Altius Minerals Corporation

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

Three and six months ended June 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 six months ended June 30, 2021 and related notes. This MD&A has been prepared as of August 9, 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 has three main operating business segments, mineral royalties/streams and mineral exploration project generation, as well as a majority interest in a listed renewable energy royalty company which was co-founded by Altius. 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 also holds a 59% interest in Altius Renewable Royalties Corp. (TSX:ARR, "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. Funds managed by affiliates of Apollo Global Management, Inc. 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 further 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 resource 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 earning substantial profits from the eventual monetization of corporate equity interests that are often received in addition to the long-term royalty interests it retains during project level deal making.

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 three large US-based utility scale wind and solar projects developers, Tri-Global Energy ("TGE"), Apex Clean Energy ("Apex") and Longroad Energy ("Longroad"), ARR has begun building a portfolio of renewable royalty interests that currently represent a combined expected nameplate capacity of 2,245 Megawatts (Appendix 3), with several further royalty interests expected to be created under the subject agreements. The recently announced Longroad investment represents the first operating stage royalty investment that ARR has made. 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).

Outlook

The majority of the Corporation's attributable royalty revenue is derived from 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 have resulted in higher royalty revenues in the second quarter compared to Q1 2021 and year over year from several of our underlying operating royalties. Of potential greater long-term importance, certain commodity prices and sentiment conditions have 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 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.

In base 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. Lundin Mining is in the process of completing expansion studies for the Chapada copper-gold mine, Vale is in the process of constructing both the Reid Brook and Eastern Deeps underground nickel-copper-cobalt mines at Voisey's Bay, Excelsior is working to establish commercial production from the Gunnison copper mine and Adventus is nearing completion of a feasibility study for its high grade, copper and zinc rich El Domo deposit.

In iron ore the Rio Tinto controlled Iron Ore Company of Canada ("IOC") mining complex in Labrador is continuing to operate within recently established production ranges while benefitting from structural premium pricing levels for its high-quality iron ore products, which include blast furnace and direct reduction pellets and concentrates. These premiums are due to the increasing importance and value of high purity inputs, which result in lower unit-based carbon and other pollution emissions during steelmaking. IOC has also recently permitted new mining areas that are expected to significantly expand the life of its operations and is also making capital investments designed to drive incremental production growth as relative global demand for cleaner steel making inputs continues to grow dramatically. Also, Champion Iron Ore is completing studies concerning the potential development of the Kami Iron Ore project as it considers next growth opportunities after completion of its current expansion of the neighbouring Bloom Lake mine. Kami contains significant resources of iron ore that are expected to be capable of producing ultra-pure concentrate products.

Potash fertilizer markets continue to strengthen in accordance with global agricultural market strength. Midwest US potash prices, for example, have increased by almost 1.5 times over the past year and are now approaching levels not seen since the 2008 – 2009 period. We expect to see the benefit of these prices later in the year as lag effects dissipate between the timing of production and sales recognition from the several world-class Saskatchewan mines on which we hold royalties. Also, many of these mines have pre-built excess production capacity that is now being ramped up in response to increasing global fertilizer demand.

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 that the Corporation has exposure to through its majority shareholding in ARR and already the Corporation's internal, and various analyst estimates of net asset value for its indirect renewable royalty interests has 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 entered into in exchange for royalties and equity positions. The buyers of these projects have been meeting with tremendous 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 growing portfolio of related equity interests.

Quarterly Highlights

Altius Renewable Royalties Corp.

On April 6, 2021 ARR announced that the underwriters to its earlier completed $100,100,000 IPO partially exercised an over-allotment option for 694,000 common shares for additional gross proceeds of $7,634,000. Following the completion of the IPO and the exercise of the over-allotment option, the Corporation holds 15,638,639 or approximately 59% of the issued and outstanding ARR shares. Additional royalty information relating to ARR is included in Segment Performance below.

Kami Iron Ore Project

During the second quarter, the Corporation received 600,000 Champion Iron Ltd. ("Champion") shares upon the sale of its portion of a secured debt facility it had provided to Alderon Iron Ore Corp ("Alderon") after Champion's completion of its acquisition of the Kamistiatusset ("Kami") iron ore project pursuant to a receivership process. The Kami project is situated within the Labrador Trough mining district, nearby to the east of Champion's operating Bloom Lake mine, adjacent to the south of the operating Scully mine of Tacora Resources and nearby to the south of the Rio Tinto operated IOC mining complex. Altius's project-generation team completed early exploration programs that broadly outlined the iron ore deposits at Kami before selling the project to Alderon in exchange for an equity shareholding and a retained 3% gross sales royalty ("GSR"), which royalty was unimpacted by the receivership process. Champion has stated a near-term plan to revise the project's scope and update the prior feasibility study as it considers further growth alternatives within the district.

