Altius Minerals Corporation

Consolidated Financial Statements

For the years ended December 31, 2020 and 2019

Independent Auditor's Report

To the Shareholders and the Board of Directors 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, 2020 and 2019, and the consolidated statements of earnings (loss), comprehensive earnings (loss), changes in equity and cash flows for the years then ended, 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, 2020 and 2019, and its financial performance and its cash flows for the years then ended 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Royalty and streaming interests - Assessment of Whether Indicators of Impairment Exist - Refer to Note 10 to the financial statements

Key Audit Matter Description

The Corporation holds certain royalty interests in production stage Coal properties. The royalty interests are initially recorded at fair value assigned to the assets and amortized using the units of production basis over the expected life of the mineral property, which is determined using operator estimates of proven and probable reserves. At the end of each reporting period the Corporation assesses each relevant interest to determine whether any indicators of impairment exist. If such an indicator exists, the recoverable amount of the asset is determined to conclude whether or not an impairment should be recorded. The assessment of indicators is based on various external and internal sources including future production, updated reserve and resource information included in technical reports, life of mine determination, capital planning, market capitalization and regulatory environment.

While there are several inputs that are required to determine whether or not an indicator of impairment exists, the judgements with the highest degree of subjectivity and uncertainty are future production and the impact of any new adverse regulations or regulatory requirements, including those relating to the Government of Alberta plan to phase out coal fired electricity by 2030. Auditing these estimates and underlying inputs required significant auditor judgment.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the assessment of whether indicators of impairment over royalty interests exist included the following, among others:

- Evaluated management's ability to accurately forecast future production by:
    - Assessing the methodology used in management's determination of the future production;
    - Comparing management's future production to historical data and available market trends; and
    - Considered publicly available information regarding producers' conversion from coal.
- Evaluated regulatory developments relating to the Government of Alberta plan to phase out coal fired electricity by 2030 and the impact on expected production of coal assets.

Interests in Joint Venture — Fair value determination of investments in renewable energy - Refer to Note 7 to the financial statements

Key Audit Matter Description

The Corporation has investments in renewable energy which are accounted for as financial instruments held at fair value through other comprehensive income. The Corporation's methodology to determine the fair value of the investments at the reporting date is based on complex models and unobservable inputs. The valuation of these investments is subjective and include several assumptions that are required to determine the fair value. The judgements with the highest degree of subjectivity and impact on the fair values are the determination of an appropriate valuation methodology, expected cashflow from royalties, discount rates, power generation capacity and utilization, and timing of anticipated project development milestones.

Given the significant judgments made by management to estimate the fair value of investments in renewable energy, performing audit procedures to evaluate the reasonableness of the estimates and assumptions related to the determination of an appropriate valuation methodology, expected cashflow from royalties, discount rates, power generation capacity and utilization and timing of anticipated project development milestones required a high degree of auditor judgment and an increased extent of audit effort, including the need to involve fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the fair value determination of investments in renewable energy included the following, among others:

- Evaluated the reasonableness of management's expected cashflow from royalties, power generation capacity and utilization, and timing of anticipated project development milestones by comparing management's forecasts to:
    - Contractual terms;
    - Historical forecasts;
    - Internal communications to management and the Board of Directors; and
    - Forecasted information included in the Corporation's press releases, as well as analyst and industry reports for the Corporation and third-party information.
- With the assistance of fair value specialists, evaluated the reasonableness of:
    - The valuation methodology and the mathematical accuracy of the calculations.
    - The discount rates by testing the source information underlying the determination of the discount rate and developed a range of independent estimates for the discount rate and compared to the discount rate selected by management.

Other Information

Management is responsible for the other information. The other information 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Paul Fletcher.

/s/Deloitte LLP

Chartered Professional Accountants
March 10, 2021
St. John's, Newfoundland

CONSOLIDATED BALANCE SHEETS

In Thousands of Canadian Dollars	Note	As at December 31, 2020	As at December 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	17	$ 21,804	$ 22,128
Accounts receivable and prepaid expenses		11,884	9,023
Income tax receivable		954	4,110
Loan receivable	8	1,000	2,625
		$ 35,642	$ 37,886
Non-current assets			
Interests in joint ventures	7	95,904	86,881
Royalty and streaming interests	10	273,102	255,405
Investments	9	145,021	149,043
Exploration and evaluation assets	5	14,366	12,586
Other intangible assets		-	2,105
Goodwill	6	6,031	6,031
Deferred tax assets	12	8,517	5,952
Investment in associates	8	9,929	9,712
Property and equipment		1,098	1,273
		$ 553,968	$ 528,988
TOTAL ASSETS		$ 589,610	$ 566,874
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		6,852	6,360
Current portion of long-term debt	13	20,000	20,000
Income tax payable		4,681	443
		$ 31,533	$ 26,803
Non-current liabilities			
Long-term debt	13	112,967	87,828
Other liability		1,001	911
Deferred tax liabilities	12	58,975	50,843
Derivative - cash flow swap	13	1,309	528
		$ 174,252	$ 140,110
TOTAL LIABILITIES		$ 205,785	$ 166,913
EQUITY			
Shareholders' equity		362,877	385,205
Non-controlling interest		20,948	14,756
		$ 383,825	$ 399,961
TOTAL LIABILITIES AND EQUITY		$ 589,610	$ 566,874

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, 2020	Year ended December 31, 2019
Revenue and other income	14	$ 60,057	$ 61,225
Costs and Expenses			
General and administrative	14	8,933	9,594
Cost of sales - copper stream		4,594	5,135
Share-based compensation	16	3,984	2,015
Generative exploration		277	119
Exploration and evaluation assets abandoned or impaired	5	80	9,039
Mineral rights and leases		351	434
Amortization and depletion		18,049	15,629
Earnings before the following:		$ 23,789	$ 19,260
Earnings from joint ventures	7	2,953	6,403
Gain on disposal of investments		609	103
Gain on disposal of mineral property	5	2,997	-
Gain on loss of control of subsidiary	7	790	-
Interest on long-term debt		(8,077)	(8,127)
Foreign exchange gain (loss)		3,193	(642)
Dilution gain on issuance of shares by an associate and joint venture	7 & 8	2,924	2,313
Gain on disposition of royalty interest	10	-	4,250
Impairment royalty interests	7&10	(46,147)	-
Unrealized gain (loss) on fair value adjustment of derivatives		2,049	616
Share of earnings (loss) and impairment in associates	8	(4,108)	(3,757)
(Loss) earnings before income taxes		$ (19,028)	$ 20,419
Income taxes (current and deferred)	12	7,185	2,081
Net (loss) earnings		$ (26,213)	$ 18,338
Net (loss) earnings attributable to:			
Common shareholders		(26,861)	17,472
Non-controlling interest		648	866
		$ (26,213)	$ 18,338
Net (loss) earnings per share			
Basic and diluted	15	$ (0.65)	$ 0.41

See accompanying notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

In Thousands of Canadian Dollars	Year ended			
		December 31, 2020		December 31, 2019
Net (loss) earnings	$	(26,213)	$	18,338
Other comprehensive earnings				
To be reclassified subsequently to profit or loss				
Foreign currency translation adjustment				
Gross amount		(5,582)		(236)
Tax effect		(71)		71
Net amount	$	(5,653)	$	(165)
Net unrealized (loss) on fair value adjustment of cash flow swap				
Gross amount		(666)		(122)
Tax effect		153		28
Net amount	$	(513)	$	(94)
To not be reclassified subsequently to profit or loss				
Net unrealized gain on investments				
Gross amount		34,531		5,270
Tax effect		(5,560)		(791)
Net amount	$	28,971	$	4,479
Net unrealized gain on investments held in joint venture				
Gross amount		1,912		-
Tax effect		(544)		-
Net amount	$	1,368	$	-
Realized (loss) gain on investments		(4,590)	$	11,414
Tax effect		179		-
Net amount	$	(4,411)	$	11,414
Other comprehensive earnings	$	19,762	$	15,634
Total comprehensive (loss) earnings	$	(6,451)	$	33,972
Total comprehensive (loss) earnings attributable to:				
Common shareholders		(7,099)		33,106
Non-controlling interest		648		866
	$	(6,451)	$	33,972

See accompanying notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

In Thousands of Canadian Dollars	Note	Year ended December 31, 2020	Year ended December 31, 2019
Operating activities			
Net (loss) earnings		$ (26,213)	$ 18,338
Adjustments for operating activities	17	64,732	10,605
		$ 38,519	$ 28,943
Changes in non-cash operating working capital	17	(1,400)	(1,548)
		$ 37,119	$ 27,395
Financing activities			
Proceeds from long-term debt	13	47,326	25,208
Repayment of long-term debt	13	(20,000)	(30,647)
Lease payments		(168)	(56)
Payments from non-controlling interest	19	4,571	2,594
Preferred securities distribution	15	(5,014)	(5,000)
Repurchase of common shares	15	(6,090)	(9,273)
Dividends paid		(7,881)	(8,117)
		$ 12,744	$ (25,291)
Investing activities			
Proceeds from sale of investments	9	23,423	27,585
Acquisition of Great Bay, net of cash assumed	11	-	(6,153)
Acquisition of control of Coal Royalty and Genesee Royalty Limited Partnerships	7	(8,957)	-
Cash received from joint ventures	7	10,337	16,682
Generative exploration		(175)	(119)
Loss of control of subsidiary	7	(952)	-
Exploration and evaluation assets, net of recoveries		(2,119)	(1,682)
Acquisition of royalty interests	10	(580)	(13,787)
Acquisition of investments	8, 9	(71,125)	(30,459)
Acquisition of property and equipment		(39)	(435)
		$ (50,187)	$ (8,368)
Net (decrease) in cash and cash equivalents		(324)	(6,264)
Cash and cash equivalents, beginning of year		22,128	28,392
Cash and cash equivalents, end of year		$ 21,804	$ 22,128

