



Altius Minerals Corporation

Condensed Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

CONDENSED CONSOLIDATED BALANCE SHEETS

Unaudited, In Thousands of Canadian Dollars	Note	As at	
		March 31, 2022	December 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents		\$ 121,293	\$ 100,021
Accounts receivable and prepaid expenses		13,191	12,601
Income tax receivable		3,573	2,268
		\$ 138,057	\$ 114,890
Non-current assets			
Royalty and streaming interests	6	245,857	250,877
Investments	5	219,479	183,725
Interests in joint ventures	4	124,725	152,504
Exploration and evaluation assets		8,659	9,105
Deferred tax assets	7	7,636	7,787
Investment in associates		1,620	1,620
Derivatives - cash flow swap	8	1,088	-
Property and equipment		844	893
		\$ 609,908	\$ 606,511
TOTAL ASSETS		\$ 747,965	\$ 721,401
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		6,083	6,069
Current portion of long-term debt	8	8,000	8,000
Income tax payable		3,828	5,580
		\$ 17,911	\$ 19,649
Non-current liabilities			
Long-term debt	8	104,538	107,173
Other liability		818	851
Deferred tax liabilities	7	69,530	64,738
Derivative - cash flow swap	8	-	11
		\$ 174,886	\$ 172,773
TOTAL LIABILITIES		\$ 192,797	\$ 192,422
EQUITY			
Shareholders' equity		460,744	433,486
Non-controlling interest		94,424	95,493
		\$ 555,168	\$ 528,979
TOTAL LIABILITIES AND EQUITY		\$ 747,965	\$ 721,401

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, 2022	March 31, 2021
Revenue and other income	9	\$ 27,087	\$ 17,502
Costs and Expenses			
General and administrative	9	2,397	1,902
Cost of sales - copper stream		1,873	1,021
Share-based compensation		481	716
Generative exploration		64	8
Mineral rights and leases		-	30
Amortization and depletion		6,594	4,824
Earnings before the following:		\$ 15,678	\$ 9,001
Earnings (loss) from joint ventures	4	629	(133)
Gain on disposal of mineral property		996	-
Interest on long-term debt		(1,453)	(1,817)
Foreign exchange gain		539	629
Dilution gain on issuance of shares by an associate and joint venture		-	358
Unrealized (loss) gain on fair value adjustment of derivatives		(313)	4,224
Share of earnings and impairment reversal in associates		-	1,426
Earnings before income taxes		\$ 16,076	\$ 13,688
Income taxes (current and deferred)	7	3,541	1,884
Net earnings		\$ 12,535	\$ 11,804
Net earnings attributable to:			
Common shareholders		12,088	11,663
Non-controlling interest		447	141
		\$ 12,535	\$ 11,804
Net earnings per share			
Basic	10	\$ 0.29	\$ 0.28
Diluted	10	\$ 0.28	\$ 0.28

See accompanying notes to the condensed consolidated financial statements

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

Unaudited, In Thousands of Canadian Dollars	Note	Three months ended	
		March 31, 2022	March 31, 2021
Net earnings		\$ 12,555	\$ 11,804
Other comprehensive earnings			
To be reclassified subsequently to profit or loss			
Foreign currency translation adjustment			
Gross amount		(3,555)	(1,391)
Net amount		\$ (3,555)	\$ (1,391)
Net unrealized gain on fair value adjustment of cash flow swap			
Gross amount		1,159	234
Tax effect		(247)	(54)
Net amount		\$ 912	\$ 180
To not be reclassified subsequently to profit or loss			
Net unrealized gain on investments	5		
Gross amount		25,228	11,597
Tax effect		(3,633)	(1,673)
Net amount		\$ 21,595	\$ 9,924
Revaluation of investments held in joint venture	4		
Gross amount		669	7,080
Tax effect		(48)	(2,028)
Net amount		\$ 621	\$ 5,052
Realized gain on investments	5	216	\$ 3,915
Tax effect		(9)	(587)
Net amount		\$ 207	\$ 3,328
Other comprehensive earnings		\$ 19,780	\$ 17,093
Total comprehensive earnings		\$ 32,315	\$ 28,897
Total comprehensive earnings attributable to:			
Common shareholders		31,613	26,890
Non-controlling interest		702	2,007
		\$ 32,315	\$ 28,897

