ALTIUS MINERALS CORPORATION

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

Year ended December 31, 2018

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, 2018 and related notes. This MD&A has been prepared as of March 12, 2019.

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

Altius Minerals Corporation ("Altius" or the "Corporation") has two key elements to its long-term business strategy – the growth of a diversified portfolio of long-life royalty/streaming interests and the generation of high-quality exploration projects with the aim of converting these mineral title interests into royalties and public equity holdings. Both business components recognize the inherent cyclicity within the minerals sector as it relates to valuations and the extremes of capital availability and are therefore managed with contrarian discipline over full-cycle investment timeframes.

The Corporation's diversified direct and indirect royalties and streams generate revenue from 15 operating mines located in Canada (14) and Brazil (1), from copper, zinc, nickel, cobalt, potash, iron ore, thermal (electrical) and metallurgical coal and byproduct precious metals (see Appendix 1: Summary of Producing Royalties and Streaming Interests). The portfolio also includes development stage royalties in renewable energy, along with numerous pre-production stage royalties covering a wide spectrum of mineral commodities in various jurisdictions. Additional information on the status of these royalty interests is available in Appendix 2: Summary of Exploration and Pre-Development Stage Royalties of this MD&A.

The Corporation's mineral project generation portfolio is well diversified by commodity and geography and currently consists primarily of public equity holdings resulting from the vending out of its portfolio of exploration projects, most of which it had generated in the cyclical downturn from 2012-2016. In addition to the equity holdings generated from this project generation strategy, in 2018 the Corporation created 25 new pre-production stage royalties.

Operational and Business Overview

In 2017, the Corporation changed its year end to December 31 to better align its financial reporting periods with that of its royalty counterparties and their respective mine operations. This MD&A, and the accompanying consolidated financial statements, reflect the year ended December 31, 2018, the eight-month period ended December 31, 2017 and the year ended April 30, 2017.

Attributable royalty revenue of $67,047,000 for the year ended December 31, 2018 compares with $46,747,000 in the eight-month period ended December 31, 2017 and $46,028,000 in for the year ended April 30, 2017. Commodity prices were mixed during the year with lower base metal prices offset by stronger potash prices and higher iron ore quality differentials. Production volumes from most of our mine royalty exposures were higher with exceptions related to a labor disruption that lowered IOC production levels and continued declines at 777.

The Project Generation business vended 25 exploration projects in seven separate agreements during 2018. The Corporation's junior equities portfolio performed well despite relative weakness in the junior mining sector through 2018, ending the year with a market value of $54,400,000. This amount includes the market values of junior equities held (including Alderon and Adventus) but excludes the investments in Labrador Iron Ore Royalty Corporation and Lithium Royalty Corp that had values of $84,718,000 and $8,400,000, respectively. These are described further below.

Potash Acquisition

On March 23, 2018 the Corporation began reporting the results of operations and net assets of the Potash Royalty Limited Partnership ("PRLP") on a consolidated basis as a result of increased ownership. The Corporation, together with a private third party, acquired an additional 44.935% in PRLP from Liberty Metals & Mining Holdings LLC for net cash consideration of $65,000,000. This acquisition brings the Corporation's total interest in PRLP to 91.313% from its previous 52.369% ownership level. PRLP is the holder of six potash royalties including Nutrien Ltd.'s Rocanville, Allan, Cory, Patience Lake and Vanscoy mines and The Mosaic Company's Esterhazy mine, all based in Saskatchewan, Canada. The Corporation funded the acquisition by drawing on an existing credit facility.

Refinancing

On June 29, 2018 the Corporation amended its credit facility to refinance its term and revolver debt. At that time the current debt balance outstanding was $125 million which was transferred to an amended term facility with a maturity date of June 2023. In addition, the Corporation gained access to an additional $100 million revolving facility.

Concurrent with the refinancing, Altius entered into a floating-to-fixed interest rate swap to lock in the interest rate on $100 million of the term facility. This $100 million represents the portion of the term facility expected to be repaid through regular principal repayments of $5 million per quarter over the 5-year term, although additional repayments can be made at any time without penalty. The amount of the swap will decline in tandem with the scheduled term debt repayments over the five-year period. The Corporation expects the interest rate on the fixed portion of the debt to be approximately 5.45% per annum during the full term of the loan, with the remaining $25 million and the revolving facility initially carrying a 4.67% interest rate that will change in accordance with market interest rates.

Voisey's Bay Settlement

On September 14, 2018 the Corporation and Royal Gold Inc. ("Royal Gold") entered into an agreement with Vale Canada Limited and certain of its subsidiaries (collectively, the "Parties") to comprehensively settle litigation related to calculation of a royalty in respect of all concentrates produced from the Voisey's Bay mine in Newfoundland and Labrador, Canada. The Voisey's Bay 3% royalty is directly owned by the Labrador Nickel Royalty Limited Partnership ("LNRLP"), of which Altius is a 10% owner. The remaining 90% interest in LNRLP is owned by a subsidiary of Royal Gold. The Parties agreed to a clearer method for calculating the royalty in respect of concentrates processed at Vale's Long Harbour Processing Plant ("LHPP"), which will be effective for all Voisey's Bay mine production after April 1, 2018. The specific terms of the settlement are confidential.

On June 11, 2018 Vale announced it will commence a $1.7 billion development of an underground mine and associated facilities, which is expected to extend the Voisey's Bay mine life until at least 2034. LHPP is designed to produce 50,000 tonnes of finished nickel annually once it ramps up to full production.

Genesee Litigation

On November 23, 2018, Altius, through Genesee Royalty Limited Partnership ("Genesee LP"), of which Altius is indirectly the general partner, filed a suit in the Court of Queen's Bench of Alberta against the governments of Alberta and Canada. The suit claims $190 million in damages and describes actions that Altius believes were tantamount to expropriation of Genesee LP's royalty interest in the Genesee mine, which serves and is integrated with the Genesee power plant in Alberta, Canada. More particularly, the suit claims breach of legitimate expectations, an unlawful taking of Genesee LP's property and undue interference with its economic interests. Each defendant has filed a Statement of Defence, and pleadings are now closed. Subsequent to Altius' investment in the partnership, both Alberta and Canada announced policy and regulatory changes that will result in a discontinuance of coal-fired electrical generation at the Genesee power plant, and a cessation of coal royalty payments to Genesee LP, by 2030. The damage claim amount of $190 million is the estimated value of the portion of the royalty that has been taken as a result of those policy and regulatory changes and uses the same discount rate applied by the Province of Alberta in determining compensation to the operator of the Genesee power plant.

Excelsior

On December 4, 2018 Altius exercised an option to increase its gross revenue royalty ("GRR") related to the Excelsior Mining Corp. ("Excelsior") Gunnison Copper Project for $5 million. The option exercise was triggered upon delivery by Excelsior of a construction notice which in turn followed recent permitting and project finance completions. Altius now holds a 1.625% GRR while plant capacity is less than 75 million pounds of copper per annum and a 1.5% GRR while the plant capacity is greater than or equal to 75 million pounds of copper per annum. The Gunnison Copper Project is an in-situ leach operation, with annual initial plant capacity expected to be 25 million pounds (years 1-3), increasing to 75 million pounds (years 4-7) and eventually to full capacity of 125 million pounds per year. Excelsior has stated that it expects first production to occur in the fourth quarter of 2019.

Lithium Royalty Corp.

During the year ended December 31, 2018 the Corporation invested $6,486,000 in Lithium Royalty Corporation ("LRC"). LRC is a private company, of which Altius owns approximately 12% and holds one board seat, that has been established to pursue lithium related royalty opportunities.

As a founding investor and as consideration for providing ongoing technical support, the Corporation holds the right to participate in LRC royalty acquisitions on a 10% basis through a limited partnership. During the year ended December 31, 2018, the Corporation elected to participate in LRC's acquisition of the 1% gross overriding revenue royalty in the Tres Quebradas (3Q) Lithium Project to be developed by Neo Lithium Corp at a total cost of $1,916,000. An additional investment of $984,000 was made subsequent to year-end on February 20, 2019 to acquire 10% of the 1% gross overriding revenue royalty in the Grota de Cirilo Lithium Project to be developed by Sigma Lithium Resources.

Curipamba

Also, subsequent to year-end, on January 21, 2019 the Corporation entered into an agreement to acquire a 2% net smelter return ("NSR") royalty covering the Curipamba copper-gold-zinc project (the "Curipamba Project") from Resource Capital Fund VI L.P. and RCF VI SRL LLP (collectively, "RCF") for US$10,000,000. The Curipamba Project, located in central Ecuador, is a copper and gold rich polymetallic deposit being advanced under a 75:25 partnership between Adventus Zinc Corporation ("Adventus") and Salazar Resources Ltd. Altius currently holds 21.9% of the outstanding shares of Adventus.

Altius Renewable Royalties Corp.

On February 7, 2019 the Corporation, through its recently formed subsidiary, Altius Renewable Royalties Corp., announced its first renewable energy royalty transaction with a leading Texas-based wind energy developer, Tri Global Energy LLC ("TGE"). The Corporation will be entitled to a 3% GRR on each individual wind project developed until the number of royalties created reaches a target based on projected returns. Once this threshold is met, the royalty portfolio from this investment is expected to generate an estimated US$3 - 4 million in new annual royalty revenues. The Corporation has committed to investing, in tranches, a total of US$30 million over the next three years as TGE achieves certain advancement milestones. An initial investment of US$7.5 million was made upon closing. As part of this transaction, the Corporation acquired a private company, Great Bay Renewables Inc., for US$5 million. The management team from Great Bay Renewables are leading the continued evaluation of new renewable energy opportunities. As part of this acquisition, Altius also gained a paying royalty on the 4.7 MW Clyde River hydroelectric/solar facility located in Vermont.

