

Altius Reports Q3 2021 Attributable Royalty Revenue of \$20.8M

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[Altius Minerals Corp.](#) (TSX: ALS; OTCQX: ATUSF) ("Altius" or the "Corporation") reports attributable royalty revenue^(1,2) of \$20.8 million (\$0.50 per share^(1,2)) for the quarter ended September 30, 2021. This is a 28% increase from Q3 2020 royalty revenue of \$16.2 million. On a year-to-date basis, attributable royalty revenue of \$60.5 million is higher by 33% compared to the \$45.5 million reported for the nine months ended September 30, 2020.

Adjusted EBITDA^(1,2) for the quarter was \$16.9 million or \$0.41 per share^(1,2), which compares to adjusted EBITDA of \$12.4 million or \$0.30 per share^(1,2) in Q3 2020. The adjusted EBITDA margin for the third quarter was 81%. On a year-to-date basis, adjusted EBITDA of \$49.2 million is up 40% from the year-over-year comparable adjusted EBITDA of \$35.2 million.

Adjusted operating cash flow^(1,2) of \$18.9 million or \$0.46 per share^(1,2) compares to \$7.3 million (\$0.18 per share) in Q3 2020, and is up significantly year over year as adjusted operating cash flow was impacted by higher royalty revenues and timing of working capital changes. On a year-to-date basis, adjusted operating cash flow^(1,2) of \$33.5 million compares to \$33.9 million for the nine month period ended September 30 2020, which benefitted from lower cash tax installments as a result of flexibility granted by tax authorities due to Covid-19 related economic concerns.

Net earnings in Q3 2021 are \$9.76 million or \$0.24 per share, and on an adjusted basis^(1,2) are \$0.20 per share^(1,2) compared to adjusted earnings of \$3.6 million in Q3 2020 or \$0.09 per share^(1,2). The main adjusting items in the current quarter on a pre-tax basis are realized gains of \$3.4 million and a \$2.2 million gain on disposal of mineral property. Offsetting adjustment items included a \$2.3 million fair value of derivatives charge, foreign exchange loss of \$0.7 million and expensed debt costs on refinancing of credit facilities of \$0.7 million. Net earnings for the nine month period ended September 30, 2021 is \$36.1 million or \$0.90 per share compared to net loss of \$38.9 million or \$0.94 per share in 2020. The full table reconciling adjusted net earnings per share to net earnings per share is included below in Note 2.

In addition, Project Generation equity portfolio net cash proceeds (sales minus new investments) were \$9 million for Q3 2021 and \$13 million for the nine-month period ended September 30, 2021. These proceeds are recorded as other comprehensive earnings in the Corporation's financial statements.

Portfolio Performance

Base and battery metals (copper, nickel, lithium, zinc and cobalt) revenue of \$8.2 million accounted for 40% of total attributable royalty revenue as compared to \$8.7 million (43%) in the comparable 2020 period. Performance in the quarter was positively impacted by higher production volumes and revenues at Chapada, but this was offset by lower revenues from 777 on slightly lower throughput and from Voisey's Bay, as an annual maintenance shutdown impacted the Long Harbour processing facility.

Lundin Mining reported that an extensive near-mine drilling program and parallel expansion study at Chapada continued to progress during the quarter and that updates concerning the results of these will be released during 2022.

Adventus Mining Corporation ("Adventus") published a positive feasibility study subsequent to quarter end for its high-grade, copper, gold and zinc rich El Domo deposit in Ecuador, where Altius holds a 2% NSR. Adventus also announced that it is currently in advanced stages of negotiating non-dilutive project financing while preparing to imminently file an Environmental and Social Impact Statement and move to detailed engineering, all in anticipation of a late 2022 potential construction decision.

Lithium Royalty Corporation, of which Altius is a co-founding 12.6% shareholder, continued to build out its portfolio during the quarter adding five new royalties to bring the total number of project royalties acquired since inception in 2018 to 15. These include a tonnage based royalty on Orocobre's producing Mt. Cattlin Mine in Australia and gross royalties on each of NeoLithium'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 quarter NeoLithium announced that it was being acquired by Zijin Mining and each of Sigma and Core announced project construction decisions.

