



Altius Minerals Corporation



2020 Sustainability Report

Coal to Renewable Power | Lower Emission Steel Making | Natural Fertilizers | Electrification & Storage Metals



Letter from Brian Dalton, President & CEO

Dear Altius Stakeholder,

We are delighted to provide you with our first formal sustainability report. Within this you will discover the many ways in which Altius is a leader and innovator in terms of its environmental, social and governance, or ESG, responsibilities.

While much has been said in recent times of the risk factors that poor ESG adherences represent to investors and other stakeholders, which we generally concur with, we also believe that strong ESG practices are a path to outsized long-term business opportunities and growth.

Being a strong steward of the environment, respecting the rights and needs of the people our operations touch and going the extra mile to ensure that our governance policies and practices exceed the expectations of those whose investments we have been given the privilege of overseeing, is not a box ticking exercise at Altius. It is our culture, and it is good business.

Societal level ideals and capitalism are more aligned than ever before as evidenced by the extraordinary migration of investment flows towards asset managers and businesses that preferentially invest with a focus on global sustainability best practices, while increasingly shunning those that resist adaptations that science and society believe are necessary to ensure we leave a positive legacy for future generations.

Within Altius, our clearest example of this type of adaptation relates to our strategy to reinvest the remaining proceeds from our phasing out coal power generation based royalties into a new renewable energy royalty business. 2020 has been a pivotal year, as our internal estimate of the value of the renewable royalties has eclipsed the remaining value of the coal royalties. Renewables now represent a rapid growth area, while coal is quickly becoming a “rearview mirror” component of our portfolio.

Society is speaking loudly and clearly with its collective capital in saying it wants change to happen now - if not yesterday. We believe that businesses that quickly embrace these transitions as opportunities to innovate will prosper.

In the pages that follow you will hopefully come to understand that Altius means to be part of the group that prospers and that it has been squarely positioning itself for some time to do just that. We also understand that capturing the full opportunity that these macro-trend transitions offer will require continuous innovation and adaptation.

To this goal, we welcome your feedback on the content of our inaugural sustainability report as we continue to strive to develop Altius as the leading natural resource royalty company – as defined by both its long-term sustainability record and its investment returns profile.

Brian Dalton

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Our Business Strategy

Altius Minerals Corporation's (the "Corporation" or "Altius") primary strategy is to grow a diversified portfolio of royalties related to commodities and assets with growth drivers that are linked to sustainability based macro-scale growth trends. These include the coal to renewable electricity generation conversion; transportation electrification and storage; lower emission steel making; and enhanced agricultural sustainability.

Altius preferentially seeks royalty interests in projects with long lives, and hence generally greater option value potential and sustainability profiles. Large resources are excellent predictors of project capacity expansions and/or project life extensions. Such occurrences typically require capital investments by the project operator, but as a royalty holder Altius pays no share of the cost incurred to gain the potential incremental benefits.

Altius also has a project generation based business strategy component that grows its portfolio of royalties by originating projects through responsible research and exploration activities and then retaining royalties upon their sale to mining/development companies. In many cases the strategy results in zero-effective cost for the retained royalties and, in fact, in certain cases has created substantial profits that are ancillary to the potential future royalty value.





Understanding Royalties & Streams

Natural resource royalty and streaming companies are not typically operators of projects. They are instead holders of passive interests in projects that are operated by others, with little or no say in how the underlying businesses are run. Royalty companies however do have a duty to their shareholders to perform technical and ESG based due diligence relating to the projects and operators they invest in, and we perform that duty with vigor.

Royalty Model

Under the royalty model, a holder is entitled to a percentage of mineral production or revenue. These are often structured as direct interests in land rather than as part of an operator's capital structure. 13 of the 14 cash flowing assets held by Altius are royalties.

Streaming Model

An upfront payment is made by the stream purchaser for future delivery of the mineral commodity at a pre-determined fixed amount or a percentage of the prevailing price. These are usually structured as contractual obligations of the operator. Altius currently has one producing stream interest.



Sustainability Based Macro Trends

In choosing which projects to invest in, Altius has prioritized commodity subsectors and assets that contribute to and benefit from major global sustainability trends as follows:

| Macro-Trend | Altius Royalty Exposure | |
|--|---------------------------|---|
| Coal to Renewable Energy Transition | Renewables Replacing Coal | Subsidiary Altius Renewable Royalties Corp. ("ARR") reinvesting royalties from phasing out coal mines to fund the development of a portfolio of approximately 18 GW of new renewable energy projects through royalty financing |
| Electrification and Storage | Cu, Ni, Li, Co | Copper, which benefits more than any other metal from EV and renewable energy transitions, represents our largest portfolio component. Royalty exposure to battery metals - nickel, lithium and cobalt is also beginning to ramp-up |
| Soil Quality/Agricultural Yield Improvements | Natural Potash Fertilizer | Altius's potash fertilizer royalties relate to a portfolio of top-tier Canadian mines that have pre-built capacity expansions that will directly support the growing need for sustainable food production |
| Lower Emission Steel Making | Clean Iron Ore Products | Royalties relate to high iron / low impurity concentrates and pellets that require less metallurgical coal usage and generate reduced emissions during steelmaking |