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, 2022	March 31, 2021
Operating activities			
Net earnings		\$ 12,535	\$ 11,804
Adjustments for operating activities	11	1,880	(3,904)
Changes in non-cash operating working capital	11	(611)	640
		\$ 13,804	\$ 8,540
Financing activities			
Repayment of long-term debt	8	(2,000)	(5,000)
Lease payments		(42)	(42)
Proceeds from exercise of warrants		-	5,600
Proceeds from IPO of subsidiary (net of issuance costs of \$8,802)		-	92,016
Cash settled stock options		(2,031)	-
Payments to non-controlling interest	13	(441)	(400)
Preferred securities distribution		(1,260)	(1,260)
Repurchase of common shares	10	(165)	(7,363)
Dividends paid		(2,713)	(1,925)
		\$ (8,652)	\$ 81,626
Investing activities			
Proceeds from sale of investments		1,495	6,938
Cash received from joint ventures	4	27,069	270
Generative exploration		(64)	(8)
Exploration and evaluation assets, net of recoveries		65	(341)
Acquisition of royalty interests	6	(1,524)	(296)
Acquisition of investments	5	(10,921)	(6,645)
Acquisition of property and equipment		-	8
		\$ 16,120	\$ (74)
Net increase in cash and cash equivalents		21,272	90,092
Cash and cash equivalents, beginning of period		100,021	21,804
Cash and cash equivalents, end of period		\$ 121,293	\$ 111,896

Supplemental cash flow information (Note 11)

See accompanying notes to the condensed consolidated financial statements

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

In Thousands of Canadian Dollars	Common Shares		Preferred Securities		Other Equity Reserves (Note 10)	Accumulated Other Comprehensive Earnings	Retained Earnings (Deficit)	Total Shareholders' Equity	Non-controlling interest	Total Equity
	Number	Amount	Number	Amount						
Balance, December 31, 2020	41,477,653	\$ 259,302	10,000,000	\$ 57,061	\$ 24,627	\$ 53,782	\$ (31,895)	\$ 362,877	\$ 20,948	\$ 383,825
Net earnings and comprehensive earnings, January 1 to March 31, 2021	-	-	-	-	-	15,227	11,663	26,890	2,007	28,897
Payments to non-controlling interest	-	-	-	-	-	-	-	-	(400)	(400)
Transactions with non-controlling interests	-	-	-	-	-	-	24,756	24,756	67,260	92,016
Proceeds from exercise of warrants	400,000	5,600	-	-	-	-	-	5,600	-	5,600
Shares repurchased and cancelled	(473,400)	(2,959)	-	-	-	-	(4,404)	(7,363)	-	(7,363)
Preferred securities distribution	-	-	-	-	-	-	(1,232)	(1,232)	-	(1,232)
Dividends paid to common shareholders	-	-	-	-	-	-	(2,074)	(2,074)	-	(2,074)
Shares issued under dividend reinvestment plan	10,992	149	-	-	-	-	-	149	-	149
Share-based compensation	-	-	-	-	716	-	-	716	-	716
Balance, March 31, 2021	41,415,245	262,092	10,000,000	57,061	25,343	69,009	(3,186)	410,319	89,815	500,134
Net earnings and comprehensive earnings, April 1 to December 31, 2021	-	-	-	-	-	7,962	28,359	36,321	3,030	39,351
Payments to non-controlling interest	-	-	-	-	-	-	-	-	(1,002)	(1,002)
Transactions with non-controlling interests	-	-	-	-	-	-	2,493	2,493	2,987	5,480
Shares repurchased and cancelled	(347,700)	(2,201)	-	-	-	-	(3,379)	(5,580)	-	(5,580)
Shares issued under services agreement	-	-	-	-	-	-	-	-	663	663
Preferred securities distribution	-	-	-	-	-	-	(3,768)	(3,768)	-	(3,768)
Dividends paid to common shareholders	-	-	-	-	-	-	(7,873)	(7,873)	-	(7,873)
Shares issued under dividend reinvestment plan	33,651	551	-	-	-	-	-	551	-	551
Share-based compensation	-	-	-	-	2,302	-	-	2,302	-	2,302
Cash settled RSUs	-	-	-	-	(213)	-	-	(213)	-	(213)
Shares issued under long-term incentive plan	84,399	351	-	-	(1,417)	-	-	(1,066)	-	(1,066)
Balance, December 31, 2021	41,185,595	\$ 260,793	10,000,000	\$ 57,061	\$ 26,015	\$ 76,971	\$ 12,646	\$ 433,486	\$ 95,493	\$ 528,979
Net earnings and comprehensive earnings, January 1 to March 31, 2022	-	-	-	-	-	19,525	12,088	31,613	702	32,315
Payments to non-controlling interest (Note 13)	-	-	-	-	-	-	-	-	(441)	(441)
Transactions with non-controlling interests	-	-	-	-	-	-	1,329	1,329	(1,330)	(1)
Shares repurchased and cancelled (Note 10)	(10,000)	(63)	-	-	-	-	(102)	(165)	-	(165)
Preferred securities distribution	-	-	-	-	-	-	(1,232)	(1,232)	-	(1,232)
Dividends paid to common shareholders	-	-	-	-	-	-	(2,883)	(2,883)	-	(2,883)
Shares issued under dividend reinvestment plan	7,004	170	-	-	-	-	-	170	-	170
Share-based compensation	-	-	-	-	481	-	-	481	-	481
Cash settled stock options	-	-	-	-	(2,031)	-	-	(2,031)	-	(2,031)
Shares issued under long-term incentive plan	3,238	6	-	-	(30)	-	-	(24)	-	(24)
Balance, March 31, 2022	41,185,837	\$ 260,906	10,000,000	\$ 57,061	\$ 24,435	\$ 96,496	\$ 21,846	\$ 460,744	\$ 94,424	\$ 555,168

