



ALTIUS MINERALS CORPORATION

Condensed Consolidated Financial Statements
For the three months ended March 31, 2019 and 2018
(unaudited)

CONDENSED CONSOLIDATED BALANCE SHEETS

UNAUDITED, IN THOUSANDS OF CANADIAN DOLLARS

	Note	As at	
		March 31, 2019	December 31, 2018
ASSETS			
Current assets			
Cash and cash equivalents	13	\$ 21,277	\$ 28,392
Accounts receivable and prepaid expenses		10,928	8,930
Income taxes receivable		2,785	2,405
Loan receivable		2,625	2,625
		\$ 37,615	\$ 42,352
Non-current assets			
Interests in joint ventures	4	96,789	97,160
Royalty and streaming interests	7	266,280	253,120
Mining and other investments	6	166,774	124,439
Exploration and evaluation assets		20,692	19,976
Other intangible assets	8	2,771	-
Goodwill		6,076	6,031
Deferred tax assets	9	5,219	4,763
Investment in associates	5	9,887	11,106
Property and equipment		1,005	34
		\$ 575,493	\$ 516,629
TOTAL ASSETS		\$ 613,108	\$ 558,981
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		6,132	7,326
Current portion of debt	10	20,000	20,000
Income taxes payable		1,241	2,238
		\$ 27,373	\$ 29,564
Non-current liabilities			
Long-term debt	10	113,340	92,790
Other liability		937	-
Deferred tax liabilities	9	56,246	51,969
Derivative - cash flow swap	10	946	397
		\$ 198,842	\$ 174,720
EQUITY			
Shareholders' equity		399,275	371,853
Non-controlling interest		14,991	12,408
		\$ 414,266	\$ 384,261
TOTAL LIABILITIES AND EQUITY		\$ 613,108	\$ 558,981

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	
		March 31, 2019	March 31, 2018
Revenue and other income	11	\$ 17,073	\$ 9,395
Costs and Expenses			
General and administrative	11	2,798	1,900
Cost of sales - copper stream		1,565	1,144
Share-based compensation		426	296
Generative exploration		3	60
Exploration and evaluation assets abandoned or impaired		-	9
Mineral rights and leases		47	78
Amortization and depletion		3,753	3,050
		\$ 8,592	\$ 6,537
Earnings from joint ventures	4	3,744	5,215
Gain on disposal of investments		103	92
Interest on long-term debt		(2,035)	(1,244)
Foreign exchange loss		(629)	(82)
Unrealized loss on fair value adjustment of derivatives		(345)	(2,183)
Share of loss in associates	5	(1,219)	(332)
Earnings before income taxes		\$ 8,100	\$ 4,324
Income taxes (current and deferred)	9	1,484	1,797
Net earnings		\$ 6,616	\$ 2,527
Net earnings attributable to:			
Common shareholders		6,248	2,530
Non-controlling interest		368	(3)
		\$ 6,616	\$ 2,527
Net earnings per share			
basic and diluted		\$ 0.15	\$ 0.06

See accompanying notes to the Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (LOSS)

UNAUDITED, IN THOUSANDS OF CANADIAN DOLLARS

	Note	Three months ended	
		March 31, 2019	March 31, 2018
Net earnings		\$ 6,616	\$ 2,527
Other comprehensive earnings, net of tax			
To be reclassified subsequently to profit or loss			
Foreign currency translation adjustment			
Gross amount		266	-
Tax effect		-	-
Net amount		\$ 266	\$ -
Net unrealized loss on fair value adjustment of cash flow swap			
Gross amount		(548)	-
Tax effect		148	-
Net amount		\$ (400)	\$ -
To not be reclassified subsequently to profit or loss			
Net unrealized gain (loss) on equity investments			
Gross amount		24,577	(20,986)
Tax effect		(3,687)	3,431
Net amount		\$ 20,890	\$ (17,555)
Realized gain on equity investments		\$ 1,827	\$ -
Other comprehensive earnings (loss)		\$ 22,317	\$ (17,555)
Total comprehensive earnings (loss)		\$ 29,199	\$ (15,028)
Total comprehensive earnings (loss) attributable to:			
Common shareholders		28,831	(15,025)
Non-controlling interest		368	(3)
		\$ 29,199	\$ (15,028)

