ALTIUS MINERALS CORPORATION

Condensed Consolidated Financial Statements
For the three months ended
March 31, 2018 and April 30, 2017
(unaudited)

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ALTIUS MINERALS CORPORATION

Condensed Consolidated Balance Sheets

(Unaudited - In thousands of Canadian dollars)

As at,

	Note #	**March 31, 2018**	December 31, 2017
	1	**$**	$
ASSETS			
Current assets			
Cash and cash equivalents	13	**56,787**	61,982
Accounts receivable and prepaid expenses		**9,016**	8,057
Income taxes receivable		**304**	304
Convertible debenture	8	**12,051**	12,692
		78,158	83,035
Non-current assets			
Interests in joint ventures	4	**104,297**	154,652
Royalty and streaming interests	7	**266,279**	146,636
Mining and other investments	6	**93,277**	113,056
Exploration and evaluation assets		**20,184**	20,297
Goodwill		**7,841**	7,841
Deferred tax assets	9	**4,142**	3,837
Investment in associates	5	**9,569**	4,826
Property and equipment		**23**	22
		505,612	451,167
TOTAL ASSETS		**583,770**	534,202
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**5,998**	8,948
Current portion of debt	10	**13,000**	13,000
Income taxes payable		**2,746**	2,821
		21,744	24,769
Non-current liabilities			
Long-term debt	10	**114,356**	52,193
Deferred tax liabilities	9	**53,582**	57,115
		189,682	134,077
EQUITY			
Shareholders' equity		**381,537**	400,056
Non-controlling interest	7	**12,551**	69
		394,088	400,125
TOTAL LIABILITIES AND EQUITY		**583,770**	534,202

see accompanying notes to the Condensed Consolidated Financial Statements

ALTIUS MINERALS CORPORATION

Condensed Consolidated Statements of Earnings (Loss)

(Unaudited - In thousands of Canadian dollars, except per share amounts)

		Three months ended,	
		March 31,	April 30,
	Note #	**2018**	2017
	1	**$**	$
Revenue and other income	3 & 11	**9,395**	7,643
Costs and Expenses			
General and administrative	11	**1,900**	1,546
Cost of sales - copper stream	3	**1,144**	879
Share-based compensation		**296**	196
Generative exploration		**60**	167
Exploration and evaluation assets abandoned or impaired		**9**	2,112
Mineral rights and leases		**78**	76
Amortization and depletion		**3,050**	2,922
		6,537	7,898
Earnings from joint ventures	4	**5,215**	3,417
Gain on disposal of investments	5 & 6	**92**	557
Interest on long-term debt		**(1,244)**	(1,363)
Foreign exchange loss		**(82)**	(546)
Dilution gain on issuance of shares by associate		**-**	196
Unrealized loss on fair value adjustment of derivatives	6 & 8	**(2,183)**	-
Share of loss and impairment in associates	5	**(332)**	(2,106)
Earnings (loss) before income taxes		**4,324**	(100)
Income taxes (current and deferred)	9	**1,797**	860
Net earnings (loss)		**2,527**	(960)
Net earnings (loss) attributable to:			
Common shareholders		**2,530**	(963)
Non-controlling interest		**(3)**	3
		2,527	(960)
Net earnings (loss) per share			
basic and diluted	12	**0.06**	(0.02)

see accompanying notes to the Condensed Consolidated Financial Statements

ALTIUS MINERALS CORPORATION

Condensed Consolidated Statements of Comprehensive Loss

(Unaudited - In thousands of Canadian dollars)

	Three months ended	
	March 31,	April 30,
	2018	2017
	$	$
Net earnings (loss)	**2,527**	(960)
Other comprehensive loss, net of tax		
To be reclassified subsequently to profit or loss:		
Net unrealized loss on investments		
(net of deferred income taxes of $738)	**-**	(4,152)
Adjustment for net realized loss on investments		
(net of deferred tax recovery of $37)	**-**	(243)
To not be reclassified subsequently to profit or loss:		
Net unrealized loss on investments		
(net of deferred tax recovery of $3,431)	**(17,555)**	-
Total comprehensive loss	**(15,028)**	**(5,355)**
Total comprehensive loss attributable to:		
Common shareholders	**(15,025)**	(5,358)
Non-controlling interest	**(3)**	3
	(15,028)	**(5,355)**

see accompanying notes to the Condensed Consolidated Financial Statements

ALTIUS MINERALS CORPORATION

Condensed Consolidated Statements of Cash Flows

(Unaudited - In thousands of Canadian dollars)

