

CHAIRMAN'S MESSAGE



20 Years! I still remember well when a very young Brian Dalton and Roland Butler came to see me in my law office asking if I would join them to help put together a new public junior exploration company. To say the least I was skeptical. The mining markets were in utter turmoil in the aftermath of Bre-X. But their belief in the opportunity available (the first sign of their contrarian nature!) and their youthful passion was contagious. I was proud to come on board—to invest and to join the new board of directors, and have enjoyed every moment of the journey.



In the ensuing years we have built one of the most exciting companies in the natural resources sector. We're now a unique royalty and mineral exploration company with a market capitalization of half a billion dollars, and a portfolio of exploration lands accumulated in the most recent market turmoil (sound familiar?) and quite capable of catapulting us well beyond our current size.

This could not have been accomplished without the help of many people who have believed in us and supported us over the last 20 years. I accept the risk of mentioning some by name:

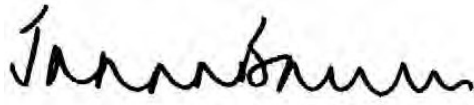
- Roland Butler and Geoff Thurlow, our co-founders and former board members, a constant source of inspiration and guidance in our early years.
- Don Warr, Fred Mifflin, Susan Sherk, Jamie Strauss and Anna Stylianides, subsequent board members of various tenure, for their wise and generous counsel and support.
- John Tognetti, an original investor and still large shareholder, for his unwavering trust, financial support and mentorship.
- Rick Rule, Allan Yeung and Paul van Eeden, early investors and market supporters, who believed in us from the very beginning, and were always generous in saying so.
- Chad Wells, Lawrence Winter, Ben Lewis and Rod Churchill, long serving and faithful Altius senior staff, who together with all current and former staff members believed in our company and made many personal sacrifices to get us to where we are today. These folks would lay across train tracks for Altius.

And my personal thanks to Brian Dalton, who displayed maturity and wisdom in starting this company when he was only in his 20s, and whose remarkable vision and foresight has guided us for all of our early 20's.

Finally, I take this opportunity to thank all of our shareholders, many of whom have been with us for most of those two decades, who have entrusted us with their personal investments and served as our beacon in 20 years of decision-making. We hope to continue to earn your trust and support for many years to come.

Hail Altius!

With deep gratitude,

A handwritten signature in black ink, appearing to read "John Baker". The signature is written in a cursive, flowing style with a prominent initial "J".

John Baker

DEAR SHAREHOLDER



Where does time go? This autumn Altius will celebrate its 20th anniversary as a public company and I will celebrate as many years as your CEO. I find it most incredible that it has been that long but, having taken some time lately to reflect, it turns out that the years are all there to be counted. Time really does fly when you're having fun!

At the time of its IPO Altius had a very small team of mostly new geology graduates, a handful of early stage exploration projects in Newfoundland, less than \$800,000 cash in the bank and a market capitalization of \$1,400,000. The Bre-X scandal was still unfolding and the junior exploration markets were “no-bid”. Our one and only trade on opening day occurred just minutes before the closing bell . . . I found out later that the buyers of those shares were my parents!



Of the thousands of junior exploration businesses that were around back in 1997 only a handful have survived—let alone become profitable enterprises. Now, the royalty revenue that Altius collects every 2 days is almost equal to the total amount of cash with which we started the business and its assets are worth more than 500 times the starting market capitalization value.

Our long-term contrarian and often innovative approach to investing in the exploration and mining business has worked. The ride has been wild, and often emotionally challenging over shorter periods, but through it all this team has been unwavering in its conviction to rational management and recognition of the inherent cyclicality of our sector. Altius has thankfully never fallen victim to the adage that “it’s different this time”.

This past year marked another big cyclical turning point for our sector as the first new commodities up-cycle since 2001 got itself underway. Most resource investors would rather forget the intense bear phase (between 2011 and 2016) that completed the so-called “super-cycle” but we at Altius find ourselves lamenting more fondly. We made the most of it by increasing our number of paying royalties from 1 to 15, growing revenues by more than 15 fold and expanding our exploration lands by a factor of 20.

But enough of looking back, Altius is now extremely well positioned to benefit from increasing commodity prices and the renewed interest in exploration investment that are the natural products of the preceding gloom. This last bear was nasty and deep and our belief therefore is that the bull that is ahead has sturdy hooves.

We have emerged as the leading global royalty company with focus on the diversified mining sector. The business has a long way to go to catch up to our peers in precious metals and oil and gas but the journey is underway and we do enjoy a challenge. Our team has been invigorated, the sector has cleansed itself with a major washout, and our counter-cyclical conviction has been steeping for 20 years.

In the year ahead we are expecting royalty revenue to reach another all time record as various mines continue to ramp up production volumes and commodity prices hold or build on last years gains. Our incredible number of project vend-outs last year probably won't be surpassed, but this is largely by design. We set out to get as many of these projects funded and under partner exploration agreements as early in the cycle as possible in order to maximize the time and possibility for discovery. We have a lot of low cost but potentially high impact bets on the table and will hopefully have plenty of exciting news to share with you as these play out.

The short term capital allocation goal of Altius remains to continue to aggressively pay off the borrowing related to the royalties it has purchased while increasing shareholder capital returns through dividends and buybacks. Our new funding arrangement with iconic investment house Fairfax Financial, combined with the significant revolving bank credit facilities that we have earned, also provides us with ample and flexible firepower to pursue additional opportunities as they might arise.

On behalf of all of us at Altius, thank you for your continuing support and encouragement. We are proud to reflect on the first two decades of the company's history and excited about the solid platform that has been established upon which to launch the third!

Sincerely,

A handwritten signature in black ink, appearing to be the name 'Brian', written in a cursive style.

Brian