See accompanying notes to the Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

UNAUDITED, IN THOUSANDS OF CANADIAN DOLLARS

	Note	Three months ended	
		March 31, 2019	March 31, 2018
Operating activities			
Net earnings		\$ 6,616	\$ 2,527
Adjustments for operating activities	13	713	(717)
		\$ 7,329	\$ 1,810
Changes in non-cash operating working capital	13	(3,026)	(744)
		\$ 4,303	\$ 1,066
Financing activities			
Proceeds from long-term debt	10	25,208	65,000
Repayment of long-term debt	10	(5,000)	(3,250)
Payments from non-controlling interest	15	3,602	-
Preferred securities distribution		(1,260)	(1,192)
Repurchase of common shares	12	-	(75)
Dividends paid		(1,714)	(3,456)
		\$ 20,836	\$ 57,027
Investing activities			
Proceeds from sale of investments		7,789	101
Acquisition of Great Bay, net of cash assumed	8	(6,152)	-
Cash received from joint ventures	4	4,115	7,035
Acquisition of control of Potash Royalty Limited Partnership		-	(63,437)
Generative exploration		(3)	(60)
Exploration and evaluation assets, net of recoveries		(824)	(184)
Acquisition of royalty interests	7	(13,474)	-
Acquisition of investments	6	(23,665)	(6,729)
Acquisition of derivative financial instruments		-	(12)
Acquisition of property and equipment		(40)	(2)
		\$ (32,254)	\$ (63,288)
Net decrease in cash and cash equivalents		(7,115)	(5,195)
Cash and cash equivalents, beginning of period		28,392	61,982
Cash and cash equivalents, end of period		\$ 21,277	\$ 56,787

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 PER SHARE AMOUNTS

	Common Shares		Preferred Securities		Other Equity Reserves	Accumulated Other Comprehensive Earnings (loss)	Retained Earnings	Total Shareholders' Equity	Non-controlling interest	Total Equity
	Number	Amount	Number	Amount						
Balance, December 31, 2017	43,187,291	\$ 269,458	10,000,000	\$ 55,366	(Note 12) \$ 19,113	\$ 33,868	\$ 22,251	\$ 400,056	\$ 69	\$ 400,125
Net earnings and comprehensive earnings, January 1 to March 31, 2018	-	-	-	-	-	(17,555)	2,530	(15,025)	(3)	(15,028)
Non-controlling interest of Potash Royalty Limited Partnership Acquisition (Note 8)	-	-	-	-	-	-	-	-	12,485	12,485
Adoption of IFRS 9 & 15	-	-	-	-	-	(1,888)	1,134	(754)	-	(754)
Shares repurchased and cancelled	(6,200)	(39)	-	-	-	-	(36)	(75)	-	(75)
Preferred securities distribution	-	-	-	-	-	-	(1,233)	(1,233)	-	(1,233)
Dividends	-	-	-	-	-	-	(1,728)	(1,728)	-	(1,728)
Share-based compensation	-	-	-	-	296	-	-	296	-	296
Shares issued under long-term incentive plan	33,935	384	-	-	(384)	-	-	-	-	-
Balance, March 31, 2018	43,215,026	\$ 269,803	10,000,000	\$ 55,366	\$ 19,025	\$ 14,425	\$ 22,918	\$ 381,537	\$ 12,551	\$ 394,088
Net earnings and comprehensive earnings, April 1 to December 31, 2018	-	-	-	-	-	3,961	(1,262)	2,699	673	3,372
Payments to non-controlling interest	-	-	-	-	-	-	-	-	(816)	(816)
Shares repurchased and cancelled	(363,300)	(2,267)	-	-	-	-	(2,191)	(4,458)	-	(4,458)
Preferred securities distribution	-	-	-	-	-	-	(3,767)	(3,767)	-	(3,767)
Dividends	-	-	-	-	-	-	(5,171)	(5,171)	-	(5,171)
Share-based compensation	-	-	-	-	1,606	-	-	1,606	-	1,606
Cash settled RSUs	-	-	-	-	(593)	-	-	(593)	-	(593)
Balance, December 31, 2018	42,851,726	\$ 267,536	10,000,000	\$ 55,366	\$ 20,038	\$ 18,386	\$ 10,527	\$ 371,853	\$ 12,408	\$ 384,261
Net earnings and comprehensive earnings, January 1 to March 31, 2019	-	-	-	-	-	22,583	6,248	28,831	368	29,199
Payments to non-controlling interest	-	-	-	-	-	-	-	-	(293)	(293)
Receipts from non-controlling interests (Note 15)	-	-	-	-	-	-	1,139	1,139	2,098	3,237
Shares issued under services agreement	-	-	-	-	-	-	-	-	410	410
Preferred securities distribution	-	-	-	-	-	-	(1,260)	(1,260)	-	(1,260)
Dividends	-	-	-	-	-	-	(1,714)	(1,714)	-	(1,714)
Share-based compensation	-	-	-	-	426	-	-	426	-	426
Shares issued under long-term incentive plan	10,070	125	-	-	(125)	-	-	-	-	-
Balance, March 31, 2019	42,861,796	\$ 267,661	10,000,000	\$ 55,366	\$ 20,339	\$ 40,969	\$ 14,940	\$ 399,275	\$ 14,991	\$ 414,266