Capital Allocation

During the quarter ended June 30, 2021, the Corporation made $5,000,000 in scheduled payments on its credit facilities, paid dividends of five cents per common share, and paid distributions of $1,219,000 on its preferred securities. Subsequent to quarter end the board of directors approved an increase of the regular quarterly dividend from $0.05 to $0.07 per share or $0.08 annually. There were 4,000 shares repurchased under its normal course issuer bid at a cost of $60,000. On a year to date basis for the six months ended June 30, 2021 the Corporation made $10,000,000 in scheduled payments on its credit facilities, paid dividends of $0.10 per common share, paid distributions of $2,479,000 on its preferred securities and repurchased 477,400 of its shares at a cost of $7,424,000 under its normal course issuer bid. These included 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			Six months ended		
	June 30, 2021	June 30, 2020	Variance	June 30, 2021	June 30, 2020	Variance
Revenue						
Attributable royalty	$ 21,906	$ 13,035	$ 8,871	$ 39,666	$ 29,314	$ 10,352
Project generation	-	-	-	408	-	408
Attributable revenue[1]	21,906	13,035	8,871	40,074	29,314	10,760
Adjust: joint venture revenue	(708)	(2,765)	2,057	(1,374)	(5,995)	4,621
IFRS revenue per consolidated financial statem	21,198	10,270	10,928	38,700	23,319	15,381
Total assets	$ 746,151	$ 598,873	$ 147,278	$ 746,151	$ 598,873	$ 147,278
Total liabilities	200,328	208,932	(8,604)	200,328	208,932	(8,604)
Dividends declared & paid to shareholders	2,073	1,945	128	4,147	4,035	112
Adjusted EBITDA (1)	17,712	10,048	7,664	32,302	22,771	9,531
Adjusted operating cash flow (1)	5,830	13,378	(7,548)	14,640	26,606	(11,966)
Net earnings (loss)	14,549	4,105	10,444	26,353	938	25,415
Attributable revenue per share (1)	$ 0.53	$ 0.31	$ 0.22	$ 0.96	$ 0.70	$ 0.26
Adjusted EBITDA per share (1)	0.43	0.24	0.19	0.78	0.54	0.24
Adjusted operating cash flow per share (1)	0.14	0.32	(0.18)	0.35	0.64	(0.29)
Net earnings (loss) per share, basic and diluted	0.38	0.10	0.28	0.66	0.02	0.64

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

Attributable revenue (see non-IFRS measures) was $21,906,000 ($0.53 per share) in the second quarter of 2021, which was 69% higher than the $13,035,000 ($0.31 per share) recorded in the comparable quarter in 2020. Attributable revenue of $39,666,000 ($0.96 per share) in the six months ended June 30, 2021 was 35% higher than the $29,314,000 ($0.70 per share) recorded in the comparable year to date period in2020. The increase in revenue is mainly as a result of higher commodity prices and higher LIORC dividends.

Adjusted EBITDA in the quarter ended June 30, 2021 was $17,712,000 ($0.43 per share), 76% higher than $10,048,000 ($0.24 per share) for the prior year comparable quarter. Adjusted EBITDA in the six months ended June 30, 2021 was $32,302,000 ($0.78 per share), 42% higher than $22,771,000 ($0.54 per share) for the prior year comparable period. Increased adjusted EBITDA for the three and six months ended June 30, 2021 is in line with the increased royalty revenue. The EBITDA margin of 81% in three and six months ended June 30, 2021 was slightly higher than the 78% recorded for the comparable periods in 2020.

Adjusted operating cash flow of $5,830,000 ($0.14 per share) is 56% lower than the $13,378,000 ($0.32 per share) generated in Q2 2020. Adjusted operating cash flow for the year to date period of $14,640,000 ($0.35 per share) is 45% lower than the $26,606,000 ($0.64 per share) generated in the six month period in 2020. The decrease for the quarter is largely as a result of higher cash tax installments compared to the prior year as a result of flexibility granted regarding timing of payments due to Covid-19 related economic concerns.

Net earnings during the three months ended June 30, 2021 were $14,549,000 ($0.38 per share) compared to $4,105,000 ($0.10 per share) recorded in the comparable three month period in 2020. Net earnings during the six months ended June 30, 2021 were $26,353,000 ($0.66 per share) compared to $938,000 ($0.02 per share) recorded in the comparable six 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 (Alderon), as well as higher costs.

