



March 9, 2022 | St. John's, Newfoundland

Altius Reports 2021 Attributable Royalty Revenue of \$83.9M and Adjusted Earnings^(1,2) of \$32.0M

Altius Minerals Corporation (TSX: ALS; OTCQX: ATUSF) (“Altius” or the “Corporation”) reports full year revenue of \$81.7 million compared to \$60.0 million for 2020, and \$22.6 million for the fourth quarter compared to \$21.5 million for the same period in 2020.

Full year 2021 attributable royalty revenue^(1,2), adjusted for joint venture revenue, of \$83.9 million (\$2.03 per share^(1,2)) was 24% higher than the \$67.5 million (\$1.62 per share) reported for 2020. Fourth quarter 2021 attributable royalty revenue^(1,2) of \$23.5 million (\$0.57 per share) compares to \$22 million (\$0.53 per share) during Q4, 2020. These figures represent annual and quarterly revenue records for the Corporation, mainly based upon higher realized commodity prices.

Adjusted EBITDA^(1,2) of \$67 million or \$1.62 per share^(1,2) during 2021 increased by 27% as compared to \$52.8 million or \$1.27 per share during the prior year. Adjusted EBITDA for the fourth quarter was \$17.7 million or \$0.43 per share, which compares to adjusted EBITDA of \$17.6 million in Q4 2020. The adjusted EBITDA margin in 2021 was 80% versus 78% last year. The increase in adjusted EBITDA for the year ended December 31, 2021 follows the increase in attributable revenue but was partially offset by an increase in expenses within the Renewable Royalties segment primarily due to public company related costs. The Mineral Royalties segment had an EBITDA margin of 87% for the current year compared to 86% in the prior year.

On a full year basis, adjusted operating cash flow^(1,2) of \$49.4 million or \$1.19 per share^(1,2) compares to \$47.5 million or \$1.14 per share last year. Adjusted operating cash flow during 2020 benefitted from lower cash income taxes paid due to flexibility in payment terms granted by tax authorities due to Covid-19 related economic concerns. Adjusted operating cash flow for the quarter was \$15.9 million or \$0.38 per share, which compares to adjusted operating cash flow of \$13.5 million in Q4 2020.

Adjusted operating cash flow does not include net cash proceeds (sales minus new investments) of \$16.1 million during 2021 (\$6.7 million during 2020) related to the Corporation's Project Generation junior mining equities portfolio, with these recorded as other comprehensive earnings in the Corporation's financial statements.

Net earnings of \$38.3 million or \$0.97 per share for 2021 compares to a net loss of (\$26.2 million) or (\$0.65 per share) in 2020. Adjusted net earnings per share^(1,2) of \$0.77 in 2021 compares to adjusted net earnings per share of \$0.36 per share in 2020. The prior year results were negatively affected by coal royalty impairments. Net earnings during the fourth quarter were \$2.8 million or \$0.07 per share, and \$0.19 per share on an adjusted basis. This compares to net earnings of \$12.4 million or \$0.30 per share, and on an adjusted basis \$0.18 per share in Q4 2020. The main adjusting items in the fourth quarter this year are a \$6.0 million impairment charge (\$0.15 per share) related to the 777 royalty, which is expected to cease operations in mid 2022. Other adjusting items include unrealized losses on derivatives related to the revaluation of share purchase warrants on junior mining equities compared to unrealized gains last year and lower gains related to the receipt of common shares in exchange for the transfer of several mineral properties year over year.



In Thousands of Canadian Dollars

Adjusted Net Earnings	Three months ended	
	December 31, 2021	December 31, 2020
Net earnings attributable to common	\$ 2,801	\$ 12,422
Addback (deduct):		
Unrealized (gain) loss on fair value adjustment of derivatives	1,141	(1,613)
Foreign exchange (gain) loss	(145)	(1,622)
Impairment of royalty interest and goodwill	6,031	530
Realized gain on disposal of derivatives	(1,675)	-
Gain on disposal of mineral property	(495)	(2,997)
(Gain) loss on equity investments and joint ventures ⁽¹⁾	-	(1,216)
Tax impact	273	1,908
Adjusted net earnings	\$ 7,931	\$ 7,412
Adjusted net earnings per share	\$ 0.19	\$ 0.18

⁽¹⁾ Includes the following items from the consolidated statement of net earnings (loss): (loss) earnings from joint ventures, gain on loss of control of subsidiary, dilution gain on issuance of shares by an associate and joint venture, and gain on reclassification of an associate.

