



# ALTIUS MINERALS CORPORATION

Condensed Consolidated Financial Statements  
For the three and nine months ended September 30, 2018 and October 31, 2017  
(unaudited)



## CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED – IN THOUSANDS OF CANADIAN DOLLARS)

	Note	As at	
		September 30, 2018	December 31, 2017
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	\$ 33,784	\$ 61,982
Accounts receivable and prepaid expenses		8,173	8,057
Income taxes receivable		1,595	304
Convertible debenture	8	12,566	12,692
		\$ 56,118	\$ 83,035
<b>Non-current assets</b>			
Interests in joint ventures	4	101,327	154,652
Royalty and streaming interests	7	259,827	146,636
Mining and other investments	6	145,405	113,056
Exploration and evaluation assets		19,676	20,297
Goodwill		7,841	7,841
Deferred tax assets	9	3,740	3,837
Investment in associates	5	12,240	4,826
Loan receivable	5	2,625	-
Derivative - cash flow swap		248	-
Property and equipment		31	22
		\$ 552,960	\$ 451,167
<b>TOTAL ASSETS</b>		<b>\$ 609,078</b>	<b>\$ 534,202</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		6,218	8,948
Current portion of debt	10	20,000	13,000
Income taxes payable		904	2,821
		\$ 27,122	\$ 24,769
<b>Non-current liabilities</b>			
Long-term debt	10	97,692	52,193
Deferred tax liabilities	9	58,090	57,115
		\$ 182,904	\$ 134,077
<b>EQUITY</b>			
Shareholders' equity		413,613	400,056
Non-controlling interest		12,561	69
		\$ 426,174	\$ 400,125
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 609,078</b>	<b>\$ 534,202</b>

See accompanying notes to the Condensed Consolidated Financial Statements

## CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(UNAUDITED – IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER SHARE AMOUNTS)

	Note	Three months ended		Nine months ended	
		September 30, 2018	October 31, 2017	September 30, 2018	October 31, 2017
<b>Revenue and other income</b>	3 & 11	\$ 13,681	\$ 12,174	\$ 35,868	\$ 29,404
<b>Costs and Expenses</b>					
General and administrative	11	1,930	1,675	5,803	4,287
Cost of sales - copper stream		1,373	1,448	3,819	3,366
Share-based compensation		505	485	1,575	1,006
Generative exploration		10	146	119	404
Exploration and evaluation assets abandoned or impaired		576	190	589	2,581
Mineral rights and leases		110	75	485	299
Amortization and depletion		4,239	3,283	11,094	10,208
		\$ 8,743	\$ 7,302	\$ 23,484	\$ 22,151
Earnings from joint ventures	4	2,734	4,004	10,955	11,046
Gain on disposal of investments		-	1,531	92	2,281
Interest on long-term debt		(2,058)	(1,304)	(5,936)	(4,063)
Foreign exchange (loss) gain		(153)	(104)	(295)	76
Dilution gain on issuance of shares by associate		2,025	-	2,025	196
Unrealized gain (loss) on fair value adjustment of derivatives	6 & 8	(56)	109	(342)	628
Share of earning (loss) in associates	5	316	(158)	(166)	(2,949)
Earnings before income taxes		\$ 7,746	\$ 8,950	\$ 18,717	\$ 14,468
Income taxes (current and deferred)	9	1,473	2,202	4,397	4,188
<b>Net earnings</b>		\$ 6,273	\$ 6,748	\$ 14,320	\$ 10,280
<b>Net earnings attributable to:</b>					
Common shareholders		6,025	6,748	13,846	10,280
Non-controlling interest		248	-	474	-
		\$ 6,273	\$ 6,748	\$ 14,320	\$ 10,280
<b>Net earnings per share</b>					
basic and diluted	12	\$ 0.14	\$ 0.16	\$ 0.32	\$ 0.24

See accompanying notes to the Condensed Consolidated Financial Statements

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

(UNAUDITED – IN THOUSANDS OF CANADIAN DOLLARS)

	Three months ended		Nine months ended	
	September 30, 2018	October 31, 2017	September 30, 2018	October 31, 2017
<b>Net earnings</b>	\$ 6,273	\$ 6,748	\$ 14,320	\$ 10,280
<b>Other comprehensive earnings, net of tax</b>				
<b>To be reclassified subsequently to profit or loss:</b>				
Net unrealized gain on investments				
Gross amount	-	10,229	-	5,925
Tax effect	-	(1,535)	-	(885)
<b>Net amount</b>	\$ -	\$ 8,694	\$ -	\$ 5,040
Adjustment for net realized loss on investments				
Gross amount	-	(865)	-	(1,145)
Tax effect	-	130	-	167
<b>Net amount</b>	\$ -	\$ (735)	\$ -	\$ (978)
<b>To not be reclassified subsequently to profit or loss:</b>				
Net unrealized gain on investments				
Gross amount	18,008	-	10,461	-
Tax effect	(2,702)	-	(1,569)	-
<b>Net amount</b>	\$ 15,306	\$ -	\$ 8,892	\$ -
Realized gain on investments	\$ 133	\$ -	\$ 1,986	\$ -
Net unrealized gain on fair value adjustment of derivative				
Gross amount	338	-	338	-
Tax effect	(91)	-	(91)	-
<b>Net amount</b>	\$ 247	\$ -	\$ 247	\$ -
<b>Total comprehensive earnings</b>	\$ 21,959	\$ 14,707	\$ 25,445	\$ 14,342
<b>Total comprehensive earnings attributable to:</b>				
Common shareholders	21,711	14,707	24,971	14,342
Non-controlling interest	248	-	474	-
	\$ 21,959	\$ 14,707	\$ 25,445	\$ 14,342

