

# Liberty Potash Royalty Portfolio Acquisition

March 2018



# Forward Looking Statements

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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 Minerals Corporation’s (“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 regulatory approvals and the occurrence of any other event, change or other circumstance that could give rise to the termination of the copper purchase agreement described herein, or the delay of consummation of the transaction or failure to complete the transaction 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.

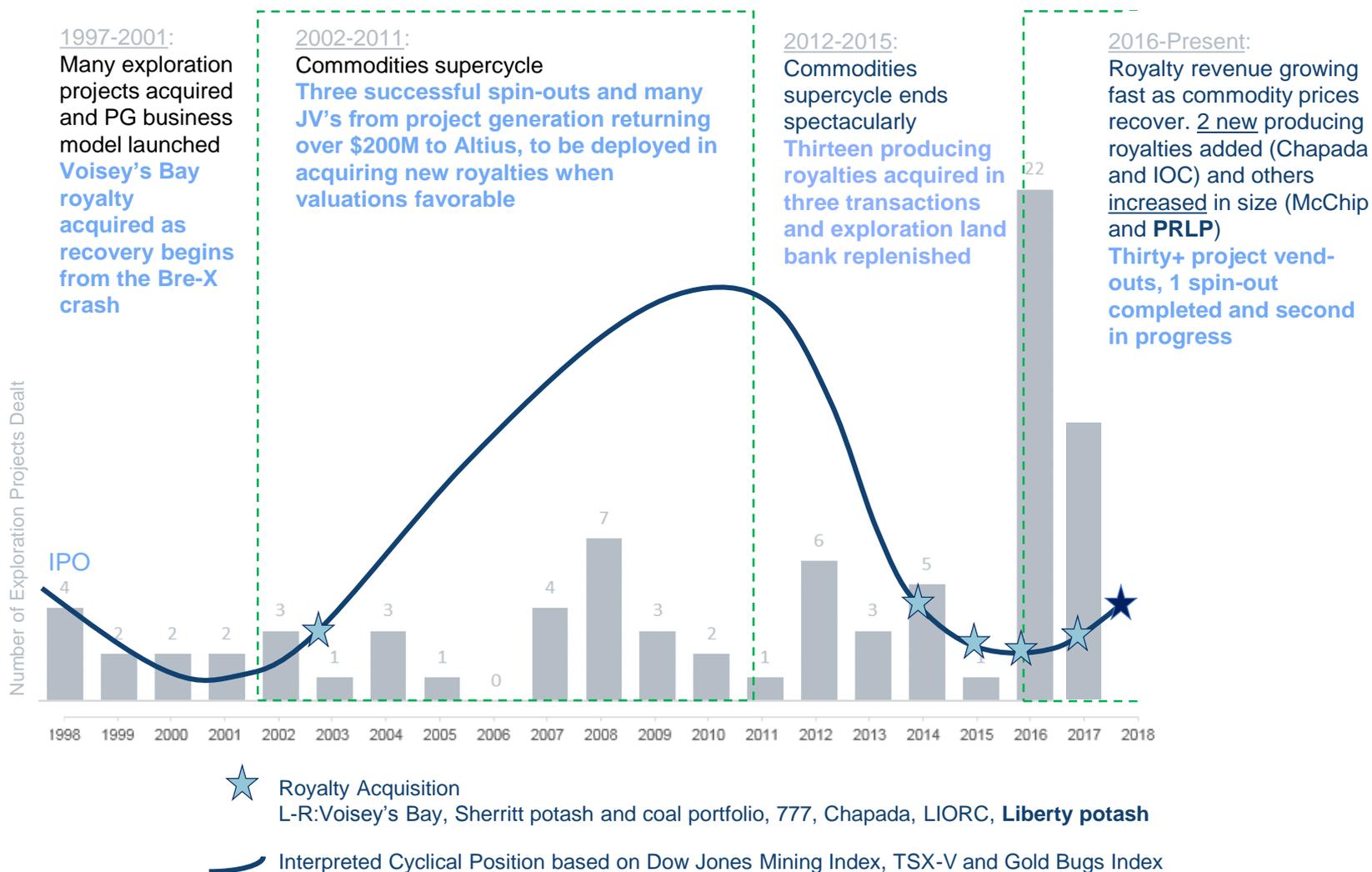
# Transaction Overview

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- Altius Minerals Corporation (“Altius”) together with a private third party has agreed to purchase from Liberty Metals & Mining Holdings, LLC a 44.9% interest in Potash Royalty LP (“Potash Royalties” or “PRLP”) for cash consideration of \$75 million. Altius’ proportional share of the cash consideration equals \$65 million.
- Altius’ interest in Potash Royalties increases to 91.3%, up from 52.4% prior to the acquisition.
