ALTIUS MINERALS CORPORATION

Consolidated Financial Statements

For the year ended December 31, 2018, eight months ended December 31, 2017 and year ended April 30, 2017

Independent Auditor's Report

To the Shareholders of Altius Minerals Corporation

Opinion

We have audited the consolidated financial statements of Altius Minerals Corporation (the "Corporation"), which comprise the consolidated balance sheets as at December 31, 2018 and 2017, and the consolidated statements of earnings (loss), comprehensive earnings (loss), changes in equity and cash flows for the year ended December 31, 2018, eight month period ended December 31, 2017 and year ended April 30, 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2018 and 2017, and its financial performance and its cash flows for year ended December 31, 2018, eight month period ended December 31, 2017 and year ended April 30, 2017 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information which comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. The engagement partner on the audit resulting in this independent auditor's report is Paul Fletcher.

/s/ Deloitte LLP

Chartered Professional Accountants
St. John's, Newfoundland and Labrador
March 12, 2019

CONSOLIDATED BALANCE SHEETS

IN THOUSANDS OF CANADIAN DOLLARS

	Note	As at December 31, 2018		As at December 31, 2017	
ASSETS					
Current assets					
Cash and cash equivalents	18	$	28,392	$	61,982
Accounts receivable and prepaid expenses			8,930		8,057
Income taxes receivable			2,405		304
Loan receivable	9		2,625		-
Convertible debenture	12		-		12,692
		$	42,352	$	83,035
Non-current assets					
Interests in joint ventures	8		97,160		154,652
Royalty and streaming interests	11		253,120		146,636
Mining and other investments	10		124,439		113,056
Exploration and evaluation assets	6		19,976		20,297
Goodwill	7		6,031		7,841
Deferred tax assets	13		4,763		3,837
Investment in associates	9		11,106		4,826
Property and equipment			34		22
		$	516,629	$	451,167
TOTAL ASSETS		$	558,981	$	534,202
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities			7,326		8,948
Current portion of debt	14		20,000		13,000
Income taxes payable			2,238		2,821
		$	29,564	$	24,769
Non-current liabilities					
Long-term debt	14		92,790		52,193
Deferred tax liabilities	13		51,969		57,115
Derivative - cash flow swap	14		397		-
		$	174,720	$	134,077
EQUITY					
Shareholders' equity			371,853		400,056
Non-controlling interest			12,408		69
		$	384,261	$	400,125
TOTAL LIABILITIES AND EQUITY		$	558,981	$	534,202

See accompanying notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER SHARE AMOUNTS

	Note	Year ended December 31, 2018	Eight months ended December 31, 2017	Year ended April 30, 2017
Revenue and other income	3 & 15	$ 49,235	$ 30,257	$ 25,197
Costs and Expenses				
General and administrative	15	8,552	4,403	6,125
Cost of sales - copper stream		4,971	3,429	3,118
Share-based compensation	17	1,902	1,043	1,058
Generative exploration		177	342	988
Exploration and evaluation assets abandoned or impaired	6	784	597	4,112
Mineral rights and leases		574	266	495
Amortization and depletion		14,589	9,844	11,631
		$ 31,549	$ 19,924	$ 27,527
Earnings (loss) from joint ventures	8	10,389	13,952	(58,054)
Gain on disposal of investments		92	2,477	6,330
Gain on disposal of mineral property		-	-	2,657
Interest on long-term debt		(7,974)	(3,465)	(7,714)
Foreign exchange gain (loss)		347	722	(1,599)
Dilution gain on issuance of shares by associate	9	2,282	-	762
Impairment on goodwill and royalty interest	7 & 11	(10,810)	(3,157)	-
Unrealized (loss) gain on fair value adjustment of derivatives	10 & 12	(4,440)	3,863	-
Share of (loss) in associates	9	(1,556)	(1,194)	(2,201)
Earnings (loss) before income taxes		$ 6,016	$ 23,531	$ (62,149)
Income taxes (current and deferred)	13	4,078	5,313	2,857
Net earnings (loss)		$ 1,938	$ 18,218	$ (65,006)
Net earnings (loss) attributable to:				
Common shareholders		1,268	18,221	(64,866)
Non-controlling interest		670	(3)	(140)
		$ 1,938	$ 18,218	$ (65,006)
Net (loss) earnings per share				
basic and diluted	16	$ 0.03	$ 0.42	$ (1.50)

See accompanying notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

IN THOUSANDS OF CANADIAN DOLLARS

	Year ended December 31, 2018	Eight months ended December 31, 2017	Year ended April 30, 2017
Net earnings (loss)	$ 1,938	$ 18,218	$ (65,006)
Other comprehensive earnings/(loss), net of tax			
To be reclassified subsequently to profit or loss (Note 3):			
Net unrealized gain on equity investments			
Gross amount	-	35,227	7,335
Tax effect	-	(5,284)	(1,105)
Net amount	$ -	$ 29,943	$ 6,230
Adjustment for net realized loss on equity investments			
Gross amount	-	(1,608)	(5,348)
Tax effect	-	241	709
Net amount	$ -	$ (1,367)	$ (4,639)
Net unrealized loss on fair value adjustment of cash flow swap			
Gross amount	(355)	-	-
Tax effect	96	-	-
Net amount	$ (259)	$ -	$ -
To not be reclassified subsequently to profit or loss (Note 3):			
Net unrealized loss on equity investments			
Gross amount	(19,775)	-	
Tax effect	2,966	-	
Net amount	$ (16,809)	$ -	$ -
Realized gain on equity investments	$ 3,474	$ -	$ -
Other comprehensive earnings (loss)	$ (13,594)	$28,576	$1,591
Total comprehensive earnings (loss)	$ (11,656)	$ 46,794	$ (63,415)
Total comprehensive earnings (loss) attributable to:			
Common shareholders	(12,326)	46,797	(63,275)
Non-controlling interest	670	(3)	(140)
	$ (11,656)	$ 46,794	$ (63,415)

See accompanying notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

IN THOUSANDS OF CANADIAN DOLLARS

	Note	Year ended December 31, 2018	Eight months ended December 31, 2017	Year ended April 30, 2017
Operating activities				
Net earnings (loss)		$ 1,938	$ 18,218	$ (65,006)
Adjustments for operating activities	18	15,959	(3,245)	72,301
		$ 17,897	$ 14,973	$ 7,295
Changes in non-cash operating w orking capital	18	(2,522)	(2,440)	(1,060)
		$ 15,375	$ 12,533	$ 6,235
Financing activities				
Proceeds from long-term debt	14	190,000	-	101,116
Repayment of long-term debt	14	(141,183)	(12,518)	(90,929)
Costs on issuance of new debt	14	(2,595)	-	-
Proceeds from issuance of common shares		-	-	40,261
Costs on issuance of common shares		-	-	(2,641)
Proceeds from issuance of preferred securities	16	-	75,000	25,000
Costs on issuance of preferred securities		-	(489)	(399)
Payment to non-controlling interest		(816)	-	-
Preferred securities distribution		(4,931)	(928)	-
Repurchase of common shares	16	(4,533)	(1,911)	(872)
Dividends paid		(6,899)	(2,596)	(5,204)
		$ 29,043	$ 56,558	$ 66,332
Investing activities				
Proceeds from sale of investments		4,332	7,723	12,726
Acquisition of convertible debenture	12	-	(10,000)	-
Acquisition of Chapada copper stream		-	-	(65,481)
Proceeds from disposal of mineral properties		-	2,085	-
Cash received from joint ventures	8	19,346	11,008	20,011
Acquisition of control of Potash Royalty Limited Partnership	8 & 11	(63,437)	-	-
Generative exploration		(177)	(342)	(988)
Investment in joint ventures		-	-	(233)
Exploration and evaluation assets, net of recoveries	6	(1,347)	(2,309)	(1,182)
Loan to associate	9	(2,625)	-	-
Acquisition of royalty interests	11	(6,621)	(10,637)	-
Acquisition of investments	9 & 10	(27,023)	(38,814)	(12,167)
Acquisition of derivative financial instruments		(428)	(629)	-
Acquisition of property and equipment		(28)	(24)	-
		$ (78,008)	$ (41,939)	$ (47,314)
Net decrease in cash and cash equivalents		(33,590)	27,152	25,253
Cash and cash equivalents, beginning of period		61,982	34,830	9,577
Cash and cash equivalents, end of period		$ 28,392	$ 61,982	$ 34,830

Supplemental cash flow information (Note 18)

See accompanying notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER 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						
					(Note 16)	(Note 3)	(Note 3)			
Balance, April 30, 2016	39,832,102	232,174	-	-	4,572	3,701	79,556	320,003	212	320,215
Net loss and comprehensive loss										
May 1, 2016 to April 30, 2017	-	-	-	-	-	1,591	(64,866)	(63,275)	(140)	(63,415)
Shares repurchased and cancelled	(90,000)	(561)	-	-	-	-	(311)	(872)	-	(872)
Shares issued	3,578,800	40,262	2,500,000	21,997	-	-	-	62,259	-	62,259
Share issue costs	-	(1,847)	-	(678)	-	-	-	(2,525)	-	(2,525)
Warrants issued	-	-	-	-	3,950	-	-	3,950	-	3,950
Dividends	-	-	-	-	-	-	(5,204)	(5,204)	-	(5,204)
Share-based compensaion	-	-	-	-	1,058	-	-	1,058	-	1,058
Shares issued under long-term incentive plan	14,752	200	-	-	(200)		-	-	-	-
Balance, April 30, 2017	43,335,654	$ 270,228	2,500,000.00	$ 21,319	$ 9,380	$ 5,292	$ 9,175	$ 315,394	$ 72	$ 315,466
Net earnings and comprehensive earnings,										
May 1 to December 31, 2017	-	-	-	-	-	28,576	18,221	46,797	(3)	46,794
Shares repurchased and cancelled	(174,689)	(1,089)	-	-	-	-	(822)	(1,911)	-	(1,911)
Securities issued	-	-	7,500,000	65,991	-	-	-	65,991	-	65,991
Deferred tax	-	-	-	(30,000)	-	-	-	(30,000)	-	(30,000)
Preferred securities distribution	-	-	-	-	-	-	(1,695)	(1,695)	-	(1,695)
Issuance costs	-	-	-	(249)	-	-	-	(249)	-	(249)
Warrants issued	-	-	-	-	9,009	-	-	9,009	-	9,009
Dividends	-	-	-	-	-	-	(4,323)	(4,323)	-	(4,323)
Share-based compensation	-	-	-	-	1,043	-	-	1,043	-	1,043
Shares issued under long-term incentive plan	26,326	319	-	-	(319)	-	-	-	-	-
Balance, December 31, 2017	43,187,291	$ 269,458	10,000,000	$ 57,061	$ 19,113	$ 33,868	$ 20,556	$ 400,056	$ 69	$ 400,125
January 1, 2018 Adoption of IFRS 9 & 15 (Note 3)	-	-	-	-	-	(1,888)	1,134	(754)	-	(754)
Net earnings and comprehensive earnings,										
January 1 to December 31, 2018	-	-	-	-	-	(13,594)	1,268	(12,326)	670	(11,656)
Non-controlling interest of Potash Royalty Limited Partnership Acquisition (Note 8)	-	-	-	-	-	-	-	-	12,485	12,485
Payments to non-controlling interest	-	-	-	-	-	-	-	-	(816)	(816)
Shares repurchased and cancelled (Note 16)	(369,500)	(2,306)	-	-	-	-	(2,227)	(4,533)	-	(4,533)
Preferred securities distribution	-	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Dividends	-	-	-	-	-	-	(6,899)	(6,899)	-	(6,899)
Share-based compensation	-	-	-	-	1,902	-	-	1,902	-	1,902
Cash settled RSUs	-	-	-	-	(593)	-	-	(593)	-	(593)
Shares issued under long-term incentive plan	33,935	384	-	-	(384)	-	-	-	-	-
Balance, December 31, 2018	42,851,726	$ 267,536	10,000,000	$ 57,061	$ 20,038	$ 18,386	$ 8,832	$ 371,853	$ 12,408	$ 384,261