Total assets net of total liabilities increased by approximately $139,000,000 over the comparable period in the prior year as a result of revaluation gains on investments including the Corporation's renewable energy investments held in the GBR joint venture, and the monetization of investments in the Project Generation business resulting in gains on disposition, which are described in further detail below as well as the proceeds raised from ARR on its IPO.

Costs and Expenses

In Thousands of Canadian Dollars	Three months ended			Six months ended		
Costs and Expenses	June 30, 2021	June 30, 2020	Variance	June 30, 2021	June 30, 2020	Variance
General and administrative	$ 2,030	$ 1,862	$ 168	$ 3,932	$ 3,887	$ 45
Cost of sales - copper stream	1,224	754	470	2,245	2,080	165
Share-based compensation	993	2,550	(1,557)	1,709	3,036	(1,327)
Generative exploration	16	78	(62)	24	217	(193)
Exploration and evaluation assets abandoned or impaired	2,889	10	2,879	2,889	80	2,809
Mineral rights and leases	241	269	(28)	271	311	(40)
Amortization and depletion	5,603	3,408	2,195	10,427	7,323	3,104
	$ 12,996	$ 8,931	$ 4,065	$ 21,497	$ 16,934	$ 4,563

General and administrative expenses were marginally higher for the three months (9%) and six months (1%) ended June 30, 2021 than the prior year periods. This increase was mainly driven by increased professional fees and insurance costs offset by decreased salary and travel related costs. As a result of the October 2020 Apollo transaction, GBR is now a joint venture and GBR general and administrative costs are no longer included on a consolidated basis but as a proportionate share of earnings (loss) in joint venture earnings (loss).

ARR incurred salary and office costs of approximately $426,000 and $612,000 during the three and six months ended June 30, 2021 as compared to $348,000 and $846,000 in the comparable prior year period. There is an overall decrease during the six months ended June 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 quarter 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 projects subject to royalty begin to commission.

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 six months ended June 30, 2021 this amounted to $542,000 and $1,124,000 compared to $706,000 and $1,451,000 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. Net cash from equity sales and purchases completed by the Project Generation business generated $3,658,000 (2020 – $997,000) in the current year to date period. 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.

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. This asset has since been derecognized as a result of the loss of control of GBR.

During the six months ended June 30, 2021 the Corporation recorded an impairment of $2,889,000 (June 30,2020 - $80,000) on its exploration and evaluation Lynx diamond project in Manitoba. Management determined that the carrying amount of the asset was unlikely to be recovered from development or sale. The Corporation's share-based compensation is lower during the three month and six month periods ended June 30, 2021 as compared to the same period in 2020. The prior year periods included the issuance of stock options to the GBR management team. These options are convertible into equity in ARR rather than the Corporation.

In Thousands of Canadian Dollars	Three months ended			Six months ended		
	June 30, 2021	June 30, 2020	Variance	June 30, 2021	June 30, 2020	Variance
(Loss) earnings from joint ventures	$ (190)	$ 1,008	$ (1,198)	$ (323)	$ 2,646	$ (2,969)
Gain on disposal of investments	1,076	-	1,076	1,076	-	1,076
Gain on disposal of mineral property	1,962	-	1,962	1,962	-	1,962
Interest on long-term debt	(1,488)	(1,853)	365	(3,305)	(3,752)	447
Foreign exchange gain	446	1,641	(1,195)	1,075	670	405
Dilution gain on issuance of shares of a joint venture	15	-	15	373	-	373
Unrealized gain (loss) on fair value adjustment of derivatives	(975)	2,162	(3,137)	3,249	1,333	1,916
Gain on reclassification of an associate	7,595	-	7,595	7,595	-	7,595
Share of earnings (loss) and impairment reversal in associates	(165)	(276)	111	1,261	(4,280)	5,541
Income tax (expense) recovery	(1,929)	84	(2,013)	(3,813)	(2,064)	(1,749)

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

- 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.

- Prior to the current quarter, the Corporation equity accounted for its interests in Alderon and Adventus Mining Corporation ("Adventus"). During the current quarter 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 $165,000 and $364,000 for the three and six months ended June 30, 2021 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 of $1,625,000 as a result of the Champion acquisition noted above.

- A gain on disposal of mineral properties of $1,962,000 was recorded in the three and six months ended June 30, 2021 (June 30, 2020- $nil) related to the receipt of common shares in exchange for the transfer of the Corporation's Golden Rose mineral property.

