RE ROYALTIES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2022

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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. In some cases, forward-looking information contained herein are based upon information received from or disseminated by third parties.

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 unaudited condensed consolidated interim financial statements of RE Royalties Ltd. ("RER" or the "Company") for the three months ended March 31, 2022 (the "Financial Statements") and the audited consolidated financial statements of the Company for the year ended December 31, 2021 and related MD&A (the "Annual MD&A") as publicly 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 May 30, 2022.

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". Effective March 31, 2022, the Company's common shares commenced trading under the symbol, RROYF on the OTCQX Best Market ("OTCQX"), which is the highest market tier operated by OTC Markets Group Inc.

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 14th Floor, 1040 West Georgia Street, Vancouver, BC, V6E 4H1.

The Company acquires revenue-based royalties from renewable energy companies by providing a non-dilutive royalty financing solution to privately held and publicly traded renewable energy companies. The Company's business objectives are to acquire a portfolio of long-term, stable, and diversified renewable energy royalty streams 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 generation royalty streams backed by power purchase agreements or other revenue programs from credit worthy utilities and/or facilities which operate in strong merchant markets with stable power pricing;
- Acquiring renewable energy royalties in high-growth areas of the low carbon energy sector including clean transportation, energy storage, and energy efficiency that are backed by offtake arrangements or customer sales and/or lease contracts from credit worthy counterparties.

- 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 LAUNCH OF $10 MILLION MARKETED OFFERING

On April 25, 2022, subsequent to the Company's quarter-end, the Company announced the launch of a best efforts marketed public offering of units, of up to 12,200,000 Units (the "Units") for gross proceeds of up to $10 Million (the "Offering"). Each Unit will be priced at $0.82 and consist of one (1) common share in the capital of the Company (each a "Common Share" and collectively, the "Common Shares"), and one (1) common share purchase warrant (each a "Warrant" and collectively, the "Warrants"). Each Warrant will be exercisable into one (1) Common Share in the capital of the Company (each a "Warrant Share" and collectively, the "Warrant Shares") at an exercise price of $1.10 per Warrant Share for a period of twenty-four (24) months following the closing of the Offering.

The Offering will be led by Integral Wealth Securities Limited and Canaccord Genuity Corp. (the "Agents").

In connection with the Offering, the Company intends to enter into an agency agreement with the Agents (the "Agency Agreement"). The Agency Agreement will provide that the Company will grant the Agents an option, exercisable in whole or in part at any time until the date that is 30 days after the closing of the Offering, to market for sale up to an additional 15% of the number of Units sold pursuant to the Offering on the same terms as the Units sold under the Offering (the "Over-Allotment Option").

The Offering is expected to be conducted in each of the provinces of Canada (other than Quebec) by way of prospectus supplement (the "Prospectus Supplement") to the Company's short form base shelf prospectus (the "Base Shelf Prospectus") dated June 21, 2021. The Prospectus Supplement is expected to be filed with the securities commissions and other similar regulatory authorities in each of the provinces of Canada, except Quebec.

The Company intends to use the net proceeds from the Offering to finance or re-finance renewable and sustainable energy projects, energy storage and energy efficiency solutions that are intended to reduce or offset greenhouse gas emissions and assist in mitigating the impact of climate change.

The closing of the Offering is expected to occur on or about June 15, 2022, or such other date as may be mutually agreed to by the Company and the Agents, subject to satisfaction of customary closing conditions, including, but not limited, the receipt of all necessary approvals, including the conditional approval of the TSX Venture Exchange Inc. (the "TSXV") and other necessary regulatory approvals.

The Base Shelf Prospectus as well as the Prospectus Supplement in connection with the Offering can be found on SEDAR at www.sedar.com.

The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements.

1.2.2 RENEWABLE ENERGY ROYALTY INVESTMENTS

For detailed description of each royalty investment transaction completed prior to January 1, 2022, refer to the Annual MD&A and the Company's Annual Information Form ("AIF") for the year ended December 31, 2021 as publicly filed on SEDAR at www.sedar.com. This MD&A only includes changes and events during the current year to and as of the date this MD&A.

