ALTIUS MINERALS CORPORATION

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

Three and six months ended June 30, 2020

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's consolidated financial statements for the three and six months ended June 30, 2020 and related notes. This MD&A has been prepared as of August 6, 2020.

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 has three operating business segments – mineral royalties/streams, renewable royalties, and mineral exploration project generation. The Corporation's diversified royalties and streams generate revenue from 15 operating mines located in Canada (14) and Brazil (1) that produce copper, zinc, nickel, cobalt, potash, iron ore, thermal (electrical) and metallurgical (steel making) 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 originates through mineral exploration initiatives within a business division referred to as Project Generation. The Corporation also holds royalties related to renewable energy generation projects located primarily in the United States through a recently founded subsidiary, Altius Renewable Royalties ("ARR").

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

Strategy

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

The Corporation gives priority to 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 resource royalty sector. Large resources are excellent predictors of project capacity 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 mineral projects through research and exploration and then retaining royalties upon their transfer to mining/development companies. This approach is the core function of our Project Generation business and is another unique strategic differentiator for Altius. In addition, the Project Generation business has a strong track record of earning substantial profits from the eventual sale of junior equities that are often received beyond the retained royalties during project deal making. These profits can then be used for further royalty acquisitions, as was the case when previous up-cycle profits were leveraged to provide the majority of our royalty acquisition financing during the following cyclical trough for the sector.

Whether considering M&A type mineral royalty acquisitions or its organic Project Generation business, Altius exercises rigorous 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 and equity gains / liquidity events typically become more pronounced during periods of better cyclical valuations.

More recently, Altius expanded its focus on growing its royalty portfolio to benefit from sustainability-based macro trends by forming ARR as a subsidiary. ARR seeks to provide royalty-based financing to renewable energy project originators and developers and to then retain royalties once these projects are sold on to ultimate project sponsors and operators.

Outlook

The COVID-19 pandemic continues to cause financial, operational and economic uncertainty in all industries globally. While our business was not materially adversely affected by shutdown (1 of 15 producing royalties was shut down temporarily), revenue declined due to lower commodity prices, decreased electricity demand in Alberta, timing of product deliveries, and conservative dividend distributions on some investments. During the second quarter the Corporation continued work from home measures and continued its ban on all non-essential travel for employees and directors. The Corporation maintained its defensive cash position during the quarter with a cash balance of approximately

$30 million. This surplus cash will enable Altius to endure any prolonged or significant financial impacts of the pandemic while providing a source of readily available capital for per share growth opportunities that are identified.

In light of the uncertainty surrounding operations as a result of the pandemic, the Corporation withdrew its revenue guidance for the 2020 year. The information provided below regarding expectations for production volumes and prices should therefore be considered as being provided largely in the absence of future factoring for various potential COVID-19 impacts as they might relate to economic growth, supply chain disruptions and government stimulus efforts, amongst many other possible variables, including operator shutdowns.

Base metal production volumes in 2020, specifically those at 777 and Chapada, are expected to be relatively consistent with volumes seen in 2019; however base metal prices trended lower in the first half of 2020 before rebounding recently. At Gunnison, where Excelsior Mining has suspended its commissioning activities for health and safety and liquidity preservation purposes, we currently presume no short-term contributions to revenue. Royalty revenue at Voisey's Bay is expected to be subdued as mining operations recommence after a four month COVID-19 related shut down.

The Iron Ore Company of Canada ("IOC") mining complex in Labrador is continuing to operate at relatively normal levels and to benefit from strong market pricing for its high-quality iron ore production as a result of persistent, largely non COVID-19 related, global supply challenges and strong demand within China. IOC elected not to pay dividends to shareholders during the second quarter. This in turn resulted in the Corporation receiving a lower than expected dividend from Labrador Iron Ore Royalty Corporation ("LIORC"). Additionally, the Corporation reduced its shareholding in LIORC by one million shares in Q1 of this year.

Forecasts for long-term global potash demand growth remain positive; however prices remained relatively weak throughout the first half. In this price environment, rationalization of production to lower cost and recently expanded operations such as Rocanville and Esterhazy is expected to continue to positively reflect in volumes attributable to Altius, given the Corporation's higher weighted exposure to these lower cost operations.

Alberta's Electric System Operator ("AESO") noted a sharp decline in demand in the second quarter due to COVID-19 related shutdowns and reduced oil and gas production activity. This lower demand resulted in lower operating utilization rates and coal royalties during the second quarter. Electricity demand continues to track at lower than normal levels but has now partially rebounded from the second quarter lows. Our royalties related to thermal coal-fired electricity generation have no pricing exposure and are paid on a per tonne basis. Subsequent to the quarter end the Corporation acquired an additional 44.9% interest in the limited partnerships that hold these royalties, increasing its effective ownership to 97.3%. The Corporation expects to utilize the increased cash flows it will receive as a result towards further investments in ARR.

The Corporation continues to achieve significant milestones in the advancement of its innovative royalty structure related to the renewable energy generation sector. In Q1 2020, ARR announced a $47 million project portfolio based investment with Apex Clean Energy, one of the largest wind and solar developers in the United States. This marked ARR's second such transaction and largely completed our initial strategic goal to invest our remaining expected thermal coal portfolio royalty revenues into the creation of a replacement long-life renewable energy royalty portfolio far sooner than expected. The strategic objective of the business has now therefore been expanded and ARR continues to advance several additional royalty investment opportunities. The Corporation also continues to evaluate the merits of working with strategic co-investment partners, and of potentially spinning ARR out as a renewable energy royalty public company, in order to best optimize its growth potential.

Within the Project Generation business, field work and face to face interaction with business partners has resumed at a reduced level in localized areas. We also continue to work closely with the management teams of our various junior equity portfolio investment companies to find ways to add value through the provision of technical and various other supports where deemed helpful. We are also actively completing desktop based project generative activities with a goal of adding new early stage mineral prospects to replenish our portfolio following several years of strong sales to select industry partners.