- During the quarter and year to date ended June 30, 2021 the Corporation recorded a dilution gain of $15,000 and $373,000 respectively (June 30, 2020 - $nil) in relation to additional investments made by Apollo Funds in the GBR joint venture.
- A gain on disposal of investments of $1,076,000 (June 30, 2020 - $nil) was recorded on the sale of share purchase warrants. An unrealized loss on the fair value of derivatives related to the revaluation of share purchase warrants was recorded for the quarter compared to an unrealized gain in the prior year quarter. Unrealized gains were recorded during the six months ended June 30, 2021 and 2020,
- Increased foreign exchange gains recorded in the three and six months ended June 30, 2021 were driven by exchange rate changes in the current year in comparison to the prior year comparable periods.
- Tax expense is higher during the three and six months ended June 30, 2021 in comparison to June 30, 2020 reflecting higher revenue period over period.

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 is as follows:

In Thousands of Canadian Dollars	Three months ended			Six months ended		
Summary of attributable royalty revenue	June 30, 2021	June 30, 2020	Variance	June 30, 2021	June 30, 2020	Variance
Revenue						
Base metals						
777 Mine	$ 4,635	$ 2,224	$ 2,411	$ 8,170	$ 4,523	$ 3,647
Chapada	4,095	2,518	1,577	7,556	6,651	905
Voisey's Bay	653	93	560	1,284	220	1,064
Gunnison	11	-	11	11	-	11
Metallurgical Coal						
Cheviot	-	466	(466)	58	1,056	(998)
Thermal (Electrical) Coal						
Genesee	2,153	1,494	659	4,600	2,820	1,780
Paintearth	20	-	20	20	75	(55)
Sheerness	(33)	565	(598)	446	1,595	(1,149)
Highvale	-	147	(147)	-	229	(229)
Potash						
Cory	367	271	96	679	494	185
Rocanville	2,398	2,318	80	4,760	5,294	(534)
Allan	416	188	228	639	384	255
Patience Lake	150	100	50	306	239	67
Esterhazy	1,143	1,127	16	2,109	1,988	121
Vanscoy	35	-	35	84	9	75
Lanigan	7	8	(1)	11	10	1
Iron ore (1)	5,029	1,293	3,736	7,903	2,299	5,604
Other						
Renewables	55	112	(57)	90	1,019	(929)
Coal bed methane	110	72	38	263	206	57
Interest and investment	662	39	623	677	203	474
Attributable royalty revenue	$ 21,906	$ 13,035	$ 8,871	$ 39,666	$ 29,314	$ 10,352

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, 2021		June 30, 2020		June 30, 2021		June 30, 2020	
	Tonnes	Average price (1)	Tonnes	Average price (1)	Tonnes	Average price (1)	Tonnes	Average price (1)
Chapada copper (3)	322	$4.65 US / lb	355	$2.30 US / lb	659	$4.14 US / lb	857	$2.61 US / lb
777 copper (4)	1,988	$4.25 US / lb	3,750	$2.43 US / lb	6,485	$4.06 US / lb	6,441	$2.49 US / lb
777 zinc (4)	8,369	$1.30 US / lb	8,364	$0.89 US / lb	15,977	$1.28 US / lb	17,796	$0.93 US / lb
Potash (5)	447,753	$401 / tonne	454,566	$366 / tonne	939,127	$380 / tonne	903,890	$360 / tonne
Metallurgical coal	-	$nil / tonne	77,472	$169 / tonne	13,172	$129 / tonne	165,815	$176 / tonne
Thermal (electrical) coal (2,5)	382,239	N/A	379,897	N/A	893,017	N/A	832,797	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 Metal Royalties

Base metal (primarily copper) revenue is up from Q1 2021 and represented 43% of total royalty revenue. Performance in the quarter was positively impacted by stronger metal prices but was partially offset by the mining of lower grades areas at both 777 and Chapada. Lundin Mining has updated guidance for current year production at Chapada, tightening the range from 48-53,000 to 48-50,000 tonnes of copper. During the quarter, Vale commenced production from its new underground Reid Brook mine while also continuing work to commission the Eastern Deeps underground mine at Voisey's Bay. Lundin Mining continued to aggressively drill near mine targets at Chapada in support of ongoing project expansion studies. A nominal payment was received from Gunnison related to sales of copper recovered during start-up operations. Work continued in support of a resource update and feasibility study for the El Domo deposit with results expected later this year.

