



Altius Minerals Corporation

Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

## CONDENSED CONSOLIDATED BALANCE SHEETS

Unaudited, In Thousands of Canadian Dollars	Note	As at	
		March 31, 2024	December 31, 2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 101,511	\$ 130,422
Accounts receivable and prepaid expenses		7,230	6,935
Income tax receivable		2,895	2,074
Loan receivable		12,191	5,303
		\$ 123,827	\$ 144,734
<b>Non-current assets</b>			
Royalty and streaming interests	6	204,790	206,209
Investments	5	206,372	221,745
Interests in joint ventures	4	212,697	174,873
Exploration and evaluation assets		7,888	8,011
Deferred tax assets	7	8,249	7,907
Investment in associates		1,578	1,579
Loan receivable		-	6,628
Derivative - cash flow swap	8	1,200	1,339
Property and equipment		471	513
		\$ 643,245	\$ 628,804
<b>TOTAL ASSETS</b>		\$ 767,072	\$ 773,538
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		2,732	4,155
Current portion of long-term debt	8	8,000	8,000
Income tax payable		571	734
		\$ 11,303	\$ 12,889
<b>Non-current liabilities</b>			
Long-term debt	8	103,311	104,173
Other liability		382	418
Deferred tax liabilities	7	44,623	43,520
		\$ 148,316	\$ 148,111
<b>TOTAL LIABILITIES</b>		\$ 159,619	\$ 161,000
<b>EQUITY</b>			
Shareholders' equity		479,458	488,727
Non-controlling interest		127,995	123,811
		\$ 607,453	\$ 612,538
<b>TOTAL LIABILITIES AND EQUITY</b>		\$ 767,072	\$ 773,538

See accompanying notes to the condensed consolidated financial statements

## CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

Unaudited, In Thousands of Canadian Dollars, except per share amounts	Note	Three months ended	
		March 31, 2024	March 31, 2023
<b>Revenue and other income</b>	9	\$ 13,910	\$ 22,678
<b>Costs and Expenses</b>			
General and administrative	9	2,689	2,731
Cost of sales - copper stream		1,509	1,361
Share-based compensation		824	1,092
Generative exploration		54	403
Exploration and evaluation assets abandoned or impaired		-	590
Amortization and depletion		1,470	4,603
Earnings before the following:		\$ 7,364	\$ 11,898
Loss from joint ventures	4	(1,222)	(34)
Realized gain on disposal of derivatives		916	-
Gain on disposal of mineral property		-	107
Interest on long-term debt		(2,304)	(2,329)
Foreign exchange (loss) gain		(747)	247
Unrealized gain (loss) on fair value adjustment of derivatives		1,188	(213)
Earnings before income taxes		\$ 5,195	\$ 9,676
Income taxes (current and deferred)	7	378	4,173
<b>Net earnings</b>		\$ 4,817	\$ 5,503
<b>Net earnings attributable to:</b>			
Common shareholders		4,719	5,061
Non-controlling interest		98	442
		\$ 4,817	\$ 5,503
<b>Net earnings per share</b>			
Basic	10	0.10	0.11
Diluted	10	0.10	0.10

See accompanying notes to the condensed consolidated financial statements

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

Unaudited, In Thousands of Canadian Dollars	Note	Three months ended	
		March 31, 2024	March 31, 2023
<b>Net earnings</b>		\$ 4,817	\$ 5,503
<b>Other comprehensive earnings (loss)</b>			
To be reclassified subsequently to profit or loss			
Foreign currency translation adjustment			
Gross amount		5,977	(16)
Net amount		\$ 5,977	\$ (16)
Net unrealized loss on fair value adjustment of cash flow swap			
Gross amount		(120)	(268)
Tax effect		28	81
Net amount		\$ (92)	\$ (187)
Revaluation of cash flow swap held in joint venture			
Gross amount	4	2,354	-
Tax effect		(521)	-
Net amount		\$ 1,833	\$ -
<b>To not be reclassified subsequently to profit or loss</b>			
Net unrealized (loss) gain on investments			
Gross amount	5	(10,031)	47,867
Tax effect		1,430	(5,212)
Net amount		\$ (8,601)	\$ 42,655
Revaluation of investments held in joint venture			
Gross amount	4	3,571	1,088
Tax effect		(791)	(238)
Net amount		\$ 2,780	\$ 850
Realized loss on investments		(224)	-
Net amount		\$ (224)	\$ -
Other comprehensive earnings		\$ 1,673	\$ 43,302
<b>Total comprehensive earnings</b>		\$ 6,490	\$ 48,805
<b>Total comprehensive earnings attributable to:</b>			
Common shareholders		4,467	48,008
Non-controlling interest		2,023	797
		\$ 6,490	\$ 48,805