See accompanying notes to consolidated financial statements

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Altius Minerals Corporation (“Altius” or the “Corporation”) is a diversified mining royalty, streaming and mineral project generation company with royalty and streaming interests in 15 operating mines located throughout Canada and Brazil. The royalty and stream interests cover mining operations producing copper, zinc, nickel, cobalt, iron ore, precious metals, potash and thermal (electrical) and metallurgical coal. The Corporation holds other pre-development stage royalty interests, and several other earlier stage royalties that were created through project generation. It also holds equity interests in non-precious metals royalty companies, as well as various junior mineral exploration companies that undertake a project generation and joint venture type business model.

In 2017, the Corporation changed its year end from April 30 to December 31 in order to align with that of its royalty counterparties and their respective mine operations. These consolidated financial statements reflect the twelve-month period from May 1, 2016 to April 30, 2017, the eight-month period from May 1, 2017 to December 31, 2017 and the twelve-month period from January 1, 2018 to December 31, 2018 respectively.

Altius is a publicly traded company, incorporated and domiciled in Canada. The address of its registered office is Suite 202, 66 Kenmount Road, St. John’s, Newfoundland and Labrador, Canada A1B 3V7.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on March 12, 2019.

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee (“IFRIC”).

These 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 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. NEW AND SIGNIFICANT ACCOUNTING POLICIES

IFRS 9 – Financial Instruments

The Corporation has adopted IFRS 9, Financial Instruments (“IFRS 9”), with a date of initial adoption of January 1, 2018. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing multiple rules in IAS 39. The approach in IFRS 9 is generally based on how an entity manages its financial assets in the context of its business model and the contractual cash flow characteristics of the financial assets. Investments in equity instruments are required to be measured by default at fair value through profit or loss. However, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive earnings. Impairment of financial assets are determined using a single impairment model that requires entities to recognize expected credit losses without requiring a triggering event to occur. The new impairment model applies to financial assets measured at amortized cost or fair value through other comprehensive income (“FVOCI”), except for investments in equity instruments. IFRS 9 largely retains the existing requirements under IAS 39 for the classification and measurement of financial liabilities.

This standard has been applied on a modified retrospective basis using the available transitional provisions that allow an entity not to restate comparative period information. The Corporation has recognized the effects of applying this standard as an adjustment to opening retained earnings as at January 1, 2018.

The Corporation has applied the irrevocable option for each of its equity investments resulting in measurement of gains and losses in other comprehensive earnings. Under IFRS 9, investments measured at FVOCI are not subject to impairment and gains or losses will not be reclassified to earnings. Upon the adoption of IFRS 9, the Corporation recorded a reclassification of impairment charges previously recognized in the consolidated statement of earnings from retained earnings to accumulated other comprehensive income as at January 1, 2018. Share purchase warrants continue to be classified and measured at FVTPL.

At January 1, 2018 the Corporation held a Convertible Debenture which did not have contractual cash flow characteristics that are solely payments of principal and interest. As a result, this compound instrument was classified and measured at fair value through profit and loss (“FVTPL”) in accordance with IFRS 9. Upon adoption of IFRS 9, the entire investment is measured at fair value, with changes in carrying value recorded in opening retained earnings as at January 1, 2018.

The classification and measurement of the Corporation’s financial assets and financial liabilities has been assessed under IFRS 9 as at January 1, 2018 as follows:

	IAS 39	IFRS 9
Financial Assets		
Cash and cash equivalents	Amortized cost	Amortized cost
Accounts receivable	Amortized cost	Amortized cost
Mining and other investments	Available-for-sale	Fair value through other comprehensive income
Share purchase warrants	Held-for-trading	Fair value through profit or loss
Convertible debenture	Amortized cost (loan receivable) & held-for-trading (equity conversion option)	Fair value through profit or loss
Financial Liabilities		
Accounts payable, accrued liabilities	Amortized cost	Amortized cost
Long-term debt	Amortized cost	Amortized cost

The classification of financial assets is based on the Corporation’s business models for managing the financial assets and their contractual cash flow characteristics. Transaction costs with respect to financial instruments not classified as fair value through profit or loss are recognized as an adjustment to the cost of the underlying instruments and amortized using the effective interest method.

The Corporation’s financial assets are classified into one of the following three measurement categories:

- Financial assets held within a business model for the purpose of collecting contractual cash flows (“held to collect”) that represent solely payments of principal and interest (“SPPI”) are measured at amortized cost.
- Financial assets held within a business model where assets are both held for the purpose of collecting contractual cash flows or sold prior to maturity and the contractual cash flows represent solely payments of principal and interest are measured at FVOCI.
- Financial assets held within another business model or assets that do not have contractual cash flow characteristics that are solely payments of principal and interest will be measured at FVTPL.

When the Corporation modifies the contractual terms of a financial instrument, the Corporation assesses if such modification is deemed a substantial modification which results in the derecognition of the financial instrument and the recognition of a new financial instrument. If the modification does not result in derecognition, the Corporation revises the gross carrying value of the financial instrument and recognizes a modification gain or loss in net earnings (loss), with transaction costs being capitalized to the carrying amount of the financial instrument.

When the Corporation modifies the contractual terms of a financial liability where it has the right to prepay the financial liability with no breakage costs incurred, the Corporation’s policy is to derecognize the original financial liability including any unamortized transactions costs and recognize the new financial liability at fair value. Any transaction costs incurred are capitalized to the carrying amount of the new financial liability.

IFRS 15 – Revenue from Contracts with Customers

The Corporation has adopted IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), with a date of initial adoption of January 1, 2018. Under the standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods and services. In addition, the standard requires disclosure of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Corporation has elected to adopt IFRS 15 using a modified retrospective approach with the cumulative effect of initially applying the standard being recorded as an adjustment to the opening balance of retained earnings. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

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

The Corporation has determined that royalty, interest and investment income are not in scope of IFRS 15 as it does not meet the criteria for contract with a customer and hence the Corporation's accounting policies are unchanged as a result of the adoption of this Standard. Similarly, the Corporation determined that proceeds on disposal of exploration and evaluation assets are not in scope of IFRS 15.

Revenue recognition contracts with customers - streams

Certain revenues from contracts with customers are comprised of amounts earned from the sale to third parties of commodities acquired through our mineral stream interests. Stream revenue from customers is recognized when the Corporation becomes entitled to payment upon satisfying its performance obligation by delivering the commodity, at which point control over the commodity transfers. Stream revenue from customers is measured in reference to the transaction price as specified within the Corporation's contracts with end purchasers of the commodities.

The impact on the balance sheet from the adoption of IFRS 9 and IFRS 15 is summarized as follows:

IN THOUSANDS OF CANADIAN DOLLARS

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

The Corporation’s significant accounting policies are as follows:

Basis of consolidation

The consolidated financial statements include the financial statements of the Corporation and the entities controlled by the Corporation (its subsidiaries). Control exists when the Corporation has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns.

The Corporation reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Corporation has less than a majority of the voting rights of an investee, it is deemed to have power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Corporation considers all relevant facts and circumstances in assessing whether or not the Corporation's voting rights in an investee are sufficient to give it power, including the size of the Corporation's holding of voting rights relative to the size and dispersion of holdings of the other vote holders; potential voting rights held by the Corporation, other vote holders or other parties; rights arising from other contractual arrangements; and any additional facts and circumstances that indicate that the Corporation has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

The consolidated financial statements include all subsidiaries in the accounts of the Corporation for the periods presented. The following are considered significant subsidiaries:

Altius Resources Inc.	100%	Exploration company
Altius Royalty Corporation	100%	Holding company
Potash Royalty Limited Partnership	91.313%	Royalty partnership

The Corporation also owns an 80% equity interest in Adventus Exploration Limited (“Adventus”) and Adia Resources Inc. (“Adia”). Non-controlling interests in the net assets of Potash Royalty Limited Partnership, Adventus and Adia are identified separately from the Corporation’s equity. The non-controlling interest consists of the non-controlling interest’s portion of net assets, earnings, and other comprehensive earnings (loss).

Investments in associates and investments in joint ventures are accounted for using the equity method (Note 8 & 9). Under this method, the Corporation’s share of the investment’s earnings or losses is included in the statement of earnings and the carrying amount of the investment is adjusted by a like amount.

Changes in the Corporation's ownership interests in subsidiaries that do not result in the Corporation losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Corporation's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

When the Corporation loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Corporation had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable

IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, and when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Cash and cash equivalents

Cash and cash equivalents consist of amounts on deposit with banks and short-term investments in money market instruments that are readily convertible to cash with maturities of three months or less at the time of purchase.

Investments

Investments in associates over which the Corporation exercises significant influence are accounted for using the equity method. Investments in joint ventures, which the Corporation jointly controls, are accounted for using the equity method. Mining and other investments over which the Corporation cannot exert significant influence are recorded initially at cost and adjustments to reflect changes in the fair value are recorded in other comprehensive earnings (loss) in subsequent periods.