		Three months ended,	
		March 31, 2018	April 30, 2017
	Note #	**$**	$
Operating activities	1		
Net earnings (loss)		**2,527**	(960)
Adjustments for operating activities	13	**(717)**	3,964
		1,810	3,004
Changes in non-cash operating working capital	13	**(744)**	(1,905)
		1,066	1,099
Financing activities			
Proceeds from long-term debt	10	**65,000**	-
Repayment of long-term debt	10	**(3,250)**	(2,000)
Proceeds from issuance of preferred securities		**-**	24,600
Preferred securities distribution		**(1,192)**	-
Repurchase of common shares	12	**(75)**	-
Dividends paid		**(3,456)**	(1,300)
		57,027	21,300
Investing activities			
Proceeds from sale of investments		**101**	1,713
Cash received from joint ventures	4	**7,035**	5,866
Acquisition of control of Potash Royalty Limited Partnership	4 & 7	**(63,437)**	-
Generative exploration		**(60)**	(167)
Exploration and evaluation assets, net of recoveries		**(184)**	(179)
Acquisition of investments	5 & 6	**(6,729)**	(7,337)
Acquisition of share purchase warrants		**(12)**	-
Acquisition of property and equipment		**(2)**	-
		(63,288)	(104)
Net (decrease) increase in cash and cash equivalents		**(5,195)**	22,295
Cash and cash equivalents, beginning of period		**61,982**	12,535
Cash and cash equivalents, end of period		**56,787**	34,830

Supplemental cash flow information (Note 13)

see accompanying notes to the Condensed Consolidated Financial Statements

ALTIUS MINERALS CORPORATION

Condensed Consolidated Statements of Changes in Equity

(Unaudited - In thousands of Canadian dollars, except share amounts)

	Common Shares		Preferred Securities		Other Equity Reserves	Accumulated Other Comprehensive Earnings	Retained Earnings	Total Shareholders' Equity	Non-controlling interest	Total Equity
	#	$	#	$	$	$	$	$	$	$
					(Note 12)	(Note 3)	(Note 3)			
Balance, January 31, 2017	43,335,654	270,228	-	-	6,181	9,687	11,438	297,534	69	297,603
Net earnings (loss) and comprehensive (loss), February 1 to April 30, 2017	-	-	-	-	-	(4,395)	(963)	(5,358)	3	(5,355)
Securities issued	-	-	2,500,000	21,997	-	-	-	21,997	-	21,997
Issuance costs	-	-	-	(678)	-	-	-	(678)	-	(678)
Warrants issued	-	-	-	-	3,003	-	-	3,003	-	3,003
Dividends	-	-	-	-	-	-	(1,300)	(1,300)	-	(1,300)
Share-based compensation	-	-	-	-	196	-	-	196	-	196
Balance, April 30, 2017	43,335,654	270,228	2,500,000	21,319	9,380	5,292	9,175	315,394	72	315,466
Net earnings (loss) and comprehensive (loss), May 1 to December 31, 2017	-	-	-	-	-	28,576	18,221	46,797	(3)	46,794
Shares repurchased and cancelled	(174,689)	(1,089)	-	-	-	-	(822)	(1,911)	-	(1,911)
Securities issued	-	-	7,500,000	65,991	-	-	-	65,991	-	65,991
Deferred tax (Note 9)	-	-	-	(30,000)	-	-	-	(30,000)	-	(30,000)
Preferred securities distribution	-	-	-	(1,695)	-	-	-	(1,695)	-	(1,695)
Issuance costs	-	-	-	(249)	-	-	-	(249)	-	(249)
Warrants issued	-	-	-	-	9,009	-	-	9,009	-	9,009
Dividends	-	-	-	-	-	-	(4,323)	(4,323)	-	(4,323)
Share-based compensation	-	-	-	-	1,043	-	-	1,043	-	1,043
Shares issued under long-term incentive plan	26,326	319	-	-	(319)	-	-	-	-	-
Balance, December 31, 2017	43,187,291	269,458	10,000,000	55,366	19,113	33,868	22,251	400,056	69	400,125
Net earnings and comprehensive (loss) earnings, January 1 to March 31, 2018	-	-	-	-	-	(17,555)	2,530	(15,025)	(3)	(15,028)
Non-controlling interest of Potash Royalty Partnership acquisition (Note 7)	-	-	-	-	-	-	-	-	12,485	12,485
Adoption of IFRS 9 & 15 (Note 3)	-	-	-	-	-	(1,888)	1,134	(754)		(754)
Shares repurchased and cancelled (Note 12)	(6,200)	(39)	-	-	-	-	(36)	(75)	-	(75)
Preferred securities distribution	-	-	-	(1,233)		-	-	(1,233)	-	(1,233)
Dividends	-	-	-	-	-	-	(1,728)	(1,728)	-	(1,728)
Share-based compensation	-	-	-	-	296	-	-	296	-	296
Shares issued under long-term incentive plan	33,935	384	-	-	(384)	-	-	-	-	-
Balance, March 31, 2018	**43,215,026**	**269,803**	**10,000,000**	**54,133**	**19,025**	**14,425**	**24,151**	**381,537**	**12,551**	**394,088**