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 development stage royalties in renewable energy, along with numerous 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.

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

These condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 7, 2019.

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 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 year ended December 31, 2018, with the exception of changes arising from the adoption of IFRS 16 - Leases with a date of initial application of January 1, 2019.

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 year ended December 31, 2018.

IFRS 16 - Leases

IFRS 16 introduces new or amended requirements with respect to lease accounting. IFRS 16 introduced significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of right-of-use assets and lease liabilities at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. IFRS 16 was issued in January 2016 and applies to annual financial reporting periods beginning on or after January 1, 2019.

IFRS 16 has changed how the Corporation accounts for leases previously classified as operating leases under IAS 17, which were off-balance-sheet. Applying IFRS 16 for all except for short term leases and leases of low-value assets, the Corporation will (i) recognize ‘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) recognize depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement

of earnings; and (iii) separate 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 has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. The Corporation has taken the exemptions related to short-term and low value asset leases. Exploration and evaluation assets and mineral leases are not in the scope of this standard.

The adoption of IFRS 16 did not have a material effect on the consolidated financial statements.

4. INTERESTS IN JOINT VENTURES

IN THOUSANDS OF CANADIAN DOLLARS

	LNRLP	Prairie Royalties LP	Total
Balance December 31, 2017	\$ 5,717	\$ 148,935	154,652
Acquisition of control of Potash Royalty Limited Partnership	-	(48,535)	(48,535)
Earnings (loss)	(230)	10,619	10,389
Cash (receipts) disbursements	298	(19,644)	(19,346)
Balance, December 31, 2018	\$ 5,785	\$ 91,375	\$ 97,160
Earnings	149	3,595	3,744
Cash receipts	(332)	(3,783)	(4,115)
Balance, March 31, 2019	\$ 5,602	\$ 91,187	\$ 96,789

5. INVESTMENT IN ASSOCIATES

IN THOUSANDS OF CANADIAN DOLLARS

	Alderon	Adventus Zinc	Total
Balance, December 31, 2017	\$ -	\$ 4,826	\$ 4,826
Additions	5,224	330	5,554
Share of earnings (loss) in associates	(1,611)	55	(1,556)
Dilution gain on issuance of shares by associates	407	1,875	2,282
Balance, December 31, 2018	\$ 4,020	\$ 7,086	\$ 11,106
Share of loss in associates	(480)	(739)	(1,219)
Balance, March 31, 2019	\$ 3,540	\$ 6,347	\$ 9,887

