Altius Minerals Corporation

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

Three months ended March 31, 2022

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's consolidated financial statements for the three months ended March 31, 2022 and related notes. This MD&A has been prepared as of May 10, 2022.

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

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

Description of Business

The Corporation manages its business under three operating segments, consisting of (i) the acquisition and management of producing and development stage royalty and streaming interests ("Mineral Royalties"), (ii) the acquisition and early stage exploration of mineral resource properties with a goal of vending the properties to third parties in exchange for early stage royalties and minority equity or project interests ("Project Generation") and (iii) its majority interest holding in publicly traded Altius Renewable Royalties Corp. (TSX: ARR) ("ARR"), which is focused on the acquisition and management of renewable energy investments and royalties ("Renewable Royalties").

The Corporation's diversified mineral royalties and streams generate revenue from 12 operating mines located in Canada (10), the United States (1), and Brazil (1) that produce copper, zinc, nickel, cobalt, potash, iron ore and thermal (electrical) coal (see Appendix 1: Summary of Producing Royalties and Streaming Interests). The Corporation further holds a diversified portfolio of pre-production stage royalties and junior equity positions that it mainly originates through mineral exploration initiatives within a business division referred to as Project Generation. The Corporation holds a 59% interest in ARR, which through a jointly controlled entity, Great Bay Renewables LLC ("GBR"), holds royalties related to renewable energy generation projects located primarily in the United States. Certain funds managed by affiliates of Apollo Global Management, Inc. (the "Apollo Funds") represent the other party to the joint venture.

Additional information on the status of these royalty interests is available in Appendix 2: Summary of Exploration and Pre-Production Stage Royalties and Appendix 3: Summary of Operational and Development Renewable Energy Royalties of this MD&A.

Strategy

The Corporation's broader strategy is to grow a diversified portfolio of long-life royalties related to assets and commodities that benefit from and support sustainability linked, macro-scale structural trends, including the transition from fossil fuel to renewable based electrical generation; transportation electrification; lower emission steel making; and agricultural yield demand growth.

The Corporation seeks royalty interests in projects with large potential resource lives in order to maximize future option value realization potential. The long average resource lives that remain for most of our current portfolio of royalties is a key strategic differentiator for Altius within the broader natural resource royalty sector. Extensive resource lives are considered by the Corporation as excellent predictors of project duration extensions and production rate expansions. Such occurrences typically require capital investments by the operators, but as a royalty holder Altius pays no share of the costs incurred to gain these potential incremental benefits.

Altius also grows its portfolio of Mineral Royalties by originating and adding value to mineral projects through scientific research and exploration and environmental/social licensing initiatives and then retaining royalties upon their sale or transfer to mining/development companies. This is the core function of our Project Generation business, which has a strong track record of internally creating pipeline royalties as well as earning substantial profits from the eventual monetization of corporate equity interests that are often received in addition to the long-term retained royalty interests. The Corporation believes that the royalties it creates internally can provide long-term investment returns in addition to those gained through acquisition related activity and represent another unique strategic differentiator for Altius.

Whether considering its organic Project Generation business or M&A based mineral royalty acquisitions Altius exercises counter-cyclical discipline. Commodity markets are notoriously cyclical and individual asset valuations can change dramatically in accordance with commodity price and sentiment fluctuations. Our mining royalty and mineral property acquisitions are primarily made during periods of low cyclical valuations, while operator funded organic growth investments and equity gains/liquidity events typically become more pronounced during periods of better cyclical valuation and sentiment.

Altius has also expanded its focus into royalty financing of the renewable energy sector through its founding interest in ARR, which provides direct exposure to the global transition towards cleaner energy sources. Through investments in four large US-based utility-scale wind and solar project developers and operators: Tri-Global Energy ("TGE"), Apex Clean Energy ("Apex"), Longroad Energy ("Longroad") and Northleaf Capital ("Northleaf"), ARR has begun building a portfolio of renewable royalty interests that currently represent a combined expected nameplate capacity of 3,510 Megawatts (Appendix 3) of generation capacity. In March 2021, the Corporation completed an initial public offering of ARR on the TSX. The Corporation retains approximately 59% of its common equity.

Outlook

Most of the commodity prices that are relevant to Altius have been strengthening over the past year and in certain cases are at or near multi-year highs. These price increases have resulted in higher royalty revenues. Of potential greater long-term importance, certain commodity prices and sentiment conditions have now re-attained levels that the Corporation believes could serve to incentivize operator level asset investments - after a protracted cyclical period of weak prices and asset level growth investment. Current market conditions therefore generally favour an approach of relying upon organic growth from existing royalty holdings over the M&A based growth that characterized the Corporation's focus during the preceding cyclical down-turn. Most of the M&A activity completed during the preceding downturn was directed towards assets with favorable cost curve positions and long asset lives - as predictors of future organic growth - the signals for which are now emerging.

Potential Growth Catalysts

On February 10, 2022 Lundin Mining announced the discovery of a new copper-gold mineralized system referred to as Saúva that is located 15 kilometers north of the Chapada Mine, on mining property over which we hold a stream interest. To date, a total of forty-seven (47) holes have been reported that define a mineralized area measuring approximately 750 meters by 650 meters, with assay results reported for 29 holes (see Lundin Mining Press Release dated February 10, 2022). Lundin Mining recently indicated that further drilling results in 2022 has expanded the Saúva mineralized area to 1,000 meters by 750 meters and the system remains open in all directions. Lundin has stated that this discovery supports their view that numerous opportunities exist to increase the size and quality of our Mineral Resource base at Chapada. Lundin Mining has also commented that as delineation and other evaluation work continues it will consider implications of the discovery related to its ongoing expansion studies at Chapada, with these potentially including options for new dedicated processing facilities for Saúva or the incorporation of ore trucking to the existing mine processing facilities.

Lundin Mining also commented that Chapada expansion studies are ongoing, including evaluation of a scenario which would potentially increase annual processing capacity to 32 Mt per annum from the current 24 Mt per annum. Altius advises that under its copper streaming agreement dated March 31, 2016 an expansion that increases copper production by at least 33% relative to a June 1, 2016 reference date results in a reduction in the copper stream rate payable to Altius from 3.7% to 2.65%. Any additional increases in the copper production rate beyond 33% will not however result in any further stream rate reductions. The stream rate also reduces to 1.5% when 75 million pounds of copper have been delivered under the stream (with approximately 23 million pounds of copper delivered to the end of 2021 over the initial approximately 5 year period since the agreement was entered into).

Lithium Royalty Corporation, of which Altius is a co-founding 12.6% shareholder, continued to build out its portfolio with the total number of project royalties acquired since inception in 2018 amounting to 17. These include a tonnage based royalty on Allkem's producing Mt. Cattlin Mine in Australia and gross royalties on each of Zijin Mining's Tres Quebradas project in Argentina, Sigma Lithium's Groto do Cirilo project in Brazil and Core Lithium's Finniss project in Australia. In 2021, Zijin Mining acquired Tres Quebradas by way of its acquisition of Neo Lithium and each of Sigma and Core announced project construction decisions.

Adventus Mining Corporation ("Adventus") announced that it entered into a definitive Precious Metals Purchase Agreement with Wheaton Precious Metals International Ltd., a wholly-owned subsidiary of Wheaton Precious Metals Corp., and a binding engagement for an Offtake Financing Agreement with Trafigura Pte Ltd, for a total of US$235.5 million to advance and, following a construction decision, build the Curipamba Project.

With respect to iron ore, the Rio Tinto controlled Iron Ore Company of Canada ("IOC") mining complex in Labrador is continuing to operate within established production ranges while continuing to benefit from structural premium pricing levels for its high-quality iron ore products, which include blast furnace and direct reduction pellets and concentrates. These premiums highlight the increasing importance and value of high purity inputs, which result in lower unit-based carbon and other emissions during steelmaking. IOC has also recently permitted new mining areas that are expected to significantly expand the life of its operations and is also making debottlenecking and growth-based capital investments designed to increase incremental production levels and potentially realize nameplate production capacities.

Champion Iron Ore is completing studies concerning the potential development of the Kami Iron Ore project in the Labrador Trough as it considers next growth opportunities to follow completion of its current expansion of the neighbouring Bloom Lake mine. Kami contains significant resources of iron ore that are believed to be amenable to producing ultra-pure concentrate products, including those that could serve the growing Direct Reduction / Electric Arc furnace steelmaking segment. Champion has commented that its studies will include options to increase planned iron-in-concentrate grades beyond that considered by the previous project owner within its prior feasibility studies. Results of these studies are expected to be reported in the second half of 2022.

Potash fertilizer markets continue to strengthen in accordance with global agricultural market strength. Midwest US potash prices are now approaching levels not seen since the 2008 – 2009 period. We are seeing an increasing benefit from these higher prices albeit with normal pricing lags impacting royalty calculations. In addition, several of the world-class Saskatchewan mines on which we hold royalties have pre-built excess production capacity, which is currently being ramped up in response to increasing global fertilizer demand and geopolitical supply disruptions in Belarus and Russia. Several operations that are subject to royalty also hold further identified low-cost brownfields expansion potential.

