Altius Minerals Corporation

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

Three and nine months ended September 30, 2021

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's consolidated financial statements for the three and nine months ended September 30, 2021 and related notes. This MD&A has been prepared as of November 10, 2021.

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 (the "Apollo Funds") managed by affiliates of Apollo Global Management, Inc. ("Apollo") 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 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 mineral royalty sector. Large resources are considered by the Corporation as excellent predictors of future operating life extensions and mine throughput expansions. Such occurrences typically require capital investments by the mine operator, but as a royalty holder Altius pays no share of the cost incurred to gain these potential incremental benefits.

Altius also grows its portfolio of paying royalties by originating and adding value to mineral projects through scientific research, 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 and is another unique strategic differentiator for Altius. The Project Generation business 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.

Whether considering M&A based mineral royalty acquisitions or its organic Project Generation business, Altius exercises counter-cyclical discipline. Commodity markets are notoriously cyclical and individual asset valuations can change dramatically in accordance with commodity prices and sentiment. 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.

A few years ago, Altius expanded its focus into royalty financing of the renewable energy sector through the creation of ARR in order to begin to replace its interests in coal fired power generation royalties and to participate directly in the emerging global transition towards cleaner energy sources. Through investments in four large US-based utility scale wind and solar projects 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), with several further royalty interests expected to be created under the subject agreements. ARR is directly enabling the transition to cleaner energy and the achievement of global sustainability imperatives while also setting a path for long-term value creation for its shareholders, partners and the communities in which it operates. In March 2021, the Corporation completed an initial public offering of ARR on the TSX (see section Altius Renewable Royalties Corp. below). The Corporation retains approximately 59% of its common equity.

Outlook

The majority of the Corporation's attributable royalty revenue is derived on the basis of production volumes multiplied by relevant realized commodity prices. The Corporation provides production guidance summaries of the disclosable information it gains from the underlying operators of the projects in which it holds royalty interests. This volume-based information, when considered in conjunction with commonly quoted commodity prices, is provided to help interested shareholders and investors make ongoing estimates of royalty revenue variability.

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 year over year 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 this period 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

In base and battery metals, while the 777 mine is planned for closure next year, other assets have the potential to expand or commission and provide an offset and growth. Copper, nickel, lithium, zinc and cobalt prices are each at strong levels relative to recent periods and are in some cases near or above multi-year highs.

Lundin Mining has reported a record quarter for mill throughput which was accompanied by improved metallurgical recovery rates for copper. It also announced that it has completed 49,000 metres of near mine exploration drilling year to date in parallel with ongoing expansion studies that it expects to report on during the second half of 2022.

Vale recently announced first underground production of nickel-copper-cobalt ore from the Reid Brook deposit as part of its Voisey's Bay Mine Expansion Project and expects to begin mining of the Eastern Deeps deposit in the near future.

Lithium Royalty Corporation of which Altius is a co-founding 12.6% shareholder continued to build out its portfolio and recently added five new royalties to bring the total number of project royalties acquired since inception in 2018 to 15. These include a tonnage based royalty on Orocobre's producing Mt. Cattlin Mine in Australia and gross royalties on each of NeoLithium's Tres Quebradas project in Argentina, Sigma lithium's Groto do Cirilo project in Brazil and Core Lithium's Finniss project in Australia. During the quarter NeoLithium announced that it was being acquired by Zijin Mining and each of Sigma and Core announced project construction decisions.

Adventus Mining Corporation ("Adventus") recently published a positive feasibility study for its high grade, copper and zinc rich El Domo deposit in Ecuador. Adventus also announced that it is currently in advanced stages of negotiating non-dilutive project financing while preparing to imminently file an Environmental and Social Impact Statement and move to detailed engineering, all in anticipation of a late 2022 potential construction decision.

Excelsior Mining has produced first copper and is reporting progress in engineering solutions to improve flow rates within the well field, and achieve commercial production levels, at the Gunnison in-situ mine in Arizona.

In 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. Benchmark iron ore prices have recently retreated from all-time highs but remain at historically strong levels. 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 upon 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 production levels and expected 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, for example, have increased by almost 300% over the past year and are now approaching levels not seen since the 2008 – 2009 period. We expect to see an increasing benefit of these higher prices in upcoming quarters as pricing lags positively affect 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 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 it converts 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.

Anglogold Ashanti reported on Sept 13, 2021 that it intends to issue an end of year based initial mineral resource estimate for Silicon which is within its recently consolidated Beaty District property which it describes as a "potential Tier 1 asset". Exploration work is reportedly ongoing to delineate these newly discovered deposits at both Silicon and Merlin, and both are subject to a 1.5% NSR royalty in favour of Altius.

Quarterly Highlights

Altius Renewable Royalties Corp.

The Corporation, through its subsidiary ARR, acquires renewable royalty investments through its joint venture with Apollo Funds and currently holds royalty interests in 16 renewable energy projects totaling 3,510 MW. As at September 30, 2021 Apollo has fully earned a 50% ownership in GBR, with the Corporation's interest also being 50% (December 31, 2020 – 89%). During the third quarter Apollo invested US$89,250,000 (September 30, 2020 - $nil) and during the nine months ended September 30, 2021 invested US$92,750,000 (September 30, 2020 - $nil). In addition to the investments by Apollo Funds to earn its 50% ownership interest, ARR funded $28,574,000 (US$22,680,500) during the third quarter to co-fund investment opportunities. It is expected that all future investments and capital calls from GBR will be funded equally by ARR and Apollo Funds. All projects and new investments entered into in the third quarter of 2021 are described below in Segment Performance. For further information, Appendix 3 contains a detailed listing of all renewable royalty interests created to date.

