Altius Minerals Corporation

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

Three and nine months ended September 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 nine months ended September 30, 2020 and related notes. This MD&A has been prepared as of November 11, 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 energy royalties, and mineral exploration project generation. The Corporation's diversified mineral royalties and streams generate revenue from 14 operating mines located in Canada (13) 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 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 subsidiary Altius Renewable Royalties Corp. ("ARR"), which recently entered into a joint venture agreement funds managed by with affiliates of Apollo Global Management, Inc.

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 commodities and assets that benefit most from the sustainability linked, macro-scale structural trends of the transition from fossil fuel to renewable based electrical generation; 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 considered as excellent predictors of future operating life extensions and 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 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 junior equities that are often received in addition to retained royalties during project level 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 investments and equity gains / liquidity events typically become more pronounced during periods of better cyclical valuation and sentiment.

More recently, Altius expanded its focus and pioneered royalty financing in the renewable energy sector within ARR. Through recent investments in two large US-based developers, Tri-Global Energy ("TGE") and Apex Clean Energy ("APEX") , developing utility scale wind and solar projects, ARR has begun building a portfolio of renewable royalty interests that currently represents a combined expected nameplate capacity of 940 Megawatts, with several more expected to be created under the subject agreements. Subsequent to quarter-end, the Corporation also entered into an agreement with funds managed by affiliates of Apollo Global Management, Inc. (the "Apollo Funds") to continue to fund the growth of the renewable energy royalty business. Under the terms of the agreement, Apollo Funds will have the right to invest the next US$80 million in exchange for 50% ownership in the renewable royalty business (see "Apollo" section in quarterly highlights for additional information). Subsequent to quarter end the ARR and Apollo Funds joint venture completed its first investment by increasing its funding commitments to TGE by US$25 million in reflection of TGE's continuing success in vending projects that are subject to royalties while continuing to increase the scale and diversity of its project pipeline.

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 14 producing royalties was shut down temporarily and has subsequently reopened), revenue is expected to be lower in 2020 relative to 2019 due to certain lower commodity prices, decreased electricity demand in Alberta, timing of product deliveries, certain mine mechanical and maintenance issues and conservative dividend distributions from some investments. The health and well-being of the Corporation's employees was maintained as the Corporation continued its work from home measures for most of the quarter and commenced a measured return to work policy in early September. Altius has also maintained its ban on all non-essential travel for employees and directors. 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 and other operational 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, were stronger than expected during Q3 but are expected to decline in Q4 due to the impact of two separate incidents at the respective mines, namely an electrical system failure at Chapada and production shaft damage at 777. In both cases repairs are expected to be fully implemented before the end of the calendar year, while production is continuing at reduced levels. Given the lagged nature of payments relative to production, the impact of these interruptions is expected to result in lower base metal revenue during the period from late 2020 to early 2021. Excelsior Mining announced it has begun initial copper recovery processes at its Gunnison project in Arizona, in which Altius holds a royalty interest.. Royalty revenue at Voisey's Bay is expected to continually improve as mining operations recommenced mid-quarter after a four month COVID-19 related shut down.

The Iron Ore Company of Canada ("IOC") mining complex in Labrador is continuing to operate within normal ranges while benefitting from strong market pricing for its high-quality iron ore production. IOC elected not to pay dividends to shareholders during the third 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 three quarters of 2020. 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. Global potash prices began to move upwards towards the end of Q3 while operators have suggested indications of improving demand for potash fertilizer in most markets.

Alberta's Electric System Operator ("AESO") noted a sharp decline in demand in the third quarter due to COVID-19 related shutdowns and reduced oil and gas production activity, in addition to typical seasonal weakness. This lower demand resulted in lower operating utilization rates and coal royalties during the third quarter. Electricity demand continues to track at lower than normal levels but has now partially rebounded from the third quarter lows. Our royalties related to thermal coal-fired electricity generation have no pricing exposure and are paid on a per tonne basis. In late July the Corporation acquired an additional 44.9% interest in the limited partnerships that hold these royalties for net cash consideration of $8.96 million. Post-closing, the Corporation had an effective ownership of 97.3% and began to consolidate the financial results. The purchase price paid for the coal interest, combined with various judgements supporting the underlying cash flows including a conservative view on the prospect for continuing decreased power demand in Alberta, has prompted the Corporation to reduce the combined carrying value of its coal based electrical generation royalties by $45 million.

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 (US$35 million) project-portfolio based investment with Apex, one of the largest wind and solar developers in the United States. This marked ARR's third 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. Subsequent to the third quarter, Altius announced that it had formed a strategic joint venture with certain funds managed by affiliates of Apollo Global Management, Inc. to fund the next $105 million (US$80 million) in exchange for a 50% interest in ARR's operating subsidiary, Great Bay Renewables, Inc ("GBR").

Subsequent to the quarter, GBR also announced the closing of an additional agreement with TGE, which will see the renewable energy royalty business invest an additional US$25 million in exchange for additional renewable royalty interests. The payments will be contingent on the achievement of additional renewable energy project milestones, including project sales and project financing and construction. This represents the first investment completed under the Apollo Funds joint venture and has been funded entirely by our new strategic partner.