As of the date of this MD&A, the Company owned a portfolio of 104 royalties on various solar, wind, hydro, battery storage, and renewable natural gas projects operating or in development in Canada, Europe and the United States. Additionally, on May 26, 2022, the Company announced that it had entered into an agreement, which is subject to customary closing conditions, to acquire a portfolio of six operational roof top solar generation projects, as further described below. A summary of the Company's portfolio of royalty interests is as follows:

Client	Location	# of Royalties	Expected Expiration / Term	Royalty as % of Revenue	Energy Type	Status	Generating/ Storage Capacity	Original Investment (C$ million)
OCEP	Wisconsin, USA	1	2035	Fixed(c) $235,520 per year	Renewable Natural Gas	Operational	2 MW (equiv.)	$ 5.89(c)
NOMAD	Vermont, USA	6	2027	3.5%	Battery storage	Development	3.5 MW	$ 7.17(c)
Switch Power 1	Ontario, Canada	4	2031-2033	5% - 3%	Battery storage	Operational	2 MW	$ 2.31
Switch Power 2 & 3	Ontario, Canada	10	2033-2035	5% - 3%	Battery storage	Development	19 MW	$ 5.07
Teichos Energy	Pennsylvania, USA	1	15 Years	1% – 2%	Solar	Development	20 MW	$ 3.00
FuseForward Solutions	British Columbia, Canada	1	2031	Fixed $284,000 per year	Energy Efficiency	Operational	Not applicable	$ 3.00
Aeolis Wind	British Columbia, Canada	1	2035	1.00%	Wind	Operational	102 MW	$ 1.24
Jade Power(a)	Romania	5	2035	1.05%	Solar, Wind, Hydro	Operational	34 MW	$ 3.80
OntarioCo(a)	Ontario, Canada	59	2040	2.00%	Solar	Operational	18 MW	$ 5.00
Fresh Air Energy	Ontario, Canada	4	2033	1.00%	Solar	Operational	40 MW	$ 1.87
Scotian Windfields(a)	Nova Scotia, Canada	12	2036	8.00%	Wind	Operational	40 MW	$ 4.64
Total		**104**						**$ 43.00(b)**

(a) As of the date of this MD&A, the Company had received full repayment of the loans advanced to a private group ("OntarioCo") ($5.0 million), Scotian Windfields ($3.3 million), and Jade Power ($3.8 million). Further details are provided in the following discussions.

(b) As of the date of this MD&A, the total amount of investments listed above, net of repayments in (a) above, was $31 million.

(c) Based on exchange rate of 1 US$: 1.28 C$.

(d) In April 2022, Teichos Energy provided a notice to the Company that it will extend the Teichos Loan by an additional 6 months. Accordingly, the Jackson Center Royalty has increased from 1% to 1.5% of gross revenues.

(e) The royalties from the agreement with ReVolve have not been included in the table above as ReVolve expects to complete their acquisition of the six operational roof-top solar in June 2022.

Royalty-Based Investment Transactions Completed After January 1, 2022 and Before the Date Hereof

A. Switch Power Final Advance

In March 2022, the second and final cash advance of $1.5 million was provided to Switch Power.

B. Outagamie Clean Energy Partners –Renewable Natural Gas Project – Wisconsin, USA

On March 1, 2022, the Company announced that it had entered into a mezzanine financing agreement with Outagamie Clean Energy Partners ("OCEP"), a Renewable Natural Gas ("RNG") developer to finance the construction of a biogas to RNG upgrading project located in Wisconsin (the "OCEP Project").

The Company has provided a USD $4.6 million secured loan (the "OCEP Loan") with a three year term. The OCEP Loan has an interest rate of 13.5% per annum. The OCEP Loan will be interest only for the first 2 years and amortized over the final year. The Company will also receive a fixed annual royalty payment (the "Fixed Royalty") of 4% of invested capital for 10 years upon repayment of the OCEP Loan.

The OCEP Loan was advanced through and the Fixed Royalty was granted to a co-investment vehicle structured as a limited liability company ("OCEP Invest LLC"), in which the Company holds an equity interest of approximately 97%, whereas the Company's economic interest in the OCEP Invest LLC entitles it to receive 100% of the payments on account of the OCEP Loan (including interest thereon at 13.5% per annum) as well as the Fixed Royalty.

The financing will enable OCEP to complete upgrades at an existing anaerobic digester facility located at a dairy farm near Green Bay, Wisconsin. The Project will take biogas produced from animal waste and upgrade this biogas to pipeline quality RNG for injection into the regional natural gas grid. The Project is located on an existing dairy farm, offering a constant, reliable source of feedstock.