Refinancing of Credit Facilities

On August 9, 2021 the Corporation amended its credit facilities to increase the available credit from $160,000,000 to $225,000,000 and extended the term from June 2023 to August 2025. In addition, the required principal payments were reduced from $5,000,000 to $2,000,000 quarterly and other covenants were adjusted to better reflect the growing financial strength and revenue profile of the business. The Corporation also amended its cash flow hedge on September 9, 2021 to align with the new terms of the debt. The Corporation's outstanding debt is currently $117,000,000, net of deferred financing fees, and the total available liquidity under the credit facility is $106,000,000.

Cash Flow from Project Generation Equity Portfolio

During the three and nine months ended September 30, 2021 the Corporation generated positive cash proceeds from sales in its junior equities portfolio, net of new investments, totaling $9,091,000 and $12,749,000 respectively.

Capital Allocation

During the quarter ended September 30, 2021, the Corporation made $5,000,000 in scheduled payments on its credit facilities, paid dividends of $0.07 per common share (which was increased from $0.05 per common share during the quarter), and paid distributions of $1,260,000 on its preferred securities. There were 107,900 shares repurchased under its normal course issuer bid at a cost of $1,738,000. For the nine months ended September 30, 2021 the Corporation made $15,000,000 in scheduled payments on its credit facilities, paid dividends of $0.17 per common share, paid distributions of $3,740,000 on its preferred securities and repurchased 585,300 of its shares at a cost of $9,162,000. These included the purchase of shares issued upon the exercise of 400,000 outstanding warrants that generated $5,600,000 in offsetting proceeds.

Financial Performance and Results of Operations

In Thousands of Canadian Dollars, except per share amounts	Three months ended September 30, 2021	Three months ended September 30, 2020	Three months ended Variance	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Nine months ended Variance
Revenue						
Attributable royalty	$ 20,808	$ 16,229	$ 4,579	$ 60,474	$ 45,543	$ 14,931
Project generation	-	-	-	408	-	408
Attributable revenue [1]	20,808	16,229	4,579	60,882	45,543	15,339
Adjust: joint venture revenue	(451)	(966)	515	(1,825)	(6,961)	5,136
IFRS revenue per consolidated financial statements	$ 20,357	$ 15,263	$ 5,094	$ 59,057	$ 38,582	$ 20,475
Total assets	$ 709,838	$ 556,128	$ 153,710	$ 709,838	$ 556,128	$ 153,710
Total liabilities	191,018	203,893	(12,875)	191,018	203,893	(12,875)
Dividends declared & paid to shareholders	2,904	1,928	976	7,051	5,963	1,088
Adjusted EBITDA [1]	16,900	12,426	4,474	49,202	35,197	14,005
Adjusted operating cash flow [1]	18,902	7,330	11,572	33,542	33,936	(394)
Net earnings (loss)	9,764	(39,787)	49,551	36,117	(38,849)	74,966
Attributable revenue per share [1]	$ 0.50	$ 0.39	$ 0.11	$ 1.46	$ 1.09	$ 0.37
Adjusted EBITDA per share [1]	0.41	0.30	0.11	1.19	0.84	0.35
Adjusted operating cash flow per share [1]	0.46	0.18	0.28	0.81	0.81	-
Net earnings (loss) per share, basic and diluted	0.24	(0.96)	1.20	0.90	(0.94)	1.84

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

Attributable revenue (see non-IFRS measures) was $20,808,000 ($0.50 per share) in the third quarter of 2021, which was 28% higher than the $16,229,000 ($0.39 per share) recorded in the comparable quarter in 2020. Attributable revenue of $60,474,000 ($1.46 per share) in the nine months ended September 30, 2021 was 33% higher than the $45,543,000 ($1.09 per share) recorded in the comparable year to date period in 2020. The increase in revenue is mainly a result of higher commodity prices and higher LIORC dividends.

Adjusted EBITDA in the quarter ended September 30, 2021 was $16,900,000 ($0.41 per share), 36% higher than $12,426,000 ($0.30 per share) for the prior year comparable quarter. Adjusted EBITDA in the nine months ended September 30, 2021 was $49,202,000 ($1.19 per share), 40% higher than $35,197,000 ($0.84 per share) for the prior year comparable period. Increased adjusted EBITDA for the three and nine months ended September 30, 2021 is in line with the increased royalty revenue. The EBITDA margin of 81% in the three and nine months ended September 30, 2021 was slightly higher than the 77% recorded for the comparable periods in 2020 as fixed costs remained relatively constant in comparison to increased revenue.

Adjusted operating cash flow of $18,902,000 ($0.46 per share) is higher than the $7,330,000 ($0.18 per share) generated in Q3 2020. Adjusted operating cash flow for the year to date period of $33,542,000 ($0.81 per share) is comparable to the $33,936,000 ($0.81 per share) generated in the nine month period in 2020. The increase for the current versus prior year quarter is largely reflective of higher royalty revenues. On a year to date basis cash flow was comparable to the prior year nine month period which benefitted from lower cash tax installments as a result of flexibility granted by tax authorities due to Covid-19 related economic concerns.

Net earnings during the three months ended September 30, 2021 were $9,764,000 ($0.24 per share) compared to a net loss of $39,787,000 ($0.96 per share) recorded in the comparable three month period in 2020. Net earnings during the nine months ended September 30, 2021 were $36,117,000 ($0.90 per share) compared to a net loss of $38,849,000 ($0.94 per share) recorded in the comparable nine month period in 2020. Net earnings in the current year quarter and year to date period were positively impacted by increased revenue and lower costs and an impairment reversal, whereas the prior year comparable quarter was negatively impacted by a non-cash impairment charge in an associate and impairment of coal royalty interests, as well as higher costs.