See accompanying notes to the Condensed Consolidated Financial Statements

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED – IN THOUSANDS OF CANADIAN DOLLARS)

	Note	Nine months ended	
		September 30, 2018	October 31, 2017
<b>Operating activities</b>			
Net earnings		\$ 14,320	\$ 10,280
Adjustments for operating activities	13	(3,182)	3,532
		\$ 11,138	\$ 13,812
Changes in non-cash operating working capital	13	(1,938)	(2,387)
		\$ 9,200	\$ 11,425
<b>Financing activities</b>			
Proceeds from long-term debt	10	190,000	-
Repayment of long-term debt	10	(136,183)	(10,677)
Costs on issuance of new debt	10	(2,503)	-
Proceeds from issuance of preferred securities		-	49,601
Costs on issuance of preferred securities		-	(424)
Payment to non-controlling interest		(464)	-
Preferred securities distribution		(3,671)	(332)
Repurchase of common shares	12	(2,723)	(1,912)
Dividends paid		(5,181)	(3,896)
		\$ 39,275	\$ 32,360
<b>Investing activities</b>			
Proceeds from sale of investments		2,599	8,459
Acquisition of convertible debenture	8	-	(10,000)
Proceeds from disposal of mineral properties		-	191
Cash received from joint ventures	4	15,745	17,077
Acquisition of control of Potash Royalty Limited Partnership	4 & 7	(63,437)	-
Generative exploration		(119)	(404)
Exploration and evaluation assets, net of recoveries		(778)	(2,138)
Loan to associate	5	(2,625)	-
Acquisition of royalty interests	7	(1,587)	-
Acquisition of investments	5 & 6	(26,046)	(40,530)
Acquisition of derivative financial instruments		(410)	-
Acquisition of property and equipment		(15)	(24)
		\$ (76,673)	\$ (27,369)
Net decrease in cash and cash equivalents		(28,198)	16,416
Cash and cash equivalents, beginning of period		61,982	12,535
<b>Cash and cash equivalents, end of period</b>		<b>\$ 33,784</b>	<b>\$ 28,951</b>

*Supplemental cash flow information (Note 13)*

*See accompanying notes to the Condensed Consolidated Financial Statements*

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(UNAUDITED – IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT SHARE AMOUNTS)

