



November 9, 2022 | St. John's, Newfoundland

Altius Reports Q3 2022 Attributable Royalty Revenue of \$26.2M and Adjusted Earnings^(1,2) of \$9.8M

Altius Minerals Corporation (TSX: ALS; OTCQX: ATUSF) (“Altius” or the “Corporation”) reports third quarter 2022 revenue of \$25.9 million compared to \$20.4 million for the same period in 2021 and third quarter attributable royalty revenue^(1,2) of \$26.2 million (\$0.55 per share^(1,2)), which compares with the \$20.8 million (\$0.50 per share) reported for the same quarter in the prior year. On a year-to-date basis, attributable royalty revenue of \$80.3 million is tracking 33% higher than the \$60.5 million reported for the prior year nine-month comparable period.

Adjusted EBITDA^(1,2) of \$23.7 million or \$0.50 per share^(1,2) during Q3 2022 compares to \$16.9 million or \$0.41 per share during the prior year quarter. On a year-to-date basis, adjusted EBITDA of \$71.7 million is higher by 46% from the prior year and results in an increase in EBITDA margin from 81% to 89%.

Q3 2022 adjusted operating cash flow^(1,2) of \$25.9 million or \$0.54 per share^(1,2) compares to \$18.9 million or \$0.46 per share in last year's comparable quarter. On a year-to-date basis, adjusted operating cash flow^(1,2) increased by 69% to \$56.7 million from \$33.5 million recorded for the nine-month period ended September 30, 2021. Adjusted operating cash flow trended higher as revenue growth outstripped cost increases.

Net earnings of \$11.5 million or \$0.22 per share for Q3 2022 compares to net earnings of \$9.8 million or \$0.24 per share in Q3 2021. Adjusted net earnings per share^(1,2) of \$0.20 in the current quarter is consistent with Q3 2021. The main adjusting items in the third quarter of this year are unrealized foreign exchange losses of \$2.2 million (\$0.05 per share), adjustments for non-recurring other income of \$2.1 million (\$0.04 per share) and unrealized gains on derivatives of \$0.9 million (\$0.02 per share). The prior year quarter was also adjusted for net gains of \$2.0 million (\$0.05 per share) related to the sale of mineral properties, gains on derivatives and debt extinguishment costs.

In Thousands of Canadian Dollars	Three months ended	
	September 30, 2022	September 30, 2021
Adjusted Net Earnings		
Net earnings attributable to common	\$ 10,712	\$ 9,947
Addback (deduct):		
Unrealized (gain) loss on fair value adjustment of derivatives	(843)	2,273
Foreign exchange evaluation	2,196	690
Non-recurring other income	(2,070)	-
Realized gain on disposal of derivatives	-	(3,370)
Gain on disposal of mineral property	-	(2,247)
Debt extinguishment costs	-	654
Tax impact	(223)	440
Adjusted net earnings	\$ 9,772	\$ 8,387
Adjusted net earnings per share	\$ 0.20	\$ 0.20



Portfolio Performance

The following table summarizes the attributable royalty revenue:

Summary of attributable royalty revenue	Q3 2022	Q2 2022	Q3 2021
(in thousands of Canadian dollars)			
Base and battery metals	\$ 5,535	\$ 8,315	\$ 8,216
Potash	10,276	11,450	3,788
Iron ore ⁽¹⁾	3,740	2,871	6,035
Thermal (electrical) coal	3,768	4,520	2,562
Other royalties and interest	2,916	1,466	207
Attributable royalty revenue	\$ 26,235	\$ 28,622	\$ 20,808

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 \$5.5 million for the quarter compares to \$8.2 million reported for the third quarter of 2021 primarily due to the scheduled closure of Hudbay's 777 Mine. Higher production volumes at Chapada were offset by lower realized copper prices during the quarter.

Copper stream deliveries from Chapada reflected higher production and sales levels in the current quarter versus the year ago period. Operator guidance for 2022 has been reiterated within a range of 45,000 – 50,000 tonnes despite a weather impacted first half. Lundin Mining reported that it continues to expand 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, and that it expects to publish a maiden resource in early 2023. It also noted that it is now considering the implications of the new discovery within the context of its ongoing expansion planning studies.

Royalty revenue from the Voisey's Bay nickel-copper-cobalt mine was slightly lower during the quarter relating to an ongoing operational transitional period as mining shifts from the Ovoid deposit to the Reid Brook and Eastern Deeps deposits.