Total assets net of total liabilities increased by approximately $141,000,000 since September 30, 2020 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			Nine months ended		
Costs and Expenses	September 30, 2021	September 30, 2020	Variance	September 30, 2021	September 30, 2020	Variance
General and administrative	$ 2,073	$ 2,440	$ (367)	$ 6,005	$ 6,327	$ (322)
Cost of sales - copper stream	1,356	1,210	146	3,601	3,290	311
Share-based compensation	611	487	124	2,320	3,523	(1,203)
Generative exploration	11	43	(32)	35	260	(225)
Exploration and evaluation assets abandoned or impaired	-	-	-	2,889	80	2,809
Mineral rights and leases	3	6	(3)	274	317	(43)
Amortization and depletion	6,191	4,939	1,252	16,618	12,262	4,356
	$ 10,245	$ 9,125	$ 1,120	$ 31,742	$ 26,059	$ 5,683

General and administrative expenses were lower for the three months and nine months ended September 30, 2021 than the prior year periods. This decrease was mainly driven by decreased salary, professional fees and travel related costs offset by increased insurance costs. As a result of the October 2020 Apollo transaction, GBR is now accounted for as a joint venture and GBR general and administrative costs are no longer included on a consolidated basis but rather as a proportionate share of earnings (loss) in joint venture.

ARR incurred salary and office costs of approximately $394,000 and $1,005,000 during the three and nine months ended September 30, 2021 as compared to $452,000 and $1,298,000 in the comparable prior year periods. There is an overall decrease during the nine months ended September 30, 2021 due to GBR's general and administrative costs no longer being included on a consolidated basis but as a proportionate share of loss in joint venture earnings (loss). The current nine month period included public company costs as a result of the IPO of ARR which were not incurred in the prior year comparable quarter. 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 relate to the administration and staffing of its Project Generation segment. During the three and nine months ended September 30, 2021 this amounted to $485,000 and $1,609,000 compared to $682,000 and $2,133,000 incurred in the 2020 periods. This business creates long-term royalty opportunities and also receives equity positions in public companies in exchange for mineral projects and cash investments. It is important to note that equity sales 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. Net cash from equity sales and purchases completed by the Project Generation business generated $12,749,000 (2020 – $1,775,000) in the current year to date period.

Cost of sales for the current quarter and year to date increased over the prior year periods for the Chapada copper stream, as these are proportional to copper stream revenue. Under the streaming agreement the Corporation purchases 3.7% of the payable copper at 30% of the spot copper price. Amortization and depletion are higher for the current quarter and year to date in comparison to the prior year periods and is reflective of higher production volumes for certain assets. A portion of amortization in the prior year periods is related to intangible assets which were part of the GBR acquisition in 2019. These assets have since been derecognized as a result of the loss of control of GBR.

During the nine months ended September 30, 2021 the Corporation recorded an impairment charge of $2,889,000 for its exploration stage Lynx diamond project in Manitoba compared to total impairments of $80,000 for the same period in the previous year. The Corporation's share-based compensation is higher during the three and nine month periods ended September 30, 2021 as compared to the same periods in 2020. The current year periods include the issuance of stock options to the ARR board and prior year periods include the issuance of stock options to the GBR management team. These options are convertible into equity in ARR rather than the Corporation.

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

In Thousands of Canadian Dollars	Three months ended			Nine months ended		
	September 30, 2021	September 30, 2020	Variance	September 30, 2021	September 30, 2020	Variance
(Loss) earnings from joint ventures	$ (189)	$ 459	$ (648)	$ (512)	$ 3,105	$ (3,617)
Realized gain on disposal of derivatives	3,370	368	3,002	4,446	368	4,078
Gain on disposal of mineral property	2,247	-	2,247	4,209	-	4,209
Interest on long-term debt	(2,009)	(2,360)	351	(5,314)	(6,112)	798
Foreign exchange gain (loss)	(690)	901	(1,591)	385	1,571	(1,186)
Impairment of royalty interest	-	(45,617)	45,617	-	(45,617)	45,617
Dilution gain on issuance of shares of an associate	-	2,634	(2,634)	-	2,634	(2,634)
Dilution gain on issuance of shares of a joint venture	206	-	206	579	-	579
Unrealized gain (loss) on fair value adjustment of derivatives	(2,273)	(897)	(1,376)	976	436	540
Gain on reclassification of an associate	-	-	-	7,595	-	7,595
Share of earnings (loss) and impairment reversal in associates	-	36	(36)	1,261	(4,244)	5,505
Income tax expense	(1,010)	(1,449)	439	(4,823)	(3,513)	(1,310)

- Effective August 1, 2020, as a result of the acquisition of additional partnership units, the Corporation began reporting the Coal Royalty ("CRLP") and Genesee Royalty Limited Partnership's ("GRLP") revenue and costs on a 100% basis within the statement of earnings on a consolidated basis instead of as earnings in joint venture, resulting in lower earnings from joint venture for the current quarter and year to date.

- The Corporation began accounting for its interest in GBR as a joint venture effective October 11, 2020 and prior to that it was consolidated within the Corporation's results.

- During the second quarter of 2021 the Corporation determined it no longer had significant influence over financial and operating policy decisions of Adventus through Board representation and reclassified the investment to mining investments resulting in a gain on reclassification of an associate of $7,595,000. The Corporation recorded its share of loss in associate of $364,000 for Q1 and Q2 related to Adventus.

- 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.

- A gain on disposition of mineral properties of $2,247,000 and $4,209,000 was recorded in the three and nine months ended September 30, 2021 (September 30, 2020- $nil) related to the receipt of common shares in exchange for the transfer of the Corporation's Golden Rose, Florence Lake and Adeline Copper mineral properties.