Supplemental cash flow information (Note 17)

See accompanying notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

In Thousands of Canadian Dollars	Common Shares		Preferred Securities		Other Equity Reserves (Note 15)	Accumulated Other Comprehensive Earnings (loss)	Retained Earnings (Deficit)	Total Shareholders' Equity	Non-controlling interest	Total Equity
	Number	Amount	Number	Amount						
Balance, January 1, 2019	42,851,726	$ 267,536	10,000,000	$ 57,061	$ 20,038	$ 18,386	$ 8,832	$ 371,853	$ 12,408	$ 384,261
Net earnings and comprehensive earnings, January 1 to December 31, 2019	-	-	-	-	-	15,634	17,472	33,106	866	33,972
Payments to non-controlling interest	-	-	-	-	-	-	-	-	(1,301)	(1,301)
Receipts from non-controlling interests	-	-	-	-	-	-	1,139	1,139	2,096	3,235
Shares repurchased and cancelled	(802,000)	(5,008)	-	-	-	-	(4,265)	(9,273)	-	(9,273)
Shares issued by subsidiary under services agreement	-	-	-	-	-	-	-	-	687	687
Preferred securities distribution	-	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Dividends paid to common shareholders	-	-	-	-	-	-	(8,117)	(8,117)	-	(8,117)
Share-based compensation	-	-	-	-	2,015	-	-	2,015	-	2,015
Cash settled RSUs	-	-	-	-	(518)	-	-	(518)	-	(518)
Shares issued under long-term incentive plan	10,070	125	-	-	(125)	-	-	-	-	-
Balance, December 31, 2019	42,059,796	$ 262,653	10,000,000	$ 57,061	$ 21,410	$ 34,020	$ 10,061	$ 385,205	$ 14,756	$ 399,961
Net earnings (loss) and comprehensive earnings (loss), January 1 to December 31, 2020	-	-	-	-	-	19,762	(26,861)	(7,099)	648	(6,451)
Payments to non-controlling interest (Note 19)	-	-	-	-	-	-	-	-	(1,090)	(1,090)
Receipts from non-controlling interests (Note 19)	-	-	-	-	-	-	303	303	5,014	5,317
Shares repurchased and cancelled (Note 15)	(644,400)	(4,024)	-	-	-	-	(2,066)	(6,090)	-	(6,090)
Non-controlling interest of Coal Royalty and Genesee Royalty Limited Partnership Acquisitions (Note 7 & 10)	-	-	-	-	-	-	-	-	1,013	1,013
Shares issued by subsidiary under services agreement	-	-	-	-	-	-	-	-	607	607
Preferred securities distribution	-	-	-	-	-	-	(5,014)	(5,014)	-	(5,014)
Dividends paid to common shareholders	-	-	-	-	-	-	(8,318)	(8,318)	-	(8,318)
Shares issued under dividend reinvestment plan	41,719	437	-	-	-	-	-	437	-	437
Share-based compensation	-	-	-	-	3,984	-	-	3,984	-	3,984
Cash settled RSUs	-	-	-	-	(209)	-	-	(209)	-	(209)
Shares issued under long-term incentive plan	20,538	236	-	-	(558)	-	-	(322)	-	(322)
Balance, December 31, 2020	41,477,653	$ 259,302	10,000,000	$ 57,061	$ 24,627	$ 53,782	$ (31,895)	$ 362,877	$ 20,948	$ 383,825

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

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

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on March 10, 2021.

2. NEW AND SIGNIFICANT ACCOUNTING POLICIES

During the year, the Corporation adopted the following amendments effective January 1, 2020:

Amendments to References to the Conceptual Framework in IFRS Standards

The Corporation has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-3.

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. There was no material impact on the Corporation's financial statements 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". There was no material impact on the Corporation's financial statements upon applying this amendment.

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The amendments are relevant to the Corporation given that it applies hedge accounting to its cash flow swap for interest rate exposure. The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9. . There was no material impact on the Corporation's financial statements upon applying this amendment.

The Corporation's significant accounting policies are as follows:

Basis of Presentation

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS").

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. 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.

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 at each reporting date 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.("ARI")	100%	Exploration company
Altius Royalty Corporation ("ARC)	100%	Holding company
Altius Renewable Royalties Corp. ("ARR")	95.36%	Holding company
Potash Royalty Limited Partnership ("PRLP")	91.313%	Royalty partnership
Genesee Royalty Limited Partnership ("GRLP")	97.304%	Royalty partnership

The Corporation also owns an 80% equity interest in Adventus Exploration Limited ("Adventus"), a 54.28% equity interest in Adia Resources Inc. ("Adia") and a 97.30% interest in Coal Royalty Limited Partnership ("CRLP"). Non-controlling interests in the net assets of subsidiaries that are not 100% owned by the Corporation are identified separately from the Corporation's equity. Each non-controlling interest consists of that 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 7 & 8). 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. In addition, the Corporation's share of the investment's earnings or loss are included in statement of comprehensive 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. The Corporation applies a "full-gain recognition" approach in accounting for a loss of control of a former subsidiary. The application of the IFRS 10 full-gain approach would result in recognition of the fair value of investment in joint venture and any gain or loss recorded in the consolidated statement of earnings. As the Corporation's underlying ownership interest changes because of external financings, the Corporation's investment is adjusted for to reflect any dilution effect which is recorded in the consolidated statement of earnings.

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. Investments over which the Corporation cannot exert significant influence are recorded initially at cost and adjustments to reflect changes in the fair value or gains/losses on disposition are recorded in other comprehensive earnings (loss) in subsequent periods.

Cash flow hedge

The Corporation has a cash flow hedge which is used to manage exposure to fluctuations in 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 recognized using the straight-line method with the following useful lives:

Computer equipment	2 Years
Geological equipment	3 Years
Office equipment	3 Years
Office lease	7 Years
Leasehold improvements	7 Years

Leases

The Corporation accounts for its leases by (i) recognizing 'right-of-use' assets and lease liabilities in the consolidated balance sheet, initially measured at the present value of future lease payments discounted at the incremental borrowing rate; (ii) recognizing depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of earnings; and (iii) separating 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 recognizes a lease expense on a straight-line basis as permitted by IFRS 16.

Impairment of royalty, streaming and interest in joint ventures

At each reporting date the carrying amounts of the Corporation's royalties, streaming interests and interests 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 consolidated 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

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.

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 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

The compensation cost for options granted to employees, directors and non-employees 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. At each reporting date the Corporation revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognized in the consolidated statement of earnings such that the cumulative expense reflects the revised estimate with a corresponding adjustment to reserves.

The Corporation also has a deferred share unit ("DSU") plan and a restricted share unit ("RSU") plan, which are accounted for as equity instruments. 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 expected to be settled through the issuance of shares are recorded as share-based compensation through the share-based payments reserve and are expensed over the vesting period. For those units expected to be settled in cash, the Corporation records the estimated liability at each reporting date and the amount is 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 earnings. 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 fair value 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. 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 useful lives are reviewed at each reporting period to ensure no adjustments are needed. 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. The useful lives are reviewed at each reporting period to ensure no adjustments are needed.

Intangible assets – other

Other intangible assets are initially recorded at their estimated fair value based on consideration paid to acquire the asset or recognized separately from goodwill if the asset is separable or arises from contractual or legal rights. These intangible assets have finite lives and are amortized and depleted over their useful economic lives on a straight line basis. The amortization expense is included in the consolidated statement of earnings. All intangible assets are reviewed for impairment indicators at each reporting period. The useful lives are reviewed at each reporting period to ensure no adjustments are needed.

Segment reporting

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

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

The 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.

3. CRITICAL ACCOUNTING JUDGEMENTS AND 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 fair value of consideration paid and 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 12 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 6). 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. Certain joint ventures hold renewable royalty interests and holds investments in preferred shares convertible under certain conditions, into royalty interests on renewable energy projects at a future date. The renewable royalty interests are amortized straight line over the expected life of the asset. The investments are recorded and measured using fair value. Fair value is determined using estimates based on anticipated project milestones, expected future cash flows and hurdle rates, and assumptions on discount rates. Due to the high degree of estimation required, these estimates may affect the underlying valuation. If an income approach is not possible, cost is used as a proxy for fair value. The estimates used for amortization and fair value affect the related amount of the equity pickup and the assessment of the recoverability of the carrying value of these investments 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 7).

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 10) 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 are exposed to new adverse regulations or regulatory requirements relating to the Government of Alberta's plan to phase out coal fired electricity by 2030. See Note 10 for impairment of these royalty interests during the year ended December 31, 2020.

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.

Fair value measurements and valuation processes

Some of the Corporation's assets and liabilities are measured at fair value and at each reporting date determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Corporation uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Corporation uses an income approach valuation methodology such as discounted cash flows and net present valuation calculations. When an income approach is not possible or the purchase is recent, the Corporation uses cost as a proxy for fair value.

