



Altius Minerals Corporation - Condensed Consolidated Financial Statements  
For the three and nine months ended September 30, 2020 and 2019  
(unaudited)

## CONDENSED CONSOLIDATED BALANCE SHEETS

UNAUDITED, IN THOUSANDS OF CANADIAN DOLLARS

	Note	As at	
		September 30, 2020	December 31, 2019
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	\$ 16,041	\$ 22,128
Accounts receivable and prepaid expenses		9,086	9,023
Income tax receivable		1,523	4,110
Loan receivable	5	1,000	2,625
		\$ 27,650	\$ 37,886
<b>Non-current assets</b>			
Interests in joint ventures	4	5,276	86,881
Royalty and streaming interests	7	282,442	255,405
Investments	6	198,746	149,043
Exploration and evaluation assets		15,246	12,586
Other intangible assets		1,645	2,105
Goodwill		6,031	6,031
Deferred tax assets	8	8,154	5,952
Investment in associates	5	9,793	9,712
Property and equipment		1,145	1,273
		\$ 528,478	\$ 528,988
<b>TOTAL ASSETS</b>		<b>\$ 556,128</b>	<b>\$ 566,874</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		5,969	6,360
Current portion of long-term debt	9	20,000	20,000
Income tax payable		1,114	443
		\$ 27,083	\$ 26,803
<b>Non-current liabilities</b>			
Long-term debt	9	120,071	87,828
Other liability		961	911
Deferred tax liabilities	8	54,232	50,843
Derivative - cash flow swap	9	1,546	528
		\$ 176,810	\$ 140,110
<b>TOTAL LIABILITIES</b>		<b>\$ 203,893</b>	<b>\$ 166,913</b>
<b>EQUITY</b>			
Shareholders' equity		331,335	385,205
Non-controlling interest		20,900	14,756
		\$ 352,235	\$ 399,961
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 556,128</b>	<b>\$ 566,874</b>

See accompanying notes to the Condensed Consolidated Financial Statements

## CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

UNAUDITED, IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER SHARE AMOUNTS

	Note	Three months ended		Nine months ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
<b>Revenue and other income</b>	10	\$ 15,263	\$ 15,582	\$ 38,582	\$ 47,840
<b>Costs and Expenses</b>					
General and administrative	10	2,440	2,239	6,327	6,972
Cost of sales - copper stream		1,210	1,624	3,290	4,058
Share-based compensation		487	544	3,523	1,633
Generative exploration		43	36	260	75
Exploration and evaluation assets abandoned or impaired		-	-	80	9,004
Mineral rights and leases		6	46	317	389
Amortization and depletion		4,939	4,061	12,262	11,615
<b>Earnings before the following:</b>		<b>\$ 6,138</b>	<b>\$ 7,032</b>	<b>\$ 12,523</b>	<b>\$ 14,094</b>
Earnings from joint ventures	4	459	869	3,105	3,940
Gain on disposal of investments	6	368	-	368	103
Interest on long-term debt		(2,360)	(1,982)	(6,112)	(6,109)
Foreign exchange gain (loss)		901	(43)	1,571	(620)
Impairment of royalty interests	4 & 7	(45,617)	-	(45,617)	-
Dilution gain on issuance of shares by an associate	5	2,634	1,114	2,634	2,313
Unrealized gain (loss) on fair value adjustment of derivatives		(897)	60	436	670
Share of earnings (loss) and impairment in associates	5	36	(884)	(4,244)	(3,006)
<b>Earnings (loss) before income taxes</b>		<b>\$ (38,338)</b>	<b>\$ 6,166</b>	<b>\$ (35,336)</b>	<b>\$ 11,385</b>
Income taxes (current and deferred)	8	1,449	1,552	3,513	2,023
<b>Net earnings (loss)</b>		<b>\$ (39,787)</b>	<b>\$ 4,614</b>	<b>\$ (38,849)</b>	<b>\$ 9,362</b>
<b>Net earnings (loss) attributable to:</b>					
Common shareholders		(39,923)	4,450	(39,283)	8,630
Non-controlling interest		136	164	434	732
		<b>\$ (39,787)</b>	<b>\$ 4,614</b>	<b>\$ (38,849)</b>	<b>\$ 9,362</b>
<b>Net earnings (loss) per share</b>					
Basic and diluted	11	\$ (0.96)	\$ 0.10	\$ (0.94)	\$ 0.20

See accompanying notes to the Condensed Consolidated Financial Statements

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

UNAUDITED, IN THOUSANDS OF CANADIAN DOLLARS

	Three months ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
<b>Net earnings (loss)</b>	\$ (39,787)	\$ 4,614	\$ (38,849)	\$ 9,362
<b>Other comprehensive earnings</b>				
<b>To be reclassified subsequently to profit or loss</b>				
Foreign currency translation adjustment				
Gross amount	(1,684)	187	(1,393)	135
Tax effect	-	(57)	(71)	(40)
Net amount	\$ (1,684)	\$ 130	\$ (1,464)	\$ 95
Net unrealized (loss) on fair value adjustment of cash flow swap				
Gross amount	229	219	(891)	(447)
Tax effect	(53)	(54)	205	111
Net amount	\$ 176	\$ 165	\$ (686)	\$ (336)
<b>To not be reclassified subsequently to profit or loss</b>				
Net unrealized gain (loss) on investments				
Gross amount	7,333	(38,507)	9,243	4,970
Tax effect	(1,151)	5,776	(1,989)	(746)
Net amount	\$ 6,182	\$ (32,731)	\$ 7,254	\$ 4,224
Realized gain (loss) on investments	104	2,035	(8,047)	10,778
Tax effect	-	-	865	-
Net amount	\$ 104	\$ 2,035	\$ (7,182)	\$ 10,778
Other comprehensive earnings (loss)	\$ 4,778	\$ (30,401)	\$ (2,078)	\$ 14,761
<b>Total comprehensive earnings (loss)</b>	\$ (35,009)	\$ (25,787)	\$ (40,927)	\$ 24,123
<b>Total comprehensive earnings (loss) attributable to:</b>				
Common shareholders	(35,145)	(25,951)	(41,361)	23,391
Non-controlling interest	136	164	434	732
	\$ (35,009)	\$ (25,787)	\$ (40,927)	\$ 24,123

