Altius Minerals Corporation

Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

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, 2021 and 2020, and consolidated statements of earnings (loss), comprehensive earnings, 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, 2021 and 2020, 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

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Interest in Joint Venture — Fair value determination of renewable royalty interests and investments in renewable royalties - Refer to Notes 3, 6 and 19 to the financial statements

Key Audit Matter Description

The Corporation's joint venture holds renewable royalty interests and investments in renewable royalties, 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 renewable royalty interests and investments are subjective and include several assumptions that are required to determine the fair value. The judgments with the highest degree of subjectivity and impact on the fair values are the determination of an appropriate valuation methodology, expected timing of cashflow from royalties, discount rates, power purchase agreement prices and merchant power pricing, and timing of commercial operations.

Given the significant judgments made by management to estimate the fair value of the renewable royalty interests and investments in renewable royalties, performing audit procedures to evaluate the reasonableness of the estimates and assumptions related to the determination of an appropriate valuation methodology, expected timing of cashflow from royalties, discount rates, power purchase agreement prices and merchant power pricing, and timing of commercial operations 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 the renewable royalty interests and investments in renewable royalties included the following, among others:

- Evaluated the reasonableness of management's expected cashflow from royalties, power purchase agreement prices and merchant power pricing, and timing of commercial operations 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 of 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 consolidated 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 9, 2022
St. John's, Newfoundland

CONSOLIDATED BALANCE SHEETS

In Thousands of Canadian Dollars	Note	As at December 31, 2021		As at December 31, 2020	
ASSETS					
Current assets					
Cash and cash equivalents		$	100,021	$	21,804
Accounts receivable and prepaid expenses			12,601		11,884
Income tax receivable			2,268		954
Loan receivable			-		1,000
		$	114,890	$	35,642
Non-current assets					
Interests in joint ventures	6		152,504		95,904
Royalty and streaming interests	9		250,877		273,102
Investments	8		183,725		145,021
Exploration and evaluation assets	4		9,105		14,366
Goodwill	5		-		6,031
Deferred tax assets	10		7,787		8,517
Investment in associates	7		1,620		9,929
Property and equipment			893		1,098
		$	606,511	$	553,968
TOTAL ASSETS		$	721,401	$	589,610
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities			6,069		6,852
Current portion of long-term debt	11		8,000		20,000
Income tax payable			5,580		4,681
		$	19,649	$	31,533
Non-current liabilities					
Long-term debt	11		107,173		112,967
Other liability			851		1,001
Deferred tax liabilities	10		64,738		58,975
Derivative - cash flow swap	11		11		1,309
		$	172,773	$	174,252
TOTAL LIABILITIES		$	192,422	$	205,785
EQUITY					
Shareholders' equity			433,486		362,877
Non-controlling interest			95,493		20,948
		$	528,979	$	383,825
TOTAL LIABILITIES AND EQUITY		$	721,401	$	589,610

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, 2021	Year ended December 31, 2020
Revenue and other income	12	$ 81,682	$ 60,057
Costs and Expenses			
General and administrative	12	9,051	8,933
Cost of sales - copper stream		5,701	4,594
Share-based compensation	14	3,018	3,984
Generative exploration		55	277
Exploration and evaluation assets abandoned or impaired	4	2,889	80
Mineral rights and leases		274	351
Amortization and depletion		22,913	18,049
Earnings before the following:		$ 37,781	$ 23,789
(Loss) earnings from joint ventures	6	(380)	2,953
Realized gain on disposal of derivatives		6,121	609
Gain on disposal of mineral property	4	4,704	2,997
Gain on loss of control of subsidiary	6	-	790
Interest on long-term debt		(6,824)	(8,077)
Foreign exchange gain		530	3,193
Impairment of royalty interests and goodwill	5 & 9	(6,031)	(46,147)
Dilution gain on issuance of shares by an associate and joint venture	6 & 7	580	2,924
Unrealized gain (loss) on fair value adjustment of derivatives		(165)	2,049
Gain on reclassification of an associate	7	7,595	-
Share of earnings (loss) and impairment reversal in associates	7	1,263	(4,108)
Earnings (loss) before income taxes		$ 45,174	$ (19,028)
Income taxes (current and deferred)	10	6,894	7,185
Net earnings (loss)		$ 38,280	$ (26,213)
Net earnings (loss) attributable to:			
Common shareholders		40,022	(26,861)
Non-controlling interest		(1,742)	648
		$ 38,280	$ (26,213)
Net earnings (loss) per share			
Basic		$ 0.97	$ (0.65)
Diluted		0.94	(0.65)

See accompanying notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

In Thousands of Canadian Dollars	Note	Year ended December 31, 2021		Year ended December 31, 2020
Net earnings (loss)		$ 38,280	$	(26,213)
Other comprehensive earnings (loss)				
To be reclassified subsequently to profit or loss				
Foreign currency translation adjustment				
Gross amount		115		(5,582)
Tax effect		-		(71)
Net amount		$ 115	$	(5,653)
Net unrealized gain (loss) on fair value adjustment of cash flow swap				
Gross amount		1,344		(666)
Tax effect		(283)		153
Net amount		$ 1,061	$	(513)
To not be reclassified subsequently to profit or loss				
Net unrealized gain on investments	8			
Gross amount		5,226		34,531
Tax effect		(1,414)		(5,560)
Net amount		$ 3,812	$	28,971
Revaluation of investments held in joint venture	6			
Gross amount		6,242		1,912
Tax effect		(2,573)		(544)
Net amount		$ 3,669	$	1,368
Realized gain (loss) on investments	8	10,416	$	(4,590)
Tax effect		(2,460)		179
Net amount		$ 7,956	$	(4,411)
Realized gain on investments held in joint venture	6	16,575	$	-
Tax effect		(3,220)		-
Net amount		$ 13,355	$	-
Other comprehensive earnings		$ 29,968	$	19,762
Total comprehensive earnings (loss)		$ 68,248	$	(6,451)
Total comprehensive earnings (loss) attributable to:				
Common shareholders		63,211		(7,099)
Non-controlling interest		5,037		648
		$ 68,248	$	(6,451)

See accompanying notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited, In Thousands of Canadian Dollars	Note	Year ended December 31, 2021	December 31, 2020
Operating activities			
Net earnings (loss)		$ 38,280	$ (26,213)
Adjustments for operating activities	15	11,434	64,732
		$ 49,714	$ 38,519
Changes in non-cash operating working capital	15	(1,941)	(1,400)
		$ 47,773	$ 37,119
Financing activities			
Proceeds from long-term debt	11	-	47,326
Costs incurred on amendment of credit facilities	11	(1,782)	-
Repayment of long-term debt	11	(17,000)	(20,000)
Lease payments		(168)	(168)
Proceeds from exercise of warrants	13	5,600	-
Proceeds from IPO of subsidiary (net of isssuance costs of $8,802)	18	98,932	-
(Payments) receipt from non-controlling interest	18	(1,402)	4,571
Preferred securities distribution	13	(5,000)	(5,014)
Repurchase of common shares	13	(12,943)	(6,090)
Dividends paid		(9,247)	(7,881)
		$ 56,990	$ 12,744
Investing activities			
Proceeds from sale of investments	8	25,640	23,423
Acquisition of control of Coal Royalty and Genesee Royalty Limited Partnerships		-	(8,957)
Cash received from joint ventures	6	1,646	10,337
Generative exploration		(55)	(175)
Exploration and evaluation assets, net of recoveries		(653)	(2,119)
Investment in joint venture	6	(35,261)	-
Loss of control of subsidiary		(175)	(952)
Acquisition of royalty interests	9	(475)	(580)
Acquisition of investments		(17,204)	(71,125)
Acquisition of property and equipment		(9)	(39)
		$ (26,546)	$ (50,187)
Net increase (decrease) in cash and cash equivalents		78,217	(324)
Cash and cash equivalents, beginning of year		21,804	22,128
Cash and cash equivalents, end of year		$ 100,021	$ 21,804