The OCEP Project will receive revenue from multiple sources, with the primary sources being California Low Carbon Fuel Standard credits and US Environmental Protection Agency Renewable Identification Numbers. The OCEP Project has been producing biogas for 15 years and the OCEP Loan proceeds will be utilized to upgrade this biogas to RNG quality for injection into the natural gas grid.

The OCEP Project reduces greenhouse gas emissions by capturing methane that would otherwise escape to the atmosphere and upgrading it for use as a transportation fuel. As methane is a powerful greenhouse gas (25 times the impact of CO_2), the benefit is significant for each unit of gas produced. The OCEP Project is expected to reduce emissions by up to 20,000 metric tonnes of CO_2 equivalent per year.

C. Nomad Transportable Power Systems – Transportable Energy Storage System – Vermont, USA

In April 2022, the Company entered into an agreement with Nomad Transportable Power Systems Inc. ("NOMAD"), a company co-founded by KORE Power Inc., a US-based battery manufacturer, and Northern Reliability Inc., an energy systems integrator with over 50 year experience implementing storage projects around the world.

NOMAD is a first mover in the utility, commercial and industrial-scale mobile energy storage sector and was founded in response to demand for a more flexible, transportable battery energy storage system. NOMAD's business objective is to sell mobile energy storage systems ("Mobile Units") and provide energy storage as a service.

The Mobile Units combine a fully-enclosed trailer chassis with high energy density lithium-ion battery cells and a proprietary docking system to deliver a plug-and-play energy storage solution to their customers. The Mobile Units combine the benefits of a fixed-site energy storage system with increased flexibility and the ability to relocate them, enabling a single Mobile Unit to serve multiple locations for seasonal, intermittent (outages), or temporary use (capital deferral), increasing asset utilization versus a fixed asset.

The Company provided a five-year USD $5.6 million senior secured working capital loan (the "NOMAD Loan"). The NOMAD Loan will enable NOMAD to manufacture Mobile Units including the NOMAD Traveler (2 MWh), and NOMAD Voyager (1.2 MWh). The Mobile Units will be sold to utilities, commercial and industrial customers.

The NOMAD Loan has an interest rate of 12% per annum, interest-only for the term, with a bullet repayment after 5 years. The Company will also receive a gross revenue royalty of 3.5% on the sale of NOMAD's Mobile Units manufactured during the term of the NOMAD Loan.

D. ReVolve Renewable Power– Roof Top Solar Generation Projects – Mexico

On May 26, 2022, the Company announced that it had entered into an agreement with ReVolve Renewable Power Corp. (TSXV: REVV) ("ReVolve"), a North American renewable energy developer with 3.3 GW of wind, solar, and battery projects under development in the USA and Mexico, to provide a CAD $1.6 Million secured loan (the "ReVolve Loan") to support ReVolve's acquisition of a portfolio of six operational roof top solar generation projects in Mexico (the "ReVolve Projects") with a combined generating capacity of 2.4 MW. The ReVolve Loan and corresponding acquisition will be subject to customary closing conditions.

The ReVolve Projects are roof-mounted behind-the-meter installations, with three ReVolve Projects located near Mexico City and three Projects in neighbouring state Guanajuato to the northwest. The Projects receive revenue from Power Purchase Agreements ("PPAs") with commercial customers that support the automotive, medical, and print industries. The ReVolve Projects are all operational and have PPAs with remaining terms ranging from 8-11 years.

The ReVolve Loan will have a term of 24 months and bear interest at the rate of 10% per annum, compounded monthly, and payable quarterly. The Company will receive a structuring fee of 1.5% on the ReVolve Loan value at closing, and an additional fee of 1.5% on the ReVolve Loan value at the end of term. The Company will also receive a gross revenue royalty of 5% on four of the Projects and 1% on two of the ReVolve Projects for the remaining life of the PPAs.

Proposed Royalty Investment Transactions and Potential Royalty Financing Opportunities

The Company has a robust backlog of potential royalty financing opportunities and is in advanced discussions on several opportunities. There can be no assurance that any of the opportunities will result in a completed transaction.

1.2.3 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 projects in the Company's royalty portfolio, including clean energy capacity, average annual generation, and average annual carbon emissions reduction for the associated projects. After the current year, the remaining royalties on the Alpin Sun portfolio expired and have been removed from the portfolio reporting below.

