



October 24, 2022 | St. John's, Newfoundland and Labrador

## Altius Provides Update on Coal Litigation

**Altius Minerals Corporation (ALS: TSX) (ATUSF: OTCQX)** (“Altius” or the “Corporation”) reports on a decision issued by the Supreme Court of Canada on Friday October 21, in an unrelated constructive taking or *de facto* expropriation case, that it believes holds materially relevant and positive implications for Altius’ ongoing lawsuit against the governments of Alberta and Canada.

By way of background, on 19 December 2018 Altius (through certain subsidiaries) filed a Statement of Claim in the Court of King’s Bench of Alberta seeking \$190 million in compensation for the constructive taking or *de facto* expropriation by regulation of its Genesee mine “interest in land” royalty asset. This was as a result of the governments’ regulatory actions to phase out coal-fired power generation by 2030 and, in the case of Alberta, its agreement to make compensatory payments to the operator of the Genesee power generating plant that are expected to total more than \$700 million.

The Genesee mine and power generating plant were developed and have been run as an integrated operation through formal mine supply dedication and royalty agreements since inception in 1988 as Edmonton Power, and remain responsible for a large portion of Alberta’s generation. In keeping with the regulatory changes and its compensatory agreement, the plant operator is currently converting the generating units to natural gas fueling and once this is completed and coal mining ended, royalty payments to Altius will cease. Prior to the government actions the Genesee mine and power plant were planned to continue operating together as an integrated operation until 2055.

Altius’ claim was dismissed in Alberta on the stated basis that the legal test for constructive taking or *de facto* expropriation could not be made out, the court finding that even if the royalty property interest was sterilized of value, no compensation was payable as the governments had not acquired a beneficial property interest in same.<sup>1</sup>

Altius subsequently appealed dismissal of its suit to the Alberta Court of Appeal, where proceedings were recently temporarily stayed pending issuance of the Supreme Court of Canada’s decision in another *de facto* expropriation case called *Annapolis Group Inc v Halifax Regional Municipality*.

The Supreme Court of Canada rendered its decision in *Annapolis* on 21 October 2022, where the Majority clarified that the legal test for a constructive taking or *de facto* expropriation does not require that the government acquire an interest in the property at issue, and that it is sufficient if a beneficial interest in the form of an “advantage” flows to the state.<sup>2</sup>

Within its ruling it stated that “A “beneficial interest” is to be broadly understood as an “advantage”; as such, the interest acquired by the state can fall short of an actual acquisition by the state.” It further stated “that “beneficial interest” refers not to actual acquisition of the equity that rests with the beneficial owner of property, connoting rights of use and enjoyment, but to an advantage flowing to the state.”

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<sup>1</sup> *Altius Royalty Corporation v Her Majesty the Queen in Right of Alberta*, 2022 ABQB 255 at paras 77-79

<sup>2</sup> *Annapolis Group Inc v Halifax Regional Municipality*, 2022 SCC 36 at para 38

The Alberta and Canadian governments phased out coal-fired emissions to obtain publicly stated advantages (valued at \$4.7 billion by the federal government<sup>3</sup>) relating to avoided health care and climate change linked costs.

Altius will immediately continue its appeal of the dismissal, if Alberta and Canada do not agree to vacate it, on the basis that the Supreme Court has now clarified the test used to determine whether a constructive taking has occurred.

Brian Dalton, CEO of Altius, commented, "Altius wishes to make clear that it does not take issue with the intended phase out of coal fired power generation in Canada. Indeed, we are actively backing the development of many new renewable energy projects with royalty-based funding and in so doing are directly enabling advancement of the global energy transition imperative. Our ongoing lawsuit in no way challenges the right of governments to change regulations to address the evolution of the societal level mandates they are democratically granted." He then added, "With that said, as a Canadian public company we believe that defending our private land and royalty interests sits within the core of our fiduciary mandate. We simply contend that a fundamental tenet of Canada's rule of law principles upholds that, when such government actions have the tantamount effect of taking or expropriating established private property interests, offsetting compensation is required – a contention that we believe has now been clearly confirmed by the Supreme Court of Canada."

<sup>3</sup> See *Regulatory Impact Analysis Statement* for SOR/2018-263 (<https://gazette.gc.ca/rp-pr/p2/2018/2018-12-12/html/sor-dors263-eng.html>)

#### 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.

#### 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 47,616,297 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.

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