Supplemental cash flow information (Note 15)

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 13)	Accumulated Other Comprehensive Earnings	Retained Earnings (Deficit)	Total Shareholders' Equity	Non-controlling interest	Total Equity
	Number	Amount	Number	Amount						
Balance, January 1, 2020	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, January 1 to December 31, 2020	-	-	-	-	-	19,762	(26,861)	(7,099)	648	(6,451)
Payments to non-controlling interest	-	-	-	-	-	-	-	-	(1,090)	(1,090)
Receipts from non-controlling interests	-	-	-	-	-	-	303	303	5,014	5,317
Non-controlling interest of Coal Royalty and Genesee Royalty Limited Partnership Acquisitions	-	-	-	-	-	-	-	-	1,013	1,013
Shares repurchased and cancelled	(644,400)	(4,024)	-	-	-	-	(2,066)	(6,090)	-	(6,090)
Shares issued by subsidiary under services agreement	-	-	-	-	-	-	-	-	607	607
Preferred securities distribution (Note 13)	-	-	-	-	-	-	(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
Net earnings and comprehensive earnings, January 1 to December 31, 2021	-	-	-	-	-	23,189	40,022	63,211	5,037	68,248
Payments to non-controlling interest (Note 18)	-	-	-	-	-	-	-	-	(1,402)	(1,402)
Transactions with non-controlling interests (Note 18)	-	-	-	-	-	-	27,249	27,249	70,247	97,496
Proceeds from exercise of warrants (Note 13)	400,000	5,600	-	-	-	-	-	5,600	-	5,600
Shares repurchased and cancelled (Note 13)	(821,100)	(5,160)	-	-	-	-	(7,783)	(12,943)	-	(12,943)
Shares issued under services agreement	-	-	-	-	-	-	-	-	663	663
Preferred securities distribution (Note 13)	-	-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Dividends paid to common shareholders	-	-	-	-	-	-	(9,947)	(9,947)	-	(9,947)
Shares issued under dividend reinvestment plan	44,643	700	-	-	-	-	-	700	-	700
Share-based compensation	-	-	-	-	3,018	-	-	3,018	-	3,018
Cash settled RSUs	-	-	-	-	(213)	-	-	(213)	-	(213)
Shares issued under long-term incentive plan	84,399	351	-	-	(1,417)	-	-	(1,066)	-	(1,066)
Balance, December 31, 2021	41,185,595	$ 260,793	10,000,000	$ 57,061	$ 26,015	$ 76,971	$ 12,646	$ 433,486	$ 95,493	$ 528,979

See accompanying notes to the Consolidated Financial Statements

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

The Corporation manages its business under three operating segments, consisting of (i) the acquisition and management of producing and development stage royalty and streaming interests ("Mineral Royalties"), (ii) the acquisition and early stage exploration of mineral resource properties with a goal of vending the properties to third parties in exchange for early stage royalties and minority equity or project interests ("Project Generation") and (iii) its majority interest holding in publicly traded Altius Renewable Royalties Corp. (TSX: ARR) ("ARR"), which is focused on the acquisition and management of renewable energy investments and royalties ("Renewable Royalties").
The Corporation's diversified mineral royalties and streams generate revenue from 12 operating mines located in Canada (10), the United States (1), 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 mainly originates through mineral exploration initiatives within a business division referred to as Project Generation. The Corporation holds a 59% interest in ARR, which through a jointly controlled entity, Great Bay Renewables LLC ("GBR"), holds royalties related to renewable energy generation projects located primarily in the United States. Certain funds (the "Apollo Funds") managed by affiliates of Apollo Global Management, Inc. represent the other party to the joint venture.

Altius is a publicly traded company, incorporated and domiciled in Canada. The head office of the Corporation is located at 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 9, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

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 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%	Royalty company
Altius Renewable Royalties Corp. ("ARR")	59%	Royalty 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") 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).

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 to reflect any dilution effect which is recorded in the consolidated statement of earnings.

Investments in associates and investments in joint ventures are accounted for using the equity method (Note 6 & 7). Under this method, the Corporation's share of the investment's earnings or losses is included in the consolidated statement of earnings and the consolidated statement of comprehensive earnings and the carrying amount of the investment is adjusted by a like amount.

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. The cumulative gain or loss is not reclassified to the consolidated statement of earnings on disposal of the equity investments, instead it is transferred within another component of equity.

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 until the carrying amount of the mineral property reaches zero. Any excess is then 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 are 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 and An 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, a restricted share unit ("RSU") plan and a performance share unit ("PSU") plan, all of 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 are 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 10 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 5). Where the actual future cash flows are less than expected, a material impairment loss may arise.

Investments in joint ventures

The Labrador Nickel Royalty Limited Partnership ("LNRLP") joint venture holds a royalty interest in a production stage mineral property. The production stage royalty interest is recorded initially at its cost and is being amortized using the units of production basis over the expected life of the mineral property, which is determined using available estimates of proven and probable reserves. Determination of proven and probable reserves by the operators associated with the royalty interests impact the measurement of the respective assets. These estimates affect amortization of the royalty and the related amount of the equity pickup and the assessment of the recoverability of the carrying value of the investment in joint ventures.

The GBR joint venture holds renewable royalty interests and investments in renewable royalties. The amortization of renewable royalty interests is recorded straight line over the expected life of the asset. The investments in renewable royalties are recorded at 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 investments as joint ventures (Note 6).

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 9) 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.

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

If certain of the Corporation's assets and liabilities are measured at fair value, at each reporting date the Corporation 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.

The Corporation's joint venture holds investments in certain preferred shares (Note 6) that will (i) have the right to receive distributions based on a percentage of the gross revenues of the renewable assets associated with each investment and (ii) yield distributions in the form of royalty contracts on renewable energy projects at a future date. The joint venture also 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 19. The Corporation records its share of these fair value changes through other comprehensive earnings.