One of the Corporation's joint venture's hold investments in preferred shares (Note 7) that will yield distributions in the form of royalty contracts on renewable energy projects at a future date. The joint venture has the right to receive a gross revenue royalty until the estimated value of such royalties at the time of commercial operations achieve a minimum return threshold on the investment. The number of royalties to be granted is dependent on pricing, timing of permits, and construction timing of commercial operations, technology, size of the project and expected energy rates. These investments are not traded in the active market and the fair value is determined using an income approach methodology and primarily using the discounted cash flow valuation of the expected portfolio of royalties to be granted. The valuations of these private equity investments can be sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Further information on unobservable inputs and related qualitative analysis are provided in Note 20. The Corporation records its share of these fair value changes through other comprehensive earnings.

4. FUTURE ACCOUNTING PRONOUNCEMENTS

The Corporation has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:
IFRS 17 Insurance Contracts; IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture; Amendments to IAS 1 Classification of Liabilities as Current or Non-current; Amendments to IFRS 3 Reference to the Conceptual Framework Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use; Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract; Annual Improvements to IFRS Standards 2018-2020 Cycle; and Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture.

The Corporation does not expect that the adoption of the Standards listed above will have a material impact on the consolidated financial statements in future periods.

5. EXPLORATION AND EVALUATION ASSETS

In Thousands of Canadian Dollars Project	Note	As at December 31, 2019	Additions/ Reclassifications, net of recoveries	Abandoned or impaired	Sold	As at December 31, 2020
Labrador						
Platinum Group Elements		532	7	-	-	539
Iron Ore		1,909	-	-	-	1,909
Other		40	8	-	-	48
Newfoundland						
Gold	b, c, d	-	892	-	(842)	50
Silver	a	588	29	-	(617)	-
Manitoba - Diamonds		3,362	2,399	-	-	5,761
Alberta, British Columbia & Saskatchewan						
Coal		4,350	-	-	-	4,350
Potash		500	-	-	-	500
Gold, Silver		9	-	(9)	-	-
Copper		-	-	-	-	-
United States - Base metals		713	20	-	-	733
Ireland - Base metals		157	(96)	(61)	-	-
Spain - Cobalt		213	-	-	-	213
Australia - Zinc, Silver		82	-	-	-	82
Security Deposits		131	60	(10)	-	181
Total		$ 12,586	$ 3,319	$ (80)	$ (1,459)	$ 14,366

a. Sail Pond

On September 23, 2020 the Corporation signed an agreement to vend its Sail Pond silver project to Latin American Minerals Inc. ("LAT"). The Corporation received 58,991,254 common shares of LAT which is equal to 19.9% of their issued and outstanding common shares. LAT must incur a minimum of $500,000 of expenditures on or before September 23, 2021 and a further $1,000,000 of expenditures on or before September 23, 2023. Subject to TSX Venture Exchange approval, an additional $200,000 in common shares will be issued to Altius on the earlier of September 23, 2021 or on the completion of an equity financing for gross proceeds of a minimum of $2,000,000. Altius retains a 2% net smelter returns ("NSR") royalty which, on certain portions of the property, is reduced by an underlying 1.5% royalty payable to a third party. Altius holds a 1% buyback right on the underlying NSR for $1,000,000. Subsequent to the signing of the agreement, LAT changed its name to Sterling Metals Corp and consolidated its issued and outstanding common shares on the basis of ten pre-consolidation common shares for one post-consolidation share. Subsequent to year end Altius received an additional 600,000 common shares of Sterling Metals Corp as per the agreement. Altius recorded a gain on disposal of mineral property of $2,038,000 on the transfer of this project after reducing the value of the property to $nil.

b. Golden Baie

On August 26, 2020 the Corporation vended its Golden Baie gold project to Canstar Resources Inc. ("Canstar"). Canstar issued 4,000,000 common shares to Altius upon signing the agreement and must incur $500,000 in exploration expenditures in year 1 and a cumulative $1,250,000 in expenditures over the next four years. Altius will receive an additional 2,000,000 common shares on the first anniversary of the agreement and 2,500,000 common shares upon the second anniversary of the agreement. Altius retains a 2% net smelter returns ("NSR") royalty which is reduced by an underlying 2% royalty payable to a third party. However, Altius holds a 1.0% buyback right on the underlying NSR for $1,500,000 and a first right of refusal on the purchase of the remaining 1% of the underlying NSR. Altius recorded a gain on disposal of mineral property of $988,000 on the transfer of this project after reducing the value of the property to $nil.

c. Wilding Lake

On April 16, 2020 the Corporation reacquired the Wilding Lake gold project by returning 8,220,000 common shares to Antler Gold Inc. ("Antler") which had been received by the Corporation under the original option agreement between Altius and Antler. On August 27, 2020 the Corporation granted Teton Opportunities Inc. ("Teton"), a private company, an option to acquire 100% right title and interest in the Wilding Lake project, subject to a 2% NSR payable to Altius. On certain portions of the property, the Altius royalty is reduced by underlying 1.5% NSR royalties payable to a third party. Altius can buy back 1% of the underlying NSR for $500,000 at the Wilding Lake area and can also buy back 1% on the regional claims for $1,000,000, under two separate agreements. Altius also retains a first right of refusal on the purchase of the remaining 0.5% of the underlying royalties. Teton agreed to issue to Altius 12,500,000 common shares and 6,250,000 common share purchase warrants upon signing the agreement and must incur at least $1,000,000 in expenditures before August 27, 2022. Teton must also complete a transaction with a publicly listed company pursuant to which outstanding securities of Teton are exchanged with the securities of the public before August 27, 2022. Teton subsequently entered into a binding share exchange agreement with Canterra Minerals Corporation ("Canterra") whereby Teton common shares and share purchase warrants were exchanged for Canterra common shares and share purchase warrants based on an exchange ratio of 0.3519 Canterra shares for each Teton common share and share purchase warrant. Altius has received 4,398,750 common shares and 2,199,375 share purchase warrants of Canterra as part of the agreement. Altius recorded a loss on disposal of mineral property of $29,000 on the transfer of this project after reducing the value of the property to $nil.

d. Taylor Brook

On October 22, 2020 the Corporation vended its Taylor Brook project to Churchill Diamond Corporation ("Churchill Diamond"). Churchill Diamond issued 2,423,180 common shares to Altius upon signing the agreement and committed to incur at least $250,000 in exploration expenditures in the first year, to complete an equity placement of at least $1,000,000 by the first anniversary, to issue Altius common shares that will result in Altius owing 19.9% of its shares by the second anniversary, as well as become a publicly traded entity between the first and second anniversary of the date of the agreement. Altius retains a 1.6% gross sales royalty ('GSR") on the property. Altius reduced the value of the property to $nil on the transfer of this project and recorded $nil gain or loss on disposal of mineral property.

In Thousands of Canadian Dollars Project	Note	As at December 31, 2018	Additions/ Reclassifications, net of recoveries	Abandoned or impaired	Sold	As at December 31, 2019
Labrador						
Platinum Group Elements		531	1	-	-	532
Iron Ore		1,908	1	-	-	1,909
Other	e	12	28	-	-	40
Newfoundland						
Gold		3	(3)	-	-	-
Silver		540	48	-	-	588
Manitoba - Diamonds		1,367	1,995	-	-	3,362
Alberta, British Columbia & Saskatchewan						
Coal	f	13,350	-	(9,000)	-	4,350
Potash		500	-	-	-	500
Gold, Silver		18	-	(9)	-	9
Copper		19	-	(19)	-	-
United States - Base metals		769	28	-	(84)	713
Ireland - Base metals		194	(37)	-	-	157
Spain - Cobalt		213	-	-	-	213
Australia - Zinc, Silver		379	9	-	(306)	82
Security Deposits		173	(24)	(11)	(7)	131
Total		$ 19,976	$ 2,046	$ (9,039)	$ (397)	$ 12,586

e. Goethite Bay

On August 20, 2019 the Corporation signed an agreement to vend its Goethite Bay iron ore project in western Labrador to High Tide Resources Corp ("High Tide"), a subsidiary of Avidian Gold Corp. High Tide has committed to incur at least $2,000,000 in exploration expenditures over the next two years, to obtain a public listing and raise $5,000,000, and to issue 19.9% of its shares to Altius on a post-financing basis. Altius will retain a 2.75% gross sales royalty ("GSR") on the project. The project remains in good standing.

f. Tower

During the year ended December 31, 2019 the Corporation recorded an impairment of $9,000,000 of its exploration and evaluation Tower project (export thermal coal project in Alberta). Based on the outlook for the future coal environment in Alberta, the Corporation did not budget or plan substantive expenditures on the project. Despite indications of potential development near the project area, management determined that the carrying amount of the asset was unlikely to be recovered from development or sale.

6. GOODWILL

At December 31, 2020 the Corporation performed an annual impairment test for its goodwill of $6,031,000 (2019 - $6,031,000) arising from the Callinan Royalties Corporation ("Callinan") acquisition, specifically a potential mine life extension on the 777 mine and related royalty and 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 in the second quarter of 2022.

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 two years based on publicly available documentation. An after-tax discount rate of 7% was used 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 and factors in historical data. 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:

	2021	2022
Copper ($US /lb)	3.65	2.93
Zinc ($US /lb)	1.22	1.06
Gold (US $/oz)	1,863	1,867
Silver ($US /oz)	25.75	23.56
Foreign exchange (US to CAD)	1.26	1.32

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 CGU's fair value as the assumptions are inextricably linked.