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

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

The Corporation’s diversified mineral royalties and streams generate revenue from 12 operating mines located in Canada (10), the United States (1), and Brazil (1) that produce copper, zinc, nickel, cobalt, potash, iron ore and thermal (electrical) coal. The Corporation further holds a diversified portfolio of pre-production stage royalties and junior equity positions that it mainly originates through mineral exploration initiatives within a business division referred to as Project Generation. The Corporation holds a 59% interest in ARR, which through a jointly controlled entity, Great Bay Renewables LLC (“GBR”), holds royalties related to renewable energy generation projects located primarily in the United States. Certain funds managed by affiliates of Apollo Global Management, Inc. (the “Apollo Funds”) represent the other party to the joint venture.

Altius is a publicly traded company, incorporated and domiciled in Canada. The head office of the Corporation is located at 2nd Floor, 38 Duffy Place, St. John’s, Newfoundland and Labrador A1B 4M5. Its registered office is located at 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta, T2P 5C5.

These condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 10, 2022.

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. 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, JUDGEMENTS AND ESTIMATES

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, 2021. 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, 2021.

4. INTERESTS IN JOINT VENTURES

In Thousands of Canadian Dollars	LNRLP		GBR		Total
Balance, December 31, 2020	\$	5,146	\$	90,758	95,904
Earnings (loss)		1,543		(1,923)	(380)
Investment in joint venture		-		35,261	35,261
Cash receipts		(1,646)		-	(1,646)
Other comprehensive earnings - revaluation of investments		-		22,822	22,822
Other comprehensive earnings - foreign currency translation adjustment		-		(37)	(37)
Dilution gain		-		580	580
Balance, December 31, 2021	\$	5,043	\$	147,461	\$ 152,504
Earnings		418		211	629
Cash receipts		(423)		(26,646)	(27,069)
Other comprehensive earnings - revaluation of investments		-		541	541
Other comprehensive earnings - foreign currency translation adjustment		-		(1,880)	(1,880)
Balance, March 31, 2022	\$	5,038	\$	119,687	\$ 124,725

See Note 14 for fair value qualitative and quantitative analysis relating to the investments held in the GBR joint venture.

5. INVESTMENTS

In Thousands of Canadian Dollars	Mining and other investments		Share purchase warrants		Total
Balance, December 31, 2020	\$	140,508	\$	4,513	\$ 145,021
Additions		19,932		4,686	24,618
Reclassification to investments in traded securities		4,922		(4,922)	-
Receipt for interest in mineral property		5,236		-	5,236
Reclassification of investment in associate		17,578		-	17,578
Disposals		(13,521)		(268)	(13,789)
Revaluation		5,226		(165)	5,061
Balance, December 31, 2021	\$	179,881	\$	3,844	\$ 183,725
Additions		10,740		-	10,740
Reclassification to investments in traded securities		(96)		96	-
Receipt for interest in mineral property		1,378		-	1,378
Disposals		(1,279)		-	(1,279)
Revaluation		25,228		(313)	24,915
Balance, March 31, 2022	\$	215,852	\$	3,627	\$ 219,479

As at March 31, 2022, investments include an investment in Labrador Iron Ore Royalty Corporation ("LIORC") of \$120,728,000 (December 31, 2021 - \$107,854,000) consisting of 2,873,800 (December 31, 2021 - 2,873,800) common shares.