See accompanying notes to the Condensed Consolidated Financial Statements

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

UNAUDITED, IN THOUSANDS OF CANADIAN DOLLARS

	Note	Nine months ended	
		September 30, 2020	September 30, 2019
<b>Operating activities</b>			
Net earnings (loss)		\$ (38,849)	\$ 9,362
Adjustments for operating activities	12	62,209	13,622
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Changes in non-cash operating working capital	12	573	(1,481)
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		\$ 23,933	\$ 21,503
<b>Financing activities</b>			
Proceeds from long-term debt	9	47,326	25,208
Repayment of long-term debt	9	(15,000)	(25,647)
Lease payments		(126)	-
Payments from non-controlling interest	14	4,889	2,870
Preferred securities distribution		(3,753)	(3,739)
Repurchase of common shares	11	(6,090)	(2,567)
Dividends paid		(5,963)	(5,994)
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		\$ 21,283	\$ (9,869)
<b>Investing activities</b>			
Proceeds from sale of investments		18,238	26,949
Acquisition of Great Bay, net of cash assumed		-	(6,153)
Acquisition of control of Coal Royalty and Genesee Royalty Limited Partnership	4&7	(8,957)	-
Cash received from joint ventures	4	10,003	13,132
Generative exploration		(158)	(75)
Exploration and evaluation assets, net of recoveries		(1,776)	(1,588)
Acquisition of royalty interests	7	(469)	(13,773)
Acquisition of investments	6	(68,152)	(26,372)
Acquisition of property and equipment		(32)	(437)
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		\$ (51,303)	\$ (8,317)
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Net (decrease) increase in cash and cash equivalents		(6,087)	3,317
Cash and cash equivalents, beginning of period		22,128	28,392
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<b>Cash and cash equivalents, end of period</b>		<b>\$ 16,041</b>	<b>\$ 31,709</b>

*Supplemental cash flow information (Note 12)*

*See accompanying notes to the Condensed Consolidated Financial Statements*

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

UNAUDITED, IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS

	Common Shares		Preferred Securities		Other Equity Reserves	Accumulated Other Comprehensive Earnings (loss)	Retained Earnings	Total Shareholders' Equity	Non-controlling interest	Total Equity
	Number	Amount	Number	Amount						
Balance, December 31, 2018	42,851,726	\$ 267,536	10,000,000	\$ 57,061	(Note 11) \$ 20,038	\$ 18,386	\$ 8,832	\$ 371,853	\$ 12,408	\$ 384,261
Net earnings and comprehensive earnings, January 1 to September 30, 2019	-	-	-	-	-	14,761	8,630	23,391	732	24,123
Payments to non-controlling interest	-	-	-	-	-	-	-	-	(1,025)	(1,025)
Receipts from non-controlling interests	-	-	-	-	-	-	1,139	1,139	2,091	3,230
Shares repurchased and cancelled	(220,200)	(1,375)	-	-	-	-	(1,192)	(2,567)	-	(2,567)
Shares issued by subsidiary under services agreement	-	-	-	-	-	-	-	-	410	410
Preferred securities distribution	-	-	-	-	-	-	(3,739)	(3,739)	-	(3,739)
Dividends paid to common shareholders	-	-	-	-	-	-	(5,994)	(5,994)	-	(5,994)
Share-based compensation	-	-	-	-	1,633	-	-	1,633	-	1,633
Cash settled RSUs	-	-	-	-	(518)	-	-	(518)	-	(518)
Shares issued under long-term incentive plan	10,070	125	-	-	(125)	-	-	-	-	-
<b>Balance, September 30, 2019</b>	<b>42,641,596</b>	<b>\$ 266,286</b>	<b>10,000,000</b>	<b>\$ 57,061</b>	<b>\$ 21,028</b>	<b>\$ 33,147</b>	<b>\$ 7,676</b>	<b>\$ 385,198</b>	<b>\$ 14,616</b>	<b>\$ 399,814</b>
Net earnings and comprehensive earnings (loss), October 1 to December 31, 2019	-	-	-	-	-	873	8,842	9,715	134	9,849
Payments to non-controlling interest	-	-	-	-	-	-	-	-	(276)	(276)
Shares repurchased and cancelled	(581,800)	(3,633)	-	-	-	-	(3,073)	(6,706)	5	(6,701)
Shares issued by subsidiary under services agreement	-	-	-	-	-	-	-	-	277	277
Preferred securities distribution	-	-	-	-	-	-	(1,261)	(1,261)	-	(1,261)
Dividends paid to common shareholders	-	-	-	-	-	-	(2,123)	(2,123)	-	(2,123)
Share-based compensation	-	-	-	-	382	-	-	382	-	382
<b>Balance, December 31, 2019</b>	<b>42,059,796</b>	<b>\$ 262,653</b>	<b>10,000,000</b>	<b>\$ 57,061</b>	<b>\$ 21,410</b>	<b>\$ 34,020</b>	<b>\$ 10,061</b>	<b>\$ 385,205</b>	<b>\$ 14,756</b>	<b>\$ 399,961</b>
Net earnings (loss) and comprehensive earnings (loss), January 1 to September 30, 2020	-	-	-	-	-	(2,078)	(39,283)	(41,361)	434	(40,927)
Payments to non-controlling interest (Note 14)	-	-	-	-	-	-	-	-	(772)	(772)
Receipts from non-controlling interests (Note 14)	-	-	-	-	-	-	235	235	5,082	5,317
Shares repurchased and cancelled (Note 11)	(644,400)	(4,024)	-	-	-	-	(2,066)	(6,090)	-	(6,090)
Non-controlling interest of Coal Royalty and Genesee Royalty Limited Partnership Acquisitions (Note 4 & 7)	-	-	-	-	-	-	-	-	1,013	1,013
Shares issued by subsidiary under services agreement	-	-	-	-	-	-	-	-	387	387
Preferred securities distribution	-	-	-	-	-	-	(3,753)	(3,753)	-	(3,753)
Dividends paid to common shareholders	-	-	-	-	-	-	(6,245)	(6,245)	-	(6,245)
Shares issued under dividend reinvestment plan	28,528	282	-	-	-	-	-	282	-	282
Share-based compensation	-	-	-	-	3,523	-	-	3,523	-	3,523
Cash settled RSUs	-	-	-	-	(209)	-	-	(209)	-	(209)
Shares issued under long-term incentive plan	20,538	236	-	-	(488)	-	-	(252)	-	(252)
<b>Balance, September 30, 2020</b>	<b>41,464,462</b>	<b>\$ 259,147</b>	<b>10,000,000</b>	<b>\$ 57,061</b>	<b>\$ 24,236</b>	<b>\$31,942</b>	<b>\$ (41,051)</b>	<b>\$ 331,335</b>	<b>\$ 20,900</b>	<b>\$ 352,235</b>

## **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **1. NATURE OF OPERATIONS AND CORPORATE INFORMATION**

Altius Minerals Corporation (“Altius” or the “Corporation”) is a mineral royalty/streaming, renewable energy royalty and mineral project generation company. The Corporation’s diversified mineral royalties and streams generate revenue from 14 operating mines located in Canada (13) and Brazil (1) that produce copper, zinc, nickel, cobalt, potash, iron ore and thermal (electrical) coal. The Corporation further holds a diversified portfolio of pre-production stage royalties and junior equity positions that it originates through mineral exploration initiatives within a business division referred to as Project Generation. The Corporation also holds royalties related to renewable energy generation projects located primarily in the United States.