- On a normalized (not including a retroactive payment received for prior years) 100% basis, Potash Royalties received \$12.1 million in royalty revenue for the twelve months ended December 31, 2017 from six producing potash mines located in Saskatchewan, Canada.
- Nutrien’s flagship Rocanville Mine and The Mosaic Company’s flagship Esterhazy Mine are Potash Royalties top contributors to revenue. The royalty portfolio also includes royalty interests in the Vanscoy, Allan, Cory and Patience Lake Mines.

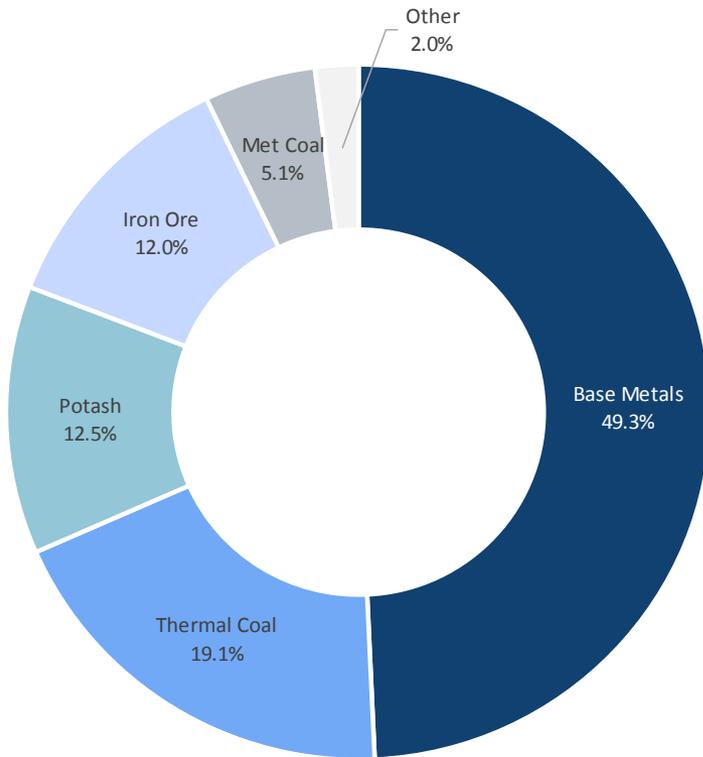
Long Life	Six producing potash mines included in this portfolio averaging <b>49 years of remaining mine-life</b> in Reserves and Resources not including Inferred Resources and obvious further exploration upside. Further enhances Altius’s sector leading royalty life profile.
Low-Costs Driving Royalty Volume Growth	Lowest cost mines in portfolio (e.g. Rocanville) are being preferentially ramped up. Our royalty exposures are higher for these mines causing increasing royalty related production volumes.
Strong Upside	This transaction is being completed as most of the mines finish major capacity expansions to meet steady global demand growth and as potash prices begin to rebound from cyclical lows..

