



January 25, 2023 | St. John's, Newfoundland and Labrador

## Altius Reports Q4 and Full Year 2022 Expected Attributable Royalty Revenue<sup>(1)</sup>

**Altius Minerals Corporation (TSX: ALS) (OTCQX: ATUSF)** (“Altius” or the “Corporation”) expects to report 2022 annual attributable royalty revenue<sup>†</sup> of \$103.3 million, which is 23% higher than the \$83.9 million reported for 2021. Fourth quarter expected attributable royalty revenue of \$23.0 million compares to \$23.4 million reported for the fourth quarter of 2021. The 2022 attributable revenue amount establishes a new annual record for the Corporation.

### Royalty Revenue Summary

Summary of attributable royalty revenue (in thousands of Canadian dollars)	YE 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022	YE 2021	YE 2020
Potash	\$ 41,445	\$ 9,816	\$ 10,276	\$ 11,450	\$ 9,903	\$ 19,283	\$ 14,598
Base and battery metals	28,512	4,702	5,535	8,315	9,960	36,566	26,861
Iron ore <sup>(1)</sup>	10,666	2,618	3,740	2,871	1,437	17,243	8,765
Thermal (electrical) coal	15,175	3,774	3,768	4,520	3,113	9,107	13,696
Renewable energy	4,795	1,171	2,089	763	772	411	364
Other	2,756	919	827	703	307	1,320	3,218
<b>Attributable royalty revenue</b>	<b>\$ 103,349</b>	<b>\$ 23,000</b>	<b>\$ 26,235</b>	<b>\$ 28,622</b>	<b>\$ 25,492</b>	<b>\$ 83,930</b>	<b>\$ 67,502</b>

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

<sup>(1)</sup> Labrador Iron Ore Royalty Corporation dividends received

**Potash** revenue for 2022 of \$41.4 million increased by 115% over the \$19.3 million reported in 2021, mainly due to higher realized pricing in the first half of the year as the market reacted to supply concerns relating to the Russia-Ukrainian war. Tonnes of potash production attributable to royalties were similar to prior year levels.

The K3 production unit at Mosaic's Esterhazy mine was fully commissioned during the year with production from this unit now replacing prior lost production from the K1 and K2 production units.

Both Mosaic and Nutrien announced the start of capital investment programs during the year that are designed to complete the ramp-up of production capacity at most of our royalty mines. These investments have been initiated in response to both current and projected long-term global supply constraints that have emerged and medium to long-term trend-line based demand growth expectations.

**Base and battery metal** (primarily copper) revenue of \$28.5 million for the year is 22% lower than the \$36.6 million reported in 2021. This primarily reflects the closure of the 777 mine during the second quarter with royalties from other operations performing largely as expected. Average realized copper prices during both years were very similar.

Early in 2022, Lundin Mining announced the discovery of the Saúva deposit at Chapada, which has initially indicated copper grades that are significantly higher than currently mined head grades. An aggressive delineation drilling program continued throughout the year and Lundin has indicated that the deposit is being considered as part of its ongoing production expansion studies at the operation. An initial resource

estimate for the discovery is expected to be announced early this year. The Corporation's stream agreements include the Saúva discovery area.

At Voisey's Bay, underground mining has begun with initial production from the Reid Brook mine, while development of the Eastern Deeps mine continues. Exploration efforts also continued to indicate the potential for mine life extensions, particularly beneath the currently defined resource areas at Reid Brook.

Adventus Mining Corp. ("Adventus") announced completion of a comprehensive project finance package for its Curipamba copper-gold project early in 2022 and of an investment protection agreement with the Government of Ecuador late in the year. It also continued to advance project permitting and final feasibility studies in advance of an anticipated construction decision later in 2023. In addition to its substantial equity holding in Adventus, Altius holds a 2% NSR royalty over the Curipamba project.