6. ROYALTY AND STREAMING INTERESTS

In Thousands of Canadian Dollars	As at December 31, 2021		Additions and revaluations		As at March 31, 2022	
Royalty interests						
Rocanville - Potash	\$	73,595	\$	-	\$	73,595
Esterhazy - Potash		33,659		-		33,659
Cory - Potash		19,427		-		19,427
Allan - Potash		6,367		-		6,367
Patience Lake - Potash		3,903		-		3,903
Vanscoy - Potash		5,238		-		5,238
Other potash		7,000		-		7,000
Coal & natural gas		8,000		-		8,000
Genesee - Coal		34,438		-		34,438
777 Mine - Copper & zinc		47,356		-		47,356
Gunnison - Copper		10,300		-		10,300
Picket Mountain		7,606		1,269		8,875
Curipamba - Copper, gold, zinc		13,465		5		13,470
Other		-		250		250
Streaming interest						
Chapada - Copper		77,634		-		77,634
Balance, end of period	\$	347,988	\$	1,524	\$	349,512
Accumulated amortization, depletion						
Rocanville - Potash	\$	6,871	\$	394	\$	7,265
Esterhazy - Potash		1,249		22		1,271
Cory - Potash		772		79		851
Allan - Potash		1,200		94		1,294
Patience Lake - Potash		104		13		117
Vanscoy - Potash		99		65		164
Other potash		25		2		27
Coal & natural gas		3,069		100		3,169
Genesee - Coal		10,796		3,432		14,228
777 Mine - Copper & zinc		44,830		1,398		46,228
Gunnison - Copper		-		-		-
Pickett Mountain		-		-		-
Curipamba - Copper, gold, zinc		-		-		-
Other		-		-		-
Streaming interest						
Chapada - Copper		28,096		945		29,041
Balance, end of period	\$	97,111	\$	6,544	\$	103,655
Net book value	\$	250,877	\$	5,020	\$	245,857

In Thousands of Canadian Dollars	As at December 31, 2020		Additions and revaluations		As at December 31, 2021	
Royalty interests						
Rocanville - Potash	\$	73,595	\$	-	\$	73,595
Esterhazy - Potash		33,204		455		33,659
Cory - Potash		19,427		-		19,427
Allan - Potash		6,367		-		6,367
Patience Lake - Potash		3,903		-		3,903
Vanscoy - Potash		5,238		-		5,238
Other potash		7,000		-		7,000
Coal & natural gas		8,000		-		8,000
Genesee - Coal		34,438		-		34,438
Other coal		2,744		-		2,744
777 Mine - Copper & zinc		47,356		-		47,356
Gunnison - Copper		10,300		-		10,300
Picket Mountain		7,606		-		7,606
Curipamba - Copper, gold, zinc		13,445		20		13,465
Streaming interest						
Chapada - Copper		77,634		-		77,634
Balance, end of year	\$	350,257	\$	475	\$	350,732
Accumulated amortization, depletion						
Rocanville - Potash	\$	5,277	\$	1,594	\$	6,871
Esterhazy - Potash		932		317		1,249
Cory - Potash		501		271		772
Allan - Potash		852		348		1,200
Patience Lake - Potash		69		35		104
Vanscoy - Potash		75		24		99
Other potash		16		9		25
Coal & natural gas		2,667		402		3,069
Genesee - Coal		2,593		8,203		10,796
Other coal		2,548		196		2,744
777 Mine - Copper & zinc		39,178		5,652		44,830
Gunnison - Copper		-		-		-
Pickett Mountain		-		-		-
Curipamba - Copper, gold, zinc		-		-		-
Streaming interest						
Chapada - Copper		22,447		5,649		28,096
Balance, end of year	\$	77,155	\$	22,700	\$	99,855
Net book value	\$	273,102	\$	22,225	\$	250,877

7. INCOME TAXES

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

In Thousands of Canadian Dollars	March 31, 2022	December 31, 2021
Temporary differences related to exploration and evaluation assets, property and other	\$ (5,839)	\$ (6,155)
Non capital and net capital loss carryforwards	5,266	5,331
Carrying value of investments in excess of tax values	(19,866)	(16,192)
Temporary differences related to preferred securities	(30,000)	(30,000)
Deferred and deductible share-based compensation and other costs	1,225	1,390
Share and debt issue costs	(409)	182
Carrying values in excess of tax values relating to royalty and streaming interests in mineral properties	(12,271)	(11,507)
	\$ (61,894)	\$ (56,951)

	March 31, 2022	December 31, 2020
Deferred tax liabilities	\$ (69,530)	\$ (64,738)
Deferred tax assets	7,636	7,787
Total deferred income tax	\$ (61,894)	\$ (56,951)

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

In Thousands of Canadian Dollars	Three months ended	
	March 31, 2022	March 31, 2021
Current tax	\$ 2,574	\$ 1,532
Deferred tax	967	352
	\$ 3,541	\$ 1,884

8. DEBT

In Thousands of Canadian Dollars	March 31, 2022	December 31, 2021
At amortized cost		
Long-term debt	\$ 112,538	\$ 115,173
Current	8,000	8,000
Non-current	104,538	107,173
	\$ 112,538	\$ 115,173

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

The Corporation has a floating-to-fixed interest rate swap to lock in the interest rate on the term credit facility on an amortized basis. The amount of the floating-to-fixed interest rate swap will reduce in tandem with the quarterly scheduled principal repayments on the term debt. As of March 31, 2022, the balance outstanding on the swap was \$46,000,000 (December 31, 2021 - \$48,000,000). The Corporation expected the interest rate on the fixed portion of the debt to be approximately 4.34% per annum during the full term of the loan, with the revolving

facility fluctuating in accordance with market interest rates. The Corporation has applied hedge accounting to this relationship whereby the change in fair value of the effective portion of the hedging derivative is recognized in accumulated other comprehensive earnings. Settlement of both the fixed and variable portions of the interest rate swap occurs on a quarterly basis. The full amount of the hedge was determined to be effective as at March 31, 2022. 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 \$1,088,000 (December 31, 2021 – liability of \$11,000) on the balance sheet.