LIORC

On February 5, 2019 Altius announced that the Corporation's management representatives met with the CEO and a Director of Labrador Iron Ore Royalty Corporation ("LIORC"). Recent communications from LIORC concerning an intention to seek an amendment to its Articles of Incorporation had created uncertainty within Altius relating to continuity of its mandate to serve as a passive flow-through vehicle for royalties and equity dividends of Iron Ore Corporation of Canada ("IOC"). Altius' investment in LIORC is predicated upon LIORC adhering to a commitment to serve as a passive flow-through vehicle for such royalties and equity dividends. On February 27 the Corporation announced that during a constructive meeting held with representatives of LIORC, it received positive assurances that LIORC no longer intends to pursue changes to its current Articles or its passive flow-through mandate and that it will maintain adherence to its policy of paying dividends to the maximum extent possible. A special dividend was subsequently announced by LIORC on March 7. Prior to the meeting Altius responded to an invitation to provide the board of LIORC with details of an analysis it completed that examined the potential merits of segregating its IOC equity and royalty interests.

Royalties

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

IN THOUSANDS OF CANADIAN DOLLARS

Summary of attributable royalty revenue	Three months ended December 31, 2018	Two months ended December 31, 2017	Variance	Year ended December 31, 2018	Eight months ended December 31, 2017	Variance
Revenue						
Base metals						
777 Mine	$ 2,855	$ 2,293	$ 562	$ 11,275	$ 9,168	$ 2,107
Chapada	3,942	3,213	729	16,992	11,640	5,352
Voisey's Bay	622	-	622	973	-	973
Metallurgical Coal						
Cheviot	859	309	550	3,227	1,466	1,761
Thermal (Electrical) Coal						
Genesee	1,171	1,072	99	5,922	4,372	1,550
Paintearth	61	47	14	433	184	249
Sheerness	1,292	587	705	5,516	3,978	1,538
Highvale	540	310	230	1,248	931	317
Potash						
Cory	253	66	187	674	245	429
Rocanville	1,946	863	1,083	8,882	3,107	5,775
Allan	166	14	152	676	219	457
Patience Lake	135	60	75	222	93	129
Esterhazy	1,161	2,903	(1,742)	3,410	3,640	(230)
Vanscoy	71	19	52	191	59	132
Lanigan	5	-	5	10	2	8
Other						
Iron ore [(1)]	2,097	1,733	364	5,911	6,116	(205)
Coal bed methane	240	160	80	659	761	(102)
Interest and investment	199	61	138	826	766	60
Attributable royalty revenue	$ 17,615	$ 13,710	$ 3,905	$ 67,047	$ 46,747	$ 20,300

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

[(1)] LIORC dividends received

Summary of attributable production and average prices	Three months ended December 31, 2018		Two months Ended December 31, 2017		Year ended December 31, 2018		Eight months ended December 31, 2017	
	Tonnes	Average price	Tonnes	Average price	Tonnes	Average price	Tonnes	Average price
Chapada copper [(3)]	473	US$2.90/lb	370	US$3.03/lb	2,014	US$2.96/lb	1,416	US$2.93/lb
777 copper [(4)]	3,893	US$2.80/lb	3,348	US$3.13/lb	12,635	US$2.96/lb	11,095	US$2.86/lb
777 zinc [(4)]	7,393	US$1.19/lb	8,991	US$1.53/lb	36,384	US$1.33/lb	33,035	US$1.39/lb
Potash [(5,6,8)]	414,837	$358/tonne	168,437	$306/tonne	1,649,608	$335/tonne	654,068	$299/tonne
Metallurgical coal [(7)]	90,101	$235/tonne	34,062	$214/tonne	318,408	$247/tonne	181,326	$214/tonne
Thermal (electrical) coal [(2,5)]	764,461	N/A	356,384	N/A	2,952,812	N/A	2,138,681	N/A

(1) Average prices are in CAD unless noted

(2) Inflationary indexed rates

(3) Copper stream; quantity represents actual physical copper received

(4) 4% NSR; production figures shown represent 100% of production subject to the royalty

(5) Various production royalties; quantities represent tonnes subject to the royalties at each respective mine (royalty tonnes only)

(6) Reflects updated potash pricing on retroactive adjustment from Mosaic pertaining to Esterhazy mine

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

(8) 2018 tonnes reflect 100% of volumes since March 23, 2018 acquisition of PRLP from Liberty, prior tonnes reported at 52.369%

Due to the change in fiscal year-end, the comparatives are not representative of equivalent reporting periods and as such, have greater variances. See Appendix 3 for financial information on the eight month period ended December 31, 2017 compared to the year ended April 30, 2017.

Chapada Copper Stream

Our stream on copper production from the Chapada mine continued to benefit from improved production volumes and stable copper prices for all periods. On February 14, 2019 Yamana Gold Inc. announced that the Chapada mine was maintaining its 2019-2020 copper production guidance at approximately 120 million pounds and gave guidance for 2021 at the same level. Yamana has also disclosed that they are completing studies and evaluations of various expansion and development opportunities at Chapada. Yamana's most recent NI 43-101 Report dated March 21, 2018 also indicated further growth of resources of approximately 40%.

During the year ended December 31, 2018 the Corporation adopted IFRS 15 Revenue from Contracts with Customers ("IFRS 15") and as a result has reassessed the point of control transfer relating to its Chapada mine copper stream and has changed its revenue recognition policy. The comparative 2017 periods are reported under IAS 18 Revenue.

Saskatchewan Potash Royalties

Revenue and volumes from our six producing potash mining operations in Saskatchewan were approximately 10% and 16% lower than those recorded in the third quarter of 2018 as a result of scheduled maintenance turnaround at Rocanville. It should be noted further that much of the increased volume and revenue indicated in the tables above can be attributed to the acquisition of additional royalty interests during the year that then multiplied by overall combined mine portfolio volume increases and potash price improvements. Royalty revenue from Esterhazy in the two months ended December 31, 2017 included a one-time retroactive pricing adjustment of $2,600,000 which accounts for the significant variance between the current 2018 quarter and its comparable two month period in 2017.

Metallurgical Coal Royalty

The Corporation's royalty on Teck Resources Limited's ("Teck") Cheviot (or Cardinal River) metallurgical coal mine is based upon both sales volumes and realized commodity prices, net of certain costs. Annualized volumes showed significant improvement during the year from the period ended December 31, 2017 while prices were also firmer.

Teck invested approximately $7.5 million during 2018 to evaluate the potential MacKenzie Redcap mine development detailed design study at Cardinal River operations. The MacKenzie Redcap development has the potential to supply approximately 1.8 million tonnes of steelmaking coal production per year and to extend production at Cardinal River to approximately 2027.

Alberta Electrical Coal Royalties

The Corporation receives tonnage-based royalties from four thermal coal mining operations that provide fuel to 15 individual electrical generating units in Alberta, Canada. Royalties for the periods are calculated based upon production tonnages multiplied by royalty rates that vary both by mine and, in some cases, production areas within individual mines. Royalty rates also adjust annually in accordance with Canadian GDP indices but do not fluctuate with spot thermal coal price changes. Production volumes during the year continued at stable levels consistent with prior periods.

On October 9, 2018 Westmoreland Coal Company ("Westmoreland") announced it has entered into a restructuring support agreement with members of an ad hoc group of lenders and filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the US Bankruptcy Court. Westmoreland's Canadian entities (Westmoreland Canada) are excluded from these voluntary petitions, and their Canadian operations are currently unaffected by the U.S. actions. On March 4, 2019, Westmoreland announced that the United States Bankruptcy Court for the Southern District of Texas, Houston Division approved the going-concern sale of its assets pursuant to its Chapter 11 plan. Westmoreland has indicated that it expects to complete transactions associated with its financial restructuring and emerge from Chapter 11 protection by the end of the first quarter 2019.

Iron Ore

Altius has increased its holding of the issued and outstanding shares of Labrador Iron Ore Royalty Corporation ("LIORC") from 4.92% to 5.46% from December 31, 2017 to December 31, 2018 and to approximately 6.3% subsequent to year end. LIORC operates as a passive flow-through vehicle for proceeds from a 7% gross overriding royalty and 15.1% equity position in the Iron Ore Company of Canada ("IOC") operations in Labrador, Canada. During the year, IOC announced the start-up of the new Moss pit following a $79 million investment in the Wabush 3 project. The new pit will help IOC ramp up its annual production capacity, extend the life of operations and reduce operating costs.

777 Copper-Zinc-Gold-Silver Royalty

777 revenues are fairly consistent with eight months ended December 31, 2017 and year ended April 30, 2017. Copper and zinc prices have offset grade and recovery declines. Earlier this year, HudBay commented that it now expects a slight extension to the remaining mine life at the 777 mine to the end of 2021 based upon a revised mine plan.

Voisey's Bay Nickel-Copper-Cobalt Royalty

As a result of the settlement with Vale, royalty revenue from the Voisey's Bay royalty has resumed, with $973,000 in recorded revenue for the year ended December 31, 2018.

In 2018, Vale announced it will commence the $1.7 billion development of an underground mine and associated facilities, which is expected to extend the Voisey's Bay mine life to at least 2034. Vale expects the underground mine to begin production in 2021 and to ramp up over four years, while the current open pit mining in the Ovoid deposit is expected to progressively decommission through 2022. Vale estimates Voisey's Bay mineral reserves at 32.4 million tonnes with a nickel grade of 2.13%, a copper grade of 0.96%, and a cobalt grade of 0.13% as of December 31, 2017. Altius believes that the potential for further resource growth at Voisey's Bay, based upon both exploration and future commodity price based cut-off grade adjustments, is excellent.

Pre-Production Royalties & Junior Equities Portfolio Highlights

Altius has a mineral exploration business ("Project Generation") that specializes in the generation of exploration projects for vend-out to junior and senior mining companies or the spin-out of new public companies. The Project Generation ("PG") team operates in high-quality mining jurisdictions around the world executing a disciplined program of low-cost project origination combined with further project advancement and marketing. The counter-cyclical, long-term mandate of this business is to provide low-cost option value to shareholders in the form of newly created royalties and public equity interests. From 2012-2016 the PG segment generated numerous exploration projects around the world covering the commodities spectrum. Since the commodities sector turned more positive in mid-2016 the Corporation began to sell its projects to third parties and/or create new companies to fund and advance the portfolio in general. As a result of this strategy Altius has vended a total of 57 projects resulting in the generation of significant equity and/or royalty interests.

During the year ended December 31, 2018 the Project Generation business recorded revenues of $1,353,000 (December 31, 2017- $654,000, April 30, 2017 - $337,000) relating to interest, third party agreements and management fees. This is not inclusive of the proceeds of any sales from the equity portfolio attributed to the Project Generation business.