Percentage ownership:

At December 31, 2018	37.98%	21.83%
At March 31, 2019	37.95%	21.84%

6. MINING AND OTHER INVESTMENTS

IN THOUSANDS OF CANADIAN DOLLARS

		Investments		Share Purchase Warrants		Total
Balance, December 31, 2017	\$	110,813	\$	2,243	\$	113,056
Additions		21,618		520		22,138
Reclassification to investments in traded securities		104		(104)		-
Reclassification from convertible debenture		10,700		-		10,700
Receipt for interest in mineral property		1,167		11		1,178
Disposals		(858)		-		(858)
Revaluation		(19,775)		(2,000)		(21,775)
Balance, December 31, 2018	\$	123,769	\$	670	\$	124,439
Additions		23,868		103		23,971
Reclassification to investments in traded securities		114		(114)		-
Receipt for interest in mineral property		94		-		94
Disposals		(5,962)		-		(5,962)
Revaluation		24,577		(345)		24,232
Balance, March 31, 2019	\$	166,460	\$	314	\$	166,774

As at March 31, 2019 mining and other investments include an investment in Labrador Iron Ore Royalty Corporation of \$118,448,000 (December 31, 2018 - \$84,719,000) consisting of 4,031,600 (December 31, 2018 - 3,495,000) common shares.

IN THOUSANDS OF CANADIAN DOLLARS

	Note	As at December 31, 2017	Additions and Impairments	As at December 31, 2018
Royalty interests				
Rocanville - Potash	\$	11,891	\$ 60,989	\$ 72,880
Esterhazy - Potash		3,000	29,869	32,869
Cory - Potash		-	18,812	18,812
Allan - Potash		-	6,317	6,317
Patience Lake - Potash		-	3,872	3,872
Vanscoy - Potash		-	5,197	5,197
Other potash		7,000	-	7,000
Coal & coal bed methane		8,000	-	8,000
777 Mine - Copper & zinc		47,356	-	47,356
Gunnison - Copper		5,300	5,000	10,300
Sheerness West - Coal		9,000	(9,000)	-
Pickett Mountain		7,606	-	7,606
Streaming interest				
Chapada - Copper		77,634	-	77,634
Balance, end of period	\$	176,787	\$ 121,056	\$ 297,843
Accumulated amortization, depletion				
Rocanville - Potash	\$	68	\$ 1,675	\$ 1,743
Esterhazy - Potash		59	210	269
Cory - Potash		-	114	114
Allan - Potash		-	218	218
Patience Lake - Potash		-	9	9
Vanscoy - Potash		-	72	72
Other potash		38	4	42
Coal & coal bed methane		1,434	400	1,834
777 Mine - Copper & zinc		21,459	6,617	28,076
Gunnison - Copper		-	-	-
Sheerness West - Coal		-	-	-
Pickett Mountain		-	-	-
Streaming interest				
Chapada - Copper		7,093	5,253	12,346
Balance, end of period	\$	30,151	\$ 14,572	\$ 44,723
Net book value	\$	146,636	\$ 106,484	\$ 253,120

8. ACQUISITION

On February 5, 2019 the Corporation acquired all of the outstanding shares of a private company, Great Bay Renewables, Inc. ("Great Bay") from its shareholders for US\$5 million (CAD\$6.5 million). The Great Bay acquisition added a paying royalty on the 4.7 MW Clyde River hydroelectric/solar facility located in Vermont and some working capital to the Corporation.