	Common Shares		Preferred Securities		Other Equity Reserves	Accumulated Other Comprehensive Earnings	Retained Earnings	Total Shareholders' Equity	Non-controlling interest	Total Equity
	Number	Amount	Number	Amount						
Balance, January 31, 2017	43,335,654	\$ 270,228	-	\$ -	\$ 6,181	\$ 9,687	\$ 11,438	\$ 297,534	\$ 69	\$ 297,603
Net earnings and comprehensive earnings, February 1 to July 31, 2017	-	-	-	-	-	4,062	10,280	14,342	-	14,342
Shares repurchased and cancelled	(174,689)	(1,089)	-	-	-	-	(822)	(1,911)	-	(1,911)
Securities issued	-	-	5,000,000	43,994	-	-	-	43,994	-	43,994
Deferred tax	-	-	-	(15,000)	-	-	-	(15,000)	-	(15,000)
Issuance costs	-	-	-	(915)	-	-	-	(915)	-	(915)
Preferred securities distribution	-	-	-	-	-	-	(928)	(928)	-	(928)
Warrants issued	-	-	-	-	6,006	-	-	6,006	-	6,006
Dividends	-	-	-	-	-	-	(3,896)	(3,896)	-	(3,896)
Share-based compensation	-	-	-	-	1,006	-	-	1,006	-	1,006
Shares issued under long-term incentive plan	26,326	319	-	-	(319)	-	-	-	-	-
<b>Balance, October 31, 2017</b>	<b>43,187,291</b>	<b>\$ 269,458</b>	<b>5,000,000</b>	<b>\$ 28,079</b>	<b>\$ 12,874</b>	<b>\$ 13,749</b>	<b>\$ 16,072</b>	<b>\$ 340,232</b>	<b>\$ 69</b>	<b>\$ 340,301</b>
Net earnings and comprehensive earnings, August 1 to December 31, 2017	-	-	-	-	-	20,119	6,978	27,097	-	27,097
Shares repurchased and cancelled	-	-	-	-	-	-	-	-	-	-
Securities issued	-	-	5,000,000	43,994	-	-	-	43,994	-	43,994
Deferred tax	-	-	-	(15,000)	-	-	-	(15,000)	-	(15,000)
Preferred securities distribution	-	-	-	-	-	-	(767)	(767)	-	(767)
Issuance costs	-	-	-	(12)	-	-	-	(12)	-	(12)
Warrants issued	-	-	-	-	6,006	-	-	6,006	-	6,006
Dividends	-	-	-	-	-	-	(1,727)	(1,727)	-	(1,727)
Share-based compensation	-	-	-	-	233	-	-	233	-	233
<b>Balance, December 31, 2017</b>	<b>43,187,291</b>	<b>\$ 269,458</b>	<b>10,000,000</b>	<b>\$ 57,061</b>	<b>\$ 19,113</b>	<b>\$ 33,868</b>	<b>\$ 20,556</b>	<b>\$ 400,056</b>	<b>\$ 69</b>	<b>\$ 400,125</b>
Net earnings and comprehensive earnings, January 1 to September 30, 2018	-	-	-	-	-	11,125	13,846	24,971	474	25,445
Non-controlling interest of Potash Royalty Limited Partnership acquisition (Note 7)	-	-	-	-	-	-	-	-	12,485	12,485
Payments to non-controlling interest	-	-	-	-	-	-	-	-	(467)	(467)
Adoption of IFRS 9 & 15 (Note 3)	-	-	-	-	-	(1,888)	1,134	(754)	-	(754)
Shares repurchased and cancelled (Note 12)	(218,500)	(1,364)	-	-	-	-	(1,359)	(2,723)	-	(2,723)
Preferred securities distribution	-	-	-	-	-	-	(3,738)	(3,738)	-	(3,738)
Dividends	-	-	-	-	-	-	(5,181)	(5,181)	-	(5,181)
Share-based compensation	-	-	-	-	982	-	-	982	-	982
Shares issued under long-term incentive plan	33,935	384	-	-	(384)	-	-	-	-	-
<b>Balance, September 30, 2018</b>	<b>43,002,726</b>	<b>\$ 268,478</b>	<b>10,000,000</b>	<b>\$ 57,061</b>	<b>\$ 19,711</b>	<b>\$ 43,105</b>	<b>\$ 25,258</b>	<b>\$ 413,613</b>	<b>\$ 12,561</b>	<b>\$ 426,174</b>

See accompanying notes to condensed consolidated financial statements

## **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **1. NATURE OF OPERATIONS AND CORPORATE INFORMATION**

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

In 2017, the Corporation changed its year end from April 30 to December 31 in order to align with mine operations. These condensed consolidated financial statements reflect three and nine-month period from July 1 to September 30, 2018 and January 1 to September 30, 2018 respectively, and comparative three and nine-month periods from August 1 to October 31, 2017 and February 1 to October 31, 2017 respectively.

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

These condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on November 7, 2018.

### **2. BASIS OF PRESENTATION**

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

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

### **3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND PRONOUNCEMENTS**

These condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as the annual consolidated financial statements of the Corporation as at and for the eight-month period ended December 31, 2017, with the exception of the changes arising from the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers with a date of initial application of January 1, 2018. The Corporation has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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



## IFRS 9 – Financial Instruments

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

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

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

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

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

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

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

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

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

## IFRS 15 – Revenue from Contracts with Customers

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

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

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

### Revenue recognition contracts with customers- streams

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

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

(IN THOUSANDS OF CANADIAN DOLLARS)

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

## Pronouncements

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

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

## 4. INTERESTS IN JOINT VENTURES

(IN THOUSANDS OF CANADIAN DOLLARS)

	LNRLP	Prairie Royalties LP	Total
Balance April 30, 2017	\$ 5,717	\$ 145,991	\$ 151,708
Earnings (loss)	(420)	14,372	13,952
Cash (receipts) disbursements	420	(11,428)	(11,008)
Balance, December 31, 2017	\$ 5,717	\$ 148,935	\$ 154,652
Acquisition of control of Potash Royalty Limited Partnership (Note 7)	-	(48,535)	(48,535)
Earnings (loss)	(356)	11,311	10,955
Cash (receipts) disbursements	298	(16,043)	(15,745)
Balance, September 30, 2018	\$ 5,659	\$ 95,668	\$ 101,327

On March 23, 2018, the Corporation together with a private third party acquired an additional 44.935% in Potash Royalty Limited Partnership ("PRLP"), one of the Prairie Royalties LPs, from Liberty Metals & Mining Holdings, LLC for total cash consideration of \$75,000,000, \$65,000,000 of which is the Corporation's portion. The acquisition is considered an asset acquisition for financial reporting purposes. This acquisition brings the Corporation's total interest in PRLP to 91.313% from its previous 52.369% ownership. Effective March 23, 2018, the Corporation consolidated the net assets of PRLP, recognized a non-controlling interest and discontinued equity accounting for PRLP in accordance with IFRS 10 Consolidated Financial Statements.

