporation ("Aeolis"), whereby the Company loaned Aeolis $1,239,000 (the "Aeolis Loan") subject to fixed payments of $100,000 per annum, to be increased annually by an amount equal to 50% of the British Columbia Consumer Price Index ("Aeolis Royalty"). The term of the Aeolis Loan expires on July 31, 2035. The Aeolis Loan is secured against a gross revenue royalty interest owned by Aeolis on the 102 MW Bear Mountain Wind Park near Dawson Creek, British Columbia, Canada. The project generates approximately 193,000 MWh of clean energy per year. The Aeolis Royalty payments to RER under the Aeolis Loan are paid from Aeolis' gross revenue royalty interest.

D. Jade Power Trust (formerly Blockchain Power Trust)

In January 2017, the Company provided Jade Power Trust ("Jade Power"; formerly Blockchain Power Trust) a three-year, non-revolving secured loan (the "Jade Power Loan") and received a twenty-year 1.14% gross revenue royalty (the "Jade Power Royalty" and together with the Jade Power Loan, the "Jade Power Transaction") on certain of Jade Power's renewable energy generation assets. Jade Power is a Canadian publicly listed trust and an independent power producer that owns and operates facilities that produce electricity from renewable energy sources in eastern Europe.

The Jade Power Loan is a three year, $3.8 million loan, with semi-annual interest payments at 5% per annum and a full principal repayment at maturity. The Jade Power Loan can be extended for a fourth year at Jade Power's option, and in this event, the interest rate increases to 7% per annum for the fourth year. Jade Power has exercised its option to extend the Jade Power Loan for the fourth year.

The Jade Power Royalty is an annual royalty of 1.14% of the gross revenue earned by Jade Power on its portfolio of renewable energy projects. The Jade Power Royalty is payable to the Company for twenty years, including the years that the Jade Power Loan is outstanding. The Jade Power Royalty is paid in Canadian dollars at the prevailing Euro exchange rate at the time payment is due. The Jade Power Royalty is calculated based on gross revenues earned on three operational hydro projects (5.1MW), two operational solar projects (16.6MW) and one operational wind project (17MW), collectively generating approximately 73,000 MWh of clean energy per year.

The gross revenue for the purpose of the Jade Power Royalty is equal to the sum of all revenues in the fiscal year recognized by Jade Power with respect to the applicable projects, calculated in a consistent basis and in accordance with IFRS, in respect of (i) the sale of electricity energy, (ii) the sale of green certificates (or equivalent renewable incentive credits), (iii) any insurance proceeds received as a result of business interruption; and (iv) any liquidated damages.

1.2.2 DISCLOSURE OF ENVIRONMENTAL AND SOCIAL DATA

The Company's vision is to provide capital to an underserved section of the renewable energy market and enable significant GHG emissions reductions. With climate change a pressing issue globally, the Company has become an important source of capital for the low carbon energy transformation. In addition, the Company has a positive impact on the local community in which it operates, through local hiring, charitable programs and other events.

A. Environmental Impact Summary

The following table summarizes the positive environmental impact generated by the Company's royalty portfolio, including clean energy capacity, average annual generation, and average annual carbon emissions reduction for the associated projects.

Client	Location	Projects	Energy Type	Clean Generating Capacity (MW)	Clean Generation (MWh)	GHG Offset (tCO_2e).[1,2,3]	Homes Powered[4,5,67,8]
Operational							
Aeolis Wind	British Columbia, Canada	1	Wind	102	193,000	2,490	17,870
OntarioCo	Ontario, Canada	49	Solar	16	17,500	700	1,944
Fresh Air Energy	Ontario, Canada	4	Solar	40	59,413	2,377	6,601
Scotian Windfields	Nova Scotia, Canada	12	Wind	40	131,700	79,020	12,064
Jade Power	Romania	6	Solar, Wind, Hydro	39	73,231	29,366	44,680
Operational Subtotal		***72***		***236***	***474,844***	***113,952***	***83,160***
Development Stage							
Alpin Sun	Texas, USA	2	Solar	152	320,000	142,720	22,831
Belltown Power	Texas, USA	1	Solar	78	145,000	64,670	10,345
Development Subtotal		***3***		***230***	***465,000***	***207,390***	***33,176***
PORTFOLIO TOTAL		**75**		**466**	**939,844**	**321,342**	**116,377**

Equivalents:

116,377	**69,424**	**109,300**	**5,313,458**
homes powered with clean energy	passenger vehicles[9]	tonnes of waste recycled instead of landfilled[9]	trees planted[9]

[1] Canada: National Energy Board 2017
[2] Romania: Carbon Footprint Electricity GHG Emission Factors, Association Issuing Bodies
[3] USA: EPA eGRID Emissions & Generation Resource Information Database
[4] British Columbia: BC Hydro
[5] Ontario: Ontario Energy Board EB-2016-0153
[6] Nova Scotia: Statistics Canada, 2015
[7] Romania: Odysee-Muree Project, EU.
[8] Texas: Electricity Local. https://www.electricitylocal.com/states/texas/#ref
[9] US EPA GHG Equivalents https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