See accompanying notes to the condensed consolidated financial statements

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited, In Thousands of Canadian Dollars	Note	Three months ended	
		March 31, 2024	March 31, 2023
<b>Operating activities</b>			
Net earnings		\$ 4,817	\$ 5,503
Adjustments for operating activities	11	1,750	4,219
		\$ 6,567	\$ 9,722
Changes in non-cash operating working capital	11	(1,398)	(5,564)
		\$ 5,169	\$ 4,158
<b>Financing activities</b>			
Repayment of long-term debt	8	(2,000)	(2,000)
Lease payments		(42)	(42)
Proceeds from issuance of shares		401	-
Cash settled stock options and RSUs		(1,272)	(695)
Payments to non-controlling interest	13	(320)	(708)
Repurchase of common shares	10	(8,245)	-
Shares returned to treasury		661	-
Dividends paid		(3,585)	(3,596)
		\$ (14,402)	\$ (7,041)
<b>Investing activities</b>			
Proceeds from sale of investments		8,126	-
Cash received from joint ventures	4	308	339
Generative exploration		(54)	(403)
Exploration and evaluation assets, net of recoveries		90	(39)
Investment in joint venture	4	(29,819)	(1,534)
Acquisition of investments	5	(906)	(1,000)
Acquisition of property and equipment		(9)	-
		\$ (22,264)	\$ (2,637)
Net decrease in cash and cash equivalents		(31,497)	(5,520)
Effect of foreign exchange on cash and cash equivalents		2,586	(30)
Cash and cash equivalents, beginning of period		130,422	82,385
<b>Cash and cash equivalents, end of period</b>		\$ 101,511	\$ 76,835

Supplemental cash flow information (Note 11)

See accompanying notes to the condensed consolidated financial statements

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited, In Thousands of Canadian Dollars										
	Note	Common Shares		Other Equity Reserves (Note 10)	Accumulated Other Comprehensive Earnings	Retained Earnings	Total Shareholders' Equity	Non-controlling interest	Total Equity	
		Number	Amount							
Balance, December 31, 2022		47,624,958	\$ 358,697	\$ 12,453	\$ 90,390	\$ 24,653	\$ 486,193	\$ 122,616	\$ 608,809	
Net earnings and comprehensive earnings, January 1 to March 31, 2023		-	-	-	42,947	5,061	48,008	797	48,805	
Payments to non-controlling interest		-	-	-	-	-	-	(708)	(708)	
Dividends paid to common shareholders		-	-	-	-	(3,810)	(3,810)	-	(3,810)	
Shares issued under dividend reinvestment plan		9,613	214	-	-	-	214	-	214	
Share-based compensation		-	-	1,092	-	-	1,092	-	1,092	
Cash settled RSUs and stock options		-	-	(695)	-	-	(695)	-	(695)	
Shares issued under long-term incentive plan		-	-	(46)	-	-	(46)	-	(46)	
Balance, March 31, 2023		47,634,571	\$ 358,911	\$ 12,804	\$ 133,337	\$ 25,904	\$ 530,956	\$ 122,705	\$ 653,661	
Net earnings and comprehensive loss, April 1 to December 31, 2023		-	-	-	(27,560)	4,476	(23,084)	5,943	(17,141)	
Payments to non-controlling interest		-	-	-	-	-	-	(2,679)	(2,679)	
Transactions with non-controlling interests		-	-	-	-	2,232	2,232	(2,158)	74	
Shares repurchased and cancelled		(611,800)	(4,613)	-	-	(7,915)	(12,528)	-	(12,528)	
Dividends paid to common shareholders		-	-	-	-	(11,381)	(11,381)	-	(11,381)	
Shares issued under dividend reinvestment plan		33,468	677	-	-	-	677	-	677	
Share-based compensation		-	-	2,876	-	-	2,876	-	2,876	
Cash settled RSUs and stock options		-	-	(1,205)	-	-	(1,205)	-	(1,205)	
Shares issued under long-term incentive plan		24,498	314	(130)	-	-	184	-	184	
Balance, December 31, 2023		47,080,737	\$ 355,289	\$ 14,345	\$ 105,777	\$ 13,316	\$ 488,727	\$ 123,811	\$ 612,538	
Net earnings and comprehensive loss, January 1 to March 31, 2024		-	-	-	(252)	4,719	4,467	2,023	6,490	
Payments to non-controlling interest	13	-	-	-	-	-	-	(320)	(320)	
Transactions with non-controlling interests		-	-	-	-	(2,481)	(2,481)	2,481	-	
Shares repurchased and cancelled	10	(429,100)	(3,238)	-	-	(5,007)	(8,245)	-	(8,245)	
Dividends paid to common shareholders		-	-	-	-	(3,745)	(3,745)	-	(3,745)	
Shares returned to treasury		(220,810)	-	-	-	661	661	-	661	
Shares issued under dividend reinvestment plan		7,813	160	-	-	-	160	-	160	
Share-based compensation		-	-	824	-	-	824	-	824	
Cash settled RSUs and stock options		-	-	(1,272)	-	-	(1,272)	-	(1,272)	
Shares issued under long-term incentive plan		108,499	1,869	(1,507)	-	-	362	-	362	
Balance, March 31, 2024		46,547,139	\$ 354,080	\$ 12,390	\$ 105,525	\$ 7,463	\$ 479,458	\$ 127,995	\$ 607,453	