On October 9, 2018 Westmoreland Coal Company ("Westmoreland") announced it has entered into a restructuring support agreement with members of an ad hoc group of lenders and filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court. Westmoreland's Canadian entities (Westmoreland Canada) are excluded from these voluntary petitions, and their operations are currently unaffected by the U.S. actions.

Prairie Royalties Limited Partnerships ("Prairie Royalties LP") holds certain royalties in which Westmoreland Canada is the operator, some of which are paid through Westmoreland Canada rather than being paid directly through the utility. While the Corporation has not experienced any collection issues with Westmoreland Canada to date and there are no past due payments, the Corporation is taking steps to further protect its interests and will continue to monitor the situation.

## 5. INVESTMENT IN ASSOCIATES

(IN THOUSANDS OF CANADIAN DOLLARS)

		Alderon	Adventus Zinc	Total
Balance, April 30, 2017	\$	551	\$ 2,769	\$ 3,320
Additions		-	2,700	2,700
Share of loss in associates		(551)	(643)	(1,194)
Balance, December 31, 2017	\$	-	\$ 4,826	\$ 4,826
Additions		5,225	330	5,555
Share of loss in associates		(233)	67	(166)
Dilution gain on issuance of shares by associates		151	1,874	2,025
Balance, September 30, 2018	\$	5,143	\$ 7,097	\$ 12,240

### Percentage ownership:

At December 31, 2017	24.90%	26.70%
At September 30, 2018	37.98%	21.90%

On March 22, 2018, the Corporation acquired an additional 18,797,454 Alderon Iron Ore Corporation ("Alderon") common shares from Liberty Metals & Mining Holdings, LLC ("Liberty") for a total cost of \$5,075,000. On July 12, 2018, the Corporation participated in a US\$14 million Sprott Credit Facility by providing US\$2,000,000 (CAD\$2,625,000) to Alderon and received 687,290 common shares. The Sprott Credit Facility bears interest at 10% per annum, payable monthly. Interest income in the amount of \$60,000 has been recognized during the three months ended September 30, 2018. The Corporation currently holds 52,526,206 shares in Alderon or 37.98% (December 31, 2017 - 24.9%) of the total shares outstanding. The Corporation exercises significant influence over this investee and continues to equity account for this investment in accordance with IAS 28 Investments in Associates. The Corporation also retains a 3% gross sales royalty relating to any potential future mining operations on Alderon's Kami iron ore property.

## 6. MINING AND OTHER INVESTMENTS

(IN THOUSANDS OF CANADIAN DOLLARS)

		Investments	Share Purchase Warrants	Total
Balance, April 30, 2017	\$	44,523	\$ -	\$ 44,523
Additions		36,114	629	36,743
Disposals		(5,439)	-	(5,439)
Impairment recognition		1,995	-	1,995
Revaluation		33,620	1,614	35,234
Balance, December 31, 2017	\$	110,813	\$ 2,243	\$ 113,056
Additions		20,641	502	21,143
Reclassification to investments in traded securities		104	(104)	-
Receipt for interest in mineral property		1,115	11	1,126
Disposals		(613)	-	(613)
Revaluation (Note 3)		10,461	232	10,693
Balance, September 30, 2018	\$	142,521	\$ 2,884	\$ 145,405

## 7. ROYALTY AND STREAMING INTERESTS

(IN THOUSANDS OF CANADIAN DOLLARS)

	Note	As at December 31, 2017	Additions	As at September 30, 2018
<b>Royalty interests</b>				
Rocanville - Potash	a	\$ 11,891	\$ 60,597	\$ 72,488
Esterhazy - Potash	a	3,000	29,689	32,689
Cory - Potash	a	-	18,699	18,699
Allan - Potash	a	-	6,279	6,279
Patience Lake - Potash	a	-	3,849	3,849
Vanscoy - Potash	a	-	5,165	5,165
Other potash		7,000	-	7,000
Coal & coal bed methane		8,000	-	8,000
777 Mine - Copper & zinc		47,356	-	47,356
Gunnison - Copper		5,300	-	5,300
Sheerness West - Coal		9,000	-	9,000
Pickett Mountain		7,606	-	7,606
<b>Streaming interest</b>				
Chapada - Copper		77,634	-	77,634
<b>Balance, end of period</b>		<b>\$ 176,787</b>	<b>\$ 124,278</b>	<b>\$ 301,065</b>
<b>Accumulated amortization and depletion</b>				
Rocanville - Potash		68	1,272	1,340
Esterhazy - Potash		59	136	195
Cory - Potash		-	76	76
Allan - Potash		-	153	153
Vanscoy - Potash		-	50	50
Other potash		38	2	40
Coal & coal bed methane		1,434	300	1,734
777 Mine - Copper & zinc		21,459	5,456	26,915
Gunnison - Copper		-	-	-
Sheerness West - Coal		-	-	-
Pickett Mountain		-	-	-
<b>Streaming interest</b>				
Chapada - Copper		7,093	3,642	10,735
<b>Balance, end of period</b>		<b>\$ 30,151</b>	<b>\$ 11,087</b>	<b>\$ 41,238</b>
<b>Net book value</b>		<b>\$ 146,636</b>	<b>\$ 113,191</b>	<b>\$ 259,827</b>

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

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

During the nine months ended September 30, 2018 the Corporation also acquired additional potash royalty interests totalling \$1,587,000 from a number of royalty holders.