Cash flow hedge

The Corporation has cash flow hedges which are used to manage exposure to fluctuations in foreign currency exchange and interest rates. The effective portion of the change in fair value of the hedging item is recorded in other comprehensive income. If the change in fair value of the hedging item is not completely offset by the change in fair value of the hedged item, the ineffective portion of the hedging relationship is recorded in net earnings. Amounts accumulated in other comprehensive income are reclassified to net earnings when the hedged item is recognized in net earnings. The Corporation ensures that the hedge accounting relationships are aligned with the Corporation's risk management objectives and strategy and applies a more qualitative and forward-looking approach to assessing hedge effectiveness.

Exploration and evaluation assets

The Corporation defers costs for mineral properties and exploration costs when the Corporation has in its possession the legal right to explore for mineral deposits on a given property. General prospecting and exploration costs incurred prior to the staking of specific mineral claims are expensed immediately. Exploration and evaluation assets include the direct costs of acquiring, maintaining, exploring and developing properties, an allocation of geologists' and prospectors' salaries based on time spent, and other costs directly related to specific properties. Mineral properties acquired for share consideration are recorded at the fair value of the mineral properties received.

Incidental revenue and cost recoveries relating to exploration and evaluation assets are recorded first as a reduction of the specific exploration and evaluation assets to which the fees and payments relate, and any excess is recorded as other revenue on the consolidated statement of earnings.

Management reviews the carrying values of exploration and evaluation assets' costs on a quarterly basis. A decision to abandon, reduce or expand activity on a specific project is based upon many factors including general and specific assessments of mineral reserves, anticipated future mineral prices, anticipated costs of developing and operating a producing mine, the expiration date of mineral property leases, and the general likelihood that the Corporation will continue exploration on the project. The Corporation does not set a pre-determined holding period for properties with unproven reserves, however, properties which have not demonstrated suitable prospects at the conclusion of each phase of an exploration program are re-evaluated to determine if further exploration is warranted and if there is an indication of impairment.

If a mineral property is abandoned or it is determined that its carrying value cannot be supported by future production or sale, the related costs are charged against earnings in the year of abandonment or determination of impairment. The amounts recorded as exploration and evaluation assets represent unamortized costs to date and do not necessarily reflect present or future values.

The accumulated costs of exploration and evaluation assets that are developed to the stage of technical feasibility and commercial viability will be amortized to operations on a units-of-production basis over the life of the economically recoverable reserves.

Decommissioning and restoration provision

The Corporation recognizes a provision for decommissioning and restoration costs associated with long-lived assets which includes the abandonment of exploration and evaluation assets and costs required to return the property to its original condition.

The Corporation recognizes the fair value of the provision in the period in which it is incurred and records a corresponding increase in the carrying value of the related long-lived asset. Fair value is estimated using the present value of the estimated future cash outflows to abandon the asset at the Corporation's risk-free interest rate. The provision is subsequently adjusted for the passage of time and is recognized as an accretion expense in the consolidated statement of earnings. The provision is also adjusted due to revisions in either the timing or the amount of the original estimated cash flows. The increase in the carrying value of the asset is amortized on the same basis as exploration and evaluation assets.

Property and equipment

Property and equipment is initially recorded at cost and is amortized over its estimated useful life. Amortization is provided using the straight-line method with the following useful lives:

Computer equipment	2 Years
Geological equipment	3 Years
Office equipment	3 Years

Impairment of royalty, streaming and interest in joint ventures

At each reporting date the carrying amounts of the Corporation's royalty, streaming and interest in joint ventures are reviewed to determine whether there is any indication that those assets are impaired. If an impairment indicator exists, the Corporation then must determine its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use, which is the present value of future cash flows expected to be derived from the asset.

In assessing value in use, the estimated future cash flows are discounted to their present value, using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in the statement of earnings. If an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in impairment in the statement of earnings.

Revenue recognition

Effective January 1, 2018 revenue recognition is as follows:
Royalty income is recognized when the underlying commodity is extracted, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Corporation and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Stream revenue from customers is recognized when the Corporation becomes entitled to payment upon satisfying its performance obligation by delivering the commodity, at which point control over the commodity transfers to the customer. Interest and investment income is recognized on an accrual basis. Other revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods and services.

Prior to January 1, 2018 revenue recognition is as follows:
Royalty revenue is recognized when the underlying commodity is extracted, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Corporation and the costs incurred or to be incurred in respect of the

transaction can be measured reliably. Streaming revenue is recognized when the commodity credits are determined to have been delivered, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Corporation and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Interest and investment income is recognized on an accrual basis. Other revenue is recognized when the services are provided, when persuasive evidence of an arrangement exists, the fixed price is determinable, and there is reasonable assurance of collection.

Income taxes

The Corporation follows the liability method of accounting for income taxes. Under this method, deferred income taxes are recognized based on the expected future tax consequences of unused tax losses, unused tax credits, and differences between the carrying amount of balance sheet items and their corresponding tax basis, using the substantively enacted income tax rates for the years in which the differences are expected to reverse. Deferred income tax assets are recognized to the extent it is probable they will be realized.

Foreign currency translation

The presentation currency and the functional currency of the Corporation and significant subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each financial statement reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Gains and losses on translation of monetary assets and liabilities are included in the determination of net earnings (loss) for the period.

The Corporation's subsidiaries with non-Canadian dollar functional currencies are translated using the rate in effect at the balance sheet date for assets and liabilities, and the average exchange rates during the period for revenue and expenses. The resulting translation adjustment is recorded as a separate component of accumulated other comprehensive earnings (loss).

Share-based payments

Stock options granted to employees, directors and non-employees are accounted for using the fair value method. The compensation cost for options granted is determined based on the estimated fair value of the stock options at the time of the grant using the Black-Scholes option pricing model and is amortized over the vesting period with an offset to share-based payment reserve. When options are exercised, the corresponding share-based payment reserve and the proceeds received by the Corporation are credited to share capital. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

The Corporation also has a deferred share unit ("DSU") plan and a restricted share unit ("RSU") plan. Each unit awarded under the plans represents a unit with an underlying value equal to the value of one common share of the Corporation. The units awarded vest over a specified service period in accordance with the plan and can be equity or cash settled at the discretion of the Corporation. The units awarded are recorded as share-based compensation through the share-based payments reserve and are expensed over the vesting period.

Earnings per share

Basic and diluted net earnings per share is calculated using the weighted average number of common shares for the respective periods. The diluted net earnings per share is calculated using the weighted average number of common shares outstanding for the respective periods after giving effect to dilutive stock options. For loss periods, the diluted net loss per share is calculated using weighted average number of common shares outstanding for the respective periods without giving effect to dilutive stock options since their inclusion would be anti-dilutive.

Diluted earnings per share is calculated using the treasury stock method, whereby it is assumed that proceeds received on the exercise of in-the-money stock options and warrants are used to repurchase the Corporation's shares at the average market price during the period.

Business combinations and goodwill

Applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition-date fair value. The excess, if any, of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of the acquisition-date fair values often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of royalty interest in mineral properties and exploration and evaluation assets acquired generally require a high degree of judgment, and include estimates of mineral reserves and resources acquired, expected production levels, future metal prices and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill in the purchase price allocation. Acquisition related costs are recognized in the consolidated statements of earnings.

Where a business combination is achieved in stages, the Corporation's previously held interests in the acquired entity are remeasured to fair value at the acquisition date, which is the date the Corporation attains control, and any resulting gain or loss is recognized in the consolidated statements of loss. Amounts previously recognized in other comprehensive earnings related to interests in the acquiree prior to the acquisition date are reclassified to the consolidated statements of earnings, where such treatment would be appropriate if that interest were disposed of.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated goodwill impairment losses, if any and is tested for impairment annually. For the purposes of impairment testing, goodwill is allocated to each of the Corporation's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Intangible assets – royalty interest in mineral properties

Royalty interests acquired are recognized separately from goodwill if the asset is separable or arises from contractual or legal rights. These intangible assets are also recognized when acquired individually or with a group of other assets. Royalty interests are initially recorded at their estimated fair value. Intangible assets with a finite life are amortized over their useful economic lives on a straight-line or units of production basis, as appropriate with the amortization expense included in the statement of earnings (loss). Intangible assets that are not yet ready for use are not amortized until available for use. All intangible assets are reviewed for impairment indicators at each reporting period. The Corporation has no identifiable intangible assets for which the expected useful life is indefinite.

Intangible assets – streaming interest and streaming revenue

Streaming interests are initially recorded at their estimated fair value based on consideration paid to acquire the asset. These intangible assets have finite lives and are amortized and depleted over their useful economic lives on a units of production basis. The amortization and depletion expense is included in the consolidated statement of earnings. All intangible assets are reviewed for impairment indicators at each reporting period.

Segment reporting

The Corporation manages its business under two operating segments consisting of:

- the acquisition and management of producing and development stage royalty and streaming interests ("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").

Both 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 chief operating decision-maker ("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.

4. CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires the Corporation to make estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences.

Estimates and assumptions are continually evaluated and are based on historical experience, current and future economic conditions and other factors, including expectations of events that are believed to be reasonable under the circumstances. In preparing these consolidated financial statements, the significant judgments made by management in applying the Corporation's accounting policies, basis of consolidation and the key sources of estimation uncertainty include but are not limited to the following:

Business combinations

For business combinations, the Corporation must make assumptions and estimates to determine the purchase price allocation of the business being acquired. To do so, the Corporation must determine the acquisition-date fair value of the identifiable assets acquired, including intangible assets and liabilities assumed. Among other things, the determination of these fair market values involves the use of discounted cash flow analyses. Goodwill, if any, is measured as the excess of the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree over the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date. These assumptions and estimates have an impact on the asset and liability amounts recorded in the consolidated balance sheet on the acquisition date. In addition, the estimated useful lives of the acquired amortizable assets, the identification of intangible assets and the determination of the indefinite or finite useful lives of intangible assets acquired will have an impact on the Corporation's future earnings.

Income taxes

The Corporation has available unused operating losses and temporary timing differences as disclosed in Note 13 to the consolidated financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that all or part of the related tax benefit will be realized.

Share-based compensation

The fair value of certain share-based compensation units require judgment in the determination of fair value using assumptions on expected volatility, expected lives and other factors that could affect the value reported as an expense and as an obligation.

Goodwill impairment

The allocation of goodwill to cash generating units requires significant management judgment. The value in use calculation requires the Corporation to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate present value. Determining whether goodwill is impaired requires an estimation of the higher of value in use ("VIU") or fair value less costs of disposal ("FVLCD") of the cash-generating units to which goodwill has been allocated (Note 7). Where the actual future cash flows are less than expected, a material impairment loss may arise.

