



November 07, 2024 | St. John's, Newfoundland

Altius Reports Q3 2024 Attributable Royalty Revenue of \$16.6M and Adjusted Earnings⁽¹⁾ of \$2.6M

All references in thousands of Canadian dollars, except per share amounts, unless otherwise indicated

Altius Minerals Corporation (TSX: ALS; OTCQX: ATUSF) ("Altius" or the "Corporation") reports third quarter 2024 revenue of \$13.0 million compared to \$15.2 million in Q3 2023. Attributable royalty revenue⁽¹⁾ of \$16.6 million (\$0.36 per share⁽¹⁾) compares to \$21.8 million in Q2 2024 and to \$17.8 million (\$0.38 per share) reported in Q3 2023.

Brian Dalton, CEO commented, "Revenue in the current quarter reflects lower potash prices and seasonal mine maintenance activities, lower dividends from Labrador Iron Ore Royalty Corp. ("LIORC") on forest fire related disruptions and slightly weaker pricing, and the closure of the Genesee Mine. This was partially offset by higher base metal prices and continuing ramp up of the renewable royalty portfolio. The potash market has returned to its long-term demand growth trendline following a period of price shocks and affordability challenges for farmers. There is continued growth in the renewables segment as new royalty projects commission and incremental investments are completed. In base and battery metals, Chapada (copper) is expected to deliver a strong finish to the year, Voisey's Bay (nickel, copper, cobalt) is approaching completion of its underground conversion, Grota do Cirillo (lithium) has commenced its stage 2 expansion project and Tres Quebradas (lithium) nears construction completion. Several other pre-production royalty projects are seeing positive progress that indicate strong portfolio value growth potential. These include the commencement of early construction works at Curipamba (copper-gold), continuing resource expansion at the Sauva discovery (copper), resource expansion and development study progress at Silicon (gold), permitting and partnering activity advancement at Kami (DR quality iron ore) and further exploration success at Voisey's Bay".

Operating Royalty Portfolio Performance

Summary of attributable royalty revenue	Q3 2024	Q2 2024	Q3 2023
Base and battery metals	\$ 5,437	\$ 5,474	\$ 4,231
Potash	3,585	4,755	3,869
Renewable energy	3,449	2,100	2,648
Iron ore [#]	2,618	4,114	3,553
Thermal (electrical) coal	–	–	2,000
Interest and other	1,509	5,319	1,507
Attributable royalty revenue	\$ 16,598	\$ 21,762	\$ 17,808

(#) Labrador Iron Ore Royalty Corporation dividends

Quarterly Highlights

- On September 12, 2024 the Corporation announced that ARR (58% owned by the Corporation) had entered into a definitive arrangement agreement with an affiliate of Northampton Capital Partners, LLC ("Northampton") whereby Northampton will, subject to customary closing conditions, acquire all of the issued and outstanding common shares of ARR other than those indirectly owned by Altius by way of a statutory plan of arrangement for cash consideration of \$12.00 per share representing total consideration of approximately \$162 million. The Corporation holds 17,937,339 common shares in ARR as of September 30, 2024. After the close of the transaction, which is expected in late November, the Corporation will continue to hold 17,937,339 shares or approximately 57% of the total shares outstanding, along with 3,093,835 share purchase warrants in ARR.
- On July 31, 2024 Adventus Mining Corporation ("Adventus"), owners of the El Domo Curipamba project, closed an all share transaction whereby Silvercorp Metals Inc. ("Silvercorp") acquired the common shares of Adventus under a plan of arrangement. Under the terms of the arrangement, each former shareholder of Adventus, other than Silvercorp, received 0.1015 of one Silvercorp common share for each Adventus Share. Altius holds a 2% net smelter return ("NSR") royalty on the project. On August 6, 2024 Silvercorp

announced that Curipamba had received its final exploitation permit to enter construction and on August 21, 2024 announced the initiation of the construction process with a goal of first production in 2026. Average annual production in the first nine years (see Feasibility Study dated Dec 2021) is expected to be approximately 11,000 tonnes of copper and 26,000 ounces of gold, along with associated zinc, silver and lead.

