
Altius Renewable Royalties Corp.

Audit Committee Charter

I. INTRODUCTION

1. The purpose of the Audit Committee (the “**Committee**”) is to assist the Board of Directors (the “**Board**”) of Altius Renewable Royalties Corp. (the “**Corporation**”) in fulfilling its oversight responsibilities of the Corporation’s Financial Reporting, which will be provided to shareholders of the Corporation and others, the systems of corporate financial controls which Management (as defined below) and the Board have established.
2. The Committee will oversee the Corporation’s External Audit processes including oversight of the Corporation’s External Auditor.
3. While the Committee has the responsibilities and powers set forth in this mandate, it is not the duty of the Committee to plan or conduct audits or to solely determine that the Corporation’s financial statements are complete and accurate and are in accordance with International Financial Reporting Standards (“**IFRS**”). Management is responsible for preparing the Corporation’s financial statements and the independent auditors are ultimately accountable to the Board and the Committee, as representatives of the Corporation’s shareholders.

II. DEFINITIONS

1. “**Management**” refers to the Officers of the Corporation, and the other members of the senior management team of the Corporation as may be determined from time-to-time by the Chief Executive Officer and communicated to the Board.
2. “**Officers**” refer to those employees and consultants who are appointed as officers by the Corporation.
3. “**Reports**” refers to all documents publicly filed on SEDAR, including but not limited to Audited Annual Financial Statements, Interim Financial Statements, Managements’ Discussion and Analysis for the respective periods, News Releases relating to the release of financial information, Annual Information Form, Compliance Certificates, and Material Change Reports.

III. DUTIES AND RESPONSIBILITIES

1. Financial Reporting

- (a) Review with Management and with the independent auditor as applicable the Reports prior to their public filing.
 - (i) Include in this review, discussions regarding their judgment on the quality, not just the acceptability, of significant accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements;



- (ii) Discuss the results of the review and any other matters required to be communicated to the Committee by the independent auditor under IFRS if a review engagement of the interim financial statements is requested by the Committee; and
 - (iii) Ensure the Corporation's compliance with legal and regulatory requirements relating to financial disclosure.
- (b) Review any new financial appointments to senior positions of the Corporation;
 - (c) Review reports from senior officers of the Corporation outlining any significant changes in financial risks facing the Corporation;
 - (d) Review all risk assessment reports prepared from time to time by Management to determine if risk assessments have been properly managed and if any issues need to be reported to the Board.
 - (e) Review any management letter or report of the external auditor and the Corporation's responses to suggestions made;
 - (f) Review interim and annual financial statements, interim and annual management discussions and analyses, all financial news releases, other documents containing audited or unaudited financial information, at its discretion, and report thereon to the Board before such documents are approved by the Board and disclosed to the public;
 - (g) Submit quarterly and annual financial statements to the Board for approval unless, in the case of any quarterly financial statements, the Board is unavailable or approval by them is impractical, all quarterly issues have been satisfactorily resolved and the Committee has approved them;
 - (h) Be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the discourse provided in this section 1(e);
 - (i) Review quarterly the expense reports of the Chief Executive Officer and the Chair;
 - (j) Review and approve of any related party transactions;
 - (k) Prepare and/or approve any report that is required by law or regulation to be included in any of the Corporation's public disclosure documents relating to the Committee; and
 - (l) any other matters defined or delegated by the Board.

2. External Audit

- (a) Recommend to the Board the external auditor, subject to the shareholders' approval, to be appointed for purposes of preparing or issuing an auditor's report or performing other audit reviews or attestation services;

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- (b) Ensure the external auditors report directly to the Committee on a regular basis;
 - (c) Review the terms of the external auditor's engagement, the appropriateness and reasonableness of proposed audit fees, and any issues relating to the payment of audit fees, and make a recommendation to the Board with respect to the compensation of the external auditor;
 - (d) Oversee the work of the external auditors of the Corporation with respect to preparing and issuing an audit report or performing other audit or review services for the Corporation, including the resolution of issues between senior executives of the Corporation and the external auditors
 - (e) Review the independence of the external auditor including the quarterly and annual reports prepared by the external auditor regarding its independence;
 - (f) Review any material written communications between senior executives of the Corporation and the external auditors and any significant disagreements between the senior executives and the external auditors;
 - (g) Discuss with the external auditors their perception of the Corporation's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks;
 - (h) Review the audit plan with the external auditor and discuss the overall scope and plans for the audit, including the adequacy of staffing and compensation;
 - (i) Review with the external auditor and Management any changes in IFRS that may be material to the Corporation's financial reporting; and
 - (j) Meet separately with the external auditor, with and without Management present, to discuss the results of the examinations and provide sufficient opportunity for the auditor to meet privately with members of the Committee.