Advanced Project Stage Investments

Alderon

On March 22, 2018 the Corporation acquired an additional 18,797,454 common shares of Alderon Iron Ore Corp. ("Alderon") (TSX:IRON) from Liberty for $5,075,000, increasing its ownership interest by 14.1%.

On September 26, 2018 Alderon announced the results of an updated feasibility study on its flagship Kami Iron Ore Project ("Kami") in Western Labrador, which confirmed the strong economics of the project based on its ability to produce a premium-quality iron ore concentrate with high iron content and ultra-low impurities. Based on the updated feasibility study, mine life is expected to be 23 years. Alderon is now focusing on completing financing for Kami and has recently appointed Scotiabank as its financial advisor with respect to strategic transactions and equity and debt financing for the construction and commissioning of Kami.

Altius is a significant shareholder of Alderon holding 52,526,206 or 37.98% shares and a 3% gross sales royalty ("GSR") on the Kami project. On July 12, 2018 the Corporation participated in a US$14 million credit facility provided by Sprott Resource Lending by providing US$2,000,000 (CAD$2,625,000) to Alderon and received 687,290 common shares. The Sprott credit facility is secured, bears interest at 10% per annum, payable monthly and matures on December 31, 2019.

Adventus

Adventus (TSX:ADZN), in which Altius held 15,548,861 shares or a 21.9% share position at December 31, 2018, continued to deliver strong infill drilling results from the El Domo copper and gold rich polymetallic VMS deposit at its Curipamba project in Ecuador, which it intends to incorporate into an updated resource estimate and preliminary economic assessment ("PEA") study in early 2019. A total of 12,608 metres of infill drilling was completed at El Domo in 2018 on the open-pit constrained Mineral Resource. Recently announced drill hole assay result highlights include hole CURI-326 which intersected 17.88 metres of 4.45% copper, 5.04 g/t gold, 2.09% zinc, 94.6 g/t silver, and 0.27% lead; CURI-336 which intersected 24.02 metres of 5.41% copper, 6.40 g/t gold, 2.68% zinc, 58.6 g/t silver, and 0.15% lead; and CURI-300 which intersected 21.10 metres of 5.49% copper, 3.94 g/t gold, 2.77% zinc, 42.3 g/t silver, and 0.19% lead.

On July 17, 2018 Adventus also announced the closing of a $9,200,000 financing with Wheaton Precious Metals Corp.

Champion

During the year, Champion Iron Limited ("Champion") (TSX: CIA) successfully restarted the Bloom Lake mine and began selling its iron ore concentrate product. Champion is expecting to produce 7.4 million tonnes per year of high grade and premium quality iron ore concentrate during its predicted 21-year mine life. On December 31, 2018 Altius exercised its option to convert its $10 million, 8% debenture into Champion common shares at a conversion price of $1.00 per share. Champion is currently evaluating the feasibility of doubling production capacity from its current level of 7.5 million tonnes of high-grade 66 per cent iron concentrate at the Bloom Lake mine. Subsequent to year end Altius sold 5 million common shares or half of its Champion ownership position.

Allegiance

On September 13, 2018 Allegiance Coal Limited (ASX:AHQ) ("Allegiance") announced a private placement raising A$2.4 million with proceeds largely directed toward completion of a definitive feasibility study and permitting and filed a formal project description with the BC provincial regulator. On November 5, 2018 Allegiance announced the signing of a binding agreement with Itochu Corporation of Japan ("Itochu") for investment and the formation of a joint venture which will provide financing and sales agent commitments for the development of the Tenas Pit, one of three open pits comprising the Telkwa Metallurgical Coal project. Itochu completed tranche 1 by investing C$1.5 million in consideration for 5.3% of the share capital in Telkwa Coal Limited ("TCL"). The first phase of development targets a production rate of 750,000 saleable tonnes of metallurgical coal over a mine life of approximately 22 years.

Altius owns 55,208,376 common shares, representing approximately 14% of the outstanding common shares of Allegiance, and a sliding-scale GSR covering the Telkwa project that ranges between 1.5% and 3% depending upon benchmark coal prices. The current agreement also entitles Altius to further share payments from Allegiance at various milestones in its planned development of the project.

Exploration Stage Investments

During the year ended December 31, 2018 the Corporation continued to grow its investment portfolio of exploration stage companies through market appreciation, direct investment and vending of projects. Altius optioned or sold 25 properties by way of seven transactions during the year. On each transaction, the Corporation retained a royalty to add to its pipeline of development stage royalties.

These transactions yielded total sales proceeds of $1,200,000 during the year. The Corporation also invested $4,500,000 directly into various existing portfolio and newly added junior companies.

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

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

Readers are encouraged to visit the corporate website at www.altiusminerals.com to gain added insight into the exploration activities and projects of the Corporation.

Outlook

Altius expects to receive $67,000,000 to $72,000,000 as attributable royalty revenue for 2019, calculated using spot commodity prices at the beginning of the year and incorporating information received from mine operators with regard to expected production volumes (where provided) or assumptions based upon historical production rates and other publicly available information.

Base metal production volumes, including specifically those at 777 and Chapada, are expected to be consistent with 2018, although prices have improved somewhat during the first quarter of 2019. We do not expect a meaningful impact from Gunnison in 2019 and while we will benefit from a full year of royalty exposure at Voisey's Bay we expect subdued production levels while underground mine construction proceeds.

IOC is expected to continue to benefit from increasing production volumes and related unit cost reductions while also experiencing continued strong market demand and pricing for its high-quality iron ore concentrates and pellets. Recent events related to tailings dam collapse in Brazil have caused supply uncertainties and resulted in higher than anticipated prices during the past month. Altius has additional exposure to iron ore in the Labrador Trough through its investments in Champion and Alderon.

Forecasts for global potash volume growth remain positive and our portfolio production volumes have been ramping up accordingly. In addition, producer rationalization of production to low cost and recently expanded operations such as Rocanville and Esterhazy is expected to continue to be positively reflected in our attributable royalty volumes, given our higher weighted exposure to these lower cost operations.

Alberta thermal coal-fired electricity generation demand remains consistent and near capacity at the Genesee and Sheerness facilities while decreased electrical output utilization continues at higher cost operations such as Paintearth. The operating utility companies continue to consider options regarding the potential for and timing of gas based conversion of their various coal fired plants. At present, this predominantly seems to involve building in optionality around co-firing of the generating units to allow additional flexibility to choose the most cost advantageous fuel option, considering factors such as relative pricing and carbon taxes. Meanwhile Altius will continue to advance litigation against the governments of Alberta and Canada related to the effective expropriation of its royalties after 2030 while also continuing to add replacement renewable energy based royalties to its portfolio.

The Corporation added royalty exposure to the growing global electrification trend by closing its first renewable energy royalty acquisition subsequent to year-end. The strategic objective of converting our legacy portfolio of relatively short life Alberta electrical coal generation royalties into long-life, clean electricity generation royalties continues to advance.

In addition, the Corporation expects to work closely with the management teams of its various junior equity portfolio investment companies by providing technical and various other supports where helpful.

Selected Annual Information

IN THOUSANDS OF CANADIAN DOLLARS (except per share amounts)

	Year ended December 31, 2018	Eight months ended December 31, 2017	Year ended April 30, 2017
Revenue			
Attributable royalty	$ 67,047	$ 46,747	$ 46,028
Project generation	1,353	654	337
Attributable revenue (1)	68,400	47,401	46,365
Adjust: joint venture revenue	(19,165)	(17,144)	(21,168)
IFRS revenue per consolidated financial statements	49,235	30,257	25,197
Net earnings (loss)	$ 1,938	$ 18,218	$ (65,006)
Net earnings (loss) per share, basic and diluted	0.03	0.42	(1.50)
Total assets	558,981	534,202	420,445
Total liabilities	174,720	134,077	104,979
Cash dividends declared & paid to shareholders	6,899	4,323	5,204

** See non-IFRS measures section for definition and reconciliation*

Attributable revenue continues to grow as a result of many factors, including increased royalty ownership in our potash portfolio; Chapada copper stream production growth; potash mine capacity additions; improved or stable commodity prices relating to copper, zinc, gold and silver; significant positive increases in metallurgical coal prices; and increased iron ore exposure on dividend income related to the addition of shares of LIORC that are held by the Corporation.

Net earnings in the year were positively affected by growing royalty income net of operating expenses but negatively affected by unrealized losses on the Corporation's derivatives, and equity-accounting for Adventus and Alderon, along with $1.8 million in impairment relating to goodwill on the Callinan Royalties acquisition in 2015 as a result of the impending mine closure in 2021, $9.0 million in impairment on the Sheerness West exploration stage royalty interest and $3.5 million in impairment on the Genesee royalty interest (included in the earnings from joint venture).The net loss for the year ended April 30, 2017 included an impairment charge on the Corporation's Genesee royalty of $72,001,000 (included in the loss from joint ventures)..

Total assets have increased in each of the periods noted as a direct result of a series of acquisitions by the Corporation, the issuance of preferred securities to Fairfax and overall market appreciation and growth of our equity portfolio.

The Corporation's liabilities have increased reflecting an increase in debt, long term staged payment liability to McChip, and higher taxes payable as a result of income growth and deferred taxes related to the preferred securities.

Results of Operations

IN THOUSANDS OF CANADIAN DOLLARS

Revenue	Three months ended December 31, 2018	Two months ended December 31, 2017	Three months ended April 30, 2017	Year ended December 31, 2018	Eight months ended December 31, 2017	Year ended April 30, 2017
Attributable royalty	$ 17,615	$ 13,710	$ 13,378	$ 67,047	$ 46,747	$ 46,028
Project generation	297	283	75	1,353	654	337
Attributable revenue*	$ 17,912	$ 13,993	$ 13,453	$ 68,400	$ 47,401	$ 46,365
Adjusted EBITDA	$ 13,383	$ 10,967	$ 10,260	$ 52,990	$ 38,225	$ 34,711
Net earnings (loss)	(12,381)	6,978	(960)	1,938	18,218	(65,006)
Adjusted operating cash flow*	9,776	2,004	6,965	34,721	23,541	26,246

** See non-IFRS measures section for definition and reconciliation*

Due to the change in fiscal year-end, the comparatives are not representative of equivalent reporting periods and as such, have greater variances.