- During the quarter and year to date ended September 30, 2021 the Corporation recorded a dilution gain of $206,000 and $579,000 respectively (September 30, 2020 - $nil) in relation to additional investments made by Apollo Funds in the GBR joint venture.
- A realized gain on disposal of derivatives of $3,370,000 and $4,446,000 was recorded on the sale and exercise of share purchase warrants for the three and nine months ended September 30, 2021 (September 30, 2020 - $nil and $368,000). An unrealized loss on the fair value of derivatives related to the revaluation of share purchase warrants was recorded for the current and prior year quarters. Unrealized gains were recorded during the nine months ended September 30, 2021 and 2020.
- Foreign exchange revaluations were recorded in the three and nine months ended September 30, 2021 and were driven by fluctuating exchange rate changes in the current year in comparison to the prior year comparable periods.
- Tax expense is lower for the quarter however higher overall during the nine months ended September 30,2021 reflecting higher attributable revenue and EBITDA.

Segment Performance

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 ARR, which is focused on the acquisition and management of renewable energy investments and royalties ("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			Nine months ended		
Summary of attributable royalty revenue	September 30, 2021	September 30, 2020	Variance	September 30, 2021	September 30, 2020	Variance
Revenue						
Base and battery metals						
777 Mine	$ 3,209	$ 4,175	$ (966)	$ 11,379	$ 8,698	$ 2,681
Chapada	4,578	4,068	510	12,134	10,719	1,415
Voisey's Bay	429	434	(5)	1,713	654	1,059
Gunnison	-		-	11	-	11
Iron ore (1)	6,035	1,293		13,938	3,592	
Potash			-			-
Cory	413	285		1,092	779	
Rocanville	2,350	1,869	481	7,110	7,163	(54)
Allan	196	121	75	835	505	330
Patience Lake	57	59	(2)	363	298	65
Esterhazy	721	782	(61)	2,831	2,770	61
Vanscoy	41	34		125	43	
Lanigan	10	8	2	21	18	3
Met coal			-			-
Cheviot	-	291	(291)	58	1,347	(1,289)
Thermal (Electrical) Coal			-			-
Genesee	2,526	1,800	726	7,126	4,620	2,506
Paintearth	-	-	-	20	75	(55)
Sheerness	36	700	(664)	482	2,295	(1,813)
Highvale	-	168	(168)	-	397	(397)
Other						
Renewables	22	58	(36)	112	1,077	(965)
Coal bed methane	128	79	49	391	285	106
Interest and investment	57	5	52	734	208	526
Attributable royalty revenue	$ 20,808	$ 16,229	$ (298)	$ 60,474	$ 45,543	$ 14,931

See non-IFRS 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				Nine months ended			
	September 30, 2021		September 30, 2020		September 30, 2021		September 30, 2020	
	Tonnes	Average price (1)	Tonnes	Average price (1)	Tonnes	Average price (1)	Tonnes	Average price (1)
Chapada copper (3)	395	$4.23 US / lb	469	$2.93 US / lb	1,054	$4.18 US / lb	1,326	$2.72 US / lb
777 copper (4)	2,230	$4.30 US / lb	2,416	$2.96 US / lb	8,716	$4.14 US / lb	8,857	$2.65 US / lb
777 zinc (4)	7,857	$1.36 US / lb	9,609	$ 1.06 US / lb	23,834	$1.30 US / lb	27,405	$0.97 US / lb
Potash (5)	344,593	$467 / tonne	452,836	$309 / tonne	1,283,720	$403 / tonne	1,356,726	$342 / tonne
Metallurgical coal	-	$nil / tonne	65,783	$138 / tonne	13,172	$129 / tonne	231,597	$164 / tonne
Thermal (electrical) coal (2,5)	460,925	N/A	427,486	N/A	1,353,942	N/A	1,260,282	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 metal revenue was down from the prior year comparable quarter primarily due to slightly lower throughput at 777. Lundin Mining announced record quarterly mill throughput at Chapada and higher quarterly copper production relative to the prior year quarter. Voisey's Bay revenues were higher on a comparable year to date basis on stronger metal prices and as Vale commenced production from the Reid

Brook underground nickel-copper-cobalt deposit. Finished production from Voisey's Bay sourced ore during the quarter was marginally lower than the second quarter of 2021 due to annual maintenance shutdown impacting the Long Harbour processing facility.

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.

Iron Ore

Revenue in the form of dividends received during Q3 2021 was $6,035,000 as compared to $1,293,000 in Q3 2020 and $13,938,000 during the first nine months of 2021 as compared to $3,592,000 during the first nine months of 2020. The prior year nine month period was negatively impacted by reduced dividends received by LIORC from IOC. The Corporation's current iron ore revenue stems from the pass-through of royalties and equity dividends paid by the Rio Tinto controlled IOC to Labrador Iron Ore Royalty Corp ("LIORC"), of which the Corporation is a significant shareholder. LIORC operates as a passive flow-through vehicle for proceeds from a 7% gross overriding royalty and a 15.1% equity position held by LIORC on the IOC operations in Labrador, Canada. In their third quarter results, as a result of lower than anticipated production year-to-date, Rio Tinto lowered its 2021 full year guidance for IOC's saleable production tonnage from 17.9 to 20.4 million tonnes to 16.2 to 17.9 million tonnes.

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

Saskatchewan Potash Royalties

Potash revenue for the third quarter of 2021 of $3,788,000 is up 20% versus the comparable quarter in 2020 due to higher prices but partially offset by the impact of annual maintenance shutdowns at the Rocanville, Cory, Allan and Esterhazy mines, which have since been completed. Realized prices in the quarter were broadly reflective of prior quarter market prices due to lag effects. Potash spot market prices further increased by more than 30% in most key markets during the quarter and these impacts are expected to be reflected in realized prices for royalty revenue calculation purposes in upcoming quarters. Global supply of potash remains tight while demand has increased due to low agricultural inventory levels and strong farm economics.

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.

Alberta Electrical Coal Royalties

Third quarter thermal coal revenue of $2,562,000 is slightly lower than the three months ended September 30, 2020 largely due to an unplanned maintenance outage at 1 of the 3 integrated power generating units in mid-July. The operator reports that it expects repairs to be completed near the end of November of this year.

