Altius Minerals Corporation

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

Year Ended December 31, 2021

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's consolidated financial statements for the year ended December 31, 2021 and related notes. This MD&A has been prepared as of March 9, 2022.

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

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

Description of Business

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

The Corporation's diversified mineral royalties and streams generate revenue from 12 operating mines located in Canada (10), the United States (1), and Brazil (1) that produce copper, zinc, nickel, cobalt, potash, iron ore and thermal (electrical) coal (see Appendix 1: Summary of Producing Royalties and Streaming Interests). The Corporation further holds a diversified portfolio of pre-production stage royalties and junior equity positions that it mainly originates through mineral exploration initiatives within a business division referred to as Project Generation. The Corporation holds a 59% interest in ARR, which through a jointly controlled entity, Great Bay Renewables LLC ("GBR"), holds royalties related to renewable energy generation projects located primarily in the United States. Certain funds (the "Apollo 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 and support sustainability linked, macro-scale structural trends, including the transition from fossil fuel to renewable based electrical generation; transportation electrification; lower emission steel making; and agricultural yield demand growth.

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

Altius also grows its portfolio of paying Mineral 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, which has a strong track record of internally creating pipeline royalties as well as earning substantial profits from the eventual monetization of corporate equity interests that are often received in addition to the long-term retained royalty interests. The Corporation believes that the royalties it creates internally can provide long-term investment returns in addition to those gained through acquisition related activity and represents another unique strategic differentiator for Altius.

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

A few years ago, Altius expanded its focus into royalty financing of the renewable energy sector through the creation of ARR in order to begin to replace its interests in coal fired power generation royalties and to participate directly in the emerging global transition towards cleaner energy sources. Through investments in four large US-based utility scale wind and solar project developers and operators: Tri-Global Energy ("TGE"), Apex Clean Energy ("Apex"), Longroad Energy ("Longroad") and Northleaf Capital ("Northleaf"), ARR has begun building a portfolio of renewable royalty interests that currently represent a combined expected nameplate capacity of 3,510 Megawatts (Appendix 3) of generation capacity. In March 2021, the Corporation completed an initial public offering of ARR on the TSX (see section Altius Renewable Royalties Corp. below). The Corporation retains approximately 59% of its common equity.

Outlook

Most of the commodity prices that are relevant to Altius have been strengthening over the past year and in certain cases are at or near multi-year highs. These price increases have resulted in higher year over year royalty revenues. Of potential greater long-term importance, certain commodity prices and sentiment conditions have now re-attained levels that the Corporation believes could serve to incentivize operator level asset investments - after a protracted cyclical period of weak prices and asset level growth investment.

Current market conditions therefore generally favour an approach of relying upon organic growth from existing royalty holdings over the M&A based growth that characterized the Corporation's focus during the preceding cyclical down-turn. Most of the M&A activity completed during this period was directed towards assets with favorable cost curve positions and long asset lives - as predictors of future organic growth - the signals for which are now emerging.

Potential Growth Catalysts

On February 10th 2022, Lundin Mining announced the discovery of a new Copper-Gold mineralized system 15 kilometers north of the Chapada Mine, on mining property over which we hold a stream interest. To date a total of forty-seven (47) holes have been completed defining a mineralized area measuring approximately 750 meters by 650 meters, with assay results available for 29 holes (see Lundin Mining Press Release dated February 10, 2022). The drilling results reported to date have indicated copper grades that are considerably higher than those currently being mined at Chapada. Lundin Mining has commented that as delineation and other evaluation work continues it will consider implications of the discovery related to its ongoing expansion studies at Chapada, with these potentially including options for new dedicated processing facilities for Saúva or the incorporation of ore trucking to the existing mine processing facilities.

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

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

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

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

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

Potash fertilizer markets continue to strengthen in accordance with global agricultural market strength. Midwest US potash prices are now approaching levels not seen since the 2008 – 2009 period. We expect to see an increasing benefit from these higher prices in upcoming quarters as pricing lags positively affect royalty calculations. In addition, several of the world-class Saskatchewan mines on which we hold royalties have pre-built excess production capacity, which is currently being ramped up in response to increasing global fertilizer demand, and further identified low-cost brownfields expansion potential.

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

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

On February 22, 2022 AngloGold Ashanti reported a maiden inferred resource at Silicon of 120.44 million tonnes @ 0.87g/t for a total of 3.4 million ounces of gold. AngloGold Ashanti also laid out their Nevada strategy for the district which envisions production of more than 300,000 ounces of gold per year, commencing in approximately three years.

Non-GAAP Financial Measures

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

Management uses these measures to monitor the financial performance of the Corporation and its operating segments and believes these measures enable investors and analysts to compare the Corporation's financial performance with its competitors and/or evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace International Financial Reporting Standards (IFRS) measures, and do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies. Further information on the composition and usefulness of each non-GAAP financial measure, including reconciliation to their most directly comparable IFRS measures, is included in the non-GAAP financial measures section starting on page 24.

Annual Highlights

Selected Annual Information

In Thousands of Canadian Dollars, except per share amounts	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Revenue per the consolidated financial statements	$ 81,682	$ 60,057	$ 61,225
Attributable revenue			
Attributable royalty (1)	$ 83,930	$ 67,502	$ 78,105
Project generation	504	-	99
Attributable revenue [1]	84,434	67,502	78,204
Total assets	$ 721,401	$ 589,610	$ 566,874
Total liabilities	192,422	205,785	166,913
Cash dividends declared & paid to shareholders	9,947	8,318	8,117
Adjusted EBITDA [1]	66,950	52,820	62,568
Adjusted operating cash flow [1]	49,415	47,456	44,077
Net earnings (loss)	38,280	(26,213)	18,338
Attributable revenue per share [1]	$ 2.03	$ 1.62	$ 1.83
Adjusted EBITDA per share [1]	1.62	1.27	1.46
Adjusted operating cash flow per share [1]	1.19	1.14	1.03
Net earnings (loss) per share, basic	0.97	(0.65)	0.41
Net earnings (loss) per share, diluted	0.94	(0.65)	0.41

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

Revenue and attributable royalty revenue as well as adjusted EBITDA increased from 2020 and 2019 based on strong commodity prices and volumes. Adjusted operating cash flow reflected growth and was impacted by timing of income taxes paid, including the postponement of corporate income taxes in 2020 as a result of COVID19 measures. Asset growth over the same period reflects the growth of the Corporation's renewable royalty segment as well as market revaluations on investments.

Altius Renewable Royalties Corp.

The Corporation, through its subsidiary ARR, acquires renewable royalty investments through its joint venture with Apollo Funds and currently holds royalty interests in 16 renewable energy projects totaling 3,510 MW. As at December 31, 2021 Apollo Funds has fully earned a 50% ownership in GBR, with the Corporation's interest also being 50% (December 31, 2020 – 89%). During the year ended December 31, 2021 Apollo Funds invested US$97,950,000 (December 31, 2020 - $9,930,500) while ARR invested US$27,800,500 to co-fund investment opportunities and maintain 50% respective interest. During the fourth quarter of 2021, the Corporation funded US$5,200,000 (December 31, 2020- $nil). During the year ended December 31, 2021, ARR added 11 renewable energy project royalties, of which 6 relate to operating stage projects. All projects and new investments entered into in the year ended December 31, 2021 are described below in Segment Performance. For further information, Appendix 3 contains a detailed listing of all renewable royalty interests created to date.

On March 3, 2021 ARR completed an IPO of 9,100,000 common shares for total gross proceeds of $100,100,000. On April 6, 2021 ARR announced that the underwriters to its earlier completed IPO exercised an over-allotment option for 694,000 common shares for additional gross proceeds of $7,634,000. The ARR shares trade on the TSX under the symbol "ARR" and 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.