4. EXPLORATION AND EVALUATION ASSETS

In Thousands of Canadian Dollars Project	Note	As at December 31, 2020	Additions/ Reclassifications, net of recoveries	Abandoned or impaired	Sold	As at December 31, 2021
Labrador						
Platinum Group Elements		539	-	-	-	539
Iron Ore		1,909	-	-	-	1,909
Other	b,c	48	149	-	(33)	164
Newfoundland						
Gold	a,e	50	123	-	(116)	57
Other		-	64	-	-	64
Manitoba - Diamonds	d	5,761	(2,872)	(2,889)	-	-
Alberta, British Columbia & Saskatchewan						
Coal		4,350	-	-	-	4,350
Potash		500	-	-	-	500
United States - Base metals		733	19	-	-	752
Spain - Cobalt		213	-	-	-	213
Australia - Zinc, Silver		82	-	-	-	82
Security Deposits		181	294	-	-	475
Total		$ 14,366	$ (2,223)	$ (2,889)	$ (149)	$ 9,105

a. Golden Rose

On February 23, 2021 the Corporation signed an agreement to option its Golden Rose gold project to Tru Precious Metals Corp. ("TRU"). TRU issued 7,140,000 common shares to Altius upon signing the agreement and an additional 800,000 common shares on May 5, 2021 which was the closing date. Under the terms of the agreement, TRU must incur a minimum of $500,000 of exploration expenditures on the property by February 23, 2022, $1,000,000 of expenditures by February 23, 2023 and an additional $1,500,000 by February 23, 2024. Subsequent to year end, on February 15, 2022, Altius received an additional 800,000 common shares of TRU and may receive an additional 1,400,000 TRU common shares by February 23, 2023. Altius retains a 2% net smelter return ("NSR") royalty on the Golden Rose project and recorded a gain on disposal of mineral property of $2,087,000 on this project after reducing the value of the property to $nil.

b. Adeline Copper

On July 12, 2021 the Corporation signed an agreement to option its Adeline Copper project to Chesterfield Resources plc. ("Chesterfield"). Chesterfield issued 10,089,199 common shares to Altius upon signing the agreement as well as warrants over 11,100,000 common shares, exercisable for three years at an exercise price of £0.20 per new common share. Chesterfield must incur $250,000 of expenditures by January 12, 2023 and an additional $750,000 by January 23, 2024. Altius retains a 1.6% gross sales royalty ('GSR") on the project and recorded a gain on disposal of mineral property of $1,909,000 on this project after reducing the value of the property to $nil.

c. Florence Lake

On July 22, 2021 the Corporation optioned its Florence Lake nickel sulphide project in Labrador to Churchill Resources Inc ("Churchill"). Churchill issued 1,373,946 common shares to Altius upon signing the agreement and committed to incur at least $1,500,000 in exploration expenditures by July 22, 2023, to complete an equity financing of at least $4,000,000, and upon completion of the equity financing issue Altius the lesser of 7,000,000 common shares or the number such that Altius shall not own more than 19.9% of Churchill's outstanding shares. Churchill will also provide Altius with the right to select one nominee to the board of directors of Churchill until such time that Altius beneficially owns less than 9.9% of the Common Shares. Altius also holds a pro-rata pre-emptive right to participate in future equity financings of Churchill until such time that Altius beneficially owns less than 9.9% of the Common Shares. Altius retains a 1.6%GSR on the property and recorded a gain on disposal of mineral property of $213,000 on this project after reducing the value of the property to $nil.

d. Lynx

During the year ended December 31, 2021 the Corporation's ownership in Adia Resources Inc. ("Adia") was diluted from 52.9% to 49.7%. Prior to September 30, 2021, the Corporation had consolidated the results and operations of Adia and recognized a non-controlling interest. The Corporation determined that as a result of reduced ownership in its former subsidiary and changes to the board of directors, it no longer had the ability to control Adia, and accounted for the transaction under IFRS 10 Consolidated Financial Statements. During the year ended December 31, 2021 the Corporation derecognized the assets and liabilities of its former subsidiary from the consolidated balance sheet, which included the Lynx project balance of $3,251,000. The Corporation determined that Adia is an investment in associate (Note 7).

Prior to the loss of control of Adia, the Corporation recorded an impairment charge of $2,889,000 on its exploration and evaluation Lynx diamond project in Manitoba. Management determined that the original carrying amount of the asset, before any impairment charges, was unlikely to be recovered from development or sale.

Project	Note	As at December 31, 2019	Additions/ Reclassifications, net of recoveries	Abandoned or impaired	Sold	As at December 31, 2020
In Thousands of Canadian Dollars						
Labrador						
Platinum Group Elements		532	7	-	-	539
Iron Ore		1,909	-	-	-	1,909
Other		40	8	-	-	48
Newfoundland						
Gold	e, f, g	-	892	-	(842)	50
Silver	d	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

e. Sail Pond

On September 23, 2020 the Corporation signed an agreement to option its Sail Pond silver project to Latin American Minerals Inc. ("LAT"). The Corporation received 58,991,254 common shares of LAT which was equal to 19.9% of their issued and outstanding common shares. LAT was obliged to incur a minimum of $500,000 of expenditures by September 23, 2021 (completed) and a further $1,000,000 of expenditures by September 23, 2023. As a part of the agreement an additional $200,000 worth of common shares were to be issued to Altius prior to September 23, 2021 and following the completion of an equity financing for gross proceeds of $5 million which exceeded the minimum threshold required in the agreement. In February 2021 Altius received the additional $200,000 payment by way of 606,061 common shares at a deemed price of $0.33 as per the agreement. Altius retains a 2% 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 originating 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. During the year ended December 31, 2020 Altius recorded a gain on disposal of mineral property of $2,038,000 on this project after reducing the value of the property to $nil.

f. Golden Baie

On August 26, 2020 the Corporation optioned its Golden Baie gold project to Canstar Resources Inc. ("Canstar"). Canstar issued 4,000,000 common shares to Altius upon signing the agreement and incurred $500,000 in exploration expenditures in year 1 and must incur a cumulative $1,250,000 in expenditures over the next four years. Altius received an additional 2,000,000 common shares as the first anniversary payment obligation of the agreement and may receive a further 2,500,000 common shares upon the second anniversary of the agreement. Altius retains a 2% NSR royalty which is reduced by an underlying 2% royalty payable to a third party. 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 during the year ended December 31, 2020 and recorded a gain on disposal of mineral property of $495,000 on this project after reducing the value of the property to $nil during the year ended December 31, 2021 for the 2,000,000 common shares received in December 2021.

g. 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 shares 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 the Wilding Lake project. 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 by 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 entity 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 received 4,398,750 common shares and 2,199,375 share purchase warrants of Canterra as part of the agreement. Altius retains a 2%NSR royalty covering the property, but 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 on the Wilding Lake claims and can also buy back 1% on other 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. During the year ended December 31, 2020 Altius recorded a loss on disposal of mineral property of $29,000 on this project after reducing the value of the property to $nil.

h. Taylor Brook

On October 22, 2020 the Corporation optioned 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 common shares that will result in Altius owing 19.9% of its shares by the second anniversary, and to become a publicly traded entity between the first and second anniversary of the date of the agreement. Subsequent to the signing of the originating agreement, Churchill Diamond achieved a publicly traded listing through a TSXV regulated reverse takeover and qualifying transaction process resulting in a new qualifying issuer, Churchill Resources Inc., which now trades on the TSXV and has also completed equity placements well in excess of the $1,000,000 required pursuant to the agreement. Altius retains a 1.6% GSR on the property. Altius reduced the value of the property to $nil and recorded $nil gain or loss on disposal of mineral property.