Quarterly Highlights

Acquisition of Liberty Partnership Units

Subsequent to June 30, 2020, the Corporation entered into an agreement with Liberty Metals & Mining Holdings, LLC ("LMM"), to acquire its 44.9% interest in the Coal Royalty and Genesee Royalty Limited Partnerships (together the "Prairie Royalty LPs") for $11.25 million before positive working capital adjustments, which it will fund using cash on hand. Upon closing, Altius's partnership interests in the Prairie Royalty LPs will increase from 52.4% to 97.3%. The Corporation is currently assessing the financial reporting impacts of this acquisition and the carrying value of its interest in the partnerships in its consolidated financial statements (including an assessment of potential indicators of impairment) and expect to complete this assessment in the third quarter.

Capital Allocation

During the quarter ended June 30, 2020 the Corporation repaid $5,000,000 in scheduled payments on its credit facilities, paid a quarterly cash dividend of five cents per common share, paid a quarterly distribution of $1,233,000 on its preferred securities and repurchased 361,900 of its shares at a cost of $3,178,000 under its normal course issuer bid. The Corporation invested a further US$5 million into ARR during the quarter to fund an additional tranche of royalty investment in Tri Global Energy LLC.

Financial Performance and Results of Operations

IN THOUSANDS OF CANADIAN DOLLARS (except per share amounts)

	Three months ended			Six months ended		
	June 30, 2020	June 30, 2019	Variance	June 30, 2020	June 30, 2019	Variance
Revenue						
Attributable royalty	$ 13,035	$ 19,533	$ (6,498)	$ 29,314	$ 41,377	$ (12,063)
Project generation	-	5	(5)	-	14	(14)
Attributable revenue [1]	13,035	19,538	(6,503)	29,314	41,391	(12,077)
Adjust: joint venture revenue	(2,765)	(4,353)	1,588	(5,995)	(9,133)	3,138
IFRS revenue per consolidated financial statements	10,270	15,185	(4,915)	23,319	32,258	(8,939)
Total assets	$ 598,873	$ 613,937	$ (15,064)	$ 598,873	$ 613,937	$ (15,064)
Total liabilities	208,932	182,841	26,091	208,932	$ 182,841	26,091
Cash dividends declared & paid to shareholders	1,945	2,143	(198)	4,035	3,857	178
Adjusted EBITDA (1)	10,048	16,344	(6,296)	22,771	33,703	(10,932)
Adjusted operating cash flow (1)	13,378	11,849	1,529	26,606	20,267	6,339
Net earnings (loss)	4,105	(1,868)	5,973	938	4,748	(3,810)
Attributable revenue per share (1)	$ 0.31	$ 0.46	$ (0.15)	$ 0.70	$ 0.97	$ (0.27)
Adjusted EBITDA per share (1)	0.24	0.38	(0.14)	0.54	0.79	(0.25)
Adjusted operating cash flow per share (1)	0.32	0.28	0.04	0.64	0.47	0.17
Net earnings (loss) per share, basic and diluted	0.10	(0.05)	0.15	0.02	0.10	(0.08)

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

Attributable revenue (see non-IFRS measures) was $13,035,000 ($0.31 per share) in the second quarter of 2020, which was 33% lower than the $19,538,000 ($0.46 per share) recorded in the comparable quarter in 2019. Attributable revenue was $23,319,000 ($0.70 per share) for the six months ended June 30, 2020 or 29% lower than the $41,391,000 ($0.97 per share) in the comparable period. The reduction in revenue is mainly as a result of lower realized prices for base metals and potash, as well as reduced LIORC dividends received and lower electricity demand resulting in lower fuel demand from certain thermal coal mines.

Adjusted EBITDA in the quarter ended June 30, 2020 was $10,048,000 ($0.24 per share), 39% lower than $16,344,000 ($0.38 per share) for the prior year comparable quarter. Adjusted EBITDA was $22,771,000 ($0.54 per share) for the six month period in 2020 or 32% lower than the $33,703,000 ($0.79 per share) in the same period in 2019. The reduced Adjusted EBITDA for the quarter and six month period ended June

30, 2020 trends with reduced royalty revenue. The EBITDA margin in the second quarter of 77% was consistent with the first quarter of 2020 and lower than comparable periods, again reflecting the trend of reduced royalty revenue.

Adjusted operating cash flow was $13,378,000 ($0.32 per share), which was 13% higher than the $11,849,000 ($0.28 per share) generated in Q2 2019. Adjusted operating cash flow for the six month period ended June 30, 2020 was $26,606,000 ($0.64 per share), which was 31% higher than the $20,267,000 ($0.47 per share) generated in the 2019 comparative period. The increase for both the quarter and six month period is a result of lower general and administrative costs, copper stream purchase costs as well as lower interest and taxes paid.

Net earnings during the three months ended June 30, 2020 was $4,105,000 ($0.10 per share) compared to loss of $1,868,000 ($0.05 per share) recorded in the comparable three month period in 2019. Net earnings on a year to date basis was $938,000 as compared to earnings of $4,748,000 in the prior six month period. Year to date earnings in 2020 are lower mainly as a result of lower revenue from our diversified royalty portfolio as well as non-cash impairment charges in an associate (Alderon Iron Ore), increased share based compensation costs and taxes. During the quarter ended June 30, 2020 revenues are lower than the comparable period in 2019. During the quarter ended June 30, 2019 the Corporation recorded impairment charges on a mineral property and a royalty interest held within its joint venture.

Total assets net of total liabilities decreased by approximately $41,000,000 over the comparable period in the prior year as a result of unrealized loss on investments due to market value fluctuations, and one time impairment expenses offset by 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

Costs and Expenses	Three months ended			Six months ended		
	June 30, 2020	June 30, 2019	Variance	June 30, 2020	June 30, 2019	Variance
General and administrative	$ 1,862	$ 1,935	$ (73)	$ 3,887	$ 4,733	$ (846)
Cost of sales - copper stream	754	869	(115)	2,080	2,434	(354)
Share-based compensation	2,550	663	1,887	3,036	1,089	1,947
Generative exploration	78	36	42	217	39	178
Exploration and evaluation assets abandoned or impaired	10	9,004	(8,994)	80	9,004	(8,924)
Mineral rights and leases	269	296	(27)	311	343	(32)
Amortization and depletion	3,408	3,801	(393)	7,323	7,554	(231)
	$ 8,931	$ 16,604	$ (7,673)	$ 16,934	$ 25,196	$ (8,262)

General and administrative expenses for the three and six months ended June 30, 2020 were $73,000 and $846,000 lower than the prior year periods. Current quarter and year to date general and administrative costs are 4% and 18% lower respectively than the prior comparable periods and are reflective of lower salary related costs and lower professional and corporate development fees. The prior six month period included corporate development costs related to the acquisition of ARR and Great Bay Renewables.