Saskatchewan Potash Royalties

Potash revenue for the second quarter of 2021 of $4,516,000 is up 13% from the second quarter in 2020. Steady global potash price improvements over the past year continued while overall portfolio-based production was in-line with recent prior periods. Average realized prices for royalty calculation purposes continued to reflect timing of sales recognition lags with realized prices in the second quarter generally aligned with the first quarter's market prices. Market prices based on US Midwest and Brazil delivery increased by 50-60% during Q2 compared to Q1 and these are expected to result in higher realized prices to Altius in the coming quarters. During the quarter, Mosaic closed its Esterhazy K1 and K2 mining shafts while it continues to ramp up production from the new K3 mining shaft, which is expected to reach full capacity early in 2022. Nutrien announced two 500,000 tonne increases to its annual potash production guidance during the quarter in response to increased demand.

Iron Ore

Revenue in the form of dividends received was $5,029,000 compared to $1,293,000 in Q2 2020 and $7,903,000 compared to $2,299,000 during the first half of 2021 and 2020 respectively. 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. The increase reflected strong royalty revenue and a significantly increased equity dividend payout ratio by IOC as it continued to benefit from strong demand and pricing for its high-purity iron ore products. During the prior quarter IOC declared force majeure on certain customer shipments due to a fire at its port facilities that resulted in reduced ship-loading rates. Force majeure has since been lifted and IOC has re-iterated full year production and sales guidance as it expects to be able to offset any related shortfalls with increased loading rates in the remainder of the year.

Alberta Electrical Coal Royalties

Second quarter thermal coal revenue of $2,140,000 is slightly lower than the three months ended June 30, 2020 largely due to slightly lower seasonal electricity demand at the integrated Genesee mine and power plant and only nominal revenue from the other coal operations.

Renewable Royalties

Altius Renewable Royalties

During the second quarter ended June 30, 2021 ARR's joint venture, GBR, announced the sale of five additional renewable energy projects by investee company TGE. These included the 180 MW Hoosier Line Wind project (3% royalty), the 400 MW Honey Creek Solar project (1.5% royalty), the 200 MW Blackford Wind project (3% royalty) and the 150 MW Blackford Solar (1.5% royalty) to Leeward Renewable Energy, a portfolio company of Canadian pension fund subsidiary OMERS Infrastructure. In addition, ARR announced the sale of its 175 MW Appaloosa Run Wind project (1.5% royalty) in West Texas to an undisclosed established operator.

On July 21, 2021, GBR closed a follow-on royalty investment of US$20,200,000 with Apex related to Apex's broad portfolio of wind, solar and energy storage development projects located across North America. GBR originally provided an initial US$35,000,000 in royalty financing to Apex in March 2020, with agreed mutual options for additional funding.

On August 3, 2021, ARR announced that GBR closed of a US$35,000,000 royalty investment with Longroad Energy related to its 331 MWdc 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 approximately 70% of the funding has been provided by Apollo and the balance of US$11,100,000 was funded directly by ARR. This is ARR's first investment directly into an operating project.

ARR, through GBR, has now established royalties on 10 projects under its financing agreements that collectively represent approximately 2,495MW of solar and wind power while continuing to advance due diligence investigations and negotiations with several other renewable energy operators and developers relating to additional potential royalty financing transactions.

Other Renewable Royalties

Lithium Royalty Corp. ("LRC"), of which the Corporation is a shareholder, announced a transaction with Winsome Resources Limited. The transaction entails a royalty investment of US$5,000,000 in exchange for a 4.0% gross overriding revenue royalty on three key Quebec based projects.

Project Generation

Pre-Production Royalties & Junior Equities Portfolio Highlights

The Corporation's junior equities portfolio had a market value of $64,500,000 at June 30, 2021. This amount excludes several privately held investments, which stood at $12,508,000. During the three and six months ended June 30, 2021 the Corporation generated positive cash proceeds from sales in its junior equities portfolio, net of new investments, totaling $1,132,000 and $3,658,000 respectively. The Corporation also recognized gains on disposition of these investments of approximately $660,000 and $4,575,000 in the consolidated statement of comprehensive earnings.

Altius anticipates approximately 170 kms of drilling exposure through its portfolio of exploration and development focused equities and royalties in 2021, while in 2020 approximately $150 million in third party capital financing was arranged by portfolio companies to further the advancement of mineral projects that Altius has exposure to through royalty and/or equity interests. This success in capital attraction signals the beginning of a period of increased exploration and development activity across our Project Generation related holdings.