Client	Location	Projects/ Royalties	Energy Type	Clean Generation Capacity (MW_{AC})	Annual Clean Energy (MWh)	Annual GHG Offset (tCO_2e),[1]	Annual Homes Powered[1]
Operational							
Aeolis Wind	BC, Canada	1	Wind	102	193,000	2,490	17,870
OntarioCo	ON, Canada	59	Solar	18	25,566	1,023	2,841
Fresh Air Energy	ON, Canada	4	Solar	40	59,413	2,377	6,601
Scotian Windfields	NS, Canada	12	Wind	40	131,700	79,020	12,064
Jade Power	Romania	5	Solar, Wind, Hydro	34	70,377	28,220	42,939
Switch Power	ON, Canada	4	Battery	2	88	79[2]	10
Operational Subtotal	***85***			***236***	***480,144***	***113,209***	***82,325***
Development Stage							
Switch Power	ON, Canada	10	Battery	19	770	693	86
Teichos Energy	PA, USA	1	Solar	20	42,799	35,493	4,261
FuseForward	BC, Canada	1	Efficiency	N/A[3]			
OCEP	WI, USA	1	RNG	2[4]	18,170	17,989[5]	1,000[6]
NOMAD	VT, USA	6	Storage	4	1,551	660	228[6]
Development Subtotal	***19***			***45***	**63,290**	**54,835**	**5,575**

PORTFOLIO TOTAL	**104**		**281**	**543,434**	**168,044**	**87,900**

Equivalents[1]:

87,903	**36,310**	**51,861**	**2,779,065**
homes powered with clean energy	passenger vehicles	tonnes of waste recycled instead of landfilled	trees planted

[1] Sources per RE Royalties 2020 Annual Information Form.
[2] SDTC Environmental Benefits Report 2021 (specific to project type)
[3] Smart infrastructure business expected to generate benefits but not yet quantifiable.
[4] Gas production capacity equivalent (based on annual energy)
[5] Project-specific carbon intensity pathway
[6] US Energy Information Agency

Environmental Risks

Specific environmental factor risks are discussed in the Risk Factors section of the Company's Annual Information Form (AIF) for the year ended December 31, 2021, as publicly filed on SEDAR at www.sedar.com, 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*

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.

Gender Diversity

Board of Directors:	The Company has one (1) female board member of 7 (14%)
Team:	The Company has six (6) team members, of which one (1) is female (17%)

Charitable Activity

We believe in supporting organizations with causes that resonate with our values.

In April 2022, the Company donated $25,000 to HeadsUpGuys, an online resource that was developed to support men in their fight against depression by providing tips, tools, information about professional services, and stories of success.

Social Risks

Specific social factor risks are discussed in the Risk Factors section of the Annual MD&A, within the following categories:

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

1.2.4 DISTRIBUTION TO SHAREHOLDERS

On April 6, 2022, the Company announced that the Board of Directors of the Company declared a cash distribution of $0.01 per issued and outstanding common share for the quarter ending March 31, 2022. The distribution for an aggregate amount of $ 332,899 was paid on May 11, 2022, to shareholders of record on April 20, 2022.

For cash distributions for the prior years, refer to the Annual MD&A.

The Company's decision to pay distributions will be reviewed from time to time by the Board in the context of the Company's earnings, financial condition and other relevant factors.

1.3 SELECTED ANNUAL INFORMATION

Not required.

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 thousands of Canadian dollars, except for the weighted average number of shares.

	Fiscal Quarter Ending							
	Mar 31, 2022	**Dec 31, 2021**	**Sep 30, 2021**	**Jun 30, 2021**	**Mar 31, 2021**	**Dec 31, 2020**	**Sep 30, 2020**	**Jun 30, 2020**
Revenue and income								
Royalty revenue	170	$ 181	$ 190	$ 221	$ 192	$ 170	$ 187	$ 214
Royalty buyout		–	–	–	–	–	451	47
Finance income	384	279	190	196	247	277	270	331
Gain on derecognition of financial asset	–	–	129	–	–	–	–	–
Other revenue	–	100	–	–	–	–	–	–
Total revenue and income	554	$ 560	$ 509	$ 417	$ 439	$ 447	$ 909	$ 592
Share of income of OCEP Invest LLC	101	–	–	–	–	–	–	–
Net (loss) income	(550)	$ (166)	$ (442)	$ (767)	$ (755)	$ (882)	$ 387	$ (4)
Net (loss) income per share	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.02)	$ (0.03)	$ 0.01	$ (0.00)