See accompanying notes to the condensed consolidated financial statements

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

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

---

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

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

The Corporation’s diversified mineral royalties and streams generate revenue from 11 operating mines located in Canada (9) and Brazil (2) that produce copper, nickel, cobalt, lithium, potash and iron ore. It also holds indirect royalty interests in two construction stage lithium mines. The Corporation further holds a diversified portfolio of pre-production stage royalties and junior equity positions that it mainly originates through mineral exploration initiatives within its Project Generation business division. The Corporation holds a 58% interest in ARR, which through a jointly controlled entity, Great Bay Renewables LLC (“GBR”), holds royalties related to renewable energy generation projects located primarily in the United States. Certain funds managed by affiliates of Apollo Global Management, Inc. (the “Apollo Funds”) represent the other party to the joint venture.

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 4200 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 May 8, 2024.

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

These condensed consolidated financial statements have been prepared in accordance with 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. 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. MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES**

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

31, 2023. 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, 2023.

### 4. INTERESTS IN JOINT VENTURES

	LNRLP <sup>(1)</sup>	GBR	LRC LPI <sup>(1)</sup>	Total
Balance, December 31, 2022	\$ 4,574	\$ 204,673	\$ —	\$ 209,247
Reclassification from investments	-	-	4,131	4,131
Earnings (loss)	354	(2,348)	168	(1,826)
Investment in joint venture	-	21,222	-	21,222
Distributions received	(680)	(74,985)	(65)	(75,730)
Other comprehensive earnings - revaluation of investments	-	24,278	-	24,278
Other comprehensive earnings (loss) - foreign currency translation adjustment	-	(1,174)	-	(1,174)
Other comprehensive earnings (loss) - revaluation of cash flow swap	-	(5,275)	-	(5,275)
Balance, December 31, 2023	\$ 4,248	\$ 166,391	\$ 4,234	\$ 174,873
Earnings (loss)	144	(1,366)	-	(1,222)
Investment in joint venture	-	29,819	-	29,819
Distributions received	(308)	-	-	(308)
Other comprehensive earnings - revaluation of investments	-	3,571	-	3,571
Other comprehensive earnings - foreign currency translation adjustment	-	3,610	-	3,610
Other comprehensive earnings - revaluation of cash flow swap	-	2,354	-	2,354
Balance, March 31, 2024	\$ 4,084	\$ 204,379	\$ 4,234	\$ 212,697

<sup>(1)</sup> Labrador Nickel Royalty Limited Partnership ("LNRLP") & Lithium Royalty Corp. Limited Partnership I ("LRC LPI")

See Note 14 for fair value qualitative and quantitative analysis relating to the investments held in the GBR joint venture.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

### 5. INVESTMENTS

	Mining and other investments	Share purchase warrants	Total
Balance, December 31, 2022	\$ 215,064	\$ 3,146	\$ 218,210
Additions	1,609	863	2,472
Return of capital	(8,950)	-	(8,950)
Reclassification	893	(893)	-
Receipt for interest in mineral property	1,278	-	1,278
Reclassification of investment in associate	(4,131)	-	(4,131)
Disposals	(1,903)	(514)	(2,417)
Revaluation	14,958	325	15,283
Balance, December 31, 2023	\$ 218,818	\$ 2,927	\$ 221,745
Additions	906	981	1,887
Reclassification	1,129	(1,129)	-
Disposals	(8,316)	(101)	(8,417)
Revaluation	(10,031)	1,188	(8,843)
Balance, March 31, 2024	\$ 202,506	\$ 3,866	\$ 206,372

As at March 31, 2024 investments include an investment in Labrador Iron Ore Royalty Corporation ("LIORC") of \$108,005,000 (December 31, 2023 - \$119,300,000) consisting of 3,739,800 (December 31, 2023 - 3,739,800) common shares, \$34,858,000 relating to the Corporation's indirect ownership of an interest in Lithium Royalty Corporation ("LRC") (December 31, 2023 - \$40,529,000) and \$26,384,000 relating to the Corporation's investment in Orogen Royalties Inc. ("Orogen") consisting of 29,315,014 common shares. Subsequent to the quarter, the Corporation acquired 7,115,546 common shares through an exercise of common share purchase warrants of Orogen held by Altius at an exercise price of \$0.4016 per share, for an aggregate purchase price of \$2,858,000.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