3. Internal Procedures Review

- (a) Annually review with the external auditor and Management any internal procedures and control deficiencies identified for the past year; and
- (b) Annually review with the external auditor and Management any proposed internal procedures and control modifications for the coming year.
- (c) Review the adequacy and effectiveness of the Corporation's internal control and management information systems through discussions with senior executives of the Corporation and the external auditor relating to the maintenance of: (i) necessary books, records and accounts in sufficient detail to accurately and fairly reflect the Corporation's transactions; (ii) effective internal control over financial reporting; and (iii) adequate processes for assessing the risk of material misstatements in the financial statements and for detecting control weaknesses or fraud. From time to time

the Committee shall assess any requirements or changes with respect to the establishment or operations of the internal audit function having regard to the size and stage of development of the Corporation at any particular time.

- (d) Review and discuss the Corporation's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.
- (e) Review and make recommendations to the Board regarding, the adequacy of the Corporation's risk management policies and procedures with regard to identification of the Corporation's principal risks and implementation of appropriate systems and controls to manage such risks including an assessment of the adequacy of insurance coverage maintained by the Corporation.
- (f) Periodically review the Corporation's policies and procedures for reviewing and approving or ratifying related-party transactions.

4. **Risk Oversight**

In performing its duties and exercising its powers, the Committee shall consider and address the risks related to the establishment, maintenance and implementation of disclosure controls and procedures and internal control over financial reporting in relation to disclosure by the Corporation in accordance with applicable law. The Committee shall also provide oversight as to the risks assessed with each new investment according to the Board-approved risk criteria. The Committee shall review Management's procedures to assess compliance by the Corporation with its loan covenants and restrictions, if any.

5. **Financial Complaints Handling Procedures**

The Committee shall establish procedures for:

- (a) The receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
- (b) The confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

6. **Non-Audit Services**

Pre-approve all non-audit services to be provided to the Corporation or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its Members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

7. **Miscellaneous**

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- (a) Review and approve the Corporation's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of the Corporation.
 - (b) Perform any other matters referred to the Committee or delegated to it by the Board

8. Director Responsibilities and Performance

- (a) Committee Duties
 - (i) Act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonable and prudent person would exercise in comparable circumstances.
- (b) Committee Values
 - (i) Assist the Corporation to operate in compliance with all corporate policies and codes, and all laws and regulations governing the Corporation; and
 - (ii) Maintain strong financial reporting and control processes
- (c) Reliance on Experts
 - (i) Place appropriate reliance in good faith on reports that the financial statements of the Corporation represented to each member of the Committee by an Officer of the Corporation or in a written report of the external auditor present fairly the financial position of the Corporation in accordance with IFRS; and on any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

9. Access to Information and Authority to Retain Independent Advisors

- (a) The Committee shall be granted unrestricted access to all information regarding the Corporation that is necessary or desirable to fulfill its duties and all directors of the Corporation, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at the Corporation's expense, independent legal, financial, and other advisors, consultants and experts to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve their fees. The Committee shall select such advisors, consultants and experts after taking into consideration factors relevant to their independence from management and other relevant considerations.
- (b) The Committee shall discharge its responsibilities and shall assess the information provided by the Corporation's management and the external advisers, in accordance with its business judgment. Members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons and organizations from whom they receive information, and on the accuracy and completeness of the information provided. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more

onerous or extensive than the standard to which the directors are subject under applicable law.

- (c) The Committee also has the authority to communicate directly with internal and external auditors. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of the senior executives of the Corporation responsible for such matters and the external auditors. The Committee, the Chair and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Corporation, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Corporation's financial information or public disclosure. This Charter is not intended to change or interpret the constating documents of the Corporation or applicable law or stock exchange rule to which the Corporation is subject, and this Charter should be interpreted in a manner consistent with all such applicable laws and rules. Certain of the provisions of this Charter may be modified or superseded by the provisions of the investor rights agreement (the "**Investor Rights Agreement**"). In the event of a conflict between this charter and the Investor Rights Agreement, the Investor Rights Agreement shall prevail.
- (d) The Board may, from time to time, permit departures from the terms of this Charter, either prospectively or retrospectively. This Charter is not intended to give rise to civil liability on the part of the Corporation or its Directors or officers to shareholders, security holders, customers, suppliers, partners, competitors, employees or other persons, or to any other liability whatsoever on their part, subject to applicable law.

IV. OPERATION OF THE COMMITTEE

1. **Reporting**

The Committee shall report to the Board.

2. **Composition of Committee**

The Committee shall consist of not less than three directors; all Committee members shall be a director of the Corporation; no Committee member shall be an officer or

employee of the Corporation or any of the Corporation's subsidiary entities or affiliates; and all shall qualify as "independent" as defined in National Instrument 52-110 - *Audit Committees* and all shall satisfy the financial literacy requirements applicable to members of audit committees under NI 52-110 and other applicable laws and regulations.