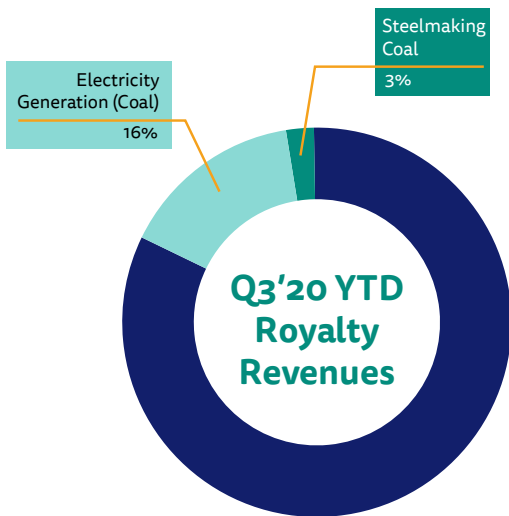
Proactively Replacing Coal with Renewable Energy

In 2013 Altius was presented with a competitive opportunity to acquire a portfolio of Canadian potash royalties that it had long recognized as being related to some of the most important long-term mineral assets on earth. Amongst the biggest challenges we faced in deciding to make this acquisition was the fact that the potash royalties were being offered only as part of a package deal that included a portfolio of Alberta, Canada based thermal or electrical coal assets.

We made the acquisition and took possession of the potash and coal royalties in 2014 through a partnership vehicle in which we held a controlling interest. At that time the coal assets were subject to regulations that prescribed a timeline for phase-out as Canada sought to meet carbon reduction targets that it had committed to under international protocols (e.g. Copenhagen Accord).

However in late 2015, in the lead up to the meetings that resulted in the formation of the Paris Agreement, both the Alberta and Canadian governments suddenly announced an acceleration to the phase-out timeline for coal based electrical generation that served to effectively expropriate much of the remaining expected lives of our coal royalties and resulted in a significant financial write-down of our asset carrying values.

This obviously represented a major blow to Altius shareholders and created a serious challenge for the management and board to develop long-term replacement royalty assets to offset the loss. We first recognized that the increasing social, regulatory and capital pressures that were signaling the demise of coal based power generation were being accompanied by increasing economic competitiveness within the renewable power generation sector. We also recognized that there was no established royalty sub-component for this emerging natural resource sector and decided that a solution to our challenges could be to re-invest the remaining expected coal royalty revenues before regulatory phase-out, into the creation of a renewable energy royalty business.



SUSTAINABLE DEVELOPMENT GOALS

| | | |
|---|---|---------------------------------|
| <p>7 AFFORDABLE AND CLEAN ENERGY</p> | <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> | <p>13 CLIMATE ACTION</p> |
|---|---|---------------------------------|

Electricity Generation (Thermal Coal)

Genesee Mine
Paintearth Mine
Sheerness Mine
Highvale Mine



While a perhaps simpler alternative would have been to divest our coal royalty interests at a significant loss, and effectively “pass the buck”, we instead chose to pursue a longer-term path that would contribute directly to the energy transition while re-positioning our shareholders for future growth.

By early 2017 we began to work with a group of US based renewable energy industry professionals to create natural resource royalty structures for renewable energy projects and to reach out to other sector leaders to gain a better understanding of their needs. This culminated in the 2018 formation of new subsidiary Altius Renewable Royalties that included the acquisition of New Hampshire based Great Bay Renewables to formally link our team with their renewable energy sector experts.

ARR has since made significant investments in the portfolios of two major US based renewable energy project originators and developers. These are Tri-Global Energy, LLC and Apex Clean Energy which are each ranked as top 5 renewable energy developers within the rapidly growing US market. Through these investments ARR has gained royalty level exposure to, and helped facilitate the advancement and growth of, a large and diversified portfolio of renewable energy power generation projects that are rapidly being advanced towards construction and operations.

Upon making these investments we estimated that the original goal of redeploying our remaining coal based revenue was met. Soon after making this determination in early 2020 however, we were approached by our existing partner in the coal assets with an offer to acquire their interests as they sought to complete a rapid divestment of coal as part of a broader corporate mandate. The offered terms represented an attractive price that implied a very rapid payback period and strong additional return profile that we recognized could be utilized to further accelerate our renewables business growth. We also noted that the purchase would have no impact on the duration or magnitude of future production from the underlying assets. In making the decision to proceed we therefore regarded the investment as a “doubling down” on our successful coal to renewables transition strategy.

The future growth prospects of ARR have recently received significant validation in the form of a joint venture that has been entered into with major global private equity firm Apollo Global Management Inc. (“Apollo Funds”). Under this agreement, Apollo Funds is expected to solely fund the next US\$80 million of approved renewable royalty investments in exchange for a 50% interest in the business. Following this earn-in, ARR and Apollo expect to equally fund additionally identified opportunities.

While none of the renewable royalty investments have yet reached cash flowing status - as remaining sales, development and construction milestones continue to progress - we are pleased to note that our internal estimate of the long-term net asset value of these royalties has now eclipsed that of our residual coal royalties. Once the coal phase out is complete, likely by 2024, Altius expects to have enabled significantly more renewables based power generation than ever produced from its underlying coal royalty exposures.



Coal Phase-out Timeline

Coal will progressively decline to nil by 2024.

