Altius Minerals Corporation

Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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, 2024 and 2023, and the consolidated statements of earnings, comprehensive earnings (loss), changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (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, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. 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 Note 2, 3, 5 and 15 to the financial statements

Key Audit Matter Description

The Corporation's joint venture has renewable royalty interests and holds 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 investments is 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, specifically 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 included the following, among others:

- Evaluated the reasonableness of management's expected timing of cashflow from royalties, power purchase agreement prices and merchant power pricing, and timing of commercial operations, as applicable, by considering:
    - Contractual terms;
    - 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 rates and developed a range of independent estimates for the discount rates and compared to the discount rates selected by management.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not 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 Accounting Standards as issued by the IASB, 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 Jacklyn Mercer.

/s/ Deloitte LLP

Chartered Professional Accountants
St. John's, Newfoundland and Labrador
March 11, 2025

CONSOLIDATED BALANCE SHEETS

In Thousands of Canadian Dollars	Note	As at December 31, 2024	As at December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		$ 15,908	$ 130,422
Accounts receivable and prepaid expenses		7,391	6,935
Income tax receivable		749	2,074
Loan receivable	6	–	5,303
		$ 24,048	$ 144,734
Non-current assets			
Royalty and streaming interests	7	199,916	206,209
Investments	6	233,566	221,745
Interests in joint ventures	5	230,787	174,873
Exploration and evaluation assets	4	9,009	8,011
Deferred tax assets	8	8,798	7,907
Investment in associates		–	1,579
Loan receivable	6	7,193	6,628
Derivative - cash flow swap	9	312	1,339
Property and equipment		356	513
		$ 689,937	$ 628,804
TOTAL ASSETS		$ 713,985	$ 773,538
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		3,319	4,155
Current portion of long-term debt	9	8,000	8,000
Income tax payable		1,455	734
		$ 12,774	$ 12,889
Non-current liabilities			
Long-term debt	9	99,381	104,173
Other liability		409	418
Deferred tax liabilities	8	30,293	43,520
		$ 130,083	$ 148,111
TOTAL LIABILITIES		$ 142,857	$ 161,000
EQUITY			
Shareholders' equity		561,177	488,727
Non-controlling interest		9,951	123,811
		$ 571,128	$ 612,538
TOTAL LIABILITIES AND EQUITY		$ 713,985	$ 773,538

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF EARNINGS

In Thousands of Canadian Dollars, except per share amounts	Note	Year ended December 31, 2024	December 31, 2023
Revenue and other income	10	$ 58,171	$ 68,957
Costs and Expenses			
General and administrative	10	12,433	11,489
Cost of sales		5,937	5,098
Share-based compensation	12	4,465	3,968
Generative exploration		180	1,048
Exploration and evaluation assets abandoned or impaired	4	226	602
Mineral rights and leases		227	227
Amortization and depletion		6,171	15,982
Earnings before the following:		$ 28,532	$ 30,543
Gain on disposal of mineral property	4	25	594
Loss from joint ventures	5	(1,840)	(1,826)
Realized gain on disposal of derivatives	6	4,186	349
Unrealized (loss) gain on fair value adjustment of derivatives	6	(2,056)	325
Impairment of royalty interest	7	(1,537)	(6,338)
Gain on deconsolidation of subsidiary	5	87,146	–
Interest on long-term debt		(9,523)	(9,276)
Foreign exchange (loss) gain		(3,046)	980
Share of loss and impairment in associate		(1,579)	(34)
Earnings before income taxes		$ 100,308	$ 15,317
Income taxes (current and deferred)	8	(1,496)	5,195
Net earnings		$ 101,804	$ 10,122
Net earnings attributable to:			
Common shareholders		100,765	9,537
Non-controlling interest		1,039	585
		$ 101,804	$ 10,122
Net earnings per share			
Basic	11	2.16	0.20
Diluted	11	2.12	0.20

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

In Thousands of Canadian Dollars	Note	Year ended December 31, 2024	Year ended December 31, 2023
Net earnings		$ 101,804	$ 10,122
Other comprehensive earnings (loss)			
To be reclassified subsequently to profit or loss			
Foreign currency translation adjustment			
Gross amount		1,008	(5,607)
Net amount		$ 1,008	$ (5,607)
Net unrealized loss on fair value adjustment of cash flow swap			
Gross amount		(915)	(716)
Tax effect		210	191
Net amount		$ (705)	$ (525)
Revaluation of cash flow swap held in joint venture			
Gross amount	5	7,206	(5,275)
Tax effect		(1,168)	1,168
Net amount		$ 6,038	$ (4,107)
To not be reclassified subsequently to profit or loss			
Net unrealized gain on investments			
Gross amount	6	10,336	14,958
Tax effect		(1,462)	(1,219)
Net amount		$ 8,874	$ 13,739
Revaluation of investments held in joint venture			
Gross amount	5	3,052	24,278
Tax effect		(310)	(5,489)
Net amount		$ 2,742	$ 18,789
Realized loss on investments	6	(6,330)	(747)
Tax effect		950	–
Net amount		$ (5,380)	$ (747)
Other comprehensive earnings		$ 12,577	$ 21,542
Total comprehensive earnings		$ 114,381	$ 31,664
Total comprehensive earnings attributable to:			
Common shareholders		111,173	24,924
Non-controlling interest		3,208	6,740
		$ 114,381	$ 31,664

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

In Thousands of Canadian Dollars	Note	Year ended December 31, 2024	Year ended December 31, 2023
Operating activities			
Net earnings		$ 101,804	$ 10,122
Adjustments for operating activities	13	(69,862)	23,523
		$ 31,942	$ 33,645
Changes in non-cash operating working capital	13	(3,988)	2,861
		$ 27,954	$ 36,506
Financing activities			
Costs incurred on amendment of credit facilities	9	(1,456)	–
Repayment of long-term debt	9	(8,000)	(8,000)
Lease payments		(168)	(168)
Proceeds from issuance of shares		401	–
Cash settled stock options and RSUs	12	(3,849)	(1,900)
Payments to non-controlling interest		(966)	(2,030)
Repurchase of common shares	11	(16,196)	(12,528)
Shares returned to treasury		661	–
Dividends paid		(14,842)	(14,300)
		$ (44,415)	$ (38,926)
Investing activities			
Proceeds from sale of investments	6	26,434	1,157
Cash received from joint ventures	5	831	75,730
Return of capital	6	–	8,950
Proceeds from sale of mineral properties		–	161
Generative exploration		(180)	(1,048)
Exploration and evaluation assets, net of recoveries		(1,326)	(396)
Investment in joint venture	5	(65,871)	(21,222)
Loan receivable		–	(5,283)
Deconsolidation of subsidiary	5	(55,999)	–
Purchase of non-controlling interest units		–	(1,357)
Proceeds from repayment of loan	6	5,303	–
Acquisition of royalty interest	7	(1,210)	–
Acquisition of investments	6	(11,300)	(1,609)
Acquisition of property and equipment		(48)	(9)
		$ (103,366)	$ 55,074
Net (decrease) increase in cash and cash equivalents		(119,827)	52,654
Effect of foreign exchange on cash and cash equivalents		5,313	(4,617)
Cash and cash equivalents, beginning of year		130,422	82,385
Cash and cash equivalents, end of year		$ 15,908	$ 130,422