- AngloGold Ashanti plc (“AGA”) continues to advance the discovery of a potential major new gold district centered around its Silicon Project near Beatty, Nevada. AGA recently provided an update for the “Expanded Silicon Project”, which includes both the Silicon and Merlin gold deposits, that was highlighted by the announcement of an initial Inferred Mineral Resource of 9.05 million ounces at the Merlin deposit (283.9 Mt at 0.99 g/t). Altius holds a 1.5% NSR royalty related to the project. Recently reported results from an ongoing delineation drilling program at Merlin included intercepts of 144.5m grading 10.53 g/t gold and 190.4m grading 5.12 g/t gold, all within oxide material. The Corporation continues to await a decision from an arbitration proceeding held in April of this year to determine the full extent of lands that are subject to its royalty.
- Champion Iron Limited (“Champion”) commenced the environmental review and permitting process for the Kami project and expects this to run until early 2026. Efforts to secure a steel making partner for the project also continued to advance. High purity iron ore was added to the Canadian critical minerals list in June 2024 with this designation expected to open up more low cost financing opportunities and other benefits related to critical minerals infrastructure. Champion reported their most recent results dated October 20 2024 and reiterated their view that the long term demand for this type of high purity feed will continue to accelerate. Altius originated the Kami project and retains a 3% gross sales royalty interest.

Adjusted EBITDA⁽¹⁾ of \$10.5 million (\$0.23 per share⁽¹⁾) during Q3 2024 compares to \$12.5 million (\$0.26 per share) during Q3 2023 and follows the trend of revenue.

Q3 2024 adjusted operating cash flow⁽¹⁾ of \$10.9 million (\$0.23 per share⁽¹⁾) compares to \$11.0 million (\$0.23 per share) in Q3 2023. The timing of interest, corporate tax payments and refunds positively impacted adjusted operating cash flow during the current quarter.

Net earnings of \$3.2 million (\$0.06 per share) for Q3 2024 compares to net earnings of \$3.5 million (\$0.08 per share) in Q3 2023 reflecting lower revenues as well as lower amortization offset by marginally higher costs. Adjusted net earnings per share⁽¹⁾ of \$0.05 for the current quarter is comparable to the third quarter of 2023. The main adjusting items are summarized in the below table.

Adjusted Net Earnings	Three months ended	
	September 30, 2024	September 30, 2023
Net earnings attributable to common shareholders	\$ 2,852	\$ 3,703
Addback (deduct):		
Unrealized loss on fair value adjustment of derivatives	(198)	(1,471)
Foreign exchange (gain) loss	(510)	460
Exploration and evaluation assets abandoned or impaired	65	–
Realized gain on disposal of derivatives	206	–
Gain on disposal of mineral property	–	(276)
Tax impact	138	166
Adjusted Net Earnings	\$ 2,553	\$ 2,582

Liquidity and Capital Allocation Summary

Cash and cash equivalents at September 30, 2024 were \$109.6 million, compared to \$130.4 million at the end of 2023. Cash, excluding \$84.0 million held by ARR, was \$25.6 million.

At September 30, 2024 the approximate market value of various public equity holdings included:

- \$232 million for shares of ARR (including the in-the-money value of share purchase warrants)
- \$120 million for shares of Labrador Iron Ore Royalty Corp.
- \$28 million for the value of the indirectly held interest in the shares of Lithium Royalty Corporation
- \$65 million for publicly traded shares held within the Project Generation equity portfolio, including \$54.6 million in Orogen Royalties Inc.

During the third quarter the Corporation made scheduled debt repayments of \$2.0 million and paid cash dividends of \$3.9 million and issued 12,389 shares under the dividend reinvestment plan. There were no shares repurchased and cancelled under the Corporation's Normal Course Issuer Bid during the quarter. The Corporation renewed its Normal Course Issuer Bid ("NCIB") during the third quarter, which commenced August 22, 2024 and will end no later than August 21, 2025.

