



March 7, 2023 | St. John's, Newfoundland

Altius Reports 2022 Attributable Royalty Revenue of \$103.5M and Adjusted Earnings^(1,2) of \$33.9M

Altius Minerals Corporation (TSX: ALS; OTCQX: ATUSF) (“Altius” or the “Corporation”) reports full year revenue of \$102.0 million compared to \$81.7 million for 2021, and \$21.7 million for the fourth quarter compared to \$22.6 million for the same period in 2021.

Full year 2022 attributable royalty revenue^(1,2), adjusted for joint venture revenue, of \$103.5 million (\$2.27 per share^(1,2)) was 23% higher than the \$83.9 million (\$2.03 per share) reported for 2021. Fourth quarter 2022 attributable royalty revenue^(1,2) of \$23.1 million (\$0.49 per share) compares to \$23.5 million (\$0.57 per share) during Q4 2021. Attributable royalty revenue for 2022 represents an annual record for the Corporation, mainly based upon higher realized commodity prices and the ongoing ramp-up of renewable royalty-based revenue.

Commenting on the record year and outlook, Brian Dalton, CEO said:

“2022 was the 25th anniversary year for Altius as a public company and the first year that royalty revenues reached the \$100 million milestone. Of far more importance, however, practically all of our long-term exposures are gaining growth signals in the form of one or more of new build intentions, production rate expansions, or resource increase-based life extensions. These developments underpin our confidence that the value of our portfolio will continue along its trajectory of long-term organic growth realization – growth that largely does not require us to make any further investment. We are also particularly gratified to note the continuing acceleration of portfolio growth and long-term revenue build up that is occurring within Altius Renewable Royalties, which is coinciding closely with the elimination of coal from our business.”

Adjusted EBITDA^(1,2) of \$89.7 million or \$1.97 per share^(1,2) during 2022 increased by 34% as compared to \$67.0 million or \$1.62 per share during the prior year. Adjusted EBITDA for the fourth quarter was \$18.0 million or \$0.38 per share, which compares to adjusted EBITDA of \$17.7 million or \$0.43 per share in Q4 2021. The adjusted EBITDA margin in 2022 was 82% versus 80% last year. The increase in adjusted EBITDA for the year ended December 31, 2022 is consistent with the increase in attributable revenue but was partially offset by an increase in consolidated expenses within the Renewable Royalties segment primarily due to public company related costs and team expansion. The Mineral Royalties segment had an EBITDA margin of 87% for both the current and prior year.

On a full year basis, adjusted operating cash flow^(1,2) of \$75.9 million or \$1.65 per share^(1,2) compares to \$49.4 million or \$1.19 per share last year. Adjusted operating cash flow for the quarter was \$19.2 million or \$0.40 per share, which compares to adjusted operating cash flow of \$15.9 million or \$0.38 per share in Q4 2021. Adjusted operating cash flow for the quarter and year ended December 31, 2022 is consistent with the increase in royalty revenues.

Net earnings for the quarter and year ended December 31, 2022 were positively impacted by strong royalty revenue and were partially offset by negative non-cash based fair value adjustments on derivatives and foreign exchange. Net earnings of \$39.5 million or \$0.82 per share for 2022 compares to net earnings of \$38.3 million or \$0.97 per share in 2021. Adjusted net earnings per share^(1,2) of \$0.74 in 2022 compares to adjusted net earnings per share of \$0.77 per share in 2021. Net earnings during the fourth quarter were \$6.8 million or \$0.14 per share, and \$0.10 per share on an adjusted basis. This compares to net earnings of \$2.1 million or \$0.07 per share, and on an adjusted basis \$0.19 per share in Q4 2021. Adjusting items for the current quarter include unrealized gains on derivatives related to the

revaluation of share purchase warrants on junior mining equities compared to unrealized losses last year, as well as higher gains related to the receipt of common shares in exchange for the transfer of several mineral properties year over year.

Adjusted Net Earnings (in thousands of Canadian dollars)	Three months ended		Year ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net earnings attributable to common	\$ 6,476	\$ 2,801	\$ 37,489	\$ 40,022
Addback (deduct):				
Unrealized (gain) loss on fair value adjustment of derivatives	(1,008)	1,141	382	165
Foreign exchange (gain) loss	(1,029)	(145)	1,699	(530)
Impairment charges	-	6,031	-	8,920
Realized loss (gain) on disposal of derivatives	716	(1,675)	716	(6,121)
Gain on disposal of mineral property	(1,170)	(495)	(2,166)	(4,704)
Non-recurring other income	-	-	(4,949)	-
Gains on equity investments and joint ventures	-	-	-	(9,229)
Debt extinguishment costs	-	-	-	654
Tax impact	701	273	702	2,803
Adjusted net earnings	\$ 4,686	\$ 7,931	\$ 33,873	\$ 31,980
Adjusted net earnings per share	\$ 0.10	\$ 0.19	\$ 0.74	\$ 0.77