Supplemental cash flow information (Note 13)

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In Thousands of Canadian Dollars	Note	Common Shares Number	Common Shares Amount	Other Equity Reserves (Note 11)	Accumulated Other Comprehensive Earnings	Retained Earnings	Total Shareholders' Equity	Non-controlling interest	Total Equity
Balance, December 31, 2022		47,624,958	$ 358,697	$ 12,453	$ 90,390	$ 24,653	$ 486,193	$ 122,616	$ 608,809
Net earnings and comprehensive earnings, January 1 to December 31, 2023		–	–	–	15,387	9,537	24,924	6,740	31,664
Payments to non-controlling interest		–	–	–	–	–	–	(3,387)	(3,387)
Transactions with non-controlling interests		–	–	–	–	2,232	2,232	(2,158)	74
Shares repurchased and cancelled	11	(611,800)	(4,613)	–	–	(7,915)	(12,528)	–	(12,528)
Dividends paid to common shareholders		–	–	–	–	(15,191)	(15,191)	–	(15,191)
Shares issued under dividend reinvestment plan		43,081	891	–	–	–	891	–	891
Share-based compensation	12	–	–	3,968	–	–	3,968	–	3,968
Cash settled RSUs and stock options		–	–	(1,900)	–	–	(1,900)	–	(1,900)
Shares issued under long-term incentive plan		24,498	314	(176)	–	–	138	–	138
Balance, December 31, 2023		47,080,737	$ 355,289	$ 14,345	$ 105,777	$ 13,316	$ 488,727	$ 123,811	$ 612,538
Net earnings and comprehensive earnings, January 1 to December 31, 2024		–	–	–	10,408	100,765	111,173	3,208	114,381
Payments to non-controlling interest		–	–	–	–	–	–	(966)	(966)
Transactions with non-controlling interests		–	–	–	–	(6,230)	(6,230)	6,882	652
Shares repurchased and cancelled	11	(761,500)	(5,769)	–	–	(10,427)	(16,196)	–	(16,196)
Shares returned to treasury		(220,810)	–	–	–	661	661	–	661
Dividends paid to common shareholders		–	–	–	–	(16,272)	(16,272)	–	(16,272)
Shares issued under dividend reinvestment plan		59,269	1,430	–	–	–	1,430	–	1,430
Share-based compensation	12	–	–	4,465	–	–	4,465	–	4,465
Cash settled RSUs and stock options		–	–	(3,849)	–	–	(3,849)	–	(3,849)
Shares issued under long-term incentive plan		132,912	2,065	(4,797)	–	–	(2,732)	–	(2,732)
Deconsolidation of subsidiary	5	–	–	–	–	–	–	(122,984)	(122,984)
Balance, December 31, 2024		46,290,608	$ 353,015	$ 10,164	$ 116,185	$ 81,813	$ 561,177	$ 9,951	$ 571,128

See accompanying notes to the consolidated financial statements

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Altius Minerals Corporation ("Altius" or the "Corporation") manages its business under three operating segments, consisting of (i) the acquisition and management of producing and development stage mineral royalty and streaming interests ("Mineral Royalties"), (ii) the acquisition and early stage exploration of mineral resource properties with a goal of vending the properties to third parties in exchange for early stage royalties and minority equity or project interests ("Project Generation") and (iii) its 57% held interest in Altius Renewable Royalties Corp. ("ARR"), which is focused on the acquisition and management of renewable energy investments and royalties ("Renewable Royalties").

The Corporation's diversified mineral royalties and streams generate revenue from 11 operating mines located in Canada (9) and Brazil (2) that produce copper, nickel, cobalt, lithium, potash and iron ore. It also holds a construction stage royalty interest in a copper-gold mine and indirect royalty interests in two construction stage lithium mines. The Corporation further holds a diversified portfolio of pre-production stage royalties and junior equity positions that it mainly originates through mineral exploration initiatives within its Project Generation business division. The Corporation, indirectly holds royalties related to renewable energy generation projects located primarily in the United States through its 57% interest in ARR. ARR owns 50% of Great Bay Renewables LLC ("GBR") with certain funds managed by affiliates of Apollo Global Management, Inc. (the "Apollo Funds") owning the other 50%.

On December 5, 2024 the Corporation announced that ARR had completed a statutory plan of arrangement (the "Arrangement") pursuant to which Royal Aggregator LP, an affiliate of Northampton Capital Partners LLC ("Northampton"), acquired all of the issued and outstanding common shares of ARR (each a "Common Share"), except for the common shares owned by the Corporation, for a price of C$12.00 in cash per common share representing total consideration of approximately $162,000,000. At December 31, 2024 the Corporation held its 17,937,339 shares in ARR, 3,093,835 share purchase warrants and retained a 57% interest in its former subsidiary. ARR delisted from the TSX following the completion of the Arrangement and continues to hold its 50% joint venture interest (with Apollo) in GBR.

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 4200 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 11, 2025.

2. MATERIAL ACCOUNTING POLICIES

The Corporation's material accounting policies are as follows:

Basis of Presentation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IASB").

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.

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
Potash Royalty Limited Partnership ("PRLP")	91.718%	Royalty partnership

ARR, which was considered a significant subsidiary of the Corporation in the prior year, is now accounted for as a joint venture for financial reporting purposes following the Arrangement with Northampton.

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 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 and any gain or loss is recorded in the consolidated statement of earnings.

Investments in associates and investments in joint ventures are accounted for using the equity method (Note 5). 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. If the Corporation's underlying ownership interest changes, as a result of external financings, the Corporation's investment is adjusted to reflect any dilution effect which is recorded in the consolidated statement of earnings. The Corporation evaluates its ownership and other factors such as voting rights of an investment to determine if it can significantly influence or jointly control that investment.

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 or cannot jointly control 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 and remains in equity.

Hedge accounting

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 earnings. 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 earnings 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.