Trends with respect to the Company's Financial Results

General	Since its inception in 2016, the Company has been pursuing its growth strategy as reflected in the increasing trends in its total assets and revenue. The timing difference between sourcing of capital and its deployment is inherent in the Company's business. The Company's operating results follow a similar trend whereby the Company would incur various expenses (salaries, consulting, etc.) with respect to asset evaluation and due diligence activities for several months leading up to the completion of a new investment transaction and before any revenue or income from such investment can be recorded.
Revenue and Income	The Company's royalty revenue have increased or stayed stable on an annual basis. The Company earns royalty revenue from several renewable power generation sources and energy efficiency, 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. Similarly, within a given renewable power generation source, geographical diversification across the Northern and Southern Hemispheres reduces overall seasonality. Currently, the Company's royalty interests are held in renewable assets located in the Northern Hemisphere only. The fluctuations in finance income are directly related to changes in average balance of the aggregate amount of outstanding loans receivable by the Company. In the Company's fiscal year 2021, there was a decreasing trend in finance income during the first three fiscal quarters, as the Company

	received loan repayments from various clients. Thereafter, the Company's finance income increased, as a result of various secured loans advanced during the course of the fourth quarter of 2021. The OCEP Loan is held in OCEP Invest LLC, a co-investment vehicle, which is accounted for using the equity method, whereby the Company's share of OCEP investment is presented as a separate line.
Expenses	The Company's operating expenses are mostly incurred evenly through a fiscal year. However, the timing of certain expenses are driven by the underlying activities. For instance, the Company's activities and related expenses with respect to its annual audited financial statements and other annual reports, and annual general meeting are higher in the second fiscal quarter. Moreover, certain expenses are incurred to support the Company's financing and investing activities and accordingly fluctuate with the timing of such activities.

Analysis of Quarterly Results

Quarter ended	Analysis
June 2020	Following the deployment of its available capital as mentioned above, the Company's focus during the quarter ended June 30, 2020 and the following quarters was to source additional capital through the Green Bond offering to finance or re-finance renewable energy projects, energy storage and energy efficiency solutions that led to higher overall expenses, including marketing and certain consulting expenses in these fiscal quarters. During the quarter ended on June 30, 2020, the Company recorded a net loss of $4,000, mainly due to the timing of certain expenditures incurred during the quarter in relation to the Company's audited financial statements and other annual reports and in relation to the Green Bond offering.
September 2020	The Company recorded a net income of $387,000 mainly due to the buyout of the Belltown royalty.
December 2020	In the fourth fiscal quarter of 2020, the Company recorded a net loss of $882,000, mainly due to the following: a) the Company recorded its share of loss of RER US 1 LLC (an associate of the Company) under the equity method of accounting in the amount of $539,000, mainly due to impairment loss with respect the affiliate. b) the Green Bond offering in FY 2020 led to higher overall expenses, including marketing and certain consulting expenses as well as finance expenses, but the offering had no impact on the Company's revenue for the quarter because the deployment of the proceeds from the offering did not commence during the quarter. c) A partial prepayment of the Jade Power Loan had an impact on the Company's finance income in this quarter.
March 2021	During this quarter, there was no significant change in the Company's revenue and income as the Company remained focused on evaluating several assets for potential acquisition to deploy aggregate proceeds from the Green Bonds and the funds received from the repayment of the Jade Power Loan. Net loss of $755,000 recorded in this quarter included: a) non-cash equity-settled shared-based payment expense of $404,000 representing amortization of the fair value of 1,450,000 share purchase