The Corporation is amortizing costs attributable to securing the amended credit facilities of \$1,782,000 over the life of the facilities using an effective interest rate of 5.73%. During the three months ended March 31, 2022 \$140,000 (March 31, 2021 - \$126,000) of the costs were recognized as interest expense on long term debt in the consolidated statement of earnings.

During the three months ended March 31, 2022 the Corporation repaid \$2,000,000 on its term facility (March 31, 2021 - \$5,000,000).

As at March 31, 2022 the Corporation was in compliance with all debt covenants and has approximately \$107,000,000 of additional liquidity on its revolving facility.

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

In Thousands of Canadian Dollars	Term	Revolver	Total
2022	6,000	-	\$ 6,000
2023	8,000	-	\$ 8,000
2024	8,000	-	\$ 8,000
2025	24,000	67,935	\$ 91,935
	\$ 46,000	\$ 67,935	\$ 113,935
	Less: una mortized debt costs		1,397
			\$ 112,538

9. REVENUE AND GENERAL & ADMINISTRATIVE EXPENSES

In Thousands of Canadian Dollars	Three months ended	
	March 31, 2022	March 31, 2021
Revenue and other income		
Royalty	\$ 16,225	\$ 10,745
Copper stream*	6,313	3,461
Interest and investment	4,535	2,888
Other	14	408
Total revenue and other income	\$ 27,087	\$ 17,502

*Revenue from contracts with customers

In Thousands of Canadian Dollars	Three months ended	
	March 31, 2022	March 31, 2021
General and administrative expenses		
Salaries and benefits	\$ 1,367	\$ 1,365
Professional and consulting fees	478	234
Office and administrative	516	294
Travel and accommodations	36	9
Total general and administrative	\$ 2,397	\$ 1,902

10. SHARE CAPITAL

Shares repurchased

The Corporation renewed its Normal Course Issuer Bid (“NCIB”) effective August 22, 2021 and it will, unless further renewed, end no later than August 21, 2022. The Corporation may purchase at market prices up to 1,642,612 common shares representing approximately 3.96% of its 41,504,497 shares outstanding as of August 18, 2021. The Corporation repurchased and cancelled 10,000 common shares during the three months ended March 31, 2022 at a cost of \$165,000 (March 31, 2021 – 473,400 common shares at a cost of \$7,363,000).

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.

In Thousands of Canadian Dollars	Three months ended	
	March 31, 2022	March 31, 2021
Weighted average number of shares:		
Basic	41,180,839	41,503,503
Diluted	43,868,749	42,282,441

Other equity reserves

Other equity reserves consist of share-based payment reserves of \$8,408,000, warrants of \$12,012,000 and contributed surplus of \$4,015,000 for a total of \$24,435,000. Share-based payment reserve amounts are in respect of stock options, deferred share units (“DSUs”), restricted share units (“RSUs”) and preferred share units (“PSUs”). In addition, there were 6,670,000 warrants issued on April 26, 2017 to Fairfax Financial Holdings Ltd. (“Fairfax”) at an exercise price of \$15.00. The Fairfax warrants were exercisable on or prior to April 26, 2022 and the expiry date could be extended to April 26, 2024 if the closing price of the Corporation’s common shares is less than \$24.00 per share on April 26, 2022. These warrants were exercised on April 14, 2022 (see Subsequent Event).

II. SUPPLEMENTAL CASH FLOW INFORMATION

In Thousands of Canadian Dollars	Three months ended	
	March 31, 2022	March 31, 2021
Adjustments for operating activities:		
Generative exploration	\$ 64	\$ 8
Share-based compensation	481	716
Foreign exchange gain	(2,449)	(830)
Amortization and depletion	6,594	4,824
Interest on long-term debt	1,453	1,817
Interest paid	(1,021)	(1,650)
Unrealized loss (gain) on fair value adjustment of derivatives	313	(4,224)
(Earnings) loss from joint ventures	(629)	133
Gain on disposal of mineral property	(996)	-
Share of (earnings) loss and impairment reversal in associates	-	(1,426)
Dilution gain on issuance of shares by an associate and joint venture	-	(358)
Income taxes (current and deferred)	3,541	1,884
Income taxes (paid)	(5,471)	(4,798)
	\$ 1,880	\$ (3,904)
Changes in non-cash operating working capital:		
Accounts receivable and prepaid expenses	(590)	375
Accounts payable and accrued liabilities	(21)	265
	\$ (611)	\$ 640
Cash and cash equivalents consist of:		
Deposits with banks	111,588	111,846
Short-term investments	9,705	50
	\$ 121,293	\$ 111,896