Portfolio Performance

The following tables summarize the financial results and attributable revenue for the four quarters of 2022 along with the years ended December 31, 2022 and 2021:

Summary of attributable royalty revenue (in thousands of Canadian dollars)	YE 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022	YE 2021
Base and battery metals	\$ 28,512	\$ 4,702	\$ 5,535	\$ 8,315	\$ 9,960	\$ 36,566
Potash	41,445	9,816	10,276	11,450	9,903	19,283
Iron ore ⁽¹⁾	10,666	2,618	3,740	2,871	1,437	17,243
Thermal (electrical) coal	15,175	3,774	3,768	4,520	3,113	9,107
Other royalties and interest	7,673	2,212	2,916	1,466	1,079	1,731
Attributable royalty revenue	\$ 103,471	\$ 23,122	\$ 26,235	\$ 28,622	\$ 25,492	\$ 83,930

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 \$4.7 million and \$28.5 million for the quarter and year decreased compared to prior year amounts primarily due to the scheduled closure of Hudbay Minerals Inc.'s 777 mine with royalties from other operations performing largely in line. Average realized copper prices during both years were very similar.

Copper delivered under the Chapada stream agreement was consistent year over year. Operator guidance for 2023 is targeting copper production of 43,000 – 48,000 tonnes, which compares to 46,000 tonnes produced in 2022.

Early in 2022 Lundin Mining announced the discovery of the Saúva deposit at Chapada and in February of 2023 it announced a maiden mineral resource estimate that has indicated grades that are significantly higher than those being currently mined. An aggressive expansion and delineation focussed drilling program continues. Lundin has also indicated that Saúva is now being considered as part of its ongoing production expansion studies at Chapada.

Lithium Royalty Corporation (“LRC”), of which Altius is a co-founding 11.4% shareholder, continued to build out its portfolio during 2022 with the total number of project royalties acquired since inception in 2018 amounting to 29 royalties on 27 properties - with two currently producing and four under construction. LRC filed a preliminary base PREP prospectus on February 21, 2023 describing a proposed initial public offering of common shares as it continues to advance several new royalty investment opportunities. Altius also holds co-participation based, limited partnership minority interests in each of LRC’s Tres Quebradas, Grota do Cirilo and Mariana royalties. These are expected to add first ever royalty revenues from lithium production to the Base and Battery Metal component of Altius’s broader royalty portfolio during the current year.

At Voisey’s Bay, underground mining has begun with initial production achieved 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 where long core length and high-grade nickel and copper drilling intercepts are being encountered that highlight the potential for future resource and mine life growth.

Adventus Mining Corporation continues to progress the Curipamba-El Domo copper-gold project in Ecuador with its recent announcement of an investment protection agreement with the Government of Ecuador. This follows its entering into a comprehensive project finance package for the project earlier in 2022. It is currently completing a social consultation process with regional stakeholders and completing other studies in expectation of making a construction decision in the second half of the year.

Potash royalty revenue of \$9.8 million in Q4 2022 and \$41.4 million for the year is up 42% and 115% from the comparable periods last year. Potash prices increased significantly during the first half of the year as the market reacted to supply concerns relating to the Russia – Ukrainian war but have since retreated to below pre-war levels - despite the market currently being undersupplied relative to unconstrained soil replenishment requirements. 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 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 low cost production capacity at most of our royalty mines over the next one to four years. These investments have been initiated in response to both current global supply constraints and medium to long-term trend-line based demand growth expectations.

Iron ore royalty revenue of \$2.6 million was recognized in Q4 2022 (\$3.3 million Q4 2021), while full year revenue was \$10.7 million (\$17.2 million in 2021). The 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 strategic growth and sustaining capital investments. Prices have since rebounded strongly on expectations of demand recovery related to the easing of Covid restrictions in China and broader global infrastructure building and refurbishment initiatives. The Corporation’s current iron ore revenue stems from the pass-through of royalties and equity dividends paid by the Rio Tinto controlled IOC to Labrador Iron Ore Royalty Corp (“LIORC”), of which the Corporation is a significant shareholder.

Champion Iron Ore is expected to announce the results of an updated feasibility study for the Kami project later in 2023. The study is targeting production of high-purity, DR quality feed that can serve the rapidly expanding transition to electric arc furnace-based steel making. Electric arc furnaces require no coal inputs and also cannot utilize the vast majority of the world’s current iron ore type production base. Altius holds a 3% gross sales royalty related to the Kami Project.