Cash Flow from Project Generation Equity Portfolio

During the year ended December 31, 2021 the Corporation generated positive cash proceeds from sales in its junior equities portfolio, net of new investments, totaling $16,084,000. During the three months ended December 31, 2021 the Corporation generated positive cash proceeds from sales in its junior equities portfolio, net of new investments, totaling $3,335,000.

Refinancing of Credit Facilities

On August 9, 2021 the Corporation amended its credit facilities to increase the available credit from $160,000,000 to $225,000,000 and extended the term from June 2023 to August 2025. In addition, required principal payments were reduced from $5,000,000 to $2,000,000 quarterly and other covenants were adjusted to better reflect the growing financial strength and revenue profile of the business. The Corporation also amended its cash flow hedge on September 9, 2021 to align with the new terms of the debt. The amount of the floating-to-fixed interest rate swap will reduce in tandem with the quarterly scheduled principal repayments on the term debt and the Corporation expected the interest rate on the fixed portion of the debt to be approximately 4.34% per annum during the full term of the loan, with the revolving facility fluctuating in accordance with market interest rates. The Corporation's outstanding debt is currently $115,000,000 and the total available liquidity under the credit facility is approximately $106,000,000.

Kami Iron Ore Project

During the second quarter of 2021 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 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.

Lithium Royalty Corporation Financing

On January 11, 2021 Altius announced that Lithium Royalty Corporation ("LRC"), of which Altius is a founding investor, had agreed to a US$40,000,000 investment by New York based private equity firm Riverstone Holdings, as part of a larger US$70,700,000 offering by LRC. Pursuant to this investment Altius exercised its pro-rata equity participation right (through investments in affiliated limited partnership LRC LP I) by committing an additional US$7,600,000 to maintain its 12.6% stake in LRC. Altius also continues to maintain a direct 10% co-participation right with respect to future LRC royalty level investments and a board nomination right. LRC was founded in May 2018 as a private royalty and streaming company focused on the lithium mining sector. It is managed through Waratah Capital Advisors Ltd. Since inception, LRC has acquired 17 royalties including both brine and spodumene based projects that are located in Australia, Canada, Brazil and Argentina. These assets consist of a cash flowing royalty on Allkem's Mt Cattlin mine, a 1% gross overriding royalty ("GOR") on Sigma Lithium's Grota do Cirilo project, a 1% GOR on Zijin Mining's Tres Quebradas ("3Q") lithium brine project and a 2.5% GOR on Core Lithium's Finniss Project, as well as thirteen other royalty interests. During the year and three months ended December 31, 2021 the Corporation invested US$1,349,000 and US$5,554,000 (C$1,722,000 and C$7,007,000) respectively in LRC.

Capital Allocation

During the quarter ended December 31, 2021, the Corporation made $2,000,000 in scheduled payments on its credit facilities, paid dividends of $0.07 per common share, and paid distributions of $1,260,000 on its preferred securities. There were 235,800 shares repurchased under its normal course issuer bid at a cost of $3,782,000 during the quarter. For the year ended December 31, 2021 the Corporation made $17,000,000 in scheduled payments on its credit facilities, paid dividends of $0.22 per common share, paid distributions of $5,000,000 on its preferred securities and repurchased 821,100 of its shares at a cost of $12,943,000. These included the purchase of shares issued upon the exercise of 400,000 outstanding warrants that generated $5,600,000 in offsetting proceeds.

Subsequent to year end, on March 9, 2022, the Corporation funded a US$5,000,000 investment in the form of a secured convertible note to private company Invert Inc., which is engaged in the business of stream based investment into carbon credit creation projects. The US$5,000,000 note bears interest at a 7% annual interest rate, has a term of one year and is convertible to equity at an agreed discount upon a go-public event. This investment follows the original US$500,000 equity investment made by Altius in December 2021.

Financial Performance and Results of Operations

In Thousands of Canadian Dollars, except per share amounts	Three months ended			Year ended		
	December 31, 2021	December 31, 2020	Variance	December 31, 2021	December 31, 2020	Variance
Revenue per consolidated financial statements	$ 22,625	$ 21,475	$ 1,150	$ 81,682	$ 60,057	$ 21,625
Attributable revenue						
Attributable royalty	$ 23,456	$ 21,959	$ 1,497	$ 83,930	$ 67,502	$ 16,428
Project generation	96	-	96	504	-	504
Attributable revenue [1]	23,552	21,959	1,593	84,434	67,502	16,932
Total assets	$ 721,401	$ 589,610	$ 131,791	$ 721,401	$ 589,610	$ 131,791
Total liabilities	192,422	205,785	(13,363)	192,422	205,785	(13,363)
Cash dividends declared & paid to shareholders	2,713	2,073	640	9,247	8,318	929
Adjusted EBITDA [1]	17,748	17,623	125	66,950	52,820	14,130
Adjusted operating cash flow [1]	15,877	13,520	2,357	49,419	47,456	1,963
Net earnings (loss)	2,163	12,636	(10,473)	38,280	(26,213)	64,493
Attributable revenue per share [1]	$ 0.57	$ 0.53	$ 0.04	$ 2.03	$ 1.62	$ 0.41
Adjusted EBITDA per share [1]	0.43	0.43	-	1.62	1.27	0.35
Adjusted operating cash flow per share [1]	0.38	0.33	0.05	1.19	1.14	0.05
Net earnings (loss) per share, basic	0.07	0.30	(0.23)	0.97	(0.65)	1.62
Net earnings (loss) per share, diluted	0.07	0.30	(0.23)	0.94	(0.65)	1.59

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

Total revenue in the consolidated statements of earnings for the quarter and year ended December 31, 2021 was $22,625,000 and $81,682,000 respectively, up 5% and 36% from the comparable periods in 2020 due mainly to higher commodity prices.

Attributable royalty revenue (see non-GAAP financial measures), adjusted for joint venture revenues, was $23,456,000 ($0.57 per share) for the quarter ended December 31, 2021, which was 7% higher than the $21,959,000 ($0.53 per share) recorded in the three months ended December 31, 2020. Attributable royalty revenue of $83,930,000 ($2.03 per share) in the year ended December 31, 2021 was 24% higher than the $67,502,000 ($1.62 per share) recorded in 2020. The increase in revenue is mainly a result of higher commodity prices and higher LIORC dividends.

Adjusted EBITDA in the three months ended December 31, 2021 was $17,748,000 ($0.43 per share), which compares to $17,623,000 ($0.43 per share) for the prior year period reflecting higher expenses in the Renewable Royalties segment. Adjusted EBITDA in the year ended December 31, 2021 was $66,950,000 ($1.62 per share), 27% higher than the $52,820,000 ($1.27 per share) for the prior year. The increase in adjusted EBITDA for the year ended December 31, 2021 follows the increase in attributable revenue but is partially offset by an increase in expenses within the Renewable Royalties segment primarily due to higher public company related costs.

The EBITDA margin of 80% in the year ended December 31, 2021 was slightly higher than the 78% recorded for 2020, driven primarily by strong contributions from the Mineral Royalties segment. As discussed above, increases in revenue are partially offset by higher expenses within the Renewable Royalties segment for which revenues are expected to ramp up in future periods. The Mineral Royalties segment had an EBITDA margin of 87% for the current year compared to 86% in the prior year.