5. GOODWILL

At December 31, 2021 the Corporation performed an annual impairment test for its goodwill arising from the Callinan Royalties Corporation ("Callinan") acquisition, specifically based on a potential mine life extension on the 777 mine and related royalty and deferred tax attributes. 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. Using the best available information along with the calculation of the recoverable amount, discussed below, it was determined that the goodwill balance was impaired. The Corporation recognized a goodwill impairment charge of $6,031,000 during the year ended December 31, 2021 (December 31, 2020 - $nil).

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.

There was no evidence of impairment indicators on the royalty interests identified during the current year (Note 9).

6. INTERESTS IN JOINT VENTURES

In Thousands of Canadian Dollars	LNRLP	Prairie Royalties LP	GBR	Total
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	-	(74,707)	-	(74,707)
Investment in joint venture on loss of control of subsidiary	-	-	91,552	91,552
Other comprehensive earnings - revaluation of investments	-	-	1,912	1,912
Other comprehensive earnings - foreign currency translation adjustment	-	-	(2,640)	(2,640)
Dilution gain	-	-	290	290
Balance, December 31, 2020	$ 5,146	$ -	$ 90,758	$ 95,904
Earnings (loss)	1,543	-	(1,923)	(380)
Investment in joint venture	-	-	35,261	35,261
Cash receipts	(1,646)	-	-	(1,646)
Other comprehensive earnings - revaluation of investments	-	-	22,822	22,822
Other comprehensive earnings - foreign currency translation adjustment	-	-	(37)	(37)
Dilution gain	-	-	580	580
Balance, December 31, 2021	$ 5,043	$ -	$ 147,461	$ 152,504

LNRLP

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.

GBR

On October 11, 2020, the Corporation, through a newly created subsidiary Altius GBR Holdings Inc., entered into a strategic relationship with certain funds (the "Apollo Funds") managed by affiliates of Apollo Global Management, Inc. to accelerate the growth of its renewable energy royalty business. Under the agreement structure the Apollo Funds had the right to solely fund the next $80,000,000 in approved investment opportunities in GBR in exchange for a 50% ownership in the GBR joint venture formed and domiciled in Delaware, USA, with opportunities thereafter funded equally by Apollo Funds and the Corporation with an equally shared governance structure. The Corporation determined that as a result of the governance structure with Apollo Funds it no longer had the ability to control its subsidiary, GBR Inc, and accounted for the transaction under IFRS 10 Consolidated Financial Statements. During the year ended December 31, 2020 the Corporation derecognized the assets and liabilities of its former subsidiary from the consolidated balance sheet, recognized the investment retained in GBR at its fair value of $91,552,000 (US$69,400,000) and recognized a gain on disposal of its subsidiary of $790,000. The Corporation determined that this investment is a joint venture and began using the equity method to account for this investment under IFRS 11 Joint Arrangements. On July 30, 2021 a new legal entity, Great Bay Renewables II, LLC. was formed. This new entity is also jointly controlled by the

Corporation and Apollo Funds and is subject to the same governance structure and investment mandate as the original GBR entity. There are two joint venture entities, collectively referred to herein as GBR and/or the GBR joint venture, and each own respectively 100% of the limited liability corporations (GBR, LLC and GBR II, LLC). The capital of the GBR Joint Venture is divided into Class A Units issued equally to Altius GBR Holdings and Apollo and Class B Units issued to management of GBR. The Class B Units are non-voting and carry no approval or consent rights other than certain actions disproportionately affecting the Class B Units.

At year end December 31, 2021 the Corporation's interest in GBR was 50% as a result of additional funding by Apollo Funds during the year (December 31, 2020 – 89%). During the year ended December 31, 2021, dilution gains totalling $580,000 (December 31, 2020 - $290,000) were recorded in the consolidated statement of earnings. During the year ended December 31, 2021 the Corporation invested $35,261,000 (US$27,881,000) (December 31, 2020 - $nil) into the GBR joint venture to maintain its 50% ownership. These funds were used to invest in renewable royalty investments and for general and administrative expenses.

Prairie Royalties LP

The Corporation previously 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"). During the year ended December 31, 2020, the Corporation entered into an agreement with Liberty Metals & Mining Holdings, LLC 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 and increased Altius's partnership interests in the Prairie Royalty LPs from 52.4% to 97.3%. The acquisition was considered an asset acquisition for financial reporting purposes. On July 31, 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.

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[2]	GBR[2]
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Balance Sheets				
Cash and cash equivalents	$ -	$ -	$ 54,205	$ 838
Other current assets	-	-	273	75
Non-current assets				
Royalty interests	5,043	5,146	48,756	3,008
Investments	-	-	187,506	93,813
Other non-current assets	-	-	699	-
Current liabilities	-	-	24	252
Non-current liabilities	-	-	-	-
Statement of Earnings				
Royalty income	$ 2,341	$ 1,012	$ 681	$ 64
Other revenue	-	-	207	78
Royalty tax	(468)	(202)		-
General and administrative	(14)	(30)	(2,972)	(334)
Amortization	(316)	(296)	(776)	(207)
Impairment		-	-	-
Net earnings (loss)	1,543	484	(2,860)	(400)
Statement of Other Comprehensive Earnings				
Revaluation of investments	-	-	28,162	8,562
Realized gains on investments	-	-	8,219	-

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

(2) GBR balances were included in the Corporation's consolidated balances prior to October 11, 2020

Investments held by GBR

Tri Global Energy LLC (TGE)

During the year ended December 31, 2021, GBR invested an additional US$14,142,700 including acquisition costs of US$142,700 based on the terms of the agreement with TGE (December 31, 2020 - US$20,757,900 including acquisition costs of US$257,900). As at December 31, 2021, the total cost of the investment in TGE is US$45,586,800 including acquisition costs of US$586,800.

Apex Clean Energy (Apex)

During year ended December 31, 2021, GBR invested an additional US$20,170,500 including acquisition costs of US$170,500 based on the terms of the agreement with Apex (December 31, 2020 - US$35,466,800 including acquisition costs of US$466,800).

During the year ended December 31, 2021, three royalties (Jawhawk, El Sauz, and an undisclosed royalty) with a total fair value of US$36,148,400 were assigned to GBR. These fair values were determined using a discounted cash flow model and these amounts were reclassified from investments to royalty interests. On December 31, 2021, Apex exercised a change of control-based option to redeem the remaining residual royalty financing provided by GBR following the sale of a majority interest in Apex. Upon the redemption by Apex, GBR received cash of US$41,668,900 and recognized a realized gain of US$22,180,000 in the consolidated statement of other comprehensive earnings. As a result of the redemption, the Apex investment is $nil at December 31, 2021.

Longroad Energy

On August 3, 2021 the Corporation announced that GBR had closed a US$35,000,000 royalty investment with Longroad Energy ("Longroad") related to Longroad's 250 MW Prospero 2 solar project located in Andrews County, Texas. Longroad is a top-tier developer, owner and operator of renewable energy projects, having developed over 60 renewable energy projects totaling over 6 GWs across North America. As at December 31, 2021, the total cost of the investment in Longroad is US$35,495,200 including acquisition costs of US$495,200 (December 31, 2020 - $nil).