Altius is a publicly traded company, incorporated and domiciled in Canada. The head office of the Corporation is located at 2<sup>nd</sup> Floor, 38 Duffy Place, St. John’s, Newfoundland and Labrador A1B 4M5. Its registered office is located at 4300 Bankers Hall West, 888 – 3<sup>rd</sup> Street S.W., Calgary, Alberta, T2P 5C5.

These condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on November 11, 2020.

### **2. BASIS OF PRESENTATION**

These condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard 34 Interim Financial Reporting (IAS 34) as issued by the International Accounting Standards Board (IASB).

These condensed consolidated financial statements have been prepared on an historical cost basis, except for derivative assets and liabilities, and financial assets classified at fair value through profit or loss or investments which are measured at fair value through other comprehensive income. Additionally, these condensed consolidated financial statements have been prepared using accrual basis accounting. All amounts are expressed in Canadian dollars, unless otherwise stated. Tabular amounts are presented in thousands of Canadian dollars with the exception of per share amounts.

### **3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND PRONOUNCEMENTS**

These condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as the annual consolidated financial statements of the Corporation as at and for the year ended December 31, 2019 with the exception of any changes and or amendments noted below with an initial application date of January 1, 2020.

#### *Critical accounting judgements and estimates*

#### *Fair value measurements and valuation processes*

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

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

The Corporation has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2019.

#### *IFRS 3 – Business combinations*

An amendment to IFRS 3, Business Combinations, effective for annual periods for on or after January 1, 2020 clarifies the definition of a business and provides guidance in determining whether an acquisition is a business combination or a combination of a group of assets. The amendment emphasizes that the output of a business is to provide goods and services to customers and provides supplementary guidance. The Corporation had no material impact upon applying this amendment.

#### *IAS 1 – Presentation of financial statements*

An amendment to IAS 1, Presentation of Financial Statements, effective for annual periods for on or after January 1, 2020 clarifies the definition of “material” to align the definition used in the Conceptual Framework developed by the IASB and all other accounting standards. Under the amendment, information is defined as “material” if, “omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”. The Corporation had no material impact upon applying this amendment.

## **4. INTERESTS IN JOINT VENTURES**

IN THOUSANDS OF CANADIAN DOLLARS

	LNRLP	Prairie Royalties LP	Total
Balance December 31, 2018	\$ 5,785	\$ 91,375	97,160
Earnings	656	5,747	6,403
Cash receipts	(1,033)	(15,649)	(16,682)
Balance, December 31, 2019	\$ 5,408	\$ 81,473	\$ 86,881
Earnings	280	2,825	3,105
Cash receipts	(412)	(9,591)	(10,003)
Acquisition of control of Coal Royalty and Genesee Royalty Limited Partnership (Note 7)	-	(73,732)	(73,732)
Reclassification of acquisition costs	-	(975)	(975)
Balance, September 30, 2020	\$ 5,276	\$ -	\$ 5,276

On July 24, 2020, the Corporation entered into an agreement with Liberty Metals & Mining Holdings, LLC (“LMM”), to acquire its 44.9% interest in the Coal Royalty and Genesee Royalty Limited Partnerships (together the “Prairie Royalty LPs”) for a net purchase price of \$8,957,000 including positive working capital adjustments, which it funded using cash on hand. This transaction closed on July 31, 2020 and Altius’s partnership interests in the Prairie Royalty LPs increased from 52.4% to 97.3%. The acquisition is considered an asset acquisition for financial reporting purposes. Effective August 1, 2020, the Corporation consolidated the net assets of the Prairie Royalty LPs, recognized a non-controlling interest and discontinued equity accounting for those partnerships in accordance with IFRS 10 Consolidated Financial Statements. Thus, the Prairie Royalty LPs are no longer classified as an investment in joint venture (Note 7).

Interests in joint ventures included \$3,058,000 in acquisition costs related to the acquisition of the Prairie Royalties LP, of which \$2,083,000 was included in the carrying value of the Coal Royalty and Genesee Royalty Limited Partnerships. The Corporation reclassified \$975,000 to potash royalty interests during the nine months ended September 30, 2020.



## 5. INVESTMENTS IN ASSOCIATES

IN THOUSANDS OF CANADIAN DOLLARS

	Alderon	Adventus	Total
Balance, December 31, 2018	\$ 4,020	\$ 7,086	\$ 11,106
Additions	-	50	50
Share of loss in associates	(2,039)	(1,718)	(3,757)
Dilution gain on issuance of shares by associates	-	2,313	2,313
Balance, December 31, 2019	\$ 1,981	\$ 7,731	\$ 9,712
Additions	66	-	66
Share of loss in associates	(503)	(572)	(1,075)
Impairment recognition in associates	(1,544)	-	(1,544)
Dilution gain on issuance of shares by associates	-	2,634	2,634
Balance, September 30, 2020	\$ -	\$ 9,793	\$ 9,793

### Percentage ownership:

At December 31, 2019	37.69%	15.51%
At September 30, 2020	37.30%	11.90%

The Corporation currently holds 52,865,442 shares (December 31, 2019 - 52,526,206) in Alderon Iron Ore Corporation ("Alderon") or 37.30% (December 31, 2019 - 37.69%) of the total shares outstanding. The Corporation also retains a 3% gross sales royalty relating to any potential future mining operations on Alderon's Kami iron ore property. At March 31, 2020 the Corporation's investment in Alderon was determined to be impaired and written down to \$nil after an announcement by Alderon on April 1, 2020 that it could not repay its external debt (see Loan receivable).

During the quarter, Adventus Mining Corporation ("Adventus") closed an equity financing of \$38 million. The Corporation did not participate in the financing and effective August 14, 2020 the Corporation's ownership in Adventus was diluted from 15.51% to 11.90%. The Corporation recognized a gain of \$2,634,000 as a result of this dilution.

### *Loan receivable*

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. After a series of extensions granted by Sprott in late 2019 and early 2020, the credit facility maturity date was amended to March 31, 2020. On April 1, 2020, Alderon announced it could not repay its debt and Sprott indicated its intention to realize on its security. During the quarter ended June 30, 2020, Alderon's management and directors resigned and the Newfoundland and Labrador Supreme Court appointed a receiver of Alderon and the Kami Mine Limited Partnership. The Corporation has recorded an impairment charge on the loan receivable of CAD\$1,625,000. Subsequent to quarter end the receiver advised that it has submitted to the court for approval an offer to purchase the assets of Alderon, the details of which have been sealed and not made available to Altius. The court date for approval of the offer is set for mid-November 2020.