# Counter-Cyclical Acquisition – Potash Prices Still Well Below Mid-Cycle

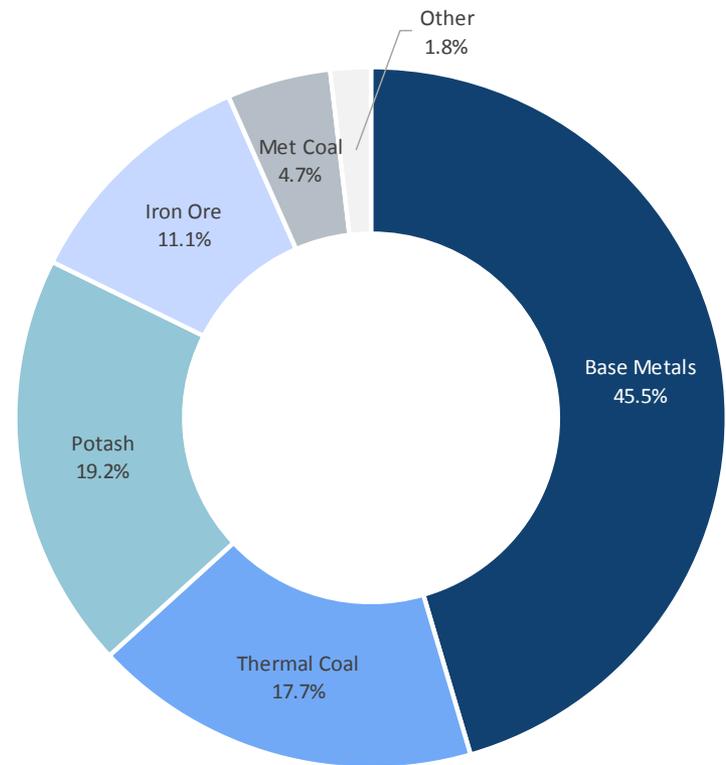


# Pro-Forma Revenue Breakdown by Commodity

2018E Revenue (Previous Guidance)



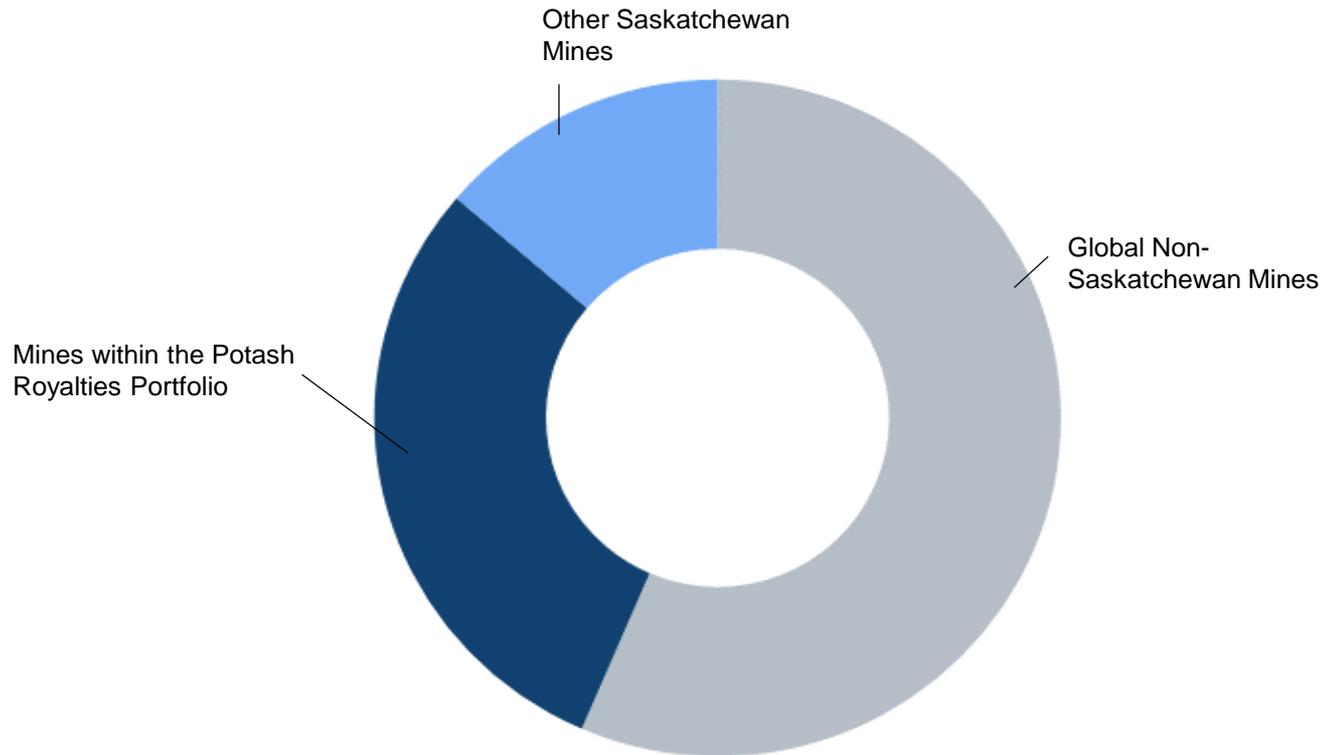
2018E Revenue (Pro Forma)