Any proceeds received related to the vending of exploration and evaluation assets are recorded first as a reduction of the specific exploration and evaluation assets to which the proceeds relate until the carrying amount of the mineral property reaches zero. Any differences are then recorded as a gain or loss 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.

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, interests in joint ventures and associates 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

Mineral 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 for the period.

The Corporation's subsidiaries and foreign operations accounted for using the equity method 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.

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 a quantity of share based units are used to repurchase the Corporation's shares at the average market price during the period.

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 interests

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 mineral 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.

New standards and interpretations

The following amendments are applicable for future reporting periods and are being reviewed to determine the potential impact on our consolidated financial statements:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), effective January 1, 2026. In May 2024, the IASB issued these amendments to clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. In addition to these clarifications, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date if specific conditions are met.

- Presentation and Disclosure in Financial Statements (IFRS 18), effective January 1, 2027. In April 2024, the IASB issued IFRS 18, which will replace IAS 1 Presentation of Financial Statements. The new standard will require classification of income and expense into specified categories, defined subtotals and management-defined performance measures. The new standard also provides guidance on aggregation and disaggregation of disclosures.

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:

Income taxes

The Corporation has available unused operating losses and temporary timing differences as disclosed in Note 8 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.

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.

ARR indirectly 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 estimates used for amortization affect the related amount of the equity pickup in the statement of earnings and the assessment of the recoverability of the carrying value of these investments in joint venture. The investments in renewable royalties are recorded and remeasured at fair value. The estimates used for fair value measurements affect the related amount of the equity pickup in the statement of other comprehensive earnings and the assessment of the recoverability of the carrying value of these investments in joint ventures.

The LRC LP I joint venture holds a royalty interest in a production stage mineral property as well as royalty interests in two development stage mineral properties. The royalty interests are initially recorded at cost. The production stage royalty interest is being amortized using the units of production basis over the expected life of the mineral property, which is determined using available estimates of proven and probable reserves. Determination of proven and probable reserves by the operators associated with the royalty interests impact the measurement of the respective assets. These estimates affect amortization of the royalty and the related amount of the equity pickup and the assessment of the recoverability of the carrying value of the investment in joint ventures.

The Corporation determined it has the ability to jointly control the relevant activities of these joint arrangements and has classified these investments as joint ventures.

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 or the cost to acquire these assets 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

Certain of the Corporation's assets and liabilities are measured at fair value and 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, or Level 1 inputs, to the extent 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.

ARR indirectly holds investments in certain preferred shares that will (i) have the right to receive distributions based on a percentage of the gross revenues of the renewable asset or (ii) yield distributions in the form of cash or royalty contracts on renewable energy projects at a future date. It also has the right to be granted gross revenue royalties on a portfolio of renewable energy projects (or cash proceeds) from the sale of renewable energy projects until the estimated value of the cash and assigned royalties achieve a minimum return threshold. The number of royalties to be granted is dependent on the amount and timing of amounts invested net of distributions in relation to the timing of achievement of commercial operations, project size, and expected energy rates.

These investments that ARR indirectly holds are not traded in the active market and the fair value is determined using an income approach methodology primarily using risk adjusted discounted cash flows or hurdle rate of returns to capture the present value of expected future economic benefits to be derived from the ownership of the investments or the royalty contracts to be granted in exchange. 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 15. The Corporation records its share of fair value changes in these investments through other comprehensive earnings.

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

4. EXPLORATION AND EVALUATION ASSETS

Project	As at December 31, 2023	Additions/ Reclassifications, net of recoveries	Abandoned or impaired	Sold	As at December 31, 2024
Labrador					
Iron Ore	1,924	61	–	–	1,985
Nickel	508	–	–	–	508
Copper	16	19	(35)	–	–
Newfoundland					
Gold	160	–	(160)	–	–
Other	92	130	–	–	222
Alberta, British Columbia & Saskatchewan					
Coal	4,350	–	–	–	4,350
Potash	500	–	–	–	500
United States - Gold	50	448	–	–	498
Australia - Zinc, Silver	6	–	–	–	6
Security Deposits	405	566	(31)	–	940
Total	$ 8,011	$ 1,224	$ (226)	$ –	$ 9,009

Project	As at December 31, 2022	Additions/ Reclassifications, net of recoveries	Abandoned or impaired	Sold	As at December 31, 2023
Labrador					
Platinum Group Elements	582	7	(589)	–	–
Iron Ore	1,910	14	–	–	1,924
Nickel	298	210	–	–	508
Copper	–	16	–	–	16
Other	2	(1)	–	(1)	–
Newfoundland					
Gold	169	2	(11)	–	160
Other	77	15	–	–	92
Alberta, British Columbia & Saskatchewan					
Coal	4,350	–	–	–	4,350
Potash	500	–	–	–	500
United States - Base metals	780	10	–	(790)	–
United States - Gold	408	(304)	–	(54)	50
Australia - Zinc, Silver	5	1	–	–	6
Security Deposits	335	72	(2)	–	405
Total	$ 9,416	$ 42	$ (602)	$ (845)	$ 8,011

The Corporation sold exploration and evaluation assets having a carrying value of $nil for non-cash proceeds of $25,000 (Note 6) and recognized a gain on disposal of mineral property of $25,000 during the year ended December 31, 2024.

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

The Corporation sold exploration and evaluation assets having a carrying value of $845,000 for non-cash proceeds of $1,278,000 (Note 6) and cash proceeds of $161,000 and recognized a gain on disposal of mineral property of $594,000 during the year ended December 31, 2023.

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 $38,000 by December 31, 2025 in order to maintain its existing licenses in good standing.

5. INTERESTS IN JOINT VENTURES

	LNRLP[(1)]	GBR	LRC LP I[(1)]	ARR	Total
Balance, December 31, 2022	$ 4,574	$ 204,673	–	–	$ 209,247
Reclassification from investments	–	–	4,131	–	4,131
Earnings (loss)	354	(2,348)	168	–	(1,826)
Investment in joint venture	–	21,222	–	–	21,222
Distributions received	(680)	(74,985)	(65)	–	(75,730)
Other comprehensive earnings - revaluation of investments	–	24,278	–	–	24,278
Other comprehensive earnings (loss) - foreign currency translation adjustment	–	(1,174)	–	–	(1,174)
Other comprehensive earnings (loss) - revaluation of cash flow swap	–	(5,275)	–	–	(5,275)
Balance, December 31, 2023	$ 4,248	$ 166,391	$ 4,234	$ —	$ 174,873
Additions	–	–	–	215,248	215,248
Earnings (loss)	484	(1,260)	82	(1,146)	(1,840)
Investment in joint venture	–	65,871	–	–	65,871
Distributions received	(719)	–	(112)	–	(831)
Other comprehensive earnings - revaluation of investments	–	1,420	–	1,632	3,052
Other comprehensive earnings - foreign currency translation adjustment	–	10,713	–	4,906	15,619
Other comprehensive earnings - revaluation of cash flow swap	–	(533)	–	1,930	1,397
Deconsolidation of subsidiary	–	(242,602)	–	–	(242,602)
Balance, December 31, 2024	$ 4,013	$ —	$ 4,204	$ 222,570	$ 230,787

[(1)] *Labrador Nickel Royalty Limited Partnership ("LNRLP") & Lithium Royalty Corp. Limited Partnership I ("LRC LP I")*

LNRLP

The Corporation holds a 10% interest in the Labrador Nickel Royalty Limited Partnership ("LNRLP"), a limited partnership that holds a 3% net value royalty ("NVR") on all metals produced from 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.

