
Altius Reports Q2 2019 Royalty Revenue of \$19.5M and Adjusted EBITDA of \$16.3M

St. John's – (TSX: ALS; OTCQX: ATUSF) Altius Minerals Corporation (“Altius” or the “Corporation”) reports attributable royalty revenue^(Note 1) of \$19.5 million or \$0.46 per share for the quarter ended June 30, 2019, which compares to Q2 2018 royalty revenue of \$16.5 million or \$0.38 per share and record Q1 2019 revenues of \$21.8 million or \$0.51 per share.

Adjusted EBITDA^(Note 1) of \$16.3 million or \$0.38 per share for the three months represents a margin of 84% of royalty revenue and compares to Adjusted EBITDA of \$13.0 million or \$0.30 per share in Q2 2018 and \$17.4 million or \$0.41 per share in Q1 2019.

A Q2 2019 net loss per share of (\$0.05) compares to net earnings per share of \$0.12 in Q2 2018 and \$0.15 for Q1 2019. Current quarter adjusted net earnings^(Note 2) were \$0.15 per share after adjusting for various non-cash items that totaled (\$0.20) per share.

Royalty revenue summary:

Base metal revenue of \$6.4 million in Q2 2019 was down 16% from Q1 2019 and 17% relative to the comparable year ago period. This mainly reflects lower copper prices and the timing of sales at Chapada. Lundin Mining Corporation completed the purchase of the Chapada Mine from Yamana Gold Inc. subsequent to quarter end and has stated that it will evaluate the potential for future copper focused expansion and optimization at the Chapada Mine while also highlighting that it has sufficient available capital to grow and optimize the asset as warranted. Hudbay Minerals Inc. reported the extension of 777 mine life to the second quarter of 2022, from the end of 2021 based on the most recent estimate of mineral reserves. Voisey's Bay production levels continued at subdued levels while construction is underway to facilitate the transition from open pit to underground mining operations.

Potash royalty revenue of \$5.2 million is up 7% from Q1 2019 and 36% from the second quarter of 2018. This reflects stronger year over year potash prices and the continued steady improvement of attributable production volumes. Nutrien Ltd. (“Nutrien”), our largest potash counterparty, in its annual Investor Day held in June reiterated their expectation for potash sales to grow from the current level of 13 million tonnes annually to 15-17 million tonnes expected by 2023. Nutrien also addressed capacity growth capability beyond 2023, with an outline of its potential to bring on an additional 5 million tonnes of operational capacity from brownfield expansions more efficiently than possible from competing greenfield projects.

Indirect iron ore royalty revenue from our current 5.9% ownership of Labrador Iron Ore Royalty Corporation (“LIORC”) was \$3.5 million, compared to \$4.2 million in Q1 2019 and \$0.78 million in the second quarter of 2018. The strong year over year increase mainly reflects significantly stronger iron ore prices and the negative impact of a labour disruption at the Iron Ore Company of Canada during the prior year. The decrease relative to the prior quarter is explained by LIORC having disbursed previously withheld cash amounts as dividends during the earlier period.

Thermal coal revenue of \$3.1 million was slightly lower than in the prior quarter and comparable year ago period due to mine sequencing onto lower royalty rate lands.

Met coal royalty revenue of \$1.0 million was down from the \$1.2 million recorded in Q1 2019 on slightly lower volumes, but was up significantly from \$677,000 recorded in the second quarter of 2018 on higher prices and significantly improved production volumes.

The following tables summarize the financial results for the quarter ended June 30, 2019.

IN THOUSANDS OF CANADIAN DOLLARS (except per share amounts)

Revenue			
Attributable royalty	\$	19,533	\$ 21,844 \$ 16,543
Project generation		5	9 214
Attributable revenue ⁽¹⁾		19,538	21,853 16,757
Adjust: joint venture revenue		(4,353)	(4,780) (3,965)
IFRS revenue per consolidated financial statements		15,185	17,073 12,792
Net earnings (loss)	\$	(1,868)	\$ 6,616 \$ 5,520
Net earnings (loss) per share, basic and diluted		(0.05)	0.15 0.12
Total assets		613,937	613,108 596,902
Total liabilities		182,841	198,842 186,636
Cash dividends declared & paid to shareholders		2,143	1,714 1,729