Subsequently, on February 7, 2019 the Corporation announced its first renewable energy royalty transaction with leading Texas-based wind energy developer Tri Global Energy LLC ("TGE"). The Corporation, through its subsidiary Great Bay, will receive a 3% gross revenue royalty on each individual pipeline project created until a target minimum total royalty valuation is achieved. The Corporation has committed to investing, in tranches, a total of US\$30 million over the next three years as TGE achieves certain advancement milestones and could be subject to penalties if future tranches are requested but not funded after milestones have been met. An initial investment of US\$7.5 million was made upon closing using cash on hand.

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

Components of income tax expense are as follows:

IN THOUSANDS OF CANADIAN DOLLARS

	Three months ended	
	March 31, 2019	March 31, 2018
Current tax	\$ 1,515	\$ 2,185
Deferred tax	(31)	(388)
	\$ 1,484	\$ 1,797

10. DEBT

IN THOUSANDS OF CANADIAN DOLLARS

At amortized cost	March 31, 2019	December 31, 2018
Long-term debt	\$ 133,340	\$ 112,790
Current	20,000	20,000
Non-current	113,340	92,790
	\$ 133,340	\$ 112,790

On January 28, 2019, the Corporation completed a draw down on its revolving facility for \$25,208,000 to acquire mining and other investments. As at March 31, 2019, the Corporation has approximately \$75,000,000 of additional liquidity on its revolving facility.

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.

The Corporation has a floating-to-fixed interest rate swap to lock in the interest rate on a portion of the Term Credit Facility on an amortized basis. The amount of the floating-to-fixed interest rate swap will reduce in tandem with the quarterly principal repayments on the term debt. The balance outstanding on the swap at March 31, 2019 is \$85 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 balance of the Term Credit Facility and the Revolving Facility initially carrying a 4.67% interest rate that will change in accordance with market interest rates. The Corporation has applied hedge accounting to this relationship whereby the change in fair value of the effective portion of the hedging derivative is recognized in accumulated other comprehensive earnings. Settlement of both the fixed and variable portions of the interest rate swap occurs on a quarterly basis. The full amount of the hedge was determined to be effective as at March 31, 2019 and all critical terms matched during the year. The Corporation has classified this financial instrument as a cash flow hedge and the fair value of the hedging instrument is recorded as a liability of \$946,000 (December 31, 2018 - \$397,000) on the balance sheet.

In accordance with the terms of the previous and amended credit facilities, the Corporation repaid \$5 million during the three months ended March 31, 2019 (March 31, 2018 - \$3,250,000).

The Corporation is amortizing costs of \$2,595,000 attributable to securing the Amended Credit Facilities over the life of the facilities using an effective interest rate of 5.42%. During the three months ended March 31, 2019 \$186,000 (March 31, 2018 - \$157,000) of the costs were recognized in the consolidated statement of earnings.

As at March 31, 2019 the Corporation was in compliance with all debt covenants.

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

IN THOUSANDS OF CANADIAN DOLLARS

	Term	Revolver	Total
2019	\$20,000	-	\$ 20,000
2020	\$20,000	-	\$ 20,000
2021	\$20,000	-	\$ 20,000
2022	\$20,000	-	\$ 20,000
2023	\$30,000	\$25,350	\$ 55,350
	\$110,000	\$25,350	\$ 135,350
	Less: unamortized debt costs		2,010
			\$ 133,340

11. REVENUE AND GENERAL AND ADMINISTRATIVE EXPENSES

IN THOUSANDS OF CANADIAN DOLLARS

Revenue and other income	Three months ended	
	March 31, 2019	March 31, 2018
Royalty	\$ 7,034	\$ 3,996
Copper stream*	5,432	3,904
Interest and investment	4,394	1,463
Other	213	32
Total revenue and other income	\$ 17,073	\$ 9,395

*Revenue from contracts with customers

IN THOUSANDS OF CANADIAN DOLLARS

General and administrative expenses	Three months ended	
	March 31, 2019	March 31, 2018
Salaries and benefits	\$ 1,595	\$ 834
Professional and consulting fees	765	693
Office and administrative	311	246
Travel and accommodations	127	127
Total general and administrative	\$ 2,798	\$ 1,900

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 nil common shares (March 31, 2018 – 6,200) during the three months ended March 31, 2019 at a cost of \$nil (March 31, 2018 - \$75,000).