Within the Project Generation business, field work has resumed under strict COVID-19 prevention protocols in localized areas. We 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 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. Over the past 9 months, the Corporation has focused on precious metals, specifically gold, exploration within the island portion of Newfoundland and have successfully vended four projects to third parties in exchange for a minority share position and retained royalty interests.

Quarterly Highlights

Apollo

On October 13, 2020, the Corporation, through its subsidiary, Altius Renewable Royalties Corporation ("ARR"), entered into a strategic relationship with certain funds (the "Apollo Funds") managed by affiliates of Apollo Global Management, Inc. to accelerate the growth of its innovative renewable energy royalty business. Under the agreement structure the Apollo Funds will have the right to solely fund the next US$80 million in approved investment opportunities in Great Bay Renewables Inc. ("Great Bay" or "GBR"), which is the US based operating subsidiary of ARR, in exchange for a 50% ownership in GBR, with opportunities thereafter funded equally by the Apollo Funds and ARR and with an equally shared governance structure. The Corporation is currently assessing the financial reporting impacts of this transaction in its consolidated financial statements and will complete this assessment in the fourth quarter.

Acquisition of Liberty Partnership Units

On July 24, 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 a net purchase price of $8.6 million including positive working capital adjustments, which it funded using cash on hand. This transaction closed on July 31, 2020 and Altius's partnership interests in the Prairie Royalty LPs increased from 52.4% to 97.3%. Effective August 1, 2020, the Corporation consolidated the net assets of the Prairie Royalty LPs, recognized a non-controlling interest and discontinued equity accounting for those partnerships. The Prairie Royalty LPs generate royalty income from thermal coal mines located in Alberta, Canada.

Capital Allocation

During the quarter ended September 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 $1,260,000 on its preferred securities and repurchased 26,900 of its shares at a cost of $269,000 under its normal course issuer bid. The Corporation renewed its normal course issuer bid during the quarter and may purchase at market price up to 1,622,920 common shares, being approximately 3.9% of the 41,450,126 common shares issued and outstanding as of August 18, 2020. The Corporation invested a further US$3 million into ARR during the quarter to fund an additional tranche of royalty investment in TGE.

Financial Performance and Results of Operations

IN THOUSANDS OF CANADIAN DOLLARS (except per share amounts)

	Three months ended			Nine months ended		
	September 30, 2020	September 30, 2019	Variance	September 30, 2020	September 30, 2019	Variance
Revenue						
Attributable royalty	$ 16,229	$ 19,231	$ (3,002)	$ 45,543	$ 60,608	$ (15,065)
Project generation	-	25	(25)	-	39	(39)
Attributable revenue (1)	16,229	19,256	(3,027)	45,543	60,647	(15,104)
Adjust: joint venture revenue	(966)	(3,674)	2,708	(6,961)	(12,807)	5,846
IFRS revenue per consolidated financial statements	15,263	15,582	(319)	38,582	47,840	(9,258)
Total assets	$ 556,128	$ 572,679	$ (16,551)	$ 556,128	$ 572,679	$ (16,551)
Total liabilities	203,893	172,865	31,028	203,893	$ 172,865	31,028
Cash dividends declared & paid to shareholders	1,928	2,137	(209)	5,963	5,994	(31)
Adjusted EBITDA (1)	12,426	15,241	(2,815)	35,197	48,944	(13,747)
Adjusted operating cash flow (1)	7,330	14,368	(7,038)	33,936	34,635	(699)
Net earnings (loss)	(39,787)	4,614	(44,401)	(38,849)	9,362	(48,211)
Attributable revenue per share (1)	$ 0.39	$ 0.45	$ (0.06)	$ 1.09	$ 1.42	$ (0.33)
Adjusted EBITDA per share (1)	0.30	0.36	(0.06)	0.84	1.14	(0.30)
Adjusted operating cash flow per share (1)	0.18	0.34	(0.16)	0.81	0.81	-
Net earnings (loss) per share, basic and diluted	(0.96)	0.10	(1.06)	(0.94)	0.20	(1.14)

(1) *See non-IFRS measures section for definition and reconciliation*

Attributable revenue (see non-IFRS measures) was $16,229,000 ($0.39 per share) in the third quarter of 2020, which was 16% lower than the $19,256,000 ($0.45 per share) recorded in the comparable quarter in 2019. Attributable revenue was $45,543,000 ($1.09 per share) for the nine months ended September 30, 2020 or 25% lower than the $60,647,000 ($1.42 per share) in the comparable period. The reduction in revenue is mainly as a result of lower volumes from Chapada offset by improved base metal prices, 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 September 30, 2020 was $12,426,000 ($0.30 per share), 18% lower than $15,241,000 ($0.36 per share) for the prior year comparable quarter. Adjusted EBITDA was $35,197,000 ($0.84 per share) for the nine month period in 2020 or 28% lower than the $48,944,000 ($1.14 per share) in the same period in 2019. The reduced Adjusted EBITDA for the quarter and nine month period ended September 30, 2020 was a result of the reduced royalty revenue. The EBITDA margin in the third quarter of 77% was consistent with the first half of 2020 and lower than comparable periods, again reflecting the trend of reduced royalty revenue.