The Corporation recognized no impairment of goodwill during the years ended December 31, 2020 and 2019.

7. INTERESTS IN JOINT VENTURES

In Thousands of Canadian Dollars		LNRLP		Prairie Royalties LP		GBR, LLC		Total
Balance December 31, 2018	$	5,785	$	91,375	$	-		97,160
Earnings		656		5,747		-		6,403
Cash receipts		(1,033)		(15,649)		-		(16,682)
Balance, December 31, 2019	$	5,408	$	81,473	$	-	$	86,881
Earnings (loss)		484		2,825		(356)		2,953
Cash receipts		(746)		(9,591)		-		(10,337)
Acquisition of control of Coal Royalty and Genesee Royalty Limited Partnership (Note 7)		-		(73,732)		-		(73,732)
Investment in joint venture on loss of control of subsidiary		-		-		91,552		91,552
Other comprehensive earnings - Unrealized gains on investments		-		-		1,912		1,912
Other comprehensive earnings - Foreign currency translation adjustment		-		-		(2,640)		(2,640)
Dilution gain		-		-		290		290
Reclassification of acquisition costs		-		(975)		-		(975)
Balance, December 31, 2020	$	5,146	$	-	$	90,758	$	95,904

On October 11, 2020, the Corporation, through a newly created subsidiary Altius GBR Holdings, entered into a strategic relationship with certain funds (the "Apollo Funds") managed by affiliates of Apollo Global Management, Inc. ("Apollo") to accelerate the growth of its innovative renewable energy royalty business. Under the agreement structure the Apollo Funds will have the right to solely fund the next US$80 million in approved investment opportunities in GBR in exchange for a 50% ownership in the GBR joint venture located in New Hampshire, USA, with opportunities thereafter funded equally by the Apollo Funds and the Corporation's subsidiary Altius Renewable Royalties Corp. ("ARR") and with an equally shared governance structure. The Corporation determined that as a result of the governance structure with Apollo it no longer has the ability to control its subsidiary, GBR, and has accounted for the transaction under IFRS 10 Consolidated Financial Statements. The Corporation has derecognized the assets and liabilities of its former subsidiary, GBR, from the consolidated balance sheet, recognized the investment retained in GBR at its fair value of $91,552,000 (US$69,400,000) and a gain on disposal of its subsidiary of $790,000. The Corporation determined that this investment is a joint venture and will use the equity method to account for this investment under IFRS 11 Joint Arrangements. Altius retained a 91% interest in the GBR Joint Venture. At December 31, 2020 the Corporation's interest in GBR was 89% and a dilution gain of $290,000 was recorded in the consolidated statement of earnings.

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 royalty on the mine.

The Corporation held 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 July 24, 2020, the Corporation entered into an agreement with Liberty Metals & Mining Holdings, LLC ("LMM") to acquire its 44.9% interest in the Prairie Royalty LPs for a net purchase price of $8,957,000 including positive working capital adjustments, which it funded using cash on hand. This transaction closed on July 31, 2020 and Altius's partnership interests in the Prairie Royalty LPs increased from 52.4% to 97.3%. The acquisition is considered an asset acquisition for financial reporting purposes. Effective August 1, 2020, the

Corporation consolidated the net assets of the Prairie Royalty LPs, recognized a non-controlling interest and discontinued equity accounting for those partnerships in accordance with IFRS 10 Consolidated Financial Statements. Thus, the Prairie Royalty LPs are no longer classified as an investment in joint venture (Note 10).

Interests in joint ventures included $3,058,000 in acquisition costs related to the original acquisition of the Prairie Royalties LP, of which $2,083,000 was included in the carrying value of the Coal Royalty and Genesee Royalty Limited Partnerships. The Corporation reclassified $975,000 to potash royalty interests during the year ended December 31, 2020.

During the year ended December 31, 2019 the CRLP recorded an impairment charge on its Cardinal River royalty interest. On May 30, 2019 the operator, Teck Resources Limited ("Teck"), announced that it would not proceed with a proposed expansion at the Cardinal River steelmaking coal operation and that the existing operations are expected to close in the second half of 2020. Included in the December 31, 2019 earnings from joint ventures is an impairment charge of $4,090,000 relating to the Corporation's 52.369% interest. In accordance with IAS 36 Impairment of Assets, the Partnership estimated the VIU as well as the FVLCD of the royalty stream. Both values were determined using a net present value calculation based on the expected sales tonnes multiplied by the expected price per tonne and discounted using an after tax discount rate of 5%.

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]		GBR[4]	Prairie Royalties
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Balance Sheets				
Cash and cash equivalents	$ -	$ -	$ 838	$ 4,725
Other current assets	-	-	75	2,615
Non-current assets				
Royalty interests	5,144	5,406	3,008	142,254
Investments	-	-	93,813	-
Current liabilities	-	-	252	59
Non-current liabilities	-	-	-	-
Statement of Earnings				
Royalty income	$ 1,012	$ 1,255	$ 64	$ 30,027
Other revenue	-	-	78	68
Royalty tax	(202)	(251)	-	-
General and administrative	(30)	(55)	(334)	(160)
Amortization	(296)	(293)	(207)	(11,148)
Impairment	-	-	-	(7,810)
Net earnings (loss)	484	656	(400)	10,977
Statement of Other Comprehensive Earnings				
Unrealized gains (losses) on investments	-	-	8,562	-

(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 years ended December 31, 2019 for GRLP and CRLP

(3) Prairie Royalties LP included in the Corporation's consolidated balances for year ended December 31, 2020

(4) GBR balances were included in the Corporation's consolidated balances for the year ended December 31, 2019. Balances from October 11, 2020 to December 31, 2020

8. INVESTMENTS IN ASSOCIATES

In Thousands of Canadian Dollars	Alderon	Adventus	Total
Balance, December 31, 2018	$ 4,020	$ 7,086	$ 11,106
Additions	-	50	50
Share of loss in associates	(2,039)	(1,718)	(3,757)
Dilution gain on issuance of shares by associates	-	2,313	2,313
Balance, December 31, 2019	$ 1,981	$ 7,731	$ 9,712
Additions	66	-	66
Share of loss in associates	(503)	(436)	(939)
Impairment recognition in associates	(1,544)	-	(1,544)
Dilution gain on issuance of shares by associates	-	2,634	2,634
Balance, December 31, 2020	$ -	$ 9,929	$ 9,929

Percentage ownership:		
At December 31, 2019	37.69%	15.51%
At December 31, 2020	37.30%	11.90%

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

During the year, Adventus Mining Corporation ("Adventus") closed an equity financing of $38 million to fund its exploration and development activities at the Curipamba project. The Corporation did not participate in the financing and effective August 14, 2020 the Corporation's ownership in Adventus was diluted from 15.51% to 11.90%; it currently holds 15,605,938 shares with a quoted market value of $14,670,000 at December 31, 2020.

The Corporation recognized a gain of $2,634,000 as a result of this dilution. The Corporation continues to have significant influence over the financial and operating policy decisions of Adventus through Board representation and therefore continues to account for this investment using the equity method.

Loan Receivable

The Corporation has recorded an impairment charge on the loan receivable of CAD$1,625,000 during the year ended December 31, 2020 (2019 - $nil). 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. On April 1, 2020, Alderon announced it could not repay its debt. Sprott indicated its intention to realize on its security and as a result Alderon's management and directors resigned and the Newfoundland and Labrador Supreme Court appointed a receiver for Alderon and the Kami Mine Limited Partnership. On November 16, 2020 the Corporation was informed by the receiver that an acquisition proposal by Champion Iron Limited was approved by the Supreme Court of Newfoundland and Labrador following a competitive bidding process and the Corporation will receive 600,000 Champion Iron Limited shares as consideration for the sale of its portion of secured debt of Alderon. The Corporation may also receive a portion of the $15 million cash consideration and the future production-based payments stemming from its 37.3% equity holding in Alderon. However the amount of cash consideration will be dependent on the receiver's approval process for any additional creditor claims, which will rank in priority over any amounts payable to equity holders. As a result we have not adjusted the recoverable amount of the loan pending confirmation of the delivery of shares.

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	Adventus Mining Corp. September 30, 2020 [2]	Adventus Mining Corp. December 31, 2019 [3]
Balance Sheets		
Cash and cash equivalents	$ 37,392	$ 12,847
Current assets	523	543
Current liabilities	2,188	888
Non-current assets	50,015	38,407
Non-current liabilities	-	-
Statement of Earnings		
Revenue	$ -	$ -
Other comprehensive (loss) earnings	(3,912)	(6,425)
Net (loss) earnings	(3,877)	(6,430)

(1) Alderon is currently in receivership and financial information is not available for December 31, 2020 & 2019

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

(3) As presented in the Audited financial statements

9. INVESTMENTS

In Thousands of Canadian Dollars	Mining and other	Renewable energy	Share purchase warrants	Total
Balance, December 31, 2018	$ 123,769	$ -	$ 670	$ 124,439
Additions	15,200	13,903	1,238	30,341
Reclassification to investments in traded securities	114	-	(114)	-
Receipt for interest in mineral property	298	-	-	298
Receipt in exchange for royalty interest	4,250	-	-	4,250
Disposals	(16,171)	-	-	(16,171)
Revaluation	5,270	-	616	5,886
Balance, December 31, 2019	$ 132,730	$ 13,903	$ 2,410	$ 149,043
Additions	3,477	64,556	682	68,715
Reclassification to investments in traded securities	628	-	(628)	-
Receipt for interest in mineral property	4,456	-	-	4,456
Disposals	(28,669)	-	-	(28,669)
Loss of control of subsidiary (Note 7)	-	(78,459)	-	(78,459)
Revaluation	27,886	-	2,049	29,935
Balance, December 31, 2020	$ 140,508	$ -	$ 4,513	$ 145,021

As at December 31, 2020 investments include an investment in Labrador Iron Ore Royalty Corporation ("LIORC") of $93,715,000 (December 31, 2019 - $93,103,000) consisting of 2,873,800 (December 31, 2019 - 3,781,600) common shares.