see accompanying notes to condensed consolidated financial statements

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

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

In 2017, the Corporation has changed its year end to December 31 in order to align with mine operations. These condensed consolidated financial statements reflect a three-month period from January 1 to March 31, 2018, and comparative three-month period from February 1 to April 30, 2017.

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

These condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 14, 2018.

2. BASIS OF PRESENTATION

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

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

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND PRONOUNCEMENTS

These condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as the annual consolidated financial statements of the Corporation as at and for the eight-month period ended December 31, 2017, with the exception of the changes arising from the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers with a date of initial application of January 1, 2018.

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

The condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the eight-month period ended December 31, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND PRONOUNCEMENTS (CONTINUED)

IFRS 9 – Financial Instruments

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

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

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

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

The impact on the balance sheet from the change relating to IFRS 9 has been summarized below.

We have assessed the classification and measurement of our financial assets and financial liabilities under IFRS 9 as follows:

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

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND PRONOUNCEMENTS (CONTINUED)

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

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

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

IFRS 15 – Revenue from Contracts with Customers

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

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

The Corporation has determined that royalty, interest and investment income are not in scope of IFRS 15 and hence the Corporation's accounting policies are unchanged as a result of the adoption of this Standard. Similarly, the Corporation determined that proceeds on disposal of exploration and evaluation assets are not in scope of IFRS 15 and hence the Corporation's accounting policy for these proceeds and cost recoveries is unchanged from that disclosed in the annual consolidated financial statements of the Corporation as at and for the eight-month period ended December 31, 2017.

Revenue recognition contracts with customers- streams
Certain revenues from contracts with customers are comprised of amounts earned from the sale to third parties of commodities acquired through our mineral stream interests. Stream revenue from customers is recognized when the Corporation becomes entitled to payment upon satisfying its performance obligation by delivering the commodity, at which point control over the commodity transfers. Stream revenue from customers is measured in reference to the transaction price as specified within our contracts with end purchasers of the commodities.
The impact on the balance sheet from the changes relating to IFRS 15 have been summarized below.

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

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND PRONOUNCEMENTS (CONTINUED)

Impact of adoption of IFRS 9 & 15

	IFRS 9		IFRS 15	
	Convertible Debenture	Investments	Copper stream	Total
Accounts receivable	-	-	(2,198)	(2,198)
Champion debenture	448	-	-	448
Deferred tax asset/liability	(67)	-	420	353
Accounts payable	-	-	643	643
Accumulated other comprehensive income	-	1,888	-	1,888
Retained earnings	(381)	(1,888)	1,135	(1,134)

Pronouncements

IFRS 16 – Leases. This standard specifies how the Corporation will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 was issued in January 2016 and applies to annual financial reporting periods beginning on or after January 1, 2019.

The Corporation has not early adopted IFRS 16 and standards and continues to assess the impact of this standard on its consolidated financial statements but does not expect the impact to be material.