LRC LP I

The Corporation holds a 10% interest in the LRC LP I, a limited partnership that holds a 1% royalty over Grota do Cirilo lithium project in Brazil which commenced commercial production in April 2023, a 1% royalty on the construction stage Tres Quebradas lithium project and a net 0.45% royalty on the construction stage Mariana Lithium project, both located in Argentina. During the year ended December 31, 2023 the Corporation reclassified its interest in LRC LP I from investments to interests in joint venture upon commencement of commercial production at Grota do Cirilo.

ARR & GBR

On December 5, 2024 the Corporation announced that ARR completed a statutory plan of arrangement with Northampton, which acquired all of the issued and outstanding common shares of ARR other than those owned by Altius. The shareholder agreement between Altius and Northampton allows for an equally shared governance structure and as as result the Corporation has determined it no longer has the ability to control ARR as a subsidiary. The Corporation has accounted for the transaction under IFRS 10 Consolidated Financial Statements and has derecognized the assets and liabilities of its former subsidiary, including ARR's interest in the GBR joint venture, from the consolidated balance sheet; recognized the investment retained in ARR at its fair value of $215,248,000, calculated using a valuation of $12 per share; and recognized a gain on disposal of its subsidiary of $87,146,000. The Corporation determined that its investment in ARR is a joint venture for financial reporting purposes and will account for its interest using the equity method in accordance with IFRS 11 Joint Arrangements. Altius retained a 57% interest in ARR and will record its proportionate share of earnings (loss) and other comprehensive earnings (loss) of ARR.

ARR and the Apollo Funds each hold interests in two joint venture entities, both with a 50% ownership interest in Great Bay Renewables Holdings, LLC ("GBR I") and Great Bay Renewables Holdings II, LLC ("GBR II"), collectively referred to herein as "GBR" or the "GBR Joint Venture". Up to the date of the Arrangement the Corporation recorded its 50% share of earnings (loss) and other comprehensive earnings (loss) of GBR. Following the deconsolidation of ARR the Corporation recorded its 57% share of earnings (loss) and other comprehensive earnings (loss) of ARR, which includes ARR's ownership in GBR.

See Note 15 for additional analysis and disclosures relating to fair value qualitative and quantitative analysis relating to renewable energy investments held in the GBR joint venture.

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

From January 1 to December 5, 2024 ARR invested $65,871,000 (US$48,100,000) into GBR. These amounts were used to fund ARR's 50% of renewable royalty investments.

During the year ended December 31, 2023 ARR invested $21,222,000 (US$15,950,000) into GBR. These amounts were used to fund ARR's 50% of renewable royalty investments. During the year ended December 31, 2023 the Corporation received a distribution from GBR of $74,985,000 (US$54,125,000) after the closing of GBR's credit facility.

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

	LNRLP [(1)]		LRC LP I [(1)]	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Balance Sheets				
Royalty interests	4,013	4,248	4,204	4,234
Statement of Earnings				
Royalty income	$ 908	$ 733	$ 126	$ 177
Royalty tax	(163)	(146)	–	–
General and administrative	(36)	(24)	(27)	(6)
Amortization	(225)	(209)	(17)	(3)
Net earnings (loss)	484	354	82	168

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

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

	ARR[3]	GBR [2]	
	December 31, 2024	December 5, 2024	December 31, 2023
Balance Sheets			
Cash and cash equivalents	$ 59,776	$ 26,941	$ 6,904
Other current assets	436	6,607	3,019
Non-current assets			
Royalty interests	–	96,767	76,319
Investment in associates	–	2,203	2,821
Renewable royalty investments	–	456,703	398,129
Investment in joint venture	251,672	–	–
Current liabilities	5,194	1,784	3,155
Non-current liabilities	13,649	165,829	154,753
Statement of Earnings [4]			
Royalty income	$ –	$ 17,948	$ 14,133
Other income	223	2,961	131
General and administrative	(370)	(5,526)	(5,599)
Interest	–	(10,281)	(2,288)
Foreign exchange loss	(27)	–	–
Share based compensation	(35)	–	–
Amortization	–	(2,677)	(2,406)
Share of loss in joint venture	(1,532)	–	–
Gain on sale of royalty interest	–	–	178
Share of loss in associates	–	(4,944)	(8,844)
Income tax expense	(263)	–	–
Net earnings (loss)	(2,004)	(2,519)	(4,695)
Statement of Other Comprehensive Earnings [4]			
Revaluation of investments	3,412	2,840	48,556
Revaluation of investments - tax	(549)	–	–
Fair value adjustment of cash flow swap	4,216	(1,066)	(10,550)
Fair value adjustment of cash flow swap - tax	(830)	–	–

[2] The two GBR entities are combined in the above disclosures on a 100% basis

[3] ARR results in the above disclosures on a 100% basis

[4] ARR results presented from December 6 to December 31, 2024; GBR results presented from January 1 to December 5, 2024.