Northleaf Capital Partners

On September 30, 2021 the Corporation announced that GBR had closed a US$52,500,000 royalty investment with Northleaf Capital Partners ("Northleaf") related to three operating-stage wind and solar renewable energy projects located in Texas. The newly acquired revenue-based royalty portfolio includes: (1) the 150 MW Old Settler wind project, (2) the 50 MW Cotton Plains wind project, and (3) the 15 MW Phantom Solar project. The output from Cotton Plains and Phantom Solar is sold at a fixed price under long-term contracts with the US Department of Defense through January 2045, while the output from Old Settler will be sold into the ERCOT market. The three projects have been in commercial operation since 2017. As at December 31, 2021, the total cost of the investment in Northleaf is US$53,398,400 including acquisition costs of US $898,400 (December 31, 2020 - $nil).

See Note 19 for fair value qualitative and quantitative analysis relating to these investments.

7. INVESTMENTS IN ASSOCIATES

In Thousands of Canadian Dollars	Alderon	Adventus	Adia	Total
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
Additions	-	420	-	420
Loss of control of subsidiary	-	-	1,618	1,618
Share of gain (loss) in associates	-	(364)	2	(362)
Reclassification to investments	-	(9,985)	-	(9,985)
Balance, December 31, 2021	$ -	$ -	$ 1,620	$ 1,620

Percentage ownership:			
At December 31, 2020	37.3%	11.9%	54.3%
At December 31, 2021	-	-	49.7%

Adventus

As of June 30, 2021 the Corporation determined that it no longer held significant influence over the financial and operating policy decisions of Adventus as a result of its relinquished Board representation. As a result of the loss of significant influence the Corporation ceased accounting for the investment using the equity method, recognized the investment at its fair value of $17,578,000 and recorded a gain of

$7,595,000 on the reclassification to mining and other investments (Note 8). Going forward this investment will be revalued at each reporting date with any fair value adjustment being recorded in other comprehensive earnings.

Adia

During the year ended December 31, 2021 the Corporation's ownership in Adia Resources Inc. ("Adia") was diluted from 52.9% to 49.7%. Prior to September 30, 2021, the Corporation had consolidated the results and operations of Adia and recognized a non-controlling interest. The Corporation determined that as a result of reduced ownership in its former subsidiary and changes to the composition of the board of directors it no longer had the ability to control Adia and accounted for the transaction under IFRS 10 Consolidated Financial Statements. During the year ended December 31, 2021 the Corporation derecognized the assets and liabilities of its former subsidiary from the consolidated balance sheet and recognized the investment retained in Adia at its fair value of $1,618,000. There was no gain or loss recorded on the transaction. The Corporation determined that Adia is an associate and will use the equity method to account for this investment under IAS 28 Investments in Associates and Joint Ventures.

Prior to the loss of control of Adia, the Corporation recorded an impairment charge of $2,889,000 on its exploration and evaluation Lynx diamond project in Manitoba. Management determined that the original carrying amount of the asset, before any impairment charges, was unlikely to be recovered from development or sale (Note 4).

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

In Thousands of Canadian Dollars	Adia Resources Inc. December 31, 2021
Balance Sheets	
Cash and cash equivalents	165
Current assets	4
Current liabilities	-
Non-current assets	3,527
Non-current liabilities	-
Statement of Earnings	
Revenue	-
Other comprehensive (loss) earnings	-
Net (loss) earnings	4

(1) Excluded December 31, 2020 as Adia was consolidated in the Corporation's results
(2) Income statement covers period from October 1 to December 31, 2021
(3) Included in non-current assets is $3,251 related to the Lynx project

Alderon - Loan receivable

On July 12, 2018 the Corporation participated in a US$14 million credit facility provided by Sprott Resource Lending to Alderon Iron Ore Corp ("Alderon") by providing US$2,000,000 (CAD$2,625,000) as a participating lender. On April 1, 2021 the Corporation received 600,000 Champion Iron Limited ("Champion") shares valued at $3,150,000 as consideration for the sale of its portion of the secured debt of Alderon after Champion acquired the assets of Alderon through a court regulated process. As a result the Corporation reversed an impairment charge on the loan receivable of CAD$1,625,000 which had been recorded during the year ended December 31, 2020. Upon settlement of the loan receivable of $2,625,000 (December 31, 2020 - $1,000,000), the Corporation recorded interest income of $636,000 after recognizing the value of the shares received.

8. INVESTMENTS

In Thousands of Canadian Dollars	Mining and other investments	Renewable energy investments	Share purchase warrants	Total
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
Additions	19,932	-	4,686	24,618
Reclassification to investments in traded securities	4,922	-	(4,922)	-
Receipt for interest in mineral property	5,236	-	-	5,236
Reclassification of investment in associate (Note 7)	17,578	-	-	17,578
Disposals	(13,521)	-	(268)	(13,789)
Revaluation	5,226	-	(165)	5,061
Balance, December 31, 2021	$ 179,881	$ -	$ 3,844	$ 183,725

As at December 31, 2021, investments include an investment in Labrador Iron Ore Royalty Corporation ("LIORC") of $107,854,000 (December 31, 2020 - $93,715,000) consisting of 2,873,800 (December 31, 2020 – 2,873,800) common shares.

The Corporation disposed of investments having a carrying value of $13,789,000 for gross cash proceeds of $25,640,000 and non-cash proceeds of $4,685,000 and recognized a gain on disposal of $10,416,000 through other comprehensive earnings during the year ended December 31, 2021. 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 loss on disposal of $4,590,000 through other comprehensive earnings during the year ended December 31, 2020.

9. ROYALTY AND STREAMING INTERESTS

In Thousands of Canadian Dollars	Note	As at December 31, 2020	Additions and revaluations	As at December 31, 2021
Royalty interests				
Rocanville - Potash		$ 73,595	$ -	$ 73,595
Esterhazy - Potash	a	33,204	455	33,659
Cory - Potash		19,427	-	19,427
Allan - Potash		6,367	-	6,367
Patience Lake - Potash		3,903	-	3,903
Vanscoy - Potash		5,238	-	5,238
Other potash		7,000	-	7,000
Coal & natural gas		8,000	-	8,000
Genesee - Coal		34,438	-	34,438
Other coal		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		13,445	20	13,465
Streaming interest				
Chapada - Copper		77,634	-	77,634
Balance, end of year		$ 350,257	$ 475	$ 350,732
Accumulated amortization, depletion				
Rocanville - Potash		$ 5,277	$ 1,594	$ 6,871
Esterhazy - Potash		932	317	1,249
Cory - Potash		501	271	772
Allan - Potash		852	348	1,200
Patience Lake - Potash		69	35	104
Vanscoy - Potash		75	24	99
Other potash		16	9	25
Coal & natural gas		2,667	400	3,067
Genesee - Coal		2,593	8,203	10,796
Other coal		2,548	198	2,746
777 Mine - Copper & zinc		39,178	5,652	44,830
Gunnison - Copper		-	-	-
Pickett Mountain		-	-	-
Curipamba - Copper, gold, zinc		-	-	-
Streaming interest				
Chapada - Copper		22,447	5,649	28,096
Balance, end of year		$ 77,155	$ 22,700	$ 99,855
Net book value		$ 273,102	$ 22,225	$ 250,877

(a) Other potash

During the year ended December 31, 2021, the Corporation acquired additional potash royalty interests in the Esterhazy mine for $455,000.