Operating cash flow is adjusted for joint venture distributions, which are included in the investing section of the cash flow statement, for purposes of this discussion. Adjusted operating cash flow for the fourth quarter of 2021 of $15,877,000 ($0.38 per share) is higher than the $13,520,000 ($0.33 per share) generated in the comparable period in 2020. The increase for the current versus prior year quarter is largely reflective of higher Mineral Royalty revenues. On a year-to-date basis adjusted operating cash flow of $49,419,000 ($1.19 per share) is higher than the $47,456,000 ($1.14 per share) in the 2020 year, which benefitted from the timing of cash tax installments paid as a result of flexibility granted by tax authorities due to COVID-19 related economic concerns.

Net earnings in the three months ended December 31, 2021 were $2,163,000 ($0.07 per share) compared to $12,636,000 ($0.30 per share) recorded in the comparable period of 2020. Net earnings in the year ended December 31, 2021 were $38,280,000 ($0.97 per share) compared to a net loss of $26,213,000 ($0.65 loss per share) recorded in 2020. Net earnings for the three months ended December 31, 2021 were negatively impacted by impairment charges on the Corporation's goodwill associated with the 777 royalty interest, unrealized losses on derivatives related to the revaluation of share purchase warrants compared to unrealized gains in the prior year and lower gains related to the receipt of common shares in exchange for the transfer of several mineral properties year over year. On an annual basis, the increase in net earnings reflects an increase in revenue driven by higher commodity prices, higher dividends received from Labrador Iron One Royalty Corporation ("LIORC") and lower impairment charges in the current year.

Total assets net of total liabilities increased by approximately $146,000,000 during the year ending on December 31, 2021 as a result of revaluation gains on investments including the Corporation's renewable energy investments held by ARR, and the monetization of investments in the Project Generation business resulting in gains on disposition, which are described in further detail below.

Costs and Expenses

In Thousands of Canadian Dollars	Three months ended			Year ended		
Costs and Expenses	December 31, 2021	December 31, 2020	Variance	December 31, 2021	December 31, 2020	Variance
General and administrative	$ 3,046	$ 2,606	$ 440	$ 9,051	$ 8,933	$ 118
Cost of sales - copper stream	2,100	1,304	796	5,701	4,594	1,107
Share-based compensation	698	461	237	3,018	3,984	(966)
Generative exploration	20	17	3	55	277	(222)
Exploration and evaluation assets abandoned or impaired	-	-	-	2,889	80	2,809
Mineral rights and leases	-	34	(34)	274	351	(77)
Amortization and depletion	6,295	5,787	508	22,913	18,049	4,864
	$ 12,159	$ 10,209	$ 1,950	$ 43,901	$ 36,268	$ 7,633

General and administrative expenses for the fourth quarter and for the year ended December 31, 2021 were higher than the prior comparable periods. The increase was mainly driven by increased professional and public company fees related to the operations of ARR, which are consolidated in the results of the Corporation. This is somewhat offset by reduced expenses relating to GBR, a former subsidiary, which is accounted for as a joint venture with GBR general and administrative costs no longer included on a consolidated basis but rather as a proportionate share of earnings (loss) in joint venture. ARR incurred salary and office costs of approximately $757,000 and $1,762,000 during the current quarter and year ended December 31, 2021 respectively (see segment note in the consolidated financial statements) as compared to $101,000 and $1,399,000 respectively 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 more projects subject to royalty reach operational status.

A component of general and administrative expenses of the Corporation relates to the administration and staffing of its Project Generation segment. During the three months and year ended December 31, 2021 this amounted to $697,000 and $2,305,000 as compared to $727,000 and $2,861,000 respectively incurred in the 2020 periods. This business creates long-term royalty opportunities and also receives equity positions in public companies in exchange for mineral projects and cash investments. It is important to note that equity sales related to the Project Generation segment are not included as a revenue contribution but are instead recorded in the statement of comprehensive earnings, resulting in positive cash flow from equity sales but no corresponding increase in revenue. Net cash from equity sales and purchases completed by the Project Generation business generated $16,084,000 (2020 – $6,659,000) for the year ended December 31, 2021, $3,335,000 of which was generated in the fourth quarter (2020 - $4,885,000).

Cost of sales for the fourth quarter and year ended December 31, 2021 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 copper at 30% of the spot copper price. Amortization and depletion are also higher for the current quarter and year 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 was related to intangible assets which were part of the GBR acquisition in 2019. These assets have since been derecognized as a result of the loss of control of GBR.

During the year ended December 31, 2021 the Corporation recorded an impairment charge of $2,889,000 for its exploration stage Lynx diamond project in Manitoba compared to total impairments of $80,000 in the previous year. The Corporation's share-based compensation is higher during the quarter but lower overall for the year ended December 31, 2021 as compared to the same periods in 2020. The prior year periods included the issuance of stock options to ARR management. These options are convertible into equity in ARR rather than the Corporation.

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

In Thousands of Canadian Dollars	Three months ended December 31			Year ended December 31		
	2021	2020	Variance	2021	2020	Variance
Earnings (loss) from joint ventures	$ 132	$ 152	$ (20)	$ (380)	$ 2,963	$ (3,343)
Realized gain on disposal of derivatives	1,675	241	1,434	6,121	609	5,512
Gain on disposal of mineral property	495	2,997	(2,502)	4,704	2,997	1,707
Interest on long-term debt	(1,510)	(1,965)	455	(6,824)	(8,077)	1,253
Foreign exchange gain	145	1,622	(1,477)	530	3,193	(2,663)
Impairment of royalty interest and goodwill	(6,031)	(530)	(5,501)	(6,031)	(46,147)	40,116
Dilution gain on issuance of shares of an associate and joint venture	1	290	(289)	580	2,924	(2,344)
Gain on loss of control of subsidiary	-	790	(790)	-	790	(790)
Unrealized (loss) gain on fair value adjustment of derivatives	(1,141)	1,613	(2,754)	(165)	2,049	(2,214)
Gain on reclassification of an associate	-	-	-	7,595	-	7,595
Share of earnings (loss) and impairment reversal in associates	2	136	(134)	1,263	(4,108)	5,371
Income tax expense	(2,071)	(3,672)	1,601	(6,894)	(7,185)	291

- 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% consolidated basis within the statement of earnings instead of as earnings in joint venture, resulting in lower earnings from joint venture for the year to date. The Corporation began accounting for its interest in GBR as a joint venture effective October 11, 2020 and prior to that it was consolidated within the Corporation's results.

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

- During the first quarter of 2021, the Corporation reversed an impairment charge incurred during Q1 2020 on a portion of the loan receivable from Alderon Iron Ore Corp of $1,625,000. Upon completion of the acquisition of CRLP and GRLP in 2020, 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 $46,147,000 in the prior year.

- A gain on disposition of mineral properties of $495,000 and $4,704,000 was recorded in the three months and year ended December 31, 2021 (three months and year ended December 31, 2020- $2,997,000) related to the receipt of common shares in exchange for the transfer of the Corporation's Golden Rose, Florence Lake, Adeline Copper and Golden Baie mineral properties.

- During the year ended December 31, 2021 the Corporation recorded a dilution gain of $580,000 (December 31, 2020 - $290,000) in relation to additional investments made by Apollo Funds in the GBR joint venture. During the prior year the Corporation recorded a dilution gain of $2,634,000 in relation to the issuance of shares by Adventus.

- A realized gain on disposal of derivatives of $1,675,000 (December 31, 2020 - $241,000) and $6,121,000 (December 31, 2020 - $609,000) was recorded on the sale and exercise of share purchase warrants for the three months and year ended December 31, 2021. An unrealized loss on the fair value of derivatives related to the revaluation of share purchase warrants was recorded for the current quarter and year to date compared to unrealized gains which were recorded during the quarter and year ended December 31, 2020.
- Lower foreign exchange gains were recorded in the three months and year ended December 31, 2021 in comparison to the prior year comparable periods. The emergence of COVID19 in 2020 resulted in higher exchange rate fluctuations with 2021 seeing exchange rates return to normalized levels.
- Tax expense is lower for the quarter and during the year ended December 31, 2021 reflecting reduction in tax rates in Alberta.