Thermal coal royalty revenue was \$3.8 million in Q4 2022 (\$1.4 million Q4 2021), while full year revenue of \$15.2 million was higher than the 2021 revenue of \$9.1 million. The increase reflected higher inflation

indexed royalty rates, and higher plant utilization 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 and the associated royalty payments by the end of 2023.

Altius Renewable Royalties (“ARR”) (ARR: TSX) released its Q4 2022 and year end results on March 1, 2023 [ARR 2022 Financial Results](#). The Corporation holds 58% of the common shares of ARR and participated in its late-year common share equity raise.

ARR reported 2022 proportionate royalty revenue of US\$4.4 million, as compared to US\$0.4 million in the prior year, relating to its 50% joint venture interest in Great Bay Renewables (“GBR”). ARR also announced that GBR’s 2023 revenue is expected to continue to ramp up strongly based upon recently issued guidance of US\$11.5 – US\$13.5 million despite lower, currently projected power price assumptions.

ARR’s annual results and business development activities can be reviewed in greater detail in its published MD&A and financial statements.

Silicon Project Gold Royalty AngloGold Ashanti Limited (“AGA”) continues to advance significant new gold discoveries at the Silicon Project located near Beatty, Nevada. It [reported](#) an increased and higher-confidence mineral resource estimate for the Silicon deposit of 4.22 million ounces (“Moz”) of gold (3.4 Moz as indicated and 0.8 Moz as inferred) and further cumulative mineral resource estimates totaling 4.18 Moz from three additional deposits within the district (North Bullfrog – 1.19 Moz measured and indicated and 0.36 Moz inferred; Motherlode – 1.55 Moz indicated and 0.17 Moz inferred; and Sterling - 0.91 Moz inferred). It also reported that it will now evaluate the Merlin deposit discovery on an integrated basis with the adjacent Silicon deposit, as part of a combined pre-feasibility study, with further updates expected in 2023. This reporting will potentially include a maiden resource estimate for Merlin, which was recently described by AGA’s CEO during its Q4 2022 financial results conference call as the “real gem” in the district.

Further information concerning the results and progress of the various components of the Corporation’s royalty and exploration portfolios can be found in its MD&A and financial statements.

Capital Allocation Summary

The Corporation’s capital allocation priorities are intrinsically linked to its strategy of creating per share value through a portfolio of originated and acquired assets that relate to long-life expandable operations that will naturally grow in value on a per share basis and provide it with the opportunity to regularly increase shareholder capital returns.

New investments completed during the year totaled \$69 million and were directed to initiatives including the purchase of additional shares of LIORC and ARR, a convertible debenture investment into Invert, a carbon credit focused development stage company, as well as several junior mining company based royalty and equity investments.

The Corporation expended \$4.8 million in the repurchase and cancellation of 268,000 shares under its Normal Course Issuer Bid during the year and paid dividends of \$13.9 million (following a 14% increase in its regular quarterly dividend that was announced mid-year).

During the year, the Corporation made scheduled debt repayments of \$8 million, debt interest payments of \$6.6 million and preferred security distributions of \$3.3 million. The Corporation also drew down \$10 million on its revolving credit facility for the acquisition of investments.



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”) for gross proceeds of \$100 million. These proceeds were then in turn used to redeem \$100 million of preferred securities that were held by Fairfax. Altius now has no outstanding common share purchase warrant or preferred securities distribution obligations and Fairfax has become the holder of approximately 13.9% of Altius issued and outstanding common shares.

Liquidity

Cash and cash equivalents at December 31, 2022 were \$82.4 million, compared to \$100.0 million at the end of 2021. Cash, excluding \$67.9 million held by ARR, was \$14.5 million. The value of publicly traded Project Generation business equity holdings was \$50.3 million at December 31, 2022. The market value of LIORC shares was \$125.6 million and the market value of ARR shares, including the in-the-money indicated value of share purchase warrants, was \$169.8 million.

Dividend Declaration

The Corporation’s board of directors has declared a quarterly dividend of \$0.08 per share. The current quarterly dividend is payable to all shareholders of record at the close of business on March 17, 2023. The dividend is expected to be paid on or about March 31, 2023.

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 March 31, 2023 dividend, non-registered shareholders must provide instruction to their brokerage and registered shareholders must provide completed enrollment forms to the transfer agent by March 10, 2023, five business days prior to record date. Stock market purchases made under the DRIP for the March 31, 2023 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.



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

Date: 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 Results, ID 08977051

Webcast Link: [Q4 and Year-End 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 47,624,958 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.

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