4. INTERESTS IN JOINT VENTURES

	LNRLP	Prairie Royalties LP	Total
	$	$	$
Balance April 30, 2017	5,717	145,991	151,708
Earnings (loss)	(420)	14,372	13,952
Cash (receipts) disbursements	420	(11,428)	(11,008)
Balance, December 31, 2017	5,717	148,935	154,652
Acquisition of control of Potash Royalty Limited Partnership (note 7)	-	(48,535)	(48,535)
Earnings (loss)	(194)	5,409	5,215
Cash (receipts) disbursements	194	(7,229)	(7,035)
Balance, March 31, 2018	**5,717**	**98,580**	**104,297**

On March 23, 2018, the Corporation together with a private third party acquired an additional 44.935% in Potash Royalty Limited Partnership ("PRLP"), one of the Prairie Royalties LPs, from Liberty Metals & Mining Holdings, LLC for total cash consideration of $75,000,000, $65,000,000 of which is the Corporation's portion. The acquisition is considered an asset acquisition for financial reporting purposes. This acquisition brings the Corporation's total interest in PRLP to 91.313% from its previous 52.369% ownership. Effective March 23, 2018,

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

4. INTERESTS IN JOINT VENTURES (CONTINUED)

the Corporation consolidated the net assets of PRLP, recognized a non-controlling interest and discontinued equity accounting for PRLP in accordance with IFRS 10 Consolidated Financial Statements.

5. INVESTMENT IN ASSOCIATES

	Alderon	Adventus Zinc	Total
	$	$	$
Balance, April 30, 2017	551	2,769	3,320
Additions (disposals)	-	2,700	2,700
Share of loss in associates	(551)	(643)	(1,194)
Balance, December 31, 2017	-	4,826	4,826
Additions (disposals)	5,075	-	5,075
Share of loss in associates	-	(332)	(332)
Balance, March 31, 2018	**5,075**	**4,494**	**9,569**

Percentage ownership:		
At December 31, 2017:	24.9%	26.7%
At March 31, 2018	**38.8%**	**26.7%**

The Corporation currently holds 51,838,916 shares in Alderon Iron Ore Corporation ("Alderon") or 38.8% (December 31, 2017 - 24.9%) of the total shares outstanding. The Corporation significantly influences this investee and continues to equity account for this investment in accordance with IAS 28 Investments in Associates. During the quarter ended March 31, 2018, the Corporation acquired 18,797,454 Alderon common shares from Liberty Metals & Mining Holdings, LLC ("Liberty") for a total cost of $5,075,000. The Corporation also retains a 3% gross sales royalty relating to any potential future mining operations on Alderon's Kami iron ore property.

6. MINING AND OTHER INVESTMENTS

	Investments	Share Purchase Warrants	Total
	$	$	$
Balance, April 30, 2017	44,523	-	44,523
Additions	36,114	629	36,743
Disposals	(5,439)	-	(5,439)
Impairment recognition	1,995	-	1,995
Revaluation	33,620	1,614	35,234
Balance, December 31, 2017	110,813	2,243	113,056
Additions	1,654	104	1,758
Reclassification to investments in traded securities	104	(104)	-
Receipt for interest in mineral property	310	-	310
Disposals	(104)	-	(104)
Revaluation (Note 3)	(20,649)	(1,094)	(21,743)
Balance, March 31, 2018	**92,128**	**1,149**	**93,277**

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

7. ROYALTY AND STREAMING INTERESTS

	Note	As at December 31, 2017	Additions	**As at March 31, 2018**
		$	**$**	**$**
Royalty interests				
Rocanville - Potash		11,891	-	**11,891**
Esterhazy - Potash		3,000	-	**3,000**
Other potash		7,000	-	**7,000**
Coal & coal bed methane		8,000	-	**8,000**
777 Mine - Copper & zinc		47,356	-	**47,356**
Gunnison - Copper		5,300	-	**5,300**
Sheerness West - Coal		9,000	-	**9,000**
Pickett Mountain		7,606	-	**7,606**
Acquisition of potash interests	a	-	122,691	**122,691**
Streaming interest				
Chapada - Copper		77,634	-	**77,634**
Balance, end of period		176,787	122,691	**299,478**
Accumulated amortization and depletion				
Rocanville - Potash		68	24	**92**
Esterhazy - Potash		59	5	**64**
Other potash		38	-	**38**
Coal & coal bed methane		1,434	100	**1,534**
777 Mine - Copper & zinc		21,459	1,930	**23,389**
Gunnison - Copper		-	-	-
Sheerness West - Coal		-	-	-
Pickett Mountain		-	-	-
Potash interests		-	-	-
Streaming interest				
Chapada - Copper		7,093	989	**8,082**
Balance, end of period		30,151	3,048	**33,199**
Net book value		146,636	119,643	**266,279**

a. On March 23, 2018, following the acquisition of control of PRLP, the Corporation consolidated the net assets of PRLP, consisting of potash royalty interests of $122,691,000, cash of $11,563,000, working capital of $1,765,000 and a non-controlling interest of $12,485,000. Upon the acquisition of control, the Corporation disposed of its previously held interest in joint venture, at cost, of $48,535,000 (Note 4) recognizing no gain or loss. The value assigned to the royalty interests of $122,691,000 consists of the Corporation's cost of its investment in PRLP, the net $65,000,000 for the newly acquired ownership and the cost of the non-controlling interest, net of any working capital adjustments.