Investments in joint ventures

Certain joint ventures hold royalty interests in mineral properties that include the acquired royalty interest in production stage mineral properties. The production stage royalty interest is recorded initially at its cost and is being amortized using the units of production basis over the expected life of the mineral property, which is determined using available estimates of proven and probable reserves. Determination of proven and probable reserves by the operators associated with the royalty interests impact the measurement of the respective assets. These estimates affect amortization of the royalty and the related amount of the equity pickup and the assessment of the recoverability of the carrying value of the investment in joint ventures. The Corporation has the ability to jointly control the relevant activities of these joint arrangements and has classified these as joint ventures (Note 8).

Royalty and streaming interests

The Corporation holds royalty interests in production stage mineral properties. The production stage royalty interests are recorded using the fair value assigned to the assets (Note 11) and are being amortized using the units of production basis over the expected life of the mineral property, which is determined using available estimates of proven and probable reserves. Determination of proven and probable reserves by the operators associated with the royalty interests impact the measurement of the respective assets. These estimates affect amortization and the assessment of the recoverability of the carrying value of the royalty interest in mineral properties.

Certain royalty interests in mineral properties and those held in the investment in joint ventures are potentially exposed to new adverse regulations or regulatory requirements relating to the Government of Alberta's plan to phase out coal fired electricity by 2030. Management has determined that no indicators of impairment of such royalty interests exist at December 31, 2018, with the exception of the Sheerness West royalty (Note 11).

The Corporation holds a streaming interest in a production stage mineral property. The streaming interest is recorded at the fair value assigned to the asset and is being amortized and depleted using the units of production basis over the expected life of the related mineral property, which is determined using available estimates of proven and probable reserves. Determination of proven and probable reserves by the operators associated with the streaming interest impact the measurement of the streaming interest. These estimates affect amortization and depletion and the assessment of the recoverability of the carrying value of the streaming interest.

5. FUTURE ACCOUNTING PRONOUNCEMENTS

IFRS 16 – Leases

IFRS 16 introduces new or amended requirements with respect to lease accounting. IFRS 16 introduced significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of right-of-use assets and lease liabilities at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. IFRS 16 was issued in January 2016 and applies to annual financial reporting periods beginning on or after January 1, 2019.

IFRS 16 will change how the Corporation accounts for leases previously classified as operating leases under IAS 17, which were off-balance-sheet. Applying IFRS 16 for all except for short term leases and leases of low-value assets, the Corporation will (i) recognize 'right-of-use' assets and lease liabilities in the consolidated balance sheet, initially measured at the present value of future lease payments; (ii) recognize depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of earnings; and (iii) separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows. For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Corporation will opt to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

The Corporation has not early adopted IFRS 16 and continues to assess the impact of this standard on its consolidated financial statements.

IAS 12 – Income taxes

An amendment to IAS 12, Income taxes, effective for annual periods for on or after January 1, 2019 clarifies that an entity must recognize all income tax consequences of dividends in profit or loss, other comprehensive earnings or equity, depending on where the entity recognized the originating transaction or event that generated the distributable profits giving rise to the dividend. The Corporation has completed its assessment of the impact on its consolidated financial statements and determined no material impact upon applying this amendment.

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 is currently evaluating the impact on its consolidated financial statements and expects 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 is currently evaluating the impact on its consolidated financial statements and expects no material impact upon applying the amendments.

6. EXPLORATION AND EVALUATION ASSETS

IN THOUSANDS OF CANADIAN DOLLARS

Project	Note	As at December 31, 2017	Additions/ Reclassifications, net of recoveries	Abandoned or impaired	Sold	As at December 31, 2018
Labrador						
Platinum Group Elements		526	5	-	-	531
Iron Ore		1,898	10	-	-	1,908
Copper		134	1	(135)	-	-
Other		3	9	-	-	12
Newfoundland						
Gold	a & e	328	22	(40)	(307)	3
Silver	b	522	18	-	-	540
New Brunswick - Zinc		95	22	(117)		-
Quebec - Gold	c	427	77	-	(504)	-
Manitoba - Diamonds	d	439	928	-	-	1,367
Alberta, British Columbia & Saskatchewan						
Coal	g	13,471	-	-	(121)	13,350
Potash		500	-	-	-	500
Gold, Silver		34	6	(22)	-	18
Copper		16	3	-	-	19
United States - Base metals		731	38	-	-	769
Ireland - Base metals		217	(23)	-	-	194
Finland - Gold, Nickel		429	32	(461)	-	-
Spain - Cobalt		-	213	-	-	213
Australia - Zinc, Silver	f	167	212	-	-	379
Security Deposits		360	(178)	(9)	-	173
Total		$ 20,297	$ 1,395	$ (784)	$ (932)	$ 19,976

a. Moosehead

On March 21, 2018 the Corporation received 7,754,371 common shares from Sokoman Iron Corp. (“Sokoman”) for the Moosehead gold project, which was optioned to Sokoman on November 10, 2017. Altius also retains a 2% net smelter return (“NSR”) royalty on this project. The market value of the shares received was $310,000, of which $288,000 was recorded as a reduction in mineral properties and $22,000 was recorded as other income. Subsequent to year end, Sokoman satisfied all option requirements and acquired 100% of the project.

b. Sail Pond

On April 27, 2018 the Corporation signed an agreement to vend the Sail Pond silver-copper-lead-zinc project to New Found Gold Corp. (“NFG”). As consideration, Altius will receive 12 million common shares of NFG and retains a 0.5% NSR royalty with an option to purchase an additional 1% for $1 million. Other key conditions of the agreement include NFG listing its common shares on a recognized Canadian stock exchange and raising a minimum of $7.5 million via a private placement, of which Altius would invest a minimum of $1 million. The agreement remains in good standing.

c. Quebec Properties

On July 13, 2018 the Corporation amended its strategic exploration alliance agreement with Midland Exploration Inc. (“Midland”) relating to exploration in the James Bay area of Quebec by exchanging its various 50% property interests for 461,487 Midland common shares and subscribing for an additional 198,386 Midland common shares. The market value of the shares received in exchange for the mineral property interests was $332,000 which was recorded as a reduction in mineral properties and a mineral property writedown of $172,000 was recognized. Altius was also granted a 1% NSR royalty on the alliance projects as part of the revised arrangement, with Midland receiving an equal 1% NSR royalty on the same projects.

d. Adia Resources Inc.

On September 24, 2018 the Corporation announced its incorporation of a private company, Adia Resources Inc. (“Adia”), to accelerate the ongoing exploration, advancement and financing of its Lynx Diamond Project in Manitoba. The Corporation vended the project into Adia and retained an 80% equity stake and has the option to purchase a 2.5% gross sales royalty (“GSR”) on the project. The remaining 20% is owned by the founding project prospectors.

e. Daniels Harbour

On July 30, 2018 the Corporation entered into an agreement to sell the Daniels Harbour zinc project to Canstar Resources (“Canstar”) for 2,419,024 common shares and subject to the retention of a 2% NSR royalty. As part of the transaction, the Corporation also invested $500,000 in Canstar via a flow through financing. The market value of the shares received was $484,000, of which $19,000 was recorded as a reduction in mineral properties and $465,000 was recorded as other income. The Corporation has received a total of 241,902 shares thus far, with the remaining 2,177,122 shares to be released from escrow over the next 36 months.

f. Australian properties

The Corporation completed transactions covering its entire Australian minerals landholdings, which included the vending of seven properties to a private Australian company that intends to seek a public listing in 2019 in exchange for 3.5 million shares and a 1% GSR. Three other properties were vended to a leading diversified mining company active in the Mount Isa district under an option to earn a 75% interest in the projects by expending $2.5 million (AUD) over the next four years, with the Corporation retaining a 1% GSR.

g. Land Dispositions

During year ended December 31, 2018 parcels of land in Alberta were sold for proceeds of $121,000 (December 31, 2017 - $2,085,000). There was no gain or loss recorded on this disposition. The sales were recorded as reductions in the Corporation’s exploration and evaluation assets carrying value.

IN THOUSANDS OF CANADIAN DOLLARS

Project	Note	As at April 30, 2017	Additions/ Reclassifications, net of recoveries	Abandoned or impaired	Sold	As at December 31, 2017
Labrador						
Platinum Group Elements		523	3	-	-	526
Iron Ore		1,898	-	-	-	1,898
Copper		133	3	(2)	-	134
Other		71	8	(76)	-	3
Newfoundland						
Nickel		278	-	(278)	-	-
Gold	h	362	(34)	-	-	328
Silver		66	456	-	-	522
New Brunswick - Zinc		21	74	-	-	95
Quebec - Gold		7	420	-	-	427
Manitoba - Diamonds		-	439	-	-	439
Alberta, British Columbia & Saskatchewan						
Coal	g & i	16,991	(1,435)	-	(2,085)	13,471
Potash		500	-	-	-	500
Gold, Silver		8	26	-	-	34
Copper		10	6	-	-	16
United States - Base metals		672	59	-	-	731
Ireland - Base metals		204	13	-	-	217
Finland - Gold, Nickel		51	619	(241)	-	429
Australia - Zinc, Silver		41	126	-	-	167
Security Deposits		324	36	-		360
Total		$ 22,160	$ 819	$ (597)	$ (2,085)	$ 20,297

h. Regional Gold Projects

On March 30, 2017 the Corporation completed an agreement to option six projects covering 41,325 hectares located along the projection of the major structural corridor hosting gold mineralization at Antler Gold Inc's ("Antler") Wilding Lake Project and Marathon Gold Corporation's Valentine Lake Project. During the eight months ended December 31, 2017, the Corporation received 980,000 Antler common shares as consideration under the option agreement and retains a 2% NSR royalty over the new projects. The agreement remains in good standing.

i. Telkwa

On December 5, 2017 Allegiance Coal Ltd. ("Allegiance") amended its agreement with the Corporation to acquire 100% of the rights to the Telkwa metallurgical coal project in B.C. subject to project milestones. The Corporation received an additional 40,600,000 shares of Allegiance as a result of this agreement and increased Altius's ownership of Allegiance to approximately 14% (55,208,376 shares). The Corporation also retains a sliding scale gross sales royalty (1.5%-3%) on the Telkwa project.