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	c	-	34,438	34,438
Other coal	c	-	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	6	3,350	(3,350)	-
Streaming interest				
Chapada - Copper		77,634	-	77,634
Balance, end of year		$ 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	(26)	16
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	6	132	(132)	-
Streaming interest				
Chapada - Copper		17,996	4,451	22,447
Balance, end of year		$ 59,575	$ 17,580	$ 77,155
Net book value		$ 255,405	$ 17,697	$ 273,102

(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

(c) 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 its carrying value of

$73,732,000. 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 as operator regarding potential applications for natural gas conversions at Genesee. 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. 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 acquisition cost of $11,250,000 is presented net of the cash assumed of $2,293,000 in the statement of cash flows.

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.

10. INCOME TAXES

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

In Thousands of Canadian Dollars	December 31, 2021	December 31, 2020
Temporary differences related to exploration and evaluation assets, property and other	$ (6,155)	$ (7,952)
Non capital and net capital loss carryforwards	5,331	5,932
Carrying value of investments in excess of tax values	(16,192)	(9,653)
Temporary differences related to preferred securities	(30,000)	(30,000)
Deferred and deductible share-based compensation and other costs	1,390	439
Share and debt issue costs	182	486
Carrying values in excess of tax values relating to royalty and streaming interests in mineral properties	(11,507)	(9,710)
	$ (56,951)	$ (50,458)

	December 31, 2021	December 31, 2020
Deferred tax liabilities	$ (64,738)	$ (58,975)
Deferred tax assets	7,787	8,517
Total deferred income tax	$ (56,951)	$ (50,458)

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates of 30% (December 31, 2020 – 30%) to earnings before taxes. The differences are from the following items:

In Thousands of Canadian Dollars	Year ended December 31, 2021	Year ended December 31, 2020
Expected tax (recovery) expense	$ 13,553	$ (5,708)
Taxable (non taxable) portion of capital gains	(1,662)	397
Net deductible permanent differences	(6,150)	(2,965)
Adjustments in relation to earnings from associates and joint ventures	(306)	(731)
Adjustments for non deductible amortization and impairment	3,222	17,501
Differences in statutory rates on earnings of subsidiaries	(1,763)	(1,309)
	$ 6,894	$ 7,185

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

In Thousands of Canadian Dollars	Year ended December 31, 2021	Year ended December 31, 2020
Current tax	$ 6,632	$ 7,221
Deferred tax	262	(36)
	$ 6,894	$ 7,185

11. DEBT

In Thousands of Canadian Dollars		
At amortized cost	December 31, 2021	December 31, 2020
Long-term debt	$ 115,173	$ 132,967
Current	8,000	20,000
Non-current	107,173	112,967
	$ 115,173	$ 132,967

On August 9, 2021, the Corporation amended its credit facility to increase the available credit from $160,000,000 to $225,000,000 and to extend the term from June 2023 to August 2025. The amendment, which was considered an extinguishment of debt, replaced the combination of its previous outstanding term and revolver debt of $118,754,000.

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

The Corporation also amended its cash flow hedge on September 9, 2021 to align with the new terms of the debt. The Corporation has a floating-to-fixed interest rate swap to lock in the interest rate on the term credit facility on an amortized basis. The amount of the floating-to-fixed interest rate swap will reduce in tandem with the quarterly scheduled principal repayments on the term debt. As of December 31, 2021, the balance outstanding on the swap was $48,000,000 (December 31, 2020 - $50,000,000). The Corporation expected the interest rate on the fixed portion of the debt to be approximately 4.34% per annum during the full term of the loan, with the revolving facility fluctuating in accordance with market interest rates. The Corporation has applied hedge accounting to this relationship whereby the change in fair value of the effective portion of the hedging derivative is recognized in accumulated other comprehensive earnings. Settlement of both the fixed and variable portions of the interest rate swap occurs on a quarterly basis. The full amount of the hedge was determined to be effective as at December 31, 2021. 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 $11,000 (December 31, 2020 - $1,309,000) on the balance sheet.

The Corporation is amortizing costs attributable to securing the amended credit facilities of $1,782,000 over the life of the facilities using an effective interest rate of 5.73%. During the year ended December 31, 2021, $1,144,000 (December 31, 2020 - $589,000) of the costs were recognized as interest expense on long term debt in the consolidated statement of earnings. Costs of $654,000 recognized in the year ended December 31, 2021 were related to the extinguishment of the previous credit facilities.

During the year ended December 31, 2021, the Corporation repaid $17,000,000 on its term facility (December 31, 2020 - $20,000,000). On March 10, 2020 the Corporation completed a drawdown on its revolving facility of $47,326,000 to complete a renewable energy investment.

As at December 31, 2021 the Corporation was in compliance with all debt covenants. At December 31, 2021, the Corporation has approximately $106,000,000 of additional liquidity on its revolving facility.

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

In Thousands of Canadian Dollars	Term	Revolver	Total
2022	8,000	-	$ 8,000
2023	8,000	-	$ 8,000
2024	8,000	-	$ 8,000
2025	24,000	68,710	$ 92,710
	$ 48,000	$ 68,710	$ 116,710
		Less: unamortized debt costs	1,537
			$ 115,173

12. REVENUE AND GENERAL & ADMINISTRATION EXPENSES

In Thousands of Canadian Dollars	Year ended	
Revenue and other income	December 31, 2021	December 31, 2020
Royalty	$ 44,013	$ 35,670
Copper stream*	19,181	15,257
Interest and investment	18,016	9,060
Other	472	70
Total revenue and other income	$ 81,682	$ 60,057

**Revenue from contracts with customers*

In Thousands of Canadian Dollars	Year ended	
General and administrative expenses	December 31, 2021	December 31, 2020
Salaries and benefits	$ 5,349	$ 5,357
Professional and consulting fees	1,891	2,205
Office and administrative	1,624	1,132
Travel and accommodations	187	239
Total general and administrative	$ 9,051	$ 8,933

13. 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, 2021 and it will, unless further renewed, end no later than August 21, 2022. The Corporation may purchase at market prices up to 1,642,612 common shares representing approximately 3.96% of its 41,504,497 outstanding shares as of August 18, 2021. The Corporation repurchased and cancelled 821,100 common shares (104,100 of which were legally cancelled on January 6, 2022) during the year ended December 31, 2021 at a cost of $12,943,000 (December 31, 2020 - 644,400 common shares at a cost of $6,090,000).