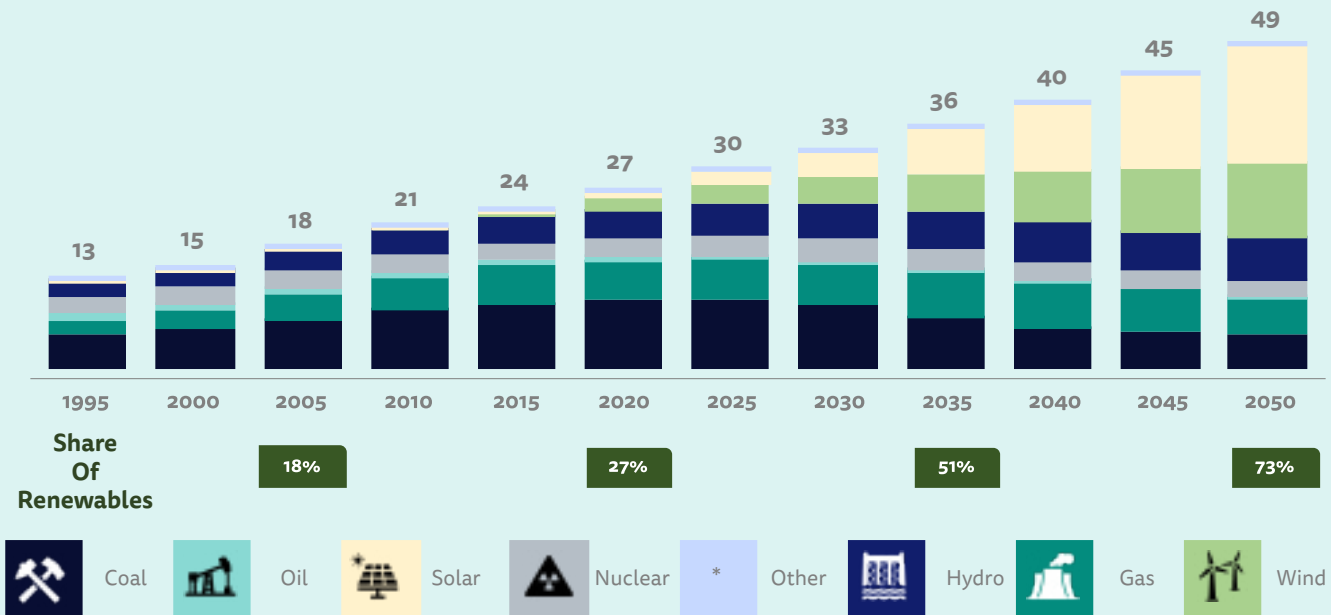
Coal Revenue



Note: Forecast based on internal estimates.

Global Power Generation

Thousand TWh



Source: McKinsey Energy Insights Global Energy Perspective, January 2019



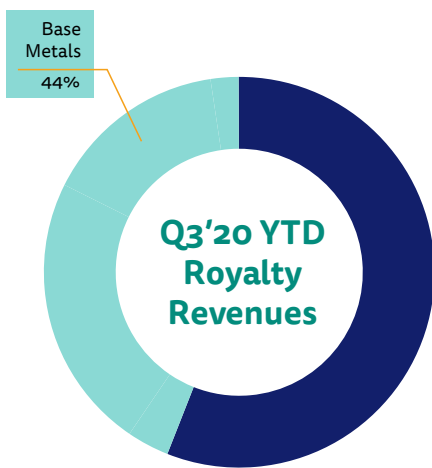
Electrification & Energy Storage

The transition to cleaner power generation and transportation fuelling is vital to the world's goal of a more sustainable future.

Copper is Altius's largest revenue exposure and its usage is expected to increase dramatically in support of the growth of renewable energy installations and the necessary grid enhancements that will accompany this ascendancy. Electric vehicle adoption and related charging infrastructure can also have a profound impact on demand.

Nickel, lithium and cobalt are also likely to grow in demand as battery usage increases both for transportation needs and the increasing adoption of paired storage solutions for renewable power generation.

This potential for significant demand growth follows a protracted period of weak incentivization conditions for the creation of new supply, not only to meet the higher demand but also to replace depleting assets. This provides Altius shareholders with the potential for higher metal prices and higher volumes as existing mines get expanded and new development projects get permitted and constructed.



lundin mining

HUBBAY

Base Metal Royalties & Stream



Chapada
777
Voisey's Bay
Lithium Royalty Corporation



Potash And Sustainability

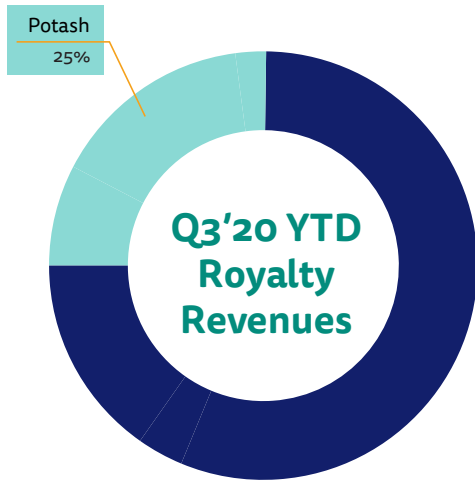
Potash is a naturally occurring mineral that most commonly forms during the evaporation of ancient sea beds. It is the primary source of potassium, one of the 3 primary crop nutrients within agricultural fertilizer applications. Potassium increases crop yields and improves crop quality because it increases root growth and promotes drought resistance, enhances photosynthesis and activates many critical enzyme systems.

As global population growth continues, and pressures mount to limit additional deforestation for farming purposes there is an obvious sustainability imperative to increase agricultural yields per unit of arable land.