Revenues from thermal (electrical) coal royalty interests are expected to continue to diminish, with only Genesee expected to provide a meaningful contribution during the next few years before its planned conversion from coal to natural gas-based fueling. The decline and ultimate elimination of thermal coal-based revenue from Altius's portfolio is expected to coincide with the ramp up of royalty revenues from a growing list of renewable energy projects to which the Corporation has exposure through its majority shareholding in ARR. With the recent investments by ARR into operating stage projects, in addition to its prior development stage investments, the potential addressable market for and adoption of its royalty-based funding has significantly expanded. The Corporation's internal and various analyst estimates of net asset value for its indirect renewable royalty interests has already eclipsed that of its residual coal royalties – marking a successful result to our goal of transitioning from coal to renewable energy exposure.

Within the Project Generation business, demand for new projects from third parties continues to be cyclically strong with several new agreements recently executed in exchange for royalties and equity positions. The buyers of these projects have been meeting with solid capital raising success and are investing heavily in the advancement of the projects on which we hold royalties. We continue to actively invest in project generation activities with a goal of adding new early-stage mineral prospects for sale, while also actively managing our portfolio of related equity interests. Improved sentiment and broader market interest in the junior exploration and development sector has also resulted in greater liquidity for many of our holdings and increasing levels of equity monetization.

Altius increased its equity ownership in Orogen Royalties Inc. ("Orogen") during the quarter to 29,315,015 common shares or 16.45% of the issued and outstanding shares of Orogen before considering our additional holding of 7,115,546 share purchase warrants priced at $0.40 per warrant. Orogen holds a 1% NSR royalty covering the Silicon project located near Beatty, Nevada which is owned by AngloGold Ashanti ("AGA"). As well, Altius directly holds a 1.5% NSR royalty covering the project. During the quarter AGA announced a maiden inferred resource of 3.37 million ounces of gold for the Central-Silicon gold discovery while also continuing to advance other discoveries within the project and royalty areas. AGA has also announced that it has begun a pre-feasibility study for this deposit and a concept study for the nearby Merlin discovery while continuing to advance additional discoveries including at the Maverick target. Orogen realized first revenue from its Ermitaño gold project royalty in Mexico that is operated by First Majestic Silver Corp. while also announcing a new gold discovery from the project at a target referred to as Luna.

Non-GAAP Financial Measures

Management uses the following non-GAAP financial measures in this MD&A and other documents: attributable revenue, attributable royalty revenue, adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA), adjusted operating cash flow and adjusted net earnings (loss).

Management uses these measures to monitor the financial performance of the Corporation and its operating segments and believes these measures enable investors and analysts to compare the Corporation's financial performance with its competitors and/or evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace International Financial Reporting Standards (IFRS) measures, and do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies. Further information on the composition and usefulness of each non-GAAP financial measure, including reconciliation to their most directly comparable IFRS measures, is included in the non-GAAP financial measures section starting on page 20.

Quarterly Highlights

Preferred Securities

Subsequent to the quarter, on April 14, 2022 Fairfax Financial Holdings Limited, through certain of its affiliates (collectively, "Fairfax") exercised 6,670,000 common share purchase warrants (the "Warrants") at an exercise price of $15.00 per common share in the capital of Altius (each, a "Common Share") for gross proceeds of $100,000,000. In accordance with the terms of the Warrants and the preferred security indenture dated April 26, 2017 between the Corporation and TSX Trust Company governing the Corporation's 5% subordinate preferred securities (the "Preferred Securities"), Fairfax elected to pay the exercise price of the Warrants by surrendering its $100,000,000 Preferred Securities to Altius for cancellation, in full satisfaction of the exercise price payable in respect of the Warrants.

As part of the redemption of the Preferred Securities, the Corporation made cash payments of $2,086,000, which amount fully satisfies Altius' interest and certain other obligations under the Indenture.

Cash Flow from Project Generation Equity Portfolio

During the three months ended March 31, 2022 the Corporation's new investments exceeded equity sales for a net cost of $1,400,000 within its junior equities portfolio. During the three months ended March 31, 2021 the Corporation generated positive cash proceeds from sales in its junior equities portfolio, net of new investments, totaling $2,500,000. The Corporation recorded $2,878,000 in investment income related to its project generation investment in Chile.

Invert Inc.

On March 9, 2022 the Corporation funded a US$5,000,000 (CAD$6,422,000) investment in the form of a secured convertible note in Invert Inc., a carbon streaming and investment company making investments into carbon credit projects and building a platform to place the credits to corporate and individual participants to reach their decarbonization objectives. The note bears interest at a 7% annual interest rate, has a term of one year and is convertible to equity at an agreed discount upon a go-public event. This investment follows the original US$500,000 equity investment made by Altius in December 2021.

Capital Allocation

During the quarter ended March 31, 2022, the Corporation made $2,000,000 in scheduled payments on its credit facilities, paid dividends of $0.07 per common share, and paid distributions of $1,260,000 on its preferred securities. There were 10,000 shares repurchased under its normal course issuer bid at a cost of $165,000 during the quarter.

Financial Performance and Results of Operations

In Thousands of Canadian Dollars, except per share amounts	Three months ended March 31, 2022		Three months ended March 31, 2021		Variance
Revenue per consolidated financial statements	$ 27,087	$	17,502	$	9,585
Attributable revenue					
Attributable royalty	$ 25,492	$	17,760	$	7,732
Project generation	2,999		408		2,591
Attributable revenue [1]	28,491		18,168		10,323
Total assets	$ 747,965	$	702,038	$	45,927
Total liabilities	192,797		201,904		(9,107)
Cash dividends declared & paid to common shareholders	2,713		2,074		639
Adjusted EBITDA [1]	23,585		14,590		8,995
Adjusted operating cash flow [1]	14,227		8,810		5,417
Net earnings (loss)	12,535		11,804		731
Attributable royalty revenue per share [1]	$ 0.62	$	0.43	$	0.19
Adjusted EBITDA per share [1]	0.57		0.35		0.22
Adjusted operating cash flow per share [1]	0.35		0.21		0.14
Net earnings (loss) per share, basic	0.29		0.28		0.01
Net earnings (loss) per share, diluted	0.28		0.28		-

[1] See non-GAAP financial measures section for definition and reconciliation

Total revenue in the consolidated statements of earnings for the quarter ended March 31, 2022 was $27,087,000 and up from the comparable period in 2021 due mainly to higher commodity prices as well as higher investment income relating to the Corporation's project generation investment in Chile.

Attributable royalty revenue (see non-GAAP financial measures), adjusted for joint venture revenues, was $25,492,000 ($0.62 per share) for the quarter ended March 31, 2022 which was higher than the $17,760,000 ($0.43 per share) recorded in the three months ended March 31, 2021. The increase in revenue is mainly a result of higher realized commodity prices and the commencement of renewable royalty revenue from recently acquired projects.

Adjusted EBITDA in the three months ended March 31, 2022 was $23,585,000 ($0.57 per share), which compares to $14,590,000 ($0.35 per share) for the prior year period following the trend of increased revenue but is partially offset by higher public company related costs within the Renewable Royalties segment, which became public during the first quarter of 2021.

The EBITDA margin of 83% in the three months ended March 31, 2022 was slightly higher than the 80% recorded for the same quarter in 2021, driven primarily by strong contributions from the Mineral Royalties segment. As discussed above, increases in revenue are partially offset by higher expenses within the Renewable Royalties segment, for which revenues are expected to ramp up in future periods. The Mineral Royalties segment had an EBITDA margin of 86% for both the current and prior year period.

Adjusted operating cash flow is adjusted for joint venture distributions, which are included in the investing section of the cash flow statement, for purposes of this discussion. Adjusted operating cash flow for the first quarter of 2022 of $14,227,000 ($0.35 per share) is higher than the $8,810,000 ($0.21 per share) generated in the comparable period in 2021. The increase for the current versus prior year quarter is largely reflective of higher Mineral Royalty revenues offset by timing of cash receipts and increased income taxes paid.

Net earnings in the three months ended March 31, 2022 were $12,535,000 ($0.29 per share) compared to $11,804,000 ($0.28 per share) recorded in the comparable period of 2021. Net earnings for the three months ended March 31, 2022 was impacted by increased amortization and cost of sales directly related to the Chapada copper stream offset by gains on mineral properties, earnings in joint venture and lower interest expense.

Total assets net of total liabilities increased by approximately $55,000,000 from March 31, 2021 as a result of revaluation gains on investments including the Corporation's renewable energy investments held by ARR, and the monetization of investments in the Project Generation business resulting in gains on disposition, which are described in further detail below.