ARR incurred employee and office costs of approximately $348,000 and $846,000 during the three and six months ended June 30, 2020 (see segment note in the consolidated financial statements) as compared to $144,000 and $795,000 in the comparable prior year periods. 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 projects subject to royalty begin to commission.

A significant component of general and administrative expenses of the Corporation relate to the administration and staffing of its Project Generation segment. During the three and six months ended June 30, 2020 this amounted to $706,000 and $1,451,000 respectively, while $708,000 and $1,853,000 were incurred in the 2019 periods. This business creates long term royalty development opportunities and also receives public equity positions in exchange for mineral projects and cash investments. Net cash from equity sales and purchases completed by the Project Generation business generated $997,000 in the current year. In considering the portion of general and administrative costs that relates to the Project Generation segment, and its negative impact on adjusted EBITDA and EBITDA margin, 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.

Decreased cost of sales for the Chapada copper stream are proportional to decreased 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 lower for the three and six months ended June 30, 2020 in comparison to the prior year and is reflective of lower production levels. A portion of amortization is related to the Corporation's intangible assets which were part of the Great Bay Renewables acquisition in 2019.

The Corporation's share based compensation increased for the three and six month periods in 2020 as a result of the issuance of stock options to the ARR team after the successful closing of two major renewable royalty acquisitions in the past year. The grants of these options are convertible into equity in ARR.

The Corporation recorded an impairment of $9,000,000 on its Tower export thermal coal mineral property in the prior year.

IN THOUSANDS OF CANADIAN DOLLARS

Other items	Three months ended			Six months ended		
	June 30, 2020	June 30, 2019	Variance	June 30, 2020	June 30, 2019	Variance
Earnings (loss) from joint ventures	$ 1,008	$ (673)	$ 1,681	$ 2,646	$ 3,071	$ (425)
Gain on disposal of investments	-	-	-	-	103	(103)
Interest on long-term debt	(1,853)	(2,092)	239	(3,752)	(4,127)	375
Foreign exchange gain (loss)	1,641	52	1,589	670	(577)	1,247
Dilution gain on issuance of shares of an associate	-	1,199	(1,199)	-	1,199	(1,199)
Unrealized gain on fair value adjustment of derivatives	2,162	955	1,207	1,333	610	723
Share of loss and impairment in associates	(276)	(903)	627	(4,280)	(2,122)	(2,158)
Income tax (expense) recovery	84	1,013	(929)	(2,064)	(471)	(1,593)

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

- Earnings from joint ventures were higher for the three months ended June 30, 2020 as a result of prior year earnings being impacted by an impairment loss recorded by the Coal Royalty Limited Partnership ("CRLP") on the Cardinal River steelmaking coal operation. The Corporation's share of the impairment loss was $4,090,000 Earnings from joint ventures in the six months ended June 30, 2020 were lower as a result of decreased revenues and increased amortization and depletion at the partnership level.
- The Corporation equity accounts for its shareholdings in Alderon Iron Ore Corporation ("Alderon") and Adventus Mining Corporation ("Adventus") and has recorded its share of loss and impairment in associate of $4,280,000 (June 30, 2019 - $2,122,000) for the six months ended June 30, 2020. During the current year, the Corporation impaired a portion of the loan receivable of $1,625,000 from Alderon and the remaining value of its equity investment of $1,544,000 as a result of an announcement that Alderon had defaulted on its credit facility. During the current quarter, the loss reflects only the equity pickup of Adventus.
- An unrealized gain on the fair value of derivatives related to the revaluation of share purchase warrants impacted by the share volatility in the junior mining sector was recorded for the quarter and six months ended June 30, 2020.
- Increased foreign exchange gains recorded in the three and six months ended June 30, 2020 was driven by fluctuating exchange rates since December 31, 2019 in comparison to the prior year comparable periods.
- Tax expense is lower during the three months ended June 30, 2020 in accordance with lower adjusted EBITDA. The six month period ended June 30, 2019 reflected reductions in the long term tax rate in Alberta as well as tax recoveries on certain impairment charges which did not occur in the current six month period.

Segment Performance

During the six months ended June 30, 2020, the Corporation began managing its business under three operating segments consisting of the acquisition and management of producing and development stage royalty and streaming interests ("Mineral Royalties"); the acquisition and management of renewable energy investments and royalties ("Renewable Royalties") and; 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").

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

IN THOUSANDS OF CANADIAN DOLLARS

Summary of attributable royalty revenue	Three months ended			Six months ended		
	June 30, 2020	June 30, 2019	Variance	June 30, 2020	June 30, 2019	Variance
Revenue						
Base metals						
777 Mine	2,224	$ 3,246	$ (1,022)	$ 4,523	$ 5,139	$ (616)
Chapada	2,518	2,905	(387)	6,651	8,337	(1,686)
Voisey's Bay	93	252	(159)	220	549	(329)
Metallurgical Coal						
Cheviot	466	982	(516)	1,056	2,197	(1,141)
Thermal (Electrical) Coal						
Genesee	1,494	1,270	224	2,820	2,522	298
Paintearth	-	98	(98)	75	242	(167)
Sheerness	565	1,535	(970)	1,595	3,070	(1,475)
Highvale	147	216	(69)	229	553	(324)
Potash						
Cory	271	335	(64)	494	659	(165)
Rocanville	2,318	3,323	(1,005)	5,294	6,218	(924)
Allan	188	158	30	384	399	(15)
Patience Lake	100	-	100	239	245	(6)
Esterhazy	1,127	1,304	(177)	1,988	2,387	(399)
Vanscoy	-	44	(44)	9	78	(69)
Lanigan	8	6	2	10	11	(1)
Iron ore (1)	1,293	3,494	(2,201)	2,299	7,727	(5,428)
Other						
Renewables	112	111	1	1,019	264	755
Coal bed methane	72	100	(28)	206	260	(54)
Interest and investment	39	155	(116)	203	521	(318)
Attributable royalty revenue	$ 13,035	$ 19,533	$ (6,498)	$ 29,314	$ 41,377	$ (12,063)