Net earnings (loss) 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, 2021	December 31, 2020
Weighted average number of shares:		
Basic	41,449,386	41,636,128
Diluted	42,649,410	42,003,481

Other equity reserves

Other equity reserves consist of share-based payment reserves of $9,988,000, warrants of $12,012,000 and contributed surplus of $4,015,000 for a total of $26,015,000. Share-based payment reserve amounts are in respect of stock options, Deferred Share Units ("DSUs"), Restricted Share Units ("RSUs") and Preferred Share Units ("PSUs"). In addition, there are 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. During the year ended December 31, 2021, 400,000 warrants which were issued to Yamana Gold Inc. on May 3, 2016 at an exercise price of $14.00 with an expiry date of May 3, 2021 were exercised for $5,600,000. The $947,000 reserve associated with these warrants was reclassed from warrant reserve to contributed surplus at the date of exercise.

Preferred securities

Fairfax and certain of its subsidiaries (collectively "Fairfax") purchased from the Corporation, 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, 2021 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, 2021 the Corporation declared and paid distributions of $5,000,000 (December 31, 2020 - $5,014,000) to preferred security holders.

14. SHARE-BASED COMPENSATION

The Corporation recognized the following share-based compensation:

In Thousands of Canadian Dollars	December 31, 2021	December 31, 2020
Stock option expense	$ 1,013	$ 2,574
Deferred share unit expense	1,038	754
Restricted share unit expense	712	656
Performance share unit expense	255	-
Total share-based compensation	$ 3,018	$ 3,984

A summary of the status of the Corporation's stock option plan as of December 31, 2021, and changes during the period then ended, is as follows:

In Thousands of Canadian Dollars	December 31, 2021			December 31, 2020		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Oustanding, beginning of year	975,377	$	10.77	739,358	$	12.35
Granted	220,299	$	15.59	395,046	$	9.22
Exercised	(115,906)		10.62	-	$	-
Expired	-	$	-	(159,027)	$	14.25
Outstanding, end of year	1,079,770	$	11.77	975,377	$	10.77
Exercisable, end of year	582,423	$	11.46	482,372	$	11.12

The weighted average remaining contractual life is 2.6 years. The weighted average fair value of stock options granted during the year ended December 31, 2021 was estimated on the dates of grant to be $3.63(December 31, 2020 - $1.80) using the Black-Scholes option pricing model with the following assumptions:

	December 31, 2021	December 31, 2020
Expected life (years)	5.00	5.00
Risk-free interest rate (%)	0.02	1.25
Expected Volatility (%)	35.45	36.19
Expected dividend yield (%)	1.38	2.17

A summary of the status of the Corporation's RSUs, DSUs and PSUs as of December 31, 2021 is as follows:

	Number of RSUs	Number of DSUs	Number of PSUs
Outstanding, December 31, 2019	91,211	282,208	-
Granted	97,062	85,548	-
Settled	(48,498)	-	-
Expired	-	-	-
Outstanding, December 31, 2020	139,775	367,756	-
Exercisable, December 31, 2020	-	301,187	-
Granted	64,494	63,689	46,991
Settled	(61,228)	(64,516)	-
Expired	-	(867)	-
Outstanding, December 31, 2021	143,041	366,062	46,991
Exercisable, December 31, 2021	1,242	-	540

During the year ended December 31, 2021 the Corporation cash settled 21,932 RSUs for $213,000 and equity settled 39,296 RSUs (19,356 common shares) (December 31, 2020 – 18,092 RSUs for $209,000 and equity settled 30,406 RSUs (20,538 common shares).

15. SUPPLEMENTAL CASH FLOW INFORMATION

In Thousands of Canadian Dollars	Year ended December 31, 2021	Year ended December 31, 2020
Adjustments for operating activities:		
Generative exploration	$ 55	$ 277
Exploration and evaluation assets abandoned or impaired	2,889	80
Share-based compensation	3,018	3,984
Cash settled restricted share units	(213)	(208)
Foreign exchange loss (gain)	316	(2,775)
Impairment on goodwill and royalty interests	6,031	46,147
Amortization and depletion	22,913	18,049
Interest on long-term debt	6,824	8,077
Interest paid	(5,354)	(6,992)
Realized gain on disposal of derivatives	(6,121)	(609)
Unrealized loss (gain) on fair value adjustment of derivatives	165	(2,049)
Gain on loss of control of subsidiary	-	(790)
Loss (earnings) from joint ventures	380	(2,953)
Non-cash other revenue	(1,018)	-
Gain on disposal of mineral property	(4,704)	(2,997)
Share of (earnings) loss and impairment reversal in associates	(1,263)	4,108
Gain on reclassification of an associate	(7,595)	-
Dilution gain on issuance of shares by an associate and joint venture	(580)	(2,924)
Income taxes (current and deferred)	6,894	7,185
Income taxes (paid)	(11,203)	(878)
	$ 11,434	$ 64,732
Changes in non-cash operating working capital:		
Accounts receivable and prepaid expenses	(1,067)	(2,192)
Accounts payable and accrued liabilities	(874)	792
	$ (1,941)	$ (1,400)
Cash and cash equivalents consist of:		
Deposits with banks	91,370	21,754
Short-term investments	8,651	50
	$ 100,021	$ 21,804

17. RELATED PARTY TRANSACTIONS

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

In Thousands of Canadian Dollars	Year ended December 31, 2021		Year ended December 31, 2020	
Key management personnel and directors				
Salaries and benefits	$	3,130	$	3,160
Share-based compensation		2,656		2,005
Total	$	5,786	$	5,165

In Thousands of Canadian Dollars	Year ended December 31, 2021		Year ended December 31, 2020	
General and adminstrative expenses billed from (to)				
Associates	$	24	$	24
Joint venture		110		(35)
Total	$	134	$	6

18. NON-CONTROLLING INTERESTS

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

In Thousands of Canadian Dollars Year ended December 31, 2021	Adia	ARR	CRLP	GRLP	PRLP	Total
Receipts	-	98,932	-	-	-	98,932
Distributions	-	-	114	270	1,018	1,402

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

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

IPO of Altius Renewable Royalties Corp.

On March 3, 2021 Altius Renewable Royalties Corp. ("ARR"), a subsidiary of the Corporation, completed an Initial Public Offering at a price of $11.00 per ARR Share (the "Offering Price") for total gross proceeds of $100,100,000. 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 was exercised in full. On April 6, 2021 ARR announced that the underwriters partially exercised the over-allotment option for 694,000 common shares at the Offering Price for total gross proceeds of $7,634,000. After the exercise of the over-allotment option the Corporation held 15,638,639 or approximately 59% of the issued and outstanding ARR Shares (61% after the close of the IPO). The proceeds from the IPO were to 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 at December 31, 2021 the Corporation continued to consolidate the operations of ARR and recorded the net cash proceeds of $98,932,000 and has recorded the non-controlling interests share of the net assets of ARR of $83,164,000 based on the percentage ownership of ARR.

19. 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 8).

In Thousands of Canadian Dollars As at December 31, 2021	Level 1	Level 2	Level 3	TOTAL
Investments	163,313	3,844	16,568	183,725
FINANCIAL ASSETS	$ 163,313	$ 3,844	$ 16,568	$ 183,725
Derivative - cash flow swap	-	11	-	11
Other liability	851	-	-	851
FINANCIAL LIABILITIES	$ 851	$ 11	$ -	$ 862

In Thousands of Canadian Dollars As at December 31, 2020	Level 1	Level 2	Level 3	TOTAL
Investments	130,165	4,513	10,343	145,021
FINANCIAL ASSETS	$ 130,165	$ 4,513	$ 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

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

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

Level 3 – valuation techniques with significant unobservable market inputs.