Altius had attributable revenue (see non-IFRS measures) of $17,912,000 and $68,400,000 for the three and twelve month periods ended December 31, 2018 compared to $13,993,000 and $47,401,000 for the two and eight month periods ended December 31, 2017 and $13,453,000 and $46,365,000 for the three and twelve month periods ended April 30, 2017 reflecting pricing and volume improvements. Adjusted EBITDA was impacted by positive changes to revenues and partially offset by costs and expenses discussed below.

The Corporation recorded net earnings (loss) per share to common shareholders of ($0.29) and $0.03 for the quarter and year ended December 31, 2018 compared to $0.17 and $0.42 for the two and eight months ended December 31, 2017 and ($0.02) and ($1.50) for the three and twelve months ended April 30, 2017.

Costs and Expenses

IN THOUSANDS OF CANADIAN DOLLARS

Costs and Expenses	Three months ended December 31, 2018	Two months ended December 31, 2017	Variance	Year ended December 31, 2018	Eight months ended December 31, 2017	Variance
General and administrative	$ 2,749	$ 1,662	$ 1,087	$ 8,552	$ 4,403	$ 4,149
Cost of sales - copper stream	1,152	942	210	4,971	3,429	1,542
Share-based compensation	327	233	94	1,902	1,043	859
Generative exploration	58	105	(47)	177	342	(165)
Exploration and evaluation assets abandoned or impaired	195	128	67	784	597	187
Mineral rights and leases	89	43	46	574	266	308
Amortization and depletion	3,495	2,558	937	14,589	9,844	4,745
	$ 8,065	$ 5,671	$ 2,394	$ 31,549	$ 19,924	$ 11,625

Due to the change in fiscal year-end, the comparatives are not representative of equivalent reporting periods and as such, have greater variances. See Appendix 3 for financial information on the eight month period ended December 31, 2017 compared to the year ended April 30, 2017.

General and administrative expenses for the quarter and year to date were higher than the prior year comparable periods. This is largely due to increased professional and consulting fees which related to our recent potash royalty acquisition, the pursuit of other royalties including several that completed subsequent to year end and the vending of exploration projects and it is also reflective of the longer reporting period in the current year.

Variances on cost of sales relate to the Chapada copper stream and is proportionate with the increase in copper stream revenue over the same periods. Amortization and depletion are higher for the current quarter and year to date in comparison to the two and eight months ended December 31, 2017 and are consistent with higher production volumes during the longer period.

Exploration and evaluation assets abandoned or impaired are comparable for the year ended December 31, 2018 and eight months ended December 31, 2017. During the three months and year ended April 30, 2017 there were impairments of thermal coal exploration projects in Alberta of $2,112,000 and $4,112,000 respectively.

IN THOUSANDS OF CANADIAN DOLLARS

	Three months ended December 31, 2018	Two months ended December 31, 2017	Variance	Year ended December 31, 2018	Eight months ended December 31, 2017	Variance
Earnings (loss) from joint ventures	$ (566)	$ 6,323	$ (6,889)	$ 10,389	$ 13,952	$ (3,563)
Gain on disposal of investments	-	753	(753)	92	2,477	(2,385)
Interest on long-term debt	(2,038)	(765)	(1,273)	(7,974)	(3,456)	(4,518)
Foreign exchange gain	642	100	542	347	722	(375)
Dilution gain on issuance of shares by associate	257	-	257	2,282	-	2,282
Share of (loss) in associates	(1,390)	(351)	(1,039)	(1,556)	(1,194)	(362)
Gain (loss) on derivative financial instruments	(4,098)	3,235	(7,333)	(4,440)	3,863	(8,303)
Impairment on goodwill	(10,810)	(3,157)	(7,653)	(10,810)	(3,157)	(7,653)
Income tax expense (recovery)	(319)	1,985	(2,304)	4,078	5,313	(1,235)

Due to the change in fiscal year-end, the comparatives are not representative of equivalent reporting periods and as such, have greater variances. See Appendix 3 for financial information on the eight month period ended December 31, 2017 compared to the year ended April 30, 2017.

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

- Effective March 23, 2018 the Corporation began reporting PRLP's revenue and costs on a 100% basis within the statement of earnings on a consolidated basis instead of earnings in joint venture as was explained in the *Operational and Business Overview* section above. This resulted in lower earnings from joint venture for the current quarter and on an annualized basis. Earnings in joint venture was substantially lower for the period ended April 30, 2017 due to an impairment of the Genesee royalty interest.
- Gain on disposal of investments was lower for the current quarter and year to date than the periods ending December 31, 2017 and April 30, 2017 due to the adoption of IFRS 9 on January 1, 2018, whereby gains and losses are recognized in other comprehensive earnings permanently and no longer through profit and loss.
- Interest on long-term debt was in line with interest recorded in April 30, 2017 but higher for the current quarter and year to date than the year-ago period as a result of additional debt drawn down to finance the acquisition of the Liberty Potash Royalties as well as $812,000 (December 31, 2017 - $nil, April 30, 2017 - $1,875,000) in costs pertaining to previous credit facilities which were expensed during the year after the extinguishment of prior debt.
- The share of loss in associates was higher than the amounts recorded in the prior year period but lower than the periods ended April 30, 2017 as the Corporation recorded its share of losses related to its equity accounted shareholdings in Alderon and Adventus. The Corporation recorded a dilution gain of $2,282,000 (December 31, 2017 - $nil, April 30, 2017 – 762,000). The current year's dilution gain was primarily the result of a private placement completed by Adventus where Adventus issued 10,266.925 common shares at $0.90 per share and also issued 3,804,348 shares as part of an exploration alliance.
- The Corporation recorded goodwill and royalty interest impairment of $10,810,000 (December 31, 2017 - $3,157,000, April 30, 2017 - $nil). The amount includes a $9,000,000 impairment charge on the Sheerness West exploration stage royalty interest and a $1,810,000 goodwill impairment charge relating to the 777 mine.
- An unrealized loss on the fair value of derivatives was recorded for the current quarter and year to date compared to a gain in the previous eight months and the year ended April 30, 2017 which included the revaluation of the Champion convertible debenture prior to conversion and share purchase warrants which were impacted by the share price volatility in the junior mining sector.
- The increase in the current year income tax expense over the prior year is directly related to the increased earnings.

Cash Flows, Liquidity and Capital Resources

IN THOUSANDS OF CANADIAN DOLLARS

Summary of Cash Flows	Year ended December 31, 2018	Eight months ended December 31, 2017	Year ended April 30, 2017
Operating activities	$ 15,375	$ 12,533	$ 6,235
Financing activities	29,043	56,558	66,332
Investing activities	(78,008)	(41,939)	(47,314)
Net (decrease) increase in cash and cash equivalents	(33,590)	27,152	25,253
Cash and cash equivalents, beginning of period	61,982	34,830	9,577
Cash and cash equivalents, end of period	$ 28,392	$ 61,982	$ 34,830

Due to the change in fiscal year-end, the comparatives are not representative of equivalent reporting periods and as such, may have greater variances.

Operating Activities

Year-over-year increased royalty and stream revenue contributed to higher cash flows from operations during the year ended December 31, 2018, as described in the Annual Operational and Business Overview section. These cash flows were partially offset by higher income taxes paid, based on timing of payments and higher earnings.

Financing Activities

During the year ended December 31, 2018 the Corporation completed an additional draw-down of $65 million on its existing term and revolver debt which was used to fund the Liberty Potash Royalties acquisition referred to in the Operational and Business Overview section above.

On June 29, 2018 the Corporation amended its existing credit facility to refinance its existing term and revolver debt. The current debt balance outstanding of $125 million was transferred to a new term facility with a maturity date of June 2023 (five years). In addition, the Corporation gained access to a $100 million revolving credit facility. The Corporation incurred costs on the amendment of its existing credit facility of $2,595,000. A total of $141,183,000 (December 31, 2017 - $12,518,000, April 30, 2017 - $24,929,000) was repaid on the previous and amended credit facilities in the year ended December 31, 2018.

A distribution on the Corporation's preferred securities of $4,931,000 (December 31, 2017 - $928,000) was also paid during the year ended December 31, 2018. The Corporation closed three tranches of preferred securities in the eight months ended December 31, 2017 for net proceeds of $74,511,000.

The Corporation paid $816,000 (December 31, 2017 - $nil) to a non-controlling interest, directly related to the Liberty Potash Royalties acquisition.

The Corporation declared and paid dividends of $6,899,000 (December 31, 2017 - $4,323,000, April 30, 2017 - $5,204,000) to its shareholders in the year ended December 31, 2018. It also repurchased and cancelled 369,500 (December 31, 2017 – 174,689, April 30, 2017 – 90,000) common shares for a total cost of $4,533,000 (December 31, 2017 - $1,911,000, April 30, 2017 - $872,000) under its normal course issuer bid in the year ended December 31, 2018.

Investing Activities

The Corporation acquired an additional 44.935% ownership in PRLP from Liberty and as a result there was an acquisition of control in PRLP resulting in net cash consideration of $63,437,000. Royalty interests of $6,621,000 (December 31, 2017 - $10,637,000, April 30, 2017 - $nil) were acquired during the year ended December 31, 2018 which included additional potash royalty interests totalling $1,621,000 from a number of royalty holders at the Rocanville mine and the Corporation's exercise of an option to increase its GRR related to the Excelsior Mining Corp.

(“Excelsior”) Gunnison Copper Project for $5,000,000. During the eight months ended December 31, 2017 the Corporation acquired additional mineral land areas and related royalty interests at Nutrien’s Rocanville potash mine from McChip Resources Inc. for $3,031,000 and used $7,606,000 to acquire a 1.35% GSR and an option on a further 0.5% GSR on Wolfden Resources Corporation’s recently acquired Pickett Mountain base metals project in Maine, USA.

Joint venture based royalty cash flow increased to $19,346,000 in the current period from $11,008,000 in December 31, 2017 due to the timing of underlying distributions from the partnerships offset by PRLP cash flow being consolidated in the current year. Joint venture based royalty cash flow of $20,011,000 recorded in April 30, 2017 was more in line with 2018 and was indicative of a full year of distributions from the partnerships.