Countries with the lowest level of mineral fertilizer use have the lowest levels of agricultural productivity and highest levels of hunger according to the International Fertilizer Association Submission to the UN Sustainable Goals conference. Zero Hunger is listed as one of the United Nations Social Development Goals.

Altius holds royalty interests in most of the potash mines that produce from Saskatchewan, Canada's Prairie Evaporite geologic formation. These include the Rocanville, Esterhazy, Allan, Cory and Patience Lake Mines. Saskatchewan potash mines collectively produce approximately one third of the world's natural potash fertilizer and are therefore essential to global food security and sustainability imperatives.

The potash mines that Altius holds royalty interests in feature extensive mineral reserves and resources that allow for decades to centuries of future production at current mining rates, as well as offering the potential for successive production rate increases as global potash demand continues to grow.



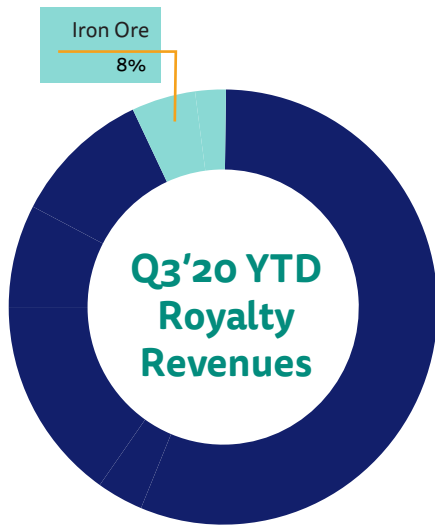
Rocanville Esterhazy Vanscoy Allan
Cory Patience Lake

"In terms of practical land use, fertilizer has helped reduce global deforestation, the effects of which harm our planet's ability to absorb carbon emissions. Without the yield increasing benefits of fertilizer on just corn alone, our country would need an additional 175 million acres of farmland, which is roughly the size of Texas.."

**Fertilizer Institute President and CEO
Chris Jahn**



Lower Emission Steelmaking

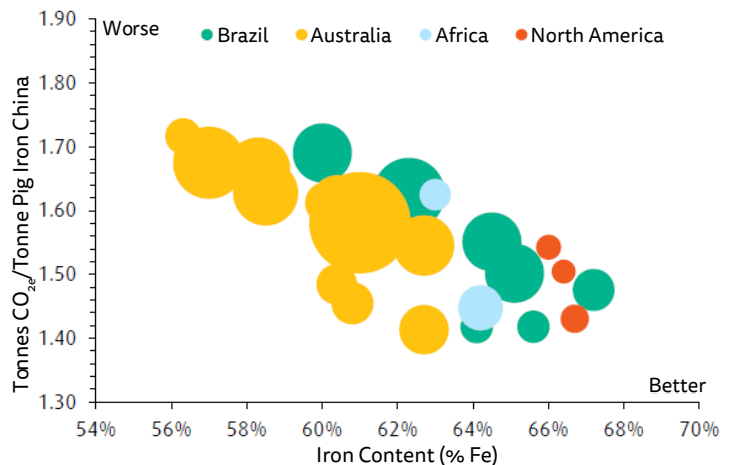


Steelmaking is one of the largest sources of industrial emissions worldwide. According to the Organization for Economic Co-operation and Development (OECD), steel production accounts for 8% of global CO₂ emissions. Despite its contribution to emissions, and decades of research into potential substitutes for steel, nothing practical has been developed to match steel's properties in construction and industrial industries. Its usage also remains essential to building the equipment and infrastructure that is required to enable several important sustainability transitions.

Efforts to reduce carbon emissions and other pollutants from steelmaking are therefore becoming focused on the metallurgical efficiency of the process with an implied goal of reducing or ultimately eliminating the amount of coal used in steelmaking. Our iron ore exposure stems primarily through our holding of Labrador Iron Ore Royalty Corp., which in turn holds a 7% gross revenue royalty and a 15.1% equity interest in Iron Ore Company of Canada ("IOC"). IOC is a global leader in the production of premium direct reduction and blast furnace pellets and concentrates. IOC's pellets and concentrate are high grade products with ultra low impurity contents, that are produced in Canada's Labrador Trough. We also hold royalty and other direct interest in several projects in the region.

In general, higher quality ores with low levels of impurities are naturally more efficient to convert into steel and require less coal usage. Owing to their higher efficiencies in steelmaking, and lower emissions per unit of steel produced, these products have seen a significant increase in demand and relative pricing from steel producers worldwide.

Lower CO₂ Emissions Through Higher Grade Products




Source: Platts, Metal Bulletin, Company Reports, BMO Capital Markets.


A graphic for Rio Tinto's sustainability goals. It features the Sustainable Development Goals logo with icons for Goal 11 (Sustainable Cities and Communities) and Goal 13 (Climate Action). Below this is the Labrador Iron Ore Royalty Corporation logo and the Rio Tinto logo. At the bottom, it says "CHAMPION IRON" and "IOC Mines Kami Project".