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

6. INVESTMENTS

	Mining and other investments	Share purchase warrants	Total
Balance, December 31, 2022	$ 215,064	$ 3,146	$ 218,210
Additions	1,609	863	2,472
Return of capital	(8,950)	–	(8,950)
Reclassification	893	(893)	–
Receipt for interest in mineral property	1,278	–	1,278
Reclassification to investment in joint venture	(4,131)	–	(4,131)
Disposals	(1,903)	(514)	(2,417)
Revaluation	14,958	325	15,283
Balance, December 31, 2023	$ 218,818	$ 2,927	$ 221,745
Additions	11,300	4,525	15,825
Reclassification and deconsolidation of subsidiary	5,021	15,774	20,795
Receipt for interest in mineral property	25	–	25
Disposals	(32,729)	(375)	(33,104)
Revaluation	10,336	(2,056)	8,280
Balance, December 31, 2024	$ 212,771	$ 20,795	$ 233,566

As at December 31, 2024 and December 31, 2023 investments included the following holdings:

	December 31, 2024 Market value	December 31, 2023 Market value
Labrador Iron Ore Royalty Corporation ("LIORC")	$ 108,192	$ 119,300
Orogen Royalties Inc. ("Orogen")	52,612	18,762
Lithium Royalty Corporation ("LRC")	29,047	40,529

During the year ended December 31, 2024 the Corporation acquired 10,242,945 common shares of Orogen at a cost of $7,112,000 . A realized gain on disposal of derivatives of $4,186,000 (December 31, 2023 - $349,000) was recognized on the exercise of common share purchase warrants.

The Corporation disposed of investments having a carrying value of $32,729,000 for gross cash proceeds of $26,434,000 and non-cash proceeds of $4,525,000 and recognized a loss on disposal of $6,330,000 through other comprehensive earnings during the year ended December 31, 2024.The Corporation disposed of investments having a carrying value of $1,903,000 for gross cash proceeds of $1,157,000 and non-cash proceeds of $863,000 and recognized a loss on disposal of $747,000 through other comprehensive earnings during the year ended December 31, 2023. During the year ended December 31, 2023 the Corporation received $8,950,000 from LRC as a return of capital distribution to the pre-IPO shareholders of LRC.

On July 31, 2024 Adventus Mining Corporation ("Adventus"), owners of the El Domo Curipamba project (over which Altius holds a 2% NSR royalty), completed an all share transaction whereby Silvercorp Metals Inc. ("Silvercorp") acquired the shares of Adventus under a plan of arrangement. Prior to the close of the transaction the Corporation, which held a convertible loan in Adventus with a carrying value of $5,303,000, agreed not to exercise its royalty conversion feature on the loan in exchange for total cash consideration of $9,562,000. The Corporation recognized additional investment income and foreign exchange revaluation of $4,259,000 as a result of the agreed upon settlement during the year ended December 31, 2024. The total cash consideration received reflects the implied equity value of the transaction as if the Corporation converted its outstanding loan receivable to common shares of Adventus.

Included in share purchase warrant additions is $20,795,000 related to 3,093,835 share purchase warrants the Corporation holds in ARR (Note 5). These are derivative instruments and are recorded at their fair value with any changes being recognized in the consolidated statement of earnings. These warrants have an expiry date of July 31, 2030 and a strike price of U$4.00.

Included in non-current loan receivable is a secured convertible loan of US$5,000,000 (CAD$7,193,000) (December 31, 2023 - US$5,000,000 (CAD$6,628,000)) the Corporation invested in Invert Inc. ("Invert") with a maturity date of March 2026.

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

7. ROYALTY AND STREAMING INTERESTS

	As at December 31, 2023	Additions	Impairment	As at December 31, 2024
Royalty interests				
Rocanville - Potash	$ 73,595	$ –	$ –	$ 73,595
Esterhazy - Potash	33,770	–	–	33,770
Cory - Potash	19,427	–	–	19,427
Allan - Potash	6,367	1,210	–	7,577
Patience Lake - Potash	3,903	–	–	3,903
Vanscoy - Potash	5,238	–	–	5,238
Other potash	7,000	–	–	7,000
Coal & natural gas	8,000	–	–	8,000
Gunnison - Copper	10,300	–	–	10,300
Pickett Mountain	2,537	–	(1,537)	1,000
Curipamba - Copper, gold, zinc	13,475	–	–	13,475
Other	250	–	–	250
Streaming interest				
Chapada - Copper	77,634	–	–	77,634
Balance, end of year	$ 261,496	$ 1,210	$ (1,537)	$ 261,169
Accumulated amortization, depletion				
Rocanville - Potash	$ 9,521	$ 970	$ –	$ 10,491
Esterhazy - Potash	1,905	377	–	2,282
Cory - Potash	1,287	332	–	1,619
Allan - Potash	1,814	322	–	2,136
Patience Lake - Potash	162	31	–	193
Vanscoy - Potash	135	13	–	148
Other potash	39	197	–	236
Coal & natural gas	3,869	400	–	4,269
Streaming interest				
Chapada - Copper	36,555	3,324	–	39,879
Balance, end of year	$ 55,287	$ 5,966	$ –	$ 61,253
Net book value	$ 206,209	$ 4,756	$ 1,537	$ 199,916

At December 31, 2024 the Corporation recorded an impairment loss of $1,537,000 on its timber rights associated with its Pickett Mountain exploration stage royalty interest. The adjustment to its recoverable amount of $1,000,000 was based on the expected cash flows from the royalty interest, after the disposal of a parcel of the timber rights land package. During the year ended December 31, 2023 the Corporation recorded an impairment loss of $6,338,000 on its Pickett Mountain exploration stage royalty interest after a rezoning permit rejection made the expectation of cash flows from the mineral property unlikely.

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

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

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

8. INCOME TAXES

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

	December 31, 2024	December 31, 2023
Temporary differences related to exploration and evaluation assets, property and other	$ (2,046)	$ (1,896)
Non capital and net capital loss carryforwards	5,619	5,504
Carrying value of investments in excess of tax values	(12,548)	(25,059)
Deferred and deductible share-based compensation and other costs	3,094	2,179
Debt issue costs	76	(169)
Carrying values in excess of tax values relating to royalty and streaming interests in mineral properties	(15,690)	(16,172)
	$ (21,495)	$ (35,613)

	December 31, 2024	December 31, 2023
Deferred tax liabilities	$ (30,293)	$ (43,520)
Deferred tax assets	8,798	7,907
Total deferred income tax	$ (21,495)	$ (35,613)

The Corporation has $108,189,000 (December 31, 2023 - $nil) of temporary differences associated with investments in joint ventures on which deferred tax liabilities have not been recognized given that the Corporation has the ability to control the timing of the reversal and it is probable that the temporary differences will not reverse in the foreseeable future .