Portfolio Performance

The following tables summarize the financial results and attributable revenue for the four quarters of 2021 along with the years ended December 31, 2021 and 2020:

Summary of attributable royalty revenue (in thousands of Canadian dollars)	YE 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021	YE 2020
Base and battery metals	\$ 36,566	\$ 11,329	\$ 8,216	\$ 9,394	\$ 7,627	\$ 26,861
Potash	19,283	6,907	3,788	4,516	4,072	14,598
Iron ore ⁽¹⁾	17,243	3,305	6,035	5,029	2,874	8,765
Thermal (electrical) coal	9,049	1,421	2,562	2,140	2,926	13,696
Metallurgical coal	58	-	-	-	58	1,612
Other royalties and interest	1,731	494	207	827	203	1,970
Attributable royalty revenue	\$ 83,930	\$ 23,456	\$ 20,808	\$ 21,906	\$ 17,760	\$ 67,502

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

⁽¹⁾ Labrador Iron Ore Royalty Corporation dividends received

Base and battery metals was the largest contributor to Q4 2021 revenue, providing \$11.3 million. Revenue of \$36.6 million for the year is up 36% over the \$26.9 million reported in 2020, largely reflecting higher realized prices.

Chapada copper production was higher year over year with record mill throughput but copper delivered under the stream agreement was lower in 2021 due to timing of sales. Operator guidance for 2022 is targeting copper production of 53,000 – 58,000 tonnes, which compares to 52,000 tonnes produced in 2021.

Lundin Mining recently commented that Chapada expansion studies are ongoing, including evaluation of a scenario which would potentially increase annual processing capacity to 32 MT per annum from the current 24 MT per annum, while it also reported on a new high-grade discovery to the north of the current mining area and on lands that are subject to the Corporation's



copper stream agreement. For more information, please see Altius press release dated February 24, 2022. [Altius Discovery Update](#)

Copper and zinc production at 777 was comparable to the prior year period. The mine is anticipated to close in June of this year. Operator Hudbay Mining has recently stated that it is evaluating the potential for reprocessing historic tailings from the region.

Voisey's Bay production was higher on a comparable year over year basis with the commencement of production from the Reid Brook underground nickel-copper-cobalt deposit. Production from the Eastern Deeps deposit is targeted to commence in the second half of 2022. Finished production from Voisey's Bay sourced ore during the fourth quarter was marginally lower compared to the fourth quarter of 2020 as a result of an annual maintenance shutdown that impacted the Long Harbour processing facility.

Adventus Mining Corporation published a positive feasibility study for its copper and gold rich El Domo deposit in Ecuador during the year and announced that it entered into a definitive precious metals purchase agreement with Wheaton Precious Metals International Ltd., a wholly-owned subsidiary of Wheaton Precious Metals Corp., and a binding offtake financing agreement with Trafigura Pte Ltd, for a combined total of US\$235.5 million in proceeds to advance and, following a construction decision, build the Curipamba Project.

Potash royalty revenue of \$6.9 million in Q4 2021 and \$19.3 million for the year is up 129% and 32% from the comparable periods last year. Potash prices increased by more than 100% during the course of the year and the increases have continued throughout the fourth quarter, reaching multi-year highs, with these prices expected to be reflected in realized prices during the coming quarters. Realized prices continued to demonstrate an approximately 3 month time lag relative to quoted market prices in various agricultural regions. Pricing benefits were offset by slightly lower annual attributable production volumes as a result of the mid-year closure of the K1 and K2 mining areas of the Esterhazy mine due to increased water inflows, as well as a longer than usual period of scheduled maintenance at Rocanville.