12. RELATED PARTY TRANSACTIONS

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

In Thousands of Canadian Dollars	Three months ended	
	March 31, 2022	March 31, 2021
Key management personnel and directors		
Salaries and benefits	\$ 1,462	\$ 1,558
Share-based compensation	322	551
Total	\$ 1,784	\$ 2,109

In Thousands of Canadian Dollars	Three months ended	
	March 31, 2022	March 31, 2021
General and administrative expenses billed from		
Associates	\$ -	\$ 6
Joint venture	21	65
Total	\$ 21	\$ 71

13. NON-CONTROLLING INTERESTS

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

In Thousands of Canadian Dollars	ARR	CRLP	GRLP	PRLP	Total
Three months ended March 31, 2022					
Receipts	-	-	-	-	-
Distributions	-	-	37	404	441
Year ended December 31, 2021					
Receipts	98,932	-	-	-	98,932
Distributions	-	114	270	1,018	1,402

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The following table sets forth the Corporation's financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy. The fair value of the other financial instruments of the Corporation approximates the carrying value due to their short-term nature. Financial assets in level 2 consist of share purchase warrants and in level 3 consist of private company investments (Note 5).

In Thousands of Canadian Dollars

As at March 31, 2022	Level 1	Level 2	Level 3	TOTAL
Investments	188,018	3,627	27,834	219,479
Derivative - cash flow swap	-	1,088	-	1,088
Financial assets	\$ 188,018	\$ 4,715	\$ 27,834	\$ 220,567
Other liability	818	-	-	818
Financial liabilities	\$ 818	\$ -	\$ -	\$ 818

In Thousands of Canadian Dollars

As at December 31, 2021	Level 1	Level 2	Level 3	TOTAL
Investments	163,313	3,844	16,568	183,725
Financial assets	\$ 163,313	\$ 3,844	\$ 16,568	\$ 183,725
Derivative - cash flow swap	-	11	-	11
Other liability	851	-	-	851
Financial liabilities	\$ 851	\$ 11	\$ -	\$ 862

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

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

Level 3 – valuation techniques with significant unobservable market inputs.

Reconciliation of Level 3 fair value measurements of financial instruments

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

In Thousands of Canadian Dollars	Level 3	
	Investments	
Balance, December 31, 2020	\$	10,343
Additions		7,625
Disposals		(1,000)
Revaluation gains (losses) through OCI		(400)
Balance, December 31, 2021	\$	16,568
Additions		7,836
Revaluation gains (losses) through OCI		3,430
Balance, December 31, 2021	\$	27,834

Valuation technique and key inputs

The Corporation uses an income approach methodology for valuation of these instruments and or uses the value ascribed to external financings completed by its level 3 investments to determine the fair value. If an income approach is not possible, the Corporation utilizes cost as a proxy for fair value. The Corporation works with valuation specialists to establish valuation methodologies and techniques for Level 3 assets including the valuation approach, assumptions using publicly available and internally available information, updates for changes to inputs to the model and reconciling any changes in the fair value of the assets for each reporting date within its financial models.

Significant unobservable inputs

The Corporation may use estimates related to timing of revenues and cash flows, discounts rates and anticipated project development all of which are key inputs into a valuation model. Alternatively, the Corporation evaluates the pricing methodology used in any external financings by its level 3 investments as a key input for valuation.

Relationship and sensitivity of unobservable inputs to fair value

There are underlying sensitivities to these inputs and they may impact the fair value calculations. Specifically, using external financings as an input to the valuation model has the following impacts: the higher the price of the external financing, the higher the valuation of the level 3 investment, the lower the price of the external financing, the lower the valuation of the level 3 investment. A 1% change in financing prices results in a change in valuation of \$278,000 of these instruments.

The following table reconciles the fair value measurements of the level 3 financial assets, that are held in the GBR joint venture, consisting of renewable energy investments (Note 4).