### 6. ROYALTY AND STREAMING INTERESTS

	As at December 31, 2023	Additions	As at March 31, 2024
<b>Royalty interests</b>			
Rocanville - Potash	\$ 73,595	-	\$ 73,595
Esterhazy - Potash	33,770	-	33,770
Cory - Potash	19,427	-	19,427
Allan - Potash	6,367	-	6,367
Patience Lake - Potash	3,903	-	3,903
Vanscoy - Potash	5,238	-	5,238
Other potash	7,000	-	7,000
Coal & natural gas	8,000	-	8,000
Gunnison - Copper	10,300	-	10,300
Pickett Mountain	2,537	-	2,537
Curipamba - Copper, gold, zinc	13,475	-	13,475
Other	250	-	250
<b>Streaming interest</b>			
Chapada - Copper	77,634	-	77,634
<b>Balance, end of period</b>	<b>\$ 261,496</b>	<b>-</b>	<b>\$ 261,496</b>
<b>Accumulated amortization, depletion</b>			
Rocanville - Potash	\$ 9,521	296	\$ 9,817
Esterhazy - Potash	1,905	101	2,006
Cory - Potash	1,287	90	1,377
Allan - Potash	1,814	37	1,851
Patience Lake - Potash	162	11	173
Vanscoy - Potash	135	5	140
Other potash	39	3	42
Coal & natural gas	3,869	100	3,969
<b>Streaming interest</b>			
Chapada - Copper	36,555	776	37,331
<b>Balance, end of period</b>	<b>\$ 55,287</b>	<b>\$ 1,419</b>	<b>\$ 56,706</b>
<b>Net book value</b>	<b>\$ 206,209</b>	<b>\$ 1,419</b>	<b>\$ 204,790</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

	As at December 31, 2022	Additions	Impairment	As at December 31, 2023
<b>Royalty interests</b>				
Rocanville - Potash	\$ 73,595	\$ -	\$ -	\$ 73,595
Esterhazy - Potash	33,770	-	-	33,770
Cory - Potash	19,427	-	-	19,427
Allan - Potash	6,367	-	-	6,367
Patience Lake - Potash	3,903	-	-	3,903
Vanscoy - Potash	5,238	-	-	5,238
Other potash	7,000	-	-	7,000
Coal & natural gas	8,000	-	-	8,000
Genesee - Coal	34,327	-	-	34,327
Gunnison - Copper	10,300	-	-	10,300
Pickett Mountain	8,875	-	(6,338)	2,537
Curipamba - Copper, gold, zinc	13,475	-	-	13,475
Other	250	-	-	250
<b>Streaming interest</b>				
Chapada - Copper	77,634	-	-	77,634
<b>Balance, end of year</b>	<b>\$ 302,161</b>	<b>\$ -</b>	<b>\$ (6,338)</b>	<b>\$ 295,823</b>
<b>Accumulated amortization, depletion</b>				
Rocanville - Potash	\$ 8,242	1,279	-	\$ 9,521
Esterhazy - Potash	1,574	331	-	1,905
Cory - Potash	1,043	244	-	1,287
Allan - Potash	1,513	301	-	1,814
Patience Lake - Potash	137	25	-	162
Vanscoy - Potash	123	12	-	135
Other potash	30	9	-	39
Coal & natural gas	3,469	400	-	3,869
Genesee - Coal	25,625	8,702	-	34,327
<b>Streaming interest</b>				
Chapada - Copper	32,084	4,471	-	36,555
<b>Balance, end of year</b>	<b>\$ 73,840</b>	<b>\$ 15,774</b>	<b>\$ -</b>	<b>\$ 89,614</b>
<b>Net book value</b>	<b>\$ 228,321</b>	<b>\$ 15,774</b>	<b>\$ 6,338</b>	<b>\$ 206,209</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

### 7. INCOME TAXES

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

	March 31, 2024	December 31, 2023
Temporary differences related to exploration and evaluation assets, property and other	\$ (1,905)	\$ (1,896)
Non capital and net capital loss carryforwards	5,984	5,504
Carrying value of investments in excess of tax values	(26,514)	(25,059)
Deferred and deductible share-based compensation and other costs	2,255	2,179
Share and debt issue costs	(139)	(169)
Carrying values in excess of tax values relating to royalty and streaming interests in mineral properties	(16,055)	(16,172)
	\$ (36,374)	\$ (35,613)

	March 31, 2024	December 31, 2023
Deferred tax liabilities	\$ (44,623)	\$ (43,520)
Deferred tax assets	8,249	7,907
Total deferred income tax	\$ (36,374)	\$ (35,613)

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

	Three months ended	
	March 31, 2024	March 31, 2023
Current tax	\$ (260)	\$ 3,144
Deferred tax	638	1,029
	\$ 378	\$ 4,173

### 8. DEBT

At amortized cost	March 31, 2024	December 31, 2023
Long-term debt	\$ 111,311	\$ 112,173
Current	8,000	8,000
Non-current	103,311	104,173
	\$ 111,311	\$ 112,173