Sustainability Highlights

Environmental





Carbon Neutral Company 2019



**Target by 2024
No Revenues From Fossil Fuel Based Royalties**

Targets

| | |
|--------------------------|--|
| Carbon Offsets | Remain carbon neutral for 2021 by offsetting carbon footprint |
| Renewables Growth | Increase royalty exposure to new renewable energy projects along path to complete replacement of fossil fuel based royalties |

Social






**922k
Community Donations (2012 – 2020)**

- Environment
- Health
- Education
- Arts

Governance





**30% (3 of 10)
Female Representation amongst Board of Directors**



Zero Complaints (2015 - 2020) Whistleblower Policy

Whistleblower policy is a third-party service, allowing for anonymous submissions and has received zero complaints since inception.

Additional governance initiatives under development:

- Say on Pay;
- Mandatory minimum share ownership by officers and directors (Policy enacted November 2020);

The Royalty Model and ESG Risk



| | | |
|---|---|--|
| Emissions Production | Direct exposure to operational waste emissions | Minimal operating level exposure - Altius has a small corporate office with limited carbon emissions associated with 20 working employees – carbon footprint disclosure provided on pages 22. |
| (Carbon, Waste, Hazardous Materials, Tailings) | | |
| Remediation and Closure (Obligations / Liabilities) | Required to remediate disturbed surfaces and monitor waste storage after resource extraction | No direct exposure to mining operations - limited exposure through its exploration activities. Altius takes a proactive approach to minimize disturbance and to typically exceed local regulatory requirements and industry best practice guidelines for remediation of exploration sites. |
| Operator Counterparty Risk | Exposure through non-operated mining Joint Venture interests | We are highly reliant on the quality of our operators. Our due diligence on initial royalty counterparties encompasses full technical and ESG due diligence criteria. |
| Climate Change | Extreme weather events, flooding, water shortages, power sourcing | Asset level catastrophic risk but no associated capital or operating cost exposure. |
| Geopolitical | Significant risk depending on jurisdiction | 13 out of the 14 producing royalties for Altius are based in Canada, while 1 is in Brazil. |
| Health & Safety | Workers face health and safety risks from hazards found in mines that can result in occupational diseases or fatal injuries | Limited to exploration activities and office work. In 20+ years, Altius has recorded only one lost time injury and received numerous industry safety performance awards. |



ESG Ratings



Rated **A**

| ESG Rating | Environmental Pillar Score | Social Pillar Score | Governance Pillar Score |
|------------|----------------------------|---------------------|-------------------------|
| A | 3.80 | 5.70 | 5.30 |



Score **66.0/100**

| Overall Assessment | Overall ESG Risk Score | Universe Rank (out of 12,709) | Universe Rank Percentile | Exposure Score | Management Score |
|--------------------|------------------------|-------------------------------|--------------------------|----------------|------------------|
| Severe | 65.9 | 12,696 | 100% | 80.5% | 20 |

The ratings that Altius currently receives from MSCI and Sustainalytics are obviously quite divergent. In our review of eight resource royalty peers, we noted that Altius ranked near the top using MSCI’s methodology, but at the bottom under that of Sustainalytics. We believe this relates to Sustainalytics classifying and evaluating Altius using mining operator criteria rather than royalty capital provider criteria. For example, Altius receives a “Severe Risk” rating in areas such as Scope 1 emissions, water use, biodiversity, resettlement, etc, all of which are categories that are largely non-applicable. We continue to work with these agencies, and other ESG evaluation groups to help them better understand our business and its risk exposures and sustainability attributes.

Institutional Investor Feedback

In September 2020, a number of high profile institutional investors disseminated an open letter to companies to address some of the concerns faced by investors in the mining sector. We have taken the initiative to evaluate the recommendations provided to benchmark our current policies and target actions which could further align our goals with shareholder's interests.

This letter is available on the Shareholders' Gold Council [website](#) and summarized in a table below together with our review and commentary.

| Topic | Recommendation | Status and Action |
|---|--|--|
| Director's Stock Ownership and Term Limits | Establish strict term limits for directors who do not have meaningful stock ownership | Altius directors are significant shareholders (6.3% as at November 23, 2020) and mandatory minimum ownership policies are in place |
| Board Diversity | Broaden board representation from outside a narrow geographic and industrial background and ensure diversity of membership | 2 new directors added Oct 2020, that added international, geology, financial and power industry depth and increased diversity, increasing the percentage of women from 12% to 30% |
| Director's Selection Criteria | Have a clear disclosed process for selecting directors that includes meaningful dialogue with shareholders | Director evaluations are part of a comprehensive Board selection process; 2021 plans to increase meetings with investors around selection process criteria |
| Director's Material Relationships Disclosure | Disclose the nature of any material current and past professional and personal relationships amongst board members | Two of the 10 directors at Altius are non-independent (Brian Dalton, CEO and John Baker, Executive Chairman) and one (Don Warr) is a former CFO of Altius, but has not been an Altius officer since 2006. One independent director, André Gaumond, was the former President and CEO of Virginia Mines Inc., which was acquired in 2015 by Osisko Gold Royalties Ltd. Altius was one of the largest shareholders of Virginia Mines Inc. Altius acquired Callinan Royalties Corporation ("Callinan") in 2015, at which time Anna Stylianides, a former independent director of Callinan was asked to join the Altius Board |