The Corporation's first ever royalty revenue related to lithium production is expected in the coming year as the Grota do Cirilo project in Brazil is scheduled to commence operations in April, while the Tres Quebradas project in Argentina is progressing with construction activities. Altius is also an 11.4% co-founding shareholder in private company Lithium Royalty Corporation which holds larger royalty interests in these two projects as well as a number of other exploration through production stage lithium focussed royalties.

**Iron ore** revenue in the form of dividends from Labrador Iron Ore Royalty Corp. ("LIORC"), which serves as a pass-through vehicle for royalty income and equity dividends related to the operations of Iron Ore Company of Canada ("IOC"), was \$10.7 million, compared to 2021 iron ore revenue of \$17.2 million. The 38% decrease was primarily the result of lower realized product prices and lower equity dividends from IOC - as a greater percentage of IOC's free cash flow was directed towards growth and sustaining capital investments. During the year, the Corporation increased its shareholding in LIORC by 866,000 shares to 3,739,800 shares at a total cost of \$25.9 million.

IOC's iron ore product mix includes an approximately 65% iron content concentrate and both blast furnace and DR pellets. Average market based P65% concentrate prices during the year were US\$142 in 2022 vs US\$195 in 2021. Average realized pellet prices at IOC were US\$190/t in 2022 vs US\$214/t in 2021 reflecting continued relative strength for highest purity products as the iron ore and steel making industries continue to evolve towards less polluting forms of manufacturing.

Later this year Champion Iron is expected to announce the results of an updated feasibility study for the Kami project, which is located nearby to the IOC operations as well as to Champion Iron's Bloom Lake mine. The study is targeting production of DR grade pellet feed. Altius originated the Kami project within its Project Generation business and retains a 3% gross sales royalty interest.

**Thermal (electrical) coal** revenue of \$15.2 million during 2021 was 68% per cent higher than the \$9.1 million recorded in 2021. The increase reflected higher inflation adjusted royalty rates, higher plant utilization rates and coal consumption at the Genesee power plant, which was negatively impacted by unplanned maintenance shutdowns in the prior year. The operator of the Genesee power plant continues with natural gas based conversion investments that are expected to commission over the next year and bring an end to coal usage.

Altius Renewable Royalties ("ARR"), of which the Corporation is an approximately 58% shareholder, continued to ramp up royalty revenue from its US-based renewable energy project investments. As a result of its controlling shareholding, the Corporation reports ARR financial results on a consolidated basis. Attributable revenue during the year was approximately 12 times higher at \$4.8 million as compared to \$0.4 million in 2021. Several new royalties were added to its portfolio through a combination of developer-based financing agreements and direct royalty investment in advanced-stage and operating projects during the year. Late in the year, the Corporation invested \$20.7 million through participation in an equity financing completed by ARR to support it in completing two acquisitions of production stage royalties. Further details regarding ARR and its activities can be found on ARR's website or by accessing its public filings on SEDAR.



Lastly, the Corporation is expecting to gain significant new insight into the scale and duration potential of AngloGold Ashanti's Silicon Project gold discoveries in Nevada during the early part of this year. A PFS is expected to be released shortly for the Silicon Central deposit and a maiden resource is expected to be published for the Merlin deposit. Altius holds a 1.5% NSR royalty that covers the discovery area.

#### **Fourth Quarter and Year-End 2022 Financial Results Conference Call and Webcast Details**

Additional details relating to individual royalty performances and asset level developments will be provided with the release of full financial results, which will occur on March 7, 2023 after the close of market, with a conference call to follow on March 8, 2023.

**Date:** Wednesday, March 8, 2023

**Time:** 9:00 AM ET

**Toll Free Dial-In Number:** +1(888) 396-8049

**International Dial-In Number:** +1(416) 764-8646

**Conference Call Title and ID:** Altius Q4 and Year-End 2022 Financial Results, ID 08977051

**Webcast Link:** [Altius Q4 and Year-End 2022 Financial Results](#)

#### **Non-GAAP financial measures**

† Attributable royalty revenue is a non-GAAP financial measure. Management uses non-GAAP financial 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, which are available at <https://www.altiusminerals.com>

#### **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 47,624,958 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.



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