Mosaic, the operator of the Esterhazy mine, has commented that it continues to successfully ramp up production capacity from the new Esterhazy K3 mining area and that it expects accordingly to be in a position to replace lost K1 and K2 production capacities by March of 2022. Nutrien has indicated that it expects to increase production from its portfolio of mines to between 13.7 and 14.3 million tonnes relative to 2021 levels of 13.6 million tonnes, with the potential to further increase production to address potential supply shortfalls related to sanctions and other geopolitical constraints. It has not provided guidance on an individual mine basis and it should be noted that the Corporation's royalties do not cover the entirety of Nutrien's portfolio of mines and also that percentage royalty interests vary by mine.

Iron ore royalty revenue of \$3.3 million was received in Q4 2021, while full year revenue was \$17.2 million (\$8.8 million in 2020). The increase for the year was the result of significantly higher average benchmark prices and quality premiums, particularly during the first half of the year. Prices subsided from multi-year highs during much of the second half of the year before beginning to rebound in December and thus far into the new year. The higher average realized prices were partially offset by lower year over year production volumes at Iron Ore Company of Canada ("IOC") due to reduced labour and mechanical availabilities. Full year guidance for 2022 for IOC's saleable production tonnage is 17.0 to 18.7 million tonnes, which compares to 16.5 million tonnes in 2021. The Corporation's current iron ore revenue stems from the pass-through of royalties and equity dividends paid by the Rio Tinto controlled IOC to Labrador Iron Ore Royalty Corp ("LIORC"), of which the Corporation is a significant shareholder.

Champion Iron Ore (“Champion”) has stated a plan to provide results of a rescoping of the Kami Project in Labrador in the second half of 2022. It has indicated that a key objective of the studies is to determine the potential to produce an ultra-low impurity iron ore concentrate product. Altius holds a 3% gross sales royalty related to the Kami Project.

Thermal coal royalty revenue of \$1.4 million was received in Q4 2021, while full year revenue of \$9.0 million was down 34% from 2020 revenue of \$13.7 million as the Sheerness power plant was converted from coal to gas firing and as one of the three generating units at Genesee suffered unplanned outages for most of the third and fourth quarter before being brought back to full service in December.

Altius Renewable Royalties (“ARR”) (ARR: TSX) released its Q4 2021 and year end results on March 3, 2021 [ARR 2021 Financial Results](#). The Corporation continues to hold 59% of the common shares of ARR, which completed its initial public offering in the first quarter of 2021.

On December 31, 2021 Apex Clean Energy (“Apex”) exercised a change of control-based option to redeem the remaining residual royalty financing provided by Great Bay Renewables, LLC (“GBR”), a 50/50 joint venture between ARR and certain funds managed by affiliates of Apollo Global Management, Inc. The option exercise followed the sale of a majority interest in Apex to Ares Capital. GBR retained three royalties earned prior to the sale: the 195 MW Jayhawk wind project, the 300 MW El Sauz wind project, and a 500 MW undisclosed wind project. The redemption consideration, including a buyout premium, was approximately US\$70 million, US\$41.7M of which was a cash payment with the remainder representing an estimated provisional value ascribed to the retained royalties.

ARR, through GBR, has now established royalties on 16 projects that collectively represent approximately 3,510 MW of solar and wind capacity. Six projects are now operating and producing cash flow, enabling GBR to anticipate its first year of positive cash flow in 2022. ARR continues to advance due diligence investigations and negotiations with several other renewable energy operators and developers relating to additional potential royalty financing transactions.

Silicon Project Gold Royalty: On February 22, 2022 AngloGold Ashanti reported a maiden inferred resource at its Silicon project of 120.44 million tonnes @ 0.87g/t for a total of 3.4 million ounces of gold. For more information, please see Altius release dated February 24, 2022. [Altius Discovery Update](#)

Lithium Royalty Corporation, of which Altius is a co-founding 12.6% shareholder, continued to build out its portfolio with the total number of project royalties acquired since inception in 2018 amounting to 17. These include a tonnage based royalty on Allkem’s producing Mt. Cattlin Mine in Australia and gross royalties on each of Zijin Mining’s Tres Quebradas project in Argentina, Sigma Lithium’s Groto do Cirilo project in Brazil and Core Lithium’s Finniss project in Australia. During the year ended December 2021, Zijin Mining acquired Tres Quebradas by way of its acquisition of Neo Lithium and each of Sigma and Core announced project construction decisions.