(IN THOUSANDS OF CANADIAN DOLLARS)

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

## 8. CONVERTIBLE DEBENTURE

(IN THOUSANDS OF CANADIAN DOLLARS)

	Total
Balance, December 31, 2017	\$ 12,692
IFRS 9 adoption (Note 3)	448
Revaluation	(574)
<b>Balance, September 30, 2018</b>	<b>\$ 12,566</b>

On June 1, 2017, the Corporation invested \$10 million in an unsecured subordinated convertible debenture (the "Debenture") of Champion Iron Limited ("Champion"). The Debenture will mature December 31, 2018 and has been classified in current assets and bears interest at a rate of 8% payable quarterly. The Debenture is convertible at the option of the Corporation at any time into Champion common shares at a conversion price of \$1.00 per share. If the principal amount is not repaid in full on or before the second anniversary of the Debenture, Altius will have the right to convert the entire outstanding principal amount into a 0.21% gross overriding royalty on the Bloom Lake iron ore mine located in Quebec, Canada. The Corporation determines the fair values of the Debenture at each reporting period using an option pricing model which includes inputs for the maturity of the instrument, probabilities, volatility and share price of the underlying entity and records any unrealized gains or losses in the statement of earnings. Interest income in the amount of \$661,000 has been recognized during the nine months ended September 30, 2018.

## 9. INCOME TAXES

Significant components of the deferred tax liability are as follows:

(IN THOUSANDS OF CANADIAN DOLLARS)

	September 30, 2018	December 31, 2017
Temporary differences related to exploration and evaluation assets, property and other	\$ (3,190)	\$ (3,202)
Non capital and net capital loss carryforwards	809	941
Carrying value of investments in excess of tax values	(8,478)	(6,525)
Temporary differences related to preferred securities	(30,000)	(30,000)
Deferred and deductible share-based compensation and other costs	1,054	809
Share and debt issue costs	1,035	1,336
Carrying values in excess of tax values relating to royalty and streaming interests in mineral properties	(15,581)	(16,637)
	\$ (54,350)	\$ (53,278)

  

	September 30, 2018	December 31, 2017
Deferred tax liabilities	\$ (58,090)	\$ (57,115)
Deferred tax assets	3,740	3,837
Total deferred income tax	\$ (54,350)	\$ (53,278)

Components of income tax are as follows:

(IN THOUSANDS OF CANADIAN DOLLARS)

	Three months ended		Nine months ended	
	September 30, 2018	October 31, 2017	September 30, 2018	October 31, 2017
Current tax	\$ 1,133	\$ 1,574	\$ 4,633	\$ 4,226
Deferred tax	340	628	(236)	(38)
	\$ 1,473	\$ 2,202	\$ 4,397	\$ 4,188

## 10. DEBT

(IN THOUSANDS OF CANADIAN DOLLARS)

At amortized cost	September 30, 2018	December 31, 2017
Long-term debt	\$ 117,692	\$ 65,193
Current	20,000	13,000
Non-current	97,692	52,193
	\$ 117,692	\$ 65,193

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

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

Concurrent with the refinancing, the Corporation entered into a floating-to-fixed interest rate swap to lock in the interest rate on \$100 million of the Term Credit Facility on an amortized basis for a period of five years. The amount of the floating to fixed interest rate swap will reduce in tandem with the quarterly principal repayments on the term debt. The balance outstanding on the swap at September 30, 2018 is \$95 million. The Corporation expects the interest rate on the fixed portion of the debt to be approximately 5.45% per annum during the full term of the loan, with the remaining \$25 million and the Revolving Facility initially carrying a 4.67% interest rate that will change in accordance with market interest rates. The Corporation has designated this swap as a hedge and is applying hedge accounting.

During the first quarter ended March 31, 2018, the Corporation completed a draw-down of \$65 million on its previous revolving facility which combined with \$10 million in cash funded the Liberty Potash Royalties acquisition (see Note 7). In accordance with the previous terms of the credit facilities the Corporation repaid \$136,183,000 during the nine months ended September 30, 2018, (October 31, 2017 - \$10,677,000).

The Corporation is amortizing costs of \$2,503,000 attributable to securing the Amended Credit Facilities over the life of the facilities using an effective interest rate of 5.42%. During the three and nine months ended September 30, 2018, \$195,000 and \$352,000 (October 31, 2017 - \$164,000 and \$469,000) of the costs were recognized in the consolidated statement of earnings. Costs of \$812,000 recognized in the three months ended June 30, 2018 were related to the extinguishment of the previous credit facilities.