7. GOODWILL

IN THOUSANDS OF CANADIAN DOLLARS

	Total
Balance April 30, 2017	$ 10,998
Less: Impairment	3,157
Balance, December 31, 2017	$ 7,841
Less: Impairment	1,810
Balance, December 31, 2018	$ 6,031

At December 31, 2018 the Corporation performed an annual impairment test for its goodwill arising from the Callinan Royalties Corporation ("Callinan") acquisition, specifically potential mine life extension on the 777 mine and related royalty and the related deferred tax attributes. There was no evidence of impairment indicators on the royalty interests identified during the current year. The Corporation has monitored the public documentation disclosed regarding the mine by Hudbay Minerals, the mine and mill operator of 777, as well as commodity prices such as copper, zinc, gold and silver. The mine is expected to close near the end of 2021.

For the impairment test, VIU was used to determine the recoverable amount since it was greater than the FVLCD. VIU was calculated using discounted after-tax cash flows based on cash flow projections and assumptions supporting the Corporation's royalty interest in the 777 mine.

The discounted cash flow incorporates management's best estimates of key assumptions which include discount rates, future commodity prices, production based on current estimates of recoverable reserves, consideration of mineral resources and future foreign exchange rates. The cash flows are for periods up to the date the mine is expected to cease production in approximately 3 years based on publicly available documentation. An after-tax discount rate of 7% was used and is consistent with the acquisition of Callinan and reflects a shortened mine life. The cash flow calculations were based on estimates of future production levels using expected tonnage, grades, recoveries and reserves. Commodity prices used in the impairment assessment were determined by reference to external market participant sources. The key commodity prices for this assessment are the prices of copper, zinc, silver and gold as follows:

	2019	2020	2021
Copper ($US/lb)	3.00	3.10	3.20
Zinc ($US/lb)	1.24	1.16	1.15
Gold (US$/oz)	1,260	1,295	1,315
Silver ($US/oz)	15.90	16.85	17.20
Foreign exchange (US to CAD)	1.30	1.27	1.25

Expected future cash flows used to determine the VIU in the impairment testing are inherently uncertain and could materially change over time. Should management's estimate of the future not reflect actual events, future impairments may be identified. This may have a material effect on the Corporation's consolidated financial statements. Although it is reasonably possible for a change in key assumptions to occur, the possible effects of a change in any single assumption may not fairly reflect the impact on the 777 mine's fair value as the assumptions are inextricably linked.

The Corporation has recognized impairment of goodwill of $1,810,000.

8. INTERESTS IN JOINT VENTURES

IN THOUSANDS OF CANADIAN DOLLARS

	LNRLP	Prairie Royalties LP	Total
Balance April 30, 2017	$ 5,717	$ 145,991	$ 151,708
Earnings (loss)	(420)	14,372	13,952
Cash (receipts) disbursements	420	(11,428)	(11,008)
Balance, December 31, 2017	$ 5,717	$ 148,935	$ 154,652
Acquisition of control of Potash Royalty Limited Partnership (Note 10)	-	(48,535)	(48,535)
Earnings (loss)	(230)	10,619	10,389
Cash (receipts) disbursements	298	(19,644)	(19,346)
Balance, December 31, 2018	$ 5,785	$ 91,375	$ 97,160

The Corporation holds a 10% interest in the Labrador Nickel Royalty Limited Partnership ("LNRLP"), a limited partnership that holds a 3% royalty over the Voisey's Bay nickel-copper-cobalt mine located in Labrador, Canada. LNRLP's sole business is the receipt and distribution of proceeds from the NSR royalty on the mine. During the year, LNRLP entered into an agreement with Vale Canada Limited to settle litigation related to calculation of the royalty in respects of all concentrates produced from the Voisey's Bay mine.

The Corporation holds an indirect 52.369% interest in the Genesee Royalty Limited Partnership ("GRLP") and the Coal Royalty Limited Partnership ("CRLP") (collectively the "Prairie Royalties LPs"). The Prairie Royalties LPs hold the rights to subsurface minerals in respect of a portfolio of coal properties in the Canadian province of Alberta and have entered into leases or similar agreements with mining companies and electrical utilities that, in return for payment of a royalty, grant these companies the right to exploit the subsurface mineral resources.

On March 23, 2018 the Corporation together with a private third party acquired an additional 44.935% in Potash Royalty Limited Partnership ("PRLP"), one of the Prairie Royalties LPs, from Liberty Metals & Mining Holdings, LLC for total cash consideration of $75,000,000, $65,000,000 of which is the Corporation's portion. The acquisition is considered an asset acquisition for financial reporting purposes. This acquisition brings the Corporation's total interest in PRLP to 91.313% from its previous 52.369% ownership. Effective March 23, 2018, the Corporation consolidated the net assets of PRLP, recognized a non-controlling interest and discontinued equity accounting for PRLP in accordance with IFRS 10 Consolidated Financial Statements. Thus, PRLP is no longer classified as a joint venture.

On October 9, 2018 Westmoreland Coal Company ("Westmoreland") announced it has entered into a restructuring support agreement with members of an ad hoc group of lenders and filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court. Westmoreland's Canadian entities (Westmoreland Canada) are excluded from these voluntary petitions, and their operations are currently unaffected by the U.S. actions. GRLP and CRLP hold certain royalties in which Westmoreland Canada is the operator, some of which are paid through Westmoreland Canada rather than being paid directly through the utility. There are no outstanding receivables in relation to amounts owing from Westmoreland Canada.

At December 31, 2018 GRLP recorded an impairment on its royalty interests in relation to the renegotiation of one of its royalty rates. GRLP and Capital Power Corporation, the operator and royalty payor, agreed to amend one of its royalty calculations at the Genesee mine to an inflationary based rate similar to other coal royalty rates within the Prairie Royalties LPs. The new methodology provides for greater cash flow certainty and ease of re-computation for both parties. Included in the December 31, 2018 earnings from joint ventures is an impairment charge of $3,533,000 (December 31, 2017 - $nil) relating to the Corporation's 52.369% interest. Value in use was used to determine the recoverable amount and was greater than the fair value less costs of disposal calculation. Value in use was calculated using discounted after-tax cash flows based on cash flow projections and assumptions supporting GRLP's royalty interest in the Genesee mine. An after-tax discount rate of 5% was used.

A summary of assets, liability, income, expenses and cash flow of the joint ventures based on financial information that is available, is as follows:

IN THOUSANDS OF CANADIAN DOLLARS

	LNRLP [1]		Prairie Royalties LP [2,3]	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Balance Sheets				
Current assets	$ -	$ -	$ 7,523	$ 13,958
Royalty interests	5,784	5,717	167,958	264,400
Non-current assets	-	-	-	-
Current liabilities	-	-	264	92
Non-current liabilities	-	-	-	-
Statement of Earnings				
Royalty income	$ 1,155	$ -	$ 31,214	$ 48,584
Other Revenue	-	-	30	-
Royalty tax	(231)	-	-	-
General and administrative	(655)	(420)	(313)	(1,044)
Amortization	(232)	-	(6,804)	(9,577)
Impairment	-	-	(6,746)	-

(1) Figures presented are the Corporation's portion of 10%; 100% basis IFRS financial statements not available.

(2) Figures presented on a 100% basis using IFRS financial statements for the year ended December 31, 2018 for GRLP and CRLP.

(3) Figures presented on a 100% basis using IFRS financial statements for the year ended December 31, 2017 for PRLP, GRLP and CRLP.

9. INVESTMENT IN ASSOCIATES

IN THOUSANDS OF CANADIAN DOLLARS

	Alderon	Adventus Zinc	Total
Balance, April 30, 2017	$ 551	$ 2,769	$ 3,320
Additions	-	2,700	2,700
Share of loss in associates	(551)	(643)	(1,194)
Balance, December 31, 2017	$ -	$ 4,826	$ 4,826
Additions	5,224	330	5,554
Share of earnings (loss) in associates	(1,611)	55	(1,556)
Dilution gain on issuance of shares by associates	407	1,875	2,282
Balance, December 31, 2018	$ 4,020	$ 7,086	$ 11,106

Percentage ownership:

At December 31, 2017	24.90%	26.70%
At December 31, 2018	37.98%	21.90%

During the year ended December 31, 2018 the Corporation contributed $330,000 (2017 - $2,700,000) for an additional 366,667 (2017 - 3,068,182) shares of Adventus Zinc through a private placement. The Corporation currently holds 15,548,861 shares or 21.9% of total outstanding shares (December 31, 2017 - 26.7%).

On March 22, 2018 the Corporation acquired an additional 18,797,454 common shares of Alderon Iron Ore Corporation ("Alderon") from Liberty Metals & Mining Holdings, LLC ("Liberty") for a total cost of $5,075,000. On July 12, 2018 the Corporation participated in a US$14 million credit facility provided by Sprott Resource Lending by providing US$2,000,000 (CAD$2,625,000) to Alderon and received 687,290 common shares. The loan receivable is classified and measured at amortized cost. The Sprott credit facility bears interest at 10% per annum, payable monthly and matures on December 31, 2019. Interest income in the amount of $128,000 has been recognized during the year ended December 31, 2018. The Corporation currently holds 52,526,206 shares in Alderon or 37.98% (December 31, 2017 – 24.9%) 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.

The Corporation exercises significant influence over these investees and continues to equity account for these investments in accordance with IAS 28 Investments in Associates.

The Corporation's share of earnings (loss) in associates was derived from the most recent set of publicly available financial statements of the investment. Financial highlights of the Corporation's investment in associates include the following:

IN THOUSANDS OF CANADIAN DOLLARS

	Alderon		Adventus Zinc	
	September 30, 2018 (1)	December 31, 2017 (2)	September 30, 2018 (1)	December 31, 2017 (2)
Balance Sheets				
Current assets	$ 8,395	$ 15,920	$ 11,654	$ 11,721
Current liabilities	9,612	32,304	1,230	1,118
Non-current assets	115,778	115,000	21,161	6,620
Non-current liabilities	16,376	-	-	
Statement of Earnings				
Revenue	$ -	$ -	$ -	$ 7
Other comprehensive (loss) earnings	(3,847)	(127,623)	1,274	(3,815)
Net (loss) earnings	(3,847)	(127,623)	1,267	(3,827)

(1) As precented in the most recently published financial statements

(2) As presented in the Audited financial statements

10. MINING AND OTHER INVESTMENTS

IN THOUSANDS OF CANADIAN DOLLARS

	Investments	Share Purchase Warrants	Total
Balance, April 30, 2017	$ 44,523	$ -	$ 44,523
Additions	36,114	629	36,743
Disposals	(5,439)	-	(5,439)
Impairment recognition	1,995	-	1,995
Revaluation	33,620	1,614	35,234
Balance, December 31, 2017	$ 110,813	$ 2,243	$ 113,056
Additions	21,618	520	22,138
Reclassification to investments in traded securities	104	(104)	-
Reclassification from convertible debenture (Note 12)	10,700	-	10,700
Receipt for interest in mineral property (Note 6)	1,167	11	1,178
Disposals	(858)	-	(858)
Revaluation	(19,775)	(2,000)	(21,775)
Balance, December 31, 2018	$ 123,769	$ 670	$ 124,439

The Corporation holds investments in other publicly listed entities with a goal of long-term capital appreciation, either through direct investment or in exchange for an interest in the Corporation's mineral properties. The fair value of the publicly traded entities is determined by reference to the unadjusted quoted prices in active markets, normally either the TSX or TSX Venture exchange.