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.

	Three months ended	
	March 31, 2019	March 31, 2018
Weighted average number of shares:		
Basic	42,857,096	43,206,144
Diluted	43,143,891	43,485,317

Other equity reserves

Other equity reserves consist of share-based payment reserves of \$4,311,000, warrants of \$12,959,000 and contributed surplus of \$3,069,000 for a total of \$20,339,000. Share-based payment reserve amounts are in respect of stock options, DSUs and RSUs.

13. SUPPLEMENTAL CASH FLOW INFORMATION

IN THOUSANDS OF CANADIAN DOLLARS

	Three months ended	
	March 31, 2019	March 31, 2018
Adjustments for operating activities:		
Generative exploration	\$ 3	\$ 60
Exploration and evaluation assets abandoned or impaired	-	9
Share-based compensation	426	296
Foreign exchange loss	143	256
Amortization and depletion	3,753	3,050
Non-cash other revenue & accretion	-	(22)
Interest on long-term debt	2,035	1,244
Interest paid	(1,957)	(1,242)
Gain on disposal of investments	(103)	(92)
Unrealized loss on fair value adjustment of derivatives	345	2,183
Earnings from joint ventures	(3,744)	(5,215)
Share of loss in associates	1,219	332
Income taxes	1,484	1,797
Income taxes paid	(2,891)	(3,373)
	\$ 713	\$ (717)
Changes in non-cash operating working capital:		
Accounts receivable and prepaid expenses	(1,998)	(232)
Accounts payable and accrued liabilities	(1,028)	(512)
	\$ (3,026)	\$ (744)
Cash and cash equivalents consist of:		
Deposits with banks	18,891	56,787
Short-term investments	2,386	-
	\$ 21,277	\$ 56,787

14. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2019 the Corporation was billed by an associate \$6,500 (March 31, 2018 – \$8,000 billed to associate) for reimbursement of property, exploration, consulting, professional and general administrative expenses.

During the three months ended March 31, 2019 the Corporation paid compensation to key management personnel and directors of \$1,641,200 (March 31, 2018 - \$1,302,000) related to salaries and benefits and incurred \$426,000 (March 31, 2018 - \$296,000) in share-based compensation costs.

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

15. NON-CONTROLLING INTEREST

During the quarter ended March 31, 2019, the Corporation received equity funds of \$2,234,000 (net of a flow through liability of \$660,000) from non-controlling interests of the Corporation's subsidiary Adia Resources Inc. and equity funds of \$1,003,000 from non-controlling interests of the Corporation's subsidiary Altius Renewables Royalties Corp.

16. 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.

IN THOUSANDS OF CANADIAN DOLLARS

As at March 31, 2019	Level 1	Level 2	Level 3	TOTAL
Mining and other investments	147,025	314	19,435	166,774
FINANCIAL ASSETS	\$ 147,025	\$ 314	\$ 19,435	\$ 166,774
Derivative - cash flow swap	-	946	-	946
FINANCIAL LIABILITIES	\$ -	\$ 946	\$ -	\$ 946

As at December 31, 2018	Level 1	Level 2	Level 3	TOTAL
Mining and other investments	123,769	670	-	124,439
FINANCIAL ASSETS	\$ 123,769	\$ 670	\$ -	\$ 124,439
Derivative - cash flow swap	-	397	-	397
FINANCIAL LIABILITIES	\$ -	\$ 397	\$ -	\$ 397

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, 2018 annual consolidated financial statements.