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				Six months ended			
	June 30, 2020		June 30, 2019		June 30, 2020		June 30, 2019	
	Tonnes	Average price (1)	Tonnes	Average price (1)	Tonnes	Average price (1)	Tonnes	Average price (1)
Chapada copper (3)	355	$2.30 US / lb	366	$2.69 US / lb	857	$2.61 US / lb	1,042	$2.96 US / lb
777 copper (4)	3,750	$2.43 US / lb	3,425	$2.78 US / lb	6,441	$2.49 US / lb	7,024	$2.96 US / lb
777 zinc (4)	8,364	$0.89 US / lb	7,981	$1.25 US / lb	17,796	$0.93 US / lb	14,412	$1.33 US / lb
Potash (5)	454,566	$345 / tonne	472,571	$400 / tonne	903,890	$339 / tonne	949,310	$400 / tonne
Metallurgical coal (6)	77,472	$169 / tonne	94,772	$246 / tonne	165,815	$176 / tonne	221,924	$247 / tonne
Thermal (electrical) coal (2,5)	379,897	N/A	605,297	N/A	832,797	N/A	1,334,879	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)

(6) Represents portion of production at Teck's Cheivot mine subject to the royalty (50%)

Mineral Royalties

Base Metals

Chapada Copper Stream

Revenue at Chapada in the second quarter was down approximately 31% from the same quarter in 2019 and 12% for the year to date period. The decline in revenue relative to comparable periods is primarily due to the temporary decline in realized copper prices experienced in the second quarter as a result of Covid-19 related volatility. While sales of copper are lower on a year to date basis, the operator, Lundin Mining Corp. ("Lundin"), reported in their second quarter financial results that Chapada remains on-track to achieve full year copper production guidance.

Voisey's Bay Nickel-Copper-Cobalt Royalty

Second quarter revenues were 63% lower than the second quarter in 2019 as a result of the mine being placed on care and maintenance, which was announced on March 17, 2020 as a health precaution while the Long Harbour Processing Plant, which accepts the nickel concentrate from Voisey's Bay, continued to operate. During the six months ended June 30, 2020 revenues were down 60% from the comparable six month period last year also reflecting the short term impacts of temporary mine closure and record snowfall in the month of January. In the second quarter, Vale stated that operations at Voisey's Bay would resume progressively in July and that this resumption would also include critical path items related to the underground expansion.

Cardinal River Royalty

Lower sales volumes and realized metallurgical coal prices at Cardinal River resulted in an approximate 50% decrease in revenue for the three and six months ended June 30, 2020 compared to the same periods in 2019. As the mine approaches the end of its scheduled life, geotechnical and closure considerations continue to introduce variability in quarterly revenues. Teck Resources Limited announced that operations at Cardinal River have, as expected, reached the end of mine life in June 2020 after 51 years of operation and that operations are now transitioning to closure. As a royalty holder, Altius will share no cost associated with this closure.

Alberta Electrical Coal Royalties

Royalty revenues from thermal (electrical) coal assets were lower by 29% for the quarter ended June 30, 2020 and by 26% for the six months ended June 30, 2020, while attributable production volumes during the second quarter and on a year to date basis were approximately 37% lower than those of the prior year. Declines in volumes resulted from just under an 8% decline in the Alberta Internal Load ("AIL") compared to a normalized AIL for the reference period as reported by the AESO as a result of a combination of lower industrial usage by the oil and gas sector and broader COVID-19 lockdown related demand reductions. The lower electricity demand has translated into lower than forecast coal production levels at Paintearth and Sheerness in particular, while Genesee has continued to operate at or near capacity. Genesee is a more modern and efficient generating facility that is less impacted by lower prices and carbon tax related cost increases.

Altius continues to advance the lawsuit filed against both the Government of Alberta and the Government of Canada related to the Genesee Royalty Limited Partnership, but proceedings have been delayed by COVID-19 related impacts on the Alberta courts and law firms. This suit claims $190 million in damages, while describing actions that it feels were tantamount to expropriation of its royalty interest in the Genesee mine, which is integrated with the Genesee power plant. The production and discovery phases of the lawsuit continues despite the stated delays.

Saskatchewan Potash Royalties

Revenue from potash operations on which Altius holds royalties were 22% lower for the three months ended June 30, 2020 compared to the same period in 2019. On a year to date basis revenues were down 16% as compared to 2019. Potash pricing weakness which began in the latter part of last year persisted through Q2 relative to the comparable prior year period, while attributable production levels were fairly consistent. Realized potash prices were lower by 14% quarter over quarter however operators continue to forecast a rebound in total potash demand in 2020 relative to 2019 levels which were adversely impacted by poor growing conditions in several regions.

Iron Ore

The Corporation's iron ore revenue stems from the pass through of royalties and equity dividends paid by IOC to LIORC. 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. During the quarter ended June 30, 2020, LIORC announced cash dividends of $0.45 per share, composed of a regular dividend of $0.25 per share and a special dividend of $0.20 per share versus in the second quarter of 2019 a regular dividend of $0.25 per share and a special dividend of $0.75 per share. IOC elected not to pay dividends to shareholders for the second consecutive quarter, despite strong product pricing and improved production levels.

Revenue from LIORC for the quarter and six months ended June 30, 2020 was 63% and 70% lower respectively than the same periods in 2019, as a result of lower dividends and the previously reported reduced shareholding in LIORC.

777 Copper-Zinc-Gold-Silver Royalty

Royalty revenues from Hudbay's 777 Mine were approximately 31% lower in the three months ended June 30, 2020 than in the comparable three months in 2019 but were only 12% lower on a six month basis. Higher zinc and copper grades and recoveries were offset by weaker realized copper and zinc prices during the quarter.

During the six months ended June 30, 2020 Hudbay Minerals Inc. reported the extension of the 777 mine life to the end of second quarter of 2022, based on its most recent estimate of mineral reserves.