As at September 30, 2018 the Corporation was in compliance with all debt covenants.

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

(IN THOUSANDS OF CANADIAN DOLLARS)

	Total
2019 \$	20,000
2020	20,000
2021	20,000
2022	20,000
2023	40,000
	<u>\$ 120,000</u>
Less: unamortized debt costs	2,308
	<u>\$ 117,692</u>



## 11. REVENUE AND GENERAL AND ADMINISTRATIVE

(IN THOUSANDS OF CANADIAN DOLLARS)

Revenue and other income	Three months ended		Nine months ended	
	September 30, 2018	October 31, 2017	September 30, 2018	October 31, 2017
Copper stream*	\$ 4,659	\$ 4,915	\$ 13,050	\$ 11,369
Royalty	6,169	3,731	17,321	11,641
Interest and investment	2,505	3,420	5,102	5,948
Other	348	108	395	446
<b>Total revenue and other income</b>	<b>\$ 13,681</b>	<b>\$ 12,174</b>	<b>\$ 35,868</b>	<b>\$ 29,404</b>

\*Revenue from contracts with customers (see note 3)

General and administrative expenses	Three months ended		Nine months ended	
	September 30, 2018	October 31, 2017	September 30, 2018	October 31, 2017
Salaries and benefits	\$ 1,155	\$ 1,049	\$ 3,036	\$ 2,856
Office and administrative	373	332	910	764
Professional and consulting fees	251	155	1,481	378
Travel and accommodations	151	139	376	289
<b>Total general and administrative</b>	<b>\$ 1,930</b>	<b>\$ 1,675</b>	<b>\$ 5,803</b>	<b>\$ 4,287</b>

## 12. SHARE CAPITAL

### Shares repurchased

The Corporation renewed its Normal Course Issuer Bid ("NCIB") effective August 22, 2018 and it will end no later than August 21, 2019. The Corporation may purchase at market price up to 814,972 common shares representing approximately 1.89% of its 43,215,026 outstanding shares as of August 10, 2018. The Corporation repurchased and cancelled 218,500 common shares (October 31, 2017 – 174,689) during the nine months ended September 30, 2018 at a cost of \$2,723,000 (October 31, 2017 - \$1,912,000).

### Net earnings per share

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

Weighted average number of shares:	Three months ended		Nine months ended	
	September 30, 2018	October 31, 2017	September 30, 2018	October 31, 2017
Basic	43,221,761	43,197,367	43,213,730	43,313,215
Diluted	43,482,370	43,399,464	43,472,967	43,512,378

### Other equity reserves

Other equity reserves consist of share-based payment reserves of \$3,683,000, warrants of \$12,959,000 and contributed surplus of \$3,069,000 for a total of \$19,711,000. Share-based payment reserve amounts are in respect of stock options, deferred share units ("DSUs"), and restricted share units ("RSUs").

### 13. SUPPLEMENTAL CASH FLOW INFORMATION

(IN THOUSANDS OF CANADIAN DOLLARS)

	Nine months ended	
	September 30, 2018	October 31, 2017
<b>Adjustments for operating activities:</b>		
Generative exploration	\$ 119	\$ 404
Exploration and evaluation assets abandoned or impaired	589	2,581
Share-based compensation	1,575	1,006
Unrealized foreign exchange loss	-	(947)
Amortization and depletion	11,094	10,208
Non-cash other revenue	-	(298)
Interest on long-term debt	5,936	4,063
Interest paid	(5,542)	(3,562)
Gain on disposal of investments	(92)	(2,281)
Unrealized loss on fair value adjustment of derivatives	342	(628)
Accretion of convertible debenture	-	(310)
Earnings from joint ventures	(10,955)	(11,046)
Share of loss and impairment in associates	166	2,949
Dilution gain on issuance of shares by associates	(2,025)	(196)
Income taxes	4,397	4,188
Income taxes received (paid)	(8,786)	(2,599)
	\$ (3,182)	\$ 3,532
<b>Changes in non-cash operating working capital:</b>		
Accounts receivable and prepaid expenses	443	(2,039)
Accounts payable and accrued liabilities	(2,381)	(348)
	\$ (1,938)	\$ (2,387)
<b>Cash and cash equivalents consist of:</b>		
Deposits with banks	33,784	28,951
Short-term investments	-	-
	\$ 33,784	\$ 28,951

### 14. RELATED PARTY TRANSACTIONS

During the three months ended September 30, 2018 the Corporation billed a joint venture \$nil (October 31, 2017 - \$37,000) and an associate \$10,200 (October 31, 2017 - \$47,000) for reimbursement of property, exploration, consulting, professional and general administrative expenses. During the nine months ended September 30, 2018 the Corporation billed a joint venture \$114,000 (October 31, 2017 - \$39,000) and an associate a net amount of \$15,100 (October 31, 2017 - \$104,000) for reimbursement of property, exploration, consulting, professional and general administrative expenses.