	options granted by the Company in the current quarter to its directors, officers, employees and certain consultants, and b) finance expenses of $243,000 relating to Green Bonds and Convertibles Notes.
June 2021	During and as of the end of the second quarter of 2021, the Company was in advanced discussions on several potential royalty financing opportunities. The Company received a partial repayment of the loan receivable from OntarioCo, that led to a decrease finance income. The Company filed its base-self short form prospectus in this quarter and incurred additional regulatory expenses and professional fees in this regard. The Company continued recording finance expenses on its debts and share-based payment expenses representing amortization of the fair value of the share purchase options granted in the preceding quarter.
September 2021	During the third quarter of 2021, the Company closed the First Acquisition Loan to Switch Power. The Company received a final repayment of the loan receivable from OntarioCo The Company also received an early repayment of the Scotian Windfields Loan and consequently recorded a gain upon derecognition of the financial asset representing debt accretion that would have otherwise been recorded over the remaining term of the loan.
December 2021	During the fourth quarter of 2021, the Company closed several additional transactions and further advanced additional potential royalty financing opportunities. Accordingly, the Company's net loss decreased in this quarter, mainly due an increase in total revenue and income from the new investments.
March 2022	In this quarter, the Company provided an additional advance of $1.5 million to Switch Power and provided approximately US$4.5 million in its contribution with respect to the OCEP Loan. The Company further advanced several potential royalty financing opportunities, of which one transactions (NOMAD Loan) was completed after the end of this quarter and before the date hereof, while other potential transactions were still subject to completion of due diligence to the Company's satisfaction, negotiation of definitive documents, satisfaction of customary conditions precedent for each transaction, and approval by the Company's Board of Directors. Although the total revenue and income of the Company increased in this quarter as a result of recently completed additional investments, certain expenses for the quarter increased, including finance expense due to additional Green Bond offering completed in December 2021; the proceeds from which offering were mainly deployed after the end of the quarter. Refer to the following section (1.5 *Results of Operations)* for a detailed analysis of this quarter's results.

1.5 RESULTS OF OPERATIONS

The Company recorded a net loss of $550,000 for three months ended March 31, 2022 ("Current Period"), compared to a net loss of $755,000 for three months ended March 31, 2021 ("Prior Period").

Additional details regarding the Company's operating results are provided below.

REVENUE AND INCOME

	Note	Three months ended March 31, 2022	2021	Change ($)	Change (%)
Royalty revenue	(1)	$ 170,134	$ 191,501	$ (21,367)	(11%)
Finance income	(2)	384,143	247,142	137,001	55%
Revenue and income		$ 554,277	$ 438,643	$ 115,634	26%
Share of income of OCEP Invest LLC	(3)	101,280	–	101,280	N/A
Loss on revaluation of financial asset at FVTPL	(4)	$ (40,326)	$ (36,025)	$ (4,301)	12%

The above-mentioned changes in the Company's revenue and income are summarized below:

(1) The total royalty revenue was higher in the prior year because of higher than average power generation in most of the underlying power projects.

(2) The increase in finance income for the Current Period, compared to the Prior Period, was due to various secured loans advanced during the course of the fourth quarter of 2021.

(3) The OCEP Loan advanced in March 2022 is held in OCEP Invest LLC, a co-investment vehicle, which is accounted for using the equity method, whereby the Company's share of the investee is presented as a separate line.

(4) The fluctuation in loss on revaluation of Aeolis Loan is mainly a result of changes in risk-free interest rates used for discounting future cash flows.

OPERATING EXPENSES

	Note	Three months ended March 31, 2022	2021	Change ($)	Change (%)
Wages and benefits	(1)	$ 181,676	$ 167,420	$ 14,256	9%
Administration	(2)	111,689	81,240	30,449	37%
Marketing and stakeholder communication	(3)	83,934	87,056	(3,122)	(4%)
Audit and audit related	(4)	44,940	–	44,940	N/A
Consulting – Financing	(5)	29,882	26,409	3,473	13%
Consulting – Other	(6)	12,600	37,400	(24,800)	(66%)
Regulatory and transfer agency	(7)	64,738	14,707	50,031	340%
Office lease and information technology	(8)	15,329	18,900	(3,571)	(19%)
Legal	(9)	2,791	2,856	(65)	(2%)
Total		$ 547,579	$ 435,988	$ 111,591	26%

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

(1) The increase in wages and benefits in the Current Period, compared to the Prior Period, was mainly due to additional resources retained by the Company to support its business development.

(2) Higher administration expenses during the Current Year were in line with the increase in overall activities of the Company relating to business development and financing initiatives.

(3) Marketing expenses in the Current Period were consistent with the Prior Period.

(4) Audit and audit related services increased in the Current Period due to the timing of certain audit services provided during the quarter.

(5) Consulting (financing) expenses related to certain consulting engagements to assist in the Company's financing activities.

(6) Other consulting expenses were lower in the Current Period because certain consulting costs incurred during the period directly relating to the due diligence activities were reimbursed by the investees as transactions costs.