The term credit facility matures in August 2025 and has required quarterly principal repayments of \$2,000,000, with additional repayments being permitted at any time with no penalty. The revolving facility is payable in full by August 2025 and any unused portion of the revolving facility is available for qualifying royalty acquisitions, streaming acquisitions, and other qualifying investments. Both facilities bear interest at variable rates based on the total net debt ratio.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

The Corporation has a floating-to-fixed interest rate swap with a maturity date of August 10, 2025 to lock in the interest rate on 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 scheduled principal repayments on the term debt. As of March 31, 2024, the balance outstanding on the swap was \$30,000,000 (December 31, 2023 - \$32,000,000). The Corporation expects the interest rate on the fixed portion of the debt to be approximately 4.34% per annum during the full term of the loan, with the revolving facility fluctuating in accordance with market interest rates. The Corporation 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 March 31, 2024. The Corporation has classified this financial instrument as a cash flow hedge and the fair value of the hedging instrument is recorded as an asset of \$1,200,000 (December 31, 2023 - \$1,339,000) on the consolidated balance sheet.

The Corporation is amortizing costs attributable to securing the amended credit facilities of \$1,782,000 over the life of the facilities using an effective interest rate of 5.73%. During the three months ended March 31, 2024 \$98,000 (March 31, 2023 - \$121,000) of the costs were recognized as interest expense on long term debt in the consolidated statement of earnings.

During the three months ended March 31, 2024 the Corporation repaid \$2,000,000 on its term facility (March 31, 2023 - \$2,000,000).

As at March 31, 2024 the Corporation was in compliance with all debt covenants and has approximately \$93,000,000 of additional liquidity on its revolving facility.

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

	<b>Term</b>	<b>Revolver</b>	<b>Total</b>
2024	\$ 6,000	\$ -	\$ 6,000
2025	24,000	81,766	105,766
	\$ 30,000	\$ 81,766	\$ 111,766
		Less: unamortized debt costs	455
			\$ 111,311

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

### 9. REVENUE AND GENERAL & ADMINISTRATIVE EXPENSES

<b>Revenue and other income</b>	<b>Three months ended</b>	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Royalty	\$ 5,224	\$ 12,246
Copper stream*	5,102	4,666
Interest and investment	3,546	5,746
Other	38	20
<b>Total revenue and other income</b>	<b>\$ 13,910</b>	<b>\$ 22,678</b>

\*Revenue from contracts with customers

<b>General and administrative expenses</b>	<b>Three months ended</b>	
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Salaries and benefits	\$ 1,426	\$ 1,560
Professional and consulting fees	483	558
Office and administrative	692	525
Travel and accommodations	88	88
<b>Total general and administrative</b>	<b>\$ 2,689</b>	<b>\$ 2,731</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

### 10. SHARE CAPITAL

#### *Normal Course Issuer Bid*

The Corporation renewed its Normal Course Issuer Bid ("NCIB") effective August 22, 2023 and it will, unless further renewed, end no later than August 21, 2024. The Corporation may purchase at market prices up to 1,996,856 common shares representing approximately 4.21% of its 47,430,043 shares outstanding as of August 18, 2023. The Corporation repurchased and cancelled 429,100 common shares at a cost of \$8,245,000 during the three months ended March 31, 2024 (March 31, 2023 - nil common shares).

#### *Net earnings per share*

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

	Three months ended	
	March 31, 2024	March 31, 2023
Weighted average number of shares:		
Basic	47,020,656	47,616,297
Diluted	47,826,166	48,527,388

#### *Other equity reserves*

Other equity reserves consist of share-based payment reserves of \$2,866,000 and contributed surplus of \$9,524,000 for a total of \$12,390,000. Share-based payment reserve amounts are in respect of stock options, deferred share units ("DSUs"), restricted share units ("RSUs") and performance share units ("PSUs").

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

### 11. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended	
	March 31, 2024	March 31, 2023
Adjustments for operating activities:		
Generative exploration	\$ 54	\$ 403
Exploration and evaluation assets abandoned or impaired	-	590
Share-based compensation	824	1,092
Foreign exchange loss (gain)	1,040	(115)
Amortization and depletion	1,470	4,603
Interest on long-term debt	2,304	2,329
Interest paid	(2,136)	(2,047)
Realized gain on disposal of derivatives	(916)	-
Unrealized (gain) loss on fair value adjustment of derivatives	(1,188)	213
Loss from joint ventures	1,222	34
Gain on disposal of mineral property	-	(107)
Income taxes (current and deferred)	378	4,173
Income taxes paid	(1,302)	(6,949)
	\$ 1,750	\$ 4,219
Changes in non-cash operating working capital:		
Accounts receivable and prepaid expenses	(294)	(3,928)
Accounts payable and accrued liabilities	(1,104)	(1,636)
	\$ (1,398)	\$ (5,564)
Cash and cash equivalents consist of:		
Deposits with banks	101,511	76,835
Short-term investments	-	-
	\$ 101,511	\$ 76,835

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

### 12. RELATED PARTY TRANSACTIONS

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.