During the three months ended September 30, 2018 the Corporation paid compensation to key management personnel and directors of \$445,000 (October 31, 2017 - \$366,000) related to salaries and benefits and incurred \$505,000 (October 31, 2017 - \$485,000) in share-based compensation costs. During the nine months ended September 30, 2018 the Corporation paid compensation to key management personnel and directors of \$2,256,000 (October 31, 2017 - \$2,187,000) related to salaries and benefits and incurred \$1,575,000 (October 31, 2017 -

\$1,006,000) in share-based compensation costs. During the three months ended September 30, 2018, Restricted Share Units ("RSUs) were cash settled for \$593,000.

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

## 15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value measurements for the periods ended September 30, 2018 and December 31, 2017 are under IFRS 9 and IAS 39 respectively.

The following table sets forth the Corporation's financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy.

(IN THOUSANDS OF CANADIAN DOLLARS)

As at September 30, 2018	Level 1	Level 2	Level 3	TOTAL
<b>FINANCIAL ASSETS</b>				
Convertible debenture	\$ -	\$ -	\$ 12,566	\$ 12,566
Mining and other investments	142,521	2,884	-	145,405
Derivative - cash flow swap	-	248	-	248
<b>TOTAL FINANCIAL ASSETS</b>	<b>\$ 142,521</b>	<b>\$ 3,132</b>	<b>\$ 12,566</b>	<b>\$ 157,971</b>
<b>FINANCIAL LIABILITIES</b>				
	-	-	-	-

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

### Risk Management

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

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

## 16. SEGMENTED INFORMATION

Key measures used by the chief operating decision maker (“CODM”) in assessing performance and in making resource allocation decisions are earnings before interest, tax, depreciation and amortization and other income (expenses) (“adjusted EBITDA”) and earnings before income taxes. Both measures enable the determination of cash return on the equity deployed and overall profitability for each segment. Revenue and expenses from the LNRLP and Prairie Royalties joint ventures (see Note 4) are included in the Royalties segment on a gross revenue and expense basis and adjusted to earnings in joint ventures (under the equity method) in the adjustment column of the table.

(IN THOUSANDS OF CANADIAN DOLLARS)

Reportable Segments	Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
<b>Three months ended September 30, 2018</b>					
<b>Revenue and other income</b>	\$ 17,084	\$ 550	\$ 17,634	\$ (3,953)	\$ 13,681
<b>Costs and Expenses</b>					
General and administrative	1,389	871	2,260	(330)	1,930
Cost of sales - copper stream	1,373	-	1,373	-	1,373
Generative exploration	-	10	10	-	10
Mineral rights and leases	-	110	110	-	110
Adjusted EBITDA	\$ 14,322	\$ (441)	\$ 13,881	\$ (3,623)	\$ 10,258
Share-based compensation	(277)	(228)	(505)	-	(505)
Amortization and depletion	(5,125)	(3)	(5,128)	889	(4,239)
Earnings from joint ventures	-	-	-	2,734	2,734
Foreign exchange loss	(153)	-	(153)	-	(153)
Unrealized gain on fair value adjustment of derivative	-	(56)	(56)	-	(56)
Exploration and evaluation assets abandoned or impaired	-	(576)	(576)	-	(576)
Dilution gain on issuance of shares by associate	-	2,025	2,025	-	2,025
Share of loss and impairment in associates	-	316	316	-	316
Interest on long-term debt	(2,058)	-	(2,058)	-	(2,058)
Earnings before income taxes	\$ 6,709	\$ 1,037	\$ 7,746	\$ -	\$ 7,746
Income taxes (current and deferred)					1,473
<b>Net earnings</b>					\$ 6,273

(IN THOUSANDS OF CANADIAN DOLLARS)

Reportable Segments	Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
<b>Nine months ended September 30, 2018</b>					
<b>Revenue and other income</b>	\$ 49,432	\$ 1,056	\$ 50,488	\$ (14,620)	\$ 35,868
<b>Costs and Expenses</b>					
General and administrative	4,215	2,243	6,458	(655)	5,803
Cost of sales - copper stream	3,819	-	3,819	-	3,819
Generative exploration	-	119	119	-	119
Mineral rights and leases	-	485	485	-	485
Adjusted EBITDA	\$ 41,398	\$ (1,791)	\$ 39,607	\$ (13,965)	\$ 25,642
Share-based compensation	(1,002)	(573)	(1,575)	-	(1,575)
Amortization and depletion	(14,097)	(7)	(14,104)	3,010	(11,094)
Earnings from joint ventures	-	-	-	10,955	10,955
Gain on disposal of investments	-	92	92	-	92
Foreign exchange loss	(295)	-	(295)	-	(295)
Loss on derivative financial instruments	-	(342)	(342)	-	(342)
Exploration and evaluation assets abandoned or impaired	-	(589)	(589)	-	(589)
Dilution gain on issuance of shares by associate	-	2,025	2,025	-	2,025
Share of loss and impairment in associates	-	(166)	(166)	-	(166)
Interest on long-term debt	(5,936)	-	(5,936)	-	(5,936)
Earnings (loss) before income taxes	\$ 20,068	\$ (1,351)	\$ 18,717	\$ -	\$ 18,717
Income taxes (current and deferred)					4,397
<b>Net earnings</b>					\$ 14,320
<b>Supplementary information</b>					
Total assets	\$ 547,762	\$ 60,412	\$ 608,174	\$ -	\$ 608,174
Operating activities	26,617	(1,672)	24,945	(15,745)	9,200
Financing Activities	39,275	-	39,275	-	39,275
Investing Activities	(84,724)	(7,694)	(92,418)	15,745	(76,673)
	\$ (18,832)	\$ (9,366)	\$ (28,198)	\$ -	\$ (28,198)