| Shareholder Alignment & Compensation | Target | Action |
|--|---|--|
| Overboarding | Establish a policy around overboarding which limits directors' other Board positions to the ISS and Glass Lewis standards or lower | Overboarding policy in place, with no current directors defined as non-compliant with ISS or Glass Lewis guidelines |
| Management Performance Assessment | Define what metrics company management teams will be assessed upon for annual compensation at the beginning of the year (rather than retroactively when circulars are released one year later); | Under implementation |
| Management Compensation Aligned With Shareholders | Ensure a material component of non-equity bonus grants are tied to long-term shareholder returns | Starting in 2021, the Board has approved a new Performance Share Unit that will replace time vested compensation and will be assigned a value based on Total Shareholder Return against a peer group |
| Stock & Option Grants | Implement a balance in the granting of stock grants and options to reward long-term stock price appreciation appropriately | No stock grants, no option grants to directors, and all stock or LTIP grants are limited to 5% of issued/outstanding (In aggregate 2.7% outstanding at Dec 31, 2019) |
| Insider Trading | Impose strict maximum quantity and minimum time thresholds for how much stock insiders can sell when exercising options | There are no policies that restrict insider selling to raise financing for option exercise; however, the option plan does include a cashless exercise provision which eliminates the need for insider selling. In addition, insider selling has been minimal and all insiders require permission from the Executive Chairman before executing any trades |
| Progressive Stock Ownership of Directors | Institute progressive levels of minimum insider stock ownership levels that are also proportional to seniority and tenure of each director; | The Board has enacted a Share Ownership Policy effective November 11, 2020 that requires each director of the Corporation within 5 years of policy adoption to hold Common Shares having a value at least equal to three times the total annual base cash retainer payable to such director. Executive ownership levels are also defined in this policy |
| Change of Control Fees | Ensure that change of control fees are tied to long-term shareholder returns | We are evaluating our current change of control provisions, which are double trigger based |



| Strategy & Execution | Target | Action |
|------------------------------|---|--|
| Data Room Access | Maintain active data rooms without onerous entry conditions, such as open-ended time and scope-limited standstills, which preclude potential acquirers from taking offers directly to shareholders | We maintain a data room with current information and access to information is provided under standard Non-Disclosure Agreements |
| Capital Allocation | Articulate a capital return framework which balances the allocation of free cash flow towards dividends, share buybacks, and manageable growth initiatives (for companies in production) | Capital allocation has encompassed both dividends and share buybacks as well as growth initiatives. In 2019, Altius paid dividends of \$8 million and made share buybacks amounting to \$9 million |
| Budgetary Allocations | Delineate and disclose how budgets are allocated between exploration & development activities, general & administrative expenses, and management compensation (for companies in exploration and development) | Segment disclosure differentiates between project generation, mineral royalties, and most recently, renewable energy royalties; G&A broken down to show salaries for each of these separately |
| Financings | Maintain an ongoing dialogue with shareholders regarding future equity capital needs for the business and carefully consider the pros and cons of various equity raising options, while noting that “bought deals” are often considered problematic and shareholder unfriendly by market participants | Last bought deal was in 2016, financings since have been debt or cash flow based, open dialogue with shareholders ongoing |



Approach and Materiality Framework

This is our first Sustainability Report, and in collecting and presenting data, we had some key considerations to factor:

1. We are a provider of capital solutions in the form of royalties to diversified commodity or renewable energy operators. We are also project generators. The operators have control over the specific mines and assets underlying our royalties, and they generally produce detailed sustainability disclosure. We have, where possible, isolated areas that were deemed material to us and provided links to the operator disclosure.
2. Climate change and carbon footprint are areas of great importance to our stakeholders. We have attempted to quantify the carbon footprint of our head office environments along with information on offsetting and targets.

Link to Royalty Operator disclosure can be found on page 29 of this report.



Environmental

Altius is fully invested in business lines that are essential to enabling the world to meet its environmental sustainability objectives. It currently allocates a significant portion of its free cash flow towards royalty level investing in renewable energy generation projects, metals deemed essential to electrification infrastructure and battery storage, naturally occurring agricultural fertilizers and high purity iron ore that results in lower emissions from steel production. Altius has also committed to not invest in projects that result in new fossil fuel production.

The company often engages in low impact field activities as part of its Project Generation business in mineral exploration, where required disturbances of any kind is addressed by the company through full remediation of the impacted areas. In fact, Altius has been an award-winning pioneer in developing and enhancing reclamation programs in its home province of Newfoundland and Labrador.



Our Carbon Footprint

As a royalty company, Altius has no operating mines or industrial operations, and as such does not produce significant GHG emissions.

Scope 1 – Direct Emissions

Altius and its subsidiary company Altius Renewable Royalties Corp. (ARR) do not produce any emissions through industrial or extractive processes, and its 19 employees are located in three corporate offices in Canada and the US. The office work environment does not entail any direct Greenhouse Gas Emissions and as such Altius and its subsidiaries have no emissions under Scope 1.

Scope 2 – Indirect Emissions

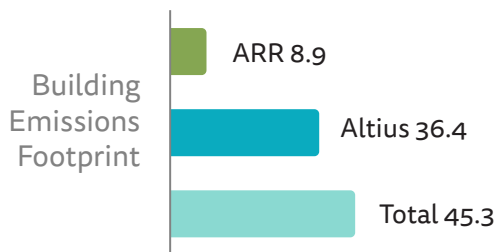
The Altius corporate head office is based in Newfoundland, Canada (13 people). In addition, the company also has a workplace shared satellite office in Toronto (2 people), Ontario. ARR is domiciled in New Hampshire, USA (4 people).