Adjusted operating cash flow was $7,330,000 ($0.18 per share), which was 49% lower than the $14,368,000 ($0.34 per share) generated in Q3 2019. Adjusted operating cash flow for the nine month period ended September 30, 2020 was $33,936,000 ($0.81 per share), which was comparable with the $34,635,000 ($0.81 per share) generated in the 2019 comparative period. The decrease for the quarter is a result of lower revenue as well as timing of corporate tax installments paid.

Net loss during the three months ended September 30, 2020 was $39,787,000 ($0.96 per share) compared to earnings of $4,614,000 ($0.10 per share) recorded in the comparable three month period in 2019. Net loss on a year to date basis was $38,849,000 as compared to earnings of $9,362,000 in the prior nine month period. Year to date net loss was negatively impacted in 2020 by a non-cash impairment charge of $45,617,000 relating to electrical coal royalties, lower revenue from our diversified royalty portfolio, an impairment in an associate (Alderon Iron Ore), increased share based compensation costs, and taxes. During the quarter ended September 30, 2020 net loss was impacted by lower revenues than the comparable period in 2019, higher interest and impairment charges.

Total assets net of total liabilities decreased by approximately $48,000,000 over the comparable period in the prior year as a result of realized loss on investments, and one time impairment charges as noted above 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 September 30, 2020	Three months ended September 30, 2019	Variance	Nine months ended September 30, 2020	Nine months ended September 30, 2019	Variance
General and administrative	$ 2,440	$ 2,239	$ 201	$ 6,327	$ 6,972	$ (645)
Cost of sales - copper stream	1,210	1,624	(414)	3,290	4,058	(768)
Share-based compensation	487	544	(57)	3,523	1,633	1,890
Generative exploration	43	36	7	260	75	185
Exploration and evaluation assets abandoned or impaired	-	-	-	80	9,004	(8,924)
Mineral rights and leases	6	46	(40)	317	389	(72)
Amortization and depletion	4,939	4,061	878	12,262	11,615	647
	$ 9,125	$ 8,550	$ 575	$ 26,059	$ 33,746	$ (7,687)

General and administrative expenses for the three months ended September 30, 2020 were $201,000 or 9% higher than the prior year period and $645,000 or 9% lower than during the nine-month prior year period. The current quarter reflected higher corporate development costs in relation to its recent coal acquisition and the Apollo transaction, offset by a reduction in travel related costs indicative of COVID 19. The decrease year to date is reflective of lower salary related costs and travel related costs. The prior nine month period included corporate development costs related to ARR and the acquisition of Great Bay Renewables, Inc.

ARR incurred employee and office costs of approximately $452,000 and $1,298,000 during the three and nine months ended September 30, 2020 (see segment note in the consolidated financial statements) as compared to $365,000 and $1,161,000 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. On October 13, 2020 ARR entered into an agreement with the Apollo Funds to accelerate the growth of its innovative renewable energy royalty business (see Apollo section in quarterly highlights).

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 nine months ended September 30, 2020 this amounted to $682,000 and $2,133,000 respectively, while $777,000 and $2,630,000 were incurred in the 2019 periods. This business creates long term royalty development 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 $1,775,000 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 higher for the three and nine months ended September 30, 2020 in comparison to the prior year and is reflective of the additional amortization on coal assets offset by lower production levels trending with revenues. A portion of amortization is related to the Corporation’s intangible assets which were part of the GBR acquisition in 2019.

The Corporation’s share based compensation was in line with the prior year three month period but higher in the nine months ended September 30, 2020 as a result of the issuance of subsidiary level stock options to the ARR team after the successful closing of two major renewable royalty acquisitions in the past year. These options are convertible into equity in ARR.

The Corporation recorded an impairment of $9,000,000 relating to a mineral property in the prior year.

IN THOUSANDS OF CANADIAN DOLLARS

Other items	Three months ended September 30, 2020	Three months ended September 30, 2019	Three months ended Variance	Nine months ended September 30, 2020	Nine months ended September 30, 2019	Nine months ended Variance
Earnings from joint ventures	$ 459	$ 869	$ (410)	$ 3,105	$ 3,940	$ (835)
Gain on disposal of investments	368	-	368	368	103	265
Interest on long-term debt	(2,360)	(1,982)	(378)	(6,112)	(6,109)	(3)
Foreign exchange gain (loss)	901	(43)	944	1,571	(620)	2,191
Impairment on royalty interest	(45,617)	-	(45,617)	(45,617)	-	(45,617)
Dilution gain on issuance of shares of an associate	2,634	1,114	1,520	2,634	2,313	321
Unrealized gain (loss) on fair value adjustment of derivatives	(897)	60	(957)	436	670	(234)
Share of earnings (loss) and impairment in associates	36	(884)	920	(4,244)	(3,006)	(1,238)
Income tax (expense) recovery	(1,449)	(1,552)	103	(3,513)	(2,023)	(1,490)

