



August 8, 2022 | St. John's, Newfoundland

Altius Reports Q2 2022 Attributable Royalty Revenue of \$28.6M and Adjusted Earnings^(1,2) of \$10.6M

Annual Dividend Increased to \$0.32 per share

Altius Minerals Corporation (TSX: ALS; OTCQX: ATUSF) (“Altius” or the “Corporation”) reports second quarter revenue of \$27.4 million compared to \$21.2 million for the same period in 2021. Q2 2022 attributable royalty revenue^(1,2) of \$28.6 million (\$0.61 per share^(1,2)) was 31% higher than the \$21.9 million (\$0.53 per share) reported for the comparable quarter in 2021. On a year-to-date basis, attributable royalty revenue of \$54.1 million is higher by 36% compared to the \$39.7 million reported for the six months ended June 30, 2021. These figures represent quarterly and six-month period revenue records for the Corporation, mainly based upon higher realized commodity prices.

Adjusted EBITDA^(1,2) of \$24.4 million or \$0.52 per share^(1,2) during Q2 2022 increased by 38% compared to \$17.7 million or \$0.43 per share during the prior year quarter. The adjusted EBITDA margin in the second quarter was 85% versus 81% in last year's comparable quarter. The Mineral Royalties segment had an EBITDA margin of 91% and 89% for the current and prior year quarters respectively. On a year-to-date basis, adjusted EBITDA of \$48.0 million is up 49% from the year-over-year comparable adjusted EBITDA of \$32.3 million. The increase in adjusted EBITDA follows the increase in attributable revenue but was partially offset by an increase in public company related expenses within the Renewable Royalties segment, as Altius Renewable Royalties Inc. completed its initial public offering in March 2021.

Q2 2022 adjusted operating cash flow^(1,2) of \$16.6 million or \$0.35 per share^(1,2) compares to \$5.8 million or \$0.14 per share in last year's comparable quarter. On a year-to-date basis, adjusted operating cash flow^(1,2) of \$30.8 million compares to \$14.6 million for the six-month period ended June 30, 2021. Adjusted operating cash flow benefitted from increased revenues.

Adjusted operating cash flow does not include net cash proceeds or acquisition costs (sales minus new investments) related to the Corporation's Project Generation junior mining equities portfolio. During the quarter and year-to-date periods new Project Generation investments exceeded equity sales for a net cost of \$1.2 million and \$2.6 million respectively. In the same period in 2021, equity sales exceeded investments by \$1.1 million and \$3.7 million.

Net earnings of \$8.7 million or \$0.18 per share for Q2 2022 compares to net earnings of \$14.5 million or \$0.38 per share in Q2 2021. Adjusted net earnings per share^(1,2) of \$0.23 in the current quarter is consistent with Q2 2021. The main adjusting items in the second quarter of this year are \$1.9 million (\$0.04 per share) and \$1.1 million (\$0.02 per share) for unrealized losses on derivatives related to the revaluation of share purchase warrants on junior mining equities and foreign exchange revaluation. The prior year quarter was adjusted for gains related to associates and joint ventures, derivatives, sale of mineral properties and impairment charges.



Adjusted Net Earnings	Three months ended	
	June 30, 2022	June 30, 2021
Net earnings attributable to common	\$ 8,213	\$ 15,612
Addback (deduct):		
Unrealized loss on fair value adjustment of derivatives	1,920	975
Foreign exchange revaluation	1,071	(446)
Impairment charges	-	2,889
Realized gain on disposal of derivatives	-	(1,076)
Gain on disposal of mineral property	-	(1,962)
Gain on equity investments and joint ventures ⁽¹⁾	-	(7,445)
Tax impact	(617)	993
Adjusted net earnings	\$ 10,587	\$ 9,540
Adjusted net earnings per share	\$ 0.23	\$ 0.23

⁽¹⁾ Includes the following items from the consolidated statement of net earnings (loss): (loss) earnings from joint ventures, gain on loss of control of subsidiary, dilution gain on issuance of shares by an associate and joint venture, and gain on reclassification of an associate.