Renewable Royalties

Altius Renewable Royalties

Copenhagen Infrastructure Partners, who acquired the 400MW Woodford Wind (now renamed as Panther Grove) Project in Illinois from ARR partner Tri Global Energy LLC ("TGE"), has recently completed a long-term power purchase agreement with American Electric Power ("AEP") for the project's full expected output. AEP has indicated that it will in turn supply power to Google as part of its mandate to operate a data facility in Ohio using 100% renewable sourced energy. Altius is entitled to a 3% gross royalty on the project as part of its investment agreement with TGE. The 3% royalty will be granted to the Corporation upon completion of applicable permits and commencement of construction. To date, TGE has sold projects with 940 megawatts of capacity for which Altius has royalty entitlements.

ARR continues to advance its objective of scaling up its royalty level exposure to development stage wind and solar generation projects with several potential new funding agreements at various stages of negotiation. Its existing royalty partners are also indicating minimal to no negative impact on demand for their projects from end use operators, with several projects currently progressing towards completion of sales agreements that will be subject to underlying ARR royalties.

Project Generation

Pre-Production Royalties & Junior Equities Portfolio Highlights

The Corporation's junior equities portfolio had a market value of $48,400,000 at June 30, 2020. This amount excludes the market value of LIORC and the fair value of privately held investments, which stood at $69,747,000 and $90,935,000 respectively. During the three and six months ended June 30, 2020 the Corporation generated positive cash proceeds from sales, net of new investments, totaling $16,049,000 (of which $15,052,000 was generated by the sale of LIORC shares). The Corporation recognized a loss on disposition of investments of approximately $8,100,000 in the consolidated statement of comprehensive earnings.

Advanced Project Stage Investments

Adventus Mining Corporation

Adventus had previously reported plans of a US$7 million exploration campaign in 2020, to include drilling of several targets at its Curipamba, Pijili and Santiago projects in Ecuador, which commenced during the second quarter. Subsequent to the quarter, Adventus announced an equity financing with gross proceeds of $35,000,000. Proceeds are intended for exploration and development activities at the Curipamba project including completion of the feasibility study for the El Domo copper-gold deposit, exploration activities at the Pijili and Santiago projects, and general administration and corporate purposes. Altius's equity ownership in Adventus is approximately 15.51% and Altius holds a 2% NSR royalty related to the Curipamba Project.

Adia Resources Inc.

Adia Resources Inc. ("Adia"), a private company 55.4% owned by Altius, completed a second phase of drilling in March 2020 at its Lynx diamond project in northern Manitoba. The second phase of drilling was a follow-up to the three holes drilled in 2019 on the Eastern Bay target. The 2020 program consisted of 7 drill holes totaling 2,822 metres on both the Eastern Bay and Western Bay targets. Prospective ultramafic rocks were intersected in 5 of the 7 drill holes. Adia has an agreement with De Beers Group ("De Beers"), which is providing in-kind technical support in exchange for shares in Adia. A total of 225 core samples (~1800 kg) have been selected for microdiamond analysis and are currently being processed at De Beers' technical facilities in Sudbury, Ontario. The core samples will then be submitted to the Saskatchewan Research Council ("SRC") laboratories in Saskatoon for microdiamond analysis, with results expected to be announced once data is available from SRC.

Alderon Iron Ore

Alderon announced on April 1, 2020 that it had defaulted on a US$14 million secured loan as well as the resignation of its board of directors and management group. On June 17, 2020 the Newfoundland and Labrador Supreme Court appointed Deloitte Restructuring Inc. as receiver of Alderon and the Kami Mine Limited Partnership, with power to sell their assets and property. Altius retains a 3% gross sales royalty which comprises an interest in land and will follow the Kami project to any potential purchaser that results from the restructuring process. The Corporation holds 52,865,442 shares in Alderon in addition to the royalty. During the six months ended June 30, 2020, Altius recognized an impairment charge of $1,625,000 on a loan receivable and reduced the carrying value of its equity investment to $nil.

Other

Altius holds other mineral rights targeting base, precious metals and diamond exploration opportunities in Canada (Newfoundland & Labrador, Manitoba, Alberta, Saskatchewan, British Columbia), and the United States (Michigan), for which it is seeking capable partners.

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.

Readers are 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

Summary of Cash Flows	Six months ended	
	June 30, 2020	June 30, 2019
Operating activities	$ 19,306	$ 11,454
Financing activities	30,063	652
Investing activities	(40,860)	(16,534)
Net increase (decrease) in cash and cash equivalents	8,509	(4,428)
Cash and cash equivalents, beginning of period	22,128	28,392
Cash and cash equivalents, end of period	$ 30,637	$ 23,964

Operating Activities

Operating cash generated in the quarter and year to date is higher than that of the prior year quarter despite decrease in overall royalty revenues. This is mainly a result of lower costs for general and administrative, lower costs of copper related to the Chapada copper stream, timing of interest and income taxes paid or received.

Financing Activities

During the current year the Corporation completed a draw-down of $47,326,000 (June 30, 2019 - $25,208,000) on its revolving credit facility which was used to fund the royalty investment agreement between ARR and Apex. The Corporation repaid $10,000,000 (June 30, 2019 - $20,647,000) during the six months ended June 30, 2020 related to its loan facility.

Distributions on the Corporation's preferred securities totaled $2,493,000 (June 30, 2019 - $2,479,000) during the six months ended June 30, 2020.

The Corporation distributed $491,000 (June 30, 2019 - $665,000) to a non-controlling interest in Potash Royalty Limited Partnership during the six months ended June 30, 2020. Proceeds from issuance of shares of $5,661,000 (June 30, 2019 - $3,895,000) was recorded during the six months ended June 30, 2020 from non-controlling interests in two subsidiaries, Adia and ARR.

The Corporation declared and paid dividends of $4,035,000 (June 30, 2019 - $3,857,000) to its shareholders in the six months ended June 30, 2020.

During the six months ended June 30, 2020 the Corporation repurchased and cancelled 617,500 (June 30, 2019 - 66,000) common shares under its normal course issuer bid for a total cost of $5,821,000 (June 30, 2019 - $803,000).

Investing Activities

Joint venture-based royalty cash flow from our coal partnerships of $7,300,000 was lower than the prior year comparable quarter of $8,813,000 and trending with lower revenues.