Environmental Risks

Specific environmental factor risks are discussed in Section 1.18 - Risk Factors, within the following categories:

- *General Risks Involved in the Operations of a Power Generation Facility*
- *Natural Disasters and Other Catastrophic Events*
- *Environmental Laws and Regulations*
- *Changes in Supply of Water, Levels of Winds, Irradiation and Other Natural Variables*
- *Health, Safety and Environmental Risks*

In summary, renewable energy generation is dependent on weather and climate patterns, which are being altered as a result of climate change. Changes in temperature, wind, precipitation, timing and rate of melting, run-off, and changes in solar irradiation patterns could adversely affect the amount of electricity produced. Facilities could be exposed to extreme weather-related events (floods, high winds, fires) that could result in disruption to generation or damage to equipment. These factors could impact the revenues and cash flows of the Company. Failure to comply with applicable environmental laws and regulations could result in sanctions against the facility owner and operator and may disrupt revenue of the Company for an extended period that, in turn, may have a material adverse effect on the Company's profitability, results of operation and financial condition. Moreover, the use and licensing of water rights in many jurisdictions are subject to increasing level of regulations that may impact the supply of water to a specific power generation facility. Extreme weather events such as drought could further impact these regulations.

B. Social Summary

Giving back, in the form of volunteering, donating to charitable causes, or attending community-led charitable events, is an integral part of the culture at RE Royalties. All permanent staff, including senior management, were hired from the local region and local universities.

We believe in using our strong business model to support organizations with a cause that resonates with our values. In the first quarter of 2020, the Company donated $25,000 to Vancouver General Hospital. The funds were utilized to advance the delivery of health services for the hospital.

During the year ended December 31, 2019, the Company donated $25,000 to the Union Gospel Mission and $25,000 to Covenant House Vancouver. The funds were utilized to support various food, rehabilitation and housing programs for low income individuals and families in the Metro Vancouver area.

Gender Diversity

Board of Directors:	The Company has one (1) female board member of 7 (14%)
Employee:	The Company has three (3) full-time employees, and one (1) part-time employee, of which one (1) is female (25%)

Social Risks

Specific social factor risks are discussed in Section 1.18 Risk Factors, within the following categories:

- *Local Public Opposition*
- *Negative Public or Community Response*
- *Health, Safety and Environmental Risks*

The development and operation of renewable assets (wind in particular) may at times be subject to public opposition, centered around noise generated, visual impact, and impact to wildlife. Concerns tend to be greatest during the development stage but could persist for operational projects. Ongoing negative public or community response to projects or the renewable energy sector in general could adversely affect the Company's profitability, results of operation and financial condition.

The ownership, construction and operation of power generation facilities carries an inherent risk of liability related to worker health and safety, including the risk of government imposed orders to remedy unsafe conditions, potential penalties for contravention of health, safety and environmental laws, licences, permits and other approvals, and potential civil liability. The contravention of the foregoing or changes thereto could have a significant impact on operations and/or result in additional material expenditures and ultimately affect the ability of Facility Owners to pay the Company royalties.

1.2.3 FINANCING

Equity

During the quarter ended December 31, 2018, the Company completed non-brokered private placement financings for total gross proceeds of $13,223,700 (*1.2.1 Reverse Takeover and TSX Venture Exchange Listing*). The Company paid fees of $86,322 and issued 18,109 warrants to certain finders in connection with the financing. The warrants issued to the finders have a 2-year term and are exercisable at $1.00 per common share.

Additionally, the Company issued the following shares during the year ended December 31, 2018:

- 200,000 common shares as finder's fee for the Transaction;
- 1,500,000 common shares upon exercise of warrants for $750,000 at $0.50 per share;
- 1,875,000 common shares at a deemed value of $1,500,000 as repayment of a debt;
- 2,008,767 common shares upon conversion of a convertible note issued in July 2017.

Convertible Notes

In February 2020, the Company issued a series of unsecured, convertible notes ("2020-Convertible Note") totaling $1.6 million to certain arm's-length parties. The 2020-Convertible Note shall be convertible into common shares of the Company at a conversion price of $1.00 per share, with a term of 36 months from the date of issue, and bear an annual interest rate of 8% per annum. Without the prior written consent of the lenders, the Company will not incur indebtedness that would result in its debt to equity ratio to exceed 1:1.

In November 2018, following the closing of the Transaction, the Company issued to an arm's-length party a $500,000 unsecured convertible note (the "2018-Convertible Note") with a 24-month term and interest rate of 7% per annum. The 2018-Convertible Note shall be convertible, at the holder's sole description, into common shares of the Company at conversion price of $1.00 per share.

In July 2017, the Company issued a $1,500,000 unsecured convertible note (the "2017-Convertible Note") to an arm's length party for a 12-month term and at an interest rate of 7% per annum. The face value of the 2017-Convertible Note was only convertible into common shares of the Company at a price of $0.80 per share at the earlier of: (i) 12 months or (ii) upon the Company completing a listing of its shares on a publically-traded

Canadian stock exchange. The 2017-Convertible Note, including interest thereon, was converted into the Company's common shares in July 2018.