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

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

7. ROYALTY AND STREAMING INTERESTS (CONTINUED)

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

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

8. CONVERTIBLE DEBENTURE

	Total $
Balance, December 31, 2017	12,692
IFRS 9 adoption (Note 3)	448
Revaluation	(1,089)
Balance, March 31, 2018	**12,051**

On June 1, 2017, the Corporation invested $10 million in an unsecured subordinated convertible debenture (the "Debenture") of Champion Iron Limited ("Champion"). The Debenture has an initial term to maturity of 12 months and has been classified in current assets and will bear interest at a rate of 8% payable quarterly. The Debenture is convertible at the option of the Corporation at any time into Champion common shares at a conversion price of $1.00 per share. If the principal amount is not repaid in full on or before the second anniversary of the Debenture Altius will have the right to convert the entire outstanding principal amount into a 0.21% gross overriding royalty on the Bloom Lake project. The Corporation fair values the Debenture at each reporting period using an option pricing model which includes inputs for the maturity of the instrument, probabilities, volatility and share price of the underlying entity and records any unrealized gains or losses in the statement of earnings. Interest income in the amount of $260,000 has been recognized during the three months ended March 31, 2018.

9. INCOME TAXES

Significant components of the deferred tax liability are as follows:

	March 31, 2018 **$**	December 31, 2017 $
Temporary differences related to exploration and evaluation assets, property and other	**(3,233)**	(3,202)
Non capital and net capital loss carryforwards	**1,060**	941
Carrying value of investments in excess of tax values	**(3,184)**	(6,525)
Temporary differences related to preferred securities	**(30,000)**	(30,000)
Deferred and deductible share-based compensation and other costs	**1,016**	809
Share and debt issue costs	**1,215**	1,336
Carrying values in excess of tax values relating to royalty and streaming interests in mineral properties	**(16,314)**	(16,637)
	(49,440)	(53,278)

	March 31, 2018 **$**	December 31, 2017 $
Deferred tax liabilities	**(53,582)**	(57,115)
Deferred tax assets	**4,142**	3,837
Total deferred income tax	**(49,440)**	(53,278)

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

9. INCOME TAXES (CONTINUED)

Components of income tax are as follows:

	Three months ended,	
	March 31,	April 30,
	2018	2017
	$	$
Current tax	**2,185**	1,478
Deferred tax	**(388)**	(618)
	1,797	860

10. DEBT

At amortized cost	**March 31, 2018**	December 31, 2017
	$	$
Long-term debt	**127,356**	65,193
Current	**13,000**	13,000
Non-current	**114,356**	52,193
	127,356	65,193

The Corporation has a senior secured debt facility consisting of a $70 million term facility ("Term Credit Facility") and an $80 million revolving facility ("Revolving Facility"), collectively the "Credit Facilities". The Term Credit Facility is repayable by April 2020 with quarterly principal repayments of $2,000,000 until July 31, 2017 and increasing to $3,250,000 thereafter, bearing interest at variable rates based on the total debt ratio. The Revolving Facility is payable in full by April 2019 and includes a cash sweep mechanism. Additional draw-downs on the Revolving Facility are permitted for future qualifying royalty and streaming acquisitions. During the quarter ended March 31, 2018, the Corporation completed an additional draw-down of $65,000,000 which combined with $10,000,000 in cash funded the Liberty Potash Royalties acquisition (see Note 7). The Corporation has approximately $5,000,000 available on its revolving facility.

The Corporation is amortizing costs attributable to securing Credit Facilities over the life of the Term Credit Facility using an effective interest rate of 5.78% and over the life of the Revolving Facility on a straight-line basis. During the three months ended March 31, 2018, $157,000 (April 30, 2017 - $165,000) of the costs were recognized in the statement of earnings.