Segment Performance

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

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

In Thousands of Canadian Dollars	Three months ended			Year ended		
Summary of attributable royalty revenue	December 31, 2021	December 31, 2020	Variance	December 31, 2021	December 31, 2020	Variance
Revenue						
Base and battery metals						
777 Mine	$ 3,641	$ 1,894	$ 1,747	$ 15,020	$ 10,592	$ 4,428
Chapada	7,048	4,538	2,510	19,182	15,257	3,925
Voisey's Bay	628	358	270	2,341	1,012	1,329
Gunnison	12		12	23		23
Iron ore (1)	3,305	5,173		17,243	8,765	
Potash			-			-
Cory	955	328		2,047	1,107	
Rocanville	3,534	1,617	1,917	10,644	8,780	1,864
Allan	547	133	414	1,382	638	744
Patience Lake	346	146	200	709	444	265
Esterhazy	1,408	745	663	4,239	3,515	724
Vanscoy	105	47	58	230	90	140
Lanigan	12	6	6	33	24	9
Met coal			-			-
Cheviot	-	265	(265)	58	1,612	(1,554)
Thermal (Electrical) Coal			-			-
Genesee	1,368	2,890	(1,522)	8,494	7,510	984
Paintearth	-		-	20	75	(55)
Sheerness	53	3,384	(3,331)	535	5,679	(5,144)
Highvale	-	35	(35)	-	432	(432)
Other						
Renewables	299	126	173	411	1,203	(792)
Coal bed methane	181	140	41	572	425	147
Interest and investment	14	134	(120)	748	342	406
Attributable royalty revenue	$ 23,456	$ 21,959	$ 2,738	$ 83,930	$ 67,502	$ 16,428

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

[1] *LIORC dividends received*

Summary of attributable royalty volumes and average prices	Three months ended December 31, 2021 Tonnes	Average price (1)	December 31, 2020 Tonnes	Average price (1)	Year ended December 31, 2021 Tonnes	Average price (1)	December 31, 2020 Tonnes	Average price (1)
Chapada copper (3)	608	$4.19 US / lb	489	$3.20 US / lb	1,662	$4.18 US / lb	1,815	$2.85 US / lb
777 copper (4)	2,432	$4.40 US / lb	2,606	$3.26 US / lb	11,147	$4.21 US / lb	11,463	$2.80 US / lb
777 zinc (4)	8,706	$1.52 US / lb	3,635	$ 1.19 US / lb	32,540	$1.36 US / lb	31,040	$1.03 US / lb
Potash (5)	392,397	$723 / tonne	403,496	$303 / tonne	1,676,117	$476 / tonne	1,760,222	$318 / tonne
Metallurgical coal	-	$nil / tonne	62,806	$137 / tonne	13,172	$129 / tonne	294,403	$157 / tonne
Thermal (electrical) coal (2,5)	246,289	N/A	986,779	N/A	1,600,231	N/A	2,247,061	N/A

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

Mineral Royalties

Base and Battery Metal Royalties

Base and battery metal royalty revenue increased during the fourth quarter in 2021 as well as year over year primarily due to higher realized metal prices. Production volumes in 2020 were negatively impacted by COVID related curtailments at Voisey's Bay and electrical and mechanical issues at Chapada and 777, respectively.

Chapada copper production was higher year over year relating to record mill throughput but copper delivered under the stream agreement was lower in 2021 due to timing of sales. Operator guidance for 2022 is targeting copper production of 53,000-58000 tonnes which compares to 52,019 tonnes in 2021.

Lundin Mining recently commented that Chapada expansion studies are ongoing, including evaluation of a scenario which would potentially increase annual processing capacity to 32 MT per annum from the current 24 MT per annum, while it also reported on a new high-grade discovery to the north of the current mining area and on lands that are subject to the Corporation's copper stream agreement.

Copper and zinc production at 777 was comparable to the prior year period. The mine is anticipated to close in June of this year but Hudbay Mining has recently stated that it is evaluating the potential for reprocessing historic tailings from the region.

Production of Voisey's Bay sourced ore increased due to commencement of production from Reid Brook underground nickel-copper-cobalt deposit, achieving best-to-date annual production of 38.1 kt, this is despite a marginally lower fourth quarter compared to the fourth quarter of 2020 due to an annual maintenance shutdown that impacted Long Harbour. Production from the Eastern Deeps deposit is targeted to commence in the second half of 2022.

Adventus Mining Corporation published a positive Feasibility Study for its copper and gold rich El Domo deposit in Ecuador during the year and announced that it entered into a definitive Precious Metals Purchase Agreement with Wheaton Precious Metals International Ltd., a wholly-owned subsidiary of Wheaton Precious Metals Corp., and a binding Offtake Financing Agreement with Trafigura Pte Ltd, for a combined total of US$235.5 million in proceeds to advance and, following a construction decision, build the Curipamba Project.

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

Iron Ore

Revenue in the form of dividends received during Q4 2021 was $3,305,000 and $17,243,000 for the three months and year ended December 31, 2021 as compared to $5,173,000 and $8,765,000 for the same periods in 2020. The increase for the year was the result of significantly higher average benchmark prices and quality premiums, particularly during the first half of the year. Prices subsided from multi-year highs during much of the second half of the year before beginning to rebound in December and thus far into the new year. The higher average realized prices were partially offset by lower year over year production volumes at IOC due to reduced labour and mechanical availabilities. Full year guidance for 2022 is 17.0 to 18.7 million tonnes which compares to 16.5 in 2021. 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.

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

Saskatchewan Potash Royalties

Potash revenue for the fourth quarter and year ended December 31, 2021 of $6,907,000 and$19,284,000 respectively, increased by 129% and 32% respectively over the comparable periods in 2020 mainly due to higher realized pricing. Potash price realizations from all of the mines within the portfolio continued to demonstrate approximately one quarter lags relative to quoted market prices in various agricultural regions, which increased by more than 100% during the course of the year. The increases have continued throughout the fourth quarter, reaching multi-year highs, with these prices expected to be reflected in realized prices during the coming quarters. Pricing benefits were offset by slightly lower annual attributable production volumes as a result of the mid-year closure of the K1 and K2 mining areas of the Esterhazy mine due to increased water inflows, as well as a longer than usual expected period of scheduled maintenance at Rocanville.

Mosaic, the operator of the Esterhazy mine, has commented that it continues to successfully ramp up production capacity from the new Esterhazy K3 mining area and that it expects accordingly to be in a position to replace lost K1 and K2 production capacities by March of 2022. Nutrien has indicated that it expects to increase production from its portfolio of mines to between 13.7 and 14.3 million tonnes relative to 2021 levels of 13.6 million tonnes, with the potential to further increase production to address potential supply shortfalls related to sanctions and other geopolitical constraints. It has not provided guidance on an individual mine basis and it should be noted that the Corporation's royalties do not cover the entirety of Nutrien's portfolio of mines and also that percentage royalty interests vary by mine.

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

Alberta Electrical Coal Royalties

Thermal coal revenue continues to decline reflecting completion of the conversion of the Sheerness power plant from coal to gas firing and the unplanned outage of one of the three generating units at the Genesee power plant for part of the year, which was subsequently brought back to full service in December. Mining at Genesee is currently anticipated to end in the next several years as the operator of the integrated power plant completes its conversion to natural gas based fueling.