The production of greenhouse gases associated with the energy usage at each of our offices has been estimated using data available from each office, which varies by site and building landlord. The carbon emission data is calculated using the online carbon footprint calculator, provided by Carbon Footprint Ltd. The calculator uses emissions factors which consider mainly electricity consumption and type of electricity and related greenhouse gases released by the activities, with the results presented in units of metric tonnes of CO₂ equivalent (CO₂e).

Scope 3 – All Other Indirect Emissions

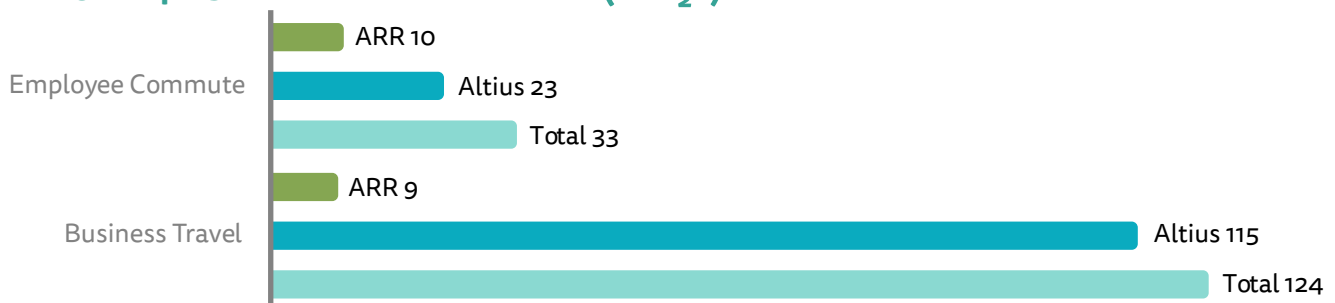
The other indirect emissions for Altius and ARR under Scope 3 relate to business travel, employee commutes and office consumables (paper and office supplies). Our single largest source of Scope 3 and overall GHG emissions is business air travel. Flights are required for both investor communication and for royalty evaluation and PG activity. Details are provided below.

2019 Energy Usage (tCO₂e)



Altius figures include the Newfoundland, Toronto and New Hampshire offices.

2019 Scope 3 Greenhouse Emissions (tCO₂e)



Offsetting Our Carbon Footprint

We use the carbon offsetting method to reduce emissions globally and create sustainable development benefits for communities around the world. For 2019, we have partnered with Carbon Footprints Ltd. to offset our carbon footprint of 202 tCO₂e. Details of the two projects sponsored by Altius are provided below. As a result of the offset, we were carbon neutral relative to 2019 emissions level estimates.

Carbon Offset Project # 1 – Wind Power In India



This project supports the installation and operation of two wind energy power plants in India. The implementation of this project helps decarbonise the electricity grid.

The project activity involves the installation and maintenance of wind turbines. The total installed capacity of the two projects are 152 MW located in Maharashtra state.



Carbon Offset Project # 2 – Protecting the Amazon and Tree Planting in Kenya

This project involves planting of trees in Kenya, as well as protecting the Amazon rainforest. For each tCO₂ being offset, one native tree is planted in the Great Rift Valley, Kenya and an additional tCO₂ is offset through the Brazilian Amazon Verified Carbon Standard (VCS) Reduced Emissions from Deforestation and Degradation (REDD) project to guarantee the emission reductions. Over the last ten years, the project in Kenya has planted over 170,000 trees and rehabilitated over 160 hectares of the forest helping in restoring the water catchment ecosystem function of the forest. The project is strongly focused on empowering women, who make up over 50% of the project team.



Social

Altius is actively involved in several community initiatives and supports many charities both through direct corporate support and in conjunction with our employees.

For over a decade, Altius staff have voluntarily contributed to a community giving program in which Altius at least matches individual donations, with 100% of permanent employees participating. The outcomes have included supplying disadvantaged children with school supplies, making gift baskets for seniors, sponsoring and preparing meals at a local soup kitchen and helping needy families with food and gifts at Christmas time.

From 2012 to end of 2020, Altius made corporate contributions of \$922,000 in community fundraising programs. Major contributions went to educational institutions, hunger mitigation, an environmental remediation program, various arts and culture initiatives and sponsorship of various healthcare infrastructure equipment fundraisers and mental health support programs.

2020 Covid-19 Related Community Donations

In 2020, Altius made significant commitments to support various humanitarian needs related to the Covid-19 crisis:



Health & Safety Record

From its inception in 1996, Altius has adopted a culture of safety. In the hundreds of thousands of person hours (~624,000 hours†) over this 24-year period, Altius has only experienced one lost-time incident due to a minor slip-and-fall injury to a short-term contract worker. We have participated in national industry safety surveys since 2008 and have received nine safety awards from AMEBC-PDAC, the Canadian minerals industry safety watchdog. These awards are given on the basis of having no lost-time incidents.



Human Resources Record

We are committed to the principle of equal employment opportunity for all individuals and to providing employees with a work environment free of discrimination and harassment.