Renewable Royalties

Altius Renewable Royalties

On July 21, 2021, GBR closed a follow-on royalty investment of US$20,200,000 with Apex related to a broad portfolio of wind, solar and energy storage development projects located across North America that was in addition to an initial US$35,000,000 in royalty financing provided to Apex in March 2020.

On August 3, 2021 ARR announced that GBR closed a US$35,000,000 royalty investment with Longroad Energy related to its 250 MW Prospero 2 solar project located in Andrews County, Texas. Longroad is a top-tier developer, owner and operator of renewable energy projects, having developed over 60 renewable energy projects totaling over 6 GWs across North America. Apollo Funds and ARR agreed to fund the Longroad investment in a separate legal entity, GBR II, of which US$23,900,000 was funded by Apollo Funds and the balance of US$11,100,000 was funded by ARR.

On September 30, 2021 ARR announced that GBR had closed a US$52,500,000 royalty investment with Northleaf Capital Partners ("Northleaf") related to three operating-stage wind and solar renewable energy projects located in Texas. The newly acquired revenue-based royalty portfolio includes: (1) the 150MW Old Settler wind project, (2) the 50 MW Cotton Plains wind project, and (3) the 15 MW Phantom Solar project. The output from Cotton Plains and Phantom Solar is sold at a fixed price under long-term contracts with the US Department of Defense through January 2045, while the output from Old Settler will be sold into the ERCOT market. The three projects have been in commercial operation since 2017. Apollo Funds and ARR funded the investment in GBR II, of which US$40,919,500 was funded by Apollo Funds and the balance of US$11,580,500 was funded by ARR.

ARR also announced during the quarter that one additional wind royalty of 2.5% in favour of GBR was created through development partners with an expected generation capacity of 500 MW. An additional 2.5% gross revenue royalty on a 300 MW wind project was created subsequent to quarter end. Additional information concerning ongoing developments and initiatives at ARR with respect to renewable energy royalty projects can be found in the Quarterly Highlights and Outlook sections of this report.

Project Generation

Pre-Production Royalties & Junior Equities Portfolio Highlights

The Corporation's junior equities portfolio had a market value of $51,200,000 at September 30, 2021. This amount excludes several privately held investments, which had an estimated value of $14,229,000 at quarter end. During the three and nine months ended September 30, 2021 the Corporation generated positive cash proceeds from sales in its junior equities portfolio, net of new investments, totaling $9,091,000 and $12,749,000 respectively. The Corporation recognized total gains on disposition of Project Generation investments of $8,048,000 for the quarter ended September 30, 2021 comprised of $4,678,000 in the consolidated statement of comprehensive earnings and $3,370,000 in the consolidated statement of earnings. The Corporation recognized total gains on disposition of Project Generation investments of $13,699,000 for the nine months ended September 30, 2021 comprised of $9,253,000 in the consolidated statement of comprehensive earnings and $4,446,000 in the consolidated statement of earnings.

Altius anticipates approximately 225 kms of drilling will be completed across its portfolio of exploration and development focused equities and royalties during 2021, which represents a new record.

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	Nine months ended	
Summary of Cash Flows	September 30, 2021	September 30, 2020
Operating activities	$ 32,234	$ 23,933
Financing activities	67,109	21,283
Investing activities	(21,063)	(51,303)
Net increase in cash and cash equivalents	78,280	(6,087)
Cash and cash equivalents, beginning of period	21,804	22,128
Cash and cash equivalents, end of period	$ 100,084	$ 16,041

Operating Activities

Operating cash generated during the nine months ended September 30, 2021 is higher than that of the prior year quarter mainly due to the increase in overall royalty revenues offset by timing of cash taxes paid.

Financing Activities

On August 9, 2021, the Corporation amended its credit facility to increase the available credit from $160,000,000 to $225,000,000 and to extend the term from June 2023 to August 2025. The Corporation incurred costs of $1,778,000 related to the amendment during the nine months ended September 30, 2021 which will be deferred over the credit term and are incorporated into the effective interest rate. During the prior year the Corporation completed a draw-down of $47,326,000 on its revolving credit facility which was used to fund GBR's renewable royalty investment agreement with Apex. The Corporation repaid $15,000,000 (September 30, 2020 - $15,000,000) for the nine months ended September 30, 2021 related to its term loan facility.

Distributions on the Corporation's preferred securities totaled $3,739,000 (September 30, 2020 - $3,753,000) for the nine months ended September 30, 2021.

The Corporation distributed $1,084,000 (September 30, 2020 - $772,000) to a non-controlling interest holder in the Potash, Genesee and Coal Royalty Limited Partnerships during the nine months ended September 30, 2021. In the year to date period in 2020, the Corporation received proceeds from issuance of shares of $5,661,000 from non-controlling interests in the Corporation's two subsidiaries, ARR and Adia. ARR received net cash proceeds on its IPO and over-allotment of $98,932,000 during the current nine month period.

The Corporation paid cash dividends of $6,534,000 (September 30, 2020 - $5,963,000) to its shareholders in the nine months ended September 30, 2021 and issued 33,423 common shares (September 30, 2020 - 28,528) valued at $517,000 (September 30, 2020 - $282,000) through the Corporation's Dividend Reinvestment Plan.

Year to date the Corporation repurchased and cancelled 585,300 (1.4%) common shares under its normal course issuer bid for a total cost of $9,162,000 (September 30, 2020 - 644,400 (1.6%)) common shares for a total cost of $6,090,000) which includes 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 and were exercised on February 26, 2021 for $5,600,000.

Investing Activities

During 2020 the Corporation acquired an additional 44.935% ownership in CRLP and GRLP for net cash consideration paid of $8,957,000 and as of August 1, 2020 distributions from CRLP and GRLP were no longer recorded as distributions from joint ventures. This resulted in lower joint venture-based royalty cashflow of $1,308,000 being recorded in the current nine month period ended September 30, 2021 as compared to $10,003,000 recorded in the prior year.