Income tax expense (recovery) differs from the amount that would result from applying the Canadian federal and provincial income tax rates of 30% (December 31, 2023– 30%) to earnings before taxes. The differences are from the following items:

	Year ended	
	December 31, 2024	December 31, 2023
Expected tax (recovery) expense	$ 30,093	$ 4,595
Non-deductible / (non-taxable) items	7,705	324
Non-taxable gain on deconsolidation of subsidiary	(26,147)	–
Changes in unrecognized deferred tax	(13,626)	(227)
Differences in statutory rates on earnings of subsidiaries	479	503
	$ (1,496)	$ 5,195

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

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

	Year ended	
	December 31, 2024	December 31, 2023
Current tax	$ (283)	$ 6,320
Deferred tax	(1,213)	(1,125)
	$ (1,496)	$ 5,195

9. DEBT

At amortized cost	December 31, 2024	December 31, 2023
Long-term debt	$ 107,381	$ 112,173
Current	8,000	8,000
Non-current	99,381	104,173
	$ 107,381	$ 112,173

On August 30, 2024 the Corporation amended its credit facility to extend the term from August 2025 to August 2028 and replaced the combination of its previously outstanding term and revolver debt. The total available credit of $225,000,000 and its principal repayments are consistent with its previous credit facility and the Corporation did not draw any additional amounts during the year. The amended credit facility consists of a $50,000,000 term credit facility, a US$36,000,000 term credit facility and a $125,000,000 revolving credit facility.

Both term credit facilities have a four-year term and mature by August 2028 with required quarterly principal repayments of $2,000,000 and additional repayments being permitted at any time with no penalty. The revolving facility is payable in full by August 2028 and any unused portion of the revolving facility is available for qualifying royalty acquisitions, streaming acquisitions and other qualifying investments. The term and the revolving facilities bear interest at variable rates based on the total net debt ratio.

The Corporation has a floating-to-fixed interest rate swap with a maturity date of August 10, 2025 to lock in the interest rate on a portion of the term credit facility on an amortized basis. The amount of the floating-to-fixed interest rate swap will reduce in tandem with the quarterly scheduled principal repayments on the term debt. As of December 31, 2024, the balance outstanding on the swap was $24,000,000 (December 31, 2023 - $32,000,000). The Corporation has classified this financial instrument as a cash flow hedge and the fair value of the hedging instrument is recorded as an asset of $312,000 (December 31, 2023 – $1,339,000) on the consolidated balance sheet. The full amount of the hedge was determined to be effective as at December 31, 2024.

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

The Corporation is amortizing costs attributable to securing the amended credit facilities of $1,456,000 over the life of the facilities using an effective interest rate of 8.10%. During the year ended December 31, 2024 $600,000 (December 31, 2023 - $452,000) of the costs were recognized as interest expense on long term debt in the consolidated statement of earnings.

During the year ended December 31, 2024 the Corporation repaid $8,000,000 on its term facility (December 31, 2023 - $8,000,000).

As at December 31, 2024 the Corporation was in compliance with all debt covenants and has approximately $116,000,000 of additional liquidity on its revolving facility.

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

	Term	Revolver	Total
2025	$ 8,000	$ –	$ 8,000
2026	8,000	–	8,000
2027	8,000	–	8,000
2028	75,790	9,000	84,790
	$ 99,790	$ 9,000	$ 108,790
	Less: unamortized debt costs		1,409
			$ 107,381

10. REVENUE AND GENERAL & ADMINISTRATIVE EXPENSES

Revenue and other income	Year ended December 31, 2024	Year ended December 31, 2023
Royalty	$ 18,700	$ 33,657
Copper stream*	18,389	17,248
Interest and investment	20,896	17,806
Other	186	246
Total revenue and other income	$ 58,171	$ 68,957

**Revenue from contracts with customers*

General and administrative expenses	Year ended December 31, 2024	Year ended December 31, 2023
Salaries and benefits	$ 6,997	$ 5,291
Professional and consulting fees	2,557	2,779
Office and administrative	2,020	2,352
Sustainability initiatives	259	537
Travel and accommodations	600	530
Total general and administrative	$ 12,433	$ 11,489

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

11. 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.

Normal Course Issuer Bid

The Corporation renewed its Normal Course Issuer Bid ("NCIB") effective August 22, 2024 and it will, unless further renewed, end no later than August 21, 2025. The Corporation may purchase at market prices up to 1,865,313 common shares representing approximately 4.01% of its 46,467,476 shares issued and outstanding as of August 12, 2024. The Corporation repurchased and cancelled 761,500 common shares at a cost of $16,196,000 during the year ended December 31, 2024 (December 31, 2023 - 611,800 common shares at a cost of $12,528,000).

Net earnings per share

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

	Year ended	
	December 31, 2024	December 31, 2023
Weighted average number of shares:		
Basic	46,605,174	47,484,628
Diluted	47,597,570	48,347,049

Other equity reserves

Other equity reserves consist of share-based payment reserves of $2,866,000 and contributed surplus of $7,298,000 for a total of $10,164,000. Share-based payment reserve amounts are in respect of stock options, deferred share units ("DSUs"), restricted share units ("RSUs") and performance share units ("PSUs").

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

12. SHARE-BASED COMPENSATION

The Corporation recognized the following share-based compensation:

	December 31, 2024	December 31, 2023
Stock option expense	$ 469	$ 540
Deferred share unit expense	1,041	1,107
Restricted share unit expense	1,510	1,312
Performance share unit expense	1,445	1,009
Total share-based compensation	$ 4,465	$ 3,968

A summary of the status of the Corporation's stock option plan as of December 31, 2024, and changes during the period then ended, is as follows:

	December 31, 2024		December 31, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	873,389	$ 13.02	894,308	$ 12.50
Granted	66,304	20.43	59,154	22.12
Exercised	(207,843)	11.53	(80,073)	13.91
Outstanding, end of year	731,850	$ 14.11	873,389	$ 13.02
Exercisable, end of year	576,701	$ 12.72	625,105	$ 12.10

During the year ended December 31, 2024 the Corporation equity settled 207,843 stock options (issued 88,974 common shares) (December 31, 2023 – cash settled 80,073 stock options for $695,000).

The weighted average remaining contractual life of the stock options is 1.3 years. The weighted average fair value of stock options granted during the year ended December 31, 2024 was estimated on the dates of grant to be $6.74 (December 31, 2023 - $7.62) using the Black-Scholes option pricing model with the following assumptions:

	December 31, 2024	December 31, 2023
Expected life (years)	5.00	5.00
Risk-free interest rate (%)	3.42	3.66
Expected Volatility (%)	37.54	37.76
Expected dividend yield (%)	1.54	1.35

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

A summary of the status of the Corporation's RSUs, DSUs and PSUs as of December 31, 2024 is as follows:

	Number of RSUs	Number of DSUs	Number of PSUs
Outstanding, December 31, 2022	151,785	407,643	88,132
Granted	73,658	38,975	41,267
Settled	(80,720)	–	–
Outstanding, December 31, 2023	144,723	446,618	129,399
Exercisable, December 31, 2023	–	432,286	50,106
Granted	54,363	38,857	50,429
Settled	(73,738)	–	(50,106)
Outstanding, December 31, 2024	125,348	485,475	129,722
Exercisable, December 31, 2024	–	465,968	41,976

During the year ended December 31, 2024 the Corporation cash settled 73,738 RSUs for $1,938,000 (December 31, 2023 – cash settled 28,693 RSUs for $1,205,000 and equity settled 52,027 RSUs (issued 24,498 common shares)). The Corporation also equity settled 50,106 PSUs by issuing 43,938 common shares during the year ended December 31, 2024 (December 31, 2023 - nil)).