	Three months ended	
	March 31, 2024	March 31, 2023
Key management personnel and directors		
Salaries and benefits	\$ 1,037	\$ 1,515
Share-based compensation	813	909
Total	\$ 1,850	\$ 2,424

	Three months ended	
	March 31, 2024	March 31, 2023
General and administrative expenses billed (to) from		
Associates	\$ (12)	\$ (12)
Joint venture	(11)	1
Total	\$ (23)	\$ (11)

### 13. NON-CONTROLLING INTERESTS

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

	GRLP <sup>(1)</sup>	PRLP <sup>(1)</sup>	Total
<b>Three months ended March 31, 2024</b>			
Receipts	\$ -	\$ -	-
Distributions	33	287	320
<b>Year ended December 31, 2023</b>			
Receipts	\$ -	\$ -	-
Distributions	309	1,721	2,030

<sup>(1)</sup> Genesee Royalty Limited Partnership ("GRLP") & Potash Royalty Limited Partnership ("PRLP")

### 14. 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. The fair value of the other financial instruments of the Corporation approximates the carrying value due to their short-term nature. Financial assets in level 2 consist of share purchase warrants and lithium investments and those in level 3 consist of private company investments (Note 5). Lithium investments were included in level 3 at December 31, 2022.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

<b>As at March 31, 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>TOTAL</b>
Investments	152,636	38,722	15,014	206,372
Derivative - cash flow swap	-	1,200	-	1,200
Financial assets	\$ 152,636	\$ 39,922	\$ 15,014	\$ 207,572
Other liability	382	-	-	382
Financial liabilities	\$ 382	\$ -	\$ -	\$ 382

<b>As at December 31, 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>TOTAL</b>
Investments	163,579	43,456	14,710	221,745
Derivative - cash flow swap	-	1,339	-	1,339
Financial assets	\$ 163,579	\$ 44,795	\$ 14,710	\$ 223,084
Other liability	418	-	-	418
Financial liabilities	\$ 418	\$ -	\$ -	\$ 418

Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; inputs that are derived principally from or corroborated by observable market data by correlation or other means; and estimates of expected volatility, expected life and expected risk-free rate of return, and;

Level 3 – valuation techniques with significant unobservable market inputs.

### **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 private company investments.

	<b>Level 3 Investments</b>
Balance, December 31, 2022	\$ 39,183
Additions	790
Revaluation losses through OCI	55,928
Reclass to Level 2	(81,191)
Balance, December 31, 2023	\$ 14,710
Revaluation gains through OCI	304
Balance, March 31, 2024	\$ 15,014

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

---

### ***Valuation technique and key inputs***

The Corporation uses an income approach methodology for valuation of these instruments and or uses the value ascribed to external financings completed by its level 3 investments to determine the fair value. If an income approach is not possible, the Corporation utilizes cost as a proxy for fair value. The Corporation works with valuation specialists to establish valuation methodologies and techniques for Level 3 assets including the valuation approach, assumptions using publicly available and internally available information, updates for changes to inputs to the model and reconciling any changes in the fair value of the assets for each reporting date within its financial models.

### ***Significant unobservable inputs***

The Corporation may use estimates related to timing of revenues and cash flows, discounts rates and anticipated project development all of which are key inputs into a valuation model. Alternatively, the Corporation evaluates the pricing methodology used in any external financings by its level 3 investments as a key input for valuation.

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

There are underlying sensitivities to these inputs and they may impact the fair value calculations. Specifically, using external financings as an input to the valuation model has the following impacts: the higher the price of the external financing, the higher the valuation of the level 3 investment, the lower the price of the external financing, the lower the valuation of the level 3 investment. A 1% change in financing prices results in a change in valuation of \$150,135 of these instruments.

The following table reconciles the fair value measurements of the level 3 financial assets, that are held in the GBR joint venture, consisting of renewable energy investments (Note 4).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