The Corporation disposed of investments having a carrying value of $28,669,000 for gross cash proceeds of $23,423,000 and non-cash proceeds of $656,000 and recognized a gain on disposal of $4,590,000 through other comprehensive earnings during the year ended December 31, 2020. The Corporation disposed of investments having a carrying value of $16,171,000 for gross cash proceeds of $27,585,000 and recognized a gain on disposal of $11,414,000 through other comprehensive earnings during the year ended December 31, 2019.

As a result of the deconsolidation of GBR, the Corporation derecognized its renewable energy investments and all other assets and liabilities (Note 7). Effective October 11, 2020, the Corporation accounted for its interest in GBR as a joint venture and equity accounts for its share of earnings or loss and its share of other comprehensive earnings or loss going forward. The renewable energy investments form part of the joint venture and the Corporation's share of any unrealized gains and losses relating to revaluation of those investments are recorded in the Corporation's other comprehensive earnings.

10. ROYALTY AND STREAMING INTERESTS

In Thousands of Canadian Dollars	Note	As at December 31, 2019	Additions and revaluations	As at December 31, 2020
Royalty interests				
Rocanville - Potash		$ 73,126	$ 469	$ 73,595
Esterhazy - Potash		32,969	235	33,204
Cory - Potash	b	18,812	615	19,427
Allan - Potash		6,317	50	6,367
Patience Lake - Potash		3,872	31	3,903
Vanscoy - Potash		5,197	41	5,238
Other potash		7,000	-	7,000
Coal & coal bed methane		8,000	-	8,000
Genesee - Coal	a	-	34,438	34,438
Other coal	a	-	2,744	2,744
777 Mine - Copper & zinc		47,356	-	47,356
Gunnison - Copper		10,300	-	10,300
Picket Mountain		7,606	-	7,606
Curipamba - Copper, gold, zinc		13,441	4	13,445
Clyde River - Hydro	7	3,350	(3,350)	-
Streaming interest				
Chapada - Copper		77,634	-	77,634
Balance, end of period		$ 314,980	$ 35,277	$ 350,257
Accumulated amortization, depletion				
Rocanville - Potash		$ 3,598	$ 1,679	$ 5,277
Esterhazy - Potash		598	334	932
Cory - Potash		281	220	501
Allan - Potash		498	354	852
Patience Lake - Potash		36	33	69
Vanscoy - Potash		59	16	75
Other potash		42	(25)	17
Coal & coal bed methane		2,234	433	2,667
Genesee - Coal		-	2,593	2,593
Other coal		-	2,548	2,548
777 Mine - Copper & zinc		34,101	5,077	39,178
Gunnison - Copper		-	-	-
Pickett Mountain		-	-	-
Curipamba - Copper, gold, zinc		-	-	-
Clyde River - Hydro	7	132	(132)	-
Streaming interest				
Chapada - Copper		17,996	4,451	22,447
Balance, end of period		$ 59,575	$ 17,581	$ 77,156
Net book value		$ 255,405	$ 17,696	$ 273,101

(a) Coal acquisition and impairment losses

On July 31, 2020 following the acquisition of control of the Prairie Royalties LPs (Note 7), the Corporation consolidated the net assets of CRLP and GRLP, considered indicators of impairment and reclassified its previously held interest in joint venture, at carrying value of $73,732,000 (Note 7). The initial value assigned to the royalty interests included the purchase price to acquire the assets and the carrying value of its previously held interests.

As a result of the lower weighted average purchase price calculated upon acquiring an additional 44.9% interest in the Prairie Royalties LPs, reduced near-term electricity demand factors in Alberta and assumptions with respect to the pace of gas fired generation conversions, the

Corporation tested the underlying coal royalty interests for impairment. Production inputs and expected sales were generated from historical trends and short term data that was available for the other coal royalty interests. The Corporation modeled expected production on applicable royalty lands and assumed gradual conversions to gas over the next two years. The impairment charges for the other coal royalties totalled $27,613,000.

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

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

After giving effect to the acquisition of control and impairment charges of $46,147,000, the Corporation consolidated coal royalty interests of $37,072,000, cash of $2,293,000, working capital of $648,000, and a non-controlling interest of $1,013,000 during the year ended December 31, 2020.

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

(b) Other potash

During the year ended December 31, 2020, the Corporation acquired additional potash royalty interests in the Cory mine for $466,000. The Corporation reallocated acquisition costs of $975,000 directly related to potash royalty interests previously included in interests in joint ventures.

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

(c) Other Potash

During the year ended December 31, 2019 the Corporation acquired additional potash royalty interests in Rocanville and Esterhazy mines totaling $346,000.

(d) Curipamba

On January 21, 2019 the Corporation entered into an agreement to acquire a 2% net smelter return royalty covering the Curipamba copper-gold-zinc project (the “Curipamba Project”) from Resource Capital Fund VI L.P. and RCF VI SRL LLP (collectively, “RCF”) for US$10,000,000 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 11.9% of the outstanding shares of Adventus.

(e) Michelin

In December 2019 the Corporation completed the sale of its 2% GSR on the Michelin uranium project in Labrador to Uranium Royalty Corporation ("URC") in return for 2,833,332 common shares and 2,833,332 common share purchase warrants, which were issued at $1.50 per unit as part of URC's initial public offering dated December 6, 2019. The Michelin royalty is a predevelopment stage royalty which had a nominal carrying value assigned and a gain of $4,250,000 on disposition of royalty interest was recognized in the consolidated statement of earnings.

11. ACQUISITION OF RENEWABLE ENERGY BUSINESS & INVESTMENT

On February 5, 2019 the Corporation acquired all of the outstanding shares of a private company, Great Bay Renewables, Inc. ("Great Bay") from its shareholders for cash of US$5,000,000 (CAD$6,500,000). The Great Bay acquisition added a paying royalty on the 4.7 MW Clyde River hydroelectric/solar facility located in Vermont and some working capital to the Corporation.

The Corporation accounted for the purchase of Great Bay in accordance with *IFRS 3 Business Combinations*. The purchase price of the acquisition, before acquisition costs, has been allocated based on the estimated fair value of the net assets acquired from Great Bay.

Allocation of net purchase price of Great Bay

The fair value of the net purchase price has been allocated to the estimated fair values of the Great Bay assets and liabilities as at February 5, 2019 in accordance with the purchase method, as follows:

In Thousands of Canadian Dollars		Net total
Assets acquired:		
Cash and cash equivalents	$	415
Total current assets	$	415
Other intangible assets	$	2,771
Royalty interest in renewables	$	3,382
Fair value of net assets	$	6,568
Fair value of consideration paid	$	6,568
Fair value of net assets	$	6,568
	$	-

Tri Global Energy LLC

On February 7, 2019 the Corporation announced its first renewable energy royalty transaction with leading Texas-based wind energy developer Tri Global Energy LLC ("TGE"). GBR will be granted a 3% gross revenue royalty on each individual pipeline project created until a target minimum total royalty valuation is achieved. GBR has committed to investing in tranches a total of US$30,000,000 over the next three years as TGE achieves certain advancement milestones. GBR could be subject to penalties if future tranches are requested but not funded after milestones have been met. At December 31, 2020, the Corporation invested US$24,000,000 (CAD$32,148,000) (2019 - US$10,682,000 (CAD$ 13,903,000). There are US$444,000 (2019 - $182,000) in acquisition related costs included in the value of the investment.

On October 28, 2020, the first investment under the arrangement between the Corporation and the Apollo Funds was announced as GBR agreed to an additional US$25,000,000 royalty investment in TGE's portfolio of wind and solar energy development project. The additional investment into TGE is an extension of the current US$30,000,000 royalty investment that GBR made in TGE in early 2019, bringing the total royalty capital commitment to $55 million. As TGE develops and sells individual projects, GBR receives a gross revenue royalty on each project for the full life of the project. To date, the Apollo Funds have invested $7,000,000 bringing the total investment in TGE to $31,000,000.

Apex Clean Energy

On March 10, 2020 GBR entered into a US$35,000,000 (CAD$48,364,000) royalty investment agreement with Apex Clean Energy ("Apex"), one of the largest renewable energy developers in the US, to obtain future royalties related to a broad portfolio of wind and solar energy development projects located across North America. GBR will receive gross revenue royalties for wind energy and solar energy projects as projects are sold until a target valuation of the royalty portfolio is achieved. Upon achieving certain milestones related to the vending of projects in Apex's development pipeline, mutual options become exercisable to provide continuing US$10,000,000 tranches of royalty investment. The Corporation funded the investment using its revolving credit facility. There are US$466,800 in acquisition related costs included in the value of the investment.