Potash royalty revenue of \$3.8 million accounted for 18% of total attributable royalty revenue (19.5% in Q3 2020). Realized prices in the third quarter this year of \$467/tonne are up 51% from average realized prices of \$309/tonne in Q3 2020. Production volumes in Q3 2021 were lower due to annual maintenance shutdowns at the Rocanville, Cory, Allan and Esterhazy mines, all of which have been completed. Potash spot market prices further increased by more than 30% in most key markets by the end of Q3 2021 compared to the end of Q2 and these impacts are expected to be reflected in realized prices for royalty revenue calculation purposes in the coming quarters given typical lag effects for these royalties. Global supply of potash remains tight against a backdrop of strong agricultural commodity prices and low crop inventories, with 2021 expected to establish a new global annual potash demand record.

Iron ore royalty revenue of \$6.0 million accounted for 29% of total royalty revenue (8% in Q3 2020). The Corporation's current iron ore revenue stems from the pass-through of royalties and equity dividends paid by the Rio Tinto controlled Iron Ore Company of Canada ("IOC") to [Labrador Iron Ore Royalty Corp.](#) ("LIORC"), of which the Corporation is a significant shareholder. While iron prices retreated significantly during the quarter from recent all-time highs, IOC produces high purity iron ore products that attract a significant market premium relative to benchmark iron ore prices.

Champion Iron Ore ("Champion") continued to advance completion of an updated feasibility study for the Kami Project in Labrador during the quarter as it considers further growth opportunities beyond its now nearly completed expansion of the nearby Bloom Lake mine. Champion is evaluating the project's potential to produce ultra-high purity iron ore products that could provide feedstocks suitable for use in the electric arc furnace steelmaking segment. Electric arc-based steelmaking requires no metallurgical coal usage and is rapidly expanding globally due to its significantly reduced CO2 emissions profile relative to traditional blast furnace based steel making. Results of this study are expected in H2 2022. Altius holds a 3% gross sales royalty related to the Kami Project.

Thermal coal royalty revenue of \$2.6 million in the quarter compares to \$2.7 million in Q3 2020. On a year-to-date basis, thermal coal royalty revenue of \$7.6 million compares to \$7.4 million in 2020. Current quarter production was negatively impacted by an unplanned maintenance outage at one of the three Genesee integrated power generating units in mid-July, with repairs expected to be completed near the end of November this year.

Altius Renewable Royalties ("ARR") had a strong quarter ARR Q3 2021 Results , with announcements in July, August and September relating to further royalty capital deployment, including investments in four operating stage wind and solar projects. The Corporation is a 59% shareholder of ARR following its IPO earlier this year.

ARR, through its Great Bay Renewables joint venture with funds managed by affiliates of Apollo Global Management Inc., has now established royalties on 16 projects that collectively represent approximately 3,510 MW of solar and wind capacity. 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: Anglogold Ashanti reported on Sept 13, 2021 that it intends to issue an end of year based initial mineral resource estimate for Silicon which is within its recently consolidated Beaty District property which it describes as a "potential Tier 1 asset". Exploration work is reportedly ongoing to delineate these newly discovered ore bodies at both Silicon and Merlin, and both are subject to a 1.5% NSR royalty in favour of Altius.

The following tables summarize the financial results and attributable revenue for the three and nine months

ended September 30, 2021 and 2020:

	Three months ended			Nine months ended
In Thousands of Canadian Dollars, except per share amounts	September 30,	September 30,	Variance	September 30,
	2021	2020		2021
Revenue				
Attributable royalty	\$ 20,808	\$ 16,229	\$ 4,579	\$ 60,474
Project generation	-	-	-	408
Attributable revenue ⁽¹⁾	20,808	16,229	4,579	60,882
Adjust: joint venture revenue	(451)	(966)	515	(1,825)
IFRS revenue per consolidated financial statements	\$ 20,357	\$ 15,263	\$ 5,094	\$ 59,057
Total assets	\$ 709,838	\$ 556,128	\$ 153,710	\$ 709,838
Total liabilities	191,018	203,893	(12,875)	191,018
Dividends declared & paid to shareholders	2,904	1,928	976	7,051
Adjusted EBITDA (1)	16,900	12,426	4,474	49,202
Adjusted operating cash flow (1)	18,902	7,330	11,572	33,542
Net earnings (loss)	9,764	(39,787)	49,551	36,117
Attributable revenue per share (1)	\$ 0.50	\$ 0.39	\$ 0.11	\$ 1.46
Adjusted EBITDA per share (1)	0.41	0.30	0.11	1.19
Adjusted operating cash flow per share (1)	0.46	0.18	0.28	0.81
Net earnings (loss) per share, basic and diluted	0.24	(0.96)	1.20	0.90