Costs and Expenses

In Thousands of Canadian Dollars	Three months ended		
Costs and Expenses	March 31, 2022	March 31, 2021	Variance
General and administrative	$ 2,397	$ 1,902	$ 495
Cost of sales - copper stream	1,873	1,021	852
Share-based compensation	481	716	(235)
Generative exploration	64	8	56
Mineral rights and leases	-	30	(30)
Amortization and depletion	6,594	4,824	1,770
	$ 11,409	$ 8,501	$ 2,908

General and administrative expenses for the first quarter ended March 31, 2022 were higher than the prior year comparable period. The increase was mainly driven by increased professional and public company fees related to the operations of ARR, which are consolidated in the results of the Corporation. ARR incurred salary and office costs of approximately $416,000 during the current quarter (see segment note in the consolidated financial statements) as compared to $186,000 in the comparable prior year period. In future periods it is expected that the ARR related costs will be offset by asset growth and higher revenues as renewable energy royalty investments are completed and more projects subject to royalty reach operational status.

A component of general and administrative expenses of the Corporation relates to the administration and staffing of its Project Generation segment. During the three months ended March 31, 2022 this amounted to $616,000 as compared to $582,000 incurred in the 2021 comparable quarter. This business creates long-term royalty opportunities and receives equity positions in public companies in exchange for mineral projects and cash investments. It is important to note that equity sales related to the Project Generation segment are not included as a revenue contribution but are instead recorded in the statement of comprehensive earnings, resulting in positive cash flow from equity sales but no corresponding increase in revenue. New investments for the quarter exceeded equity sales for a net cost of $1,400,000, while the comparable 2021 quarter generated cash of $2,526,000. During the three months ended March 31, 2022 project generation revenues of $2,999,000 include $2,878,000 related to the Corporation's investment in Chile.

Cost of sales for the three months ended March 31, 2022 increased over the prior year period for the Chapada copper stream, as these are proportional to copper stream revenue. Under the streaming agreement, the Corporation purchases copper at 30% of the spot copper price. Amortization and depletion are also higher for the current quarter in comparison to the prior year period and is reflective of higher production volumes for certain assets.

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

In Thousands of Canadian Dollars	Three months ended March 31, 2022	March 31, 2021	Variance
Earnings (loss) from joint ventures	$ 629	$ (133)	$ 762
Gain on disposal of mineral property	996	-	996
Interest on long-term debt	(1,453)	(1,817)	364
Foreign exchange gain	539	629	(90)
Dilution gain on issuance of shares of an associate and joint venture	-	358	(358)
Unrealized (loss) gain on fair value adjustment of derivatives	(313)	4,224	(4,537)
Share of earnings (loss) and impairment reversal in associates	-	1,426	(1,426)
Income tax expense	3,541	1,884	1,657

- The Corporation recognized earnings in joint ventures in the current three month period as opposed to a loss in the comparable period primarily due to increased renewable royalty revenue generated within the GBR joint venture. In addition, the Corporation's ownership in the GBR joint venture was diluted from 86% to 50% from March 31, 2021 to March 31, 2022 respectively resulting in a higher proportion of losses being recorded by the Corporation in the prior year.

- A gain on disposition of mineral properties of $996,000 was recorded in the three months ended March 31, 2022 related to the receipt of common shares resulting from agreements for the Corporation's Golden Rose, Hermitage, Goethite Bay, Aramo, Central Mineral Belt and Notakwanon mineral properties.

- Lower interest expense in the three months ended March 31, 2022 reflects more favorable pricing on the Corporation's credit facility as a result of the amendments to the Corporation's credit facilities in 2021, as well as the declining balance of the debt.
- During the three months ended March 31, 2021 the Corporation recorded a dilution gain of $358,000 in relation to additional investments made by Apollo Funds in the GBR joint venture. There was no dilution gain in the current year.
- An unrealized loss on the fair value of derivatives related to the revaluation of share purchase warrants was recorded for the current quarter compared to unrealized gains which were recorded during the quarter ended March 31, 2021.
- During the first quarter of 2021, the Corporation reversed an impairment charge incurred during Q1 2020 on a portion of the loan receivable from Alderon Iron Ore Corp of $1,625,000 which offset the Corporation's share of loss in associates during that quarter.
- Tax expense is higher for the quarter ended March 31, 2022 reflecting higher revenues in the period.

Segment Performance

The Corporation manages its business under three operating segments as described under Description of Business above, being Mineral Royalties, Project Generation and Renewable Royalties. Since October 11, 2020 GBR is accounted for as an interest in joint venture with any earnings or loss being recorded using equity accounting.

A summary of the Corporation's attributable royalty revenue and key highlights are as follows:

In Thousands of Canadian Dollars	Three months ended		
Summary of attributable royalty revenue	March 31, 2022	March 31, 2021	Variance
Revenue			
Base and battery metals			
777 Mine	$ 3,010	$ 3,535	$ (525)
Chapada	6,313	3,461	2,852
Voisey's Bay	632	631	1
Gunnison	5	-	5
Potash			-
Cory	1,139	312	827
Rocanville	4,936	2,362	2,574
Allan	624	223	401
Patience Lake	488	156	332
Esterhazy	2,642	966	1,676
Vanscoy	55	49	6
Lanigan	19	4	15
Iron ore (1)	1,437	2,874	(1,437)
Thermal (Electrical) Coal			-
Genesee	3,098	2,505	593
Paintearth	-	-	-
Sheerness	15	479	(464)
Highvale	-	-	-
Other			
Renewables	772	35	737
Coal bed methane	195	153	42
Interest and investment	112	15	97
Attributable royalty revenue	$ 25,492	$ 17,760	$ 7,731

See non-GAAP financial measures section of this MD&A for definition and reconciliation of attributable revenue

(1) LIORC dividends received

Summary of attributable royalty volumes and average prices	Three months ended			
	March 31, 2022		March 31, 2021	
	Tonnes	Average price [1]	Tonnes	Average price [1]
Chapada copper [3]	493	$4.59 US / lb	337	$3.66 US / lb
777 copper [4]	2,538	$5.13 US / lb	4,497	$3.87 US / lb
777 zinc [4]	8,369	$1.43 US / lb	7,608	$1.25 US / lb
Potash [5]	436,426	$925 / tonne	491,374	$360 / tonne
Thermal (electrical) coal [2,5]	552,715	N/A	510,778	N/A

(1) Average prices are in CAD unless noted
(2) Inflationary indexed rates
(3) Copper stream; quantity represents actual physical copper received
(4) 4% NSR; production figures shown represent 100% of production subject to the royalty
(5) Various production royalties; quantities represent tonnes subject to the royalties at each respective mine (royalty tonnes only)

Mineral Royalties

Base and Battery Metal Royalties

Base and battery metal royalty revenue increased during the first quarter in 2022 compared to the same quarter in 2021 primarily due to higher realized metal prices. Higher quarterly comparative sales volumes at Chapada were partially offset by lower sales volumes at 777, which were impacted by labour and weather-related rail availabilities during the quarter as announced by operator Hudbay Minerals ("Hudbay") on March 28 2022. Hudbay commented that this lack of rail availability would impact Manitoba first quarter sales, but that the impact was expected to normalize in Q2 2022.

Copper stream deliveries from Chapada benefitted from higher production and sales levels in the current quarter versus the year ago period as well as the timing of sales that included amounts received in the current quarter relating to prior quarter production. Operator guidance for 2022 is targeting copper production of 53,000-58000 tonnes which compares to 52,019 tonnes in 2021.

Lundin Mining, the mine operator, continues to evaluate an expansion at Chapada with study results expected later this year while it also continues to report drill results that indicate continued increases to the mineralized footprint at the new Saúva discovery.

Sales volumes at 777 were negatively impacted by labour and weather related rail availabilities during the quarter, which the mine operator expects to normalize in Q2 2022. The mine is scheduled to close later this year.

Royalty revenue from the Voisey's Bay nickel-copper-cobalt mine was similar to that of the first quarter of 2021 as lower production volumes were offset by higher realized prices. Production volumes were lower in the current quarter due to the planned transition from the open pit Ovoid mine to new underground operations at Reid Brook and Eastern Deeps. Initial production has commenced from Reid Brook while production from the Eastern Deeps deposit is targeted to commence in the second half of 2022.

During the quarter, Adventus entered into a US$235.5 million project finance package with Wheaton Precious Metals Corp. and Trafigura Pte Ltd for its Curipamba project in Ecuador. The package consists of US$180 million in precious metal stream financing from Wheaton and a US$55 million loan and offtake agreement with Trafigura. Adventus also completed a $33.5 million equity financing during the quarter that will be used to support pre-construction costs for the El Domo mine at Curipamba, an initial drill program at the Santiago Project, and for general corporate purposes and working capital. In addition to its equity holding in Adventus, which it added to during the quarter, Altius holds a 2% NSR royalty covering the Curipamba project.

A nominal payment from Gunnison was recorded in the quarter, while the operator continues to re-engineer wellfield ramp-up towards a goal of achieving Phase 1 commercial production of 25 million pounds of copper cathode per year.

Other milestones announced during the quarter relating to pre-production stage base and battery metal royalty interests held by the Corporation included updated positive feasibility study results for the construction stage Grota do Cirilo lithium project by Sigma Lithium and the commencement of construction of the Tres Quebradas lithium project by Zijin Mining.