On October 11, 2020, as a result of its agreement with Apollo (Note 7) the Corporation determined that it no longer controlled GBR and therefore derecognized its assets and liabilities, including the investments in TGE and Apex, and have accounted for the retained interest as an investment in joint venture.

12. INCOME TAXES

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

In Thousands of Canadian Dollars	December 31, 2020	December 31, 2019
Temporary differences related to exploration and evaluation assets, property and other	$ (7,952)	$ (8,124)
Non capital and net capital loss carryforwards	5,932	3,395
Carrying value of investments in excess of tax values	(9,653)	(4,348)
Temporary differences related to preferred securities	(30,000)	(30,000)
Deferred and deductible share-based compensation and other costs	439	981
Share and debt issue costs	486	636
Carrying values in excess of tax values relating to royalty and streaming interests in mineral properties	(9,710)	(7,431)
	$ (50,458)	$ (44,891)

	December 31, 2020	December 31, 2019
Deferred tax liabilities	$ (58,975)	$ (50,843)
Deferred tax assets	8,517	5,952
Total deferred income tax	$ (50,458)	$ (44,891)

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates of 30% (December 31, 2019 – 30%) to earnings before taxes. The differences are from the following items:

In Thousands of Canadian Dollars	Year ended	
	December 31, 2020	December 31, 2019
Expected tax (recovery) expense	$ (5,708)	$ 6,126
Taxable portion of capital gains and losses in OCI	397	906
Net deductible permanent differences	(2,965)	(5,968)
Adjustments in relation to earnings from associates and joint ventures	(731)	4,225
Adjustments for non deductible amortization and impairment	17,501	-
Differences in statutory rates on earnings of subsidiaries	(1,309)	(3,208)
	$ 7,185	$ 2,081

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

In Thousands of Canadian Dollars	Year ended	
	December 31, 2020	December 31, 2019
Current tax	$ 7,221	$ 5,644
Deferred tax	(36)	(3,563)
	$ 7,185	$ 2,081

13. DEBT

In Thousands of Canadian Dollars		
At amortized cost	December 31, 2020	December 31, 2019
Long-term debt	$ 132,967	$ 107,828
Current	20,000	20,000
Non-current	112,967	87,828
	$ 132,967	$ 107,828

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

On March 10, 2020 the Corporation completed a drawdown on its revolving facility of $47,326,000 to complete the Apex acquisition (Note 11). At December 31, 2020, the Corporation has approximately $41,000,000 of additional liquidity on its revolving facility. On January 28, 2019 the Corporation completed a draw down on its revolving facility of $25,208,000 to acquire mining and other investments. During the year ended December 31, 2020 the Corporation repaid $20,000,000 on its term facility (December 31, 2019 - $20,000,000).

The Corporation has a floating-to-fixed interest rate swap to lock in the interest rate on a portion of the term credit facility on an amortized basis. The amount of the floating-to-fixed interest rate swap will reduce in tandem with the quarterly principal repayments on the term debt. The balance outstanding on the swap at December 31, 2020 is $50,000,000 (December 31, 2019 - $70,000,000). The Corporation expected the interest rate on the fixed portion of the debt to be approximately 5.45% per annum during the full term of the loan, with the remaining balance of the term credit facility and the revolving facility fluctuating in accordance with market interest rates. The Corporation has applied hedge accounting to this relationship whereby the change in fair value of the effective portion of the hedging derivative is recognized in accumulated other comprehensive earnings. Settlement of both the fixed and variable portions of the interest rate swap occurs on a quarterly basis. The full amount of the hedge was determined to be effective as at December 31, 2020. The Corporation has classified this financial instrument as a cash flow hedge and the fair value of the hedging instrument is recorded as a liability of $1,309,000 (December 31, 2019 - $528,000) on the balance sheet.

The Corporation is amortizing costs attributable to securing the credit facilities over the life of the facilities using an effective interest rate of 5.42%. During the year ended December 31, 2020, $589,000 (December 31, 2019 - $721,000) of the costs were recognized as interest expense on long term debt in the consolidated statement of earnings (loss).

As at December 31, 2020 the Corporation was in compliance with all debt covenants.

The following principal repayments for the credit facilities are required over the next 3 calendar years.

In Thousands of Canadian Dollars		Term		Revolver		Total
2021	$	20,000		-	$	20,000
2022		20,000		-	$	20,000
2023		35,000		58,867	$	93,867
	$	75,000	$	58,867	$	133,867
		Less: unamortized debt costs				900
					$	132,967

14. REVENUE AND GENERAL AND ADMINISTRATION EXPENSES

In Thousands of Canadian Dollars	Year ended			
Revenue and other income	December 31, 2020		December 31, 2019	
Royalty	$	35,670	$	27,250
Copper stream*		15,257		17,632
Interest and investment		9,060		16,021
Other		70		322
Total revenue and other income	$	60,057	$	61,225

**Revenue from contracts with customers*

In Thousands of Canadian Dollars	Year ended			
General and administrative expenses	December 31, 2020		December 31, 2019	
Salaries and benefits	$	5,357	$	6,198
Professional and consulting fees		2,205		1,629
Office and administrative		1,132		1,151
Travel and accommodations		239		616
Total general and administrative	$	8,933	$	9,594

15. SHARE CAPITAL

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, 2020 and it will, unless further renewed, end no later than August 21, 2021. The Corporation may purchase at market prices up to 1,622,920 common shares representing approximately 3.9% of its 41,450,126 outstanding shares as of August 18, 2020. The Corporation repurchased and cancelled 644,400 (December 31, 2019 - 802,000) common shares during the year ended December 31, 2020 at a cost of $6,090,000 (December 31, 2019 - $9,273,000). Subsequent to December 31, 2020 the Corporation repurchased and cancelled 400,000 common shares at a cost of 6,295,000.

Net (loss) earnings per share

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

In Thousands of Canadian Dollars	Year ended	
	December 31, 2020	December 31, 2019
Weighted average number of shares:		
Basic	41,636,128	42,758,631
Diluted	42,003,481	43,035,658

Other equity reserves

Other equity reserves consist of share-based payment reserves of $8,599,000, warrants of $12,959,000 and contributed surplus of $3,069,000 for a total of $24,627,000. Share-based payment reserve amounts are in respect of stock options, Deferred Share Units ("DSUs") and Restricted Share Units ("RSUs"). In addition, there are 400,000 warrants issued on May 3, 2016 to Yamana Gold Inc. at an exercise price of $14.00 with an expiry date of May 3, 2021 and 6,670,000 warrants issued on April 26, 2017 to Fairfax Financial Holdings Ltd. ("Fairfax") at an exercise price of $15.00. The Fairfax warrants are exercisable on or prior to April 26, 2022 and the expiry date may be extended to April 26, 2024 if the closing price of the Corporation's common shares is less than $24.00 per share on April 26, 2022. Subsequent to December 31, 2020 400,000 warrants were exercised for $5,600,000.

Preferred securities

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, an amount of $100,000,000. 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, 2020 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, 2020 the Corporation declared and paid distributions of $5,014,000 (December 31, 2019 - $5,000,000) to preferred security holders.

16. SHARE-BASED COMPENSATION

The Corporation recognized the following share-based compensation:

In Thousands of Canadian Dollars	December 31, 2020	December 31, 2019
Stock option expense	$ 2,574	$ 615
Deferred share unit expense	754	705
Restricted share unit expense	656	695
Total share-based compensation	$ 3,984	$ 2,015

A summary of the status of the Corporation's stock option plan as of December 31, 2020, and changes during the period then ended, is as follows:

In Thousands of Canadian Dollars	December 31, 2020		December 31, 2019	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Oustanding, beginning of year	739,358	$ 12.35	577,957	$ 12.20
Granted	395,046	$ 9.22	161,401	$ 12.91
Exercised	-	$ -	-	$ -
Expired	(159,027)	$ 14.25	-	$ -
Outstanding, end of year	975,377	$ 10.77	739,358	$ 12.35
Exercisable, end of year	482,372	$ 11.12	446,317	$ 12.38

The weighted average remaining contractual life is 2.40 years. The weighted average fair value of stock options granted during the year ended December 31, 2020 was estimated on the dates of grant to be $1.80 (December 31, 2019 - $3.94) using the Black-Scholes option pricing model with the following assumptions:

	December 31, 2020	December 31, 2019
Expected life (years)	5.00	5.00
Risk-free interest rate (%)	1.25	1.79
Expected Volatility (%)	36.19	37.01
Expected dividend yield (%)	2.17	1.24

A summary of the status of the Corporation's RSUs and DSUs as of December 31, 2020 is as follows:

In Thousands of Canadian Dollars	Number of RSUs	Number of DSUs
Outstanding, December 31, 2018	78,731	228,884
Granted	53,209	65,269
Settled	(40,729)	(10,070)
Expired	-	(1,875)
Outstanding, December 31, 2019	91,211	282,208
Exercisable, December 31, 2019	-	-
Granted	97,062	85,548
Settled	(48,498)	-
Expired	-	-
Outstanding, December 31, 2020	139,775	367,756
Exercisable, December 31, 2020	-	301,187

During the year ended December 31, 2020 the Corporation cash settled 18,092 RSUs for $208,000 and equity settled 30,406 RSUs for $350,000 (December 31, 2019 – 40,729 RSUs cash settled for $518,000).