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

- Effective August 1, 2020, as a result of the acquisition of Liberty 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. Prior year earnings were impacted by an impairment loss recorded by the CRLP on the Cardinal River steelmaking coal operation. The Corporation's share of the impairment loss was $4,090,000. Upon completion of the acquisition of CRLP and GRLP, the Corporation reassessed the carrying value of the underlying royalty interests. In light of the purchase price paid for the coal interest and judgements supporting the underlying cash flows, the Corporation determined the presence of indicators of impairment. As a result, the Corporation determined the fair value of its coal interest and recorded an impairment of $45,617,000.
- 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 $4,244,000 (September 30, 2019 - $3,006,000) for the nine months ended September 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. See more details on Alderon under Advanced Project Stage Investments below.
- During the three months ended September 30, 2020 the Corporation recorded a dilution gain of $2,634,000 (September 2019 - $1,114,000) in relation to the issuance of shares by Adventus. The total dilution gain was $2,634,000 (September 2019 - $2,313,000) for the nine months ended September 30, 2020.
- An unrealized loss 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. However, an overall gain was recorded for the nine months ended September 30, 2020.
- Increased foreign exchange gains recorded in the three and nine months ended September 30, 2020 were 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 September 30, 2020 in comparison to September 2019 trending with lower adjusted EBITDA. The nine month period ended September 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 nine month period.

Segment Performance

The Corporation manages 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 September 30, 2020	Three months ended September 30, 2019	Variance	Nine months ended September 30, 2020	Nine months ended September 30, 2019	Variance
Revenue						
Base metals						
777 Mine	4,175	$ 2,082	$ 2,093	$ 8,698	$ 7,221	$ 1,477
Chapada	4,068	5,542	(1,474)	10,719	13,879	(3,160)
Voisey's Bay	434	369	65	654	918	(264)
Metallurgical Coal						
Cheviot	291	694	(403)	1,347	2,891	(1,544)
Thermal (Electrical) Coal						
Genesee	1,800	1,007	793	4,620	3,529	1,091
Paintearth	-	178	(178)	75	420	(345)
Sheerness	700	1,271	(571)	2,295	4,341	(2,046)
Highvale	168	155	13	397	708	(311)
Potash						
Cory	285	173	112	779	832	(53)
Rocanville	1,869	2,597	(728)	7,163	8,815	(1,652)
Allan	121	128	(7)	505	527	(22)
Patience Lake	59	30	29	298	275	23
Esterhazy	782	743	39	2,770	3,130	(360)
Vanscoy	34	57	(23)	43	135	(92)
Lanigan	8	2	6	18	13	5
Iron ore (1)	1,293	3,782	(2,489)	3,592	11,509	(7,917)
Other						
Renewables	58	142	(84)	1,077	406	671
Coal bed methane	79	54	25	285	314	(29)
Interest and investment	5	225	(220)	208	745	(537)
Attributable royalty revenue	$ 16,229	$ 19,231	$ (3,002)	$ 45,543	$ 60,608	$ (15,065)

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 September 30, 2020 Tonnes	Three months ended September 30, 2020 Average price (1)	Three months ended September 30, 2019 Tonnes	Three months ended September 30, 2019 Average price (1)	Nine months ended September 30, 2020 Tonnes	Nine months ended September 30, 2020 Average price (1)	Nine months ended September 30, 2019 Tonnes	Nine months ended September 30, 2019 Average price (1)
Chapada copper (3)	469	$2.93 US / lb	663	$2.86 US / lb	1,326	$2.72 US / lb	1,705	$2.76 US / lb
777 copper (4)	2,416	$2.96 US / lb	3,053	$2.63 US / lb	8,857	$2.65 US / lb	10,077	$2.74 US / lb
777 zinc (4)	9,609	$1.06 US / lb	6,621	$1.06 US / lb	27,405	$0.97 US / lb	21,033	$1.18 US / lb
Potash (5)	452,836	$291 / tonne	419,475	$358 / tonne	1,356,726	$323 / tonne	1,368,785	$386 / tonne
Metallurgical coal (6)	65,783	$138 / tonne	84,661	$207 / tonne	231,597	$164 / tonne	306,585	$228 / tonne
Thermal (electrical) coal (2,5)	427,486	N/A	457,111	N/A	1,260,282	N/A	1,791,990	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 third quarter was up 62% relative to the previous quarter on higher realized copper prices. The third quarter revenue was down approximately 27% from the same quarter in 2019. In the final days of Q3 2020, Lundin Mining Corporation ("Lundin") announced that a main electrical substation failure had caused damage to four ball and SAG mill motors and that there would be an interruption in processing at the Chapada mine. On October 28, 2020 Lundin reported that two spare motors had since been installed and the operation was currently operating at approximately 30% of its throughput capacity. A return to full production is expected late in the fourth quarter of 2020.

