
Altius Reports Q3 2019 Royalty Revenue of \$19.2M and Adjusted EBITDA of \$15.2M

St. John's – (TSX: ALS; OTCQX: ATUSF) Altius Minerals Corporation (“Altius” or the “Corporation”) reports attributable royalty revenue^(Note 1) of \$19.2 million or \$0.45 per share for the quarter ended September 30, 2019, which compares to Q3 2018 royalty revenue of \$17.1 million or \$0.40 per share and Q2 2019 royalty revenue of \$19.5 million or \$0.46 per share.

Adjusted EBITDA^(Note 1) of \$15.2 million or \$0.36 per share for the three months represents a margin of 79% of royalty revenue and compares to Adjusted EBITDA of \$13.9 million or \$0.32 per share in Q3 2018 and \$16.3 million or \$0.38 per share in Q2 2019.

The Q3 2019 adjusted^(Note 2) and net earnings per share (“EPS”) of \$0.10 compares to adjusted EPS in Q3 2018 of \$0.09 and adjusted EPS of \$0.15 in Q2 2019.

Royalty revenue guidance of \$77 – 81 million for the year remains unchanged. Quarterly highlights and outlook comments are as follows:

- Base metal revenue of \$8 million in Q3 2019 was up 25% from Q2 2019 and up 15% relative to the comparable year ago period. The positive change from Q2 2019 is mainly attributable to the timing of sales and a strong production quarter at Chapada. Delivered pounds of copper attributable to Altius are up 11% for the nine months ended September 30, 2019 versus the same period in 2018, on higher throughput and increased recoveries. 777 royalty revenue was lower than Q2 and consistent with Q3 2018 revenue, with the main factor being lower realized zinc prices and head grades. Voisey’s Bay royalty revenue was up from Q2 2019 on higher nickel prices.
- Indirect iron ore royalty revenue from our 5.9% ownership of Labrador Iron Ore Royalty Corporation (“LIORC”) was \$3.8 million, compared to \$3.5 million in Q2 2019 and \$1.9 million in the third quarter of 2018. The strong year over year increase is a function of higher realized pellet and high-grade concentrate prices at Iron Ore Company of Canada operations while the prior year comparable quarter was also negatively impacted by LIORC’s election to lower its dividend payout ratio in favor of retaining additional cash on its balance sheet.
- Potash royalty revenue of \$3.7 million is down 28% from Q2 2019 and down 11% from Q3 2018, as abnormally poor weather during the North American planting season resulted in lowered demand and inventory build-ups. Nutrien Ltd. and The Mosaic Company, operators of our various Saskatchewan potash mine royalties, have both announced temporary production curtailments to take place in the fourth quarter this year in order to rebalance inventory levels. These measures are expected to be short term and both operators have reaffirmed a positive outlook for potash demand in 2020, as well as for medium to long term potash fundamentals.
- Thermal coal revenue of \$2.6 million was down from the prior quarter and comparable 2018 period due mainly to planned and unplanned maintenance downtime at Genesee which reduced production levels. Normal operations have since resumed. In the matter of the Statement of Claim filed against the governments of Alberta and Canada, document production is nearing completion and the discovery phase will commence in the near future.
- Metallurgical (steelmaking) coal was lower than the prior quarter and 2018 quarter reflecting both volume reductions and a decline in metallurgical coal prices. We anticipate that as the remaining pits at Cardinal River are mined and closure approaches that throughput decreases will continue.

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

IN THOUSANDS OF CANADIAN DOLLARS (except per share amounts)

	Three months ended		
	September 30, 2019	June 30, 2019	September 30, 2018
Revenue			
Attributable royalty	\$ 19,231	\$ 19,533	\$ 17,084
Project generation	25	5	550
Attributable revenue ⁽¹⁾	19,256	19,538	17,634
Adjust: joint venture revenue	(3,674)	(4,353)	(3,953)
IFRS revenue per consolidated financial statements	15,582	15,185	13,681
Net earnings (loss)	\$ 4,614	\$ (1,868)	\$ 6,273
Net earnings (loss) per share, basic and diluted	0.10	(0.05)	0.14
Total assets	572,679	613,937	609,078
Total liabilities	172,865	182,841	182,904
Cash dividends declared & paid to shareholders	2,137	2,143	1,724

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

Summary of attributable royalty revenue	Three months ended		
	September 30, 2019	June 30, 2019	September 30, 2018
Revenue			
Base metals			
777 Mine	\$ 2,082	\$ 3,246	\$ 1,901
Chapada	5,542	2,905	4,659
Voisey's Bay	369	252	351
Metallurgical Coal			
Cheviot	694	982	934
Thermal (Electrical) Coal			
Genesee	1,007	1,270	1,448
Paintearth	178	98	148
Sheerness	1,271	1,535	780
Highvale	155	216	292
Potash			
Cory	173	335	131
Rocanville	2,597	3,323	2,943
Allan	128	158	220
Patience Lake	30	-	-
Esterhazy	743	1,304	849
Vanscoy	57	44	23
Lanigan	2	6	3
Iron ore ⁽¹⁾	3,782	3,494	1,923
Other			
Renewables	142	111	-
Coal bed methane	54	100	98
Interest and investment	225	154	381
Attributable royalty revenue	\$ 19,231	\$ 19,533	\$ 17,084

Notes

- 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>.
- 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. The calculations used for the adjusted earnings per share are as follows:

Adjusted Earnings per Share	Three months ended		
	September 30, 2019	June 30, 2019	September 30, 2018
Reported earnings (loss) per share	\$ 0.10	\$ (0.05)	\$ 0.14
Adjusted for:			
Equity accounted for (gains) and losses	-	-	(0.05)
Impairments	-	0.25	-
(Gain) loss on adjustment of derivatives	-	(0.02)	-
Tax recovery due to change in rates	-	(0.03)	-
Adjusted earnings per share	\$ 0.10	\$ 0.15	\$ 0.09

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 September 30, 2019 was \$31.7 million compared to \$24 million at the end of Q2 2019. During the quarter the Corporation repaid \$5 million in accordance with the quarterly amortization schedule of its term debt, thus ending the quarter with total debt of \$114.6 million.

The Corporation's junior equities portfolio had a market value of \$52.5 million at September 30, 2019. This amount excludes the market value of LIORC and the book value of privately held royalty investments, which stood at \$93.1 million and \$21.3 million respectively.

The Corporation returned approximately \$2.1 million through its regular quarterly dividend paid to common shareholders, and \$1.8 million in repurchasing 154,200 shares under its Normal Course Issuer Bid.

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 December 5, 2019. The dividend is expected to be paid on or about December 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.

Q3 2019 Financial Results Conference Call and Webcast Information

A conference call will be held on Friday, November 8, 2019, starting at 9:00 a.m. ET to further discuss the quarter and first nine months of 2019. To participate in the conference call, use the following dial-in numbers, or join the webcast on-line as detailed below.

Time: 9:00 a.m. ET on Friday, November 8, 2019
Dial-In Numbers: +1-(866) 521-4909 toll free (US/ Canada) or +1-(647) 427-2311
Conference Title: Altius Q3 2019 financial results
Webcast URL: [Q3 2019 Financial Results](#)

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



Date: 7-Nov 2019

Ticker Symbol: ALS.TSX

About Altius

Altius directly and indirectly holds diversified royalties and streams which generate revenue from 15 operating mines. These producing royalties are 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 42,544,796 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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