Additional information concerning ongoing initiatives at various of the Corporation's operating and development stage base and battery metal holdings can be found in the Outlook section of this report.

Saskatchewan Potash Royalties

Potash revenue for the first quarter ended March 31, 2022 of $9,901,000 increased by 143% over the first quarter in 2021 on significantly higher realized pricing.

The stronger prices were offset by slightly lower royalty volumes than in the comparable quarter of last year. Potash market price increases have continued throughout the first quarter with these expected to be reflected in realized prices during coming quarters due to normal lag impacts. A portion of total global potash demand in 2022 is now widely expected to be unmet due to geopolitical related supply constraints.

The Mosaic Company has announced that the full ramp up of the K3 mining area of the Esterhazy Mine to an annual run rate of 5.5 million tonnes was completed by the end of the quarter, following the transition from the K1 and K2 areas mid last year. It also noted that it is planning near-term debottlenecking investments to further increase production at Esterhazy.

Nutrien has reported that it expects to increase potash sales volume during 2022 to a range of 14.5 to 15.1 million tonnes (2021 - 13.6 million tonnes) across its portfolio of mines. Nutrien has not specified its planned production increases on a per mine basis to date however most of Nutrien's mines are subject to the Corporation's royalties.

Additional information concerning ongoing developments and initiatives at various of the Corporation's potash royalty holdings can be found in the Outlook section of this report.

Iron Ore

Revenue in the form of dividends received during the three months ended March 31, 2022 was $1,437,000 as compared to $2,874,000 for the same period in 2021 related to a lower equity dividend paid by IOC as it guided towards an increased annual sustaining and growth capital budget for the current year and on lower quarterly sales volumes relative to production. In April, Rio Tinto announced that in the first quarter of 2022 IOC had total saleable iron ore production of 4.1 million tonnes, comprised of 2.5 million tonnes of pellets and 1.6 million tonnes of concentrate for sale (CFS) but completed a lower volume of sales during the quarter 3.4 million tonnes total, comprised of 1.0 million tonnes concentrate and 2.4 million tonnes pellets.

Champion Iron also continued to progress its updated feasibility and rescoping studies related to the Kami Project, which is located nearby to its Bloom Lake Mine and is subject to a 3% GSR royalty in favor of Altius. It expects to provide updated results during the second half of the year.

Additional information concerning ongoing developments and initiatives at various of the Corporation's iron ore royalty holdings, can be found in the Outlook section of this report.

Alberta Electrical Coal Royalties

Thermal coal revenue in the first quarter of 2022 of $3,113,000 was slightly higher than the $2,984,000 in the comparable year period reflecting higher production levels at a slightly higher inflation adjusted royalty rate. The Genesee power plant operated at near full capacity during the quarter following the completion of repairs to one of the 3 generating units in December of 2021. Operator Capital Power is continuing investments to repower its Genesee plant to natural gas fired and is targeting this process to be completed by 2024, at which point the Corporation's royalty revenue related to thermal coal production is expected to end.

During the quarter the Corporation was advised that the Alberta Court of Queen's Bench dismissed our appeal of the earlier decision of a Master of the Court to grant summary dismissal of our claim for the taking of our Genesee coal royalty interest. The Corporation disagrees with the Court decision and will lodge an appeal of the decision, with a final determination on our future course of action to be settled following the pending decision of the Supreme Court of Canada in a case involving similar issues.

Renewable Royalties

Altius Renewable Royalties

Renewable energy royalty revenue during the three months ended March 31, 2022 was $772,000 compared to $35,000 in the same period last year as a result of revenue generated by the operational stage investments acquired by GBR during 2021 as well as certain royalty interests reaching commercial operation during the quarter. During the three months ended March 31, 2022 there were no additional investments made by the Corporation, through ARR, into its joint venture.

A noteworthy milestone of first positive cash flow was achieved by the GBR joint venture during the quarter with a steady ramp up of revenues and cash flows expected over the next several years related to existing investments. It also announced a new developer based investment subsequent to quarter end while noting that its opportunity set for further new investments in both development and advanced stage projects continues to be strong.

On May 4, 2022 the Corporation's subsidiary ARR, announced that GBR has executed agreements to invest a total of US$32,500,000 into a new global renewables development platform, Bluestar Energy Capital LLC ("Bluestar"), recently founded and majority-owned by Declan Flanagan, former CEO of Orsted Onshore and Lincoln Clean Energy. GBR will invest the majority of the total US$32,500,000 commitment into Nova Clean Energy, LLC ("Nova"), the North American renewables development subsidiary of Bluestar and in exchange will receive royalties on 1.5 GW of renewable energy projects commercialized by Nova as well as a minority equity interest in Nova. GBR is also investing alongside another institutional investor for a minority equity ownership in Bluestar, with Declan Flanagan remaining the majority shareholder of Bluestar.

Please refer to ARR's Consolidated Financial Statements and Management Discussion and Analysis for the three months ended March 31, 2022 and 2021 for additional information.

Pickett Mountain

On February 8, 2022, the Corporation amended their Pickett Mountain Royalty Agreement, by which Altius increased its royalty for a payment of US$1,000,000 to Wolfden Resources Inc. Based on the terms of the agreement, the Corporation will receive the next US$1,200,000 in net timber revenues and thereafter increases its future timber royalties from 20% to 30%. The 30% royalty will also apply to any revenue generated from the sale of any timber related carbon credits.

Refer to Appendix 3 – Summary of ARR's Operational and Development Renewable Energy Royalties for a detailed listing of royalties.

Project Generation

Pre-Production Royalties & Junior Equities Portfolio Highlights

The Corporation's junior equities portfolio had a market value of $67,300,000 at March 31, 2022 (December 31, 2021 - $55,500,000). During the three months ended March 31, 2022 the Corporation's new investments exceeded equity sales for a net cost of $1,400,000. The Corporation recognized total gains on disposition of Project Generation investments of $216,000 for the quarter ended March 31, 2022 (March 31, 2021 - $3,915,000) in the consolidated statement of comprehensive earnings. During the three months ended March 31, 2022 project generation revenues of $2,999,000 include $2,878,000 related to the wind up of the Corporation's investment in Chile through Mining Equity. The Corporation co-founded Mining Equity, a private entity, to perform regional early stage exploration and prospect generation in Chile in 2012.

Altius anticipates approximately 300 kms of drilling will be completed across its portfolio of exploration and development focused equities and royalties during 2022. Please refer to the outlook section of this MD&A for additional information.

The technical information contained in this MD&A has been reviewed and approved by Lawrence Winter, Ph.D., P.Geo., Vice-President of Exploration, a Qualified Person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Additional information concerning ongoing developments and initiatives within Altius's Project Generation business can be found in the Quarterly Highlights and Outlook sections of this report. Readers are also encouraged to visit the corporate website at www.altiusminerals.com to gain added insight into the exploration activities and projects of the Corporation.

Cash Flows, Liquidity and Capital Resources

In Thousands of Canadian Dollars	Three months ended	
Summary of Cash Flows	March 31, 2022	March 31, 2021
Operating activities	$ 13,804	$ 8,540
Financing activities	(8,652)	81,626
Investing activities	16,120	(74)
Net increase in cash and cash equivalents	21,272	90,092
Cash and cash equivalents, beginning of period	100,021	21,804
Cash and cash equivalents, end of period	$ 121,293	$ 111,896

Operating Activities

Operating cash generated during the quarter ended March 31, 2022 is higher than that of the prior year period mainly due to the increase in overall royalty revenues offset by timing of cash taxes paid.

Financing Activities

The Corporation repaid $2,000,000 (March 31, 2021 - $5,000,000) during the quarter ended March 31, 2022 related to its term loan facility.

Distributions on the Corporation's preferred securities totaled $1,260,000 for both quarters ended March 31, 2022 and 2021.

The Corporation distributed $441,000 (March 31, 2021 - $400,000) to a non-controlling interest holder in the Potash, Genesee and Coal Royalty Limited Partnerships during the quarter ended March 31, 2022. In the first quarter of 2021, ARR received net cash proceeds on its IPO and over-allotment of $92,016,000.

The Corporation paid cash dividends of $2,713,000 (March 31, 2021 - $1,925,000) to its common shareholders during the quarter ended March 31, 2022 and issued 7,004 common shares (March 31, 2021– 10,992) valued at $170,000 (March 31, 2021 - $149,000) through the Corporation's Dividend Reinvestment Plan.

During the quarter ended March 31, 2022 the Corporation repurchased and cancelled 10,000 common shares under its normal course issuer bid for a total cost of $165,000 (March 31, 2021 - 473,400 common shares for a total cost of $7,363,000). The prior year included the repurchase of 400,000 warrants issued to Yamana Gold Inc. on May 3, 2016 at an exercise price of $14.00 with an expiry date of May 3, 2021, which were exercised on February 26, 2021 for $5,600,000. During the quarter, the Corporation cash settled stock options for $2,031,000 (March 31, 2021 - $nil).