Portfolio Performance

The following table summarizes the attributable royalty revenue:

Summary of attributable royalty revenue	Q2 2022	Q1 2022	Q2 2021
(in thousands of Canadian dollars)			
Base and battery metals	\$ 8,315	\$ 9,960	\$ 9,394
Potash	11,450	9,903	4,516
Iron ore ⁽¹⁾	2,871	1,437	5,029
Thermal (electrical) coal	4,520	3,113	2,140
Other royalties and interest	1,466	1,079	827
Attributable royalty revenue	\$ 28,622	\$ 25,492	\$ 21,906

See non-GAAP financial measures section of our MD&A for definition and reconciliation of attributable royalty revenue

⁽¹⁾ Labrador Iron Ore Royalty Corporation dividends received

Base and battery metals (primarily copper) revenue of \$8.3 million for the quarter compares to \$9.4 million reported for the second quarter of 2021 due to reduced attributable production volumes. Mine production at the 777 mine ended during the quarter upon the depletion of reserves, with small royalty payments expected for the balance of this year related to residual processing and sales. Revenue from Chapada in the second quarter and for the balance of the year reflects Lundin Mining's revised operating guidance announced in July 2022 which now targets copper production of 45,000 to 50,000 tonnes, compared to 52,019 tonnes in 2021. Early year rainfall levels were higher than usual, which had the effect of reducing production. Revenue from Voisey's Bay has been lower than 2021 both in the quarter and the first half of the year due to the ongoing transitional period between the depletion of the Ovoid mine and ramp-up to full production of the Voisey's Bay underground Reid Brook and Eastern Deeps operations and is in line with guidance provided by the operator. Adventus Mining and Salazar Resources reported during the quarter that they have received technical approval of their Environmental and Social Impact Assessment, a Certificate of Technical Feasibility for the construction of tailings and waste



rock facilities, and a preliminary commitment with regard to an Investment Protection Agreement for the Curipamba - El Domo copper-gold project in Ecuador, which is subject to an Altius NSR royalty. Lundin Mining reported that it continues to aggressively advance its new high-grade Saúva discovery, which is located 15 km north of current mining operations at Chapada on lands subject to Altius's copper streaming agreement. A maiden resource estimate for the discovery is expected early in 2023 and Lundin has indicated that it will now include the potential for the incorporation of Saúva as part of its ongoing expansion studies.

Potash portfolio revenue during the quarter was \$11.5 million, which compares to \$4.5 million in the comparable quarter of 2021, reflecting significantly higher average realized prices as well as price reconciliation adjustments of \$0.9 million related to 2021 sales. On a year-to-date basis, potash revenue of \$21.4 million exceeds the \$19.3 million revenue reported for the full year 2021. On June 9, 2022 Nutrien Ltd. announced plans to increase its potash production by approximately 5 million tonnes to approximately 18 million tonnes per annum, a 40% increase over 2020 levels, by 2025. Mosaic has reported that Esterhazy K3 reached its operating run rate target of 5.5 million tonnes per year at the end of the first quarter, and Mosaic plans to continue the optimization of the complex with the addition of three new underground mines over the next year, resulting in an incremental one million tonnes of production capacity.

Iron ore revenue in the form of dividends from Labrador Iron Ore Royalty Corp. (LIORC) was \$2.9 million compared to \$5.0 million in Q2 2021 largely due to higher sustaining and growth capital spending and lower declared equity dividends by the Iron Ore Company of Canada (IOC). LIORC serves as a pass-through vehicle for IOC production-based royalty revenues and equity dividends.

Thermal coal revenue of \$4.5 million during the current quarter compared to \$2.1 million during the second quarter of last year. The current quarter revenue included approximately \$1.6 million as an adjustment to royalties received during 2021 and Q1 2022 that mainly relates to inflation-based rate escalation provisions of the Genesee royalty agreement.

Altius Renewable Royalties Inc. ("ARR") (ARR: TSX) released its Q2 2022 results on August 4, 2022 [ARR Q2 2022 Results](#). The Corporation holds 59% of the common shares of ARR. ARR reported Q2 2022 attributable royalty revenue of US\$0.7 million, which represents its 50% joint venture interest in Great Bay Renewables ("GBR"). The royalty revenue was generated mainly by Northleaf's Cotton Plains and Old Settler wind projects and Longroad Energy's Prospero 2 solar project, which are described in greater detail in the ARR MD&A and financial statements.