The Corporation used $62,955,000 (June 30, 2019 - $26,366,000) in cash to acquire investments during the six months ended June 30, 2020, of which $48,364,000 (US $35,000,000) was used by ARR to acquire the Apex investment, $11,605,000 (US $8,500,000) (June 30, 2019 - $9,840,000 (US $7,500,000)) was used by ARR to add to the TGE investment and $1,840,000 (June 30, 2019 - $12,742,000) was used to add to the LIORC position.

During the six months ended June 30, 2019 the Corporation, through its subsidiary ARR, acquired Great Bay Renewables, Inc. for $6,152,000 (US$5,000,000) net of cash assumed.

The Corporation received $16,374,000 from the sale of investments for the six months ended June 30, 2020 (June 30, 2019 - $22,642,000) consisting mostly of proceeds of $15,052,000 from the sale of LIORC shares in the current year.

The Corporation acquired mining royalty interests at a cost of $13,474,000 during the prior year quarter, which included the 2% NSR on the Curipamba copper project of Adventus.

Liquidity

At June 30, 2020 the Corporation had current assets of $38,865,000, consisting of $30,637,000 in cash and cash equivalents and $7,924,000 primarily in accounts receivable, loan receivable and prepaid expenses, with the remainder in income taxes receivable. Current liabilities of $28,004,000 include the current portion of long-term debt obligations of $20,000,000, 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 six months ended June 30, 2020 and generated $16,374,000 in cash. At June 30, 2020 the Corporation has approximately $38,000,000 of available liquidity under its 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 (loss) earnings 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)

		June 30, 2020		March 31, 2020		December 31, 2019		September 30, 2019
Attributable revenue [1]	$	13,035	$	16,279	$	17,557	$	19,256
Adjusted EBITDA [1]		10,048		12,723		13,624		15,241
Adjusted operating cash flow [1]		13,378		13,228		9,442		14,368
Net earnings (loss) attributable to common shareholders		4,186		(3,546)		8,842		4,450
Attributable revenue per share [1]	$	0.31		0.39		0.41		0.45
Adjusted EBITDA per share [1]		0.24		0.30		0.32		0.35
Adjusted operating cash flow per share [1]		0.32		0.32		0.22		0.33
Net earnings (loss) per share - basic and diluted		0.10		(0.08)		0.21		0.10
		June 30, 2019		March 31, 2019		December 31, 2018		September 30, 2018
Attributable revenue [1]	$	19,538	$	21,853	$	17,912	$	17,634
Adjusted EBITDA [1]		16,344		17,359		13,383		13,381
Adjusted operating cash flow [1]		11,849		8,418		9,776		7,355
Net earnings attributable to common shareholders		(2,068)		6,248		(12,578)		6,025
Attributable revenue per share [1]	$	0.46	$	0.51	$	0.42	$	0.40
Adjusted EBITDA per share [1]		0.38		0.41		0.32		0.32
Adjusted operating cash flow per share [1]		0.28		0.20		0.23		0.17
Net earnings per share - basic and diluted		(0.05)		0.15		(0.29)		0.14

(1) Non-IFRS measures are reconciled and described in the Non-IFRS Measures section of this MD&A
(2) Condensed period (2 months) due to change in fiscal year

Adjusted EBITDA is derived primarily from the high margin royalty business, which includes attributable royalty and streaming revenue from our 15 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 proportionate with royalty revenue while earnings have been impacted by non-cash impairments, 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 impacted by base metal prices being under pressure, lower potash prices, a lower quarterly dividend declared by LIORC and overall declines in commodity prices.

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 $565,000 by June 30, 2021 in order to maintain its various licenses in good standing.

As at June 30, 2020 the following principal repayments for the Corporation's credit facilities are required over the next 4 calendar years:

IN THOUSANDS OF CANADIAN DOLLARS

	Term	Revolver	Total
2020	$ 10,000	$ -	$ 10,000
2021	20,000	-	20,000
2022	20,000	-	20,000
2023	35,000	62,109	97,109
	$ 85,000	$ 62,109	$ 147,109

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 eight years based on a minimum production and grade threshold at the Rocanville mine. The 2020 payment is due in the fourth quarter of 2020.

The Corporation has committed to investing, in tranches, a total of US$30,000,000 over the next two years as requested by TGE as they achieve certain renewable energy project advancement milestones. As at June 30, 2020 US$19,000,000 has been funded and the Corporation funded an additional US$3,000,000 subsequent to the end of the quarter.

Upon achieving certain milestones related to the vending of projects in Apex's development pipeline, mutual options become exercisable to provide continuing US$10 million tranches of royalty investment.

Related Party Transactions

During the three months ended June 30, 2020 the Corporation was billed $6,000 by an associate (June 30, 2019 - $6,000) for general administrative expenses. During the six months ended June 30, 2020 the Corporation was billed $12,000 by an associate (June 30, 2019 - $12,000) for general administrative expenses.

During the three months ended June 30, 2020 the Corporation paid compensation to key management personnel and directors of $639,000 (June 30, 2019 - $500,000) related to salaries and benefits and incurred $640,000 (June 30, 2019 - $663,000) in share-based compensation costs. During the six months ended June 30, 2020 the Corporation paid compensation to key management personnel and directors of $2,179,000 (June 30, 2019 - $2,141,000) related to salaries and benefits and incurred $1,126,000 (June 30, 2019 - $1,089,000) in share-based compensation costs.

These related party transactions are in the normal course of operations and are measured at fair value, which is the amount of consideration established and agreed to by the related parties. 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 six months ended June 30, 2020. The Corporation has adopted the following amendments effective January 1, 2020.

IFRS 3 – Business combinations

An amendment to IFRS 3, Business Combinations, effective for annual periods for on or after January 1, 2020 clarifies the definition of a business and provides guidance in determining whether an acquisition is a business combination or a combination of a group of assets. The amendment emphasizes that the output of a business is to provide goods and services to customers and provides supplementary guidance. The Corporation had no material impact upon applying this amendment.

IAS 1 – Presentation of financial statements

An amendment to IAS 1, Presentation of Financial Statements, effective for annual periods for on or after January 1, 2020 clarifies the definition of "material" to align the definition used in the Conceptual Framework developed by the IASB and all other accounting standards. Under the amendment, information is defined as "material" if, "omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". The Corporation had no material impact upon applying this amendment.