In Thousands of Canadian Dollars	Level 3				
	Renewable energy investments				Total
	TGE ⁽²⁾	Apex ⁽²⁾	Longroad ⁽²⁾	Northleaf ⁽²⁾	
Balance, December 31, 2020	\$ 47,637	\$ 44,270	\$ -	\$ -	\$ 91,906
Additions	17,653	25,177	44,305	66,652	153,787
Reclassification to royalty interest	-	(45,120)	-	-	(45,120)
Redemption	-	27,685	-	-	27,685
Revaluation gains (losses) through OCI ⁽¹⁾	8,080	(52,011)	-	-	(43,931)
Balance, December 31, 2021	\$ 73,369	\$ -	\$ 44,305	\$ 66,652	\$ 184,326
Additions	10	-	-	2	12
Revaluation gains (losses) through OCI ⁽¹⁾	1,339	-	-	-	1,339
Balance, March 31, 2022	\$ 74,718	\$ -	\$ 44,305	\$ 66,654	\$ 185,677

(1) The Corporation has recorded its 50% share of revaluation gains through OCI (December 31, 2021 - 50%)

(2) These amounts reflect the investments held in the joint venture on a 100% basis, converted at March 31, 2022 spot rate

Valuation technique and key inputs

The Corporation applies an income approach methodology primarily modelled with risk adjusted discounted cash flows to capture the present value of expected future economic benefits to be derived from the ownership of the investments (Longroad Energy and Northleaf Capital) and the royalty contracts to be granted in exchange for the investments (TGE). The total number and value of royalty contracts to be ultimately awarded under the TGE Investment Agreement is subject to a minimum return threshold, which has the effect of muting the potential value impact of several of the unobservable inputs. The total cash distributions to be received under the Longroad Energy and Northleaf Capital Agreements is also subject to minimum return thresholds. If an income approach is not possible or the investment is recent,

the Corporation utilizes cost as a proxy for fair value. The Corporation works with valuation specialists to establish valuation methodologies and techniques for Level 3 assets including the valuation approach, assumptions using publicly available and internally available information, updates for changes to inputs to the model and reconciling any changes in the fair value of the assets for each reporting date within its financial models.

Significant unobservable inputs

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

Relationship and sensitivity of unobservable inputs to fair value

The following table gives information about how the fair value of these investments held by GBR are determined and in particular, the significant unobservable inputs.

Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to fair value	Quantitative impact
Discount rate	The Corporation applies a range of risk adjusted discount rates to the expected project royalties based on the stage of development and an assessment of the likelihood of completion.	The lower the discount rate the higher the value of an individual royalty. The higher the discount rate the lower the value of the individual royalty. A 1% change in discount rates results in a change of \$6,748,800 to the valuation of these instruments.
Timing of commercial operations	There are a series of anticipated project development milestones that occur as a project approaches commercial operations. As each project development milestone nears completion or is met, the risk associated with the project reaching commercial operations decreases. The expected timing of the commercial operations date (the date upon which cash flows are expected to commence) will impact the fair value calculation.	As the commercial operations date approach and the time to cashflow shortens, the value will increase based on the time value of money. Impact is dependent on reduction in time and appropriate risk adjusted discount rate. Given the minimum return threshold it is expected that the impact of timing of commercial operations will be minimal as delays will result in a higher number of royalties granted and thus a higher value. Nominal impact.

Risk Management

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

COVID -19

Certain impacts to public health conditions particular to the coronavirus (COVID-19) outbreak that continued during the year ended December 31, 2021 may have a significant negative impact on the operations and profitability of the Corporation. The extent of the impact to the financial performance of the Corporation will depend on future developments, including (i) the duration and spread of the outbreak, (ii)

the restrictions and advisories, (iii) the effects on the financial markets, (iv) the effects on the economy overall and (v) the effect on commodity prices, all of which are highly uncertain and cannot be predicted. The impact of COVID-19 on the Corporation's investments and royalty and streaming assets could be volatile as financial markets and commodity prices adjust accordingly. The impact of COVID-19 to the Corporation was minimal during the year ended December 31, 2021.

15. SEGMENTED INFORMATION

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

In Thousands of Canadian Dollars	Mineral Royalties		Renewable Royalties		Project Generation		Subtotal		Adjustment for Joint Ventures		Total	
Reportable Segments, Three Months Ended March 31, 2022												
Revenue and other income	\$	24,722	\$	770	\$	2,999	\$	28,491	\$	(1,404)	\$	27,087
Costs and Expenses												
General and administrative		1,500		853		616		2,969		(572)		2,397
Cost of sales - copper stream		1,873		-		-		1,873		-		1,873
Generative exploration		-		-		64		64		-		64
Adjusted EBITDA	\$	21,349	\$	(85)	\$	2,319	\$	23,585	\$	(852)	\$	22,733
Share-based compensation	\$	(288)	\$	(38)	\$	(155)	\$	(481)	\$	-	\$	(481)
Amortization and depletion		(6,675)		(122)		-		(6,797)		203		(6,594)
Earnings from joint ventures		-		-		-		-		629		629
Gain on disposal of mineral property		-		-		996		996		-		996
Foreign exchange gain		579		9		(49)		539		-		539
Unrealized gain on fair value adjustment of derivative		-		-		(313)		(313)		-		(313)
Interest on long-term debt		(1,453)		-		-		(1,453)		-		(1,453)
Earnings (loss) before income taxes	\$	13,512	\$	(234)	\$	2,798	\$	16,076	\$	-	\$	16,076
Income taxes (current and deferred)												3,541
Net earnings												\$ 12,535
Supplementary information												
Total assets (1)	\$	458,033	\$	207,754	\$	82,178	\$	747,965	\$	-	\$	747,965
Cash flow from (used)												
Operating activities		16,036		(85)		(1,726)		14,227		(423)		13,804
Financing activities		(8,652)		-		-		(8,652)		-		(8,652)
Investing activities		(9,541)		26,646		(1,408)		15,697		423		16,120
Total cash flow from (used)	\$	(2,157)	\$	26,561	\$	(3,134)	\$	21,272	\$	-	\$	21,272