Potash portfolio revenue during the quarter was \$10.3 million, which compares to \$3.8 million in the comparable quarter of 2021, reflecting significantly higher average realized prices, particularly in Canadian dollar terms, despite volumes in Q3 2022 being lower than forecast due to the partial deferral of fertilizer buying by growers in the key North America and Brazil markets. A portion of total global potash demand in 2022 will be unmet due to geopolitical related supply constraints in Russia and Belarus and the operators of the mines on which we hold royalties have signaled that they have begun ramp-up type investments to activate any remaining infrastructure capacity existing at their mines. The mine operators have also commented that they expect the deferred application of potash noted late this year in key markets to be made up in 2023 given tight global crop inventories and strong price incentivization for farmers to maximize production and yields. On a year-to-date basis, potash revenue of \$31.6 million exceeds the \$19.3 million revenue reported for the full year 2021.

Iron ore revenue in the form of dividends from Labrador Iron Ore Royalty Corp. ("LIORC") was \$3.7 million compared to \$6.0 million in Q3 2021 largely due to higher sustaining and growth capital spending and lower declared equity dividends by the Iron Ore Company of Canada ("IOC") but also related to lower benchmark pricing. Production levels at IOC have improved in recent



periods, in apparent relation to the increased operational investment commitments. LIORC serves as a pass-through vehicle for IOC production-based royalty revenues and equity dividends.

Champion Iron continues to advance studies relating to the Kami project with emphasis on demonstrating that it can produce a DR grade pellet feed material and expects to provide details of its rescoped feasibility studies in the first half of 2023.

Thermal coal revenue of \$3.8 million during the current quarter compared to \$2.6 million during the third quarter of last year. The current quarter includes slightly higher attributable royalty volumes as well as a higher inflation indexed per tonne royalty rate. The Genesee mine is expected to cease operations in 2023 or 2024 as the operator of the integrated power generating plant completes investments in natural gas conversion to meet upcoming regulatory requirements to cease coal based fueling.

Altius Renewable Royalties Inc. (“ARR”) (TSX: ARR) released its Q3 2022 results on November 7, 2022 ([ARR Q3 2022 Results](#)). The Corporation holds 59% of the common shares of ARR. ARR reported Q3 2022 attributable royalty revenue of US\$1.8 million, as compared to US\$0.05 million in the prior year period, relating to its 50% joint venture interest in Great Bay Renewables (“GBR”). On October 17, 2022 ARR announced that GBR had increased its 2022 annual royalty revenue guidance to US\$6.5 - US\$7.0 million from the US\$4.5 - US\$5.5 million previously indicated and also noted that it expects revenues to continue to ramp up strongly over coming periods as several new projects that are subject to royalty complete construction and enter operations.

ARR reported during the quarter on the entering into of a US\$40 million royalty financing agreement with solar and storage project developer Hodson Clean Energy. It also reported on the acquisition of TGE, one of its earlier project developer investee companies, by Enbridge and the resulting creation of several additional project royalties.

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

Gold AngloGold Ashanti (“AGA”) continued an aggressive delineation and exploration focused program at its new Silicon Project gold discovery in Nevada. During the third quarter, AGA announced and subsequently closed the acquisition of Coeur Sterling, Inc., which owns neighboring properties to AngloGold Ashanti’s properties in the Beatty district of southern Nevada.

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

During the quarter, the Corporation made scheduled debt repayments of \$2.0 million and paid cash dividends of \$3.8 million. The Corporation also expended \$2.7 million during the period in the repurchase and cancellation of 158,000 shares under its Normal Course Issuer Bid.

The Corporation acquired investments in the amount of \$18.2 million during the third quarter of 2022 consisting of the acquisition of 550,000 shares in LIORC for \$15.9 million and \$2.3 million through its co-participation rights in project level royalty acquisitions completed by Lithium Royalty Corporation.

Liquidity

Cash and cash equivalents at September 30, 2022 were \$98.2 million, compared to \$100 million at the end of 2021. Cash, excluding \$75.2 million held by ARR, was \$23 million. The value of publicly traded Project Generation business equity holdings was \$43.5 million at September 30, 2022. The market value of LIORC shares was \$108.1 million and the market value of ARR shares including the in-the-money value of share purchase warrants was \$127 million. The Corporation has \$93 million available on its revolving credit facility.

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 November 30, 2022. The dividend is expected to be paid on or about December 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 December 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 November 24, 2022, five business days prior to record date. Stock market purchases made under the DRIP for the December 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.

Third Quarter 2022 Financial Results Conference Call and Webcast Details

Date: Thursday, November 10, 2022

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 Q3 2022 Results, ID 41077130

Webcast Link: [Q3 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 47,616,297 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.

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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