Voisey's Bay Nickel-Copper-Cobalt Royalty

During the third quarter the Voisey's Bay mine resumed production after being placed on care and maintenance in March as the result of COVID-19 related precautionary measures. Third quarter revenues were 18% higher than the third quarter in 2019 as a result of stronger nickel prices. During the nine months ended September 30, 2020 revenues were down 29% from the comparable nine month period last year, reflecting the impacts of the period of COVID -19 related care and maintenance.

Alberta Electrical Coal Royalties

Royalty revenues from thermal (electrical) coal assets were comparable with the prior year quarter for the three months ended September 30, 2020 and down 18% for the nine months ended September 30, 2020, while attributable production volumes during the third quarter and on a year to date basis were approximately 6% and 30% lower than those of the prior year. During the quarter, the Corporation increased its ownership in these coal royalties from 52.369% to 97.304%. Royalty revenues reflect one month of ownership at 52.4% and the latter two months on a 100% basis. During the quarter ended September 2020, the increased royalty ownership accounted for additional revenue of approximately $1,200,000.

Altius continues to advance the lawsuit filed against both the Government of Alberta and the Government of Canada (collectively, the "Defendants") 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 the Corporation believes were tantamount to expropriation of its royalty interest in the Genesee mine, which is integrated with the Genesee power plant. The Defendants have filed an application for dismissal of the Altius claim and this has been set for hearing by the Alberta Supreme Court on December 8-11, 2020.

Saskatchewan Potash Royalties

Revenue from potash operations on which Altius holds royalties were 15% lower for the three months ended September 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 Q3 relative to the comparable prior year period, while attributable production levels were fairly consistent year to date and higher quarter over quarter.

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 September 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 a third quarter 2019 regular dividend of $0.25 per share and a special dividend of $0.75 per share. The difference reflects decisions by IOC to not pay dividends to shareholders during the year to date period.

Revenue from LIORC for the quarter and nine months ended September 30, 2020 was 66% and 69% lower respectively than the same periods in 2019, as a result of the lower IOC based pass-through dividends and the previously reported reduced shareholding in LIORC.

777 Copper-Zinc-Gold-Silver Royalty

Royalty revenues from Hudbay's 777 Mine were significantly higher this quarter compared to the comparable quarter in 2019 and 20% higher on a nine month basis. These increases in revenue were primarily driven by higher realized copper and precious metal prices.

Subsequent to the quarter end, on October 11, 2020 Hudbay Minerals Inc. ("Hudbay") announced that production from 777 had been temporarily interrupted after a hoist rope detached from the skip within the production shaft. Hudbay later stated that a preliminary video inspection of the mine shaft indicated that damage was limited to the headframe and the bottom of the shaft in the skip compartment. Hudbay noted that it did not appear that the cage compartments or the ore loading area were damaged, and that the structural integrity of the shaft did not appear to have been compromised by the incident. A full inspection of the shaft and skip compartment will require an in-person inspection, which is expected in early November, and Hudbay states that if it is confirmed there is no further damage beyond what has been identified to date it expects that the 777 shaft could resume full production in December at a repair cost that is not expected to exceed $5.0 million.

Renewable Royalties

Altius Renewable Royalties

During the quarter, Copenhagen Infrastructure Partners, who acquired the 400MW Woodford Wind (now renamed as Panther Grove) Project in Illinois from TGE, 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. GBR 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 GBR upon completion of applicable permits and commencement of construction. To date, TGE has sold projects with 940 megawatts of capacity for which GBR has royalty entitlements.

GBR 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 GBR royalties. See Strategy, Outlook and Quarterly Highlights sections above for additional information.

Project Generation

Pre-Production Royalties & Junior Equities Portfolio Highlights

The Corporation's junior equities portfolio had a market value of $45,500,000 at September 30, 2020. This amount excludes the market value of LIORC and the fair value of renewable energy investments and other privately held investments, which stood at $73,828,000, $84,016,000 and $9,681,000 respectively. During the three and nine months ended September 30, 2020 the Corporation generated positive cash proceeds from sales, net of new investments, totaling $18,238,000 (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.

Altius anticipates approximately 130 kms of drilling exposure through its portfolio of exploration and development focused equities and royalties during 2020, while thus far in 2020 more than $140 million in third party capital financing has been 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, largely from strategic and institutional investors, attests to the quality of projects and management teams that Altius has been strategically supporting through the past several years. It also clearly signals the beginning of a period of increased exploration and development activity across our Project Generation related holdings.