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 June 30, 2020and have concluded that such controls are adequate and effective to ensure accurate and complete financial reporting in public filings. The condensed 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 six months ended June 30, 2020. There has been no change in the Corporation's internal control over financial reporting during the Corporation's quarter ended June 30, 2020 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 June 30, 2020 and have concluded that such procedures are adequate and effective to ensure accurate and complete disclosures in public filings.

There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

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, 2019 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

Certain impacts to public health conditions particular to the coronavirus (COVID-19) outbreak that occurred during the quarter may have a significant negative impact on the operations and profitability of the Corporation. The extent of the impact to the financial performance of the Corporation will depend on future developments. Potential impacts could include an adverse affect on the economies and financial markets of many countries, resulting in an economic downturn which could adversely affect the Corporation's business and the market price of the common shares. Many industries, including the mining industry have been impacted by these market conditions. The continuation of increased levels of volatility or the destabilization of global economies may result in a material adverse effect on commodity prices, demands for metals, availability of credit, investor confidence and general financial market liquidity, all of which may adversely affect the Corporation’s business and the market prices of the Corporation’s securities.

In addition, there may not be an adequate response to emerging infectious diseases, or significant restrictions may be imposed by a government, either of which may impact the Corporation and the underlying mining operations. There are potentially significant economic and social impacts, including labour shortages and shutdowns, delays and disruption in supply chains, social unrest, government or regulatory actions or inactions, including quarantines, declaration of national emergencies, permanent changes in taxation or policies, decreased demand or the inability to sell and deliver concentrates and resulting commodities, declines in the price of commodities, delays in permitting or approvals, suspensions or mandated shut downs of operations, governmental disruptions or other unknown but potentially significant impacts. At this time the Corporation cannot accurately predict what effects these conditions will have on its operations or financial results, due to uncertainties relating to the ultimate geographic spread, the duration of the outbreak, and the length restrictions or responses that have been or may be imposed by various governments. Any outbreak or threat of an outbreak of a contagion or epidemic disease could have a material adverse effect on the Corporation, its business and operational results.

Outstanding Share Data

At August 6, 2020 the Corporation had 41,477,026 common shares outstanding, 7,070,000 warrants outstanding and 1,134,404 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 does not have any standardized meaning prescribed under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently. For a reconciliation of these measures to various IFRS measures, please see the Corporation’s MD&A disclosure below. Tabular amounts are presented in 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.

Below are the eight most recent quarter reconciliations.

IN THOUSANDS OF CANADIAN DOLLARS

Reconciliation to IFRS measures Attributable revenue	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
Revenue				
Attributable royalty	$ 13,035	$ 16,279	$ 17,497	$ 19,231
Project generation	-	-	60	25
Attributable revenue	13,035	16,279	17,557	19,256
Adjust: joint venture revenue	(2,765)	(3,230)	(4,172)	(3,674)
IFRS revenue per consolidated financial statements	$ 10,270	$ 13,049	$ 13,385	$ 15,582

Reconciliation to IFRS measures Attributable revenue	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Revenue				
Attributable royalty	$ 19,533	$ 21,844	$ 17,615	$ 17,084
Project generation	5	9	297	550
Attributable revenue	19,538	21,853	17,912	17,634
Adjust: joint venture revenue	(4,353)	(4,780)	(4,545)	(3,953)
IFRS revenue per consolidated financial statements	$ 15,185	$ 17,073	$ 13,367	$ 13,681

IN THOUSANDS OF CANADIAN DOLLARS

Adjusted operating cash flow	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
Adjusted operating cash flow	$ 13,378	$ 13,228	$ 9,442	$ 14,368
Adjust: distributions to (from) joint ventures	(3,239)	(4,061)	(3,550)	(4,319)
IFRS operating cash flows	$ 10,139	$ 9,167	$ 5,892	$ 10,049

Adjusted operating cash flow	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Adjusted operating cash flow	$ 11,849	$ 8,418	$ 9,776	$ 7,355
Adjust: distributions from joint ventures	(4,698)	(4,115)	(3,601)	(3,966)
IFRS operating cash flows	$ 7,151	$ 4,303	$ 6,175	$ 3,389

IN THOUSANDS OF CANADIAN DOLLARS

Reconciliation to IFRS measures Adjusted EBITDA	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
Earnings (loss) before income taxes	$ 4,021	$ (1,019)	$ 9,034	$ 6,166
Addback(deduct):				
Amortization and depletion	3,408	3,915	4,014	4,061
Exploration and evaluation assets abandoned or impaired	10	70	35	-
Share based compensation	2,550	486	382	544
Interest on long-term debt	1,853	1,899	2,018	1,982
Unrealized (gain) loss on fair value adjustment of derivatives	(2,162)	829	54	(60)
Dilution gain on issuance of shares in associates	-	-	-	(1,114)
Share of (earnings) loss and impairment in associates	276	4,004	751	884
(Earnings) loss from joint ventures	(1,008)	(1,638)	(2,463)	(869)
LNRLP EBITDA (1)	70	99	219	291
Prairie Royalties EBITDA (2)	2,671	3,107	3,808	3,313
Foreign currency (gain) loss	(1,641)	971	22	43
Gain on disposal of royalty interest	-	-	(4,250)	-
Adjusted EBITDA	$ 10,048	$ 12,723	$ 13,624	$ 15,241
(1) LNRLP EBITDA				
Revenue	$ 93	$ 127	$ 337	$ 369
Mining taxes	(19)	(25)	(63)	(78)
Admin charges	(4)	(3)	(55)	-
LNRLP Adjusted EBITDA	$ 70	$ 99	$ 219	$ 291
(2) Prairie Royalties EBITDA				
Revenue	$ 2,672	$ 3,103	$ 3,835	$ 3,305
Operating income (expenses)	(1)	4	(27)	8
Prairie Royalties Adjusted EBITDA	$ 2,671	$ 3,107	$ 3,808	$ 3,313