Debt

In January 2017, the Company entered into a loan agreement (the "Loan") with two arm's length private parties (collectively the "Lenders"), whereby an aggregate principal sum of $2,000,000 was advanced to the Company for a 6-month term and at an interest rate of 10% per annum. The Loan was secured by a general security agreement and pledge of the Company's assets. Pursuant to the Loan, the Company issued 2,000,000 of its share purchase warrants to the Lenders with an expiry term of two years and an exercise price of $0.80 per share.

In July 2017, the Loan was extended for an additional 6-month term and the interest rate was increased to 12% per annum and interest was paid in advance. The warrants issued pursuant to the original term of the Loan were cancelled and replaced with 2,000,000 common share purchase warrants with an expiry term of three years and an exercise price of $0.50 per common share.

In February 2018, $1,500,000 of the Loan was settled through the issuance of 1,875,000 Common Shares of the Company at $0.80 per share. The Company paid a fee $94,500 in relation to this conversion of the Loan. The term of remainder of the Loan with principal sum of $500,000 was extended on customary terms for an additional nine-month term and was fully repaid in October 2018.

1.2.4 DISTRIBUTION TO SHAREHOLDERS

During the year ended December 31, 2019, the Company declared the following cash distributions to its shareholders:

For the quarter ended	Declaration date	Record date	Payment date	Amount per share	Amount Total
March 31, 2019[i]	March 15, 2019	April 3, 2019	May 1, 2019	$ 0.01	$ 321,714
June 30, 2019	June 25, 2019	July 17, 2019	August 7, 2019	0.01	321,714
September 30, 2019	September 27, 2019	October 16, 2019	November 6, 2019	0.01	321,714
Total				$ 0.03	$ 965,142

(i) The distribution for the quarter ended March 31, 2019 was designated by the Company to be a return of capital for the purpose of the Income Tax Act (Canada) and any similar provincial or territorial legislation.

Subsequent to December 31, 2019 and before the date of this MD&A, the Company declared the following cash distributions to its shareholders:

For the quarter ended	Declaration date	Record date	Payment date	Amount per share	Amount Total
December 31, 2019	January 8, 2020	January 29, 2020	February 19, 2020	$ 0.01	$ 321,714
March 31, 2020	April 8, 2020	April 29, 2020	May 20, 2020	0.01	321,714
Total				$ 0.02	$ 643,428

1.3 SELECTED ANNUAL INFORMATION

The following information is derived from the Company's accompanying Financial Statements which have been prepared in accordance with IFRS as issued by the IASB effective for the respective reporting years of the Company and are expressed in Canadian dollars.

		2019		2018		2017
Total assets	$	18,140,000	$	19,876,000	$	7,188,000
Total non-current financial liabilities	$	–	$	475,000	$	–
Total current financial liabilities	$	547,000	$	508,000	$	2,514,000
Royalty revenue	$	368,000	$	89,000	$	140,000
Gain from royalty interest buyout		–		409,000		–
Finance income		1,012,000		521,000		455,000
Total revenue and income	$	1,380,000	$	1,019,000	$	595,000
Cash distribution per share		0.03		–		–
Net loss attributable to shareholders of the Company	$	412,000	$	3,199,000	$	288,000
Basic and diluted loss per common share	$	0.01	$	0.17	$	0.02

The Company's total assets of increased in 2018 compared to 2017, mainly as a result of cash raised from financing activities and the acquisition of revenue-based royalties from renewable energy generation facilities. The decrease in total assets in fiscal year 2019 was mainly due to cash distributions to the Company's shareholders (see "*1.2.4 Distribution to Shareholders*") during the year.

Non-current liabilities at December 31, 2018 included a convertible note which was reclassified as a current liability at December 31, 2019.

The growth in the Company's revenue and income in 2018 compared to 2017, was attributable to royalty income recognized from the Alpin Sun royalty investment transaction. The Company's total revenue and income grew in 2019 compared to 2018, as the Company's portfolio of royalty interests grew through various acquisitions discussed herein.

The Company started its operation in 2016 and recorded a net loss of $392,000, mainly due to its business development and startup activities. In 2017, the Company mainly relied on debt financing to fund the acquisition of revenue-based royalties from renewable energy generation facilities and incurred finance expenses of $281,000, which approximately equals the net loss during the year. In 2018, the following items primarily contributed to the net loss of $3,199,000:

1) Listing expenses of $1,661,000, which includes non-cash expenses of $1,441,000 – mainly the deemed issuance of equity under the accounting for the reverse takeover;
2) Share of loss of an associate of $419,000, which was recorded as a result of derecognition of two of its Project Entities as described herein; and
3) Non-recurring consulting fees of $1,134,000.

In 2019, the Company recorded a net loss of $412,000; this decrease in net loss was a result of an increase in revenue and income from royalty interests and loans and a decrease in total operating expenses as further analyzed below. The net loss in 2019 was also impacted by a foreign exchange loss as a result of the Company's investments denominated in US dollars.