Potash royalty revenue now exceeds thermal coal revenue

# Global Potash Production Royalty Exposure

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The six mines in this portfolio made up >30% of Global Potash Production in 2017

# Royalty Volume Growth Potential

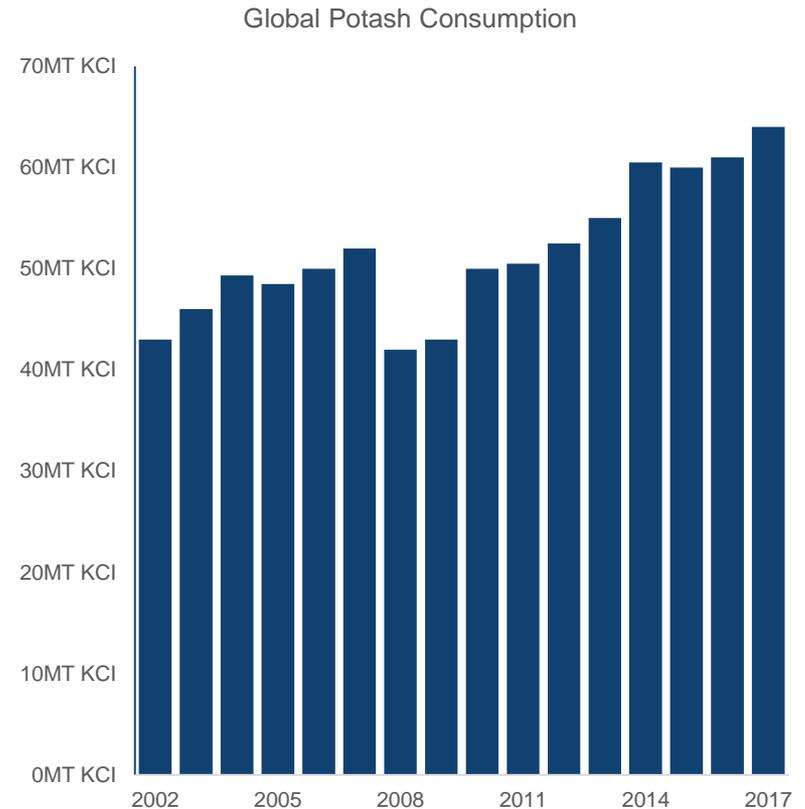
Well positioned to capture share of strong global demand growth following more than \$9 billion in recent capital expansions

Mine	Expansion		Nameplate Capacity (Mtpa)		Production
	Announcement Date	Completion Date	Pre-Expansion	Post-Expansion	2017
Esterhazy K1-K2-K3	May 2009	December 2017	3.9	6.2	4.3
Rocanville	February 2010	October 2017	3.0	6.5	4.9
Allan	June 2008	December 2012	1.9	4.0	1.8
Cory	September 2010	April 2012	1.4	2.7	1.0
Patience Lake	-	-	1.0	1.0	0.3
Vanscoy	February 2010	December 2015	1.5	3.0	2.4
<b>Total</b>			<b>12.7</b>	<b>23.4</b>	<b>14.7</b>

Source: SNL, Company Reports

# Royalty Volume Growth Potential

- Global potash demand has grown at 4% CAGR (+11Mt) over the past 5 years and 2.7% CAGR over the past 15 years
- Recent expansions mean that production volumes at the mines we hold royalties on can increase by 95% before embedded growth capacities (nameplate basis) are reached
- At a 4% CAGR (and assuming no change to current 30% market share) 100% of nameplate capacities will be reached 14 years
- Greenfields capacity takes ~ 7-10 years to construct and costs ~\$2.5-\$3B per 2MT of annual production according to Canadian sector leaders
- Current prices are therefore far below incentive levels and support preferential increased utilization of existing excess capacities as global demand growth continues



# Potash Price Growth Potential

**Early 2000's:** Prices below capacity incentivization levels while demand growth drives utilization higher

**Mid to late 2000's:** Capacity utilizations reach critical levels and prices rise dramatically to incentivize expansions

**2012 -2017:** Utilization declines on expansion completions and prices fall to below incentivization levels

**2018:** Expansions now completed while demand growth continues