Investing Activities

Cash received from joint ventures was $27,069,000 during the first quarter of 2022 and reflected funds returned to the partners after the redemption of an investment in the GBR joint venture. In the first quarter of 2021 there was cash received of $270,000 from joint ventures.

The Corporation acquired additional royalty interests at a cost of $1,524,000 during the quarter, primarily adding to the Pickett Mountain royalty. The prior year quarter included the purchase of additional potash royalty unit interests primarily in the Esterhazy mine K3 area at a cost of $296,000.

The Corporation used $10,921,000 (March 31, 2021- $6,645,000) in cash to acquire investments during the quarter ended March 31, 2022. Of this amount, $2,904,000 was used to add to the junior equities portfolio (March 31, 2021 - $4,412,000) and $1,595,000 was used to fund part of the Corporation's LRC related and other renewable investments (March 31, 2021 - $2,233,000). On March 9, 2022 the Corporation funded a US$5,000,000 (CAD$6,422,000) investment in the form of a secured convertible note in Invert Inc., a private company making investments in carbon credit projects and building a network to connect corporate and individual participants with projects which allow them to reach their decarbonization objectives.

The Corporation received $1,495,000 from the sale of junior equity investments for the three months ended March 31, 2022 (March 31, 2021 - $6,938,000).

Liquidity

At March 31, 2022 the Corporation had current assets of $138,057,000, consisting of $121,293,000 in cash and cash equivalents (of which $87,147,000 relates to ARR) and $16,764,000 primarily in accounts receivable, prepaid expenses and income taxes receivable. Current liabilities of $17,911,000 include the current portion of long-term debt obligations of $8,000,000 per year, which are paid quarterly. The Corporation's major sources of free cash flow are from royalty income and streaming revenue, cash receipts from royalty partnership interests, sales of direct and indirect exploration investments, and investment income. The Corporation monetized certain portfolio investments during the three months ended March 31, 2022 and generated $1,495,000 in cash. At March 31, 2022 the Corporation has approximately $107,000,000 of available liquidity under its amended revolving credit facility.

Summary of Quarterly Financial Information

The table below outlines select financial information related to the Corporation's attributable royalty revenue, adjusted EBITDA, adjusted operating cash flow, adjusted net earnings, net earnings (loss) and per share amounts for the most recent eight quarters. The financial information is extracted from the Corporation's consolidated financial statements and should be read in conjunction with those statements and the annual audited consolidated financial statements. Please refer to the non-GAAP financial measures reconciliation with respect to the below table.

In Thousands of Canadian Dollars, except per share amounts		March 31, 2022		December 31, 2021		September 30, 2021		June 30, 2021
Revenue per consolidated financial statements	$	27,087	$	22,625	$	20,357	$	21,198
Attributable royalty revenue (1)		25,492		23,552		20,808		21,906
Adjusted EBITDA (1)		23,585		17,748		16,900		17,712
Adjusted operating cash flow (1)		14,227		15,873		18,902		5,830
Net earnings attributable to								
common shareholders		12,137		2,801		9,947		15,611
Attributable royalty revenue per share (1)	$	0.62	$	0.57	$	0.50	$	0.53
Adjusted EBITDA per share (1)		0.57		0.43		0.41		0.43
Adjusted operating cash flow per share (1)		0.35		0.38		0.46		0.14
Net earnings per share								
- basic		0.29		0.07		0.24		0.38
- diluted		0.28		0.07		0.23		0.36
In Thousands of Canadian Dollars, except per share amounts		**March 31, 2021**		**December 31, 2020**		**September 30, 2020**		**June 30, 2020**
Revenue per consolidated financial statements	$	17,502	$	21,475	$	15,263	$	10,270
Attributable royalty revenue (1)		17,760		21,959		16,229		13,035
Adjusted EBITDA (1)		14,590		17,623		12,426		10,048
Adjusted operating cash flow (1)		8,810		13,520		7,330		13,378
Net earnings (loss) attributable to								
common shareholders		11,663		12,422		(39,923)		4,186
Attributable royalty revenue per share (1)	$	0.43	$	0.53	$	0.39	$	0.31
Adjusted EBITDA per share (1)		0.35		0.43		0.30		0.24
Adjusted operating cash flow per share (1)		0.21		0.33		0.18		0.32
Net earnings (loss) per share								
- basic		0.28		0.30		(0.96)		0.10
- diluted		0.28		0.30		(0.96)		0.10

(1) Non-GAAP financial measures are reconciled and described in the Non-GAAP Financial Measures section of this MD&A

Adjusted EBITDA is derived primarily from the high margin royalty business, which includes attributable royalty and streaming revenue from 12 producing mines, all net of G&A and operating costs. Attributable royalty revenue is contingent on many factors, including commodity prices, mine production levels, mine sequencing, maintenance schedules and the timing of concentrate shipments, which in some cases are affected by seasonality and outside events. Adjusted operating cash flow is derived from cash flow from operations and adjusted to include distributions from joint ventures on the basis that the joint venture cash flows form part of our royalty business. The change in adjusted operating cash flow is generally consistent with royalty revenue as well as interest and taxes paid. During the current period, and in 2021, attributable revenue and adjusted EBITDA were positively impacted by higher overall commodity prices. During 2020, these metrics were negatively impacted by lower commodity prices and production curtailments, primarily attributable to the COVID-19 related economic downturn.

Net earnings (loss) are affected primarily by revenue net of operating expenses as noted above but are also affected by the realization of both cash and non-cash gains or losses on the Corporation's investments, mineral properties and mineral exploration alliances and the equity accounting of some investments, and therefore adjusted net earnings represents the removal of any one time impacts as well as unrealized gains / losses. Net earnings (loss) for the periods reflect the trends in commodity prices discussed above, as well as the impact of non-cash impairment charges recognized in 2021 and 2020. See Financial Performance and Results of Operations for further discussion.

Commitments and Contractual Obligations

The Corporation has obtained various mineral rights in Canada, the United States, and Australia by staking claims and paying refundable security deposits. On these lands, certain expenditures are required on an annual basis from the date of license issuance in order to maintain the licenses in good standing, and for security deposits thereon. On or before the anniversary date of license issuance, and if the required expenditures are not met, the Corporation has the option of reducing claims on a property, posting a refundable security bond for the deficient amount or electing to allow title of the license to be cancelled. In aggregate, the Corporation is required to spend an additional $2,588,000 by March 31, 2023 of which $1,961,000 is required spending by partners, in order to maintain its existing licenses in good standing.

As at March 31, 2022 the following principal repayments for the Corporation's credit facilities are required over the next four calendar years:

In Thousands of Canadian Dollars	Term	Revolver	Total
2022	6,000	-	6,000
2023	8,000	-	8,000
2024	8,000	-	8,000
2025	24,000	67,935	91,935
	$ 46,000	$ 67,935	$ 113,935

The Corporation has committed to pay, on the anniversary date of November 1, a limited royalty to McChip Resources Inc. of $500,000 per year for the next six years based on a minimum production and grade threshold at the Rocanville mine. The 2021 payment was made in the fourth quarter of 2021.

The Corporation is committed under leases on office space including operating costs for future minimum lease payments of $168,000 per annum until the lease expires in August 2026.

Related Party Transactions

In Thousands of Canadian Dollars	Three months ended March 31, 2022		Three months ended March 31, 2021	
Key management personnel and directors				
Salaries and benefits	$	1,462	$	1,558
Share-based compensation		322		551
Total	$	1,784	$	2,109

In Thousands of Canadian Dollars	Three months ended March 31, 2022		Three months ended March 31, 2021	
General and adminstrative expenses billed from				
Associates	$	-	$	6
Joint venture		21		65
Total	$	21	$	71

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that key management personnel consist of members of the Corporation's Board of Directors and five corporate officers, including the Corporation's Executive Chairman, Chief Executive Officer and Chief Financial Officer, as well as two Vice Presidents reporting directly to a corporate officer.

These transactions are in the normal course of operations and are measured at fair value, which is the amount of consideration established and based on the prevailing market rates. It is management's estimation that these transactions were undertaken under the same terms and conditions as would apply to transactions with non-related parties.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of management estimates include business combinations, rates for amortization and depletion of the royalty and streaming interests, deferred income taxes, the carrying value and assessment of impairment of mining and other investments, investments in joint ventures and royalty interests, the assumptions used in the determination of the fair value of share based compensation, the assessment of impairment of goodwill and the assumptions used in the determination of the fair value of derivatives for which there is no publicly traded market.

New Accounting Policies

The Corporation has not adopted any new accounting policies during the three months ended March 31, 2022.