Advanced Project Stage Investments

Adventus Mining Corporation

During the quarter Adventus completed a $38 million bought deal financing to fund its exploration and development activities at the Curipamba project, including the completion of a feasibility study for the high-grade El Domo polymetallic deposit and to continue its discovery-oriented exploration at its other Ecuadorian projects. Adventus has also announced that initial drilling has encountered porphyry-style alteration and mineralization at its Pijili Project. Altius's equity ownership in Adventus is approximately 12% 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. 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 may emerge from the restructuring process. This advanced stage high-grade iron ore project located in the Labrador Trough was originally generated by Altius. Subsequent to quarter end the receiver advised that it has submitted to the court for approval an offer to purchase the assets of Alderon, the details of which have been sealed and not made available to Altius. The court date for approval of the offer is set for mid-November 2020. The Corporation holds 52,865,442 shares in Alderon in addition to the royalty. During the nine months ended September 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	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Operating activities	$ 23,933	$ 21,503
Financing activities	21,283	(9,869)
Investing activities	(51,303)	(8,317)
Net increase (decrease) in cash and cash equivalents	(6,087)	3,317
Cash and cash equivalents, beginning of period	22,128	28,392
Cash and cash equivalents, end of period	$ 16,041	$ 31,709

Operating Activities

Operating cash generated in the quarter and year to date is slightly higher than that of the prior year nine month period despite the decrease in overall royalty revenues. This is mainly a result of lower general and administrative costs, 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 (September 30, 2019 - $25,208,000) on its revolving credit facility which was used to fund the renewable royalty investment agreement with Apex. The Corporation repaid $15,000,000 (September 30, 2019 - $25,647,000) during the nine months ended September 30, 2020 related to its term loan facility.

Distributions on the Corporation's preferred securities totaled $3,753,000 (September 30, 2019 - $3,739,000) during the nine months ended September 30, 2020.

The Corporation distributed $772,000 (September 30, 2019 - $1,025,000) to a non-controlling interest in Potash Royalty Limited Partnership during the nine months ended September 30, 2020. Proceeds from issuance of shares of $5,661,000 (September 30, 2019 - $3,895,000) was recorded during the nine months ended September 30, 2020 from non-controlling interests in two subsidiaries, Adia and ARR.

The Corporation paid cash dividends of $5,963,000 (September 30, 2019 - $5,994,000) to its shareholders in the nine months ended September 30, 2020.

During the nine months ended September 30, 2020 the Corporation repurchased and cancelled 644,400 (September 30, 2019 - 220,200) common shares under its normal course issuer bid for a total cost of $6,090,000 (September 30, 2019 - $2,567,000).

Investing Activities

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 $10,003,000 being recorded in the current nine months ended September 30, 2020 compared to $13,132,000 recorded in the comparable prior year period.

The Corporation acquired additional mining royalty interests at a cost of $469,000 in the current nine month period compared to $13,773,000 in acquisitions for the period ended September 30, 2019, which included the 2% NSR on the Curipamba copper project of Adventus.

The Corporation used $68,152,000 (September 30, 2019 - $26,372,000) in cash to acquire investments during the nine months ended September 30, 2020, of which $64,901,000 (September 30, 2019 - $9,840,000) was used to add to the TGE and Apex renewable energy investments. The remaining investment acquisitions included $1,840,000 (September 30, 2019 - $12,742,000) to add to the LIORC position and $1,411,000 (September 30, 2019 - $3,790,000) added to the junior equity portfolio.

During the nine months ended September 30, 2019 the Corporation, through its subsidiary ARR, acquired Great Bay Renewables, Inc. for $6,153,000 (US$5,000,000) net of cash assumed.

The Corporation received $18,238,000 from the sale of investments for the nine months ended September 30, 2020 (September 30, 2019 - $26,949,000) consisting mostly of proceeds of $15,052,000 (September 30, 2019 - $8,393,000) from the sale of LIORC shares as well as $3,186,000 (September 30, 2019 - $1,764,000) from the sale of certain non-core junior equity positions. The prior year period also included proceeds of $16,792,000 from the sale of Champion Iron shares.

Liquidity

At September 30, 2020 the Corporation had current assets of $27,650,000, consisting of $16,041,000 in cash and cash equivalents and $10,086,000 primarily in accounts receivable, loan receivable and prepaid expenses, with the remainder in income taxes receivable. Current liabilities of $27,083,000 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 nine months ended September 30, 2020 and generated $18,238,000 in cash. At September 30, 2020 the Corporation has approximately $39,000,000 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)

	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Attributable revenue [(1)]	$ 16,229	$ 13,035	$ 16,279	$ 17,557
Adjusted EBITDA [(1)]	12,426	10,048	12,723	13,624
Adjusted operating cash flow [(1)]	7,330	13,378	13,228	9,442
Net earnings (loss) attributable to common shareholders	(39,923)	4,186	(3,546)	8,842
Attributable revenue per share [(1)]	$ 0.39	0.31	0.39	0.41
Adjusted EBITDA per share [(1)]	0.30	0.24	0.30	0.32
Adjusted operating cash flow per share [(1)]	0.18	0.32	0.32	0.22
Net earnings (loss) per share - basic and diluted	(0.96)	0.10	(0.08)	0.21
	September 30, 2019	**June 30, 2019**	**March 31, 2019**	**December 31, 2018**
Attributable revenue [(1)]	$ 19,256	$ 19,538	$ 21,853	$ 17,912
Adjusted EBITDA [(1)]	15,241	16,344	17,359	13,383
Adjusted operating cash flow [(1)]	14,368	11,849	8,418	9,776
Net earnings (loss) attributable to common shareholders	4,450	(2,068)	6,248	(12,578)
Attributable revenue per share [(1)]	$ 0.45	$ 0.46	$ 0.51	$ 0.42
Adjusted EBITDA per share [(1)]	0.35	0.38	0.41	0.32
Adjusted operating cash flow per share [(1)]	0.33	0.28	0.20	0.23
Net earnings (loss) per share - basic and diluted	0.10	(0.05)	0.15	(0.29)