1.4 SUMMARY OF QUARTERLY RESULTS

The following information is derived from the Company's accompanying Financial Statements which have been prepared in accordance with IFRS as issued by the IASB effective for the respective reporting years of the Company and are expressed in Canadian dollars, except for the weight average number of shares.

	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018
Revenue and income								
Royalty revenue	$ 82,000	$ 142,000	$ 118,000	$ 26,000	$ 21,000	$ 22,000	$ 26,000	$ 21,000
Royalty buyout	–	–	–	–	409,000	–	–	–
Finance income	255,000	268,000	233,000	256,000	192,000	111,000	109,000	108,000
Total	$ 337,000	$ 410,000	$ 351,000	$ 282,000	$ 622,000	$ 133,000	$ 135,000	$ 129,000
Net income (loss)	$(209,000)	$ 85,000	$ (165,000)	$ (123,000)	$(2,370,000)	$ (350,000)	$ (357,000)	$ (122,000)
Net income (loss) per share	$ (0.01)	$ 0.00	$ (0.00)	$ (0.00)	$ (0.08)	$ (0.02)	$ (0.02)	$ (0.01)
Weight average number of shares	32,171,389	32,171,389	32,171,389	32,115,856	28,916,815	15,810,931	15,716,422	14,799,755

For the fiscal quarters presented above, the Company's revenue primarily comprises of royalty revenues and interest income on secured loans, which has seen an increasing trend each quarter due to the acquisition of revenue-based royalties from renewable energy generation facilities.

The Company's revenue trend presented above also includes royalty income from several renewable power generation sources, which exhibit seasonal behaviors individually but tend to counterbalance each other in a well-diversified portfolio. For instance, wind power generation is stronger in winter than in summer. The opposite is true for solar power generation. During the quarter ended June 30, 2019, the Company acquired additional royalty interests in several solar power generating assets; accordingly the Company's royalty revenue was higher in the summer of 2019, i.e., than for the quarter ended September 30, 2019. The Company expects that this seasonality will be partially counterbalanced as a result of the recent acquisitions of royalty interests in Nova Scotia Wind Projects in the first quarter of 2020.

The Company's revenue and income generally followed an increasing trend as its portfolio of royalty interests expanded through acquisitions as discussed herein. During the quarter ended December 31, 2018, the Company's total revenue was higher compared to other quarters presented because of a royalty buyout from the Alpin Sun royalty investment transaction.

During the quarter ending September 30, 2019, the Company reported a net income of $85,000 as it successfully deployed additional capital on revenue generating assets during the two preceding quarters. Net loss of $209,000 during the quarter ended December 31, 2019 was attributable mainly to the following: a) a decrease in royalty revenue as a result of seasonal variations as discussed above; and b) foreign exchange translation loss in relation to the Company's US Dollar denominated cash balance.

The increasing trend in the Company's net loss during the three quarters to December 31, 2018 was primarily attributable to expenses relating to the Qualifying Transaction.

1.5 RESULTS OF OPERATIONS

REVENUE AND INCOME

	For the year ended December 31, 2019	2018	Change ($)	Change (%)
Revenue from royalty interests	$ 367,902	$ 89,402	$ 278,500	312%
Gain from royalty interest buyout	–	409,230	(409,230)	(100%)
Finance income	1,012,277	520,683	491,594	94%
Total	$ 1,380,179	$ 1,019,315	$ 360,864	35%
Gain on revaluation of Aeolis Loan	$ 72,406	$ 70,128	$ 2,278	3%

The Company's revenue and income increased in fiscal year 2019 because of the acquisition of additional royalty interests as discussed in *Section 1.2.1*.

OPERATING EXPENSES

	For the year ended December 31, 2019	2018	Change ($)	Change (%)
Rent and information technology	$ 59,062	$ 38,316	$ 20,746	54%
Legal	2,446	2,777	(331)	(12%)
Audit and audit related services	75,908	96,621	(20,713)	(21%)
Regulatory	29,792	11,949	17,843	149%
Administration	242,225	177,078	65,147	37%
Donation	51,000	–	51,000	–
Marketing and stakeholder communication	230,914	66,285	164,629	248%
Consulting	67,022	1,134,711	(1,067,689)	(94%)
Wages and benefits	489,110	297,760	191,350	64%
Cost recoveries	(69,212)	(131,356)	62,144	(47%)
Total	$ 1,178,267	$ 1,694,141	$ (515,874)	(30%)

The above-mentioned changes in the Company's operating expenses are summarized below:

- Regulatory costs incurred relate to the Company's listing on the TSX Venture exchange.
- Higher administration expenses in 2019 were due to additional support and paralegal services required to support the regulatory compliance requirements of being a public company.
- During the year ended December 31, 2019, the Company donated $25,000 to the Union Gospel Mission and $25,000 to Covenant House Vancouver.
- Higher marketing expenses in 2019 were due to the Company engaging a communications firm and certain consultants to assist with the Company's shareholder outreach and market making programs.
- Consulting expenses of $1,134,711 in 2018 related to certain consulting engagements with third-party consultants to assist in the Company's financing activities. In 2019, the Company did not pursue any major financing initiative, resulting in a decrease in consulting fees.