17. SUPPLEMENTAL CASH FLOW INFORMATION

In Thousands of Canadian Dollars	Year ended December 31, 2020	Year ended December 31, 2019
Adjustments for operating activities:		
Generative exploration	$ 277	$ 119
Exploration and evaluation assets abandoned or impaired	80	9,039
Share-based compensation	3,984	2,015
Cash settled restricted share units	(208)	(518)
Foreign exchange gain	(2,775)	450
Impairment on goodwill and royalty interest	-	-
Amortization and depletion	18,049	15,629
Impairment on royalty interest	46,147	-
Interest on long-term debt	8,077	8,127
Interest paid	(6,992)	(7,265)
Gain on disposal of investments	(609)	(103)
Unrealized gain on fair value adjustment of derivatives	(2,049)	(616)
Gain on loss of control of subsidiary	(790)	-
Earnings from joint ventures	(2,953)	(6,403)
Gain on disposition of royalty interest	-	(4,250)
Gain on disposition of mineral property	(2,997)	-
Loss on impairment of short term loan	1,625	-
Share of loss and impairment in associates	2,483	3,757
Dilution gain on issuance of shares by an associate and joint venture	(2,924)	(2,313)
Income taxes	7,185	2,081
Income taxes paid	(878)	(9,144)
	$ 64,732	$ 10,605
Changes in non-cash operating working capital:		
Accounts receivable and prepaid expenses	(2,192)	(693)
Accounts payable and accrued liabilities	792	(855)
	$ (1,400)	$ (1,548)
Cash and cash equivalents consist of:		
Deposits with banks	21,754	22,078
Short-term investments	50	50
	$ 21,804	$ 22,128

18. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2020 the Corporation was billed $24,300 by an associate (December 31, 2019 - $24,700) for general administrative expenses. During the year ended December 31, 2020, the Corporation billed a joint venture $35,300 (US$26,800) (December 31, 2019 - $nil) for administrative services.

A company controlled by a director was paid $nil (December 31, 2019 - $4,000) for consulting services during the year ended December 31, 2020.

During the year ended December 31, 2020 the Corporation paid compensation to key management personnel and directors of $3,159,900 (December 31, 2019- $3,095,400) related to salaries and benefits and incurred $2,005,000 (December 31, 2019 - $2,015,000) in share-based compensation costs. RSUs were cash settled for $208,000 (December 31, 2019 - $513,000).

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

19. NON-CONTROLLING INTERESTS

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

In Thousands of Canadian Dollars Year ended December 31, 2020	Adia[1]	ARR	CRLP	GRLP	PRLP	Total
Equity funds	305	5,012	-	-	-	5,317
Distributions	-	-	20	72	998	1,090

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

In Thousands of Canadian Dollars Year ended December 31, 2029	Adia[2]	ARR	CRLP	GRLP	PRLP	Total
Equity funds	2,232	1,003	-	-	-	3,235
Distributions	-	-	-	-	1,301	1,301

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

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The following table sets forth the Corporation's financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy. The fair value of the other financial instruments of the Corporation approximates the carrying value due to their short term nature. Financial assets in level 2 consist of share purchase warrants and in level 3 consist of private company investments (Note 9).

In Thousands of Canadian Dollars As at December 31, 2020		Level 1		Level 2		Level 3		TOTAL
Investments		130,164		4,514		10,343		145,021
FINANCIAL ASSETS	$	130,164	$	4,514	$	10,343	$	145,021
Derivative - cash flow swap		-		1,309		-		1,309
Other liability		1,001		-		-		1,001
FINANCIAL LIABILITIES	$	1,001	$	1,309	$	-	$	2,310

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

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. Amounts allocated to level 3 consist of acquisitions during the year.

Reconciliation of Level 3 fair value measurements of financial instruments

The following table reconciles the fair value measurements of the Corporation's level 3 financial assets, which include lithium investments and certain mining and other investments (Note 9).

In Thousands of Canadian Dollars		Level 3 Investments
Balance, December 31, 2018	$	-
Additions		25,108
Revaluation gains (losses) through OCI		-
Balance, December 31, 2019	$	25,108
Additions		64,576
Disposals		(689)
Loss of control of subsidiary (Note 7)		(78,459)
Revaluation gains (losses) through OCI		(193)
Balance, December 31, 2020	$	10,343

Valuation technique and key inputs

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

Significant unobservable inputs

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

Relationship and sensitivity of unobservable inputs to fair value

There are underlying sensitivities to these inputs and they may impact the fair value calculations. Specifically, using external financings as an input to the valuation model has the following impacts: the higher the price of the external financing, the higher the valuation of the level 3 investment, the lower the price of the external financing, the lower the valuation of the level 3 investment. A 1% change in financing prices results in a change in valuation of $82,000 of these instruments.

The following table reconciles the fair value measurements of the level 3 financial assets, that are held in the GBR joint venture, consisting of renewable energy investments (Note 6).

In Thousands of Canadian Dollars	Level 3 Renewable energy investments	
	TGE	Apex
Balance, December 31, 2018	$ -	$ -
Additions - TGE	13,610	-
Revaluation gains (losses) through OCI	-	-
Balance, December 31, 2019	$ 13,610	$ -
Additions	26,448	45,177
Revaluation gains (losses) through OCI (1)	8,562	-
Balance, December 31, 2020	$ 48,619	$ 45,177

(1) The Corporation has recorded its 89% share of revaluation gains through OCI since Oct 11, 2020

(2) These amounts reflect the investments held in the joint venture on a 100% basis, converted at December 31, 2020 spot rate.

Valuation technique and key inputs

The Corporation applies an income approach methodology primarily modelled with risk adjusted discounted cash flows to capture the present value of expected future economic benefits to be derived from the ownership of the royalty contracts to be granted in exchange for the investments. The total number and value of royalty contracts to be ultimately awarded is subject to a minimum return threshold, which has the effect of muting the potential value impact of several of the unobservable inputs. If an income approach is not possible or the investment is recent, the Corporation utilizes cost as a proxy for fair value. The Corporation works with valuation specialists to establish valuation methodologies and techniques for Level 3 assets including the valuation approach, assumptions using publicly available and internally available information, updates for changes to inputs to the model and reconciling any changes in the fair value of the assets for each reporting date within its financial models.

Significant unobservable inputs

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

Relationship and sensitivity of unobservable inputs to fair value

The following table gives information about how the fair value of these investments are determined and in particular, the significant unobservable inputs.

Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to fair value	Quantitative impact
Discount rate	The Corporation applies a range of risk adjusted discount rates to the expected project royalties based on the stage of development and an assessment of the likelihood of completion.	The lower the discount rate the higher the value of an individual royalty. The higher the discount rate the lower the value of the individual royalty. A 1% change in discount rates results in a change of $3,100,000 to the valuation of these instruments.
Timing of commercial operations	There are a series of anticipated project development milestones that occur as a project approaches commercial operations. As each project development milestone nears completion or is met, the risk associated with the project reaching commercial operations decreases. The expected timing of the commercial operations date (the date upon which cash flows are expected to commence) will impact the fair value calculation.	As the commercial operations date approach and the time to cashflow shortens, the value will increase based on the time value of money. Impact is dependent on reduction in time and appropriate risk adjusted discount rate. Given the minimum return threshold it is expected that the impact of timing of commercial operations will be muted as delays will result in a higher number of royalties granted and thus a higher value. Nominal impact.

Risk Management

The Corporation’s financial assets and financial liabilities are exposed to various risk factors that may affect the fair value presentation or the amount ultimately received or paid on settlement of its assets and liabilities. The Corporation manages these risks through prudent investment and business decisions and, where the exposure is deemed too high, the Corporation may enter into derivative contracts to reduce this exposure. The Corporation does not utilize derivative financial instruments for trading or speculative purposes. Hedge accounting is applied only when appropriate documentation and effectiveness criteria are met.

A summary of the major financial instrument risks and the Corporation’s approach to the management of these risks are noted below.

Credit risk

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

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

Foreign currency risk

Certain royalty and streaming revenues are exposed to foreign currency fluctuations, which are denominated and paid in US dollars. The Corporation does not enter into any derivative contracts to reduce this exposure since the receivable is short-term in nature and the expected receivable amount cannot be predicted reliably. As at December 31, 2020 a 10% change in the US dollar to Canadian dollar exchange rate could affect net earnings by approximately $127,000 in relation to the year end receivable.

The Corporation has a portion of its debt and cash denominated in US dollars. The Corporation does not enter into any derivative contracts to reduce this exposure and has the ability to offset debt with certain US dollar revenues. As at December 31, 2020 a 10% change in the US dollar to Canadian dollar exchange rate could affect net earnings by approximately $2,624,000 in relation to the year end foreign currency debt and foreign currency cash.

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.

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, 2020 the Corporation's mining and other investments sensitivity to a +/- 20% movement in quoted market prices would affect comprehensive earnings by $24,654,000 net of applicable taxes.

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. 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, 2020, a +/- 1% change in the effective interest rates in respect of cash and cash equivalents would affect net earnings by $153,000 net of applicable taxes. As at December 31, 2020, a +/- 1% change in the effective interest rates in respect of the unhedged portion of the debt ($25,000,000) would affect net earnings by $175,000 net of applicable taxes.