## 6. INVESTMENTS

IN THOUSANDS OF CANADIAN DOLLARS

	Mining and other investments	Renewable energy investments	Share purchase warrants	Total
Balance, December 31, 2018	\$ 123,769	\$ -	\$ 670	\$ 124,439
Additions	15,200	13,903	1,238	30,341
Reclassification to investments in traded securities	114	-	(114)	-
Receipt for interest in mineral property	298	-	-	298
Receipt in exchange for royalty interest	4,250	-	-	4,250
Disposals	(16,171)	-	-	(16,171)
Revaluation	5,270	-	616	5,886
Balance, December 31, 2019	\$ 132,730	\$ 13,903	\$ 2,410	\$ 149,043
Additions	3,221	63,343	398	66,962
Reclassification to investments in traded securities	368	-	(368)	-
Disposals	(26,941)	-	-	(26,941)
Revaluation	2,476	6,770	436	9,682
Balance, September 30, 2020	\$ 111,854	\$ 84,016	\$ 2,876	\$ 198,746

As at September 30, 2020 investments include an investment in Labrador Iron Ore Royalty Corporation of \$73,828,000 (December 31, 2019 - \$93,103,000) consisting of 2,873,800 (December 31, 2019 - 3,781,600) common shares.

### *Tri Global Energy LLC*

On February 7, 2019 the Corporation announced its first renewable energy royalty transaction with leading Texas-based wind energy developer Tri Global Energy LLC ("TGE"). The Corporation, through its renewables subsidiary, will be granted a 3% gross revenue royalty on each individual pipeline project created until a target minimum total royalty valuation is achieved. The Corporation has committed to investing in tranches a total of US\$30,000,000 over the next three years as TGE achieves certain advancement milestones. The Corporation could be subject to penalties if future tranches are requested but not funded after milestones have been met. At September 30, 2020, the Corporation has invested US\$22,000,000 (CAD\$29,501,000) in the first four tranches, of which US\$3,000,000 (CAD\$4,060,000) was invested during the quarter. There are US\$348,000 in acquisition related costs included in the value of the investment. Subsequent to September 30, 2020 the Corporation invested an additional US\$7,000,000 in TGE (Note 17).

### *Apex Clean Energy*

On March 10, 2020 the Corporation, through its renewables subsidiary, entered into a US\$35,000,000 (CAD\$48,364,000) royalty investment agreement with Apex Clean Energy ("Apex"), one of the largest renewable energy developers in the US, to obtain future royalties related to a broad portfolio of wind and solar energy development projects located across North America. The Corporation will receive gross revenue royalties for wind energy and solar energy projects as projects are sold until a target valuation of the royalty portfolio is achieved. Upon achieving certain milestones related to the vending of projects in Apex's development pipeline, mutual options become exercisable to provide continuing US\$10,000,000 tranches of royalty investment. The Corporation funded the investment using its revolving credit facility. There are US\$457,000 in acquisition related costs included in the value of the investment.

See Note 17 for subsequent events associated with renewable energy investments.

## 7. ROYALTY AND STREAMING INTERESTS

IN THOUSANDS OF CANADIAN DOLLARS

Note	As at December 31, 2019	Additions and revaluations	As at September 30, 2020
<b>Royalty interests</b>			
Rocanville - Potash	\$ 73,126	\$ 469	\$ 73,595
Esterhazy - Potash	32,969	235	33,204
Cory - Potash	18,812	615	19,427
Allan - Potash	6,317	50	6,367
Patience Lake - Potash	3,872	31	3,903
Vanscoy - Potash	5,197	41	5,238
Other potash	7,000	-	7,000
Coal & coal bed methane	8,000	-	8,000
Genesee - Coal	a -	34,328	34,328
Other coal	a -	2,744	2,744
777 Mine - Copper & zinc	47,356	-	47,356
Gunnison - Copper	10,300	-	10,300
Picket Mountain	7,606	-	7,606
Curipamba - Copper, gold, zinc	13,441	4	13,445
Clyde River - Hydro	3,350	89	3,439
<b>Streaming interest</b>			
Chapada - Copper	77,634	-	77,634
<b>Balance, end of period</b>	<b>\$ 314,980</b>	<b>\$ 38,606</b>	<b>\$ 353,586</b>
<b>Accumulated amortization, depletion</b>			
Rocanville - Potash	\$ 3,598	\$ 1,319	\$ 4,917
Esterhazy - Potash	598	257	855
Cory - Potash	281	153	434
Allan - Potash	498	296	794
Patience Lake - Potash	36	21	57
Vanscoy - Potash	59	8	67
Other potash	42	6	48
Coal & coal bed methane	2,234	300	2,534
Genesee - Coal	-	868	868
Other coal	-	373	373
777 Mine - Copper & zinc	34,101	4,246	38,347
Gunnison - Copper	-	-	-
Pickett Mountain	-	-	-
Curipamba - Copper, gold, zinc	-	-	-
Clyde River - Hydro	132	115	247
<b>Streaming interest</b>			
Chapada - Copper	17,996	3,607	21,603
<b>Balance, end of period</b>	<b>\$ 59,575</b>	<b>\$ 11,569</b>	<b>\$ 71,144</b>
<b>Net book value</b>	<b>\$ 255,405</b>	<b>\$ 27,037</b>	<b>\$ 282,442</b>

*(a) Coal acquisition and impairment losses*

On July 31, 2020 following the acquisition of control of the Prairie Royalties LPs (Note 4), the Corporation consolidated the net assets of the Coal Royalty and Genesee Royalty Limited Partnerships, considered indicators of impairment and reclassified its previously held interest in joint venture, at carrying value of \$73,732,000 (Note 4). The initial value assigned to the royalty interests included the purchase price to acquire the assets and the carrying value of its previously held interests.

As a result of the lower weighted average purchase price calculated upon acquiring an additional 44.9% interest in the Prairie Royalties LPs, reduced near-term electricity demand factors in Alberta and assumptions with respect to the pace of gas fired generation conversions, the Corporation tested the underlying coal royalty interests for impairment. Production inputs and expected sales were generated from historical trends and short term data that was available for the other coal royalty interests. The Corporation modeled expected production on applicable royalty lands and assumed gradual conversions to gas over the next two years. The impairment charges for the other coal royalties totalled \$27,613,000.