- Wages and benefits increased due to the initiation of director fees and increase in employee wages compared to the prior year.
- Cost recoveries related to the Company's management of the activities of an affiliate, RER US 1 LLC.

OTHER EXPENSES AND FOREIGN EXCHANGE DIFFERENCES

Non-Cash Expenses and Foreign Exchange	For the year ended December 31,			
	2019	2018	Change ($)	Change (%)
Amortization and depletion	$ 288,062	$ 170,739	$ 117,323	69%
Foreign exchange loss (gain)	203,439	(87,777)	291,216	(332%)
Equity-settled share-based payments	94,993	337,625	(242,632)	(72%)
Total	$ 586,494	$ 420,587	$ 165,907	39%

The changes in the Company's non-cash expenses as presented above are summarized below:

- The increase in the amortization and depletion expense was due to increase in Company's investment in secured loans and royalty interests.
- Foreign exchange loss (gain) relates mainly to USD-denominated cash balance held by the Company and to changes in the exchange rates.
- Compared to the prior period, equity settled share payments decreased as fewer number of unvested share purchase options were outstanding during the current year.

1.6 LIQUIDITY

At December 31, 2019, the Company had cash and cash equivalents of $4,048,057 (December 31, 2018 – $8,859,907) and working capital of $9,538,000 (December 31, 2018 – $12,910,000).

The Company does not have any material capital lease obligations, purchase obligations, or any other long-term obligations.

1.7 CAPITAL RESOURCES

The Company has no lines of credit or other sources of financing which have been arranged but not yet utilized.

Further advancement of the Company's business strategies and operations will require additional funding. The Company intends to pursue additional funding either through one or a combination of the following:

- Issuance of additional equity from treasury;
- Issuance of debt such as green bonds or convertible notes;
- Debt facilities from financial institutions; and/or
- Establishment of co-investment structures or funds, whereby the Company receives a portion of the royalties generated from the co-investment structures or funds.

Although management has a reasonable expectation that it can continue to raise funds, there can be no assurance to that effect.

The Company has no "Purchase Obligations" defined as any agreements to purchase goods or services that is enforceable and legally binding on the Company that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and, the approximate timing of the transaction.

1.8 OFF-BALANCE SHEET ARRANGEMENTS

None.

1.9 TRANSACTIONS WITH RELATED PARTIES

This disclosure can be found in the accompanying Financial Statements of the Company.

1.10 FOURTH QUARTER

The Company recorded a net loss of $209,000 in the fourth quarter of fiscal year 2019, compared to a net loss in the fourth quarter of fiscal year 2018 of $2,370,000 which loss included listing expenses of $1,541,000 and the Company's share of loss of RER US of $419,000.

The following is a summary of revenue and income for the fourth quarter:

	For the three months ended December 31,			
	2019	2018	Change ($)	Change (%)
Revenue from royalty interests	$ 81,821	$ 20,284	$ 61,537	303%
Gain from royalty interest buyout	–	409,230	(409,230)	(100%)
Finance income	255,282	192,934	62,348	32%
Total	$ 337,103	$ 622,448	$ (285,345)	(46%)

See section 1.4 *"Summary of Quarterly Results"* for discussion about seasonality in the Company's revenue. Expenses for the quarter ended December 31, 2019 followed similar trends as discussed in section 1.5 "*Results of Operations"* of this MD&A.

1.11 PROPOSED TRANSACTIONS

Except as discussed in this MD&A, there are no proposed transactions requiring disclosure under this section.

1.12 CRITICAL ACCOUNTING ESTIMATES

This disclosure can be found in the accompanying Financial Statements of the Company.

1.13 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

This disclosure can be found in the accompanying Financial Statements of the Company.

1.14 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

This disclosure can be found in the accompanying Financial Statements of the Company.

1.15 ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Not applicable.

1.16 DISCLOSURE OF OUTSTANDING SHARE DATA

The following table details the share capital structure as of the date of this MD&A:

	Number
Common shares	32,171,389
Share-purchase options	1,360,000
Share-purchase warrants	520,610
Shares to be issued upon conversion of the Convertible Note	2,137,176

1.17 INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS

Internal Controls over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Disclosure Controls and Procedures

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the appropriate time periods and that required information is accumulated and communicated to the Company's management so that decisions can be made about the timely disclosure of that information.

1.18 RISK FACTORS

Dependency on Renewable Energy Generation Facility Owners

The operations of the power generation facilities in which the Company holds royalty interests will be dependent upon the facility owner, operator, or developer of the renewable energy generation facility (collective the "Facility Owner"), and the Company has no input as to how these facilities are operated. As a result of the Company's operating model, the cash flow of the Company is dependent upon the activities of the Facility Owner, that creates the risk that at any time those Facility Owners: (a) may have business interests or targets that are inconsistent with those of the Company; (b) may take action contrary to the Company's policies or objectives; (c) may be unable or unwilling to fulfill their obligations under their agreements with the Company; (d) 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, (e) may experience financial, operational or other difficulties, including insolvency, which could limit the Facility Owner's ability to perform its obligations under the royalty arrangements.