IN THOUSANDS OF CANADIAN DOLLARS

Reconciliation to IFRS measures Adjusted EBITDA	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Earnings before income taxes	$ (2,881)	$ 8,100	$ (12,701)	$ 7,746
Addback(deduct):				
Amortization	3,801	3,753	3,495	4,239
Exploration and evaluation assets abandoned or impaired	9,004	-	195	576
Share based compensation	663	426	327	505
Interest on long-term debt	2,092	2,035	2,038	2,058
Gain on disposal of investments & impairment recognition	-	(103)	-	-
Unrealized (gain) loss on fair value adjustment of derivatives	(955)	345	4,098	56
Dilution gain on issuance of shares by associates	(1,199)	-	(257)	(2,025)
Share of loss and impairment in associates	903	1,219	1,390	(316)
(Earnings) loss from joint ventures	673	(3,744)	566	(2,734)
LNRLP EBITDA (1)	202	237	278	22
Prairie Royalties EBITDA (2)	4,093	4,462	3,786	3,601
Impairment of goodwill	-	-	10,810	-
Foreign currency loss	(52)	629	(642)	153
Adjusted EBITDA	$ 16,344	$ 17,359	$ 13,383	$ 13,881
(1) LNRLP EBITDA				
Revenue	$ 252	$ 297	$ 622	$ 351
Mining taxes	(50)	(60)	(124)	(70)
Admin charges	-	-	(220)	(259)
LNRLP Adjusted EBITDA	$ 202	$ 237	$ 278	$ 22
(2) Prairie Royalties EBITDA				
Revenue	$ 4,101	$ 4,483	$ 3,923	$ 3,602
Operating expenses	(8)	(21)	(137)	(1)
Prairie Royalties Adjusted EBITDA	$ 4,093	$ 4,462	$ 3,786	$ 3,601

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
Paintearth	Coal (Electricity)	Westmoreland/ATCO	Tonnes x indexed multiplier
Highvale	Coal (Electricity)	TransAlta	Tonnes x indexed multiplier
Cheviot	Metallurgical Coal	Teck	2.5% effective net revenue
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
Clyde River	Renewable Energy	Gravity Renewables	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	Alderon Iron Ore Corp	3% GSR	Updated feasibility study
Curipamba (Ecuador)	Copper	Adventus Mining Corporation	2% NSR	PEA completed
Tres Quebradas (3Q) (Argentina)	Lithium	Neo Lithium Corp.	0.1% GSR	PEA completed
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	Anaconda Mining Inc	2% NSR, plus 1-1.5% royalties on surrounding lands	Advanced Exploration; inactive
Central Mineral Belt (Labrador)	Copper	Paladin Energy Ltd	2% NSR on all minerals except uranium	Advanced Exploration; inactive
Grota de Cirilo (Brazil)	Lithium	Sigma Lithium Resources	0.1% GOR*	Advanced exploration
Stellar (Alaska)	Copper	PolarX Ltd	2% NSR on gold; 1% NSR on base metals	Resource delineation
Silicon (Nevada)	Gold	Renaissance Gold Inc / Anglo Gold Ashanti NA	1.5% NSR	Advanced Exploration
Pickett Mountain (Maine, USA)	Zinc, lead, copper, silver	Wolfden Resources Corp	1.35% GSR	43-101 Resource recently published

* *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	Evrim Resources Corp	1.5% NSR on PM; 1.0% NSR on BM	Early-stage exploration
Cuale (Mexico)	Copper	Evrim Resources Corp	1.5% NSR on PM; 1.0% NSR on BM	Early-stage exploration
Jupiter (Nevada)	Gold	Renaissance Gold Inc	1.0% NSR	Early-stage exploration
Kingscourt, Rathkeale (Republic of Ireland)	Zinc	South 32 Base Metals Ireland	2% NSR on each Project	Exploration
Arcas (Chile)	Copper	AbraPlata Resource Corp./ Rio Tinto	0.98% GSR	Exploration
Lia, Timon, Quiltro (Chile)	Copper	AbraPlata Resource Corp.	0.98% GSR	Exploration
Cape Ray (Regional) (Newfoundland)	Gold	Cape Ray Mining Limited	2.0% NSR	Exploration
Lismore, Fermoy (Republic of Ireland)	Zinc	BMEx Ltd	2% NSR on each project	Exploration
Gibson (British Columbia)	Gold	Canex Metals Inc	Option to acquire a 1.5% NSR	Exploration
Buchans (Newfoundland)	Zinc	Canstar Resources Inc	2% NSR on each Project	Exploration
Daniel's Harbour (Newfoundland)	Zinc	Canstar Resources Inc	2% NSR	Exploration
Saint Patrick (Spain)	Cobalt	LRH Resources Ltd	2% GSR	Exploration
Mythril (Quebec)	Copper, Gold	Midland Exploration Inc	1% NSR	Exploration
Elrond, Gondor, Helm's Deep, Minas Tirith, Fangorn (Quebec)	Gold	Midland Exploration Inc	1% NSR	Exploration
Moria (Quebec)	Nickel	Midland Exploration Inc	1% NSR	Exploration

ALTIUS

EXPLORATION				
Property	Primary Commodity	Explorer or Developer	Royalty Basis	Status
Shire (Quebec)	Zinc	Midland Exploration Inc	1% NSR	Exploration
Copper Range (Michigan)	Copper	N/A	Option to acquire 1% NSR held by a third party	Exploration
Voyageur (Michigan)	Nickel	N/A	2% NSR	Exploration
Loro en el Hombro (Chile)	Copper	Revelo Resources Corp	0.98% NSR on gold; 0.49% NSR on base metals	Exploration
Moosehead (New foundland)	Gold	Sokoman Minerals Corp	2% NSR	Exploration
Iron Horse (Labrador)	Iron	Sokoman Minerals Corp	1% GSR; option to acquire additional 1.1% GSR	Exploration
Sulieman, Buckingham, Smoky (Australia)	Zinc	Teck Australia Pty	1% GSR	Exploration
Point Leamington (New foundland)	Zinc	Callinex Mines Inc.	2% NSR	Exploration
Goethite Bay (Labrador)	Iron Ore	High Tide Resources Corp.	2.75% GSR on iron ore; 2.75% NSR on all other minerals	Exploration
Sheerness West - CDC (Alberta)	Thermal Coal	Westmoreland Coal Company	Tonnes x indexed multiplier	Exploration
Broken Hill Block 1, Broken Hill West, McArthur River (Australia)	Zinc, Copper	BMEx Ltd	1% GSR	Exploration
Midland (Ireland)	Zinc	BMEx Ltd	1% GSR	Exploration