

# Altius Reports Q1 2024 Attributable Royalty Revenue of \$17.4M and Adjusted Earnings(1) of \$3.5M

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Annual Dividend Increased to \$0.36 per share

All references in thousands of Canadian dollars, except per share amounts, unless otherwise indicated

[Altius Minerals Corp.](#) (TSX: ALS; OTCQX: ATUSF) ("Altius" or the "Corporation") reports first quarter 2024 revenue of \$13.9 million compared to \$22.7 million in Q1 2023. Attributable royalty revenue<sup>(1)</sup> of \$17.4 million (\$0.37 per share<sup>(1)</sup>) compares to \$16.0 million in the prior quarter and to \$21.4 million (\$0.45 per share) reported in Q1 2023.

Brian Dalton, CEO commented, "The decline in revenue on a year over year basis primarily reflects the closure of the Genesee Mine at the end of 2023, and the moderation of realized potash prices following a prior period of very strong prices. We are pleased to see that renewable energy revenue, originally designed to replace coal royalty revenue when the renewable segment was founded, has grown 148% year over year. We are also excited to note positive progress relating to our Kami and Silicon royalties during the quarter, each of which holds the potential to add meaningfully to the value of our portfolio."

Our potash operators have both reported a return to higher volumes in 2024 while prices have been stable since Q2 2023. We continue to believe that prices remain below what is required to incentivize growth investment and to offset projected medium and longer term market supply deficits as demand growth continues to compound.

The most significant highlights for our royalty portfolio came from our Project Generation business with the release of the Kami project study and the announcement of increased resources and expected production levels at the Silicon royalty project. These two development stage royalties each hold the potential to meaningfully drive our growth profile for decades to come".

## Operating Royalty Portfolio Performance

Summary of attributable royalty revenue Q1 2024 Q4 2023 Q1 2023

Base and battery metals	\$ 5,344	\$ 4,420	\$ 4,869
Potash	5,130	5,023	9,032
Renewable energy	3,337	1,829	1,345
Iron ore <sup>#</sup>	1,683	1,682	1,870
Thermal (electrical) coal	-	1,225	3,002
Interest and other	1,941	1,795	1,275
Attributable royalty revenue	\$ 17,435	\$ 15,974	\$ 21,393

(#) [Labrador Iron Ore Royalty Corp.](#) dividends

## Quarterly Highlights

- Subsequent to the quarter on April 25, 2024 Adventus Mining Corporation ("Adventus"), owners of the El Domo Curipamba project, announced an all share transaction whereby Silvercorp Metals Inc. ("Silvercorp") will acquire the common shares of Adventus under a plan of arrangement. Silvercorp, a diversified mining company producing silver, gold, lead, and zinc and with a long history of profitability and growth, notes the Curipamba development project as the key rationale for completing the acquisition while also indicating that it has sufficient cash and liquidity to complete construction of the El Domo Curipamba project. Altius holds a 2% net smelter return ("NSR") royalty on the project. Altius has agreed to not exercise its additional royalty conversion option and to instead receive cash consideration of approximately \$9,600,000 for settlement of its US\$4,000,000 loan outstanding, while retaining its original 2% NSR royalty. The cash consideration received reflects the implied equity value of the transaction as if the Corporation converted its outstanding loan receivable to common shares of Adventus.
- AngloGold Ashanti plc ("AGA") continues to advance the discovery of a potential major new gold district centered around its Silicon Project near Beatty, Nevada. AGA recently provided an update for the 'Expanded Silicon Project', which includes both the Silicon and Merlin gold deposits, that was highlighted by the announcement of an initial Inferred Mineral Resource of 9.05 million ounces at the Merlin deposit (283.9 Mt at 0.99 g/t). This is in addition to the more than 4 million ounce Mineral Resource estimate (121.56 at 0.87 g/t Indicated Mineral Resource for 3.4 Moz and 36.03 at 0.70 g/t Inferred Mineral Resource for 0.81 Moz) previously published for the Silicon deposit. AGA recently published a Technical Report Summary effective December 31, 2023 as part of their Annual Report (Form 20-F) that provides an initial assessment of the Merlin resource and conceptual mining scenario, which suggests a 14-year life of mine with substantial gold production in the early years. A pre-feasibility study ("PFS") for the Expanded Silicon Project is currently in progress. The basis of the PFS targets upper oxide ore only while AGA recently stated there is "significant upside potential from deeper ore horizons and nearby exploration targets" and that infill and extension drilling programs continue. Altius holds a 1.5% NSR royalty related to the project.
- At the end of January 2024, Champion Iron Limited ("Champion") announced the results of an updated project study for the Kami project ("Kami Project Study"). The Kami Project Study evaluated the potential for Kami's high-purity iron ore concentrates (DR quality, >67.5% Fe) to supply the growing electric arc furnace steel-making segment. Its illustration of the economic potential of the project included various pricing scenarios including the trailing 3 year average price for 65% Fe content ore plus an estimated premium for Kami's indicated higher quality above this benchmark. Altius originated the Kami project within its Project Generation business and retains a 3% gross sales royalty interest.
- Lundin Mining Corporation ("Lundin") continued to delineate its Saúva copper-gold deposit discovery, located 15 kilometers north of the Chapada Mine on lands encompassed by our copper stream interest. Lundin recently reported an open-pit Indicated Mineral Resource of 244.6 Mt at 0.29% copper and 0.17 g/t gold (721 kt or 1.59 Blbs of copper) and an underground Inferred Mineral Resource of 53.3 Mt at 0.41% copper and 0.26 g/t gold (221 kt or 0.49 Blbs of copper) at Sauva, after an aggressive drilling program in 2023. This compares with Measured and Indicated Mineral Resources at Chapada of 920.7 Mt at 0.24% copper and 0.12 g/t gold (2169 kt or 4.77 Blbs copper). Lundin highlighted continuing exploration work in 2024 at Saúva as it continues to advance expansion studies for the district.
- ARR (58% owned by the Corporation) continues to accelerate its revenue trajectory which is expected to continue throughout 2024 with the Q1 2024 commencement of operations of the 308 MW Canyon Wind project, the expected near-term commencement of commercial operations of the 300 MW El Sauz wind project as well as the 195 MW Angelo Solar project which was acquired in February 2024 and expected to contribute revenue starting in Q4 2024.