During the quarter ended June 30, 2021 the Corporation vended a copper project in Labrador to Chesterfield Resources plc and executed a binding letter of intent on the sale of a nickel project to Churchill Resources Inc. as well as continuing to assemble and market new projects for which it will be seeking partners in the year ahead.

Advanced Stage Projects

Adventus Mining Corporation

Adventus, with partner Salazar Resources, continued to report high grade infill drilling results from its copper and gold rich El Domo deposit located within the Curipamba project. A feasibility study for El Domo is expected to be completed in the fourth quarter of 2021. Adventus also recently commenced exploratory drilling on targets within the broader Curipamba project. In addition to its equity holding in Adventus, Altius holds a 2% net smelter return ("NSR") royalty covering the Curipamba project as well as royalties covering several additional exploration projects located in Ireland and Newfoundland that Adventus has either sold to or partnered with third party companies including South32 and Canstar Resources.

Champion

Altius holds a 3% GSR on the Kami project, where Champion has stated a near-term plan to revise the project's scope and update the prior feasibility study as it considers its growth alternatives within the district (see Quarterly Highlights for additional information).

Excelsior Mining Corp.

Excelsior is currently forecasting that 25 million pound per annum nameplate copper production capacity will be reached in the first half of 2022. Over 230,000 pounds of copper cathode have been produced to date. Altius owns an underlying 1.625% GSR covering the Gunnison project.

Orogen Royalties

During the quarter, Orogen Royalties ("Orogen") reported additional exploration project sales that included retained royalties as well as providing insight into First Majestic Silver Corporation's continued advancement of the construction-stage Ermitaño gold-silver deposit in Mexico, on which Orogen holds a 2% NSR royalty. In addition to its equity stake in Orogen, Altius also owns a direct 1.5% NSR royalty related to the Orogen-generated Silicon project in Nevada, that is being advanced by AngloGold Ashanti. Orogen also holds a 1% NSR royalty on the Silicon project.

Altius holds other mineral rights targeting base, precious metals and diamond exploration opportunities in Canada (Newfoundland & Labrador, Manitoba, 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	Six months ended	
Summary of Cash Flows	**June 30, 2021**	**June 30, 2020**
Operating activities	$ 13,872	$ 19,306
Financing activities	79,943	30,063
Investing activities	258	(40,860)
Net increase in cash and cash equivalents	94,073	8,509
Cash and cash equivalents, beginning of year	21,804	22,128
Cash and cash equivalents, end of year	$ 115,877	$ 30,637

Operating Activities

Operating cash generated during the six months ended June 30, 2021 is lower than that of the prior year quarter despite the increase in overall royalty revenues. This is mainly a result of the working capital changes from revenue growth as well as timing of cash taxes paid.

Financing Activities

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 $10,000,000 for the six months ended June 30, 2021 and 2020 related to its term loan facility.

Distributions on the Corporation's preferred securities totaled $2,479,000 for the six months ended June 30, 2021 and 2020.

The Corporation distributed $762,000 to a non-controlling interest holder in the Potash, Genesee and Coal Royalty Limited Partnerships during the six months ended June 30, 2021. In the year to date period in 2020, the Corporation received funds net of the distributions of $5,170,000. The Corporation's subsidiary, ARR, received net cash proceeds on its IPO and over-allotment of $98,932,000 during the current six month period.

The Corporation paid cash dividends of $3,840,000 (June 30, 2020 - $4,035,000) to its shareholders in the six months ended June 30, 2021 and issued 19,945 common shares valued at $307,000 through the Corporation's Dividend Reinvestment Plan.

Year to date the Corporation repurchased and cancelled 474,400 (June 30, 2020 – 617,500) common shares under its normal course issuer bid for a total cost of $7,424,000 (June 30, 2020 - $5,821,000). 400,000 warrants which were issued to Yamana Gold Inc. on May 3, 2016 at an exercise price of $14.00 with an expiry date of May 3, 2021 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 $768,000 being recorded in the current six month period ended June 30, 2021 as compared to $7,300,000 recorded in the prior year.

The Corporation acquired additional potash royalty unit interests in the Esterhazy mine K3 area at a cost of $452,000 in the current year compared to $3,000 in other royalty acquisitions for the prior year period.

The Corporation used $9,599,000 (June 30, 2020 - $62,955,000) in cash to acquire investments during the six months ended June 30, 2021. Of this amount, $3,992,000 was used to add to the junior equities portfolio compared to $325,000 in 2020 and $3,126,000 was used to fund part of the Corporation's LRC related investment. $60,790,000 was used in the prior year period to add to GBR's TGE and Apex renewable energy investments. The remaining prior year investment acquisition included $1,840,000 added to the LIORC position.

