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**ALTIUS TO ACQUIRE SHERRITT'S CANADIAN COAL AND POTASH ROYALTY PORTFOLIO**

*Altius to Emerge as Canada's Leading Diversified Minerals Royalty Company*

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**St. John's** - Altius Minerals Corporation ("Altius") is pleased to announce that it has entered into a definitive agreement (the "Arrangement Agreement") with Sherritt International Corporation ("Sherritt"), Prairie Mines & Royalty Ltd. ("PMRL"), a wholly-owned subsidiary of Sherritt, and certain other parties pursuant to which Altius will acquire a 51% interest in a portfolio of 11 producing coal and potash royalties located in the provinces of Alberta and Saskatchewan (the "PMRL Royalties"). Altius will fund \$233 million of the \$460 million aggregate purchase price to acquire a 51% interest in the PMRL Royalties, alongside Liberty Metals & Mining Holdings, LLC ("LMM"), a subsidiary of Boston-based Liberty Mutual Insurance, and other private parties. The transaction will be effected by way of a court-approved plan of arrangement under the *Business Corporations Act* (Alberta).

In addition, Altius has agreed to acquire Sherritt's 50% interest in Carbon Development Partnership ("CDP"). CDP holds coal projects with more than 7.2 billion tonnes of measured and indicated resources and approximately 4.7 billion tonnes of inferred resources. It also holds approximately 2 billion tonnes of inferred potash resources in Saskatchewan, as well as a separate portfolio of production-stage royalties. The purchase price for CDP will be \$21 million.

**Key Highlights of the Transaction**

- Positions Altius as a significant diversified minerals royalty company with diverse commodity, asset and operator exposure and with all assets located in Canada.
- Provides immediate cash flow from 11 low risk operating mine royalties (5 coal and 6 potash) that collectively generated approximately \$25 million revenue in the last twelve months ("LTM"), on a 51% pro forma attributable to Altius basis. These are long life assets with an average reserve life of more than 20 years for the electrical coal assets, and more than 70 years for the potash assets.
- The royalties being acquired represent some of the highest quality royalties available, with publicly traded, investment grade counterparties paying the PMRL Royalties.
  - o Four utility-like mine-mouth electrical coal royalties paid by power generation operators Capital Power Corporation, Atco Power Ltd. and TransAlta Corporation, which are linked to ore tonnages produced at adjacent and dedicated coal mines to be operated by Westmoreland Coal Company.
  - o Six revenue-based potash royalties paid by major North American fertilizer producers Potash Corporation of Saskatchewan, Agrium Inc. and The Mosaic Company. The potash royalties relate to mining operations in Saskatchewan that collectively account for over 60% of Canada's potash production.
  - o A metallurgical coal royalty paid by Teck Resources Limited related to revenue generated from its Cardinal River operations.
  - o CDP provides a long-term upside opportunity to create new royalties and other interests from an extensive undeveloped mineral lands position.

These acquisitions provide fundamental and strategic complements to Altius' existing royalty portfolio, which includes a royalty on Vale's Voisey's Bay nickel, copper and cobalt mine and a solid growth pipeline of internally generated exploration and development stage royalties, including Alderon Iron Ore Corporation's planned 30-year Kami iron ore project in Labrador. Commenting on the transactions, CEO Brian Dalton stated: "We will now generate royalty revenue from a well-diversified portfolio of 12 major Canadian mining operations that can grow significantly through Altius' existing pipeline of pre-production stage royalties. The addition of an extensive undeveloped mineral lands position also fits perfectly with Altius' proven project generation and royalty creation abilities. Altius now offers its shareholders ownership of the very best combination of substantial revenue scale, longevity, diversity and low-cost growth available within the minerals royalty sector today."

Upon closing of the acquisition, the PMRL Royalties will be held through a series of limited partnerships, which will be proportionately owned according to each partner's respective share of the total acquisition price of \$460 million: 51% Altius (\$233 million), 43% LMM, and 6% other private parties. Altius will act as the general partner of the limited partnerships and will have control over the day-to-day affairs of managing the royalties.

Altius' share of the acquisition price of \$233 million for the PMRL Royalties and \$21 million for CDP will be fully financed using cash on hand of \$124 million, a senior loan from Scotiabank for \$80 million, and a \$50 million subordinated convertible loan from Sprott Inc. and related entities.

### **Closing Conditions**

Closing of the transaction, which is expected to occur in late winter or early spring 2014, is subject to a number of customary conditions, including the receipt of approval of the plan of arrangement by the Court of Queen's Bench of Alberta and relevant regulatory approvals.

The acquisition of the Genesee coal royalty forming part of the PMRL Royalties is subject to a right of first refusal in favour of a third party. In the event that this right of first refusal is exercised, Altius still intends to acquire the remaining PMRL Royalties.

The acquisition of 50% of CDP is subject to both a right of first refusal and tag-along rights in favor of a third party that holds the remaining 50% of CDP.

### **Advisors and Legal Counsel**

Altius has retained Scotiabank and Salman Partners to act as financial advisors and Stikeman Elliott LLP and Ottenheimer Baker to act as legal advisors. Scotiabank has also provided an opinion to the Board of Directors of Altius that the consideration to be paid by Altius in connection with the proposed transaction is fair, from a financial point of view, to Altius shareholders.

### **About the PMRL Royalties and CDP**

PMRL holds the rights to subsurface minerals in respect of a portfolio of coal and potash properties in the Canadian provinces of Alberta and Saskatchewan. PMRL has entered into leases, or similar agreements, with mining companies and electricity utilities that, in return for payment of a royalty, grant these companies the right to exploit the subsurface

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mineral resources. On the basis of these leases, significant potash and coal mining operations have been developed on the leased properties.

CDP holds coal projects with more than 7.2 billion tonnes of measured and indicated resources and approximately 4.7 billion tonnes of inferred resources. It also holds approximately 2 billion tonnes of inferred potash resources in Saskatchewan. Some of the over 900 thousand hectares of land owned by CDP are located proximal to existing operations while other areas represent stand-alone development opportunities.

Additional information on the PMRL Royalties and CDP can be found at [www.altiusminerals.com](http://www.altiusminerals.com).

Altius is a member of the S&P/TSX Global Mining Index and currently has 27,619,820 shares outstanding.

**For further information please check our website at [www.altiusminerals.com](http://www.altiusminerals.com) or contact Chad Wells at 1.877.576.2209.**

#### Caution Regarding Forward-Looking Statements and Information

This document includes certain statements that constitute “forward-looking statements” and “forward-looking information” within the meaning of applicable securities laws (collectively, “forward-looking statements”). Forward-looking statements include statements regarding Altius’ intent, or the beliefs or current expectations of Altius’ officers and directors. Such forward-looking statements are typically identified by words such as “believe”, “anticipate”, “estimate”, “project”, “intend”, “expect”, “may”, “will”, “plan”, “should”, “would”, “contemplate”, “possible”, “attempts”, “seeks” and similar expressions. Forward-looking statements may relate to future outlook and anticipated events or results.

By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will not prove to be accurate. Do not unduly rely on forward-looking statements, as a number of important factors, many of which are beyond Altius’ control, could cause actual results to differ materially from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to the inability to obtain approval of the transaction by the court and the other regulatory approvals and the occurrence of any other event, change or other circumstance that could give rise to the termination of the Arrangement Agreement, or the delay of consummation of the transaction or failure to complete the arrangement for any other reason.

Forward-looking statements speak only as of the date those statements are made. Except as required by applicable law, Altius does not assume any obligation to update, or to publicly announce the results of any change to, any forward-looking statement contained herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements.

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