The Corporation used $27,451,000 (December 31, 2017 - $39,443,000, April 30, 2017 - $12,167,000) in cash to acquire investments in the year ended December 31, 2018, of which $5,075,000 was used to acquire an additional 18,797,454 common shares of Alderon from Liberty, approximately $8,700,000 to add to the LIORC position (December 31, 2017 - $31,968,000), approximately $8,400,000 in Lithium Royalty Corp. or related co-investments, and approximately $2,600,000 collectively between Constantine Metals and Canstar Resources as detailed in the project generation update announced July 10, 2018. On July 12, 2018, the Corporation participated in a US$14,000,000 Sprott Credit Facility by providing US$2,000,000 (CAD$2,625,000) to Alderon and received 687,290 common shares.

The Corporation invested $10 million in an unsecured subordinated convertible debenture of Champion Iron Limited (“Champion”) in the prior year, which matured on December 31, 2018. The Corporation exercised its option to convert the Debenture into Champion common shares at a conversion price of $1.00 per share and recognized a gain of $700,000 through the mark to market on the common shares.

The Corporation received $4,332,000 (December 31, 2017 - $7,723,000, April 30, 2017 - $12,726,000) in proceeds for the year ended December 31, 2018 from the sale of investments.

During the eight months ended December 31, 2017 several parcels of land in Alberta were sold for proceeds of $2,085,000 compared to $121,000 in the current year and $nil for the year ended April 30, 2017.

Liquidity

At December 31, 2018 the Corporation had current assets of $42,352,000, consisting of $28,392,000 in cash and cash equivalents and $8,930,000 primarily in accounts receivable and prepaid expenses, with the remainder in income taxes receivable, and current liabilities of $29,564,000 including the current portion of long-term debt obligations of $20,000,000. The Corporation’s major sources of funding are from royalty income and streaming revenue, cash receipts from royalty partnership interests, sales of direct and indirect exploration investments, investment income, debt and refinancing. In addition, the Corporation partially funds exploration expenditures via third party agreements whereby exploration expenditures are cost-shared or funded by third parties in exchange for a partial ownership interest in the mineral rights to the properties. The Corporation gained access to $100,000,000 of additional liquidity on its revolving facility after amending the credit facilities during the year. On January 28, 2019 the Corporation completed a draw down on its revolving credit facility by $25,000,000 for the acquisition of mining and other investments.

Commitments and Contractual Obligations

The Corporation has obtained various mineral rights in Canada, Australia, the United States and Ireland 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. The Corporation is required to spend an additional $894,000 by December 31, 2019 in order to maintain its various licenses in good standing.

The following principal repayments for the Corporation's credit facilities are required over the next 5 years:

IN THOUSANDS OF CANADIAN DOLLARS

	Term	Revolver	Total
2019	$ 20,000	$ -	$ 20,000
2020	20,000	-	20,000
2021	20,000	-	20,000
2022	20,000	-	20,000
2023	35,000	-	35,000
	$ 115,000	$ -	$ 115,000

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 9 years based on a minimum production and grade threshold on the Rocanville mine. The 2018 payment was made during the last quarter of 2018.

Related Party Transactions

During the year ended December 31, 2018 the Corporation billed a joint venture $114,000 (December 31, 2017- $203,000, April 30, 2017 - $174,000) and an associate a net amount of $13,000 (December 31, 2017 - $186,000, April 30, 2017 – $248,000) for reimbursement of property, exploration, consulting, professional and general administrative expenses.

During the year ended April 30, 2017 the Corporation paid Strauss Partners Ltd., which is owned by director Jamie Strauss, $50,000 (GBP 30,000) for marketing and investor relations services compared to $nil for the years ended December 31, 2017 and 2018.

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 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.

During the year ended December 31, 2018 the Corporation paid compensation to key management personnel and directors of $2,766,000 (December 31, 2017 - $2,158,000, April 30, 2017 - $2,179,000) by way of salaries and benefits and incurred $1,902,000 (December 31, 2017 - $1,043,000, April 30, 2017 - $1,058,000) in share-based compensation costs. During the year ended December 31, 2018, Restricted Share Units ("RSUs) were cash settled for $593,000 (December 31, 2017 - $nil, April 30, 2017 - $nil).

These related party transactions are in the normal course of operations and are measured at fair value, which is the amount of consideration established and agreed to by the related parties. It is management's estimation that these transactions were undertaken under the same terms and conditions as would apply to transactions with non-related parties.

Summary of Quarterly Financial Information

The table below outlines selected financial information related to the Corporation's attributable revenue, adjusted EBITDA, net earnings (loss) and net earnings (loss) per share for the most recent eight quarters. The financial information is extracted from the Corporation's interim condensed and audited consolidated financial statements.

IN THOUSANDS OF CANADIAN DOLLARS (except per share amounts)

	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Attributable revenue [1]	$ 17,912	$ 17,634	$ 16,757	$ 16,097
Adjusted EBITDA [1]	13,383	13,881	13,032	12,694
Net earnings attributable to equity holders	(12,578)	6,025	5,291	2,530
Net earnings per share - basic and diluted	(0.29)	0.14	0.12	0.06
	December 31, 2017 [2]	**October 31, 2017**	**July 31, 2017**	**April 30, 2017**
Attributable revenue [1]	$ 13,993	$ 18,047	$ 15,363	$ 13,453
Adjusted EBITDA [1]	10,967	14,634	12,624	10,260
Net earnings (loss) attributable to equity holders	6,978	6,748	4,495	(963)
Net earnings (loss) per share - basic and diluted	0.16	0.16	0.10	(0.02)

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

(2) Condensed period (2 months) due to change in fiscal year

Earnings are derived primarily from attributable royalty and investment income and streaming revenue. Attributable royalty revenue is contingent on many factors including commodity prices, mine production levels, mine sequencing, maintenance schedules and the timing of concentrate shipments.

Net earnings are affected somewhat by revenue net of operating expenses but are affected primarily by the realization of both cash and non-cash gains or losses on the Corporation's investments and mineral exploration alliances and the equity accounting of some investments.

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, 2018 and have concluded that such controls are adequate and effective to ensure accurate and complete financial reporting in public filings. The condensed consolidated financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out in the notes to the consolidated financial statements for the year ended December 31, 2018. There has been no change in the Corporation's internal control over financial reporting during the Corporation's year ended December 31, 2018 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, 2018 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.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of management estimates include business combinations, rates for amortization and depletion of the royalty and streaming interests, deferred income taxes, the carrying value and assessment of impairment of mining and other investments, investments in joint ventures and royalty interests, the assumptions used in the determination of the fair value of share based compensation, the assessment of impairment of goodwill and the assumptions used in the determination of the fair value of derivatives for which there is no publicly traded market.

New Accounting Policies

The Corporation adopted IFRS 9 Financial Instruments ("IFRS 9") and IFRS 15 effective January 1, 2018.

Upon adoption of IFRS 9, the Corporation's convertible debenture is entirely measured at fair value through profit or loss, with changes in carrying value recorded in opening retained earnings as at January 1, 2018.

The Corporation has applied the irrevocable option for each of our equity investments resulting in measurement of gains and losses in other comprehensive earnings. Under IFRS 9, investments measured at fair value through other comprehensive income ("FVOCI") are not subject to impairment and gains or losses will not be reclassified to earnings.

The Corporation has determined that the streaming revenue it receives is generated based on contracts with customers and as a result is in the scope of IFRS 15. The Corporation has reassessed the point of control transfer relating to its copper stream and as a result has changed its revenue recognition policy.

The impact of the adoption of IFRS 9 & 15 is as follows:

IN THOUSANDS OF CANADIAN DOLLARS

	IFRS 9		IFRS 15	
	Convertible Debenture	Investments	Copper Stream	Total
Accounts receivable	$ -	$ -	$ (2,198)	$ (2,198)
Champion debenture	448	-	-	448
Deferred tax asset/liability	(67)	-	420	353
Accounts payable	-	-	643	643
Accumulated other comprehensive income	-	1,888	-	1,888
Retained earnings	(381)	(1,888)	1,135	(1,134)

Risk Factors and Key Success Factors

An investment in securities of the Corporation involves a significant degree of risk that should be considered prior to making an investment decision. In addition to discussions of key success factors and business issues elsewhere in this MD&A, the investor should consider the following risk factors:

Operational and Development Risk

The Corporation operates in the mineral exploration sector, which implicitly involves a high degree of risk caused by limited chances of discovery of an economic deposit and eventual mine development. The Corporation mitigates this risk by cost-sharing with exploration partners and by continuously evaluating the economic potential of each mineral property at every stage of its life cycle.

Development Stage Projects

Profits from commercial operations will depend on a significant number of factors, including economic feasibility, changing market conditions, aboriginal involvement and support, environmental and governmental regulations, labour availability, the cost of and the ability to attract external financial capital, and the ability to attract partners with sufficient technical expertise and relevant industry experience to further develop the various projects. Any failure to meet one or a combination of these factors may result in project delays or potential cancellation and the Corporation's future operating results may be adversely affected. The Corporation mitigates this risk by evaluating the economic potential of each property at each stage of its life cycle and through diversification of projects.

Dependence on Third Party Property Owners and Operators

The revenue derived from the Corporation's royalty portfolio is based on production by third party property owners and operators. These owners and operators are responsible for determining the manner in which the properties underlying the royalties are exploited, including decisions to expand, continue or reduce production from a property, and decisions to advance exploration efforts and conduct development of nonproducing properties. The Corporation has little or no input on such matters. The interests of third party owners and operators and those of the Corporation on the relevant properties may not always be aligned. As an example, it will, in almost all cases, be in the interest of the Corporation to advance development and production on properties as rapidly as possible in order to maximize near term cash flow to mitigate the risk, while third party owners and operators may, in many cases, take a more cautious approach to development as they are at risk on the cost of development and operations. The inability of the Corporation to control the operations for the properties in which it has a royalty interest may result in a material and adverse effect on the Corporation's profitability, results of operation and financial condition.