The Corporation disposed of investments having a carrying value of $858,000 for gross cash proceeds of $4,332,000 and non-cash proceeds of $92,000 and recognized a gain on disposal of $3,474,000 through other comprehensive earnings during the year ended December 31, 2018. The Corporation disposed of investments having a carrying value of $5,439,000 for gross cash proceeds of $7,723,000 and recognized a gain on disposal of $2,477,000 during the eight months ended December 31, 2017.

11. ROYALTY AND STREAMING INTERESTS

IN THOUSANDS OF CANADIAN DOLLARS

	Note	As at December 31, 2017	Additions and Impairments	As at December 31, 2018
Royalty interests				
Rocanville - Potash	a & b	$ 11,891	$ 60,989	$ 72,880
Esterhazy - Potash	a	3,000	29,869	32,869
Cory - Potash	a	-	18,812	18,812
Allan - Potash	a	-	6,317	6,317
Patience Lake - Potash	a	-	3,872	3,872
Vanscoy - Potash	a	-	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	c	5,300	5,000	10,300
Sheerness West - Coal	d	9,000	(9,000)	-
Pickett Mountain		7,606	-	7,606
Streaming interest				
Chapada - Copper		77,634	-	77,634
Balance, end of period		$ 176,787	$ 121,056	$ 297,843
Accumulated amortization, depletion				
Rocanville - Potash		$ 68	$ 1,675	$ 1,743
Esterhazy - Potash		59	210	269
Cory - Potash		-	114	114
Allan - Potash		-	218	218
Vanscoy - Potash		-	72	72
Other potash		38	13	51
Coal & coal bed methane		1,434	400	1,834
777 Mine - Copper & zinc		21,459	6,617	28,076
Gunnison - Copper		-	-	-
Sheerness West - Coal	d	-	-	-
Pickett Mountain		-	-	-
Streaming interest				
Chapada - Copper		7,093	5,253	12,346
Balance, end of period		$ 30,151	$ 14,572	$ 44,723
Net book value		$ 146,636	$ 106,484	$ 253,120

a. Potash Acquisition

On March 23, 2018 following the acquisition of control of PRLP, the Corporation consolidated the net assets of PRLP, consisting of potash royalty interests of $123,435,000, cash of $11,563,000, working capital of $1,765,000 and a non-controlling interest of $12,485,000. Upon the acquisition of control, the Corporation reclassified its previously held interest in joint venture, at cost, of $48,535,000 (Note 8) recognizing no gain or loss. The value assigned to the royalty interests of $123,435,000 consists of the Corporation's cost of its investment in PRLP, the net $65,000,000 for the newly acquired ownership and the cost of the non-controlling interest, net of any working capital and purchase price adjustments.

PRLP receives royalty income from six producing potash mines located in Saskatchewan, Canada, including Nutrien Ltd.'s Rocanville, Vanscoy, Allan, Cory and Patience Lake mines and The Mosaic Company's Esterhazy mine. The Corporation has allocated the acquisition purchase price between the six royalty assets. The Corporation elected to pay for the acquisition using $65 million from its revolving credit (Note 14) and $10 million from cash on hand. The acquisition cost of $75 million is shown net of PRLP's cash assumed of $11,563,000 in the statement of cash flows.

b. Other Potash

During the year ended December 31, 2018 the Corporation acquired additional potash royalty interests in Nutrien's Rocanville mine totalling $1,621,000 from a number of royalty holders.

c. Gunnison

The Corporation exercised an option to increase its gross revenue royalty ("GRR") related to the Excelsior Mining Corp. ("Excelsior") Gunnison Copper Project for $5,000,000. The option exercise was triggered upon delivery by Excelsior of a construction notice which in turn followed recent permitting and project finance completions. The Corporation now holds a 1.625% GRR while plant capacity is less than 75 million lbs of copper per annum and a 1.5% GRR while the plant capacity is equal to or greater than 75 million pounds of copper per annum.

d. Sheerness West

At December 31, 2018 the Corporation recorded an impairment loss of $9,000,000 on its Sheerness West royalty interest in relation to the phase out of coal fired electrical power in Alberta by 2030. Sheerness West is an exploration stage royalty interest and as a result of the shortened life of the generating stations near the Sheerness mine, the Corporation does not expect the coal to be mined or royalties to be received. The recoverable amount was determined to be $nil using both a value in use and fair value less costs of disposal calculation.

IN THOUSANDS OF CANADIAN DOLLARS

		As at April 30, 2017	Additions	As at December 31, 2017
Royalty interests				
Rocanville - Potash	e	$ 5,000	$ 6,891	$ 11,891
Esterhazy - Potash		3,000	-	3,000
Other potash		7,000	-	7,000
Coal & coal bed methane		8,000	-	8,000
777 Mine - Copper & zinc		47,356	-	47,356
Gunnison - Copper		5,300	-	5,300
Sheerness West - Coal		9,000	-	9,000
Pickett Mountain	f	-	7,606	7,606
Streaming interest				-
Chapada - Copper		77,634	-	77,634
Balance, end of period		$ 162,290	$ 14,497	$ 176,787
Accumulated amortization and depletion				
Rocanville - Potash		$ 49	$ 19	$ 68
Esterhazy - Potash		47	12	59
Other potash		37	1	38
Coal & coal bed methane		1,167	267	1,434
777 Mine - Copper & zinc		15,985	5,474	21,459
Gunnison - Copper		-	-	-
Sheerness West - Coal		-	-	-
Pickett Mountain		-	-	-
Streaming interest				-
Chapada - Copper		3,024	4,069	7,093
Balance, end of period		$ 20,309	$ 9,842	$ 30,151
Net book value		$ 141,981	$ 4,655	$ 146,636

e. Rocanville – McChip

On November 1, 2017 the Corporation acquired additional mineral land areas and related royalty interests at Nutrien's Rocanville potash mine from McChip Resources Inc. for total consideration of $8,000,000 in up-front and future cash payments. On acquisition the Corporation paid $3,000,000 to McChip as initial consideration for the royalty. In addition, the Corporation has committed to pay, on the anniversary date, a limited royalty to McChip of $500,000 per year for 10 years based on a minimum production and grade threshold on the Rocanville mine. The

Corporation has recorded the present value of these future payments as part of the purchase price of the royalty interest in the amount of $3,860,000 as well as the underlying obligation to McChip on the basis that the minimum production and grade threshold will be met. If not, the limited royalty will be deferred until such time as the thresholds are met.

f. Pickett Mountain – Wolfden

On November 4, 2017 the Corporation announced the acquisition of a 1.35% GSR and an option on a further 0.5% GSR on Wolfden Resources Corporation's ("Wolfden") recently acquired Pickett Mountain base metals project in Maine, USA for $7,606,000 (US$6,000,000). The royalty is partially secured by ancillary timber rights related to the property and is also convertible at Altius' election under certain circumstances into a similar GSR on Wolfden's Orvan Brook project or into Wolfden common equity. The Corporation has assigned $1,300,000 (US$1,000,000) to the timber rights and $6,300,000 (US$5,000,000) to the royalty interest.

12. CONVERTIBLE DEBENTURE

IN THOUSANDS OF CANADIAN DOLLARS

		Total
Balance, April 30, 2017	$	-
Acquisition [(1)]		10,000
Revaluation - Equity option		2,250
Accretion - Debt receivable		442
Balance, December 31, 2017	$	12,692
IFRS 9 adoption (Note 3)		448
Revaluation		(2,440)
Conversion to common shares (Note 10)		(10,700)
Balance, December 31, 2018	$	-

(1) Reported under IAS 39 and allocated between debt receivable of $9,147 and equity option of $853.

On June 1, 2017 the Corporation invested $10 million in an unsecured subordinated convertible debenture (the "Debenture") of Champion Iron Limited ("Champion"). The Debenture matured December 31, 2018 and the Corporation exercised its option to convert the Debenture into Champion common shares at a conversion price of $1.00 per share. The Corporation determined the fair values of the Debenture at each reporting period using an option pricing model which included inputs for the maturity of the instrument, probabilities, volatility and share price of the underlying entity and records any unrealized gains or losses in the statement of earnings. On conversion, the Corporation recognized a gain on fair value adjustment of derivative of $700,000. Interest income in the amount of $863,000 (December 31, 2017 - $467,000) has been recognized during the year ended December 31, 2018.

13. INCOME TAXES

Significant components of the deferred tax liability are as follows:

IN THOUSANDS OF CANADIAN DOLLARS

	December 31, 2018	December 31, 2017
Temporary differences related to exploration and evaluation assets, property and other	$ (5,398)	$ (3,202)
Non capital and net capital loss carryforwards	2,079	941
Carrying value of investments in excess of tax values	(3,128)	(6,525)
Temporary differences related to preferred securities	(30,000)	(30,000)
Deferred and deductible share-based compensation and other costs	839	809
Share and debt issue costs	1,052	1,336
Carrying values in excess of tax values relating to royalty and streaming interests in mineral properties	(12,650)	(16,637)
	$ (47,206)	$ (53,278)

	December 31, 2018	December 31, 2017
Deferred tax liabilities	$ (51,969)	$ (57,115)
Deferred tax assets	4,763	3,837
Total deferred income tax	$ (47,206)	$ (53,278)

The Corporation has $211 million (December 31, 2017 - $143 million) of temporary differences associated with investments in joint ventures on which deferred tax liabilities have not been recognized given that the Corporation has the ability to control the timing of the reversal and it is probable that the temporary differences will not reverse in the foreseeable future.