Internal Control over Financial Reporting

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The certifying officers have evaluated the effectiveness of the Corporation's internal control over financial reporting as of March 31, 2022 and have concluded that such controls are adequate and effective to ensure accurate and complete financial reporting in public filings. The consolidated financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out in the notes to the consolidated financial statements for the three months ended March 31, 2022. There has been no change in the Corporation's internal control over financial reporting during the Corporation's quarter ended March 31, 2022 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Evaluation and Effectiveness of Disclosure Controls and Procedures

The Corporation has established and maintains disclosure controls and procedures over financial reporting. The certifying officers have evaluated the effectiveness of the issuer's disclosure controls and procedures as of March 31, 2022 and have concluded that such procedures are adequate and effective to ensure accurate and complete disclosures in public filings. There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Risk Factors and Key Success Factors

An investment in securities of the Corporation involves a significant degree of risk that should be considered prior to making an investment decision. In addition to discussions of key success factors and business issues elsewhere in this MD&A, the investor should refer to the Corporation's Annual Information Form for a detailed listing of all risk factors as well consider the following risk factors.

Geopolitical Risk

The Russian invasion of Ukraine has resulted in losses of life, the displacement of millions of people, and political and economic disruptions on a global scale. As the situation evolves, the Corporation may be exposed to potential risks impacting assets, operations, commodity prices, liquidity and credit or supply chains in the region and globally. The Corporation has seen recent upward pressure on nickel and potash prices, as a significant portion of the world's supply of these commodities come from the affected regions. The Corporation will continue to monitor the situation as there may be other significant and unforeseen impacts from these events.

COVID-19

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

The Corporation has been closely monitoring developments related to COVID-19. In response, the Corporation is following all applicable rules and regulations as set out by the relevant health authorities and when necessary, taking action. For example, the Corporation has implemented remote working policies and has increased cleaning and safety protocols. Given the nature of the Corporation's business, the impacts of COVID-19 on the Corporation to date have not been material and the Corporation does not anticipate any future material disruptions in its ability to conduct its business as a result of COVID-19. Further the Corporation is not aware of any material impacts on the Corporation's royalty or other assets. However, the extent to which COVID-19 will impact the Corporation's operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including: actions that may be taken by governments and private businesses to attempt to contain COVID-19, the duration of the outbreak and new information that may emerge concerning the severity of COVID-19, among others. In particular, while the impact of COVID-19 on the mineral and mining sector as well as the supply chain in the construction and development space has not yet resulted in any material widespread issues, the potential for future issues stemming from COVID-19 still exists. Any present or future impacts in these areas could influence existing operations, projects under development and delay the development of future projects.

The Corporation may take further actions as may be required by government authorities or as it determines are in the best interests of its business partners. There is no guarantee that the Corporation, or mine operators and or developers in which the Corporation invests, will not experience significant disruptions in the future. Moreover, the spread of COVID-19 globally is expected to have a material adverse effect on global and regional economies and could negatively impact stock markets. These adverse effects on the economy, the stock market and potentially the Corporation's share price could adversely impact the Corporation's ability to raise capital. Any of these developments, and others, could have a material adverse effect on the Corporation's profitability, results of operation and financial condition, could delay its business development plans and could heighten many of the risks described in the Risk Factors section.

Outstanding Share Data

At May 10, 2022 the Corporation had 47,855,837 common shares outstanding and 874,380 stock options outstanding.

Non-GAAP Financial Measures

Management uses these measures to monitor the financial performance of the Corporation and its operating segments and believes these measures enable investors and analysts to compare the Corporation's financial performance with its competitors and/or evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace International Financial Reporting Standards (IFRS) measures, and do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies.

The non-GAAP financial measures are reconciled to the most directly comparable IFRS measure in the sections below. Tabular amounts are presented in thousands of Canadian dollars.

Attributable revenue

Attributable revenue is defined by the Corporation as total revenue and other income from the consolidated financial statements plus the Corporation's proportionate share of gross royalty revenue in the joint ventures. The Corporation's key decision makers use attributable royalty revenue and related attributable royalty expenses as a basis to evaluate the business performance. The attributable royalty revenue amounts, together with amortization of royalty interests, general and administrative costs and mining tax, are not reported gross in the consolidated statement of earnings (loss) since the royalty revenues are being generated in a joint venture in accordance with IFRS 11 Joint Arrangements which requires net reporting as an equity pick up. Management uses this measure to reflect the Corporation's economic interest in its operations prior to the application of equity accounting to help allocate financial resources and provide investors with information that it believes is useful in understanding the scope of its business, irrespective of the accounting treatment.

Attributable royalty revenue per share is calculated using attributable royalty revenue as numerator divided by the basic weighted average number of shares for the period as the denominator.

The table below reconciles attributable revenue to revenue in the consolidated financial statements.

In Thousands of Canadian Dollars	Three months ended			
Attributable revenue	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Revenue				
Attributable royalty	$ 25,492	$ 23,456	$ 20,808	$ 21,906
Project generation	2,999	96	-	-
Attributable revenue	28,491	23,552	20,808	21,906
Adjust: joint venture revenue	(1,404)	(927)	(451)	(708)
IFRS revenue per consolidated financial statements	$ 27,087	$ 22,625	$ 20,357	$ 21,198
Attributable royalty revenue per share	$ 0.62	$ 0.57	$ 0.50	$ 0.53

In Thousands of Canadian Dollars	Three months ended			
Attributable revenue	March 31, 2021	December 30, 2020	September 30, 2020	June 30, 2020
Revenue				
Attributable royalty	$ 17,760	$ 21,959	$ 16,229	$ 13,035
Project generation	408	-	-	-
Attributable revenue	18,168	21,959	16,229	13,035
Adjust: joint venture revenue	(666)	(484)	(966)	(2,765)
IFRS revenue per consolidated financial statements	$ 17,502	$ 21,475	$ 15,263	$ 10,270
Attributable royalty revenue per share	$ 0.43	$ 0.53	$ 0.39	$ 0.31

Adjusted operating cash flow

Adjusted operating cash flow is defined as cash provided (used) in operations in the consolidated financial statements adjusted for inclusion of the Corporation's proportionate share of cash flows from operations from joint ventures. Adjusted operating cash flow is used by management, and management believes this information is used by investors, to analyze cash flows generated from operations and assess the ability of its operations to provide cash or its use of cash, after funding cash capital requirements, to service current and future working capital needs and service debt.

Adjusted operating cash flow per share is calculated using adjusted operating cash flow as the numerator and the basic weighted average number of shares for the period as the denominator.

The tables below reconciles cash provided (used) by for operating activities per the financial statements to adjusted cash operating cash flow:

In Thousands of Canadian Dollars	Three months ended			
Adjusted operating cash flow	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Cash flow from operations	$ 13,804	$ 15,539	$ 18,362	$ 5,332
Adjust: cash received from joint ventures	423	338	540	498
Adjusted operating cash flow	$ 14,227	$ 15,877	$ 18,902	$ 5,830
Adjusted operating cash flow per share	$ 0.35	$ 0.38	$ 0.46	$ 0.14

In Thousands of Canadian Dollars	Three months ended,			
Adjusted operating cash flow	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Cash flow from operations	$ 8,540	$ 10,179	$ 4,627	$ 10,139
Adjust: cash received from joint ventures	270	3,341	2,703	3,239
Adjusted operating cash flow	$ 8,810	$ 13,520	$ 7,330	$ 13,378
Adjusted operating cash flow per share	$ 0.21	$ 0.33	$ 0.18	$ 0.32

Adjusted EBITDA

Adjusted EBITDA is defined by the Corporation as net earnings (loss) before taxes, amortization, interest, non-recurring items, non-cash amounts such as impairment, losses and gains, and share based compensation. The Corporation also adjusts earnings in joint ventures (the GBR joint venture and Labrador Nickel Royalty Limited Partnership ("LNRLP")) to reflect our proportionate share of EBITDA on those joint ventures assets which exclude amortization of royalty interests as well as adjusting for any one time items. Adjusted EBITDA is a useful measure of the performance of our business, especially for demonstrating the impact that EBITDA in joint ventures have on the overall business. Management uses adjusted EBITDA as a proxy for the cash generated in a given period that will be available to fund the Corporation's future operations, growth opportunities, shareholder dividends and to service debt obligations as well as to provide a level of comparability to similar entities. Management believes adjusted EBITDA provides useful information to investors in evaluating the Corporation's operating results in the same manner as Management and the Board of Directors.

Adjusted EBITDA per share is calculated using adjusted EBITDA as the numerator and the basic weighted average number of shares for the period as the denominator.

EBITDA margin is calculated using adjusted EBITDA as the numerator and attributable revenue as the denominator.