Exposure to Mineral Price Fluctuations

The revenue derived by the Corporation from its royalty portfolio and investments could be affected by changes in the market price of the commodities that underlie those royalties and other investments, which can affect production levels to which its royalty portfolio is tied. The Corporation's revenue will be particularly sensitive to changes in the price of copper, metallurgical coal and potash, as the revenue from these commodities represents the majority of the cash flow expected to be derived in the near future. Commodity prices, including those to which the Corporation is exposed, fluctuate on a daily basis and are affected by numerous factors beyond the control of the Corporation, including levels of supply and demand, industrial development levels, inflation and the level of interest rates. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments.

All commodities, by their nature, are subject to wide price fluctuations and future material price declines will result in a decrease in revenue or, in the case of severe declines that cause a suspension or termination of production by relevant operators, a complete cessation of revenue from royalties or working interests applicable to one or more relevant commodities. Moreover, the broader commodity market tends to be cyclical, and a general downturn in overall commodity prices could result in a significant decrease in overall revenue. Any such price decline may result in a material and adverse effect on the Corporation's profitability, results of operations, financial condition and dividend policy. The Corporation mitigates this risk through monitoring of prices as well as ensuring asset and commodity diversification.

Limited Access to Data and Disclosure for Royalty / Stream Portfolio

The Corporation neither serves as the mine property owner or operator for the properties underlying its royalty portfolio, and in almost all cases the Corporation has no input into how the operations are conducted. Consequently, the Corporation has varying access to data on the operations or to the actual properties themselves. This could affect its ability to assess the value of the royalty interest or enhance the royalty's performance. This could also result in delays in cash flow from that anticipated by the Corporation based on the stage of development of the applicable properties underlying its royalty portfolio. The Corporation's royalty payments may be calculated by the royalty payors in a manner different from the Corporation's projections and the Corporation may or may not have rights of audit with respect to such royalty interests. In addition, some royalties may be subject to confidentiality arrangements that govern the disclosure of information with regard to royalties and as a result the Corporation may not be in a position to publicly disclose non-public information with respect to certain royalties. The limited access to data and disclosure regarding the operations of the properties in which the Corporation has an interest may restrict the Corporation's ability to assess the value or enhance its performance, which may result in a material and adverse effect on the Corporation's profitability, results of operation and financial condition. The Corporation mitigates this risk by building relationships with various operators and counterparties to encourage information sharing.

Dependence on Payment from Operators

The Corporation will be dependent to a large extent upon the financial viability and operational effectiveness of owners and operators of the properties underlying its royalty and streaming portfolio. Payments from production generally flow through the operator and there is a risk of delay and additional expense in receiving such revenues. Payments may be delayed by restrictions imposed by lenders, delays in the sale or delivery of products, recovery by the operators of expenses, the establishment by the operators of mineral reserves for such expenses or the bankruptcy, insolvency or other adverse financial condition of the operator. The Corporation's rights to payment under the royalties must, in most cases, be enforced by contract without the protection of a security interest over property that the Corporation could readily liquidate. This inhibits the Corporation's ability to collect outstanding royalties upon a default. In the event of a bankruptcy, insolvency or other arrangement of an operator or owner, the Corporation will be treated like any other unsecured creditor, and therefore have a limited prospect for full recovery of royalty revenue. The Corporation mitigates this risk by having formal legal agreements with royalty payors which would allow the Corporation to exert legal rights and enforce royalty contracts, if required.

Unknown Defects and Impairments

A defect in a streaming transaction under a copper purchase agreement may arise to defeat or impair the claim of the Corporation to such streaming transaction, which may have a material adverse effect on the Corporation. It is possible that material changes could occur that may adversely affect management's estimate of the recoverable amount. Any impairment estimates, which are based on applicable key assumptions and sensitivity analysis, are based on management's best knowledge of the amounts, events or actions at such time, and the actual future outcomes may differ from any estimates that are provided by the Corporation. Any impairment charges on the Corporation's carrying value could have a material adverse effect on the Corporation.

Security over Underlying Assets

There is no guarantee that the Corporation will be able to effectively enforce any guarantees, indemnities or other security interests it may have. Should a bankruptcy or other similar event related to a mining operator occur that precludes a party from performing its obligations under the copper purchase agreement, the Corporation would have to enforce its security interest. In the event that the mining operator has insufficient assets to pay its liabilities, it is possible that other liabilities will be satisfied prior to the liabilities owed to the Corporation. In addition, bankruptcy or other similar proceedings are often a complex and lengthy process, the outcome of which may be uncertain and could result in a material adverse effect on the Corporation.

The Corporation's security interests may be subject to enforcement and insolvency laws of foreign jurisdictions that differ significantly from those in North America, and the Corporation's security interests may not be enforceable as anticipated. Further, there can be no assurance that any judgments obtained in Canadian courts will be enforceable in any of those jurisdictions. If the Corporation is unable to enforce its security interests, there may be a material adverse effect on the Corporation.

The Ability to Attract Partners for Exploration

The probability of successfully progressing early stage projects is dependent on an ability to attract exploration partners to share project expenditures and to provide additional technical expertise required to develop projects. If the Corporation is unable to attract partners to cost-share project expenditures and to provide additional technical expertise, the level of exploration the Corporation could perform with limited personnel may be adversely impacted. This could affect the likelihood of discovering future commercially feasible projects. To mitigate this risk, the Corporation monitors the market cycles and adjusts our business development approach for the changes. Marketing and business development are ongoing throughout all stages.

Credit Facility

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. The Corporation mitigates this risk through awareness and recognition that reducing the debt balance is a priority and ensuring that the Corporation meet debt obligations and working capital requirements by budgeting and monitoring cash flow.

Dividends

The ability to pay dividends will be dependent on the financial condition of the Corporation. Payment of dividends on the Corporation's common shares is within the discretion of the Board and will depend upon the Company's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. Although the Corporation currently pays a regular dividend, there can be no assurance that it will be in a position to declare dividends due to the occurrence of one or more of the risks described herein.

Debt and Equity Financing

Due to their size and scale, the success of some resource-based projects depends on the ability of the Corporation, its partners or its investments to raise the financial capital required to successfully construct and operate a project. This ability may be affected by general economic and market conditions, including the perceived threat or actual occurrence of an economic recession or liquidity issues. If market conditions are not favorable, major resource based projects could be cancelled or delayed, or the expected rate of return to the Corporation may be significantly diminished. The Corporation mitigates this risk by asset and commodity diversification to protect and cover if one market is unfavorable.

Government Regulations

The Corporation's operations are subject to extensive governmental regulations with respect to such matters as environmental protection, health, safety and labour; mining law reform; restrictions on production or export, price controls and tax increases; aboriginal land claims; and expropriation of property in the jurisdictions in which it operates. Compliance with these and other laws and regulations may require the Corporation to make significant capital outlays which may slow its growth by diverting its financial resources. The enactment of new adverse regulations or regulatory requirements, such as the announcement by the Government of Alberta regarding the phase out of its coal fueled electrical generation capacity by 2030 or more stringent enforcement of current regulations or regulatory requirements may increase costs, which could have an adverse effect on the Corporation. As a result of these regulations, there is the possibility of operators converting coal fired electrical generation to gas generation prior to 2030 which could have an adverse effect on the Corporation's thermal coal royalties. The Corporation cannot give assurances that it will be able to adapt to these regulatory developments on a timely or cost effective basis. Violations of these regulations and regulatory requirements could lead to substantial fines, penalties or other sanctions. The Corporation mitigates this risk through not doing business in unstable countries and within stable countries, the Corporation follows all laws and regulations and engages legal counsel to ensure compliance, if necessary.

Key Employee Attraction and Retention

The Corporation's continued success is highly dependent on the retention of key personnel who possess business and technical expertise and are well versed in the various projects underway and under consideration. The number of persons skilled in the acquisition, exploration and development of natural resource and mining projects is limited and competition for such persons is intense. As the Corporation's business activity grows, additional key financial, administrative and operations personnel as well as additional staff may be required. Although the Corporation believes it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success. If the Corporation is not successful in attracting, training and retaining qualified personnel, the efficiency of operations may be affected. Additionally, should any key person decide to leave, then the success of one or more of the projects underway or under consideration could be at risk.

Although safety and health factors are considered integral to all aspects of the Corporation, mineral exploration is an inherently risky business. In the event of an accident or an unforeseen circumstance, the Corporation has emergency succession plans in place for both the Executive Chairman and the CEO of the Corporation as well as for other members of senior management.

Exploration Alliances

The Corporation's objective is to create joint ventures or corporate structures related to the opportunities it generates, which results in the Corporation carrying minority and non-operating project or equity interests and/or royalty interests. In certain circumstances the Corporation must rely on the decisions and expertise regarding operational matters for properties, equity interests and other assets including: whether, when and how to commence permitting; feasibility analysis; facility design and operation, processing, plant and equipment matters; and the temporary or permanent suspension of operations. In some of these instances, it may difficult or impossible for the Corporation to ensure that the properties and assets are operated in its best interest. To mitigate this risk, the Corporation participates in cost-sharing with exploration partners. As well, there is continuous evaluation of economic potential of each property at every stage of its life cycle. The Corporation will undertake ongoing monitoring and relationship building with appropriate government officials in order to have input into possible regulatory changes and to better plan for what these changes might mean financially and operationally to the Corporation.

Legal Claims

Altius may become party to legal claims arising in the ordinary course of business, including as a result of activities of joint ventures in which it has an interest. There can be no assurance that any such legal claims will not result in significant costs to Altius. To mitigate this risk, there are ongoing communications with the parties to whom it does business and are aware of any legal issues and potential operational and financial impacts. The Corporation works diligently with counterparties to limit legal issues.

Title to Mineral Properties Cannot Be Assured

The acquisition of title to mineral properties is a very detailed and time consuming process. Title to, and the area of, mineral rights may be disputed and additional amounts may have to be paid to surface rights owners in connection with any development of mining activity. The properties may also be subject to prior unregistered agreements of transfer or aboriginal land claims, and title may be affected by undetected defects. Although Altius believes it has taken reasonable measures to ensure that title to its properties are in good standing, there is no guarantee that title to its properties will not be challenged or impaired by third parties, or that such rights and title interests will not be revoked or significantly altered to the detriment of the Corporation.

