



July 15, 2021 | St. John's, Newfoundland and Labrador

## Altius Reports Second Quarter 2021 Expected Attributable Royalty Revenue of Approximately \$21.8 million

**Altius Minerals Corporation (ALS:TSX) (ATUSF:OTCQX)** (“Altius” or the “Corporation”) expects to report attributable quarterly royalty revenue<sup>†</sup> of approximately \$21.8 million (\$0.53 per share) for the second quarter ended June 30, 2021. This compares to quarterly revenues of \$17.8 million (\$0.43 per share) in Q1 2021.

Base metal (primarily copper) revenue of \$9.4 million is up 24% from Q1 2021 base metal revenue of \$7.6 million, and represented 43% of total royalty revenue. Performance in the quarter was positively impacted by stronger metal prices, but was offset by lower copper production from both 777 and Chapada.

During the quarter, Vale commenced production from its new underground mine at Voisey's Bay and Lundin Mining continued to aggressively drill near mine targets at Chapada in support of ongoing project expansion studies.

Potash revenue of \$4.5 million is up 11% from Q1 2021 potash revenue of \$4.1 million and represented 21% of total royalty revenue. Steady price improvements over the past year continued to be reflected while overall portfolio based production was down slightly from Q1 but similar to Q2 2020 production. Average realized prices for royalty calculation purposes continued to reflect timing of sales recognition lags with realized prices in Q2 generally aligned with Q1 2021 market prices. Market prices based on US Midwest and Brazil delivery increased by 50-60% during Q2 and these are expected to result in higher realized prices to Altius in the coming quarters.

During the quarter, Mosaic closed its Esterhazy K1 and K2 mining shafts while it continues to ramp up production from the new K3 mining shaft which is expected to reach full capacity early in 2022. Nutrien announced two 500,000 tonne increases to its annual potash production guidance during the quarter in response to increased demand.

Iron ore revenue in the form of dividends received from Labrador Iron Ore Royalty Corporation (“LIORC”) was \$5.0 million, or 23% of total royalty revenue, which compares to \$2.9 million in Q1 2021. The 72% increase reflected strong royalty revenue and a significant equity dividend paid by the Iron Ore Company of Canada (“IOC”) as it continued to benefit from strong demand and pricing for its high-purity iron ore products that result in lower emission steel making. The Corporation is a significant shareholder of LIORC which serves as a pass-through vehicle for royalty income and equity dividends related to the operations of IOC.

On April 1, 2021, the Corporation received 600,000 Champion Iron Limited (“Champion”) shares as consideration for the sale of its portion of secured debt of Alderon after Champion acquired the assets of Alderon through a court appointed and competitive bidding process. Interest income of \$636,000 on this loan recovery is included in the table below under “other royalties and interest”. Champion continued work to update the prior positive feasibility study and revise the project scope for its recently acquired Kami Iron Ore project. Kami is located nearby to the south of IOC's operations and a few kilometres southeast of Champion's Bloom Lake operations and is subject to a 3% gross sales royalty in favour of Altius. The Kami project hosts extensive resources of iron ore that are expected to be capable of producing high-purity, premium priced concentrate products.



Thermal coal revenue of \$2.1 million, or just under 10% of total royalty revenue, compares to \$2.9 million in Q1 largely due to slightly lower seasonal electricity demand at the integrated Genesee mine and power plant and only nominal revenue from the Sheerness operation.

Altius Renewable Royalties (ARR: TSX) (“ARR”), of which the Corporation is a controlling shareholder, reported the creation of five new royalty interests on US based development stage wind and solar projects. These royalties arise from project sales by investee partner Tri Global Energy LLC that collectively represent more than 1,100 MW of new renewable energy generation capacity. More information can be found at [arr.energy](http://arr.energy). ARR, through subsidiary Great Bay Renewables which is jointly controlled with certain funds managed by affiliates of Apollo Global Management, Inc., also continued to advance several new royalty-based investment opportunities during the quarter that it believes will lead to additional capital deployment throughout the remainder of the year.

Summary of attributable royalty revenue (in thousands of Canadian dollars)	Three months ended June 30, 2021	Three months ended March 31, 2021	Three months ended June 30, 2020
Base metals	\$9,394	\$7,627	\$4,835
Iron ore <sup>(1)</sup>	\$5,029	\$2,874	\$1,293
Potash	\$4,516	\$4,072	\$4,012
Thermal (electrical) coal	\$2,140	\$2,926	\$2,206
Metallurgical coal	\$0	\$58	\$466
Other royalties and interest	\$751	\$203	\$223
<b>Attributable royalty revenue</b>	<b>\$21,830</b>	<b>\$17,760</b>	<b>\$13,035</b>

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

<sup>(1)</sup> Labrador Iron Ore Royalty Corporation dividends received

## Second Quarter 2021 Financial Results Conference Call and Webcast Details

Additional details relating to individual royalty performances and asset level developments will be provided with the release of full financial results, which will occur on August 9, 2021 after the close of market, with a conference call to follow on August 10, 2021.

**Date:** August 10, 2021

**Time:** 9:00 AM ET

**Toll Free Dial-In Number:** +1(866) 521-4909

**International Dial-In Number:** +1(647) 427-2311

**Conference Call Title and ID:** Altius Q2 2021 Results, ID 9379845

**Webcast Link:**

<https://onlinexperiences.com/scripts/Server.nxp?LASCmd=AI:4;F:QS!10100&ShowUUID=A7CADED0-3E8D-44EF-AF03-8F7FBFFF082E>

<sup>†</sup>Attributable royalty revenue is a non-IFRS measure and does not have any standardized meaning prescribed under IFRS. For a detailed description and examples of the reconciliation of this measure, please see the Corporation’s MD&A disclosures for prior quarterly and annual reporting periods, which are available at <https://www.altiusminerals.com>

## About Altius



Altius's strategy is to create per share growth through a diversified portfolio of royalty assets that relate to long life, high margin operations. This strategy further provides shareholders with exposures that are well aligned with sustainability-related global growth trends including the electricity generation transition from fossil fuel to renewables, transportation electrification, reduced emissions from steelmaking and increasing agricultural yield requirements. These each hold the potential to cause increased demand for many of Altius's commodity exposures including copper, renewable based electricity, several key battery metals (lithium, nickel and cobalt), clean iron ore, and potash. Altius has 41,504,597 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.

### **Forward-Looking Information**

This news release contains forward-looking information. The statements are based on reasonable assumptions and expectations of management and Altius provides no assurance that actual events will meet management's expectations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Although Altius believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those projected. Readers should not place undue reliance on forward-looking information. Altius does not undertake to update any forward-looking information contained herein except in accordance with securities regulation.

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