	Level 3 Renewable energy investments <sup>(1)(2)</sup>							Angelo Solar	Total
	TGE	Longroad	Northleaf	Titan	Hodson	Hexagon			
Balance, December 31, 2022	\$ 89,336	\$ 57,962	\$ 80,404	\$ 63,394	\$ 19,333	\$ -	\$ -	\$ 310,429	
Additions	-	-	-	1	14,410	30,974	-	45,385	
Reclassification to royalty interest	1,379	-	-	-	-	-	-	1,379	
Revaluation gains (losses) through OCI <sup>(1)</sup>	17,422	9,252	(121)	9,578	5,028	8,454	-	49,613	
Balance, December 31, 2023	\$ 108,137	\$ 67,214	\$ 80,283	\$ 72,973	\$ 38,771	\$ 39,428	\$ -	\$ 406,806	
Additions	-	-	-	-	3,831	10,261	41,582	55,674	
Reclassification from royalty interest	(17,732)	-	-	-	-	-	-	(17,732)	
Return of capital	-	-	-	-	-	(3,796)	-	(3,796)	
Revaluation gains (losses) through OCI <sup>(1)</sup>	4,331	(167)	(69)	251	1,208	1,588	-	7,142	
Balance, March 31, 2024	\$ 94,736	\$ 67,047	\$ 80,214	\$ 73,224	\$ 43,810	\$ 47,481	\$ 41,582	\$ 448,094	

<sup>(1)</sup> The Corporation has recorded its 50% share of revaluation gains through OCI

<sup>(2)</sup> These amounts reflect the investments held in the joint venture on a 100% basis, converted at March 31, 2024 spot rate

### Valuation technique and key inputs

The Corporation applies an income approach methodology, using risk adjusted discounted cash flows or hurdle rate of returns, to capture the present value of expected future economic benefits to be derived from the ownership of the investments Longroad Energy ("Longroad"), Northleaf Capital Partners ("Northleaf") and Titan Solar ("Titan") and the royalty contracts to be granted in exchange for the Tri Global Energy LLC ("TGE"), Hodson Energy, LLC. ("Hodson") and Hexagon Energy, LLC. ("Hexagon") investments. The total number and value of royalty contracts, or in certain instances cash, to be ultimately awarded under the TGE, Hodson and Hexagon investment agreements is subject to a minimum return threshold, which has the effect of muting the potential value of key inputs on the present value of the expected future economic benefits of the investments. The total value to be received under the Longroad, Northleaf and Titan Solar agreements are also subject to various return thresholds, which has the effect of muting the potential value impact of key inputs. If an income approach is not possible or the investment is recent, the Corporation utilizes cost as a proxy for fair value. The Corporation works with valuation specialists to establish valuation methodologies and techniques for Level 3 assets including the valuation approach, assumptions using publicly available and internally available information, updates for changes to inputs to the model and reconciling any changes in the fair value of the assets for each reporting date within its financial models.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

---

### ***Significant unobservable inputs***

The Corporation uses publicly available information for power purchase agreement prices and merchant power pricing, as well as estimates related to timing of revenues and cash flows, discounts rates and timing of commercial operations all of which are key inputs into the valuation model.

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

The following table provides information about how the fair value of these investments, are determined and in particular, the significant unobservable inputs. The recently acquired Angelo Solar investment is currently measured at cost which approximates fair value.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to fair value	Quantitative impact
Discount rate	<p>The Corporation used risk adjusted discount rates and or hurdle rates of return to determine the fair value of the TGE, Hexagon and Hodson investment based on the stage of development.</p> <p>For the Northleaf, Longroad and Titan royalty investments, ARR determines a discount rate based on the expected weighted average cost of capital (WACC) of the Corporation using a capital asset pricing model.</p>	<p>The lower the discount rate the higher the value of an individual royalty. The higher the discount rate the lower the value of the individual royalty.</p> <p>A 1% change in discount rates results in a change of \$9,211,000 for the investment in TGE, \$475,000 for the investment in Hodson, \$229,000 for the investment in Hexagon and \$17,579,000 for the royalty investments in Northleaf, Longroad and Titan.</p>
Timing of commercial operations	<p>For the TGE, Hodson and Hexagon investments, there are a series of anticipated project development milestones that occur as a project approaches commercial operations. As each project development milestone nears completion or is met, the risk associated with the project reaching commercial operations decreases.</p>	<p>While the timing of commercial operations may impact the fair market value of a specific royalty, this impact on the investment is muted because of the minimum return threshold concept implicit in the investments. As a result, any delays for an individual royalty will result in a higher number of royalties being granted to the Corporation, which will offset the reduction in investment value from the delay of any individual royalty.</p>
Power prices	<p>The Corporation uses available forecast data of market power prices in order to calculate expected royalty revenue over the life of each project subject to merchant power prices. The forecasted power prices have a direct impact on forecasted annual revenue for the Corporation's Northleaf, Longroad and Titan royalty investments.</p>	<p>The Northleaf, Longroad and Titan agreements are structured such that royalty rates will often vary over the life of a specific project so that the Corporation's targeted IRR threshold is met. These mechanisms effectively mute the long-term impact of merchant power prices on the valuations. Several of the Corporation's royalties are also contracted under long-term PPAs and are not exposed to market power prices. Given the minimum return threshold on the TGE investment, it is expected that the impact of power prices will be muted as any declines will result in a higher number of royalties granted and thus a higher value.</p> <p>A 10% increase in power prices results in a \$3,722,000 change in valuation of Northleaf, Longroad and Titan.</p>

### 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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

---

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.