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

13. SUPPLEMENTAL CASH FLOW INFORMATION

	Year ended December 31, 2024	Year ended December 31, 2023
Adjustments for operating activities:		
Generative exploration	$ 180	$ 1,048
Exploration and evaluation assets abandoned or impaired	226	602
Share-based compensation	4,465	3,968
Foreign exchange loss (gain)	4,064	(1,152)
Amortization and depletion	6,171	15,982
Impairment of royalty interest	1,537	6,338
Interest on long-term debt	9,523	9,276
Interest paid	(8,234)	(8,592)
Realized gain on disposal of derivatives	(4,186)	(349)
Unrealized loss (gain) on fair value adjustment of derivatives	2,056	(325)
Loss from joint ventures	1,840	1,826
Gain on disposal of mineral property	(25)	(594)
Gain on deconsolidation of subsidiary	(87,146)	–
Share of loss and impairment in associate	1,579	34
Income taxes (current and deferred)	(1,496)	5,195
Income taxes paid	(416)	(9,734)
	$ (69,862)	$ 23,523
Changes in non-cash operating working capital:		
Accounts receivable and prepaid expenses	(3,654)	4,001
Accounts payable and accrued liabilities	(334)	(1,140)
	$ (3,988)	$ 2,861
Cash and cash equivalents consist of:		
Deposits with banks	15,045	130,422
Short-term investments	863	–
	$ 15,908	$ 130,422

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

14. 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.

	Year ended December 31, 2024	Year ended December 31, 2023
Key management personnel and directors		
Salaries and benefits	$ 2,722	$ 3,104
Share-based compensation	4,101	3,504
Total	$ 6,823	$ 6,608

	Year ended December 31, 2024	Year ended December 31, 2023
General and administrative expenses billed to		
Associates	$ (24)	$ (48)
Joint venture	(90)	(29)
Total	$ (114)	$ (77)

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The following table sets forth the Corporation's financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy. The fair value of the other financial instruments of the Corporation approximates the carrying value due to their short-term nature. Financial assets in level 2 consist of share purchase warrants and lithium investments and those in level 3 consist of private company investments (Note 6).

As at December 31, 2024	Level 1	Level 2	Level 3	TOTAL
Investments	167,678	49,843	16,045	233,566
Derivative - cash flow swap	–	312	–	312
Financial assets	$ 167,678	$ 50,155	$ 16,045	$ 233,878
Financial liabilities - other	$ 409	$ –	$ –	$ 409

As at December 31, 2023	Level 1	Level 2	Level 3	TOTAL
Investments	163,579	43,456	14,710	221,745
Derivative - cash flow swap	–	1,339	–	1,339
Financial assets	$ 163,579	$ 44,795	$ 14,710	$ 223,084
Financial liabilities - other	$ 418	$ –	$ –	$ 418

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

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

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

Level 3 – valuation techniques with significant unobservable market inputs.

Reconciliation of Level 3 fair value measurements of financial instruments

The following table reconciles the fair value measurements of the Corporation's level 3 financial assets, which include private company investments.

		Level 3 Investments
Balance, December 31, 2022	$	39,183
Additions		790
Revaluation gains through OCI		55,928
Reclass to Level 2		(81,191)
Balance, December 31, 2023	$	14,710
Additions		150
Revaluation gains through OCI		1,185
Balance, December 31, 2024	$	16,045

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.

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

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 $160,455 of these instruments.

The following table reconciles the fair value measurements of the level 3 financial assets, that are held through ARR, in the GBR joint venture, consisting of renewable energy investments (Note 5).

	Level 3 Renewable energy investments[1]		
	Development	Operating	Total
Balance, December 31, 2022	$ 115,407	$ 214,271	$ 329,678
Net additions	48,199	1	48,200
Reclassifications	1,464	–	1,464
Revaluation gains (losses) through OCI [1]	32,820	19,870	52,690
Balance, December 31, 2023	$ 197,890	$ 234,142	$ 432,032
Net additions	24,607	44,164	68,771
Reclassifications	(34,663)	–	(34,663)
Revaluation gains (losses) through OCI	20,476	(10,627)	9,849
Balance, December 31, 2024	$ 208,310	$ 267,679	$ 475,989

[1] *These amounts reflect the investments held in GBR on a 100% basis, converted at December 31, 2024 spot rate*

Valuation technique and key inputs

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

Significant unobservable inputs

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

Relationship and sensitivity of unobservable inputs to fair value

The following table provides information about how the fair value of these investments, are determined and in particular, the significant unobservable inputs. Any recent acquired investments (Angelo Solar and Nokomis Energy, LLC) are measured at cost which approximates fair value.

Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to fair value	Quantitative impact[(1)]
Discount rate	The Corporation used risk adjusted discount rates and or hurdle rates of return to determine the fair value of the Development Royalty Investments based on the stage of development. For the Operating Royalty Investments, the Corporation determines a discount rate based on the expected weighted average cost of capital (WACC) using a capital asset pricing model.	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 $485,000 for the Development Royalty Investments and $4,885,000 for the Operating Royalty Investments
Timing of commercial operations	For the Development Royalty Investments, there are a series of anticipated project development milestones that occur as a project approaches commercial operations. As each project development milestone nears completion or is met, the risk associated with the project reaching commercial operations decreases.	While the timing of commercial operations may impact the fair value of a specific royalty, this impact on the investment is muted because of the minimum return threshold concept implicit in the investments. As a result, any delays for an individual royalty will result in a higher number of royalties being granted to the Corporation, which will offset the reduction in investment value from the delay of any individual royalty.
Power prices	The Corporation uses available forecast data of market power prices in order to calculate expected royalty revenue over the life of each project subject to merchant power prices. The forecasted power prices have a direct impact on forecasted annual revenue for the Corporation's Operating Royalty Investments.	The Operating Royalty Investments agreements are structured such that royalty rates will often vary over the life of a specific project so that the Corporation's targeted IRR threshold is met. These mechanisms effectively mute the long-term impact of merchant power prices on the valuations. Several of the Corporation's royalties are also contracted under long-term PPAs and are not exposed to market power prices. Given the minimum return threshold on the TGE investment, it is expected that the impact of power prices will be muted as any declines will result in a higher number of royalties granted and thus a higher value. A 10% increase in power prices results in a $1,253,000 change in valuation of the Operating Royalty Investments.