3. **Appointment of Committee Members**

Members of the Committee shall be appointed at a meeting of the Board, typically held immediately after the annual shareholders' meeting, provided that any member may be removed or replaced at any time by the Board and shall in any event cease to be a member of the Committee upon ceasing to be a member of the Board.

4. **Vacancies**

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

5. **Chair of the Committee**

The Board shall designate the Chair of the Committee. The Chair shall have responsibility for overseeing that the Committee fulfills its mandate and its duties effectively. In the absence of the Chair of the Committee, the members will appoint an acting Chair.

6. **Secretary**

Unless the Committee otherwise specifies, the secretary of the Corporation will act as secretary of all meetings of the Committee.

7. **Committee Meeting**

(a) The Committee will meet at least quarterly (or more frequently as circumstances dictate) and meetings of the Committee shall be convened whenever requested by the external auditors or any member of the Committee in accordance with the *Business Corporations Act* (Alberta).

(b) Committee meetings may be held in person, by video-conference, by means of telephone or by any combination any of the foregoing.

8. **Notice of Meeting**

(a) Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by e-mail to each member of the Committee at least 48 hours prior to the time fixed for such meeting.

(b) A member may in any manner waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

9. **Quorum**

A quorum will be a majority of the members of the Committee present in person, by video-conference, by telephone or by a combination thereof.

10. **Attendance at Meetings**

- (a) The Chief Financial Officer is expected to be available to attend meetings, but a portion of every meeting can be reserved for in camera discussion without the Chief Financial Officer or any other member of Management, being present.
- (b) The Committee may by specific invitation have any officers or employees of the Corporation, legal counsel, advisors or other resource persons in attendance.
- (c) The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.
- (d) The external auditors are entitled to receive notice of every regular quarterly Committee meeting and to be heard and attend thereat at the Corporation's expense.

11. **Meeting Agenda**

Committee meeting agendas shall be set by the Chair of the Committee in consultation with Committee members, Management if appropriate, and the external auditor if appropriate.

12. **Minutes**

The Committee shall keep regular minutes of proceedings and shall cause them to be recorded in books kept for that purpose.

13. **Outside Advisors**

The Committee is empowered to engage and compensate any outside advisors as it deems advisable to permit it to carry out its duties, at the expense of the Corporation.

14. **In Camera Meetings**

As part of each meeting of the Committee at which it approves, or if applicable, recommends that the Board approve, the annual audited financial statements of the Corporation or at which the Committee reviews the interim financial statements of the Corporation, and at such other times as the Committee deems appropriate, the Committee shall hold in camera meetings, and shall also meet separately with each of the persons set forth below to discuss and review specific issues as appropriate:

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- (a) representatives of Management;
 - (b) the external auditor; and
 - (c) the internal audit personnel.

15. **Reporting to the Board**

The Committee, through its Chair, will report regularly to the Board, and in any event no less frequently than on a quarterly basis.

V. **COMMITTEE AUTHORITY AND RESOURCES**

1. Direct Channels of Communication –

The Committee shall have direct channels of communication with the Corporation’s internal and external auditors to discuss and review specific issues as appropriate.

2. Retaining and Compensating Advisors

The Committee, or any member of the Committee with the approval of the Committee, may retain at the expense of the Corporation such outside legal, accounting (other than the external auditor) or other advisors on such terms as the Committee may consider appropriate and shall not be required to obtain any other approval in order to retain or compensate any such advisors.

3. Funding

The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of compensation of the external auditor and any advisor retained by the Committee under Section V. 2 of this Charter.

4. Investigations

The Committee shall have unrestricted access to the personnel and documents of the Corporation and the Corporation’s subsidiary entities and shall be provided with the resources necessary to carry out its responsibilities.

VI. **REMUNERATION OF COMMITTEE MEMBERS**

1. Director Fees Only

No member of the Committee may accept, directly or indirectly, fees from the Corporation or any of its subsidiary entities other than remuneration for acting as a director or member of the Committee or any other committee of the Board.

2. Other Payments –



For greater certainty, no member of the Committee shall accept any consulting, advisory or other compensatory fee from the Corporation. For purposes of Section VI. 1, the indirect acceptance by a member of the Committee of any fee includes acceptance of a fee by an immediate family member or a partner, member or executive officer of, or a person who occupies a similar position with, an entity that provides accounting, consulting, legal, investment banking or financial advisory services to the Corporation or any of its subsidiaries.

VII. REVIEW AND EVALUATION OF COMMITTEE PERFORMANCE

It is the intention that this Charter shall reflect, at all times, all legislative and regulatory requirements applicable to the Committee. Accordingly, this mandate shall be deemed to have been updated to reflect any amendments to such legislative and regulatory requirements. The Committee shall review this Charter at least every two years to determine if further additions, deletions or amendments are required, and make recommendations to the Board for their approval. The Committee shall periodically assess its performance.

VIII. HISTORY

This Charter was:

- (a) Reviewed and approved by the Board on Aug 1 2023

Signed



Chair of the Board of Directors