In accordance with the terms of the Credit Facilities the Corporation has repaid $3,250,000 during the three months ended March 31, 2018 (April 30, 2017 - $2,000,000), all of which represented a required quarterly principal repayment on the Term Credit Facility.

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

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

10. DEBT (CONTINUED)

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

	Term	Revolver	Total
	$	**$**	**$**
2018	13,000	-	13,000
2019	13,000	74,669	87,669
2020	27,500	-	27,500
	53,500	74,669	128,169
Less: unamortized debt costs			813
			127,356

11. REVENUE AND GENERAL AND ADMINISTRATIVE

Revenue and other income	**Three months ended**	
	March 31, 2018	April 30, 2017
	$	$
Copper stream*	**3,904**	2,942
Royalty	**3,996**	3,767
Interest and investment	**1,463**	859
Other	**32**	75
Total revenue and other income	**9,395**	7,643

*Revenue from contracts with customers

General and administrative expenses	**Three months ended**	
	March 31, 2018	April 30, 2017
	$	$
Salaries and benefits	**834**	1,264
Office and administrative	**246**	195
Professional and consulting fees	**693**	13
Travel and accommodations	**127**	74
Total general and administrative	**1,900**	1,546

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

12. SHARE CAPITAL

Shares repurchased

The Corporation renewed its Normal Course Issuer Bid ("NCIB") effective August 22, 2017 and it will end no later than August 21, 2018. The Corporation may purchase at market price up to 2,038,535 common shares representing approximately 4.7% of its 43,208,291 outstanding shares as of August 11, 2017. The Corporation repurchased and cancelled 6,200 common shares during the three months ended March 31, 2018 at a cost of $75,000 (April 30, 2017 - $nil).

Net earnings (loss) per share

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

	Three months ended	
	March 31, 2018	April 31, 2017
Weighted average number of shares:		
Basic	**43,206,144**	43,335,654
Diluted	**43,485,317**	43,335,654

Other equity reserves

Other equity reserves consist of share-based payment reserves of $2,997,000, warrants of $12,959,000 and contributed surplus of $3,069,000 for a total of $19,025,000. Share-based payment reserve amounts are in respect of stock options, deferred share units ("DSUs"), and restricted share units ("RSUs").

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

13. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended	
	March 31, 2018	April 30, 2017
	$	$
Adjustments for operating activities:		
Generative exploration	**60**	167
Exploration and evaluation assets abandoned or impaired	**9**	2,112
Share-based compensation	**296**	196
Unrealized foreign exchange loss	**256**	718
Amortization and depletion	**3,050**	2,922
Non-cash other revenue & accretion	**(22)**	(579)
Interest on long-term debt	**1,244**	1,363
Interest paid	**(1,242)**	(1,214)
Gain on disposal of investments	**(92)**	(557)
Unrealized gain on fair value adjustment of derivatives	**2,183**	-
Earnings from joint ventures	**(5,215)**	(3,417)
Share of loss and impairment in associates	**332**	2,106
Dilution gain on issuance of shares by associates	**-**	(196)
Income taxes	**1,797**	860
Income taxes paid	**(3,373)**	(517)
	(717)	3,964
Changes in non-cash operating working capital:		
Accounts receivable and prepaid expenses	**(232)**	(2,148)
Accounts payable and accrued liabilities	**(512)**	243
	(744)	(1,905)
Cash and cash equivalents consist of:		
Deposits with banks	**56,787**	33,973
Short-term investments	**-**	857
	56,787	34,830

14. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2018 the Corporation billed a joint venture $nil (April 30, 2017 - $1,500) and an associate $8,000 (April 30, 2017 - $105,000) for reimbursement of property, exploration, consulting, professional and general administrative expenses.

During the three months ended March 31, 2018 the Corporation paid compensation to key management personnel and directors of $1,302,000 (April 30, 2017 - $324,000) related to salaries and benefits and incurred $296,000 (April 30, 2017 - $196,000) in share-based compensation costs.

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

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

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

Fair values of the Corporation's financial assets and financial liabilities were determined as follows:

As at March 31, 2018:

	Level 1	**Level 2**	**Level 3**	**TOTAL**
	$	$	$	$
FINANCIAL ASSETS				
Convertible debenture	**-**	**-**	**12,051**	**12,051**
Mining and other investments	**92,128**	**1,149**	**-**	**93,277**
TOTAL FINANCIAL ASSETS	**92,128**	**1,149**	**12,051**	**105,328**
FINANCIAL LIABILITIES	**-**	**-**	**-**	**-**

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

Risk Management

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

A summary of the major financial instrument risks and the Corporation's approach to the management of these risks are included in the December 31, 2017 annual consolidated financial statements.