COVID -19

Certain impacts to public health conditions particular to the coronavirus (COVID-19) outbreak that occurred during the year ended December 31, 2020 may have a significant negative impact on the operations and profitability of the Corporation. The extent of the impact to the financial performance of the Corporation will depend on future developments, including (i) the duration and spread of the outbreak, (ii) the restrictions and advisories, (iii) the effects on the financial markets, (iv) the effects on the economy overall and (v) the effect on commodity prices, all of which are highly uncertain and cannot be predicted. The impact of COVID-19 on the Corporation's investments and royalty and streaming assets could be volatile as financial markets and commodity prices adjust accordingly.

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 and through accretive acquisitions of high quality royalties, streams and other similar interests, while ensuring 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, 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, 2020 and this continues to be assessed on a quarterly basis.

22. COMMITMENTS

Office lease

The Corporation is committed under leases on office space including operating costs for future minimum lease payments of $168,000 per annum until the lease expires in August 2026.

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 $1,327,000 by December 31, 2021, of which $1,168,000 is required spending by partners, in order to maintain its existing licenses in good standing.

Other commitments

The Corporation has committed to pay, on the anniversary date of November 1, a limited royalty to McChip Resources Inc. of $500,000 per year for seven years remaining based on a minimum production and grade threshold on the Rocanville mine. During the year ended December 31, 2020, the threshold was achieved, and the Corporation paid $500,000 (December 31, 2019 - $500,000) on the anniversary date.

23. SEGMENTED INFORMATION

Key measures used by the Chief Operating Decision Maker ("CODM") in assessing performance and in making resource allocation decisions are earnings before interest, tax, depreciation and amortization and other income (expenses) (''adjusted EBITDA'') and earnings before income taxes. Both measures enable the determination of cash return on the equity deployed and overall profitability for each segment. Revenue and expenses from the LNRLP and Prairie Royalties prior to the acquisition of control (Note 7) are included in the Mineral Royalties segment on a gross revenue and expense basis and adjusted to earnings in joint ventures (under the equity method) in the adjustment and eliminations column of the table. The net investment by the Corporation in Renewable Royalties is included the segments total assets and adjusted (eliminated on consolidation) in the adjustment and eliminations column of the table. During the year ended December 31, 2020, the Corporation began managing its business under three operating segments consisting of Mineral Royalties, Renewable Royalties and Project Generation. The prior year has been restated to reflect the Renewable Royalties operating segment which was previously recorded in the Mineral Royalties operating segment.

In Thousands of Canadian Dollars Reportable Segments, Year Ended December 31, 2020	Mineral Royalties	Renewable Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
Revenue and other income	$ 67,138	$ 364	$ -	$ 67,502	$ (7,445)	$ 60,057
Costs and Expenses						
General and administrative	4,904	1,696	2,860	9,460	(527)	8,933
Cost of sales - copper stream	4,594	-	-	4,594	-	4,594
Generative exploration	-	-	277	277	-	277
Mineral rights and leases	-	-	351	351	-	351
Adjusted EBITDA	$ 57,640	$ (1,332)	$ (3,488)	$ 52,820	$ (6,918)	$ 45,902
Share-based compensation	$ (1,463)	$ (1,909)	$ (612)	$ (3,984)	$ -	$ (3,984)
Gain on disposition of investments	-	$ -	$ 609	$ 609	$ -	$ 609
Amortization and depletion	(21,181)	(833)	-	(22,014)	3,965	(18,049)
Earnings from joint ventures	-	-	-	-	2,953	2,953
Gain on loss of control of subsidiary	-	790	-	790	-	790
Gain on disposal of mineral property	-		2,997	2,997	-	2,997
Foreign exchange gain	3,124	69	-	3,193	-	3,193
Impairment on royalty interest	(46,147)	-	-	(46,147)	-	(46,147)
Unrealized gain on fair value adjustment of derivative	-	-	2,049	2,049	-	2,049
Exploration and evaluation assets abandoned or impaired	-	-	(80)	(80)	-	(80)
Dilution gain on issuance of shares by associate and joint venture	-	290	2,634	2,924	-	2,924
Share of (loss) and impairment in associates	-	-	(4,108)	(4,108)	-	(4,108)
Interest on long-term debt	(8,077)	-	-	(8,077)	-	(8,077)
Earnings (loss) before income taxes	$ (16,104)	$ (2,925)	$ 1	$ (19,028)	$ -	$ (19,028)
Income taxes (current and deferred)						7,185
Net loss						$ (26,213)
Supplementary information						
Total assets (1)	$ 515,721	$ 90,758	$ 67,340	$ 673,819	$ (84,209)	$ 589,610
Cash flow from (used)						
Operating activities	52,187	(1,161)	(3,570)	47,456	(10,337)	37,119
Financing activities	7,083	5,012	649	12,744	-	12,744
Investing activities	2,668	(67,574)	4,382	(60,524)	10,337	(50,187)
Total cash flow from (used)	$ 61,938	$ (63,723)	$ 1,461	$ (324)	$ -	$ (324)

Altius

In Thousands of Canadian Dollars Reportable Segments, Year Ended December 31, 2019		Mineral Royalties		Renewable Royalties		Project Generation		Subtotal		Adjustment for Joint Ventures		Total
Revenue and other income	$	77,736	$	369	$	99	$	78,204	$	(16,979)	$	61,225
Costs and Expenses												
General and administrative		4,873		1,630		3,445		9,948		(354)		9,594
Cost of sales - copper stream		5,135		-		-		5,135		-		5,135
Generative exploration		-		-		119		119		-		119
Mineral rights and leases		-		-		434		434		-		434
Adjusted EBITDA	$	67,728	$	(1,261)	$	(3,899)	$	62,568	$	(16,625)	$	45,943
Share-based compensation	$	(1,511)	$	-	$	(504)	$	(2,015)	$	-	$	(2,015)
Amortization and depletion		(20,958)		(776)		(27)		(21,761)		6,132		(15,629)
Earnings from joint ventures		-		-		-		-		6,403		6,403
Gain on disposition of royalty interest		4,250		-		-		4,250		-		4,250
Impairment on royalty interest		(4,090)		-		-		(4,090)		4,090		-
Gain on disposal of investments		-		-		103		103		-		103
Foreign exchange loss		(642)		-		-		(642)		-		(642)
Unrealized gain on fair value adjustment of derivative		-		-		616		616		-		616
Exploration and evaluation assets abandoned or impaired		-		-		(9,039)		(9,039)		-		(9,039)
Dilution gain on issuance of shares by associate		-		-		2,313		2,313		-		2,313
Share of loss in associates		-		-		(3,757)		(3,757)		-		(3,757)
Interest on long-term debt		(8,127)		-		-		(8,127)		-		(8,127)
Earnings (loss) before income taxes	$	36,650	$	(2,037)	$	(14,194)	$	20,419	$	-	$	20,419
Income taxes (current and deferred)												2,081
Net earnings											$	18,338
Supplementary information												
Total assets	$	512,437	$	-	$	54,437	$	566,874	$	-	$	566,874
Cash flow from (used)												
Operating activities		47,857		-		(3,780)		44,077		(16,682)		27,395
Financing activities		(28,188)		-		2,897		(25,291)		-		(25,291)
Investing activities		(36,360)		-		11,310		(25,050)		16,682		(8,368)
Total cash flow from (used)	$	(16,691)	$	-	$	10,427	$	(6,264)	$	-	$	(6,264)

24. SUBSEQUENT EVENTS

IPO of Altius Renewables

Subsequent to December 31, 2020, on January 19, 2021 Altius Renewable Royalties Corp. (“ARR”) filed and obtained a receipt for a preliminary base PREP prospectus with the securities regulatory authorities in each of the provinces and territories of Canada for an initial public offering of 9,100,000 common shares (“ARR Shares”) of ARR (the "IPO"), led by TD Securities Inc. and Scotia Capital Inc., together with a syndicate (collectively, the "Underwriters"). On February 25, 2021, ARR filed and obtained a receipt for a final base PREP prospectus and filed a supplemented PREP prospectus.

On March 3, 2021 ARR completed the IPO at a price of C$11.00 per ARR Share (the “Offering Price”) for total gross proceeds of C$100,100,000. Following the completion of the IPO, the Corporation holds 15,638,639 of the ARR Shares or approximately 61% of the issued and outstanding ARR Shares (or approximately 58% of the issued and outstanding shares if the over-allotment option is exercised in full). ARR granted to the Underwriters an over-allotment option to purchase up to an additional 1,365,000 Shares at the Offering Price for additional gross proceeds of up to $15,015,000 if the option is exercised in full. The over-allotment option can be exercised for a period of 30 days from the closing date of the IPO. The proceeds from the IPO will be used by ARR to fund additional renewable energy royalty focused investments to continue to support the growth of its renewable energy royalty business and for general corporate purposes as described in the supplemented PREP prospectus. Following the closing of the IPO the ARR Shares trade on the TSX under the symbol "ARR".

In connection with the IPO, certain directors and officers of Altius entered into lock-up arrangements in respect of their ARR Shares for a period of 180 days.

Apex

On March 1, 2021 ARR announced the creation of a first royalty to its jointly controlled entity, GBR, under its portfolio based royalty financing with Apex Clean Energy ("Apex"). GBR is entitled to receive a 2.5% royalty on the 190 MW Jayhawk Wind project in Crawford and Bourbon Counties, Kansas.