⁽¹⁾ See non-IFRS measures section for definition and reconciliation

IN THOUSANDS OF CANADIAN DOLLARS

Summary of attributable royalty revenue	Three months ended		
	June 30, 2019	March 31, 2019	June 30, 2018
Revenue			
Base metals			
777 Mine	\$ 3,246	\$ 1,893	\$ 3,234
Chapada	2,905	5,432	4,487
Voisey's Bay	252	297	-
Metallurgical Coal			
Cheviot	982	1,215	677
Thermal (Electrical) Coal			
Genesee	1,270	1,252	1,646
Paintearth	98	144	119
Sheerness	1,535	1,535	1,341
Highvale	216	337	182
Potash			
Cory	335	324	182
Rocanville	3,323	2,895	2,509
Allan	158	241	200
Patience Lake	-	245	-
Esterhazy	1,304	1,083	856
Vanscoy	44	34	65
Lanigan	6	5	1
Iron ore⁽¹⁾	3,494	4,233	788
Other			
Renewables	111	153	-
Coal bed methane	100	160	110
Interest and investment	154	366	146
Attributable royalty revenue	\$ 19,533	\$ 21,844	\$ 16,543

See non-IFRS measures section of this MD&A for definition and reconciliation of attributable revenue

⁽¹⁾ LIORC dividends received

Notes

1. Attributable revenue and adjusted EBITDA (and respective per share amounts) are intended to provide additional information only and do not have any standardized meaning prescribed under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate these measures differently. The attributable revenue and adjusted EBITDA per share metrics divide the respective values by the weighted average number of shares outstanding during the period. For a reconciliation of these measures to various IFRS measures, please see the Corporation's MD&A which is available at <http://altiusminerals.com/financial-statements>.
2. Adjusted earnings and respective per share amounts are intended to provide additional information only and do not have any standardized meaning prescribed under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate these measures differently. During the quarter two impairment items were recognized and include a write-down of a coal mineral exploration property (\$6.8 million after tax) and a royalty write-down in its joint venture (\$4.0 million after tax) following Teck Resources Limited's decision to shut down the Cardinal River metallurgical coal mine operations in the second half of 2020. Other non-cash items included a dilution gain on an equity investment of \$1.2 million, losses from investments in associates of \$0.9 million, a gain on the fair value adjustment of derivatives of \$1.0 million and a tax recovery of \$1.2 million due to a change in tax rates. The Corporation has presented its per share results for the above noted items.

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.

Liquidity and Dividend Declaration

Cash at June 30, 2019 was \$24 million. During the quarter the Corporation repaid \$5 million in accordance with the quarterly amortization schedule of its term debt and also made a discretionary payment of \$11 million on its revolving credit facility, thus ending the quarter with total debt of \$119.4 million.

The Corporation's junior equities portfolio had a market value of \$53.7 million at June 30, 2019. This amount excludes the market value of LIORC and the book value of privately held royalty investments, which stood at \$135.9 million and \$20.4 million respectively. During the three months ended June 30, 2019 the Corporation continued to grow its investment portfolio of exploration stage companies through market appreciation and direct investment. Positive cash proceeds from sales net of new investments totaled \$7.7 million during the quarter.

The Corporation advises that its board of directors has declared its regular quarterly cash dividend of five cents per common share payable to all shareholders of record at the close of business on September 6, 2019. The dividend is expected to be paid on or about September 20, 2019. 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.

Q2 2019 Financial Results Conference Call and Webcast Information

A conference call will be held on Friday, August 9, 2019, starting at 10:00 a.m. ET to further discuss the quarter and first half of 2019. To participate in the conference call, use the following dial-in numbers, or join the webcast on-line as detailed below.



Date: 8-Aug 2019
Ticker Symbol: ALS.TSX

Time: 10:00 a.m. ET on Friday, August 9, 2019
Dial-In Numbers: +1-(866) 521-4909 toll free (US/ Canada) or +1-(647) 427-2311
Conference Title: Altius Q2 2019 financial results
Webcast URL: **Altius Q2 2019 financial results webcast**

The call will be webcast and archived on the Corporation's website for a limited time.

About Altius

Altius directly and indirectly holds diversified royalties and streams which generate revenue from 15 operating mines. These producing royalties are located in Canada and Brazil and provide exposure to copper, zinc, nickel, cobalt, iron ore, potash, thermal (electrical) and metallurgical coal. The portfolio also includes development stage royalties in copper and renewable energy and numerous predevelopment stage royalties covering a wide spectrum of mineral commodities and jurisdictions. Altius also holds a portfolio of junior equities that were generated from vending exploration projects to industry partners in exchange for minority equity interests and new royalties. Altius has 42,783,796 common 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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