Renewable Royalties

Altius Renewable Royalties

During the year ended December 31, 2021, Tri-Global Energy ("TGE") sold five projects for which GBR is entitled to gross revenue royalties as part of a royalty based portfolio funding agreement between the parties. The royalties created during the year include the 400 MW Honey Creek Solar project, the 175 MW Appaloosa Wind project, the 180 MW Hoosier Line Wind project, the 200 MW Blackford Wind project, and the 150 MW Blackford Solar project.

On August 3, 2021 GBR closed a US$35,000,000 royalty investment with Longroad Energy ("Longroad") related to Longroad's 331 MWdc (250 MWac) Prospero 2 solar project located in Andrews County, Texas ("Prospero 2"). The project achieved commercial operation on August 2, 2021 and is operated by Longroad. Over two-thirds of the expected Prospero 2 power output is contracted to two companies under fifteen-year, unit contingent power purchase agreements, with the remainder of the project's energy output expected to be sold into the ERCOT spot market. Under the terms of the investment agreement, GBR will receive a gross revenue payment commencing in January 2022 at rates that vary over time.

On September 30, 2021 GBR closed a US$52,500,000 royalty investment with Northleaf Capital Partners ("Northleaf") related to three operating-stage wind and solar renewable energy projects located in Texas (the "Northleaf Projects"). The acquired royalties included the 151 MW Old Settler wind project ("Old Settler"), the 50 MW Cotton Plains wind project ("Cotton Plains"), and the 15 MW Phantom Solar project ("Phantom Solar"). The output from Cotton Plains and Phantom Solar is sold at a fixed price under long-term contracts with the US Department of Defense through January 2045, while the output from Old Settler will be sold into the ERCOT market. The three projects have been in commercial operation since 2017 and GBR has recognized revenue in the fourth quarter of 2021 associated with these royalties

On December 31, 2021 Apex Clean Energy ("Apex") exercised a change of control-based option to redeem the remaining residual royalty financing provided by GBR. The option exercise followed the sale of a majority interest in Apex to Ares Capital. GBR retained three royalties earned prior to the sale: the 195 MW Jayhawk wind project, the 300 MW El Sauz wind project, and a 500 MW undisclosed wind project. The redemption consideration, including a buyout premium, was approximately US$70,000,000, US$41,700,000 of which was a cash payment with the remainder representing an estimated provisional value ascribed to the retained royalties.

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

Project Generation

Pre-Production Royalties & Junior Equities Portfolio Highlights

The Corporation's junior equities portfolio had a market value of $55,500,000 at December 31, 2021 (December 31, 2020 - $52,200,000). During the three months and year ended December 31, 2021 the Corporation generated positive net cash proceeds from sales in its junior equities portfolio, net of new investments, totaling $3,335,000 and $16,100,000 respectively. The Corporation recognized total gains on disposition of Project Generation investments of $2,837,000 for the quarter ended December 31, 2021 comprised of $1,675,000 in the consolidated statement of comprehensive earnings and $1,162,000 in the consolidated statement of earnings. The Corporation recognized total gains on disposition of Project Generation investments of $16,537,000 for the year ended December 31, 2021 comprised of $10,416,000 in the consolidated statement of comprehensive earnings and $6,121,000 in the consolidated statement of earnings.

Altius anticipates approximately 300 kms of drilling will be completed across its portfolio of exploration and development focused equities and royalties during 2022.

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

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

Cash Flows, Liquidity and Capital Resources

In Thousands of Canadian Dollars	Year ended	
Summary of Cash Flows	December 31, 2021	December 31, 2020
Operating activities	$ 47,773	$ 37,119
Financing activities	56,990	12,744
Investing activities	(26,546)	(50,187)
Net increase in cash and cash equivalents	78,217	(324)
Cash and cash equivalents, beginning of year	21,804	22,128
Cash and cash equivalents, end of year	$ 100,021	$ 21,804

Operating Activities

Operating cash generated during the year ended December 31, 2021 is higher than that of the prior year mainly due to the increase in overall royalty revenues offset by timing of cash taxes paid.

Financing Activities

On August 9, 2021 the Corporation amended its credit facility to increase the available credit from $160,000,000 to $225,000,000 and to extend the term from June 2023 to August 2025. The Corporation incurred costs of $1,782,000 related to the amendment during the year ended December 31, 2021 which will be deferred over the credit term and are incorporated into the effective interest rate. During the prior year the Corporation completed a draw-down of $47,326,000 on its revolving credit facility which was used to fund GBR's renewable royalty investment agreement with Apex. The Corporation repaid $17,000,000 (December 31, 2020 - $20,000,000) for the year ended December 31, 2021 related to its term loan facility.

Distributions on the Corporation's preferred securities totaled $5,000,000 (December 31, 2020 - $5,014,000) for the year ended December 31, 2021.

The Corporation distributed $1,402,000 (December 31, 2020 - $1,090,000) to a non-controlling interest holder in the Potash, Genesee and Coal Royalty Limited Partnerships during the year ended December 31, 2021. In the year to date period in 2020, the Corporation received proceeds from issuance of shares of $5,661,000 from non-controlling interests in the Corporation's two subsidiaries, ARR and Adia. ARR received net cash proceeds on its IPO and over-allotment of $98,932,000 during the current year.

The Corporation paid cash dividends of $9,247,000 (December 31, 2020 - $7,881,000) to its shareholders during the year ended December 31, 2021 and issued 44,643 common shares (December 31, 2020 – 41,719) valued at $700,000 (December 31, 2020 - $437,000) through the Corporation's Dividend Reinvestment Plan.

During the year ended December 31, 2021 the Corporation repurchased and cancelled 821,100 (2.0%) common shares under its normal course issuer bid for a total cost of $12,943,000 (December 31, 2020 - 644,400 (1.5%) common shares for a total cost of $6,090,000) which includes the repurchase of 400,000 warrants issued to Yamana Gold Inc. on May 3, 2016 at an exercise price of $14.00 with an expiry date of May 3, 2021, which were exercised on February 26, 2021 for $5,600,000.

Investing Activities

During 2020 the Corporation acquired an additional 44.935% ownership in CRLP and GRLP for net cash consideration paid of $8,957,000 and as of August 1, 2020 distributions from CRLP and GRLP were no longer recorded as distributions from joint ventures. This resulted in lower joint venture-based royalty cashflow of $1,646,000 being recorded in the year ended December 31, 2021 as compared to $10,337,000 recorded in the prior year.

The Corporation acquired additional potash royalty unit interests primarily in the Esterhazy mine K3 area at a cost of $475,000 in the current year compared to $580,000 in other potash royalty acquisitions for the prior year period.

The Corporation used $17,204,000 (December 31, 2020 - $71,125,000) in cash to acquire investments during the year ended December 31, 2021. Of this amount, $9,557,000 was used to add to the junior equities portfolio (December 31, 2020 - $1,711,000) and $7,646,000 was used to fund part of the Corporation's LRC related and other renewable investments (December 31, 2020 - $nil). $67,574,000 was used in the prior year period to add to GBR's TGE and Apex renewable energy investments and $1,840,000 was used to add to the LIORC position.

During the year ended December 31, 2021, the Corporation indirectly invested $35,261,000 into the GBR joint venture which is described in detail under the *Altius Renewable Royalties* section of this MD&A.

The Corporation received $25,640,000 from the sale of junior equity investments for the year ended December 31, 2021 (December 31, 2020 – $23,423,000). The prior year consisted mainly of proceeds of $15,052,000 received from the sale of LIORC shares.