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

In Thousands of Canadian Dollars	Three months ended			Nine months ended		
	September 30,	September 30,	Variance	September 30,	September 30,	Variance
Summary of attributable royalty revenue	2021	2020		2021	2020	
Revenue						
Base and battery metals						
777 Mine	\$ 3,209	\$ 4,175	\$ (966)	\$ 11,379	\$ 8,698	\$ 2,681
Chapada	4,578	4,068	510	12,134	10,719	1,415
Voisey's Bay	429	434	(5)	1,713	654	1,059
Gunnison	-	-	-	11	-	11
Iron ore (1)	6,035	1,293		13,938	3,592	
Potash			-			-
Cory						

Rocanville	2,350	1,869	481	7,110	7,163	(54
Allan	196	121	75	835	505	330
Patience Lake	57	59	(2)	363	298	65
Esterhazy	721	782	(61)	2,831	2,770	61
Vanscoy	41	34		125	43	
Lanigan	10	8	2	21	18	3
Met coal			-			-
Cheviot	-	291	(291)	58	1,347	(1,28
Thermal (Electrical) Coal			-			-
Genesee	2,526	1,800	726	7,126	4,620	2,500
Paintearth	-	-	-	20	75	(55
Sheerness	36	700	(664)	482	2,295	(1,81
Highvale	-	168	(168)	-	397	(397
Other						
Renewables	22	58	(36)	112	1,077	(965
Coal bed methane	128	79	49	391	285	106
Interest and investment	57	5	52	734	208	526
Attributable royalty revenue	\$ 20,808	\$ 16,229	\$ (298)	\$ 60,474	\$ 45,543	\$ 14,930
See non-IFRS measures section of MD&A for definition and reconciliation of attributable revenue						
(1)LIORC dividends received						

Notes

1. Attributable revenue, adjusted EBITDA and adjusted operating cash flow (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, adjusted EBITDA and adjusted operating cash flow per share metrics divide the respective values by the basic 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://www.altiusminerals.com>.
2. 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:

In Thousands of Canadian Dollars, except per share amounts			Three months ended	
Adjusted Earnings per Share			September 30, 2021	September 30, 2020
Reported earnings (loss) per share	\$	0.24	\$	(0.96)
Adjusted for:				
Fair value adjustment of derivatives		0.05		0.02
Foreign exchange revaluation		0.01		(0.02)

Debt extinguishment costs	0.01	-
Realized gain on disposal of derivatives	(0.07)	-
Gain on disposition of mineral property	(0.04)	-
Dilution gains	-	(0.05)
Impairment charges	-	1.10
Adjusted earnings per share	\$ 0.20	\$ 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.

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 quarter the Corporation made scheduled debt repayments of \$5 million, preferred distributions of \$1.3 million and paid cash dividends of \$2.7 million following the 40% increase in its quarterly dividend that was announced at the end of the second quarter.

The Corporation also expended \$1.7 million in the repurchase and cancellation of 107,900 shares under its Normal Course Issuer Bid bringing the total for the year to date to \$9.2 million (585,300 shares).

Liquidity

Cash and cash equivalents at September 30, 2021 were \$100.1 million, compared to \$21.8 million at the end of 2020. Cash, excluding \$69.8 million held by ARR, was \$30.3 million. The value of LIORC shares was \$101.2 million and the value of publicly traded Project Generation business equity holdings was \$51.2 million at September 30, 2021.

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. 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 quarter end is \$117 million.

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 November 30, 2021. The dividend is expected to be paid on or about December 15, 2021.

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. The Corporation has elected to reduce the discount applicable to purchases made under its Dividend Reinvestment Plan (DRIP) to 0% from 5% in response to shareholder feedback relating to a lack of equitable participation eligibility for US shareholders.

In order to be eligible to participate in respect of the December 15, 2021 dividend, non-registered shareholders must provide instruction to their brokerage and registered shareholders must provide

completed enrollment forms to the transfer agent by November 24, 2021, five business days prior to record date. Stock market purchases made under the DRIP for the December 15, 2021 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.

Third 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 November 10, 2021 after the close of market, with a conference call to follow on November 11, 2021.

Date: November 11, 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 Q3 2021 Results, ID 2240919

Webcast Link: Q3 2021 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 41,357,075 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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