### 15. SEGMENTED INFORMATION

The Corporation manages its business under three operating segments consisting of Mineral Royalties, Renewable Royalties and Project Generation. 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. The Corporation's proportionate revenue and expenses from LNRLP and LRC LP 1 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 column of the table. Revenue and expenses from the GBR joint venture are included in the Renewable Royalties segment on a proportionate revenue and expense basis and adjusted to earnings in joint ventures (under the equity method) in the adjustment column of the table.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

Reportable Segments, Three months Ended March 31, 2024	Mineral Royalties	Renewable Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
<b>Revenue and other income</b>	12,634	4,801	54	\$ 17,489	\$ (3,579)	\$ 13,910
<b>Costs and Expenses</b>						
General and administrative	1,681	1,197	662	3,540	(851)	2,689
Cost of sales - copper stream	1,509	-	-	1,509	-	1,509
Generative exploration	-	-	54	54	-	54
Adjusted EBITDA	\$ 9,444	\$ 3,604	\$ (662)	\$ 12,386	\$ (2,728)	\$ 9,658
Share-based compensation	(528)	(11)	(285)	(824)	-	(824)
Realized gain on disposition of derivatives	-	-	916	916	-	916
Amortization and depletion	(1,527)	(372)	-	(1,899)	429	(1,470)
Loss from joint ventures	-	-	-	-	(1,222)	(1,222)
Foreign exchange loss	(710)	(26)	(11)	(747)	-	(747)
Unrealized gain on fair value adjustment of derivative	-	-	1,188	1,188	-	1,188
Share of loss in associates	-	(1,943)	-	(1,943)	1,943	-
Interest on long-term debt	(2,304)	(1,578)	-	(3,882)	1,578	(2,304)
Earnings (loss) before income taxes	\$ 4,375	\$ (326)	\$ 1,146	\$ 5,195	\$ -	\$ 5,195
Income taxes (current and deferred)						378
<b>Net earnings</b>						\$ 4,817
<b>Supplementary information</b>						
Total assets	\$ 393,791	\$ 295,666	\$ 77,615	\$ 767,072	\$ -	\$ 767,072
Cash flow from (used)						
Operating activities	3,054	3,604	(1,181)	5,477	(308)	5,169
Financing activities	(14,267)	-	(135)	(14,402)	-	(14,402)
Investing activities	(9)	(29,819)	7,256	(22,572)	308	(22,264)
Total cash flow (used) from	\$ (11,222)	\$ (26,215)	\$ 5,940	\$ (31,497)	\$ -	\$ (31,497)

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, Tabular amounts expressed in thousands of Canadian dollars, except per share amounts)

Reportable Segments, Three months Ended March 31, 2023	Mineral Royalties	Renewable Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
<b>Revenue and other income</b>	\$ 19,293	\$ 2,100	\$ 2,832	\$ 24,225	\$ (1,547)	\$ 22,678
<b>Costs and Expenses</b>						
General and administrative	1,340	1,334	731	3,405	(674)	2,731
Cost of sales - copper stream	1,361	-	-	1,361	-	1,361
Generative exploration	-	-	403	403	-	403
Adjusted EBITDA	\$ 16,592	\$ 766	\$ 1,698	\$ 19,056	\$ (873)	\$ 18,183
Share-based compensation	\$ (596)	\$ (183)	\$ (313)	\$ (1,092)	\$ -	\$ (1,092)
Amortization and depletion	(4,668)	(239)	-	(4,907)	304	(4,603)
Loss from joint ventures	-	-	-	-	(34)	(34)
Gain on disposal of mineral property	-	-	107	107	-	107
Foreign exchange gain (loss)	141	(1)	107	247	-	247
Unrealized loss on fair value adjustment of derivatives	-	-	(213)	(213)	-	(213)
Exploration and evaluation assets abandoned or impaired	-	-	(590)	(590)	-	(590)
Share of loss in associates	-	(603)	-	(603)	603	-
Interest on long-term debt	(2,329)	-	-	(2,329)	-	(2,329)
Earnings (loss) before income taxes	\$ 9,140	\$ (260)	\$ 796	\$ 9,676	\$ -	\$ 9,676
Income taxes (current and deferred)						4,173
<b>Net earnings</b>						\$ 5,503
<b>Supplementary information</b>						
Total assets	\$ 475,905	\$ 273,298	\$ 73,937	\$ 823,140	\$ -	\$ 823,140
Cash flow from (used)						
Operating activities	2,533	766	1,198	4,497	(339)	4,158
Financing activities	(6,783)	-	(258)	(7,041)	-	(7,041)
Investing activities	-	(1,534)	(1,442)	(2,976)	339	(2,637)
Total cash flow used	\$ (4,250)	\$ (768)	\$ (502)	\$ (5,520)	\$ -	\$ (5,520)