Reconciliation of Level 3 fair value measurements of financial instruments

The following table reconciles the fair value measurements of the Corporation's level 3 financial assets, which include lithium investments and certain mining and other investments (Note 8).

In Thousands of Canadian Dollars		Level 3 Investments
Balance, December 31, 2019	$	25,108
Additions		64,576
Disposals		(689)
Loss of control of subsidiary (Note 4)		(78,459)
Revaluation gains (losses) through OCI		(193)
Balance, December 31, 2020	$	10,343
Additions		7,625
Disposals		(1,000)
Revaluation gains (losses) through OCI		(400)
Balance, December 31, 2021	$	16,568

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 $141,000 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 [2]	Apex [2]	Longroad [2]	Northleaf [2]	Total
Balance, December 31, 2019	$ 13,569	$ -	$ -	$ -	$ 13,240
Additions	26,357	45,033	-	-	69,691
Revaluation gains through OCI (1)	8,533	-	-	-	8,329
Balance, December 31, 2020	$ 48,458	$ 45,033	$ -	$ -	$ 93,491
Additions	17,957	25,611	45,069	67,802	156,439
Reclassifcation to royalty interest	-	(45,899)	-	-	(45,899)
Redemption	-	28,163	-	-	28,163
Revaluation gains (losses) through OCI (1)	8,219	(52,908)	-	-	(44,689)
Balance, December 31, 2021	$ 74,635	$ -	$ 45,069	$ 67,802	$ 187,506

(1) The Corporation has recorded its 50% share of revaluation gains through OCI (December 31, 2020 - 89%)

(2) These amounts reflect the investments held in the joint venture on a 100% basis, converted at December 31, 2021 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 investments (Longroad and Northleaf) and the royalty contracts to be granted in exchange for the investments (TGE). The total number and value of royalty contracts to be ultimately awarded under the TGE Investment Agreement is subject to a minimum return threshold, which has the effect of muting the potential value impact of several of the unobservable inputs. The total cash distributions to be received under the Longroad and Northleaf Agreements is also subject to minimum return thresholds. 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 held by GBR 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 $6,271,000 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 minimal 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.

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, 2021 a 10% change in the US dollar to Canadian dollar exchange rate could affect net earnings by approximately $252,000 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, 2021 a 10% change in the US dollar to Canadian dollar exchange rate could affect net earnings by approximately $2,266,000 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, 2021 the Corporation's mining and other investments sensitivity to a +/- 20% movement in quoted market prices would affect comprehensive earnings by $31,233,000 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 has a floating to fixed interest rate swap to manage the interest rate risk of its debt balance (term facility). 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, 2021, a +/- 1% change in the effective interest rates in respect of cash and cash equivalents would affect net earnings by $700,000 net of applicable taxes. As at December 31, 2021, a +/- 1% change in the effective interest rates in respect of the revolving portion of the debt ($68,710,000) would affect net earnings by $481,000 net of applicable taxes.

COVID -19

Certain impacts to public health conditions particular to the coronavirus (COVID-19) outbreak that continued during the year ended December 31, 2021 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. The impact of COVID-19 to the Corporation was minimal during the year ended December 31, 2021.

20. 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 assets 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, 2021 and this continues to be assessed on a quarterly basis.

21. 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 $5,400,000 by December 31, 2022, of which $2,216,000 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 six years remaining based on a minimum production and grade threshold on the Rocanville mine. During the year ended December 31, 2021, the threshold was achieved, and the Corporation paid $500,000 (December 31, 2020 - $500,000) on the anniversary date.

22. SEGMENTED INFORMATION

The Corporation manages its business under three operating segments consisting of Mineral Royalties, Renewable Royalties and Project Generation. Key measures used by the Chief Operating Decision Maker ("CODM") in assessing performance and in making resource allocation decisions are earnings before interest, tax, depreciation and amortization and other income (expenses) (''adjusted EBITDA'') and earnings before income taxes. Both measures enable the determination of cash return on the equity deployed and overall profitability for each segment. The Corporation's proportionate revenue and expenses from the LNRLP and Prairie Royalties prior to the acquisition of control 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. Revenue and expenses from GBR are included in the Renewable

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. Prior to the loss of control of GBR, the net investment by the Corporation in Renewable Royalties is included in the segments total assets and adjusted (eliminated on consolidation) in the adjustment and eliminations column of the table

In Thousands of Canadian Dollars Reportable Segments, Year Ended December 31, 2021	Mineral Royalties	Renewable Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
Revenue and other income	$ 83,519	$ 411	$ 504	$ 84,434	$ (2,752)	$ 81,682
Costs and Expenses						
General and administrative	5,464	3,683	2,306	11,453	(2,402)	9,051
Cost of sales - copper stream	5,701	-	-	5,701	-	5,701
Generative exploration	-	-	55	55	-	55
Mineral rights and leases	-	-	274	274	-	274
Adjusted EBITDA	$ 72,354	$ (3,272)	$ (2,131)	$ 66,951	$ (350)	$ 66,601
Share-based compensation	$ (1,709)	$ (364)	$ (945)	$ (3,018)	$ -	$ (3,018)
Gain on disposition of investments	-	$ -	$ 6,121	6,121	$ -	6,121
Amortization and depletion	(23,229)	(414)	-	(23,643)	730	(22,913)
Earnings from joint ventures	-	-	-	-	(380)	(380)
Gain on disposal of mineral property	-	-	4,704	4,704	-	4,704
Gain on reclassification of an associate	-	-	7,595	7,595	-	7,595
Foreign exchange loss	223	307	-	530	-	530
Impairment on goodwill and royalty interest	(6,031)	-	-	(6,031)	-	(6,031)
Unrealized gain on fair value adjustment of derivative	-	-	(165)	(165)	-	(165)
Exploration and evaluation assets abandoned or impaired	-	-	(2,889)	(2,889)	-	(2,889)
Dilution gain on issuance of shares by associate and joint venture	-	580	-	580	-	580
Share of (loss) and impairment in associates	-	-	1,263	1,263	-	1,263
Interest on long-term debt	(6,824)	-	-	(6,824)	-	(6,824)
Earnings (loss) before income taxes	$ 34,784	$ (3,163)	$ 13,553	$ 45,174	$ -	$ 45,174
Income taxes (current and deferred)						6,894
Net earnings						$ 38,280
Supplementary information						
Total assets (1)	$ 430,787	$ 210,223	$ 80,391	$ 721,401	$ -	$ 721,401
Cash flow from (used)						
Operating activities	58,435	(3,272)	(5,654)	49,419	(1,646)	47,773
Financing activities	(41,942)	98,932	-	56,990	-	56,990
Investing activities	(7,886)	(35,261)	14,955	(28,192)	1,646	(26,546)
Total cash flow from (used)	$ 8,607	$ 60,399	$ 9,301	$ 78,217	$ -	$ 78,217

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