(7) Effective March 31, 2022, the Company's common shares commenced trading under the symbol, RROYF on the OTCQX Best Market, which is the highest market tier operated by OTC Markets Group Inc. To further facilitate electronic clearing and settlement of the Company's common shares in the United States, the Company also applied for the Depository Trust & Clearing Corporation (DTCC) eligibility, which application is currently pending. Accordingly, regulatory expenses increased in the Current Period.

(8) Office lease and information technology expenses relate to the Company's corporate office. Effective May 1, 2021, the Company entered into a lease (the "Office Lease") with a 5 year term for its corporate office space. The Company recognized a right-of-use asset and a corresponding lease liability with respect to the Office Lease. Office lease expenses for the Current Period in the table above include the depreciation charges relating to the right-of use asset and common area maintenance expenses.

(9) Legal expenses relate to the Company's corporate matters in the ordinary course of its business.

FINANCE EXPENSES

	Three months ended March 31, 2022	Three months ended March 31, 2021	Change ($)	Change (%)
Finance expenses relating to:				
Green Bonds	$ 396,998	$ 193,352	$ 203,646	105%
Convertible notes	55,669	49,339	6,330	13%
Office Lease	1,669	–	1,669	N/A
Total	$ 454,336	$ 242,691	$ 211,645	87%

Finance expenses, including amortization of transaction costs, relating to the Green Bond fluctuated due to the timing of the Green Bond offerings and resulting average outstanding balance of the Green Bond liability during a period.

Finance expenses, including amortization of transaction costs, relating to the convertible notes increased due to compounding of interest, which is accrued annually and is payable upon maturity of the convertible notes.

DEPLETION AND AMORTIZATION, FOREIGN EXCHANGE DIFFERENCES, AND SHARE-BASED PAYMANT

		Three months ended March 31,			
	Note	2022	2021	Change ($)	Change (%)
Depletion and Amortization	(1)	$ 83,439	$ 71,486	$ 11,953	17%
Foreign exchange loss	(2)	10,370	3,240	7,130	220%
Equity-settled share-based payment	(3)	40,000	404,000	(364,000)	(90%)
Cash-settled share-based payment	(4)	29,235	–	29,235	N/A
Total		$ 163,044	$ 478,726	$ (344,917)	(72%)

The expenses presented above are summarized below:

(1) Depletion, which is recorded on a straight-line basis, increased in the Current Period, compared to the Prior Period, due to additions to royalty interests in the latter half of fiscal year 2021.

(2) Foreign exchange loss for the Current Period relates mainly to the Company's USD-denominated cash balance and Green Bonds and changes in the exchange rates.

(3) Equity-settled share-based payment expense represents amortization of the fair value of 1,450,000 share purchase options granted by the Company to its directors, officers, employees and certain consultants in the first quarter of 2021.

(4) Cash-settled share-based compensation expense during the Current Period represents the fair value of the Company's Deferred Share Units (DSU) granted to non-executive directors and Restricted Share Units (RSU) granted to its chief executive officer and chief operating officer during the period.

1.6 LIQUIDITY

At March 31, 2022, the Company had a cash and cash equivalents balance of $11,717,292 (December 31, 2021 – $20,101,585). At March 31, 2022 and December 31, 2021, the Company' cash and cash equivalents balances included restricted cash of $2,751,540 and $9,629,646, respectively.

At March 31, 2022, the Company had a working capital deficit of $7,855,000 (working capital at December 31, 2021 – $20,927,000). The working capital deficit at March 31, 2022 was due to reclassification of Green Bonds from non-current liabilities to current liabilities (see 1.7 *Capital Resources*).

During the Current Period, the Company used $0.4 million cash in its operating activities, which amount the Prior Period.

During the Current Period, the Company used $7.2 million cash in investing activities with respect to the new royalty-based investments completed during the period. During the Prior Period, the Company received a final repayment of the loan receivable from Jade Power in the amount of $1.7 million.

Cash used in the Company's financing activities during the Current Period, as well as the Prior Period, mainly related to the cash distributions to the Company's shareholders and the payment of interest on Green Bonds. Interest on Green Bonds increased in the Current Period was due to issuance of additional Green Bonds in December 2021. Cash used in the Company's financing activities during the Prior Period was partially offset by proceeds from issuance of Green Bonds during the period.

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 is required to maintain a debt to equity ratio of 1:1 as per the convertible note agreements and the Green Bond indenture (the "Indenture"), which also requires the Company to maintain, subject to a cure period, a minimum debt coverage ratio ("Debt Coverage Ratio"), which is determined pursuant to the Indenture by dividing its quarterly earnings, before certain items such as interest, taxes, depreciation, amortization, and extraordinary items, by total interest expenses for a fiscal quarter.