In Thousands of Canadian Dollars						
Reportable Segments, Three Months Ended March 31, 2021	Mineral Royalties	Renewable Royalties	Project Generation	Subtotal	Adjustment for Joint Ventures	Total
Revenue and other income	\$ 17,725	\$ 35	\$ 408	\$ 18,168	\$ (666)	\$ 17,502
Costs and Expenses						
General and administrative	1,260	676	582	2,518	(616)	1,902
Cost of sales - copper stream	1,021	-	-	1,021	-	1,021
Generative exploration	-	-	8	8	-	8
Mineral rights and leases	-	-	30	30	-	30
Adjusted EBITDA	\$ 15,444	\$ (641)	\$ (212)	\$ 14,591	\$ (50)	\$ 14,541
Share-based compensation	\$ (358)	\$ (165)	\$ (193)	\$ (716)	-	\$ (716)
Amortization and depletion	(4,908)	(99)	-	(5,007)	183	(4,824)
(Loss) earnings from joint ventures	-	-	-	-	(133)	(133)
Foreign exchange gain	365	264	-	629	-	629
Unrealized gain on fair value adjustment of derivative	-	-	4,224	4,224	-	4,224
Dilution gain on issuance of shares by associate and joint venture	-	358	-	358	-	358
Share of (loss) and impairment reversal in associates	-	-	1,426	1,426	-	1,426
Interest on long-term debt	(1,817)	-	-	(1,817)	-	(1,817)
Earnings (loss) before income taxes	\$ 8,726	\$ (283)	\$ 5,245	\$ 13,688	-	\$ 13,688
Income taxes (current and deferred)						1,884
Net earnings						\$ 11,804
Supplementary information						
Total assets	\$ 440,722	\$ 190,126	\$ 71,190	\$ 702,038	-	\$ 702,038
Cash flow from (used)						
Operating activities	11,107	(641)	(1,656)	8,810	(270)	8,540
Financing activities	(10,390)	92,016	-	81,626	-	81,626
Investing activities	(288)	-	(56)	(344)	270	(74)
Total cash flow from (used)	\$ 429	\$ 91,375	\$ (1,712)	\$ 90,092	-	\$ 90,092

16. SUBSEQUENT EVENTS

Preferred securities

On April 14, 2022 Fairfax Financial Holdings Limited, through certain of its affiliates (collectively, "Fairfax") exercised 6,670,000 common share purchase warrants (the "Warrants") at an exercise price of \$15.00 per common share in the capital of the Corporation (each, a "Common Share") for gross proceeds of \$100,000,000. In accordance with the terms of the Warrants and the preferred security indenture dated April 26, 2017 between the Corporation and TSX Trust Company governing the Corporation's 5% subordinate preferred securities (the "Preferred Securities"), Fairfax elected to pay the exercise price of the Warrants by surrendering its \$100,000,000 Preferred Securities to Altius for cancellation, in full satisfaction of the exercise price payable in respect of the Warrants. As part of the redemption of the Preferred Securities, the Corporation made cash payments of \$2,086,000 which amount fully satisfies Altius' interest and certain other obligations under the Indenture.

Renewables

On May 4, 2022 the Corporation's subsidiary ARR, announced that GBR has executed agreements to invest a total of US\$32,500,000 into a new global renewables development platform, Bluestar Energy Capital LLC ("Bluestar"), recently founded and majority-owned by Declan Flanagan, former CEO of Orsted Onshore and Lincoln Clean Energy. GBR will invest the majority of the total US\$32,500,000 commitment into Nova Clean Energy, LLC ("Nova"), the North American renewables development subsidiary of Bluestar and in exchange will receive

royalties on 1.5 GW of renewable energy projects commercialized by Nova as well as a minority equity interest in Nova. GBR is also investing alongside another institutional investor for a minority equity ownership in Bluestar, with Declan Flanagan remaining the majority shareholder of Bluestar.