(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 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 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 impacted by lower potash prices, lower thermal coal volumes, and a lower 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 $948,000 by September 30, 2021 should it elect to maintain all of its various licenses in good standing.

As at September 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	$ 5,000	$ -	$ 5,000
2021	20,000	-	20,000
2022	20,000	-	20,000
2023	35,000	61,107	96,107
	$ 80,000	$ 61,107	$ 141,107

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 2020 payment was made in the fourth quarter of 2020.

The Corporation has committed to investing, in tranches, a total of US$55,000,000 over the next two years as requested by TGE as they achieve certain renewable energy project advancement milestones. As at November 11, 2020 US$29,000,000 has been funded by the Corporation. The joint venture agreement with the Apollo Funds, which closed subsequent to the quarter, is expected to fund the remaining additional tranches with respect to the TGE investment.

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 September 30, 2020 the Corporation was billed $6,000 by an associate (September 30, 2019 - $6,000) for general administrative expenses. During the nine months ended September 30, 2020 the Corporation was billed $18,000 by an associate (September 30, 2019 - $18,700) for general administrative expenses.

During the three months ended September 30, 2020 the Corporation paid compensation to key management personnel and directors of $449,000 (September 30, 2019 - $445,000) related to salaries and benefits and incurred $487,000 (September 30, 2019 - $544,000) in share-based compensation costs. During the nine months ended September 30, 2020 the Corporation paid compensation to key management personnel and directors of $2,627,000 (September 30, 2019 - $2,586,000) related to salaries and benefits and incurred $1,614,000 (September 30, 2019 - $1,633,000) in share-based compensation costs. During the three months ended September 30, 2020, Restricted Share Units ("RSUs") were cash settled for $208,000 and equity settled for $350,000 (September 30, 2019 - $nil and $513,000).

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. The Corporation has a new critical accounting judgement and estimate for the nine month period ended September 30, 2020.

Fair value measurements and valuation processes

Some of the Corporation's assets and liabilities are measured at fair value for financial reporting purposes and at each reporting date determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Corporation uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Corporation works either internally and or externally with qualified persons to perform the valuation. The Corporation works closely with the qualified persons to establish the appropriate valuation techniques and inputs to the model and tracks the cause of fluctuations in the fair value of the assets and liabilities for each reporting date within its financial models.

The valuations of private equity investments can be particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Further information on the carrying amounts of these assets and the sensitivity of those amounts to changes in unobservable inputs are provided in Note 15 in the Consolidated Financial Statements.

New Accounting Policies

The Corporation has not adopted any new accounting policies during the nine months ended September 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 September 30, 2020 and 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 nine months ended September 30, 2020. There has been no change in the Corporation's internal control over financial reporting during the Corporation's quarter ended September 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 September 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 and nine months ended September 30, 2020 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 November 11, 2020 the Corporation had 41,464,462 common shares outstanding, 7,070,000 warrants outstanding and 975,377 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	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Revenue				
Attributable royalty	$ 16,229	$ 13,035	$ 16,279	$ 17,497
Project generation	-	-	-	60
Attributable revenue	16,229	13,035	16,279	17,557
Adjust: joint venture revenue	(966)	(2,765)	(3,230)	(4,172)
IFRS revenue per consolidated financial statements	$ 15,263	$ 10,270	$ 13,049	$ 13,385

Reconciliation to IFRS measures Attributable revenue	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Revenue				
Attributable royalty	$ 19,231	$ 19,533	$ 21,844	$ 17,615
Project generation	25	5	9	297
Attributable revenue	19,256	19,538	21,853	17,912
Adjust: joint venture revenue	(3,674)	(4,353)	(4,780)	(4,545)
IFRS revenue per consolidated financial statements	$ 15,582	$ 15,185	$ 17,073	$ 13,367

IN THOUSANDS OF CANADIAN DOLLARS

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

Adjusted operating cash flow	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Adjusted operating cash flow	$ 14,368	$ 11,849	$ 8,418	$ 9,776
Adjust: distributions from joint ventures	(4,319)	(4,698)	(4,115)	(3,601)
IFRS operating cash flows	$ 10,049	$ 7,151	$ 4,303	$ 6,175