On May 4, 2022, ARR [announced](#) a US\$32.5 million investment into a new global renewables platform, Bluestar Energy Capital LLC and its U.S. development subsidiary, Nova Clean Energy, LLC. Subsequent to quarter end, on July 29, 2022, the Corporation [announced](#) that GBR has entered into a US\$40 million transaction with U.S. renewable energy developer Hodson Energy LLC ("Hodson"), to gain future royalties related to Hodson's portfolio of solar plus battery storage development projects.

Gold

AngloGold Ashanti continued an aggressive delineation and exploration focused program at its new Silicon Project gold discovery in Nevada, while Altius indicated during the quarter that it is considering various strategic alternatives for the 1.5% NSR royalty interest it holds over the project.



Additional information on the Corporation's results of operations and developments in its Project Generation division are included in the Corporation's MD&A and Financial Statements which were filed on SEDAR today and are also available on the Corporation's website at www.altiusminerals.com.

Capital Allocation Summary

The Corporation's capital allocation priorities are linked to its strategy of creating per share value growth through a portfolio of assets that relate to long-life, high margin operations while providing growing shareholder capital returns.

On April 14, 2022 the Corporation announced that 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 per common share in the capital of Altius (each, a "Common Share") for gross proceeds of \$100 million. Fairfax elected to pay the exercise price of the Warrants by surrendering its \$100 million Preferred Securities to Altius for cancellation, in full satisfaction of such exercise price. Altius now has no outstanding Warrants, Preferred Securities or resulting distribution obligations after this transaction, and Fairfax has become the holder of approximately 13.9% of Altius issued and outstanding common shares. The Corporation made interest and other payments of \$2.1 million on closing.

During the quarter, the Corporation made scheduled debt repayments of \$2.0 million and paid cash dividends of \$3.2 million. The Corporation also expended during the period \$1.9 million in the repurchase and cancellation of 100,000 shares under its Normal Course Issuer Bid. The Corporation drew down \$10 million on its revolving credit facility during the quarter for the acquisition of investments.

On June 7, 2022 the Corporation funded a US\$10 million investment in the form of common shares in Invert Inc. ("Invert"), a carbon streaming and investment company making investments in carbon credit projects and building a platform to place the credits with corporate and individual participants to reach their decarbonization objectives. This was part of a US\$30 million financing, subscribed by pension funds and a combination of retail and institutional investors. This investment follows earlier transactions with Altius by way of a US\$5 million secured convertible note this year and an equity investment of US\$0.5 million funded in 2021.

Liquidity

Cash and cash equivalents at June 30, 2022 were \$107.4 million, compared to \$100 million at the end of 2021. Cash, excluding \$79.7 million held by ARR, was \$28 million. The value of publicly traded Project Generation business equity holdings was \$47.4 million at June 30, 2022. The market value of LIORC shares was \$90.4 million and the market value of ARR shares including the in-the-money value of share purchase warrants was \$140 million.



Dividend Declaration

The Corporation's board of directors has declared an increased quarterly dividend of \$0.08 per share, which represents a 14% increase over recent quarterly levels. The current quarterly dividend is payable to all shareholders of record at the close of business on August 31, 2022. The dividend is expected to be paid on or about September 15, 2022.

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 September 15, 2022 dividend, non-registered shareholders must provide instruction to their brokerage and registered shareholders must provide completed enrollment forms to the transfer agent by August 24, 2022, five business days prior to record date. Stock market purchases made under the DRIP for the September 15, 2022 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 earlier this year will continue to be enrolled unless they direct otherwise. For more information, please see <http://www.altiusminerals.com/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).
2. 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.



Second Quarter 2022 Financial Results Conference Call and Webcast Details

Date: August 9, 2022

Time: 9:00 AM ET

Toll Free Dial-In Number: +1 (888) 440-2151

International Dial-In Number: +1 (438) 803-0555

Conference Call Title and ID: Altius Q2 2022 Results, ID 6430950

Webcast Link: [Q2 2022 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 47,680,588 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 regulation.

For further information, please contact:

Flora Wood

Email: Fwood@altiusminerals.com

Tel: 1.877.576.2209

Direct: +1(416)346.9020

Ben Lewis

Email: Blewis@altiusminerals.com

Tel: 1.877.576.2209