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. As at December 31, 2018 a 10% change in the US dollar to Canadian dollar exchange rate could affect net earnings by approximately $146,000.

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, as well as maintaining a diversified royalty portfolio. The Corporation entered into a floating to fixed interest rate swap to manage the interest rate risk of its debt balance. 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 12, 2019 the Corporation had 42,861,796 common shares outstanding, 7,070,000 warrants outstanding and 577,957 stock options outstanding.

Non-IFRS Measures

Attributable royalty and other revenue ("attributable revenue"), adjusted EBITDA and adjusted operating cash flow are intended to provide additional information only and does not have any standardized meaning prescribed utnder IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently. For a reconciliation of these measures to various IFRS measures, please see the Corporation's MD&A disclosure below. Tabular amounts are presented in thousands of Canadian dollars.

1. Attributable revenue is defined by the Corporation as total revenue and other income from the consolidated financial statements plus the Corporation's proportionate share of gross royalty revenue in the joint ventures. The Corporation's key decision makers use attributable royalty revenue and related attributable royalty expenses as a basis to evaluate the business performance. The attributable royalty revenue amounts, together with amortization of royalty interests, general and administrative costs and mining tax, are not reported gross in the consolidated statement of earnings (loss) since the royalty revenues are being generated in a joint venture and IFRS 11 Joint Arrangements requires net reporting as an equity pick up. The reconciliation to IFRS reports the elimination of the attributable revenues and reconciles to the revenues recognized in the consolidated statements of earnings (loss).
2. Adjusted operating cash flow is defined as cash provided (used) in operations adjusted for inclusion of the cash distributions received from joint ventures. Adjusted operating cash flow is a useful measure to assess the ability of the Corporation to generate cash from its operations.
3. Adjusted EBITDA is defined by the Corporation as net earnings (loss) before taxes, amortization, interest, non-recurring items, non-cash amounts such as impairments, losses and gains, and share based compensation. The Corporation also adjusts earnings in joint ventures to reflect EBITDA on those assets which exclude amortization of royalty interests as well as adjusting for any one time items. Adjusted EBITDA is a useful measure of the performance of our business, especially for demonstrating the impact that EBITDA in joint ventures have on the overall business. Adjusted EBITDA identifies the cash generated in a given period that will be available to fund the Corporation's future operations, growth opportunities, shareholder dividends and to service debt obligations.

Below are the eight most recent quarter reconciliations, with the exception of December 31, 2017 which due to the change in fiscal year end is a two-month period.

IN THOUSANDS OF CANADIAN DOLLARS

Reconciliation to IFRS measures Attributable revenue	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Revenue				
Attributable royalty	$ 17,615	$ 17,084	$ 16,543	$ 15,805
Project generation	297	550	214	292
Attributable revenue	17,912	17,634	16,757	16,097
Adjust: joint venture revenue	(4,545)	(3,953)	(3,965)	(6,702)
IFRS revenue per consolidated financial statements	$ 13,367	$ 13,681	$ 12,792	$ 9,395

Reconciliation to IFRS measures Attributable revenue	December 31, 2017(1)	October 31, 2017	July 31, 2017	April 30, 2017
Revenue				
Attributable royalty	$ 13,710	$ 17,939	$ 15,100	$ 13,378
Project generation	283	108	263	75
Attributable revenue	13,993	18,047	15,363	13,453
Adjust: joint venture revenue	(5,497)	(5,873)	(5,776)	(5,811)
IFRS revenue per consolidated financial statements	$ 8,496	$ 12,174	$ 9,587	$ 7,642

(1) Condensed two-month period due to change in year end

IN THOUSANDS OF CANADIAN DOLLARS

Adjusted operating cash flow	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Adjusted operating cash flow	$ 9,776	$ 7,355	$ 9,489	$ 8,101
Adjust: distributions to (from) joint ventures	(3,601)	(3,966)	(4,744)	(7,035)
IFRS operating cash flows	$ 6,175	$ 3,389	$ 4,745	$ 1,066

Adjusted operating cash flow	December 31, 2017(1)	October 31, 2017	July 31, 2017	April 30, 2017
Adjusted operating cash flow	$ 2,004	$ 13,379	$ 8,158	$ 6,965
Adjust: distributions from joint ventures	203	(5,727)	(5,484)	(5,866)
IFRS operating cash flows	$ 2,207	$ 7,652	$ 2,674	$ 1,099

(1) Condensed two-month period due to change in year end

IN THOUSANDS OF CANADIAN DOLLARS

Reconciliation to IFRS measures Adjusted EBITDA	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Earnings (loss) before income taxes	$ (12,701)	$ 7,746	$ 6,647	$ 4,324
Addback(deduct):				
Amortization and depletion	3,495	4,239	3,805	3,050
Exploration and evaluation assets abandoned or impaired	195	576	4	9
Share based compensation	327	505	774	296
Interest on long-term debt	2,038	2,058	2,634	1,244
Gain on disposal of investments & impairment recognition	-	-	-	(92)
Unrealized (gain) loss on fair value adjustment of derivatives	4,098	56	(1,897)	2,183
Dilution (gain) on issuance of shares by associates	(257)	(2,025)	-	-
Share of (earnings) loss and impairment in associates	1,390	(316)	150	332
(Earnings) loss from joint ventures	566	(2,734)	(3,006)	(5,215)
LNRLP EBITDA	278	22	(103)	(195)
Prairie Royalties EBITDA	3,786	3,601	3,964	6,676
Impairment of goodwill & royalty interest	10,810	-	-	-
Foreign currency (gain) loss	(642)	153	60	82
Adjusted EBITDA	$ 13,383	$ 13,881	$ 13,032	$ 12,694
LNRLP EBITDA				
Revenue	$ 622	$ 351	$ -	$ -
Mining taxes	(124)	(70)		
Admin charges	(220)	(259)	(103)	(195)
LNRLP Adjusted EBITDA	$ 278	$ 22	$ (103)	$ (195)
Prairie Royalties EBITDA				
Revenue	$ 3,923	$ 3,602	$ 3,965	$ 6,702
Operating expenses	(137)	(1)	(1)	(26)
Prairie Royalties Adjusted EBITDA	$ 3,786	$ 3,601	$ 3,964	$ 6,676

IN THOUSANDS OF CANADIAN DOLLARS

Reconciliation to IFRS measures Adjusted EBITDA	December 31, 2017(1)	October 31, 2017	July 31, 2017	April 30, 2017
(Loss) earnings before income taxes	$ 8,963	$ 8,950	$ 5,618	$ (100)
Addback(deduct):				
Amortization	2,558	3,283	4,003	2,922
Exploration and evaluation assets abandoned or impaired	128	190	279	2,112
Share based compensation	233	485	325	196
Interest on long-term debt	765	1,304	1,396	1,363
Gain on disposal of investments & impairment recognition	(753)	(1,531)	(193)	(557)
Unrealized (gain) loss on fair value adjustment of derivativ	(3,235)	(109)	(519)	-
Dilution (gain) on issuance of shares by associates	-	-	-	(196)
Share of loss and impairment in associates	351	158	685	2,106
(Earnings) loss from joint ventures	(6,323)	(4,004)	(3,625)	(3,417)
LNRLP EBITDA	(204)	(44)	(172)	(365)
Prairie Royalties EBITDA	5,427	5,848	5,553	5,650
Impairment of goodwill	3,157	-	-	-
Foreign currency loss	(100)	104	(726)	546
Gain on disposal of mineral property	-	-	-	-
Adjusted EBITDA	$ 10,967	$ 14,634	$ 12,624	$ 10,260
LNRLP EBITDA				
Revenue	$ -	$ -	$ -	$ -
Mining taxes		-	-	-
Admin charges	(204)	(44)	(172)	(365)
LNRLP Adjusted EBITDA	$ (204)	$ (44)	$ (172)	$ (365)
Prairie Royalties EBITDA				
Revenue	$ 5,495	$ 5,873	$ 5,776	$ 5,811
Operating expenses	(68)	(25)	(223)	(161)
Prairie Royalties Adjusted EBITDA	$ 5,427	$ 5,848	$ 5,553	$ 5,650

ALTIUS

Appendix 1 – Summary of Producing Royalties and Streaming Interests

Mine / Project	Primary Commodity	Operator	Revenue Basis
Chapada	Copper	Yamana Gold	3.7% of payable copper stream
777	Zinc, Copper, Gold & Silver	Hudbay Minerals	4% Net smelter return ("NSR")
Genesee	Coal (Electricity)	Westmoreland/Capital Power Corporation	Tonnes x indexed multiplier
Sheerness	Coal (Electricity)	Westmoreland/ATCO/TransAlta	Tonnes x indexed multiplier
Paintearth	Coal (Electricity)	Westmoreland/ATCO	Tonnes x indexed multiplier
Highvale	Coal (Electricity)	TransAlta	Tonnes x indexed multiplier
Cheviot	Metallurgical Coal	Teck	2.5% effective net revenue
Rocanville	Potash	Potash Corp	Revenue
Cory	Potash	Potash Corp	Revenue
Allan	Potash	Potash Corp	Revenue
Patience Lake	Potash	Potash Corp	Revenue
Esterhazy	Potash	Mosaic	Revenue
Vanscoy	Potash	Agrium	Revenue
Voisey's Bay	Nickel, Copper, Cobalt	Vale	0.3% NSR
IOC	Iron	Iron Ore Company of Canada	7% Gross Overriding Royalty ("GOR")*
Carbon Development	Potash, other	Various	Revenue
Clyde River	Renewable Energy	Gravity Renewables	Revenue