Dependency on Renewable Energy Generation Facility Developers

The development of the power generation facilities that are not yet operational and in which the Company holds royalty interests will be dependent upon the Facility Owner's ability to complete the development and place the facility into operation at the name plate capacity, and the Company will have no input as to how these facilities will be developed. The failed development or delayed development, could have a material adverse effect on the Company's profitability, results of operation and financial condition.

The Company Will Have Limited Access to Data and Disclosure Regarding the Operation of Power Generation Facilities, Which Will Affect its Ability to Access the Performance of the Operators

As a royalty holder, the Company will have limited access to data on the underlying operations or to the underlying facilities themselves. This could affect its ability to assess the performance of the royalty agreements with the Facility Owners. This could result in deviations in cash flow from that which is anticipated from the power generation facilities. The limited access to data and disclosure regarding the operations of the facilities to which the royalty agreements relate may restrict the ability of the Company to enhance the performance of the power generation facilities, which may result in a material and adverse effect on the profitability, results of operations and financial condition of the Company.

Early Termination of Royalty Agreements

While the Company seeks to ensure that all its royalty interests will be secured and legally binding with the Facility Owners, there exists the possibility that other third parties such as governments or senior lenders to the facility owners may seek to terminate the royalty arrangements without compensation to the Company. The early termination of one or more of the Company's royalty agreements, without compensation to the Company, could have a material adverse effect on the Company's profitability, results of operation and financial condition.

The Company Will Depend 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 energy 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. As a result, the Company's ability to detect errors in royalty amounts may be limited. 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 Company to adjust revenue in later periods.

Delay or Failure of Royalty Payments

Although the Company generally seeks to invest in royalties generated from revenues from facilities that are fully contracted under long-term PPAs with investment grade counterparties ("Off-taker"), the Company will not be a party to the PPA and as such, revenues (and the corresponding royalties) generated will generally flow first from the Off-taker to the Facility Owner. In the event there are any delays or failure to pay by the Off-taker to the Facility Owner, or the Facility Owner to the Company, the Company may face delay or possibly failure in receiving its royalty payments, contrary to its contractual arrangements. The Company's rights to payment under the royalties must, in most cases, be enforced by contract, with or without the protection of a security interest over property that the Company could readily liquidate. This affects the Company's ability to collect outstanding royalties upon a default. In the event of a bankruptcy of a Facility Owner, the Company may be treated like any other unsecured creditor, and therefore have a limited prospect for full recovery of royalty revenue. The Company may not have any recourse against the Off-taker in a PPA. Failure to receive any royalty payments from the owners and operators may result in a material adverse effect on the Company's profitability, results of operation and financial condition.

Reliance on Facility Owner Reporting

The Company relies on public disclosure and other information regarding the power generation facilities it receives from the Facility Owners. The Company 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 uses such information in its analyses, forecasts and assessments relating to its own business and to prepare its disclosure with respect to the royalties. If the information provided by the Facility Owners to the Company contains material inaccuracies or omissions, the Company's disclosure may be inaccurate and its ability to accurately forecast or achieve its stated objectives may be materially impaired, which may have a material adverse effect on the Company.

Acquisition Strategy

As part of the Company's business strategy, it has sought and will continue to seek to purchase royalties from renewable power generation facility owners, operators and developers. In pursuit of such opportunities, the Company may fail to select appropriate acquisition targets or negotiate acceptable arrangements, including arrangements to finance the acquisitions. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit the Company.

Royalty and Other Interests May Not Be Honored by Facility Owners

Royalty and other interests in renewable energy 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. To the extent grantors of royalty and other interests do not abide by their contractual obligations, the Company 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 Company, it may have a material adverse effect on the Company's profitability, results of operations and financial condition.

Rights in Favour of Third Parties

The Company may acquire royalties 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; (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 Company; or, (iii) claw back rights pursuant to which the seller of a royalty to the Company has the right to re-acquire the royalty. Holders of these rights may exercise them such that certain royalty interests would not be available to the Company. Any such exercise may result in the elimination of a royalty interest for compensation to the Company and it may have a material adverse effect on the Company's profitability, results of operations and financial condition.

Increased Competition for Royalty Interests

Although the Company believes that, as a pioneer in providing royalty financing in the renewable energy sector, it faces minimal competition in the acquisition of royalties in the renewable energy sector, the success of the Company's business model may lead other companies to engage in the search for and the acquisition of royalties in the renewable energy sector. If the Company has to compete with larger companies with substantial financial resources, the Company may be at a competitive disadvantage in acquiring royalty interests in these renewable energy projects. Accordingly, there can be no assurance that the Company will be able to compete successfully against other larger companies in acquiring new royalty interests or ability to acquire royalties at a viable cost. The Company's inability to acquire additional royalties may result in a material adverse effect on the Company's profitability, results of operation and financial condition.