The Corporation acquired additional potash royalty unit interests in the Esterhazy mine K3 area at a cost of $457,000 in the current year compared to $469,000 in other potash royalty acquisitions for the prior year period.

The Corporation used $13,884,000 (September 30, 2020 - $68,152,000) in cash to acquire investments during the nine months ended September 30, 2021. Of this amount, $8,598,000 was used to add to the junior equities portfolio (September 30, 2020 - $1,411,000) and $5,286,000 was used to fund part of the Corporation's LRC related investment (September 30, 2020 - $nil). $64,901,000 was used in the prior year period to add to GBR's TGE and Apex renewable energy investments and $1,840,000 was used to add to the LIORC position.

The Corporation indirectly invested $28,574,000 into its GBR joint venture for ARR's portion of the Longroad and Northleaf royalty investments which are described in detail under the *Altius Renewable Royalties* section of this MD&A.

The Corporation received $21,346,000 from the sale of junior equity investments for the nine months ended September 30, 2021 (September 30, 2020 - $18,238,000). The prior year consisted mainly of proceeds of $15,052,000 received from the sale of LIORC shares.

Liquidity

At September 30, 2021 the Corporation had current assets of $115,120,000, consisting of $100,084,000 in cash and cash equivalents (of which $69,773,000 relates to ARR) and $15,036,000 primarily in accounts receivable, loan receivable, prepaid expenses and income taxes receivable. Current liabilities of $16,433,000 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 nine months ended September 30, 2021 and generated $21,346,000 in cash. At September 30, 2021 the Corporation has approximately $106,000,000 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 revenue, adjusted EBITDA, adjusted operating cash flow, net earnings (loss) and per share amounts for the most recent eight quarters. The financial information is extracted from the Corporation's condensed consolidated financial statements and should be read in conjunction with those statements and the annual audited consolidated financial statements.

In Thousands of Canadian Dollars, except per share amounts	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Attributable revenue [1]	$ 20,808	$ 21,906	$ 17,760	$ 21,959
Adjusted EBITDA [1]	16,900	17,712	14,590	17,623
Adjusted operating cash flow [1]	18,902	5,830	8,810	13,520
Net earnings (loss) attributable to common shareholders	9,947	15,611	11,663	12,422
Attributable revenue per share [1]	$ 0.50	$ 0.53	$ 0.43	$ 0.53
Adjusted EBITDA per share [1]	0.41	0.43	0.35	0.43
Adjusted operating cash flow per share [1]	0.46	0.14	0.21	0.33
Net earnings (loss) per share - basic and diluted	0.24	0.38	0.28	0.30

In Thousands of Canadian Dollars, except per share amounts	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Attributable revenue [1]	$ 16,229	$ 13,035	$ 16,279	$ 17,557
Adjusted EBITDA [1]	12,426	10,048	12,723	13,624
Adjusted operating cash flow [1]	7,330	13,378	13,228	9,442
Net earnings (loss) attributable to common shareholders	(39,923)	4,186	(3,546)	8,842
Attributable revenue per share [1]	$ 0.39	$ 0.31	$ 0.39	$ 0.41
Adjusted EBITDA per share [1]	0.30	0.24	0.30	0.32
Adjusted operating cash flow per share [1]	0.18	0.32	0.32	0.22
Net earnings (loss) per share - basic and diluted	(0.96)	0.10	(0.08)	0.21

(1) Non-IFRS measures are reconciled and described in the Non-IFRS 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 EBITDA is largely proportionate with royalty revenue while earnings have been impacted by non-cash impairments, and unrealized losses and gains. 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 changes in adjusted operating cash flow is generally consistent with royalty revenue as well as interest and taxes paid. During the quarter, royalty revenue was mainly impacted by higher base metal prices and a higher quarterly dividend declared by LIORC and was offset by seasonally lower potash volumes.

Net earnings 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.

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 $2,866,000 by September 30, 2022 of which $1,387,000 is required spending by partners, in order to maintain its existing licenses in good standing.

As at September 30, 2021 the following principal repayments for the Corporation's credit facilities are required over the next five calendar years:

In Thousands of Canadian Dollars	Term	Revolver	Total
2021	$ 2,000	$ -	$ 2,000
2022	8,000	-	8,000
2023	8,000	-	8,000
2024	8,000	-	8,000
2025	24,000	68,754	92,754
	$ 50,000	$ 68,754	$ 118,754

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		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Key management personnel and directors				
Salaries and benefits	$ 481	$ 449	$ 2,584	$ 2,627
Share-based compensation	538	487	2,033	1,614
Total	$ 1,019	$ 936	$ 4,617	$ 4,241

In Thousands of Canadian Dollars	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
General and adminstrative expenses billed from (to)				
Associates	$ 6	$ 6	$ 18	$ 18
Joint venture	14	-	91	-
Total	$ 20	$ 6	$ 109	$ 18

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 and nine months ended September 30, 2021.

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 September 30, 2021 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 nine months ended September 30, 2021. There has been no change in the Corporation's internal control over financial reporting during the Corporation's quarter ended September 30, 2021 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 September 30, 2021 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 consider risk factors. Please refer to the annual financial statements and MD&A for the year ended December 31, 2020 for a complete listing of risk factors specific to the Corporation. The following risk, while disclosed in the year end MD&A, has been identified in the current period as critical.

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 November 10, 2021 the Corporation had 41,357,075 common shares outstanding, 6,270,000 warrants outstanding and 1,079,770 stock options outstanding.