The table below reconciles net earnings (loss) per the financial statements to adjusted EBITDA:

In Thousands of Canadian Dollars	Three months ended			
Adjusted EBITDA	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Earnings before income taxes	$ 16,076	$ 4,234	$ 10,774	$ 16,478
Addback(deduct):				
Amortization and depletion	6,594	6,295	6,191	5,603
Exploration and evaluation assets abandoned or impaired	-	-		2,889
Share based compensation	481	698	611	993
Interest on long-term debt	1,453	1,510	2,009	1,488
Realized gain on disposal of derivatives	-	(1,675)	(3,370)	(1,076)
Unrealized loss (gain) on fair value adjustment of derivatives	313	1,141	2,273	975
Dilution gain on issuance of shares in associates and joint venture	-	(1)	(206)	(15)
Share of (earnings) loss and impairment reversal in associates	-	(2)	-	165
Loss from joint ventures	(629)	(132)	189	190
LNRLP EBITDA (1)	499	497	346	512
GBR EBITDA (2)	333	(208)	(360)	(487)
Impairment of goodwill and royalty interests	-	6,031	-	-
Foreign exchange loss (gain)	(539)	(145)	690	(446)
Gain on disposal of mineral property	(996)	(495)	(2,247)	(1,962)
Gain on reclassification of associate	-	-	-	(7,595)
Adjusted EBITDA	$ 23,585	$ 17,748	$ 16,900	$ 17,712
Adjusted EBITDA per share	$ 0.57	$ 0.43	$ 0.41	$ 0.43
(1) LNRLP EBITDA				
Revenue	$ 632	$ 628	$ 429	$ 653
Mining taxes	(127)	(131)	(86)	(130)
Admin charges	(6)		3	(11)
LNRLP Adjusted EBITDA	$ 499	$ 497	$ 346	$ 512
(2) GBR EBITDA				
Revenue	$ 770	$ 299	$ 22	$ 55
Operating income (expenses)	(437)	(507)	(382)	(542)
GBR Adjusted EBITDA	$ 333	$ (208)	$ (360)	$ (487)

In Thousands of Canadian Dollars	Three months ended			
Reconciliation to IFRS measures Adjusted EBITDA	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Earnings (loss) before income taxes	$ 13,688	$ 16,308	$ (38,338)	$ 4,021
Addback(deduct):				
Amortization and depletion	4,824	5,787	4,939	3,408
Exploration and evaluation assets abandoned or impaired	-	-	-	10
Share based compensation	716	461	487	2,550
Interest on long-term debt	1,817	1,965	2,360	1,853
Gain on disposal of investments	-	(241)	(368)	-
Unrealized (gain) loss on fair value adjustment of derivatives	(4,224)	(1,613)	897	(2,162)
Dilution gain on issuance of shares in associates and joint venture	(358)	(290)	(2,634)	-
Share of (earnings) loss and impairment in associates	(1,426)	(136)	(36)	276
(Earnings) loss from joint ventures	133	152	(459)	(1,008)
LNRLP EBITDA(1)	504	280	330	70
Prairie Royalties EBITDA(2)	-	-	532	2,671
GBR EBITDA(3)	(455)	(171)	-	-
Impairment of royalty interests	-	530	45,617	-
Foreign currency (gain) loss	(629)	(1,622)	(901)	(1,641)
Gain on deconsolidation of subsidiary	-	(790)	-	-
Gain on disposal of royalty interest	-	(2,997)	-	-
Adjusted EBITDA	$ 14,590	$ 17,623	$ 12,426	$ 10,048
Adjusted EBITDA per share	$ 0.35	$ 0.43	$ 0.30	$ 0.24

(1) LNRLP EBITDA				
Revenue	$ 631	$ 358	$ 434	$ 93
Mining taxes	(126)	(71)	(87)	(19)
Admin charges	(1)	(7)	(17)	(4)
LNRLP Adjusted EBITDA	$ 504	$ 280	$ 330	$ 70
(2) Prairie Royalties EBITDA				
Revenue	$ -	$ -	$ 532	$ 2,672
Operating income (expenses)	-	-	-	(1)
Prairie Royalties Adjusted EBITDA	$ -	$ -	$ 532	$ 2,671
(3) GBR EBITDA				
Revenue	$ 35	$ 126	$ -	$ -
Operating income (expenses)	(490)	(297)	-	-
GBR Adjusted EBITDA	$ (455)	$ (171)	$ -	$ -

Adjusted net earnings

The Corporation defines adjusted net earnings (loss) as net earnings (loss) per the financial statements less items not reflective of operational performance. These adjusting items include, but are not limited to, impairment charges, gains and losses on the acquisition or disposal of investments or other assets, foreign exchange gains and losses, gains and losses on derivatives and other one-time adjustments as required. While some adjustments are recurring (such as foreign exchange (gain) loss and revaluation of derivatives), management believes that they do not reflect the Corporation's operational performance or future operational performance. Management uses these measures internally and believes that they provide investors with performance measures with which to assess the Corporation's core operations by adjusting for items or transactions that are not reflective of its core operating activities.

Adjusted net earnings/loss per share calculated using adjusted net earnings as the numerator and the basic weighted-average number of shares for the period.

The tables below reconcile net earnings (loss) and net earnings (loss) per share, both per the financial statements, to adjusted net earnings (loss) and adjusted net earnings (loss) per share.

In Thousands of Canadian Dollars	Three months ended			
Adjusted Net Earnings	**March 31, 2022**	**December 31, 2021**	**September 30, 2021**	**June 30, 2021**
Net earnings attributable to common	$ 12,088	$ 2,801	$ 9,947	$ 15,612
Addback (deduct):				
Unrealized loss on fair value adjustment of derivatives	313	1,141	2,273	975
Foreign exchange (gain) loss	(539)	(145)	690	(446)
Impairment of royalty interest and goodwill	-	6,031	-	2,889
Realized gain on disposal of derivatives	-	(1,675)	(3,370)	(1,076)
Gain on disposal of mineral property	(996)	(495)	(2,247)	(1,962)
Debt extinguishment costs	-	-	654	-
Gain on equity investments and joint ventures [1]	-	-	-	(7,445)
Non-recurring other income	(2,879)	-	-	-
Tax impact	841	273	440	993
Adjusted net earnings	$ 8,828	$ 7,931	$ 8,387	$ 9,540
Adjusted net earnings per share	$ 0.21	$ 0.19	$ 0.20	$ 0.23

[1] Includes the following items from the consolidated statement of net earnings (loss): (loss) earnings from joint ventures, gain on loss of control of subsidiary, dilution gain on issuance of shares by an associate and joint venture, and gain on reclassification of an associate.

In Thousands of Canadian Dollars	Three months ended			
Adjusted Net Earnings	**March 31, 2021**	**December 31, 2020**	**September 30, 2020**	**June 30, 2020**
Net earnings (loss) attributable to common	$ 11,663	$ 12,422	$ (39,923)	$ 4,186
Addback (deduct):				
Unrealized (gain) loss on fair value adjustment of derivatives	(4,224)	(1,613)	897	(2,162)
Foreign exchange gain	(629)	(1,622)	(901)	(1,641)
Impairment of royalty interest and goodwill	-	530	45,617	-
Gain on disposal of mineral property	-	(2,997)	-	-
(Gain) loss on equity investments and joint ventures [1]	(1,784)	(1,216)	(2,670)	276
Tax impact	1,097	1,908	537	767
Adjusted net earnings	$ 6,123	$ 7,412	$ 3,557	$ 1,426
Adjusted net earnings per share	$ 0.15	$ 0.18	$ 0.09	$ 0.04

[1] Includes the following items from the consolidated statement of net earnings (loss): (loss) earnings from joint ventures, gain on loss of control of subsidiary, dilution gain on issuance of shares by an associate and joint venture, and gain on reclassification of an associate.

Appendix 1 – Summary of Producing Royalties and Streaming Interests

Mine / Project	Primary Commodity	Operator	Revenue Basis
Chapada	Copper	Lundin Mining	3.7% of payable copper stream
777	Zinc, Copper, Gold & Silver	Hudbay Minerals	4% Net smelter return ("NSR")
Genesee	Coal (Electricity)	Westmoreland/Capital Power Corporation	Tonnes x indexed multiplier
Sheerness	Coal (Electricity)	Westmoreland/ATCO/TransAlta	Tonnes x indexed multiplier
Rocanville	Potash	Nutrien	Revenue
Allan	Potash	Nutrien	Revenue
Cory	Potash	Nutrien	Revenue
Patience Lake	Potash	Nutrien	Revenue
Vanscoy	Potash	Nutrien	Revenue
Esterhazy	Potash	Mosaic	Revenue
Voisey's Bay	Nickel, Copper, Cobalt	Vale	0.3% GSR on 50% of gross metal value
IOC	Iron	Iron Ore Company of Canada	7% Gross Overriding Royalty ("GOR")*
Carbon Development	Potash, other	Various	Revenue