The Corporation received $10,131,000 from the sale of junior equity investments for the six months ended June 30, 2021 (June 30, 2020 - $16,374,000). The prior year consisted mainly of proceeds of $15,052,000 received from the sale of LIORC shares.

Liquidity

At June 30, 2021 the Corporation had current assets of $132,666,000, consisting of $115,877,000 in cash and cash equivalents (of which $96,680,000 relates to the ARR IPO proceeds) and $16,789,000 primarily in accounts receivable, loan receivable, prepaid expenses and income taxes receivable. Current liabilities of $27,151,000 include the current portion of long-term debt obligations of $20,000,000 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 six months ended June 30, 2021 and generated $10,131,000 in cash. At June 30, 2021 the Corporation has approximately $42,000,000 of available liquidity under its revolving credit facility.

Subsequent to quarter end, the Corporation received commitment from lenders to amend its credit facilities. The amendment will increase the available credit from $160 million to $225 million and will extend the term from June 2023 to August 2025. In addition, the required principal payments will be reduced from $5,000,000 to $2,000,000 quarterly and other covenant restrictions will be adjusted to better reflect the growing financial strength and revenue profile of the business. The Corporation's outstanding debt is currently $117 million and upon closing the total available liquidity under the credit facility will be $108 million.

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	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Attributable revenue [1]	$ 21,906	$ 17,760	$ 21,959	$ 16,229
Adjusted EBITDA [1]	17,712	14,590	17,623	12,426
Adjusted operating cash flow [1]	5,830	8,810	13,520	7,330
Net earnings (loss) attributable to common shareholders	15,611	11,663	12,422	(39,923)
Attributable revenue per share [1]	$ 0.53	0.43	0.53	0.39
Adjusted EBITDA per share [1]	0.43	0.35	0.43	0.30
Adjusted operating cash flow per share [1]	0.14	0.21	0.33	0.18
Net earnings (loss) per share - basic and diluted	0.38	0.28	0.30	(0.96)
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

(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 our 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.

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 $2,963,000 by June 30, 2022 of which $1,331,000 is required spending by partners, in order to maintain its existing licenses in good standing.

As at June 30, 2021 the following principal repayments for the Corporation's credit facilities are required over the next 3 calendar years:

In Thousands of Canadian Dollars	Term	Revolver	Total
2021	$ 10,000	$ -	$ 10,000
2022	20,000	-	20,000
2023	35,000	57,622	92,622
	$ 65,000	$ 57,622	$ 122,622

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 seven years based on a minimum production and grade threshold at the Rocanville mine. The 2021 payment will be 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		Six months ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Key management personnel and directors				
Salaries and benefits	$ 545	$ 510	$ 2,103	$ 2,179
Share-based compensation	944	640	1,495	1,126
Total	$ 1,489	$ 1,150	$ 3,598	$ 3,305

In Thousands of Canadian Dollars	Three months ended June 30,		Six months ended June 30,	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
General and adminstrative expenses billed from (to)				
Associates	$ 6	$ 6	$ 12	$ 12
Joint venture	13	-	78	-
Total	$ 19	$ 6	$ 90	$ 12

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 six months ended June 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 June 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 six months ended June 30, 2021. There has been no change in the Corporation's internal control over financial reporting during the Corporation's quarter ended June 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 June 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 August 9, 2021 the Corporation had 41,504,597 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 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. 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,			
Reconciliation to IFRS measuresAttributable revenue	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Revenue				
Attributable royalty	$ 21,906	$ 17,760	$ 21,959	$ 16,229
Project generation	-	408	-	-
Attributable revenue	21,906	18,168	21,959	16,229
Adjust: joint venture revenue	(708)	(666)	(484)	(966)
IFRS revenue per consolidated financial statements	$ 21,198	$ 17,502	$ 21,475	$ 15,263

In Thousands of Canadian Dollars	Three months ended			
Reconciliation to IFRS measuresAttributable 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

In Thousands of Canadian Dollars	Three months ended,			
Adjusted operating cash flow	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Adjusted operating cash flow	$ 5,830	$ 8,810	$ 13,520	$ 7,330
Adjust: distributions to (from) joint ventures	(498)	(270)	(334)	(2,703)
IFRS operating cash flows	$ 5,332	$ 8,540	$ 13,186	$ 4,627