For the Genesee royalty interest, the Corporation modeled data based on the most recent investor information on the website of Capital Power Corporation ("Capital Power") as operator regarding potential applications for natural gas conversions at Genesee. Capital Power has proposed the repowering of Genesee Units 1 and 2 to combined cycle natural gas. If regulatory approval is granted, it is proposed that Genesee Unit 1 would become a combined cycle unit by end of 2023; and Genesee Unit 2 would be repowered to a combined cycle unit by 2024. Genesee Unit 3 (466 MW unit) will continue its transition to a dual fuel capability, with the ability to generate power with either 100% coal or 100% natural gas by 2021. Capital Power continues to plan a full phase out of coal by end of 2029. Using this information, the Corporation recorded an impairment charge of \$15,921,000 on this royalty interest and assigned a fair value of \$34,328,000.

In accordance with IAS 36 Impairment of Assets the Corporation estimated the value in use as well as the fair value less costs of disposal of the royalty streams. Value in use was determined using net present value calculation based on the probability weighted expected production/sales tonnes multiplied by the expected price per tonne and discounted using a post-tax discount rate of 5%. The fair value less costs of disposal was calculated using the implied purchase price for 100% of the assets. The recoverable amount is the higher of the two calculations and was the value in use calculated amounts of the assets which amounted to \$37,072,000 collectively.

After giving effect to the acquisition of control and impairment charges of \$45,617,000, the Corporation consolidated coal royalty interests of \$37,072,000, cash of \$2,293,000, working capital of \$648,000, and a non-controlling interest of \$1,013,000.

The Prairie Royalty LPs generate royalty income from thermal and metallurgical coal mines located in Alberta, Canada. The Corporation has allocated the acquisition purchase price to Genesee royalty interest and paid for the acquisition using cash on hand. The acquisition cost of \$11,250,000 is shown net of the Prairie Royalties LPs cash assumed of \$2,293,000 in the statement of cash flows.

IN THOUSANDS OF CANADIAN DOLLARS

	Note	As at December 31, 2018	Additions and revaluations	As at December 31, 2019
<b>Royalty interests</b>				
Rocanville - Potash	\$	72,880	\$ 246	\$ 73,126
Esterhazy - Potash		32,869	100	32,969
Cory - Potash		18,812	-	18,812
Allan - Potash		6,317	-	6,317
Patience Lake - Potash		3,872	-	3,872
Vanscoy - Potash		5,197	-	5,197
Other potash		7,000	-	7,000
Coal & coal bed methane		8,000	-	8,000
777 Mine - Copper & zinc		47,356	-	47,356
Gunnison - Copper		10,300	-	10,300
Pickett Mountain		7,606	-	7,606
Curipamba - Copper, gold, zinc		-	13,441	13,441
Clyde River - Hydro		-	3,350	3,350
<b>Streaming interest</b>				
Chapada - Copper		77,634	-	77,634
<b>Balance, end of period</b>	\$	297,843	\$ 17,137	\$ 314,980
<b>Accumulated amortization, depletion</b>				
Rocanville - Potash	\$	1,743	\$ 1,855	\$ 3,598
Esterhazy - Potash		269	329	598
Cory - Potash		114	167	281
Allan - Potash		218	280	498
Patience Lake - Potash		9	27	36
Vanscoy - Potash		72	(13)	59
Other potash		42	-	42
Coal & coal bed methane		1,834	400	2,234
777 Mine - Copper & zinc		28,076	6,025	34,101
Gunnison - Copper		-	-	-
Pickett Mountain		-	-	-
Curipamba - Copper, gold, zinc		-	-	-
Clyde River - Hydro		-	132	132
<b>Streaming interest</b>				
Chapada - Copper		12,346	5,650	17,996
<b>Balance, end of period</b>	\$	44,723	\$ 14,852	\$ 59,575
<b>Net book value</b>	\$	253,120	\$ 2,285	\$ 255,405

## 8. INCOME TAXES

Significant components of the deferred tax assets and liabilities are as follows:

IN THOUSANDS OF CANADIAN DOLLARS

	September 30, 2020		December 31, 2019	
Temporary differences related to exploration and evaluation assets, property and other	\$	(8,130)	\$	(8,124)
Non capital and net capital loss carryforwards		5,283		3,395
Carrying value of investments in excess of tax values		(5,928)		(4,348)
Temporary differences related to preferred securities		(30,000)		(30,000)
Deferred and deductible share-based compensation and other costs		915		981
Share and debt issue costs		619		636
Carrying values in excess of tax values relating to royalty and streaming interests in mineral properties		(8,837)		(7,431)
	\$	(46,078)	\$	(44,891)

  

	September 30, 2020		December 31, 2019	
Deferred tax liabilities	\$	(54,232)	\$	(50,843)
Deferred tax assets		8,154		5,952
Total deferred income tax	\$	(46,078)	\$	(44,891)

Components of income tax expense (recovery) are as follows:

IN THOUSANDS OF CANADIAN DOLLARS

	Three months ended		Six months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Current tax	\$ 1,070	\$ 1,097	\$ 3,770	\$ 4,348
Deferred tax	379	455	(257)	(2,325)
	\$ 1,449	\$ 1,552	\$ 3,513	\$ 2,023

## 9. DEBT

IN THOUSANDS OF CANADIAN DOLLARS

At amortized cost	September 30, 2020		December 31, 2019	
Long-term debt	\$	140,071	\$	107,828
Current		20,000		20,000
Non-current		120,071		87,828
	\$	140,071	\$	107,828

The Term Credit Facility has a five-year term and is repayable by June 2023 with quarterly principal repayments of \$5,000,000 and additional repayments are permitted at any time with no penalty. The revolving facility is payable in full by June 2023 and is permitted for future qualifying royalty and streaming acquisitions. Both facilities bear interest at variable rates based on the total net debt ratio.

On March 10, 2020 the Corporation completed a drawdown on its revolving facility of \$47,326,000 to complete the Apex acquisition (Note 6). At September 30, 2020, the Corporation has approximately \$38,000,000 of additional liquidity on its revolving facility. On January 28, 2019 the Corporation completed a draw down on its revolving facility of \$25,208,000 to acquire mining and other investments. During the nine months ended September 30, 2020 the Corporation repaid \$15,000,000 on its term facility (September 30, 2019 - \$15,000,000).

The Corporation has a floating-to-fixed interest rate swap to lock in the interest rate on a portion of the term credit facility on an amortized basis. The amount of the floating-to-fixed interest rate swap will reduce in tandem with the quarterly principal repayments on the term debt. The balance outstanding on the swap at September 30, 2020 is \$55,000,000 (December 31, 2019 - \$70,000,000). The Corporation expected 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 balance of the term credit facility and the revolving facility fluctuating in accordance with market interest rates. The Corporation has applied hedge accounting to this relationship whereby the change in fair value of the effective portion of the hedging derivative is recognized in accumulated other comprehensive earnings. Settlement of both the fixed and variable portions of the interest rate swap occurs on a quarterly basis. The full amount of the hedge was determined to be effective as at September 30, 2020. The Corporation has classified this financial instrument as a cash flow hedge and the fair value of the hedging instrument is recorded as a liability of \$1,546,000 (December 31, 2019 - \$528,000) on the balance sheet.