** Held indirectly through common shares of Labrador Iron Ore Royalty Corporation*

Appendix 2 – Summary of Exploration and Pre-Development Stage Royalties

PRE-FEASIBILTY/FEASIBILITY/DEVELOPMENT				
Property	Primary Commodity	Explorer/Developer	Royalty Basis	Status
Kami (Labrador)	Iron	Champion Iron Limited	3% GSR	Updated feasibility study expected by Q2 2022
Curipamba (Ecuador)	Copper	Adventus Mining Corporation	2% NSR	Feasibility study completed, updated mineral resources announced and financing secured
Tres Quebradas (3Q) (Argentina)	Lithium	Zijin Mining Group Co., Ltd.	0.1% GSR	Definitive feasibility study ongoing
Grota de Cirilo (Brazil)	Lithium	Sigma Lithium Resources	0.1% GOR*	Construction initiated; Q4 2022 production planned
Telkwa (British Columbia)	Met Coal	Allegiance Coal Limited	1.5-3% price based sliding scale GSR	Definitive feasibility study completed and permitting underway
Gunnison	Copper	Excelsior Mining Corp.	1.625% GSR	Plant re-design and construction underway
Silicon (Nevada)	Gold	Anglo Gold Ashanti NA	1.5% NSR	Pre-feasibility study underway
ADVANCED EXPLORATION				
Property	Primary Commodity	Explorer/Developer	Royalty Basis	Status
Stellar (Alaska)	Copper	PolarX Ltd.	2% NSR on gold, 1% NSR on base metals	Resource delineation
Labrador West Iron Ore (Labrador)	Iron Ore	High Tide Resources Corp.	2.75% GSR on iron ore; 2.75% NSR on all other minerals	Resource delineation
Pickett Mountain (Maine, USA)	Zinc, lead, copper, silver	Wolfden Resources Corp	1.35% GSR	Preliminary Economic Assessment

* *net of mandatory government and social contribution deductions from gross sales*

EXPLORATION				
Property	Primary Commodity	Explorer or Developer	Royalty Basis	Status
Llano del Nogal (Mexico)	Copper	Orogen Royalties Inc.	1.5% NSR on PM; 1.0% NSR on BM	Early-stage exploration
Cuale (Mexico)	Copper	Orogen Royalties Inc.	1.5% NSR on PM; 1.0% NSR on BM	Early-stage exploration
Jupiter (Nevada)	Gold	Orogen Royalties Inc.	1.0% NSR	Early-stage exploration
Metastur (Spain)	Cobalt	Technology Metals (Asturmet Recursos S.L)	1.5% GSR	Exploration
Arcas (Chile)	Copper	AbraSilver Resource Corp.	0.98% GSR	Exploration
Copper Range (Michigan)	Copper	N/A	Option to acquire 1% NSR held by a third party	Exploration
Adeline Copper (Newfoundland)	Copper	87986 Newfoundland and Labrador Inc. (Chesterfield Resources Plc.)	1.6% GSR	Exploration
Central Mineral Belt (Labrador)	Copper, Uranium	Paladin Energy Ltd	2% NSR on all minerals except uranium	Exploration
Lappvattnet, Rormyrberget (Sweden)	Copper, Gold, Nickel, Paladium	Gungnir Resources Inc.	2% GSR, option to aquire X% NSR	Exploration
Knaften (Sweden)	Copper, Gold	Gungnir Resources Inc.	1% GSR, option to acquire X% NSR	Exploration
Mythril (Quebec)	Copper, Gold	Midland Exploration Inc	1% NSR	Exploration
Cape Ray (Regional) (Newfoundland)	Gold	Cape Ray Mining Limited	2% NSR	Exploration
CMB (Labrador)	Gold	Labrador Uranium Inc.	2% GSR	Exploration
Elrond, Helm's Deep, Minas Tirith, Fangorn (Quebec)	Gold	Midland Exploration Inc	1% NSR	Exploration
Gibson (British Columbia)	Gold	Canex Metals Inc	Option to acquire a 1.5% NSR	Exploration
Golden Baie (Newfoundland)	Gold	Canstar Resources Inc.	2% NSR	Exploration
Golden Rose	Gold	Tru Precious Metals Corp	2% NSR	Exploration
Hermitage (Newfoundland)	Gold	Canstar Resources Inc.	2% NSR	Exploration

EXPLORATION (Continued)				
Property	Primary Commodity	Explorer or Developer	Royalty Basis	Status
Viking (Newfoundland)	Gold	Magna Terra Minerals Inc.	2% NSR, plus 1-1.5% royalties on surrounding lands	Exploration
Moosehead (Newfoundland)	Gold	Sokoman Minerals Corp	2% NSR	Exploration
Wilding Lake, Crystal Lake, Intersection (Newfoundland)	Gold	Canterra Minerals Corporation	2% NSR	Exploration
Iron Horse (Labrador)	Iron	Sokoman Minerals Corp	1% GSR; option to acquire additional 1.1% GSR	Exploration
Florence Lake (Labrador)	Nickel	Churchill Resources Inc.	1.6% GSR	Exploration
Moria (Quebec)	Nickel	Midland Exploration Inc	1% NSR	Exploration
Taylor Brook (Newfoundland)	Nickel	Churchill Resources Inc.	1.6% GSR	Exploration
Voyageur (Michigan)	Nickel	N/A	2% NSR	Exploration
Sail Pond (Newfoundland)	Silver, Copper	Sterling Metals Corp.	2% NSR	Exploration
Notakwanon (Labrador)	Uranium	Labrador Uranium Inc.	2% GSR	Exploration
Buchans (Newfoundland)	Zinc	Canstar Resources Inc	2% NSR	Exploration
Daniel's Harbour (Newfoundland)	Zinc	Canstar Resources Inc	2% NSR	Exploration
Kingscourt, Rathkeale, Fermoy (Republic of Ireland)	Zinc	South 32 Base Metals Ireland	2% NSR on each Project	Exploration
Lismore (Republic of Ireland)	Zinc	BMEx Ltd	2% NSR	Exploration
Midland (Ireland)	Zinc	BMEx Ltd	1% GSR	Exploration
Point Leamington (Newfoundland)	Zinc	Callinex Mines Inc.	2% NSR	Exploration
Shire (Quebec)	Zinc	Midland Exploration Inc	1% NSR	Exploration

Appendix 3 – Summary of ARR's Operational and Development Renewable Energy Royalties

Project	Location	Project Seller	Renewable Energy Source	Project Owner/Developer	Facility Size (MWac)	Grid Connection	Status[1][2][3]	Expected COD	Expected Life	Royalty Basis
Clyde River	Orleans County, Vermont (USA)	-	Hydro	Gravity Renewables	5 MW	ISO New England	Operational	N/A	22 Years	10% of revenue
Prospero 2	Andrews County, Texas (USA)	-	Solar	Longroad Energy	250 MW	ERCOT	Operational	N/A	30 Years	Variable
Old Settler	Floyd County, Texas (USA)	-	Wind	Northleaf Capital	150 MW	ERCOT	Operational	N/A	25 Years	Variable
Cotton Plains	Floyd County, Texas (USA)	-	Wind	Northleaf Capital	50 MW	DND	Operational	N/A	25 Years	Variable
Phantom	Bell County, Texas (USA)	-	Solar	Northleaf Capital	15 MW	DND	Operational	N/A	25 Years	Variable
JayHawk	Crawford and Bourboun County, Kansas (USA)	Apex	Wind	WEC Energy / Invenergy	195 MW	SPP	Operational	N/A	25 Years	2.5% of revenue
TBA	TBA	TBA	Wind	TBA	500 MW	ERCOT	Late-stage Development	TBA	25 Years	2.5% of revenue
El Sauz	Willacy County, Texas (USA)	Apex	Wind	TBA	300 MW	ERCOT	Late-stage Development	Q4 2022	25 Years	2.5% of revenue
Appaloosa	Upton County, Texas (USA)	TGE	Wind	NextEra Energy Resources	175 MW	ERCOT	Late-stage Development	Q4 2022	25 Years	1.5% of revenue
Canyon	Scurry County, Texas (USA)	TGE	Wind	Silverpeak	360 MW	ERCOT	Late-stage Development	Q3 2023	25 Years	3% of revenue
Flatland	Scurry County, Texas (USA)	TGE	Solar	Silverpeak	180 MW	ERCOT	Mid-stage Development	Q2 2023	25 Years	1.5% of revenue
Panther Grove	Woodford County, Illinois (USA)	TGE	Wind	Copenhagen Infastructure Partners	400 MW	PJM	Mid-stage Development	Q4 2023	25 Years	3% of revenue
Honey Creek	White County, Indiana (USA)	TGE	Solar	Leeward	400 MW	PJM	Mid-stage Development	Q4 2023	25 Years	1.5% of revenue
Hoosier Line	White County, Indiana (USA)	TGE	Wind	Leeward	180 MW	PJM	Mid-stage Development	Q4 2023	25 Years	3% of revenue
Blackford Wind	Blackford County, Indiana (USA)	TGE	Wind	Leeward	200 MW	PJM	Mid-stage Development	Q4 2023	25 Years	3% of revenue
Blackford Solar	Blackford County, Indiana (USA)	TGE	Solar	Leeward	150 MW	PJM	Mid-stage Development	Q4 2023	25 Years	1.5% of revenue

1. There are no assurances that development state projects will ultimately achieve commercial operation or that the Corporation's joint venture will receive any royalty revenue from the dvelopment stage projects

2. Mid-stage and late-stage development activities, include, but not limited to, determining the offtake strategy, finalizing and optimizing project size, costs, equipment and layout, finalizing interconnection approvals and costs, and seeking tax equity and other investors.