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates of 30% (December 30, 2017 – 30%) to earnings before taxes. The differences are from the following items:

IN THOUSANDS OF CANADIAN DOLLARS

	Year ended December 31, 2018	Eight months ended December 31, 2017	Year ended April 30, 2017
Expected tax expense (recovery)	$ 1,805	$ 7,059	$ (18,645)
Taxable (non-taxable) portion of capital gains and losses	2,434	(995)	(1,186)
Net deductible permanent differences	(2,310)	(1,568)	-
Adjustments in relation to earnings from associates and joint ventures	2,129	1,383	23,022
Differences in statutory rates on earnings of subsidiaries	20	(566)	(334)
	$ 4,078	$ 5,313	$ 2,857
Current tax	$ 6,735	$ 5,529	$ 3,920
Deferred tax	(2,657)	(216)	(1,063)
	$ 4,078	$ 5,313	$ 2,857

14. DEBT

IN THOUSANDS OF CANADIAN DOLLARS

At amortized cost	December 31, 2018	December 31, 2017
Long-term debt	$ 112,790	$ 65,193
Current	20,000	13,000
Non-current	92,790	52,193
	$ 112,790	$ 65,193

On June 29, 2018 the Corporation amended its senior secured debt facility to refinance its previous term and revolver debt of $125 million. The amendment, which was considered to be an extinguishment of debt, replaced the combination of outstanding term and revolver debt with a $125 million term facility (the “Term Credit Facility”) and provided access to an additional $100 million revolving facility (the “Revolving Facility” and collectively the “Amended Credit Facilities”).

The Term Credit Facility has a five-year term and is repayable by June 2023 with quarterly principal repayments of $5 million, bearing interest at variable rates based on the total net debt ratio, 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.

Concurrent with the refinancing, the Corporation entered into a floating-to-fixed interest rate swap to lock in the interest rate on $100 million of the Term Credit Facility on an amortized basis for a period of five years. 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 December 31, 2018 is $90 million. The Corporation expects the interest rate on the fixed portion of the debt to be approximately 5.45% per annum during the full term of the loan, with the remaining $25 million and the Revolving Facility initially carrying a 4.67% interest rate that will change in accordance with market interest rates. 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 December 31, 2018 and all critical terms matched during the year. 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 $397,000 on the balance sheet.

During the first quarter ended March 31, 2018 the Corporation completed a draw-down of $65 million on its previous revolving facility which, combined with $10 million in cash, funded the Liberty Potash Royalties acquisition (see Note 11). In accordance with the terms of the previous and amended credit facilities, the Corporation repaid $141,183,000 during the year ended December 31, 2018 (December 31, 2017 - $12,518,000).

The Corporation is amortizing costs of $2,595,000 attributable to securing the Amended Credit Facilities over the life of the facilities using an effective interest rate of 5.42%. During the year ended December 31, 2018 $542,000 (December 31, 2017 - $469,000) of the costs were recognized in the consolidated statement of earnings. Costs of $812,000 recognized were related to the extinguishment of the previous credit facilities.

As at December 31, 2018 the Corporation was in compliance with all debt covenants.

The following principal repayments for the Amended Credit Facilities are required over the next 5 years.

IN THOUSANDS OF CANADIAN DOLLARS

	Total
2019	$ 20,000
2020	20,000
2021	20,000
2022	20,000
2023	35,000
	$ 115,000
Less: unamortized debt costs	2,210
	$ 112,790

15. REVENUE AND GENERAL AND ADMINISTRATIVE EXPENSES

IN THOUSANDS OF CANADIAN DOLLARS

Revenue and other income	Year ended December 31, 2018	Eight months ended December 31, 2017	Year ended April 30, 2017
Royalty	$ 24,153	$ 11,082	$ 23,036
Copper stream*	16,992	11,639	-
Interest and investment	7,600	7,146	1,827
Other	490	390	334
Total revenue and other income	$ 49,235	$ 30,257	$ 25,197

**Revenue from contracts with customers (see note 3 & 11)*

IN THOUSANDS OF CANADIAN DOLLARS

General and administrative expenses	Year ended December 31, 2018	Eight months ended December 31, 2017	Year ended April 30, 2017
Salaries and benefits	$ 4,515	$ 2,587	$ 3,703
Professional and consulting fees	2,286	789	1,218
Office and administrative	1,234	712	847
Travel and accommodations	517	315	357
Total general and administrative	$ 8,552	$ 4,403	$ 6,125

16. SHARE CAPITAL

Authorized

Unlimited number of Common voting shares
Unlimited number of First Preferred shares
Unlimited number of Second Preferred shares

The First and Second Preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The Corporation has not issued any First or Second Preferred shares.

Shares repurchased

The Corporation renewed its Normal Course Issuer Bid ("NCIB") effective August 22, 2018 and it will end no later than August 21, 2019. The Corporation may purchase at market price up to 814,972 common shares representing approximately 1.89% of its 43,215,026 outstanding shares as of August 10, 2018. The Corporation repurchased and cancelled 369,500 common shares (December 31, 2017 – 174,689) during the year ended December 31, 2018 at a cost of $4,533,000 (December 31, 2017 - $1,911,000).

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.

	Year ended December 31, 2018	Eight months ended December 31, 2017	Year ended April 30, 2017
Weighted average number of shares:			
Basic	43,171,947	43,239,845	43,337,040
Diluted	43,426,358	43,471,193	43,337,040

Other equity reserves

Other equity reserves consist of share-based payment reserves of $4,010,000, warrants of $12,959,000 and contributed surplus of $3,069,000 for a total of $20,038,000. Share-based payment reserve amounts are in respect of stock options, DSUs and RSUs. In addition, there are 400,000 warrants issued to Yamana at an exercise price of $14.00 with an expiry date of May 3, 2021 and 6,670,000 warrants issued to 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.

Preferred Securities

During the period ended December 31, 2017 Fairfax Financial Holdings Limited and certain of its subsidiaries (collectively "Fairfax") purchased, on a private placement basis, at a price of $10, a 5% preferred security, in an amount of $75,000,000, issuable in tranches of not less than $25,000,000. The preferred securities are subordinate secured securities that may be repaid by the Corporation at any time after April 26, 2022 and at any time after April 26, 2020 if the volume-weighted average trading price of its common shares for any 10-day period after April 26, 2020 is at least $24 per share. The preferred securities have a maturity date of April 26, 2102 and are considered an instrument consisting of both debt and equity. At December 31, 2018 the Corporation used a net present value calculation and determined that the debt component is nominal given the maturity date and, as a result, the preferred securities are presented as equity in the consolidated financial statements. During the year ended December 31, 2018 the Corporation declared distributions of $5,000,000 (December 31, 2017 - $1,695,000) to preferred security holders.

17. SHARE-BASED COMPENSATION

The Corporation recognized the following share-based compensation:

IN THOUSANDS OF CANADIAN DOLLARS

	Year ended December 31, 2018	Eight months ended December 31, 2017	Year ended April 30, 2017
Stock option expense	$ 543	$ 389	$ 352
Deferred share unit expense	718	335	325
Restricted share unit expense	641	319	381
Total share-based compensation	$ 1,902	$ 1,043	$ 1,058

A summary of the status of the Corporation's stock option plan as of December 31, 2018, and changes during the period then ended, is as follows:

IN THOUSANDS OF CANADIAN DOLLARS

	December 31, 2018		December 31, 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Oustanding, beginning of period	480,323	$ 11.85	274,933	$ 12.72
Granted	97,634	$ 13.91	205,390	$ 10.63
Outstanding, end of period	577,957	$ 12.20	480,323	$ 11.85
Exercisable, end of period	298,447	$ 12.40	182,856	$ 12.53

There were 97,634 stock options granted during the year ended December 31, 2018 (December 2017 – 205,390). The weighted average fair value of stock options granted during the year ended December 31, 2018 was estimated on the dates of grant to be $4.45 (2017 - $3.22) using the Black-Scholes option pricing model with the following assumptions:

	December 31, 2018	December 31, 2017
Expected life (years)	5.00	5.00
Risk-free interest rate (%)	1.97	0.88
Expected Volatility (%)	37.89	37.57
Expected dividend yield (%)	1.22	1.12

A summary of the status of the Corporation's RSUs and DSUs as of December 31, 2018 is as follows:

	Number of RSUs	Number of DSUs
Outstanding, April 30, 2017	63,167	170,942
Granted	53,582	36,980
Settled	(26,326)	-
Outstanding, December 31, 2017	90,423	207,922
Granted	33,188	54,897
Settled	(44,880)	(33,935)
Outstanding, December 31, 2018	**78,731**	**228,884**
Exercisable, December 31, 2018	**-**	**186,180**

During the year ended December 31, 2018 the Corporation cash settled 44,880 RSUs for $593,000 (December 31, 2017 - $nil).

18. SUPPLEMENTAL CASH FLOW INFORMATION

IN THOUSANDS OF CANADIAN DOLLARS

	Year ended December 31, 2018	Eight months ended December 31, 2017	Year ended April 30, 2017
Adjustments for operating activities:			
Generative exploration	$ 177	$ 342	$ 988
Exploration and evaluation assets abandoned or impaired	784	597	4,112
Share-based compensation	1,902	1,043	1,058
Cash settled restricted share units	(593)	-	-
Unrealized foreign exchange (gain) loss	-	(1,407)	1,388
Impairment on goodwill and royalty interest	10,810	3,157	-
Amortization and depletion	14,589	9,844	11,631
Non-cash other revenue & accretion	-	(740)	-
Interest on long-term debt	7,974	3,465	7,714
Interest paid	(6,548)	(3,036)	(5,368)
Gain on disposal of mineral property	-	-	(2,657)
Gain on disposal of investments	(92)	(2,477)	(6,330)
Unrealized loss (gain) on fair value adjustment of derivatives	4,440	(3,863)	-
(Earnings) loss from joint ventures	(10,389)	(13,952)	58,054
Share of loss in associates	1,556	1,194	2,201
Dilution gain on issuance of shares by associates	(2,282)	-	(762)
Income taxes	4,078	5,313	2,857
Income taxes paid	(10,447)	(2,725)	(2,585)
	$ 15,959	$ (3,245)	$ 72,301
Changes in non-cash operating working capital:			
Accounts receivable and prepaid expenses	(1,230)	(2,448)	(2,533)
Accounts payable and accrued liabilities	(1,292)	8	1,473
	$ (2,522)	$ (2,440)	$ (1,060)
Cash and cash equivalents consist of:			
Deposits with banks	28,392	61,982	33,973
Short-term investments	-	-	857
	$ 28,392	$ 61,982	$ 34,830

19. RELATED PARTY TRANSACTIONS

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

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

These transactions are in the normal course of operations and are measured at the fair value amount, which is the amount of consideration established and agreed to by the related parties.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value measurements for the periods ended December 31, 2018 and December 31, 2017 are under IFRS 9 and IAS 39 respectively.

Financial instruments recorded at fair value on the consolidated balance sheets are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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.