Non-IFRS Measures

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

1. Attributable revenue is defined by the Corporation as total revenue and other income from the consolidated financial statements plus the Corporation's proportionate share of gross royalty revenue in the joint ventures. The Corporation's key decision makers use attributable royalty revenue and related attributable royalty expenses as a basis to evaluate the business performance. The attributable royalty revenue amounts, together with amortization of royalty interests, general and administrative costs 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 and IFRS 11 Joint Arrangements requires net reporting as an equity pick up. The reconciliation to IFRS reports the elimination of the attributable revenues and reconciles to the revenues recognized in the consolidated statements of earnings (loss). Attributable revenue per share is derived by using the basic weighted average number of shares for the period as the denominator.

2. Adjusted operating cash flow is defined as cash provided (used) in operations adjusted for inclusion of the cash distributions received from joint ventures. Adjusted operating cash flow is a useful measure to assess the ability of the Corporation to generate cash from its operations. Adjusted operating cash flow per share is derived by using the basic weighted average number of shares for the period as the denominator.

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

Below are the eight most recent quarter reconciliations.

In Thousands of Canadian Dollars	Three months ended,			
Attributable revenue	**September 30, 2021**	**June 30, 2021**	**March 31, 2021**	**December 31, 2020**
Revenue				
Attributable royalty	$ 20,808	$ 21,906	$ 17,760	$ 21,959
Project generation	-	-	408	-
Attributable revenue	20,808	21,906	18,168	21,959
Adjust: joint venture revenue	(451)	(708)	(666)	(484)
IFRS revenue per consolidated financial statements	$ 20,357	$ 21,198	$ 17,502	$ 21,475

In Thousands of Canadian Dollars	Three months ended			
Attributable revenue	**September 30, 2020**	**June 30, 2020**	**March 31, 2020**	**December 31, 2019**
Revenue				
Attributable royalty	$ 16,229	$ 13,035	$ 16,279	$ 17,497
Project generation	-	-	-	60
Attributable revenue	16,229	13,035	16,279	17,557
Adjust: joint venture revenue	(966)	(2,765)	(3,230)	(4,172)
IFRS revenue per consolidated financial statements	$ 15,263	$ 10,270	$ 13,049	$ 13,385

In Thousands of Canadian Dollars	Three months ended,			
Adjusted operating cash flow	**September 30, 2021**	**June 30, 2021**	**March 31, 2021**	**December 31, 2020**
Adjusted operating cash flow	$ 18,902	$ 5,830	$ 8,810	$ 13,520
Adjust: distributions to (from) joint ventures	(540)	(498)	(270)	(334)
IFRS operating cash flows	$ 18,362	$ 5,332	$ 8,540	$ 13,186

In Thousands of Canadian Dollars	Three months ended,			
Adjusted operating cash flow	**September 30, 2020**	**June 30, 2020**	**March 31, 2020**	**December 31, 2019**
Adjusted operating cash flow	$ 7,330	$ 13,378	$ 13,228	$ 9,442
Adjust: distributions from joint ventures	(2,703)	(3,239)	(4,061)	(3,550)
IFRS operating cash flows	$ 4,627	$ 10,139	$ 9,167	$ 5,892

In Thousands of Canadian Dollars

Adjusted EBITDA	Three months ended September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Earnings before income taxes	$ 10,774	$ 16,478	$ 13,688	$ 16,308
Addback(deduct):				
Amortization and depletion	6,191	5,603	4,824	5,787
Exploration and evaluation assets abandoned or impaired	-	2,889	-	-
Share based compensation	611	993	716	461
Interest on long-term debt	2,009	1,488	1,817	1,965
Realized gain on disposal of derivatives	(3,370)	(1,076)	-	(241)
Unrealized loss (gain) on fair value adjustment of derivatives	2,273	975	(4,224)	(1,613)
Dilution gain on issuance of shares in associates and joint venture	(206)	(15)	(358)	(290)
Share of (earnings) loss and impairment reversal in associates	-	165	(1,426)	(136)
Loss from joint ventures	189	190	133	152
LNRLP EBITDA (1)	346	512	504	280
GBR EBITDA (2)	(360)	(487)	(455)	(171)
Impairment of royalty interests	-	-	-	530
Foreign exchange loss (gain)	690	(446)	(629)	(1,622)
Gain on loss of control of subsidiary	-	-	-	(790)
Gain on disposal of mineral property	(2,247)	(1,962)	-	(2,998)
Gain on reclassification of associate	-	(7,595)	-	-
Adjusted EBITDA	$ 16,900	$ 17,712	$ 14,590	$ 17,622

(1) LNRLP EBITDA				
Revenue	$ 429	$ 653	$ 631	$ 358
Mining taxes	(86)	(130)	(126)	(71)
Admin charges	3	(11)	(1)	(7)
LNRLP Adjusted EBITDA	$ 346	$ 512	$ 504	$ 280

(2) GBR EBITDA				
Revenue	$ 22	$ 55	$ 35	$ 126
Operating income (expenses)	(382)	(542)	(490)	(297)
GBR Adjusted EBITDA	$ (360)	$ (487)	$ (455)	$ (171)

Altius

In Thousands of Canadian Dollars	Three months ended			
Adjusted EBITDA	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Earnings (loss) before income taxes	$ (38,338)	$ 4,021	$ (1,019)	$ 9,034
Addback(deduct):				
Amortization and depletion	4,939	3,408	3,915	4,014
Exploration and evaluation assets abandoned or impaired	-	10	70	35
Share based compensation	487	2,550	486	382
Interest on long-term debt	2,360	1,853	1,899	2,018
Realized gain on disposal of derivatives	(368)	-	-	-
Unrealized loss (gain) on fair value adjustment of derivatives	897	(2,162)	829	54
Dilution gain on issuance of shares by associates	(2,634)	-	-	-
Share of (earnings) loss and impairment in associates	(36)	276	4,004	751
Earnings from joint ventures	(459)	(1,008)	(1,638)	(2,463)
LNRLP EBITDA (1)	330	70	99	219
Prairie Royalties EBITDA (2)	532	2,671	3,107	3,808
Impairment of royalty interests	45,617	-	-	-
Foreign exchange (gain) loss	(901)	(1,641)	971	22
Gain on disposal of mineral property	-	-	-	(4,250)
Adjusted EBITDA	$ 12,426	$ 10,048	$ 12,723	$ 13,624