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.

Capital Allocation Summary



The Corporation's capital allocation priorities are linked to its strategy of creating per share value growth through a portfolio of assets that relate to long life, high margin operations while providing growing shareholder capital returns.

During the year, the Corporation made scheduled debt repayments of \$17 million, preferred share distributions of \$5 million and paid cash dividends of \$9.3 million following a 40% increase in its quarterly dividend to \$0.07 cents that was announced at the end of the second quarter.

The Corporation also expended \$12.9 million in the repurchase and cancellation of 821,100 shares (approximately 2% of outstanding) under its Normal Course Issuer Bid during the year.

Liquidity

Cash and cash equivalents at December 31, 2021 were \$100.0 million, compared to \$21.8 million at the end of 2020. Cash, excluding \$62.6 million held by ARR, was \$37.4 million. The value of publicly traded Project Generation business equity holdings was \$55.5 million at December 31, 2021. The market value of LIORC shares was \$107.9 million and the market value of ARR shares including the in the money value of share purchase warrants was \$193.5 million.

On August 9, 2021, the Corporation amended its credit facility to increase the available credit from \$160 million to \$225 million and to extend the term from June 2023 to August 2025. Mandatory principal repayments of the term debt under the new facility have also been reduced to \$2 million per quarter from \$5 million per quarter previously. The amount of debt outstanding at year end was \$117 million and the Corporation made a principal repayment of \$2 million in January 2022.

Dividend Declaration

The Corporation's board of directors has declared a quarterly dividend of \$0.07 per share. The current quarterly dividend is payable to all shareholders of record at the close of business on March 18, 2022. The dividend is expected to be paid on or about March 31, 2022.

This dividend is eligible for payment in common shares under the Dividend Reinvestment Plan (DRIP) announced by press release May 20, 2020, and available to shareholders who are Canadian residents or residents of countries outside the United States.

In order to be eligible to participate in respect of the March 31, 2022 dividend, non-registered shareholders must provide instruction to their brokerage and registered shareholders must provide completed enrollment forms to the transfer agent by March 11, 2022, five business days prior to record date. Stock market purchases made under the DRIP for the March 31, 2022 payment will be satisfied by issuance from treasury at the 5 day volume weighted average price ending at the close of trading the day before payment date. Shareholders who have already provided instruction to be enrolled earlier this year will continue to be enrolled unless they direct otherwise. For more information, please see <http://www.altiusminerals.com/dividend-reinvestment-plan>. Participation in the DRIP is optional and will not impact any cash dividends payable to shareholders who do not elect to participate in the DRIP. 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.

Non GAAP Financial Measures

1. Management uses the following non-GAAP financial measures: attributable revenue, attributable royalty revenue, adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA), adjusted operating cash flow and adjusted net earnings (loss).
2. Management uses these measures to monitor the financial performance of the Corporation and its operating segments and believes these measures enable investors and analysts to compare the Corporation's financial performance with its competitors and/or evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace International Financial Reporting Standards (IFRS) measures, and do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies. Further information on the composition and usefulness of each non-GAAP financial measure, including reconciliation to their most directly comparable IFRS measures, is included in the non-GAAP financial measures section of our MD&A.

Fourth Quarter 2021 Financial Results Conference Call and Webcast Details

Date: March 10, 2022

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 Q4 2021 Results, ID 6387826

Webcast Link: [Q4 2021 Financial Results](#)

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 macro-trends 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. In addition, Altius runs a successful Project Generation business that originates mineral projects for sale to developers in exchange for equity positions and royalties. Altius has 41,178,833 common shares issued and outstanding that are listed on Canada's Toronto Stock Exchange. It is included in each of the S&P/TSX Small Cap, the S&P/TSX Global Mining, and the S&P/TSX Canadian Dividend Aristocrats 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.

For further information, please contact:

Flora Wood

Email: Fwood@altiusminerals.com

Tel: 1.877.576.2209

Direct: +1(416)346.9020

Ben Lewis

Email: Blewis@altiusminerals.com

Tel: 1.877.576.2209