(IN THOUSANDS OF CANADIAN DOLLARS)

Reportable Segments	Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
<b>Three months ended October 31, 2017</b>					
Revenue and other income	\$ 17,939	\$ 108	\$ 18,047	\$ (5,873)	\$ 12,174
<b>Costs and Expenses</b>					
General and administrative	1,140	604	1,744	(69)	1,675
Cost of sales - copper stream	1,448	-	1,448	-	1,448
Generative exploration	-	146	146	-	146
Mineral rights and leases	-	75	75	-	75
Adjusted EBITDA	\$ 15,351	\$ (717)	\$ 14,634	\$ (5,804)	\$ 8,830
Share-based compensation	(315)	(170)	(485)	-	(485)
Amortization and depletion	(5,083)	-	(5,083)	1,800	(3,283)
Earnings from joint ventures	-	-	-	4,004	4,004
Gain on disposal of investments	694	837	1,531	-	1,531
Foreign exchange (loss)	(104)	-	(104)	-	(104)
Unrealized gain on fair value adjustment of derivative	109	-	109	-	109
Exploration and evaluation assets abandoned or impaired	-	(190)	(190)	-	(190)
Share of loss and impairment in associates	-	(158)	(158)	-	(158)
Interest on long-term debt	(1,304)	-	(1,304)	-	(1,304)
Earnings (loss) before income taxes	\$ 9,348	\$ (398)	\$ 8,950	\$ -	\$ 8,950
Income taxes (current and deferred)					2,202
Net earnings				\$	6,748

(IN THOUSANDS OF CANADIAN DOLLARS)

Reportable Segments	Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
<b>Nine months ended October 31, 2017</b>					
Revenue and other income	\$ 46,417	\$ 447	\$ 46,864	\$ (17,460)	\$ 29,404
<b>Costs and Expenses</b>					
General and administrative	3,328	1,949	5,277	(990)	4,287
Cost of sales - copper stream	3,366	-	3,366	-	3,366
Generative exploration	-	404	404	-	404
Mineral rights and leases	-	299	299	-	299
<b>Adjusted EBITDA</b>	<b>\$ 39,723</b>	<b>\$ (2,205)</b>	<b>\$ 37,518</b>	<b>\$ (16,470)</b>	<b>\$ 21,048</b>
Share-based compensation	(595)	(411)	(1,006)	-	(1,006)
Amortization and depletion	(15,632)	-	(15,632)	5,424	(10,208)
Earnings from joint ventures	-	-	-	11,046	11,046
Gain on disposal of investments	694	1,587	2,281	-	2,281
Foreign exchange gain	76	-	76	-	76
Unrealized gain on fair value adjustment of derivative	628	-	628	-	628
Exploration and evaluation assets abandoned or impaired	-	(2,581)	(2,581)	-	(2,581)
Dilution gain on issuance of shares by associate	-	196	196	-	196
Share of loss and impairment in associates	-	(2,949)	(2,949)	-	(2,949)
Interest on long-term debt	(4,063)	-	(4,063)	-	(4,063)
<b>Earnings (loss) before income taxes</b>	<b>\$ 20,831</b>	<b>\$ (6,363)</b>	<b>\$ 14,468</b>	<b>\$ -</b>	<b>\$ 14,468</b>
Income taxes (current and deferred)					4,188
<b>Net earnings</b>					<b>\$ 10,280</b>
<b>Supplementary information</b>					
Total assets	\$ 402,275	\$ 46,151	\$ 448,426	\$ -	\$ 448,426
<b>Cash flow from (used)</b>					
Operating activities	30,303	(1,801)	28,502	(17,077)	11,425
Financing activities	32,360	-	32,360	-	32,360
Investing activities	(43,843)	(603)	(44,446)	17,077	(27,369)
<b>Total cash flow</b>	<b>\$ 18,820</b>	<b>\$ (2,404)</b>	<b>\$ 16,416</b>	<b>\$ -</b>	<b>\$ 16,416</b>