Liquidity

At December 31, 2021 the Corporation had current assets of $114,890,000, consisting of $100,021,000 in cash and cash equivalents (of which $62,603,000 relates to ARR) and $14,869,000 primarily in accounts receivable, loan receivable, prepaid expenses and income taxes receivable. Current liabilities of $19,649,000 include the current portion of long-term debt obligations of $8,000,000 per year, which are paid quarterly. The Corporation's major sources of free cash flow are from royalty income and streaming revenue, cash receipts from royalty partnership interests, sales of direct and indirect exploration investments, and investment income. The Corporation monetized certain portfolio investments during the year ended December 31, 2021 and generated $25,640,000 in cash. At December 31, 2021 the Corporation has approximately $106,000,000 of available liquidity under its amended revolving credit facility.

Summary of Quarterly Financial Information

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

In Thousands of Canadian Dollars, except per share amounts	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Revenue per consolidated financial statements	$ 22,625	$ 20,357	$ 21,198	$ 17,502
Attributable revenue (1)	23,552	20,808	21,906	18,168
Adjusted EBITDA (1)	17,748	16,900	17,712	14,590
Adjusted operating cash flow (1)	15,873	18,902	5,830	8,810
Net earnings (loss) attributable to common shareholders	2,801	9,947	15,611	11,663
Attributable revenue per share (1)	$ 0.57	$ 0.50	$ 0.53	$ 0.44
Adjusted EBITDA per share (1)	0.43	0.41	0.43	0.35
Adjusted operating cash flow per share (1)	0.38	0.46	0.14	0.21
Net earnings (loss) per share				
- basic	0.07	0.24	0.38	0.28
- diluted	0.07	0.23	0.36	0.28
In Thousands of Canadian Dollars, except per share amounts	**December 31, 2020**	**September 30, 2020**	**June 30, 2020**	**March 31, 2020**
Revenue per consolidated financial statements	$ 21,475	$ 15,263	$ 10,270	$ 13,049
Attributable revenue (1)	21,959	16,229	13,035	16,279
Adjusted EBITDA (1)	17,623	12,426	10,048	12,723
Adjusted operating cash flow (1)	13,520	7,330	13,378	13,228
Net earnings (loss) attributable to common shareholders	12,422	(39,923)	4,186	(3,546)
Attributable revenue per share (1)	$ 0.53	$ 0.39	$ 0.31	$ 0.39
Adjusted EBITDA per share (1)	0.43	0.30	0.24	0.30
Adjusted operating cash flow per share (1)	0.33	0.18	0.32	0.32
Net earnings (loss) per share				
- basic	0.30	(0.96)	0.10	(0.08)
- diluted	0.30	(0.96)	0.10	(0.08)

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

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

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

Commitments and Contractual Obligations

The Corporation has obtained various mineral rights in Canada, the United States, and Australia by staking claims and paying refundable security deposits. On these lands, certain expenditures are required on an annual basis from the date of license issuance in order to maintain the licenses in good standing, and for security deposits thereon. On or before the anniversary date of license issuance, and if the required expenditures are not met, the Corporation has the option of reducing claims on a property, posting a refundable security bond for the deficient amount or electing to allow title of the license to be cancelled. In aggregate, the Corporation is required to spend an additional $5,400,000 by December 31, 2022 of which $2,216,000 is required spending by partners, in order to maintain its existing licenses in good standing.

As at December 31, 2021 the following principal repayments for the Corporation's credit facilities are required over the next four calendar years:

In Thousands of Canadian Dollars	Term	Revolver	Total
2022	8,000	-	8,000
2023	8,000	-	8,000
2024	8,000	-	8,000
2025	24,000	68,710	92,710
	$ 48,000	$ 68,710	$ 116,710

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

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

Related Party Transactions

In Thousands of Canadian Dollars	Year ended December 31, 2021	Year ended December 31, 2020
Key management personnel and directors		
Salaries and benefits	$ 3,130	$ 3,160
Share-based compensation	2,656	2,005
Total	$ 5,786	$ 5,165

In Thousands of Canadian Dollars	Year ended December 31, 2021	Year ended December 31, 2020
General and adminstrative expenses billed from (to)		
Associates	$ 24	$ 24
Joint venture	110	(35)
Total	$ 134	$ 6

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.

Fair value measurements and valuation processes

If certain of the Corporation's assets and liabilities are measured at fair value, at each reporting date the Corporation 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 uses an income approach valuation methodology such as discounted cash flows and net present valuation calculations. When an income approach is not possible or the purchase is recent, the Corporation uses cost as a proxy for fair value.

The Corporation's joint venture holds investments in certain preferred shares (Note 6) that will (i) have the right to receive distributions based on a percentage of the gross revenues of the renewable assets associated with each investment and (ii) yield distributions in the form of royalty contracts on renewable energy projects at a future date. The joint venture also has the right to receive a gross revenue royalty until the estimated value of such royalties at the time of commercial operations achieve a minimum return threshold on the investment. The number of royalties to be granted is dependent on pricing, timing of permits, and construction timing of commercial operations, technology, size of the project and expected energy rates.

These investments are not traded in the active market and the fair value is determined using an income approach methodology and primarily using the discounted cash flow valuation of the expected portfolio of royalties to be granted. The valuations of these private equity investments can be sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Further information on unobservable inputs and related qualitative analysis are provided in Note 19. The Corporation records its share of these fair value changes through other comprehensive earnings.

New Accounting Policies

The Corporation has not adopted any new accounting policies during the year ended December 31, 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 December 31, 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 year ended December 31, 2021. There has been no change in the Corporation's internal control over financial reporting during the Corporation's year ended December 31, 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 December 31, 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 refer to the Corporation's Annual Information Form for a detailed listing of all risk factors as well consider the following risk factors.

Geopolitical Risk

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

COVID-19

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

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

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

Credit Facility and Associated Covenants

The Credit Facility is subject to certain restrictive conditions that limit the discretion of management with respect to certain business matters, including financial covenants that require the Corporation to meet certain financial ratios, financial condition tests and other restrictive covenants. A failure to comply with the obligations in the Credit Facility could result in a default which, if not cured or waived, could result in a termination of the Credit Facility. The Corporation monitors this risk by analysis of financial results and covenant calculations as well as ongoing communications with creditors.

Leverage Risk

The Corporation's degree of leverage could have adverse consequences for the Corporation, including: limiting the Corporation's ability to obtain additional financing for working capital, debt service requirements, acquisitions and general corporate or other purposes; restricting the Corporation's flexibility and discretion to operate its business; having to dedicate a portion of the Corporation's cash flows from operations to the payment of interest on its existing indebtedness and not having such cash flows available for other purposes including expenditures that are important to its growth and strategies; exposing the Corporation to increased interest expense on borrowings at variable rates; limiting the Corporation's ability to adjust to changing market conditions; and placing the Corporation at a competitive disadvantage compared to its competitors that have less debt. At December 31, 2021, the Corporation had debt of $115,173,000, cash of $100,021,000 including ARR's cash of $62,603,000, and public and private equities valued at $183,725,000 being mainly shares of LIORC and the publicly traded junior equities portfolio. In addition, the Corporation has outstanding $100,000,000 in 5% preferred securities owned by Fairfax. The Corporation mitigates risk associated with leverage by maintaining a level of debt that is conservative relative to the Corporation's yearly cash flows and level of cash and investments. The Corporation's net debt-to-EBITDA levels have declined significantly since 2016 reflecting growth in EBITDA and improving financial position. The Corporation continues to ensure that working capital requirements are maintained by budgeting, monitoring cash flow and ensuring capital allocation strategies are a priority.