The Corporation is amortizing costs attributable to securing the credit facilities over the life of the facilities using an effective interest rate of 5.42%. During the three and nine months ended September 30, 2020, \$143,000 and \$452,000 (September 30, 2019 - \$173,000 and \$554,000) of the costs were recognized as interest expense on long term debt in the condensed consolidated statement of earnings (loss).

As at September 30, 2020 the Corporation was in compliance with all debt covenants.

The following principal repayments for the credit facilities are required over the next 4 calendar years.

IN THOUSANDS OF CANADIAN DOLLARS

	Term	Revolver	Total
2020	\$5,000	-	\$ 5,000
2021	\$20,000	-	\$ 20,000
2022	\$20,000	-	\$ 20,000
2023	\$35,000	\$61,107	\$ 96,107
	\$80,000	\$61,107	\$ 141,107
	Less: unamortized debt costs		1,036
			\$ 140,071

## 10. REVENUE AND GENERAL AND ADMINISTRATION EXPENSES

IN THOUSANDS OF CANADIAN DOLLARS

Revenue and other income	Three months ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Royalty	\$ 9,881	\$ 6,006	\$ 24,038	\$ 21,666
Copper stream*	4,068	5,542	10,719	13,879
Interest and investment	1,307	3,985	3,801	12,033
Other	7	49	24	262
Total revenue and other income	\$ 15,263	\$ 15,582	\$ 38,582	\$ 47,840

\*Revenue from contracts with customers

IN THOUSANDS OF CANADIAN DOLLARS

General and administrative expenses	Three months ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Salaries and benefits	\$ 1,548	\$ 1,480	\$ 4,175	\$ 4,623
Professional and consulting fees	531	211	1,031	955
Office and administrative	285	270	900	895
Travel and accommodations	76	278	221	499
Total general and administrative	\$ 2,440	\$ 2,239	\$ 6,327	\$ 6,972

## 11. SHARE CAPITAL

### *Shares repurchased*

The Corporation renewed its Normal Course Issuer Bid (“NCIB”) effective August 22, 2020 and it will, unless further renewed, end no later than August 21, 2021. The Corporation may purchase at market prices up to 1,662,920 common shares representing approximately 3.9% of its 41,450,126 outstanding shares as of August 18, 2020. The Corporation repurchased and cancelled 644,400 (September 30, 2019 - 220,200) common shares during the nine months ended Sept 30, 2020 at a cost of \$6,090,000 (September 30, 2019 - \$2,567,000).

### *Net earnings (loss) per share*

Basic and diluted net earnings (loss) per share were calculated using the weighted average number of common shares for the respective periods.

	Three months ended		Nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Weighted average number of shares:				
Basic	41,460,533	42,773,835	41,693,095	42,830,602
Diluted	41,912,899	43,081,109	42,032,304	43,113,844

### *Other equity reserves*

Other equity reserves consist of share-based payment reserves of \$8,208,000, warrants of \$12,959,000 and contributed surplus of \$3,069,000 for a total of \$24,236,000. Share-based payment reserve amounts are in respect of stock options, Deferred Share Units (“DSUs”) and Restricted Share Units (“RSUs”). In addition, there are 400,000 warrants issued on May 3, 2016 to Yamana Gold Inc. at an exercise price of \$14.00 with an expiry date of May 3, 2021 and 6,670,000 warrants issued on April 26, 2017 to Fairfax Financial Holdings Ltd. (“Fairfax”) at an exercise price of \$15.00. The Fairfax warrants are exercisable on or prior to April 26, 2022 and the expiry date may be extended to April 26, 2024 if the closing price of the Corporation’s common shares is less than \$24.00 per share on April 26, 2022.



## 12. SUPPLEMENTAL CASH FLOW INFORMATION

IN THOUSANDS OF CANADIAN DOLLARS

	Nine months ended	
	September 30, 2020	September 30, 2019
<b>Adjustments for operating activities:</b>		
Generative exploration	\$ 260	\$ 75
Exploration and evaluation assets abandoned or impaired	80	9,004
Share-based compensation	3,523	1,633
Cash settled restricted share units	(209)	-
Foreign exchange gain	(535)	2
Amortization and depletion	12,262	11,615
Impairment on royalty interest	45,617	-
Interest on long-term debt	6,112	6,109
Interest paid	(5,237)	(5,486)
Gain on disposal of investments	(368)	(103)
Unrealized gain on fair value adjustment of derivatives	(436)	(670)
Earnings from joint ventures	(3,105)	(3,940)
Loss on impairment of short term loan	1,625	-
Share of loss and impairment in associates	2,619	3,006
Dilution gain on issuance of shares by an associate	(2,634)	(2,313)
Income taxes	3,513	2,023
Income taxes paid	(878)	(7,333)
	\$ 62,209	\$ 13,622
<b>Changes in non-cash operating working capital:</b>		
Accounts receivable and prepaid expenses	953	(640)
Accounts payable and accrued liabilities	(380)	(841)
	\$ 573	\$ (1,481)
<b>Cash and cash equivalents consist of:</b>		
Deposits with banks	15,991	31,659
Short-term investments	50	50
	\$ 16,041	\$ 31,709

## 13. RELATED PARTY TRANSACTIONS

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

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

These transactions are in the normal course of operations and are measured at fair value, which is the amount of consideration established and based on the prevailing market rates.

## 14. NON-CONTROLLING INTERESTS

The following table sets forth the Corporation's cash receipts and cash payments relating to its non-controlling interests:

IN THOUSANDS OF CANADIAN DOLLARS

Nine months ended September 30, 2020	Adia <sup>1</sup>	ARR	CRLP	GRLP	PRLP
Equity funds	305	5,012	-	-	-
Distributions	-	-	-	-	772

Year ended December 31, 2019	Adia <sup>2</sup>	ARR	CRLP	GRLP	PRLP
Equity funds	2,232	1,003	-	-	-
Distributions	-	-	-	-	1,301

1. Net of a flow through liability of \$344,000

2. Net of a flow through liability of \$665,000

## 15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The following table sets forth the Corporation's financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy.