With a five year average annual employee turnover rate of less than 10%, Altius has a reputation as a preferred employer in the sector. Our employees are non-unionized and there are no collective bargaining agreements in place. There have been no incidents of labour unrest since the inception of Altius.

| | 2019 | 2018 | 2017 | 2016 | 2015 | Average |
|-------------------|------|------|------|------|------|---------|
| Employee Turnover | 5% | 6% | 12% | 0% | 6% | 6% |

| | 2019 | 2018 | 2017 | 2016 | 2015 | Average |
|------------|------|------|------|------|------|---------|
| LTIR | 0 | 0 | 0 | 0 | 0 | 0 |
| Fatalities | 0 | 0 | 0 | 0 | 0 | 0 |

Governance Policies

Code of Conduct Policy

Altius is committed to conducting business with people in a respectful manner and applying the same ethical principles and standards that we would expect and seek from others. The directors, officers, employees, and consultants of Altius and its subsidiaries represent the Corporation and are expected to always act in a manner that enhances the reputation of the Corporation for honesty, fairness, competency and professionalism.

[Read more \(Updated 2019\)](#)

Anti-Discrimination, Inclusion & Diversity Policy

Altius does not tolerate discrimination based on any personal attribute such as race, ethnic origin, colour, nationality, disability, religion, age, gender, sexual orientation or gender identity in employment practices including recruitment, promotions, training, and pay. The Company operates within a system that strives to be free of conscious or unconscious bias and discrimination, particularly with regards to diversity and pay equity.

Altius female representation amongst employees and board is 26% and 30%, respectively, showing a gender diverse workforce within a predominantly male dominated industry and talent pool.

[Read more](#)

Whistleblower Policy

Altius maintains a Whistleblower hotline and email address and procedure for making complaints anonymously and will publish the hotline and email addresses in the physical locations where the Company or any other entity maintains an office, exploration camp or other employee environment. The same information will be published within the Company's annual financial disclosure, so that shareholders and other public company stakeholders are also able to submit concerns.

In the past five years, Altius has registered no complaints by any employee or entity.

[Read more \(Updated 2019\)](#)





Executive Compensation Clawback Policy

Altius implemented an Executive Compensation Clawback Policy after receiving a recommendation from the Corporate Governance Committee following a period of consultation that included shareholder outreach in March 2019.

The policy governs the reimbursement, cancellation or withholding, as applicable, of performance-based executive compensation.

[Read more \(Updated 2019\)](#)

Corporate Disclosure, Confidentiality and Insider Trading Policy

Altius has a policy in place that is designed to: (a) permit the disclosure of information about Altius to the public in an informative, timely and broadly disseminated manner in accordance with all applicable legal and regulatory requirements; (b) ensure the proper safeguarding of non-publicly disclosed confidential Information, and (c) protect Altius and those to whom this Policy applies by preventing improper trading, and the appearance of improper trading, in securities of Altius and its affiliates.

[Read more](#)

Anti-Corruption Policy

Altius is committed to conducting its business in accordance with applicable law and the highest ethical standards. That commitment is reflected in our Anti-Corruption Policy, which is intended to provide guidance and procedures for compliance with Canada's Corruption of Foreign Public Officials Act and local laws pertaining to bribery and corruption.

[Read more](#)

Majority Voting Policy

The Board of Altius believes that each of its members should carry the majority support of its shareholders. To this end, the board of directors of the Company has adopted a majority voting policy.

[Read more](#)





ESG Policy

Altius formalized its ESG Investment policy and framework in 2020. The aim of the policy is to ensure that the ESG risks and opportunities facing the companies and projects being considered for potential investment will be appropriately assessed and monitored as part of our due diligence and risk management processes, thereby lowering our corporate risk and contributing to responsible investment and responsible resource development.

[Read more \(New 2020\)](#)

Health & Safety Policy

Altius is committed to health and safety in all aspects of our operations. Altius employees are required to adhere to the Company's health and safety program and ensure that not only the employees themselves, but also their coworkers, contractors, consultants, observers and visitors always remain healthy and safe. Safety policies, procedures and regulations have been established for all individuals and/or companies involved in our activities.

[Read more](#)

Overboarding Policy

Altius encourages its directors and officers to engage in and gain experience on other boards, whether it be private or public company boards; the overboarding policy upholds ISS and Glass Lewis guidelines for limits on how many outside directorships can be held.

[Read more](#)

Share Ownership Policy

Altius enacted a Share Ownership policy for the Corporation in November 2020. The objective of this policy is to align the interests of the Corporation's non-employee directors, officers and senior management with those of the Company's shareholders.

[Read more](#)

Charters

In addition to the policies in place, the following charters are also in place as part of Altius Corporate Governance mandates:

- [Board of Directors Charter](#)
- [Audit Committee Charter](#)
- [Corporate Governance and Nominating Committee Charter](#)
- [Compensation Committee Charter](#)



Operator Disclosures

lundin mining

[2019 Sustainability Report](#)

Commodity Copper

Location Goiás, Brazil

Nutrien™

[2020 ESG Report](#)

HUDBAY

[2019 Sustainability Report](#)

Commodity Copper, Zinc, Gold & Silver

Location Manitoba, Canada

Mosaic®

[2019 Sustainability Disclosure](#)

Commodity Potash

Location Saskatchewan, Canada

VALE

[2019 Sustainability Report](#)

Commodity Nickel, Copper & Cobalt

Location Labrador, Canada

Rio Tinto

[2019 IOC Sustainable Development Report](#)

Commodity Iron Ore (Pellets and Concentrate)

Location Labrador, Canada

Capital Power

[2019 Annual Integrated Report](#)

Commodity Thermal Coal

Location Alberta, Canada

Developer Disclosures

Excelsior
MINING CORP

www.excelsiormining.com

ADVENTUS

www.adventusmining.com

TRI GLOBAL
ENERGY

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APEX

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