Financial Instrument Risk

The Corporation's financial assets and financial liabilities are exposed to various risk factors that may affect the fair value presentation or the amount ultimately received or paid on settlement of its assets and liabilities. The Corporation manages these risks through prudent investment and business decisions, and, where the exposure is deemed too high, the Corporation may enter into derivative contracts to reduce this exposure. The Corporation does not utilize derivative financial instruments for trading or speculative purposes. Hedge accounting is applied only when appropriate documentation and effectiveness criteria are met.

A summary of the major financial instrument risks and the Corporation's approach to the management of these risks are highlighted below.

Credit risk

Credit risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. Credit risk arises from cash and cash equivalents, short-term investments and receivables. The Corporation closely monitors its financial assets, including the receivables from royalty operators who are responsible for remitting royalty income. The operators are established and reputable companies in the mining and mineral sector and as such management does not believe we have a significant concentration of credit risk.

The Corporation's cash and cash equivalents are held in fully segregated accounts and include only Canadian and US dollar instruments. The Corporation does not expect any liquidity issues or credit losses on these instruments.

Foreign currency risk

Certain royalty and streaming revenues are exposed to foreign currency fluctuations, which are denominated and paid in US dollars. The Corporation does not enter into any derivative contracts to reduce this exposure since the receivable is short-term in nature and the expected receivable amount cannot be predicted reliably. The Corporation has a portion of its debt and cash denominated in US dollars. The Corporation does not enter into any derivative contracts to reduce this exposure and has the ability to offset debt with certain US dollar revenues.

Liquidity risk

The Corporation believes that on a long-term basis its revenue generating assets and net working capital position will enable it to meet current and future obligations at the current level of activity. This conclusion could change with a significant change in the operations of the Corporation or as a result of other developments.

Other price risk

The value of the Corporation's mining and mineral related investments is exposed to fluctuations in the quoted market price depending on a number of factors, including general market conditions, company-specific operating performance and the market value of the commodities that the companies may focus on. The Corporation does not utilize any derivative contracts to reduce this exposure. Royalty interests are exposed to fluctuations in commodity prices as well as fluctuations in foreign currency, specifically the US dollar. The Corporation may be unable to sell its entire interest in an investment without having an adverse effect on the fair value of the security due to low trading volumes on some investments. The Corporation does not enter into any derivative contracts to reduce this exposure.

Interest rate risk

The Corporation has debt and is therefore exposed to interest rate risk on liabilities. The Corporation manages this risk by monitoring debt balances, entering into hedging transactions and making discretionary payments. The Corporation entered into a floating to fixed interest rate swap to manage the interest rate risk on a portion of its debt balance (December 2021 - $48 million). The Corporation's cash and cash equivalents may fluctuate in value depending on the market interest rates and the time to maturity of the instruments. The Corporation manages this risk by limiting the maximum term to maturity on invested funds or holding the investments to maturity.

Outstanding Share Data

At March 9, 2022 the Corporation had 41,178,833 common shares outstanding, 6,670,000 warrants outstanding and 874,380 stock options outstanding.

Non-GAAP Financial Measures

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

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

Attributable revenue

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

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

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

In Thousands of Canadian Dollars	Three months ended			
Attributable revenue	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Revenue				
Attributable royalty	$ 23,456	$ 20,808	$ 21,906	$ 17,760
Project generation	96	-	-	408
Attributable revenue	23,552	20,808	21,906	18,168
Adjust: joint venture revenue	(927)	(451)	(708)	(666)
IFRS revenue per consolidated financial statements	$ 22,625	$ 20,357	$ 21,198	$ 17,502
Attributable revenue per share	$ 0.57	$ 0.50	$ 0.53	$ 0.44

In Thousands of Canadian Dollars	Three months ended			
Attributable revenue	December 30, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Revenue				
Attributable royalty	$ 21,959	$ 16,229	$ 13,035	$ 16,279
Project generation	-	-	-	-
Attributable revenue	21,959	16,229	13,035	16,279
Adjust: joint venture revenue	(484)	(966)	(2,765)	(3,230)
IFRS revenue per consolidated financial statements	$ 21,475	$ 15,263	$ 10,270	$ 13,049
Attributable revenue per share	$ 0.53	$ 0.39	$ 0.31	$ 0.39

Adjusted operating cash flow

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

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

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

In Thousands of Canadian Dollars	Three months ended			
Adjusted operating cash flow	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Cash flow from operations	$ 15,539	$ 18,362	$ 5,332	$ 8,540
Adjust: cash received from joint ventures	338	540	498	270
Adjusted operating cash flow	$ 15,877	$ 18,902	$ 5,830	$ 8,810
Adjusted operating cash flow per share	$ 0.38	$ 0.46	$ 0.14	$ 0.21

In Thousands of Canadian Dollars	Three months ended,			
Adjusted operating cash flow	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Cash flow from operations	$ 10,179	$ 4,627	$ 10,139	$ 9,167
Adjust: cash received from joint ventures	3,341	2,703	3,239	4,061
Adjusted operating cash flow	$ 13,520	$ 7,330	$ 13,378	$ 13,228
Adjusted operating cash flow per share	$ 0.33	$ 0.18	$ 0.32	$ 0.32

Adjusted EBITDA

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

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

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

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

In Thousands of Canadian Dollars	Three months ended			
Adjusted EBITDA	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Earnings before income taxes	$ 4,234	$ 10,774	$ 16,478	$ 13,688
Addback(deduct):				
Amortization and depletion	6,295	6,191	5,603	4,824
Exploration and evaluation assets abandoned or impaired	-		2,889	-
Share based compensation	698	611	993	716
Interest on long-term debt	1,510	2,009	1,488	1,817
Realized gain on disposal of derivatives	(1,675)	(3,370)	(1,076)	-
Unrealized loss (gain) on fair value adjustment of derivatives	1,141	2,273	975	(4,224)
Dilution gain on issuance of shares in associates and joint venture	(1)	(206)	(15)	(358)
Share of (earnings) loss and impairment reversal in associates	(2)	-	165	(1,426)
Loss from joint ventures	(132)	189	190	133
LNRLP EBITDA (1)	497	346	512	504
GBR EBITDA (2)	(208)	(360)	(487)	(455)
Impairment of goodwill and royalty interests	6,031	-	-	-
Foreign exchange loss (gain)	(145)	690	(446)	(629)
Gain on disposal of mineral property	(495)	(2,247)	(1,962)	-
Gain on reclassification of associate	-	-	(7,595)	-
Adjusted EBITDA	$ 17,748	$ 16,900	$ 17,712	$ 14,590
Adjusted EBITDA per share	$ 0.43	$ 0.41	$ 0.43	$ 0.35
(1) LNRLP EBITDA				
Revenue	$ 628	$ 429	$ 653	$ 631
Mining taxes	(131)	(86)	(130)	(126)
Admin charges		3	(11)	(1)
LNRLP Adjusted EBITDA	$ 497	$ 346	$ 512	$ 504
(2) GBR EBITDA				
Revenue	$ 299	$ 22	$ 55	$ 35
Operating income (expenses)	(507)	(382)	(542)	(490)
GBR Adjusted EBITDA	$ (208)	$ (360)	$ (487)	$ (455)