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

16. SEGMENTED INFORMATION

Key measures used by the chief operating decision maker ("CODM") in assessing performance and in making resource allocation decisions are earnings before interest, tax, depreciation and amortization and other income (expenses) (''adjusted EBITDA'') and earnings before income taxes. Both measures enable the determination of cash return on the equity deployed and overall profitability for each segment. Revenue and expenses from the LNRLP and Prairie Royalties joint ventures (see Note 5) are included in the Royalties segment on a gross revenue and expense basis and adjusted to earnings in joint ventures (under the equity method) in the adjustment column of the table.

Reportable Segments

Three months ended March 31, 2018

	Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
	$	$	$	$	$
Revenue and other income	15,805	292	16,097	(6,702)	9,395
Costs and Expenses					
General and administrative	1,367	754	2,121	(221)	1,900
Cost of sales - copper stream	1,144	-	1,144	-	1,144
Generative exploration	-	60	60	-	60
Mineral rights and leases	-	78	78	-	78
Adjusted EBITDA	13,294	(600)	12,694	(6,481)	6,213
Share-based compensation	(222)	(74)	(296)	-	(296)
Amortization and depletion	(4,314)	(2)	(4,316)	1,266	(3,050)
Earnings from joint ventures	-	-	-	5,215	5,215
Gain on disposal of investments	-	92	92	-	92
Foreign exchange loss	(82)	-	(82)	-	(82)
Unrealized loss on fair value adjustment of derivative	-	(2,183)	(2,183)	-	(2,183)
Exploration and evaluation assets abandoned or impaired	-	(9)	(9)	-	(9)
Share of loss and impairment in associates	-	(332)	(332)	-	(332)
Interest on long-term debt	(1,244)	-	(1,244)	-	(1,244)
Earnings (loss) before income taxes	7,432	(3,108)	4,324	-	4,324
Income taxes (current and deferred)					1,797
Net earnings					2,527
Supplementary information					
Total assets	540,535	43,235	583,770	-	583,770
Cash flow from (used)					
Operating activities	8,641	(540)	8,101	(7,035)	1,066
Financing activities	57,027	-	57,027	-	57,027
Investing activities	(64,091)	(6,232)	(70,323)	7,035	(63,288)
Total cash flow from (used)	1,577	(6,772)	(5,195)	-	(5,195)

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

16. SEGMENTED INFORMATION (CONTINUED)

Reportable Segments

Three months ended April 30, 2017

	Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
	$	$	$	$	$
Revenue and other income	13,378	76	13,454	(5,811)	7,643
Costs and Expenses					
General and administrative	1,210	862	2,072	(526)	1,546
Cost of sales - copper stream	879	-	879	-	879
Generative exploration	-	167	167	-	167
Mineral rights and leases	-	76	76	-	76
Adjusted EBITDA	11,289	(1,029)	10,260	(5,285)	4,975
Share-based compensation	(69)	(127)	(196)	-	(196)
Amortization and depletion	(4,790)	-	(4,790)	1,868	(2,922)
Earnings from joint ventures	-	-	-	3,417	3,417
Gain on disposal of investments	-	557	557	-	557
Gain on disposal of minerals property	-	-	-	-	-
Foreign exchange loss	(546)	-	(546)	-	(546)
Exploration and evaluation assets abandoned or impaired	-	(2,112)	(2,112)	-	(2,112)
Dilution gain on issuance of shares by associate	-	196	196	-	196
Share of loss and impairment in associates	-	(2,106)	(2,106)	-	(2,106)
Interest on long-term debt	(1,363)	-	(1,363)	-	(1,363)
Earnings (loss) before income taxes	4,521	(4,621)	(100)	-	(100)
Income taxes (current and deferred)					860
Net loss					(960)
Supplementary information					
Total assets	374,617	45,828	420,445	-	420,445
Cash flow from (used)					
Operating activities	7,811	(846)	6,965	(5,866)	1,099
Financing activities	21,300	-	21,300	-	21,300
Investing activities	(7,480)	1,510	(5,970)	5,866	(104)
Total cash flow	21,631	664	22,295	-	22,295