During the Current Period, while the Company was in the process of closing several royalty based investment transactions, the minimum Debt Coverage Ratio required as per the Indenture was not achieved. However, no event of default occurred as the breach is subject to a cure period ("Cure Period"), whereby an event of default only occurs if the Company fails to comply with such covenants by the end of the second fiscal quarter following the first occurrence of non-compliance.

At March 31, 2022, the carrying amount of the Green Bond liability was classified as a current liability because the Cure Period for the breach of covenant as of the reporting date was less than 12 months.

At the beginning of the Current Period, the Company had a cash balance of $20.1 million and, during the quarter, the Company had an average cash balance of approximately $17.1 million, which did not earn any significant income, whereas the Company incurred interest expense on its debt securities that were outstanding throughout the quarter. During the course of the current quarter, mainly in the last month of the quarter, the Company deployed $7.2 million of its available cash balance that did not have a full quarter impact on the Company's revenue and income. Accordingly, during the current quarter, the Company's revenue and income was not sufficient to achieve certain debt covenant, which is subject to a cure period (note 16(f)) that is than less than 12 months. Although the breach of covenant did not cause an event of default, the breach led to a reclassification of the Green Bond liability from non-current liabilities to current liabilities that, in turn, resulted in a negative working capital of approximately $7.8 million at March 31, 2022.

After the end of the Current Quarter and before the date of this MD&A, the Company completed two additional royalty-based investment transactions for an aggregate amount of approximately $7.8 million and also launched a public offering of its equity instruments. Although the Company has a reasonable expectation that income from the new investments completed in recent months will cure the breach of debt covenant within the cure period, there can be no assurances that the Company will be successful in obtaining additional financing when required. If the Company is unable to raise the necessary capital resources or generate sufficient revenue and income to address the breach of covenant and the resulting working capital deficiency, the Company may, at some point, consider reducing its operating expenses or curtailing its operations.

The Company has no material capital lease obligations, other than the office lease, or "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, with additional details provided below.

The Company's related party transactions are comprised of remuneration for the Company's key management personnel ("KMP"), including its directors and executive officers that have the authority and responsibility for planning, directing and controlling the activities of the Company.

Transactions with KMP include the following:

- Directors' fees for the Company's non-executive directors, namely: Rene Carrier, Stephen Cheeseman, Gord Fretwell, Paul Larkin, Jill Leversage, and, Marchand Snyman;
- Compensation for the Company's executive officers, including salaries and benefits of Bernard Tan, Chief Executive Officer, and Peter Leighton, Chief Operating Officer;
- Share-based payments in the form of share purchase options, granted to the Company's directors and officers, which share-based payments represent amortization of the grant date fair value of the options granted over their vesting term.

Related Party Transactions	**Three months ended March 31,**				
		2022	2021	Change ($)	Change (%)
Short-term employment benefits (i)	$	105,000	$ 107,000	-$ 2,000	(2%)
Equity-settled share-based compensation – options		40,000	309,000	(269,000)	(87%)
Cash-settled share-based compensation – DSUs and RSUs		29,235	–	29,235	N/A
Total	$	174,235	$ 416,000	$ (241,765)	(58%)

(i) Includes executive salaries and directors' fees relating to the Company's key management personnel.

During the Current Period, the decrease in the total amount of related party transactions was due to decrease in equity-settled share-based compensation representing the fair value of share purchase options amortized over the vesting term of the options. During the Prior Period, the Company granted 1,070,000 stock options to its directors and officers that led to a higher amount of share-based compensation of KMP.

Cash-settled share-based compensation during the Current Period represents the fair value of the Company's Deferred Share Units (DSU) granted to non-executive directors and Restricted Share Units (RSU) granted to its chief executive officer and chief operating officer during the period.

1.10 FOURTH QUARTER

Not required.

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	33,289,927
Share-purchase options	2,645,000
Share-purchase warrants	442,105
Restricted Share Units and Deferred Share Units	62,012
Shares to be issued upon conversion of convertible notes (principal sum)	1,637,176

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

The required disclosure is provided in the “Risk Factors” section of the Company’s Annual Information Form (AIF) for the year ended December 31, 2021 as publicly filed on SEDAR at www.sedar.com.