(1)Based on the Corporation's 29% effective ownership of the GBR joint venture

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, 2024 a 10% change in the US dollar to Canadian dollar exchange rate could affect net earnings by approximately $504,000 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, 2024 a 10% change in the US dollar to Canadian dollar exchange rate could affect net earnings by approximately $3,499,000 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 other 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, 2024 the Corporation's mining and other investments sensitivity to a +/- 20% movement in quoted market prices would affect comprehensive earnings by $39,706,000 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 (Canadian 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, 2024, a +/- 1% change in the effective interest rates in respect of cash and cash equivalents would affect net earnings by $111,000 net of applicable taxes. As at December 31, 2024, a +/- 1% change in the effective interest rates in respect of the floating portion of the debt ($84,790,000) would affect net earnings by $594,000 net of applicable taxes.

16. 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 shareholders, 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 is in compliance with all covenant requirements as at December 31, 2024 and this continues to be assessed on a quarterly basis.

17. 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.

18. 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 revenue and expenses from LNRLP and LRC LP 1 are included in the Mineral Royalties segment on a proportionate gross revenue and expense basis and adjusted to earnings in joint ventures (under the equity method) in the adjustment column of the table. Revenue and expenses from ARR and the GBR joint venture are included in the Renewable Royalties segment on a proportionate revenue and expense basis and adjusted to earnings in joint ventures (under the equity method) in the adjustment column of the table.

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

Reportable Segments, Year Ended December 31, 2024	Mineral Royalties	Renewable Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
Revenue and other income	54,347	9,638	453 $	64,438 $	(6,267) $	58,171
Costs and Expenses						
General and administrative	7,853	3,476	2,650	13,979	(1,546)	12,433
Cost of sales	5,937	–	–	5,937	–	5,937
Generative exploration	–	–	180	180	–	180
Mineral rights and leases	–	–	227	227	–	227
Adjusted EBITDA	$ 40,557	$ 6,162	$ (2,604)	$ 44,115	$ (4,721)	$ 39,394
Share-based compensation	$ (2,679)	$ (232)	$ (1,422)	$ (4,333)	$ (132)	$ (4,465)
Realized gain on disposition of derivatives	–	–	4,186	4,186	–	4,186
Amortization and depletion	(6,414)	(876)	–	(7,290)	1,119	(6,171)
Impairment of royalty interest	(1,537)	–	–	(1,537)	–	(1,537)
Loss from joint ventures	–	–	–	–	(1,840)	(1,840)
Gain on disposal of mineral property	–	–	25	25	–	25
Gain on deconsolidation of subsidiary	—	87,146	—	87,146	–	87,146
Foreign exchange loss	(3,004)	(36)	(3)	(3,043)	(3)	(3,046)
Unrealized loss on fair value adjustment of derivative	–	–	(2,056)	(2,056)	–	(2,056)
Exploration and evaluation assets abandoned or impaired	–	–	(226)	(226)	–	(226)
Share of loss and impairment of associates	–	(1,613)	(1,579)	(3,192)	1,613	(1,579)
Interest on long-term debt	(9,523)	(4,058)	–	(13,581)	4,058	(9,523)
Other	–	94	–	94 $	(94)	–
Earnings (loss) before income taxes	$ 17,400	$ 86,587	$ (3,679)	$ 100,308	$ –	$ 100,308
Income taxes (current and deferred)						(1,496)
Net earnings						$ 101,804
Supplementary information						
Total assets	$ 377,574	$ 243,365	$ 93,046	$ 713,985	$ –	$ 713,985
Cash flow from (used)						
Operating activities	20,979	5,487	(1,654)	24,812	3,142	27,954
Financing activities	(43,750)	(258)	(220)	(44,228)	(187)	(44,415)
Investing activities	(51,954)	(38,205)	13,628	(76,531)	(26,835)	(103,366)
Total cash flow (used) from	$ (74,725)	$ (32,976)	$ 11,754	$ (95,947)	$ (23,880)	$ (119,827)

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

Reportable Segments, Year Ended December 31, 2023	Mineral Royalties	Renewable Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
Revenue and other income	$ 63,139	$ 6,226	$ 3,126	$ 72,491	$ (3,534)	$ 68,957
Costs and Expenses						
General and administrative	6,930	2,872	2,582	12,384	(895)	11,489
Cost of sales	5,098	–	–	5,098	–	5,098
Generative exploration	–	–	1,048	1,048	–	1,048
Mineral rights and leases	–	–	227	227	–	227
Adjusted EBITDA	$ 51,111	$ 3,354	$ (731)	$ 53,734	$ (2,639)	$ 51,095
Share-based compensation	$ (2,253)	$ (269)	$ (1,251)	$ (3,773)	$ (195)	$ (3,968)
Realized gain on disposition of derivatives	–	–	349	349	–	349
Amortization and depletion	(16,194)	(647)	–	(16,841)	859	(15,982)
Impairment of royalty interest	(6,338)	–	–	(6,338)	–	(6,338)
Loss from joint ventures	–	–	–	–	(1,826)	(1,826)
Gain on disposal of mineral property	–	–	594	594	–	594
Foreign exchange gain	892	24	48	964	16	980
Unrealized gain on fair value adjustment of derivatives	–	–	325	325	–	325
Exploration and evaluation assets abandoned or impaired	–	–	(602)	(602)	–	(602)
Share of loss in associates	–	(2,565)	(34)	(2,599)	2,565	(34)
Interest on long-term debt	(9,276)	(664)	–	(9,940)	664	(9,276)
Other	–	(556)	–	(556)	556	–
Earnings (loss) before income taxes	$ 17,942	$ (1,323)	$ (1,302)	$ 15,317	$ –	$ 15,317
Income taxes (current and deferred)						5,195
Net earnings						$ 10,122
Supplementary information						
Total assets	$ 419,083	$ 165,307	$ 69,443	$ 653,833	$ 119,705	$ 773,538
Cash flow from (used)						
Operating activities	31,411	3,354	58	34,823	1,683	36,506
Financing activities	(38,573)	–	(353)	(38,926)	–	(38,926)
Investing activities	2,301	31,183	(1,735)	31,749	23,325	55,074
Total cash flow (used) from	$ (4,861)	$ 34,537	$ (2,030)	$ 27,646	$ 25,008	$ 52,654