(1) LNRLP EBITDA				
Revenue	$ 434	$ 93	$ 127	$ 337
Mining taxes	(87)	(19)	(25)	(63)
Admin charges	(17)	(4)	(3)	(55)
LNRLP Adjusted EBITDA	$ 330	$ 70	$ 99	$ 219

(2) Prairie Royalties EBITDA				
Revenue	$ 532	$ 2,672	$ 3,103	$ 3,835
Operating expenses	-	(1)	4	(27)
Prairie Royalties Adjusted EBITDA	$ 532	$ 2,671	$ 3,107	$ 3,808

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
Cory	Potash	Nutrien	Revenue
Allan	Potash	Nutrien	Revenue
Patience Lake	Potash	Nutrien	Revenue
Esterhazy	Potash	Mosaic	Revenue
Vanscoy	Potash	Nutrien	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
Gunnison	Copper	Excelsior Mining Corp.	1.625% GSR

** 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 completed
Curipamba (Ecuador)	Copper	Adventus Mining Corporation	2% NSR	Feasibility study completed and updated mineral resources announced
Tres Quebradas (3Q) (Argentina)	Lithium	Neo Lithium Corp.	0.1% GSR	Preliminary feasibility study completed
Grota de Cirilo (Brazil)	Lithium	Sigma Lithium Resources	0.1% GOR*	Pre-construction and detailed engineering
Telkwa (British Columbia)	Met Coal	Allegiance Coal Limited	1.5-3% price based sliding scale GSR	Definitive feasibility study completed and permitting underway

ADVANCED EXPLORATION				
Property	Primary Commodity	Explorer/Developer	Royalty Basis	Status
Viking (Newfoundland)	Gold	Magna Terra Minerals Inc.	2% NSR, plus 1-1.5% royalties on surrounding lands	Advanced Exploration
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
Silicon (Nevada)	Gold	Anglo Gold Ashanti NA	1.5% NSR	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)	2% GSR	Exploration
Lia, Timon, Quiltro (Chile)	Copper	AbraPlata Resource Corp.	0.98% GSR	Exploration
Arcas (Chile)	Copper	AbraPlata Resource Corp./ Rio Tinto	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
Mythril (Quebec)	Copper, Gold	Midland Exploration Inc	1% NSR	Exploration
CMB (Labrador)	Gold	Consolidated Uranium Inc.	2% GSR	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
Wilding Lake, Crystal Lake, Intersection (Newfoundland)	Gold	Canterra Minerals Corporation	2% NSR	Exploration
Cape Ray (Regional) (Newfoundland)	Gold	Cape Ray Mining Limited	2.0% NSR	Exploration
Elrond, Helm's Deep, Minas Tirith, Fangorn (Quebec)	Gold	Midland Exploration Inc	1% NSR	Exploration
Moosehead (Newfoundland)	Gold	Sokoman Minerals Corp	2% NSR	Exploration

EXPLORATION (Continued)				
Property	Primary Commodity	Explorer or Developer	Royalty Basis	Status
Golden Rose	Gold	Tru Precious Metals Corp	2% NSR	Exploration
Iron Horse (Labrador)	Iron	Sokoman Minerals Corp	1% GSR; option to acquire additional 1.1% GSR	Exploration
Labrador West Iron Ore (Labrador)	Iron Ore	High Tide Resources Corp.	2.75% GSR on iron ore; 2.75% NSR on all other minerals	Exploration
Taylor Brook (Newfoundland)	Nickel	Churchill Resources Inc.	1.6% GSR	Exploration
Moria (Quebec)	Nickel	Midland Exploration Inc	1% NSR	Exploration
Voyageur (Michigan)	Nickel	N/A	2% NSR	Exploration
Florence Lake (Labrador)	Nickel	Churchill Resources Inc.	1.6% GSR	Exploration
Sail Pond (Newfoundland)	Silver, Copper	Sterling Metals Corp.	2% NSR	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
Buchans (Newfoundland)	Zinc	Canstar Resources Inc	2% NSR	Exploration
Daniel's Harbour (Newfoundland)	Zinc	Canstar Resources Inc	2% NSR	Exploration
Shire (Quebec)	Zinc	Midland Exploration Inc	1% NSR	Exploration
Kingscourt, Rathkeale, Fermoy (Republic of Ireland)	Zinc	South 32 Base Metals Ireland	2% NSR on each Project	Exploration
Sulieman, Buckingham, Smoky (Australia)	Zinc	Teck Australia Pty	1% GSR	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	Construction	Q4 2021	25 Years	2.5% of revenue
TBA	TBA	TBA	Wind	TBA	500 MW	ERCOT	Late-stage Development	TBA	25 Years	2.5% of revenue
TBA	TBA	TBA	Wind	TBA	300 MW	ERCOT	Late-stage Development	TBA	25 Years	2.5% of revenue
Canyon	Scurry County, Texas (USA)	TGE	Wind	Silverpeak	360 MW	ERCOT	Late-stage Development	Q4 2022	25 Years	3% of revenue
Flatland	Scurry County, Texas (USA)	TGE	Solar	Silverpeak	180 MW	ERCOT	Mid-stage Development	Q4 2022	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
Appaloosa	Upton County, Texas (USA)	TGE	Wind	NextEra Energy Resources	175 MW	ERCOT	Mid-stage Development	Q4 2022	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 development activities include, but are not limited to, determining project size, costs, equipment and layout, conducting environmental studies, and applying for interconnection approvals
3. Late-stage development activities include, but are 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