IN THOUSANDS OF CANADIAN DOLLARS

As at September 30, 2020	Level 1	Level 2	Level 3	TOTAL
Investments	102,170	2,876	93,700	198,746
FINANCIAL ASSETS	\$ 102,170	\$ 2,876	\$ 93,700	\$ 198,746
Derivative - cash flow swap	-	1,546	-	1,546
Other liability	961	-	-	961
FINANCIAL LIABILITIES	\$ 961	\$ 1,546	\$ -	\$ 2,507

As at December 31, 2019	Level 1	Level 2	Level 3	TOTAL
Investments	121,525	2,410	25,108	149,043
FINANCIAL ASSETS	\$ 121,525	\$ 2,410	\$ 25,108	\$ 149,043
Derivative - cash flow swap	-	528	-	528
Other liability	911	-	-	911
FINANCIAL LIABILITIES	\$ 911	\$ 528	\$ -	\$ 1,439

### Reconciliation of Level 3 fair value measurements of financial instruments

The following table reconciles the fair value measurements of the Corporation's level 3 financial assets, which include renewable energy investments and certain mining and other investments (Note 6).

	Level 3 Investments
Balance, December 31, 2018	\$ -
Additions	25,108
Revaluation gains (losses) through OCI	-
Balance, December 31, 2019	\$ 25,108
Additions	63,343
Disposals	(689)
Revaluation gains (losses) through OCI	5,938
Balance, September 30, 2020	\$ 93,700

#### *Valuation technique and key inputs*

The Corporation uses an income approach methodology for valuation of these instruments, primarily modelled with discounted cash flows to capture the present value of expected future economic benefits to be derived from the ownership of these investments. If an income approach is not possible, the Corporation utilizes cost as a proxy for fair value.

#### *Significant unobservable inputs*

The Corporation uses estimates related to timing of revenues and cash flows, discounts rates, power curves and anticipated project development all of which are key inputs into the valuation model.

#### *Relationship and sensitivity of unobservable inputs to fair value*

The Corporation recognizes the underlying sensitivities to these inputs and as a result the following is possible - the higher the revenue and cash flows, the higher the fair value; the higher the discount rate, the lower the fair value; positive changes in the underlying power curves have a consistent impact on the fair value whereas if timelines to project development lengthens it has the inverse impact.

#### *Risk Management*

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 included in the December 31, 2019 annual consolidated financial statements excepted as noted below.

#### *COVID -19*

Certain impacts to public health conditions particular to the coronavirus (COVID-19) outbreak that occurred during the nine months ended September 30, 2020 may have a significant negative impact on the operations and profitability of the Corporation. The extent of the impact to the financial performance of the Corporation will depend on future developments, including (i) the duration and spread of the outbreak, (ii) the restrictions and advisories, (iii) the effects on the financial markets, (iv) the effects on the economy overall and (v) the effect on commodity prices, all of which are highly uncertain and cannot be predicted. The impact of COVID-19 on the Corporation's investments and royalty and streaming assets could be volatile as financial markets and commodity prices adjust accordingly.

## **16. SEGMENTED INFORMATION**

Key measures used by the Chief Operating Decision Maker ("CODM") in assessing performance and in making resource allocation decisions are earnings before interest, tax, depreciation and amortization and other income (expenses) ("adjusted EBITDA") and earnings before income taxes. Both measures enable the determination of cash return on the equity deployed and overall profitability for each segment. Revenue and expenses from the LNRLP and Prairie Royalties prior to the acquisition of control (Note 4) are included in the Mineral Royalties segment on a gross revenue and expense basis and adjusted to earnings in joint ventures (under the equity method) in the adjustment and eliminations column of the table. The net investment by the Corporation in Renewable Royalties is included the segments total assets and adjusted (eliminated on consolidation) in the adjustment and eliminations column of the table. During the nine months ended September 30, 2020, the Corporation began managing its business under three operating segments consisting of:

- the acquisition and management of producing and development stage royalty and streaming interests ("Mineral Royalties");
- the acquisition and management of renewable energy investments and royalties ("Renewable Royalties") and;
- the acquisition and early stage exploration of mineral resource properties with a goal of vending the properties to third parties in exchange for early stage royalties and minority equity or project interests ("Project Generation").

Business segments are evaluated with the goal of being financially self-sustaining and profitable over the full commodity cycle. All assets are allocated between the segments and all revenues and expenses are allocated to each segment based on the specific nature of the revenue or expense. The reportable segments are consistent with the internal reporting structure of the Corporation which is provided to the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) who fulfill the role of the CODM. The CEO and CFO are responsible for assessing performance of the Corporation’s operating segments and for making resource allocation decisions. Intersegment transactions are not significant and are eliminated on consolidation. The prior year quarter and nine month period has been restated to reflect the Renewable Royalties operating segment which was previously included in the Mineral Royalties operating segment.

IN THOUSANDS OF CANADIAN DOLLARS

Reportable Segments	Mineral Royalties	Renewable Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures & Eliminations	Total
<b>Three months ended September 30, 2020</b>						
<b>Revenue and other income</b>	\$ 16,182	\$ 47	\$ -	\$ 16,229	\$ (966)	\$ 15,263
<b>Costs and Expenses</b>						
General and administrative	1,410	452	682	2,544	(104)	2,440
Cost of sales - copper stream	1,210	-	-	1,210	-	1,210
Generative exploration	-	-	43	43	-	43
Mineral rights and leases	-	-	6	6	-	6
Adjusted EBITDA	\$ 13,562	\$ (405)	\$ (731)	\$ 12,426	\$ (862)	\$ 11,564
Share-based compensation	\$ (316)	\$ -	\$ (171)	\$ (487)	\$ -	\$ (487)
Amortization and depletion	(5,129)	(213)	-	(5,342)	403	(4,939)
Earnings from joint ventures	-	-	-	-	459	459
Gain on disposition of investments	-	-	368	368	-	368
Foreign exchange gain	915	(14)	-	901	-	901
Impairment on royalty interest	(45,617)	-	-	(45,617)	-	(45,617)
Unrealized gain on fair value adjustment of derivative	-	-	(897)	(897)	-	(897)
Dilution gain on issuance of shares by associate	-	-	2,634	2,634	-	2,634
Share of (loss) and impairment in associates	-	-	36	36	-	36
Interest on long-term debt	(2,360)	-	-	(2,360)	-	(2,360)
Earnings (loss) before income taxes	\$ (38,945)	\$ (632)	\$ 1,239	\$ (38,338)	\$ -	\$ (38,338)
Income taxes (current and deferred)						1,449
<b>Net loss</b>						\$ (39,787)

(1) Renewable royalties assets presented to include a net investment from parent which is eliminated on consolidation