In Thousands of Canadian Dollars	Three months ended			
Reconciliation to IFRS measures Adjusted EBITDA	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Earnings (loss) before income taxes	$ 16,308	$ (38,338)	$ 4,021	$ (1,019)
Addback(deduct):				
Amortization and depletion	5,787	4,939	3,408	3,915
Exploration and evaluation assets abandoned or impaired	-	-	10	70
Share based compensation	461	487	2,550	486
Interest on long-term debt	1,965	2,360	1,853	1,899
Gain on disposal of investments	(241)	(368)	-	-
Unrealized (gain) loss on fair value adjustment of derivatives	(1,613)	897	(2,162)	829
Dilution gain on issuance of shares in associates and joint venture	(290)	(2,634)	-	-
Share of (earnings) loss and impairment in associates	(136)	(36)	276	4,004
(Earnings) loss from joint ventures	152	(459)	(1,008)	(1,638)
LNRLP EBITDA (1)	280	330	70	99
Prairie Royalties EBITDA (2)	-	532	2,671	3,107
GBR EBITDA (3)	(171)	-	-	-
Impairment of royalty interests	530	45,617	-	-
Foreign currency (gain) loss	(1,622)	(901)	(1,641)	971
Gain on deconsolidation of subsidiary	(790)	-	-	-
Gain on disposal of royalty interest	(2,997)	-	-	-
Adjusted EBITDA	$ 17,623	$ 12,426	$ 10,048	$ 12,723
Adjusted EBITDA per share	$ 0.43	$ 0.30	$ 0.24	$ 0.30

(1) LNRLP EBITDA				
Revenue	$ 358	$ 434	$ 93	$ 127
Mining taxes	(71)	(87)	(19)	(25)
Admin charges	(7)	(17)	(4)	(3)
LNRLP Adjusted EBITDA	$ 280	$ 330	$ 70	$ 99

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

(3) GBR EBITDA				
Revenue	$ 126	$ -	$ -	$ -
Operating income (expenses)	(297)	-	-	-
GBR Adjusted EBITDA	$ (171)	$ -	$ -	$ -

Adjusted net earnings

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

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

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

In Thousands of Canadian Dollars	Three months ended			
Adjusted Net Earnings	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Net earnings attributable to common	$ 2,801	$ 9,947	$ 15,612	$ 11,663
Addback (deduct):				
Unrealized (gain) loss on fair value adjustment of derivatives	1,141	2,273	975	(4,224)
Foreign exchange (gain) loss	(145)	690	(446)	(629)
Impairment of royalty interest and goodwill	6,031	-	2,889	-
Realized gain on disposal of derivatives	(1,675)	(3,370)	(1,076)	-
Gain on disposal of mineral property	(495)	(2,247)	(1,962)	-
Debt extinguishment costs	-	654	-	-
Gain on equity investments and joint ventures [1]	-	-	(7,445)	(1,784)
Tax impact	273	440	993	1,097
Adjusted net earnings	$ 7,931	$ 8,387	$ 9,540	$ 6,123
Adjusted net earnings per share	$ 0.19	$ 0.20	$ 0.23	$ 0.15

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

In Thousands of Canadian Dollars	Three months ended			
Adjusted Net Earnings	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Net earnings (loss) attributable to common	$ 12,422	$ (39,923)	$ 4,186	$ (3,546)
Addback (deduct):				
Unrealized (gain) loss on fair value adjustment of derivatives	(1,613)	897	(2,162)	829
Foreign exchange (gain) loss	(1,622)	(901)	(1,641)	971
Impairment of royalty interest and goodwill	530	45,617	-	-
Gain on disposal of mineral property	(2,997)	-	-	-
(Gain) loss on equity investments and joint ventures [1]	(1,216)	(2,670)	276	4,000
Tax impact	1,908	537	767	(108)
Adjusted net earnings	$ 7,412	$ 3,557	$ 1,426	$ 2,146
Adjusted net earnings per share	$ 0.18	$ 0.09	$ 0.04	$ 0.05

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

Appendix 1 – Summary of Producing Royalties and Streaming Interests

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

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

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

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

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

EXPLORATION				
Property	Primary Commodity	Explorer or Developer	Royalty Basis	Status
Llano del Nogal (Mexico)	Copper	Orogen Royalties Inc.	1.5% NSR on PM; 1.0% NSR on BM	Early-stage exploration
Cuale (Mexico)	Copper	Orogen Royalties Inc.	1.5% NSR on PM; 1.0% NSR on BM	Early-stage exploration
Jupiter (Nevada)	Gold	Orogen Royalties Inc.	1.0% NSR	Early-stage exploration
Metastur (Spain)	Cobalt	Technology Metals (Asturmet Recursos S.L)	1.5% GSR	Exploration
Arcas (Chile)	Copper	AbraSilver Resource Corp.	0.98% GSR	Exploration
Copper Range (Michigan)	Copper	N/A	Option to acquire 1% NSR held by a third party	Exploration
Adeline Copper (Newfoundland)	Copper	87986 Newfoundland and Labrador Inc. (Chesterfield Resources Plc.)	1.6% GSR	Exploration
Central Mineral Belt (Labrador)	Copper, Uranium	Paladin Energy Ltd	2% NSR on all minerals except uranium	Exploration
Mythril (Quebec)	Copper, Gold	Midland Exploration Inc	1% NSR	Exploration
Cape Ray (Regional) (Newfoundland)	Gold	Cape Ray Mining Limited	2.0% NSR	Exploration
CMB (Labrador)	Gold	Labrador Uranium Inc.	2% GOR	Exploration
Elrond, Helm's Deep, Minas Tirith, Fangorn (Quebec)	Gold	Midland Exploration Inc	1% NSR	Exploration
Gibson (British Columbia)	Gold	Canex Metals Inc	Option to acquire a 1.5% NSR	Exploration
Golden Baie (Newfoundland)	Gold	Canstar Resources Inc.	2% NSR	Exploration
Golden Rose	Gold	Tru Precious Metals Corp	2% NSR	Exploration
Hermitage (Newfoundland)	Gold	Canstar Resources Inc.	2% NSR	Exploration
Moosehead (Newfoundland)	Gold	Sokoman Minerals Corp	2% NSR	Exploration

EXPLORATION (Continued)				
Property	Primary Commodity	Explorer or Developer	Royalty Basis	Status
Wilding Lake, Crystal Lake, Intersection (Newfoundland)	Gold	Canterra Minerals Corporation	2% NSR	Exploration
Iron Horse (Labrador)	Iron	Sokoman Minerals Corp	1% GSR; option to acquire additional 1.1% GSR	Exploration
Labrador West Iron Ore (Labrador)	Iron Ore	High Tide Resources Corp.	2.75% GSR on iron ore; 2.75% NSR on all other minerals	Exploration
Florence Lake (Labrador)	Nickel	Churchill Resources Inc.	1.6% GSR	Exploration
Moria (Quebec)	Nickel	Midland Exploration Inc	1% NSR	Exploration
Taylor Brook (Newfoundland)	Nickel	Churchill Resources Inc.	1.6% GSR	Exploration
Voyageur (Michigan)	Nickel	N/A	2% NSR	Exploration
Sail Pond (Newfoundland)	Silver, Copper	Sterling Metals Corp.	2% NSR	Exploration
Notakwanon (Labrador)	Uranium	Labrador Uranium Inc.	2% GOR	Exploration
Buchans (Newfoundland)	Zinc	Canstar Resources Inc	2% NSR	Exploration
Daniel's Harbour (Newfoundland)	Zinc	Canstar Resources Inc	2% NSR	Exploration
Kingscourt, Rathkeale, Fermoy (Republic of Ireland)	Zinc	South 32 Base Metals Ireland	2% NSR on each Project	Exploration
Lismore (Republic of Ireland)	Zinc	BMEx Ltd	2% NSR	Exploration
Midland (Ireland)	Zinc	BMEx Ltd	1% GSR	Exploration
Point Leamington (Newfoundland)	Zinc	Callinex Mines Inc.	2% NSR	Exploration
Shire (Quebec)	Zinc	Midland Exploration Inc	1% NSR	Exploration

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

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

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

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