Concentration Risk

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

The Company Has a Limited History of Operations and There Can Be No Assurance of Success or Profits

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

Availability and Terms of Additional Financing and Dilution to Shareholders' Interest

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further business activities, which may result in a material adverse effect on the Company's profitability, results of operation and financial condition. The Company will require new capital to grow its business and there are no assurances that capital will be available when needed, if at all. If such additional capital is raised through the issuance of additional equity, it will result in dilution to shareholders.

Foreign Exchange Risk

The Company's royalty interests will be subject to foreign currency fluctuations and inflationary pressures, which may have a material adverse effect on the Company's profitability, results of operation and financial condition. There can be no assurance that the steps taken by management to address variations in foreign exchange rates will eliminate all adverse effects and, accordingly, the Company may suffer losses due to adverse foreign currency rate fluctuations and it may result in a material adverse effect on the Company's profitability, results of operations and financial condition.

Interest Rate Risk

The Company intends on obtaining financing in the future by accessing the debt markets. Amounts payable in respect of interest and principal on debt to be incurred by the Company will affect its net cash flow and profitability. Any increase in such payments will result in a corresponding increase in the cash out flow of the Company that must be applied to debt service. In the event of such an increase, there can be no assurance that net cash flow derived from the Company's operations will be sufficient to cover its future financial obligations or that additional funds will otherwise be able to be obtained. If the Company becomes unable to pay its debt service charges or otherwise commits an event of default such as bankruptcy, the lender may foreclose on or sell all or some of the Company's assets, which may have a material adverse effect on the Company's profitability, results of operation and financial condition.

Payments of Dividends

Payment of dividends on the Common Shares will be within the discretion of the Board and will depend upon the Company's future earnings, its cash flows, its acquisition capital requirements and financial condition, and other relevant factors discussed herein. There can be no assurance that the Company will pay dividends or will be in a position to issue dividends due to the occurrence of one or more of the risks described herein.

Attracting and Retaining Qualified Management and Personnel

The Company is dependent upon the continued availability and commitment of its key management, whose contributions to immediate and future operations of the Company are of significant importance. The loss of any such members could negatively affect business operations. From time to time, the Company may need to identify and retain additional skilled management and personnel to efficiently operate its business. The number of persons skilled in the acquisition of royalties in the renewable energy sector is limited and as new companies enter this business, competition for such persons may intensify. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of such recruitment and retention. If the Company is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material adverse impact on its profitability, results of operations and financial condition.

Income Taxes

The Company's activities will generally be taxable in the jurisdictions in which it operates. Changes to taxation laws in Canada, the United States or any of the countries in which the Company acquires royalty agreements could materially affect the Company's royalty interests. No assurance can be given that new taxation rules will not be enacted or that existing rules will not be applied in a manner that could materially affect in the Company's profits and it may result in a material adverse effect on the Company's profitability, results of operations and financial condition.

Legal Proceedings

In the normal course of business, the Company may become party to legal action. There can be no assurance that the Company will be successful in defending these claims and legal actions or that any claim or legal action that is decided adverse to the Company will not materially and adversely affect the Company's profitability, results of operations and financial condition.

Limitation of Insurance

The Company maintains 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, natural disasters, theft, terrorist attacks and sabotage. The Company relies on the Facility Owner's insurance policies to cover losses as a result of force majeure, natural disasters, terrorist attacks or sabotage, among other things. While the Company performs a review of the Facility Owner's insurance policies, a significant uninsured loss or a loss that significantly exceeds the limits of the Facility Owner's insurance policies or the failure to renew such insurance policies on similar or favourable terms could have a material adverse effect on the Company's royalty interests.

General Risks Involved in the Operations of a Power Generation Facility

The revenue generated by the Company 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 Company. A number of different factors, including: 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 or water flows, changes in solar irradiation patterns, and vandalism or theft could adversely affect the amount of electricity produced, and thus the revenues and cash flows of the Company. 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 Company could be adversely affected.

Natural Disasters and Other Catastrophic Events

The power generation facilities and operations could be exposed to potential interruption and damage (partial or full loss) resulting from events such as environmental disasters (e.g. floods, high winds, fires, and earthquakes), severe weather conditions and equipment failures. There can be no assurance that in the event of an earthquake, hurricane, tornado, tsunami, typhoon, terrorist attack, 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 which the Company holds a royalty interest in, will not be disrupted. The occurrence of a significant event which disrupts the ability of the renewable power generation assets of the Royalty Sellers to produce or sell electricity for an extended period that could have a material adverse effect on the Company's profitability, results of operation and financial condition.

Permitting Risk

Although the Company generally seeks to acquire royalty interests in the power generating facilities that have commenced commercial operations or will commence commercial operations in near term, the Company may acquire royalty interests in power generation facilities that will require additional permits before commercial operations can be commenced. These facilities will require various property rights, permits and licenses in order to 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 if any of such property rights, permits and licenses could result in interruption or closure of operations on the facility. Such interruptions or closures could have a material adverse effect on the Company's profitability, results of operation and financial condition.