IN THOUSANDS OF CANADIAN DOLLARS

Reportable Segments	Mineral Royalties	Renewable Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
<b>Three months ended September 30, 2019</b>						
<b>Revenue and other income</b>	\$ 19,082	\$ 149	\$ 25	\$ 19,256	\$ (3,674)	\$ 15,582
<b>Costs and Expenses</b>						
General and administrative	1,166	366	777	2,309	(70)	2,239
Cost of sales - copper stream	1,624	-	-	1,624	-	1,624
Generative exploration	-	-	36	36	-	36
Mineral rights and leases	-	-	46	46	-	46
Adjusted EBITDA	\$ 16,292	\$ (217)	\$ (834)	\$ 15,240	\$ (3,604)	\$ 11,636
Share-based compensation	\$ (408)	\$ -	\$ (136)	\$ (544)	\$ -	\$ (544)
Amortization and depletion	(6,796)	-	-	(6,796)	2,735	(4,061)
Earnings from joint ventures	-	-	-	-	869	869
Foreign exchange loss	(51)	8	-	(43)	-	(43)
Unrealized gain on fair value adjustment of derivative	-	-	60	60	-	60
Dilution gain on issuance of shares by an associate	-	-	1,114	1,114	-	1,114
Share of loss in associates	-	-	(884)	(884)	-	(884)
Interest on long-term debt	(1,982)	-	-	(1,982)	-	(1,982)
Earnings (loss) before income taxes	\$ 7,055	\$ (209)	\$ (680)	\$ 6,166	\$ -	\$ 6,166
Income taxes (current and deferred)						1,552
<b>Net earnings</b>						\$ 4,614

IN THOUSANDS OF CANADIAN DOLLARS

Reportable Segments	Mineral Royalties	Renewable Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures & Eliminations	Total
<b>Nine months ended September 30, 2020</b>						
<b>Revenue and other income</b>	\$ 45,305	\$ 238	\$ -	\$ 45,543	\$ (6,961)	\$ 38,582
<b>Costs and Expenses</b>						
General and administrative	3,048	1,298	2,133	6,479	(152)	6,327
Cost of sales - copper stream	3,290	-	-	3,290	-	3,290
Generative exploration	-	-	260	260	-	260
Mineral rights and leases	-	-	317	317	-	317
Adjusted EBITDA	\$ 38,967	\$ (1,060)	\$ (2,710)	\$ 35,197	\$ (6,809)	\$ 28,388
Share-based compensation	\$ (1,161)	\$ (1,909)	\$ (453)	\$ (3,523)	\$ -	\$ (3,523)
Gain on disposition of investments	-	-	368	368	-	368
Amortization and depletion	(15,318)	(648)	-	(15,966)	3,704	(12,262)
Earnings from joint ventures	-	-	-	-	3,105	3,105
Foreign exchange gain	1,380	191	-	1,571	-	1,571
Impairment on royalty interest	(45,617)	-	-	(45,617)	-	(45,617)
Unrealized gain on fair value adjustment of derivative	-	-	436	436	-	436
Exploration and evaluation assets abandoned or impaired	-	-	(80)	(80)	-	(80)
Dilution gain on issuance of shares by associate	-	-	2,634	2,634	-	2,634
Share of (loss) and impairment in associates	-	-	(4,244)	(4,244)	-	(4,244)
Interest on long-term debt	(6,112)	-	-	(6,112)	-	(6,112)
Earnings (loss) before income taxes	\$ (27,861)	\$ (3,426)	\$ (4,049)	\$ (35,336)	\$ -	\$ (35,336)
Income taxes (current and deferred)						3,513
<b>Net loss</b>						\$ (38,849)
<b>Supplementary information</b>						
Total assets <sup>(1)</sup>	\$ 494,154	\$ 88,854	\$ 54,555	\$ 637,563	\$ (81,435)	\$ 556,128
Cash flow from (used)						
Operating activities	37,805	(1,060)	(2,809)	33,936	(10,003)	23,933
Financing activities	15,622	5,012	649	21,283	-	21,283
Investing activities	3,754	(64,901)	(159)	(61,306)	10,003	(51,303)
Total cash flow from (used)	\$ 57,181	\$ (60,949)	\$ (2,319)	\$ (6,087)	\$ -	\$ (6,087)

IN THOUSANDS OF CANADIAN DOLLARS

Reportable Segments	Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
<b>Nine months ended September 30, 2019</b>					
<b>Revenue and other income</b>	\$ 60,608	\$ 39	\$ 60,647	\$ (12,807)	\$ 47,840
<b>Costs and Expenses</b>					
General and administrative	4,551	2,630	7,181	(209)	6,972
Cost of sales - copper stream	4,058	-	4,058	-	4,058
Generative exploration	-	75	75	-	75
Mineral rights and leases	-	389	389	-	389
Adjusted EBITDA	\$ 51,999	\$ (3,055)	\$ 48,944	\$ (12,598)	\$ 36,346
Share-based compensation	\$ (1,224)	\$ (409)	\$ (1,633)	\$ -	\$ (1,633)
Amortization and depletion	(16,156)	(27)	(16,183)	4,568	(11,615)
Earnings from joint ventures	-	-	-	3,940	3,940
Impairment on royalty interest	(4,090)	-	(4,090)	4,090	-
Gain on disposal of investments	-	103	103	-	103
Foreign exchange loss	(620)	-	(620)	-	(620)
Unrealized gain on fair value adjustment of derivative	-	670	670	-	670
Exploration and evaluation assets abandoned or impaired	-	(9,004)	(9,004)	-	(9,004)
Dilution gain on issuance of shares by associate	-	2,313	2,313	-	2,313
Share of loss and impairment in associates	-	(3,006)	(3,006)	-	(3,006)
Interest on long-term debt	(6,109)	-	(6,109)	-	(6,109)
Earnings (loss) before income taxes	\$ 23,800	\$ (12,415)	\$ 11,385	\$ -	\$ 11,385
Income taxes (current and deferred)					2,023
<b>Net earnings</b>					\$ 9,362
<b>Supplementary information</b>					
Total assets	\$ 522,031	\$ 50,648	\$ 572,679	\$ -	\$ 572,679
Operating activities	37,615	(2,980)	34,635	(13,132)	21,503
Financing Activities	(12,797)	2,928	(9,869)	-	(9,869)
Investing Activities	(35,954)	14,505	(21,449)	13,132	(8,317)
Total cash flow from (used)	\$ (11,136)	\$ 14,453	\$ 3,317	\$ -	\$ 3,317

## 17. SUBSEQUENT EVENTS

### *Apollo*

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

## *TGE*

On October 28, 2020 the first investment under the arrangement between ARR and the Apollo Funds was announced as GBR agreed to an additional US \$25 million royalty investment in TGE's portfolio of wind and solar energy development project. The additional investment into TGE is an extension of the current US\$30 million royalty investment that GBR made in TGE in early 2019, bringing the total royalty capital commitment to US\$55 million. Similar to the initial arrangement, all investments will be milestone based as qualified projects are sold to developers. As TGE develops and sells their individual renewable energy projects, GBR will receive a gross revenue royalty on each project for the full life of the project. To date, TGE has sold nearly 1 gigawatt of renewable energy projects subject to the GBR royalty program and currently has over 2 GW in its development pipeline.