Adjusted EBITDA<sup>(1)</sup> of \$12.4 million (\$0.26 per share<sup>(1)</sup>) during Q1 2024 compares to \$19.1 million (\$0.40 per share) during the prior year quarter. The adjusted EBITDA margin of 71% in the current quarter was lower than the comparable period and was impacted by higher professional fees associated with the Silicon arbitration. The Mineral Royalties segment had an EBITDA margin of 75% and 79% for the current and prior year quarters respectively. The Renewable Royalties segment had an EBITDA margin of 75% and 36% for the current and prior year quarters respectively.

Q1 2024 adjusted operating cash flow<sup>(1)</sup> of \$5.5 million (\$0.12 per share<sup>(1)</sup>) compares to \$4.5 million (\$0.09 per share) in 2023. The increase is largely reflective of lower cash taxes paid.

Net earnings of \$4.8 million (\$0.10 per share) for Q1 2024 compares to net earnings of \$5.5 million (\$0.11 per share) in Q1 2023. Loss in joint venture includes \$1.9 million of losses associated with Great Bay

Renewables' equity investment in an early-stage renewable energy development entity in addition to interest expense of \$1.6 million associated with Great Bay's recent credit facility. Adjusted net earnings per share<sup>(1)</sup> of \$0.07 in the current quarter is consistent with the first quarter of 2023. The main adjusting items in the current quarter are unrealized and realized gains on derivatives related to share purchase warrants on junior mining equities and foreign exchange losses.

Adjusted Net Earnings	Three months ended	
	March 31, 2024	March 31, 2023
Net earnings attributable to common shareholders	\$ 4,719	\$ 5,061
Addback (deduct):		
Unrealized (gain) loss on fair value adjustment of derivatives	(1,188 )	213
Foreign exchange loss (gain)	747	(247 )
Exploration and evaluation assets abandoned or impaired	-	590
Realized (gain) on disposal of derivatives	(916 )	-
Gain on disposal of mineral property	-	(107 )
Non-recurring other income	-	(2,820 )
Tax impact	100	750
Adjusted Net Earnings	\$ 3,462	\$ 3,440

#### Liquidity and Capital Allocation Summary

Cash and cash equivalents at March 31, 2024 were \$101.5 million, compared to \$130.4 million at the end of 2023. Cash, excluding \$91.0 million held by ARR, was \$10.5 million.

At March 31, 2024 the approximate market value of various public equity holdings included:

- \$178.1 million for shares of ARR (including the in-the-money value of share purchase warrants)
- \$108.0 million for shares of [Labrador Iron Ore Royalty Corp.](#)
- \$34.9 million for the value of the indirectly held interest in the shares of Lithium Royalty Corporation
- \$45.4 million for publicly traded shares held within the Project Generation equity portfolio.

During the first quarter the Corporation made scheduled debt repayments of \$2.0 million and paid total dividends of \$3.6 million. The Corporation also expended \$8.2 million during the quarter for the repurchase and cancellation of 429,100 shares under its Normal Course Issuer Bid. At March 31, 2024 the Corporation carried a balance of \$30.0 million under its fixed rate term debt facility and \$81.8 million under its floating rate revolving credit facilities.

#### Dividend Declaration

The Corporation's board of directors has declared an increased quarterly dividend of \$0.09 per share, which represents a 12.5% increase over recent quarterly levels. The current quarterly dividend is payable to all shareholders of record at the close of business on May 31, 2024. The dividend is expected to be paid on or about June 14, 2024.

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 June 14, 2024 dividend, non-registered shareholders must provide instruction to their brokerage and registered shareholders must provide completed enrollment forms to the transfer agent by May 24, 2024, five business days prior to record date. Stock market purchases made under the DRIP for the June 14, 2024 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 previously will continue to be enrolled unless they direct otherwise. For more information, please see [Altius Minerals Corp.](#) 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). 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.

#### First Quarter Financial Results Conference Call and Webcast Details

Date: May 09, 2024

Time: 9:00 AM ET

Toll Free Dial-In Number: (+1) 800-864-5102

International Dial-In Number: (+1) 289-514-5100

Conference Call Title and ID: Altius Minerals Q1 2024 Financial Results, ID 87932

Webcast Link: Q1 2024 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 46,452,252 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

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