Environmental Laws and Regulations

The activities of a renewable power generation facility are subject to stringent environmental laws and regulations promulgated and administered by federal, provincial and municipal governments where the facility operates. These laws and regulations generally concern water use, wildlife, wetlands preservation, endangered species preservation and noise limitations, among others. Failure to comply with applicable environmental laws and regulations or failure to obtain or comply with any necessary environmental permits pursuant to such laws and regulations could result in sanctions against the facility owner and operator and may disrupt revenue of the Company for an extended period that, in turn, may have a material adverse effect on the Company's profitability, results of operation and financial condition.

Local Public Opposition

The development and operation of renewable assets may at times be subject to public opposition. In particular, with respect to the development and operation of wind projects, public concerns and objections often center around the noise generated by wind turbines and the impact such turbines have on wildlife, including birds and bats. While public opposition may be of greatest concern during the development stage of renewable assets, when the public has the ability to provide comments and appeal regulatory permits, continued opposition could have an impact on ongoing operations. Legal requirements, changes in scientific knowledge and public complaints regarding issues such as noise generated by wind turbines could impact the operation of certain of the projects in which the Company may hold a royalty interest in the future and it may result in a material adverse effect on the Company's profitability, results of operation and financial condition.

Negative Public or Community Response

Negative public or community response to wind, hydroelectric, and other power generation facilities could adversely affect the ability of the owners and operators to construct or operate the power generation facilities in which the Company may acquire royalty interests. This type of negative response could lead to legal, public relations and other challenges that impede the ability of the power generation facilities to achieve commercial operations and generate revenues at the anticipated levels. An increase in opposition to the facilities or segment of the renewable energy sector in which the Company may hold royalty interests could have a material adverse effect on the Company's profitability, results of operation and financial condition.

Changes in Supply of Water, Levels of Winds, Irradiation and Other Natural Variables

The operation of renewable assets are inherently exposed to relevant natural variables, such as levels of wind, precipitation, the timing and rate of melting, run off, temperatures, hours of irradiation and other factors beyond the control of the Company. A shift in these weather or climate patterns may reduce the water flow to, or consistency of the wind resource at, the facilities in which the Company may hold royalty interests. Moreover, the use, treatment and discharge of water, and the licensing of water rights in many jurisdictions are subject to increasing level of regulations that may impact the supply of water to a specific power generation facility. These changes in natural variables and regulations could have a material adverse effect on the Company's profitability, results of operation and financial condition.

Reliance on Natural and Regional Transmission Systems

Renewable power generation facilities generally depend on electric transmission systems and related facilities (the "Grid") owned and operated by third parties to deliver the electricity a facility generates to delivery points where ownership changes as per the terms of underlying PPA. These Grids operate with both regulatory and physical constraints which in certain circumstances may impede access to electricity markets. There may be instances in system emergencies in which the power generation facilities are physically disconnected from the power grid, or their production curtailed, for short periods of time. Most PPAs do not provide for payments to the relevant facilities if electricity is not delivered. Renewable power generation facilities may also be subject to changes in regulations governing the use of the local transmission and distribution systems. The Company's profitability, results of operation and financial condition could be adversely affected as a result of any impediment to a facility's access to electricity markets due to regulatory and/or interconnection or physical constraints relating to electricity transmission systems.

Effect of General Economic and Political Conditions

The Company's business is subject to the impact of changes in global economic conditions including, but not limited to, recessionary or inflationary trends, market conditions, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence. These economic conditions may be further affected by political events throughout the world that cause disruptions in the financial markets, either directly or indirectly. Adverse economic and political developments could have a material adverse effect on the Company's profitability, results of operation and financial condition.

Delays and Cost Overruns in the Design and Construction of Projects

Delays and cost over-runs may occur in completing the construction of power generation facilities that the Facility Owners will undertake. A number of factors which could cause such delays or cost over-runs include, without limitation, permitting delays, construction pricing escalation, changing engineering and design requirements, the performance of contractors, labour disruptions, adverse weather conditions and the availability of financing. Even when complete, a power generation facility may not operate as planned due to design or manufacturing flaws, which may not all be covered by warranty. Mechanical breakdown that is not covered by business interruption insurance could occur in equipment after the period of warranty has expired, resulting in loss of production.

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) and the requirements of licences, permits and other approvals remain material to the Facility Owners' businesses. The Facility Owners' power generation facilities may become subject to government orders, investigations, inquiries or other proceedings (including civil claims) relating to health, safety and environmental matters. The occurrence of any of these events or any changes, additions to 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 and ultimately affect the ability of Facility Owners to pay the Company royalties. As a consequence, no assurances can be given that additional environmental and workers' health and safety issues relating to presently known or unknown matters will not require unanticipated expenditures, or result in fines, penalties or other consequences (including changes to operations) material to the business and operations of the power generation facilities.

Risk Related to COVID-19

The current outbreak of the novel coronavirus (COVID-19), and any future emergence and spread of similar pathogens, could have a material adverse effect on global and local economic and business conditions. The extent to which the coronavirus impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or treat its impact, among others. 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, including the trading price of our shares. These adverse effects on the economy, the stock market and our share price could adversely impact our ability to raise capital. Any of these developments, and others, could have a material adverse effect on our business and results of operations and could delay our business development plans.