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 December 31, 2018	Level 1	Level 2	Level 3	TOTAL
Mining and other investments	123,769	670	-	124,439
FINANCIAL ASSETS	$ 123,769	$ 670	$ -	$ 124,439
Derivative - cash flow swap	-	397	-	397
FINANCIAL LIABILITIES	$ -	$ 397	$ -	$ 397

As at December 31, 2017	Level 1	Level 2	Level 3	TOTAL
Convertible debenture (equity option)	-	3,103	-	3,103
Mining and other investments	110,813	2,243	-	113,056
FINANCIAL ASSETS	$ 110,813	$ 5,346	$ -	$ 116,159
FINANCIAL LIABILITIES	$ -	$ -	$ -	$ -

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 highlighted as follows:

Credit risk

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

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

Foreign currency risk

Certain royalty and streaming revenues are exposed to foreign currency fluctuations, which are denominated and paid in US dollars. The Corporation does not enter into any derivative contracts to reduce this exposure since the receivable is short-term in nature and the expected receivable amount cannot be predicted reliably. As at December 31, 2018 a 10% change in the US dollar to Canadian dollar exchange rate could affect net earnings by approximately $146,000.

Liquidity risk

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

Other price risk

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

Interest rate risk

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

As at December 31, 2018 a +/- 1% change in the effective interest rates in respect of cash and cash equivalents would affect comprehensive earnings by $199,000 net of applicable taxes.

Sensitivity Analysis

The Corporation has mining and other investments that are marked to fair market value at each reporting period, with a corresponding adjustment to other comprehensive earnings for increases in value and for other temporary declines in value.

As at December 31, 2018 the Corporation's mining and other investments sensitivity to a +/- 20% movement in quoted market prices would affect comprehensive earnings by $21,155,000 net of applicable taxes.

21. CAPITAL MANAGEMENT

The Corporation's primary objective when managing capital is to maximize returns for its shareholders by growing its asset base, both organically through strategic investments in exploration and evaluation companies and through accretive acquisitions of high quality royalties, streams and other similar interests, while insuring capital protection. The Corporation defines capital as long-term debt, total equity and the undrawn revolving credit facility. Capital is managed by the Corporation's management and governed by the Board of Directors. The

Corporation manages its capital by paying dividends and distributions to share and security holders, reinvesting in the business for growth and capital appreciation and at times repurchasing its common shares under its normal course issuer bid and amending its credit facilities to provide additional access to capital.

The Corporation is subject to external capital requirements on long-term debt and preferred securities and is in compliance with all covenant requirements as at December 31, 2018 and this continues to be assessed on a quarterly basis.

22. COMMITMENTS

Operating leases

The Corporation is committed under leases on office space, including operating costs, for annual future minimum lease payments as follows:

IN THOUSANDS OF CANADIAN DOLLARS

2019	$	176
2020		168
2021		168
2022		168
2023		168
	$	848

Mineral property expenditures

The Corporation has obtained various mineral rights licenses by staking claims and paying refundable security deposits. Certain expenditures are required on an annual basis, from the date of license issuance, in order to maintain the licenses in good standing and for refund of security deposits. On or before the anniversary date of license issuance, and if the required expenditures are not met, the Corporation has the option of reducing claims on a property, posting a refundable security bond for the deficient amount or elect to allow title of the license be cancelled. The Corporation is required to spend $894,000 by December 31, 2019 in order to maintain its existing licenses in good standing.

23. SEGMENTED INFORMATION

Key measures used by the 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 (see Note 8) are included in the 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.

IN THOUSANDS OF CANADIAN DOLLARS

Reportable Segments Year Ended December 31, 2018	Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
Revenue and other income	$ 67,047	$ 1,353	$ 68,400	$ (19,165)	$ 49,235
Costs and Expenses					
General and administrative	6,569	3,119	9,688	(1,136)	8,552
Cost of sales - copper stream	4,971	-	4,971	-	4,971
Generative exploration	-	177	177	-	177
Mineral rights and leases	157	417	574	-	574
Adjusted EBITDA	$ 55,350	$ (2,360)	$ 52,990	$ (18,029)	$ 34,961
Share-based compensation	$ (1,215)	$ (687)	$ (1,902)	$ -	$ (1,902)
Amortization and depletion	(18,679)	(17)	(18,696)	4,107	(14,589)
Impairment on goodwill and royalty interest	(14,343)	-	(14,343)	3,533	(10,810)
Earnings from joint ventures	-	-	-	10,389	10,389
Gain on disposal of investments	-	92	92		92
Foreign exchange gain	347	-	347	-	347
Unrealized loss on fair value adjustment of derivative	-	(4,440)	(4,440)	-	(4,440)
Exploration and evaluation assets abandoned or impaired	-	(784)	(784)	-	(784)
Dilution gain on issuance of shares by associate	-	2,282	2,282	-	2,282
Share of loss in associates	-	(1,556)	(1,556)	-	(1,556)
Interest on long-term debt	(7,974)	-	(7,974)	-	(7,974)
Earnings (loss) before income taxes	$ 13,486	$ (7,470)	$ 6,016	$ -	$ 6,016
Income taxes (current and deferred)					4,078
Net earnings					$ 1,938
Supplementary information					
Total assets	$ 507,611	$ 51,370	$ 558,981	$ -	$ 558,981
Cash flow from (used)					
Operating activities	37,061	(2,340)	34,721	(19,346)	15,375
Financing activities	29,043	0	29,043	-	29,043
Investing activities	(89,758)	(7,596)	(97,354)	19,346	(78,008)
Total cash flow from (used)	$ (23,654)	$ (9,936)	$ (33,590)	$ -	$ (33,590)

IN THOUSANDS OF CANADIAN DOLLARS

Reportable Segments Eight months ended December 31, 2017	Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
Revenue and other income	$ 46,747	$ 654	$ 47,401	$ (17,144)	$ 30,257
Costs and Expenses					
General and administrative	3,476	1,663	5,139	(736)	4,403
Cost of sales - copper stream	3,429	-	3,429	-	3,429
Generative exploration	-	342	342	-	342
Mineral rights and leases	-	266	266	-	266
Adjusted EBITDA	$ 39,842	$ (1,617)	$ 38,225	$ (16,408)	$ 21,817
Share-based compensation	$ (677)	$ (366)	$ (1,043)	$ -	$ (1,043)
Amortization and depletion	(12,298)	(2)	(12,300)	2,456	(9,844)
Impairment on goodwill	(3,157)	-	(3,157)	-	(3,157)
Earnings from joint ventures	-	-	-	13,952	13,952
Gain on disposal of investments	694	1,783	2,477	-	2,477
Foreign exchange gain	722	-	722	-	722
Unrealized gain on fair value adjustment of derivative	2,250	1,613	3,863	-	3,863
Exploration and evaluation assets abandoned or impaired	-	(597)	(597)	-	(597)
Share of loss and impairment in associates	-	(1,194)	(1,194)	-	(1,194)
Interest on long-term debt	(3,465)	-	(3,465)	-	(3,465)
Earnings (loss) before income taxes	$ 23,911	$ (380)	$ 23,531	$ -	$ 23,531
Income taxes (current and deferred)					5,313
Net earnings					$ 18,218
Supplementary information					
Total assets	$ 485,031	$ 49,171	$ 534,202	$ -	$ 534,202
Operating activities	24,816	(1,275)	23,541	(11,008)	12,533
Financing Activities	56,558	-	56,558	-	56,558
Investing Activities	(47,000)	(5,947)	(52,947)	11,008	(41,939)
Total cash flow from (used)	$ 34,374	$ (7,222)	$ 27,152	$ -	$ 27,152

IN THOUSANDS OF CANADIAN DOLLARS

Reportable Segments Year ended April 30, 2017		Royalties		Project Generation		Subtotal		Adjustment for Joint Ventures		Total
Revenue and other income	$	46,028	$	337	$	46,365	$	(21,168)	$	25,197
Costs and Expenses										
General and administrative		4,441		2,612		7,053		(928)		6,125
Cost of sales - copper stream		3,118		-		3,118		-		3,118
Generative exploration		-		988		988		-		988
Mineral rights and leases		64		431		495		-		495
Adjusted EBITDA	$	38,405	$	(3,694)	$	34,711	$	(20,240)	$	14,471
Share-based compensation	$	(629)	$	(429)	$	(1,058)	$	-	$	(1,058)
Amortization and depletion		(17,656)		(35)		(17,691)		6,060		(11,631)
Impairment on royalty interests		(72,001)		-		(72,001)		72,001		-
Loss from joint ventures		-		(233)		(233)		(57,821)		(58,054)
Gain on disposal of investments		-		6,330		6,330		-		6,330
Gain on disposal of mineral property		-		2,657		2,657		-		2,657
Foreign exchange loss		(1,599)		-		(1,599)		-		(1,599)
Exploration and evaluation assets abandoned or impaired		-		(4,112)		(4,112)		-		(4,112)
Dilution gain on issuance of shares by associate		-		762		762		-		762
Share of loss and impairment in associates		-		(2,201)		(2,201)		-		(2,201)
Interest on long-term debt		(7,714)		-		(7,714)		-		(7,714)
Earnings (loss) before income taxes	$	(61,194)	$	(955)	$	(62,149)	$	-	$	(62,149)
Income taxes (current and deferred)										2,857
Net loss									$	(65,006)
Supplementary information										
Total assets	$	374,561	$	45,884	$	420,445	$	-	$	420,445
Operating activities		29,079		(2,833)		26,246		(20,011)		6,235
Financing Activities		66,332		-		66,332		-		66,332
Investing Activities		(76,279)		8,954		(67,325)		20,011		(47,314)
Total cash flow from (used)	$	19,132	$	6,121	$	25,253	$	-	$	25,253

24. SUBSEQUENT EVENTS

On January 28, 2019, the Corporation completed a draw down on its revolving facility for $25 million to acquire mining and other investments.

On January 21, 2019 the Corporation entered into an agreement to acquire a 2% NSR royalty covering the Curipamba copper-gold-zinc project (the “Curipamba Project”) from Resource Capital Fund VI L.P. and RCF VI SRL LLP (collectively, “RCF”) for US$10 million in cash. The Curipamba Project, located in central Ecuador, is being developed under a 75:25 partnership between Adventus and Salazar Resources Ltd. Altius currently holds 21.9% of the outstanding shares of Adventus.

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 will receive a 3% GRR 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 million over the next three years as TGE achieves certain advancement milestones. An initial investment of US$7.5 million was made upon closing using cash on hand. Prior to closing the TGE transaction the Corporation also acquired a private company, Great Bay Renewables, Inc., which holds a paying royalty on the 4.7 MW Clyde River hydroelectric/solar facility located in Vermont.