
ALTIUS ANNOUNCES ALLEGIANCE COAL TO ACQUIRE TELKWA COAL

Altius to retain a 3 - 4.5% GSR royalty, minority interest in Telkwa project and shareholding in Allegiance

St. John's - Altius Minerals Corporation ("Altius") is pleased to report that the private company optionee of its Telkwa Coal project in British Columbia, Telkwa Coal Limited ("TCL"), has announced a conditional binding agreement to be acquired by an Australian based public issuer, Allegiance Coal Ltd. ("Allegiance") (AHQ:ASX). Upon successful regulatory and shareholder approvals of the proposed transaction Altius expects to be a significant shareholder of Allegiance while retaining a project level royalty over the Telkwa project.

TCL commissioned a Canadian NI 43-101 JORC Compliant Technical Report in February 2015 which confirmed a 165 Mt coal Resource, including 89 Mt in the Measured Resource category, as defined by the JORC Code. TCL also commissioned a report to assess coal quality and coal market options in July 2015 and concluded that Telkwa coal is a semi-soft coking coal with the potential to compete alongside Queensland and New South Wales semi-soft coking coals. The project is located immediately adjacent to Canadian National Railway's mainline that runs direct to the deep-water port of Prince Rupert, a 390 km rail haul from the project's planned siding direct to Ridley Island Coal Terminal.

TCL has the right to earn up to a 90 percent interest in the Telkwa project in exchange for staged milestone payments. Altius will retain both a sliding scale gross sales royalty that ranges between 3% and 4.5% depending upon benchmark coal prices at the time of any coal sale and a 10% project interest. Altius has elected to receive pending milestone option payments in the form of shares that will result in Altius receiving shares in Allegiance, representing approximately 5% to 6% of the pro-forma outstanding shares of Allegiance, depending on the level and pricing of capital raising that Allegiance completes as part of the acquisition.

A copy of the ASX announcement which contains the Farm in Agreement obligations to Altius, various remaining agreement approval requirements and a detailed overview of the project including the Competent Persons Statement is available at <http://www.asx.com.au/asxpdf/20160916/pdf/43b7b388g7fwzr.pdf>.

About Altius

Altius diversified royalties and streams generate revenue from 14 operating mines located throughout Canada and, more recently, Brazil, from copper, zinc, nickel, cobalt, precious metals, potash and thermal (electrical) and metallurgical coal. The portfolio also includes numerous pre-development stage royalties covering a wide spectrum of mineral commodities and jurisdictions. Altius also has a broad portfolio of precious and base metals exploration projects in North America, Europe and South America and is dedicated to attracting partners to these projects for the purpose of advancing them towards discovery and development, consistent with its proven project generation business model.

Altius has 43,373,854 shares issued and outstanding that are listed on Canada's Toronto Stock Exchange. It is a member of both the S&P/TSX Small Cap and S&P/TSX Global Mining Indices.

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