IN THOUSANDS OF CANADIAN DOLLARS

Reconciliation to IFRS measures Adjusted EBITDA	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Earnings (loss) before income taxes	$ (38,338)	$ 4,021	$ (1,019)	$ 9,034
Addback(deduct):				
Amortization and depletion	4,939	3,408	3,915	4,014
Exploration and evaluation assets abandoned or impaired	-	10	70	35
Share based compensation	487	2,550	486	382
Interest on long-term debt	2,360	1,853	1,899	2,018
Gain on disposal of investments	(368)	-	-	-
Unrealized (gain) loss on fair value adjustment of derivatives	897	(2,162)	829	54
Dilution gain on issuance of shares in associates	(2,634)	-	-	-
Share of (earnings) loss and impairment in associates	(36)	276	4,004	751
(Earnings) loss from joint ventures	(459)	(1,008)	(1,638)	(2,463)
LNRLP EBITDA (1)	330	70	99	219
Prairie Royalties EBITDA (2)	532	2,671	3,107	3,808
Impairment of royalty interests	45,617	-	-	-
Foreign currency (gain) loss	(901)	(1,641)	971	22
Gain on disposal of royalty interest	-	-	-	(4,250)
Adjusted EBITDA	$ 12,426	$ 10,048	$ 12,723	$ 13,624
(1) LNRLP EBITDA				
Revenue	$ 434	$ 93	$ 127	$ 337
Mining taxes	(87)	(19)	(25)	(63)
Admin charges	(17)	(4)	(3)	(55)
LNRLP Adjusted EBITDA	$ 330	$ 70	$ 99	$ 219
(2) Prairie Royalties EBITDA				
Revenue	$ 532	$ 2,672	$ 3,103	$ 3,835
Operating income (expenses)	-	(1)	4	(27)
Prairie Royalties Adjusted EBITDA	$ 532	$ 2,671	$ 3,107	$ 3,808

Altius

IN THOUSANDS OF CANADIAN DOLLARS

Reconciliation to IFRS measures Adjusted EBITDA	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Earnings before income taxes	$ 6,166	$ (2,881)	$ 8,100	$ (12,701)
Addback(deduct):				
Amortization	4,061	3,801	3,753	3,495
Exploration and evaluation assets abandoned or impaired	-	9,004	-	195
Share based compensation	544	663	426	327
Interest on long-term debt	1,982	2,092	2,035	2,038
Gain on disposal of investments & impairment recognition	-	-	(103)	-
Unrealized (gain) loss on fair value adjustment of derivatives	(60)	(955)	345	4,098
Dilution gain on issuance of shares by associates	(1,114)	(1,199)	-	(257)
Share of loss and impairment in associates	884	903	1,219	1,390
(Earnings) loss from joint ventures	(869)	673	(3,744)	566
LNRLP EBITDA (1)	291	202	237	278
Prairie Royalties EBITDA (2)	3,313	4,093	4,462	3,786
Impairment of goodwill	-	-	-	10,810
Foreign currency loss	43	(52)	629	(642)
Adjusted EBITDA	$ 15,241	$ 16,344	$ 17,359	$ 13,383
(1) LNRLP EBITDA				
Revenue	$ 369	$ 297	$ 622	$ 351
Mining taxes	(78)	(60)	(124)	(70)
Admin charges	-	-	(220)	(259)
LNRLP Adjusted EBITDA	$ 291	$ 237	$ 278	$ 22
(2) Prairie Royalties EBITDA				
Revenue	$ 3,305	$ 4,483	$ 3,923	$ 3,602
Operating expenses	8	(21)	(137)	(1)
Prairie Royalties Adjusted EBITDA	$ 3,313	$ 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
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	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, Fermoy (Republic of Ireland)	Zinc	Adventus Zinc Ireland Limited	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 (Republic of Ireland)	Zinc	BMEx Ltd	2% NSR	Exploration
Gibson (British Columbia)	Gold	Canex Metals Inc	Option to acquire a 1.5% NSR	Exploration
Buchans (Newfoundland)	Zinc	Canstar Resources Inc	2% NSR	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

EXPLORATION (CONTINUED)				
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 (Newfoundland)	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 (Newfoundland)	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
Wilding Lake, Crystal Lake, Intersection (Newfoundland)	Gold	Teton Opportunities Inc.	2% NSR	Exploration
Golden Baie (Newfoundland)	Gold	Canstar Resources Inc.	2% NSR	Exploration
Sail Pond (Newfoundland)	Silver, Copper	Latin American Minerals	2% NSR	Exploration

Appendix 3 – Summary of Operational and Development Renewable Energy Royalties

Property	Renewable energy source	Project Owner/Developer	Facility Size	Status	Royalty basis
Clyde River	Hydro	Gravity Renewables	5 MW	Operational	Revenue
Canyon	Wind	Silverpeak	360 MW	Late-stage Development	Revenue
Panther Grove	Wind	Copenhagen Infastructure Partners	400 MW	Mid-stage Development	Revenue
Flatland	Solar	Silverpeak	180 MW	Mid-stage Development	Revenue