At September 30, 2024 the Corporation carried a balance of \$98.7 million under its term debt facilities and \$9.0 million under its revolving credit facility. On August 30, 2024, the Corporation amended its credit facility to extend the term from August 2025 to August 2028 and replace the combination of its previously outstanding term and revolver debt. The total available credit of \$225,000,000 and its principal repayments are consistent with its previous credit facility and the Corporation did not draw any additional amounts during the period. The amended credit facility consists of a \$50,000,000 term credit facility, a US\$36,000,000 term credit facility and a \$125,000,000 revolving credit facility.

Dividend Declaration

The Corporation's board of directors has declared a quarterly dividend of \$0.09 per share. The current quarterly dividend is payable to all shareholders of record at the close of business on November 29, 2024. The dividend is expected to be paid on or about December 16, 2024.

This dividend is eligible for payment in common shares under the Dividend Reinvestment Plan (DRIP) announced by press release May 20, 2020, and available to shareholders who are Canadian residents or residents of countries outside the United States.

In order to be eligible to participate in respect of the December 16, 2024 dividend, non-registered shareholders must provide instruction to their brokerage and registered shareholders must provide completed enrollment forms to the transfer agent by November 22, 2024, five business days prior to record date. Stock market purchases made under the DRIP for the December 16, 2024 payment will be satisfied by issuance from treasury at the 5 day volume weighted average price ending at the close of trading the day before payment date. Shareholders who have already provided instruction to be enrolled previously will continue to be enrolled unless they direct otherwise. For more information, please see [Altius Minerals Corporation Dividend Reinvestment Plan](#). Participation in the DRIP is optional and will not impact any cash dividends payable to shareholders who do not elect to participate in the DRIP. The declaration, timing and payment of future dividends will largely depend on the Corporation's financial results as well as other factors. Dividends paid by Altius on its common shares are eligible dividends for Canadian income tax purposes unless otherwise stated.

Non GAAP Financial Measures

1. Management uses the following non-GAAP financial measures: attributable revenue, attributable royalty revenue, adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA), adjusted operating cash flow and adjusted net earnings (loss). Management uses these measures to monitor the financial performance of the Corporation and its operating segments and believes these measures enable investors and analysts to compare the Corporation's financial performance with its competitors and/or evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace International Financial Reporting Standards (IFRS) measures, and do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies. Further information on the composition and usefulness of each non-GAAP financial measure, including reconciliation to their most directly comparable IFRS measures, is included in the non-GAAP financial measures section of our MD&A.

Third Quarter Financial Results Conference Call and Webcast Details

Date: November 08, 2024

Time: 9:00 AM ET

Toll Free Dial-In Number: +1-800-717-1738

International Dial-In Number: +1-289-514-5100

Conference Call Title and ID: Altius Minerals Q3 2024 Financial Results, ID 15582

Webcast Link: [Q3 2024 Financial Results](#)

About Altius

Altius's strategy is to create per share growth through a diversified portfolio of royalty assets that relate to long life, high margin operations. This strategy further provides shareholders with exposures that are well aligned with sustainability-related global growth trends including the electricity generation transition from fossil fuel to renewables, transportation electrification, reduced emissions from steelmaking and increasing agricultural yield requirements. These macro-trends each hold the potential to cause increased demand for many of Altius's commodity exposures including copper, renewable based electricity, several key battery metals (lithium, nickel and cobalt), clean iron ore, and potash. In addition, Altius runs a successful Project Generation business that originates mineral projects for sale to developers in exchange for equity positions and royalties. Altius has 46,479,865 common shares issued and outstanding that are listed on Canada's Toronto Stock Exchange. It is included in each of the S&P/TSX Small Cap, the S&P/TSX Global Mining, and the S&P/TSX Canadian Dividend Aristocrats indices.

Forward-looking information

This news release contains forward-looking information. The statements are based on reasonable assumptions and expectations of management and Altius provides no assurance that actual events will meet management's expectations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Although Altius believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those projected. Readers should not place undue reliance on forward-looking information. Altius does not undertake to update any forward-looking information contained herein except in accordance with securities regulations.

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