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

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

PRE-FEASIBILTY/FEASIBILITY				
Property	Primary Commodity	Explorer/Developer	Royalty Basis	Status
Gunnison (Arizona)	Copper	Excelsior Mining Corp	1.625% GRR	Fully permitted; construction started
Kami - iron ore (Western Labrador)	Iron	Alderon Iron Ore Corp	3% GSR	PEA Completed
Tres Quebradas (3Q) (Argentina)	Lithium	Neo Lithium Corp.	0.1% GOR	PEA Completed
Telkwa – CDP (British Columbia)	Met Coal	Telkwa Coal Limited (TCL)	1.5%-3% price based sliding scale GSR	Definitive feasibility study underway
ADVANCED EXPLORATION				
Property	Primary Commodity	Explorer/Developer	Royalty Basis	Status
Viking - gold (Western Newfoundland)	Gold	Anaconda Mining Inc.	2% NSR, plus 1-1.5% royalties on surrounding lands	Advanced Exploration
Central Mineral Belt - uranium (Central Labrador)	Uranium	Paladin Energy Limited	2% GSR	Advanced Exploration; inactive
Grota de Cirilo (Brazil)	Lithium	Sigma Lithium Resources	0.1% GOR	Advanced Exploration
Pickett Mountain - VMS (Maine, USA)	Zinc, lead, copper, silver	Wolfden Resources Corp.	1.35% GSR	43-101 Resource recently published
EXPLORATION				
Property	Primary Commodity	Explorer/Developer	Royalty Basis	Status
Silicon (Nevada)	Gold	Renaissance Gold Inc / Anglo Gold Ashanti NA	1.5% NSR	Early-stage exploration
Alvito (Portugal)	Copper	Avrupa Minerals Ltd	1.5% NSR	Early-stage exploration
Jupiter (Nevada)	Gold	Renaissance Gold Inc	1.0% NSR	Early-stage exploration
Llano del Nogal (Mexico)	Copper	Evrim Resources Corp	1.5% NSR on PM; 1.0% NSR on BM	Early-stage exploration
Cuale (Mexico)	Copper	Evrim Resources Corp	1.5% NSR on PM; 1.0% NSR on BM	Early-stage exploration
Voyageur Lands (Michigan)	Nickel	N/A	2% NSR	Early-stage exploration; active

EXPLORATION				
Property	Primary Commodity	Explorer or Developer	Royalty Basis	Status
Loro en el Hombro (Chile)	Copper	Revelo Resources Corp.	0.98% NSR on gold; 0.49% NSR on base metals	Early stage exploration; active
Copper Range (Michigan)	Copper	N/A	Option to acquire 1% NSR held by a third party	Early stage exploration; active
Wilding Lake (Newfoundland)	Gold	Antler Gold Inc.	0.5% NSR with option to purchase up to 1.0% for $500,000	Exploration
Noel Paul (Newfoundland)	Gold	Antler Gold Inc.	0.5% NSR with option to purchase up to 1.0% for $1,000,000	Exploration
Crystal Lake, Island K, Victoria Lake, Victoria River, Intersection, Cape Ray	Gold	Antler Gold Inc.	2.0% NSR	Exploration
Iron Horse (Western Labrador)	Iron	Sokoman Iron Corp	1% GSR; option to acquire additional 1.1% GSR	Exploration; inactive
Vidalita, Jotahues (Chile)	Gold	Emu NL	0.49% NSR	Exploration
Gibson (British Columbia)	Gold	Canex Metals Inc.	Option to acquire a 1.5% NSR	Exploration
Moria (Quebec)	Nickel	Midland Exploration Inc	1% NSR	Exploration
Shire (Quebec)	Zinc	Midland Exploration Inc	1% NSR	Exploration
Elrond, Gondor, Helms, Isengard, Minas (Quebec)	Gold	Midland Exploration Inc	1% NSR	Exploration
Moosehead (Newfoundland)	Gold	Sokoman Iron Corp.	2% NSR	Exploration
Arcas, Lia, Timon, Quiltro (Chile)	Copper	Aethon Copper	0.98% GRR	Exploration
Maricunga Projects (Chile)	Gold, Copper	Aethon Copper	0.98% GRR	Exploration

EXPLORATION				
Property	Primary Commodity	Explorer or Developer	Royalty Basis	Status
Sail Pond (Newfoundland)	Silver	New Found Gold Corp.	2% NSR	Exploration
Daniel's Harbour (Newfoundland)	Zinc	Canstar Resources Ltd.	2% NSR	Exploration
Shrule, Kingscourt, Rathkeale, Gaine River Mayvore Projects (Republic of Ireland)	Zinc	Adventus Zinc Corporation	2% NSR on each Project	Exploration
Lismore, Fermoy (Republic of Ireland)	Zinc	BMEx Ltd.	2% NSR on each Project	Exploration
West Cork (Republic of Ireland)	Copper	First Quantum	2% NSR	Exploration
Buchans (Newfoundland, Canada)	Zinc	Canstar Resources Inc.	2% NSR on each Project	Exploration
Stellar (Alaska)	Copper	PolarX Ltd.	2% NSR on gold; 1% NSR on base metals	Resource dilineation
Sheerness West - CDP (Alberta)	Thermal Coal	Westmoreland Coal Company	Tonnes x indexed multiplier	Exploration

Appendix 3 – Financial Information for eight months ended December 31, 2017 and year ended April 30, 2017

IN THOUSANDS OF CANADIAN DOLLARS

Summary of attributable royalty revenue	Two months ended December 31, 2017	Three months ended April 30, 2017	Variance	Eight months ended December 31, 2017	Year ended April 30, 2017	Variance
Revenue						
Base metals						
777 Mine	$2,293	$3,341	$(1,048)	$9,168	$10,601	$(1,433)
Chapada	$3,213	$2,942	$271	$11,640	$10,557	$1,083
Voisey's Bay	-	-	-	-	-	-
Metallurgical Coal						
Cheviot	$309	$683	$(374)	$1,466	$3,537	$(2,071)
Thermal (Electrical) Coal			-			-
Genesee	$1,072	$1,688	$(616)	$4,372	$6,015	$(1,643)
Paintearth	$47	$234	$(187)	$184	$754	$(570)
Sheerness	$587	$1,494	$(907)	$3,978	$5,590	$(1,612)
Highvale	$310	$294	$16	$931	$929	$2
Potash			-			-
Cory	$66	$138	$(72)	$245	$480	$(235)
Rocanville	$863	$1,084	$(221)	$3,107	$2,819	$288
Allan	$14	$2	$12	$219	$255	$(36)
Patience Lake	$60	$91	$(31)	$93	$157	$(64)
Esterhazy	$2,903	$271	$2,632	$3,640	$1,186	$2,454
Vanscoy	$19	$25	$(6)	$59	$68	$(9)
Lanigan	-	$2	$(2)	$2	$8	$(6)
Other			-			-
Iron ore [1]	$1,733	$854	$879	$6,116	$1,718	$4,398
Coal bed methane	$160	$229	$(69)	$761	$1,245	$(484)
Interest and investment	$61	$6	$55	$766	$109	$657
Attributable royalty revenue	$13,710	$13,378	$332	$46,747	$46,028	$719

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

[1] LIF dividends received

Summary of attributable production and average prices	Two months ended December 31, 2017		Three months ended April 30, 2017		Eight months ended December 31, 2017		Year ended April 30, 2017	
	Tonnes	Average price [1]	Tonnes	Average price [1]	Tonnes	Average price [1]	Tonnes	Average price [1]
Chapada copper [3]	370	US$3.03/lb	395	US$2.54/lb	1,416	US$2.93/lb	1,495	US$2.43/lb
777 copper [4]	348	US$3.13/lb	3,464	US$2.61/lb	11,095	US$2.86/lb	16,991	US$2.32/lb
777 zinc [4]	8,991	US$1.53/lb	10,303	US$1.32/lb	33,035	US$1.39/lb	29,201	US$1.13/lb
Potash [5,6,8]	168,437	$306/tonne	226,341	$311/tonne	654,068	$299/tonne	758,016	$273/tonne
Metallurgical coal [7]	34,062	$214/tonne	90,599	$206/tonne	181,326	$214/tonne	44,009	$213/tonne
Thermal (electrical) coal [2,5	356,384	N/A	1,059,542	N/A	2,138,681	N/A	3,756,959	N/A

Notes:

(1) Average prices are in CAD unless noted

(2) Inflationary indexed rates

(3) Copper stream; quantity represents actual physical copper received

(4) 4% NSR; production figures shown represent 100% of production subject to the royalty

(5) Various production royalties; quantities represent tonnes subject to the royalties at each respective mine (royalty tonnes only)

(6) Reflects updated potash pricing on retroactive adjustment from Mosaic pertaining to Esterhazy mine

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

IN THOUSANDS OF CANADIAN DOLLARS

Costs and Expenses	Two months ended December 31, 2017	Three months ended April 30, 2017	Variance	Eight months ended December 31, 2017	Year ended April 30, 2017	Variance
General and administrative	$1,662	$1,546	$116	$4,403	$6,125	$(1,722)
Cost of sales - copper stream	$942	$879	$63	$3,429	$3,118	$311
Share-based compensation	$233	$196	$37	$1,043	$1,058	$(15)
Generative exploration	$105	$167	$(62)	$342	$988	$(646)
Exploration and evaluation assets abandoned or impaired	$128	$2,112	$(1,984)	$597	$4,112	$(3,515)
Mineral rights and leases	$43	$76	$(33)	$266	$495	$(229)
Amortization and depletion	$2,558	$2,922	$(364)	$9,844	$11,631	$(1,787)
	$5,671	$7,898	$(2,227)	$19,924	$27,527	$(7,603)

IN THOUSANDS OF CANADIAN DOLLARS

	Two months ended December 31, 2017	Three months ended April 30, 2017	Variance	Eight months ended December 31, 2017	Year ended April 30, 2017	Variance
Earnings from joint ventures	$6,323	$3,417	$2,906	$13,952	$(58,054)	$72,006
Gain on disposal of investments	$753	$557	$196	$2,477	$6,330	$(3,853)
Gain on disposal of mineral property	-	-	-	-	$2,657	$(2,657)
Interest on long-term debt	$(765)	$(1,363)	$598	$(3,465)	$(7,714)	$4,249
Foreign exchange gain	$100	$(546)	$646	$722	$(1,599)	$2,321
Dilution gain on issuance of shares by associate	-	$196	$(196)	-	$762	$(762)
Share of (loss) in associates	$(351)	$(654)	$303	$(1,194)	$(2,201)	$1,007
Gain (loss) on derivative financial instruments	$3,235	-	$3,235	$3,863	-	$3,863
Impairment on goodw ill	$(3,157)	-	$(3,157)	$(3,157)	-	$(3,157)
Income tax expense	$1,985	$860	$1,125	$5,313	$2,857	$2,456