
ALTIUS (TSX:ALS) ACQUIRES COPPER PAYMENTS REFERENCED TO YAMANA'S CHAPADA MINE

Increases annualized EBITDA by C\$8-\$9 million

St. John's - Altius Minerals Corporation ("Altius") is pleased to report that it has entered into a metal purchase agreement with a subsidiary of Yamana Gold Inc. ("Yamana") to acquire future copper payments referenced to Yamana's Chapada copper-gold mine located in central Brazil.

Altius CEO Brian Dalton commented that, "Through this transaction Altius has continued to grow its exposure to long-life diversified mining assets that have sustainably low relative positions on global cost curves. Chapada copper payments will significantly increase our revenue and EBITDA on a per share basis while also adding long-term option value through the potential for production level expansion and above-average exploration prospectivity."

Transaction Highlights

- Immediately increases annualized EBITDA by C\$8-\$9 million
- Adds another long-life mine and brings number of producing portfolio assets to 14
- Enhances commodity diversity balance with base metals becoming the largest revenue generating component of Altius's portfolio

Purchase Price

- US\$60 million plus 400,000 common share purchase warrants exercisable at C\$14 per share
- Ongoing payments for each pound of copper received equal to 30% of the spot copper price.

Payable Copper Rate and Structure

- Base Rate: 3.7% referenced to copper production from the Chapada mine reducing to 1.5% for remaining life of mine after 75 million pounds delivered
- Expansion Incentive Rate: Rate decreases to 2.65% in the event of a Chapada mine expansion
- Acquired through a 100% Altius owned Canadian subsidiary
- Payment guarantees at parent company and mine holding levels

Financing

- US\$8 million paid on signing with remainder (US\$52 million) payable in early May at final scheduled closing
- Credit facilities in the aggregate amount of C\$150 million comprised of a C\$70 million, 4-year, amortizing term debt facility and a C\$80 million, 3-year, revolving credit facility are currently being finalized; Scotiabank and ING Capital LLC have committed C\$50 million each to the credit facilities, with commitment from another lender expected shortly
- Current term loan will be replaced by this new facility, resulting in a reduced interest rate

Financial Co-Advisors

- Scotiabank and Raymond James Ltd.

Chapada Mine

The Chapada mine is located in Goias state, Brazil and is a 21 to 22MTpa copper-gold mine that began production in 2007. It is projected to produce 122-125 million pounds of copper in 2016. Copper cash costs in 2016 are projected to be \$1.32 per pound of copper on a co-product basis. This places Chapada's costs in the lowest quartile of the current global copper cost curve.

Based on Altius' review of the project, Chapada's assumed mine life is approximately 17 years. Significant mine life upside potential exists if mineral resources are converted to mineral reserves (<http://www.yamana.com/English/portfolio/reserves-and>



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[resources/default.aspx](#)) and the copper interest is referenced to a 700 square km land package that has delivered several recent discoveries and remains significantly under-explored. Further details on Chapada can be found on Yamana's website (<http://www.yamana.com/English/portfolio/producing-mines/chapada/default.aspx>).

Completion of the transaction is subject to conditions including stock exchange approval of the warrants.

Mr. William Wulfange, is Yamana's Senior Vice President, Exploration and a Qualified Person as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*. Mr. Wulfange has reviewed and approved all of the technical information in this press release.

About Altius

Altius is a diversified mining royalty company with royalty interests in 13 producing mines located in Canada. The royalty interests include mining operations that produce nickel, copper, zinc, cobalt, gold, silver, potash, thermal (electrical) and metallurgical coal. Altius holds other significant pre-development stage royalties and its project generation pipeline contains a diversified portfolio of exploration stage projects and royalties, many of which are being advanced through various partner-funding arrangements.

Altius has 39,832,102 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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