17. SEGMENTED INFORMATION

Key measures used by the Chief Operating Decision Maker 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 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
Three months ended March 31, 2019					
Revenue and other income	\$ 21,844	\$ 9	\$ 21,853	\$ (4,780)	\$ 17,073
Costs and Expenses					
General and administrative	1,734	1,145	2,879	(81)	2,798
Cost of sales - copper stream	1,565	-	1,565	-	1,565
Generative exploration	-	3	3	-	3
Mineral rights and leases	-	47	47	-	47
Adjusted EBITDA	\$ 18,545	\$ (1,186)	\$ 17,359	\$ (4,699)	\$ 12,660
Share-based compensation	\$ (319)	\$ (107)	\$ (426)	\$ -	\$ (426)
Amortization and depletion	(4,704)	(4)	(4,708)	955	(3,753)
Earnings from joint ventures	-	-	-	3,744	3,744
Gain on disposal of investments	-	103	103	-	103
Foreign exchange loss	(629)	-	(629)	-	(629)
Unrealized loss on fair value adjustment of derivative	-	(345)	(345)	-	(345)
Share of loss in associates	-	(1,219)	(1,219)	-	(1,219)
Interest on long-term debt	(2,035)	-	(2,035)	-	(2,035)
Earnings (loss) before income taxes	\$ 10,858	\$ (2,758)	\$ 8,100	\$ -	\$ 8,100
Income taxes (current and deferred)					1,484
Net earnings					\$ 6,616
Supplementary information					
Total assets	\$ 549,288	\$ 63,820	\$ 613,108	\$ -	\$ 613,108
Cash flow from (used)					
Operating activities	9,601	(1,183)	8,418	(4,115)	4,303
Financing activities	17,908	2,928	20,836	-	20,836
Investing activities	(43,199)	6,830	(36,369)	4,115	(32,254)
Total cash flow from (used)	\$ (15,690)	\$ 8,575	\$ (7,115)	\$ -	\$ (7,115)

IN THOUSANDS OF CANADIAN DOLLARS

Reportable Segments	Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
Three months ended March 31, 2018					
Revenue and other income	\$ 15,805	\$ 292	\$ 16,097	\$ (6,702)	\$ 9,395
Costs and Expenses					
General and administrative	1,367	754	2,121	(221)	1,900
Cost of sales - copper stream	1,144	-	1,144	-	1,144
Generative exploration	-	60	60	-	60
Mineral rights and leases	-	78	78	-	78
Adjusted EBITDA	\$ 13,294	\$ (600)	\$ 12,694	\$ (6,481)	\$ 6,213
Share-based compensation	\$ (222)	\$ (74)	\$ (296)	\$ -	\$ (296)
Amortization and depletion	(4,314)	(2)	(4,316)	1,266	(3,050)
Earnings from joint ventures	-	-	-	5,215	5,215
Gain on disposal of investments	-	92	92	-	92
Foreign exchange gain	(82)	-	(82)	-	(82)
Unrealized gain on fair value adjustment of derivative	-	(2,183)	(2,183)	-	(2,183)
Exploration and evaluation assets abandoned or impaired	-	(9)	(9)	-	(9)
Share of loss and impairment in associates	-	(332)	(332)	-	(332)
Interest on long-term debt	(1,244)	-	(1,244)	-	(1,244)
Earnings (loss) before income taxes	\$ 7,432	\$ (3,108)	\$ 4,324	\$ -	\$ 4,324
Income taxes (current and deferred)					1,797
Net earnings					\$ 2,527
Supplementary information					
Total assets	\$ 540,535	\$ 43,235	\$ 583,770	\$ -	\$ 583,770
Operating activities	8,641	(540)	8,101	(7,035)	1,066
Financing Activities	57,027	-	57,027	-	57,027
Investing Activities	(64,091)	(6,232)	(70,323)	7,035	(63,288)
Total cash flow from (used)	\$ 1,577	\$ (6,772)	\$ (5,195)	\$ -	\$ (5,195)

18. SUBSEQUENT EVENTS

On April 30, 2019 the Corporation made a discretionary repayment on its revolving credit facility of approximately \$11,000,000, in addition to the required quarterly repayment of \$5,000,000 on its term credit facility.