In Thousands of Canadian Dollars	Three months ended,			
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 from joint ventures	(3,239)	(4,061)	(3,550)	(4,319)
IFRS operating cash flows	$ 10,139	$ 9,167	$ 5,892	$ 10,049

In Thousands of Canadian Dollars	Three months ended			
Reconciliation to IFRS measures Adjusted EBITDA	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Earnings (loss) before income taxes	$ 16,478	$ 13,688	$ 16,308	$ (38,338)
Addback(deduct):				
Amortization and depletion	5,603	4,824	5,787	4,939
Exploration and evaluation assets abandoned or impaired	2,889	-	-	-
Share based compensation	993	716	461	487
Interest on long-term debt	1,488	1,817	1,965	2,360
Gain on disposal of investments	(1,076)	-	(241)	(368)
Unrealized (gain) loss on fair value adjustment of derivatives	975	(4,224)	(1,613)	897
Dilution gain on issuance of shares in associates and joint venture	(15)	(358)	(290)	(2,634)
Share of (earnings) loss and impairment reversal in associates	165	(1,426)	(136)	(36)
Loss (earnings) from joint ventures	190	133	152	(459)
LNRLP EBITDA (1)	512	504	280	330
Prairie Royalties EBITDA (2)	-	-	-	532
GBR EBITDA (3)	(487)	(455)	(171)	-
Impairment of royalty interests	-	-	530	45,617
Foreign exchange (gain)	(446)	(629)	(1,622)	(901)
Gain on loss of control of subsidiary	-	-	(790)	-
Gain on disposal of mineral property	(1,962)	-	(2,998)	-
Gain on reclassification of associate	(7,595)	-	-	-
Adjusted EBITDA	$ 17,712	$ 14,590	$ 17,622	$ 12,426

(1) LNRLP EBITDA				
Revenue	$ 653	$ 631	$ 358	$ 434
Mining taxes	(130)	(126)	(71)	(87)
Admin charges	(11)	(1)	(7)	(17)
LNRLP Adjusted EBITDA	$ 512	$ 504	$ 280	$ 330

(2) Prairie Royalties EBITDA				
Revenue	$ -	$ -	$ -	$ 532
Operating income (expenses)	-	-	-	-
Prairie Royalties Adjusted EBITDA	$ -	$ -	$ -	$ 532

(3) GBR EBITDA				
Revenue	$ 55	$ 35	$ 126	$ -
Operating income (expenses)	(542)	(490)	(297)	-
GBR Adjusted EBITDA	$ (487)	$ (455)	$ (171)	$ -

In Thousands of Canadian Dollars	Three months ended			
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 by associates	-	-	-	(1,114)
Share of (earnings) loss and impairment in associates	276	4,004	751	884
(Earnings) 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 exchange (gain) loss	(1,641)	971	22	43
Gain on disposal of mineral property	-	-	(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 expenses	(1)	4	(27)	8
Prairie Royalties Adjusted EBITDA	$ 2,671	$ 3,107	$ 3,808	$ 3,313

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 planned
Curipamba (Ecuador)	Copper	Adventus Mining Corporation	2% NSR	Feasibility study in progess
Tres Quebradas (3Q) (Argentina)	Lithium	Neo Lithium Corp.	0.1% GSR	Preliminary feasibility study 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
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	Anglo Gold Ashanti NA	1.5% NSR	Advanced Exploration
Pickett Mountain (Maine, USA)	Zinc, lead, copper, silver	Wolfden Resources Corp	1.35% GSR	Preliminary Economic Assessment 43-101 Resource recently published

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

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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
Saint Patrick (Spain)	Cobalt	LRH Resources Ltd	2% GSR	Exploration
Central Mineral Belt (Labrador)	Copper	Paladin Energy Ltd	2% NSR on all minerals except uranium	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
Mythril (Quebec)	Copper, Gold	Midland Exploration Inc	1% NSR	Exploration
Gibson (British Columbia)	Gold	Canex Metals Inc	Option to acquire a 1.5% NSR	Exploration
Golden Baie (Newfoundland)	Gold	Canstar Resources Inc.	2% NSR	Exploration
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
Goethite Bay (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 Diamond Corporation	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)]	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	Varies
JayHawk	Crawford and Bourboun County, Kansas (USA)	Apex	Wind	WEC Energy / Invenergy	195 MW	SPP	Construction	Q4 2021	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	Undisclosed	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 and late-stage development activities, include, but not limited to, determining the offtake strategy, finalizing and optimizing project size, costs, equipment and layout, finalizing interconnection approvals and costs, and seeking tax equity and other investors.