

**NEWS**

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**ALTIUS MINERALS HAS \$200 MILLION EARMARKED FOR THE ACQUISITION OF A NON-GOLD ROYALTY**

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By Daina Lawrence

**Altius reported a net loss of C\$102,000 in its third quarter ending January 31, 2010 compared to net earnings of C\$31,624,000 for the same period last year. But looks can be deceiving, as the report does not reflect the C\$27 million the company will pocket thanks to a recently finalized deal in which Altius sold its 9.4 per cent holding in International Royalty Corporation (IRC) to Royal Gold.**

It's all a part of the company's grand plan, explains Chad Wells, corporate development vice president at **Altius**. "You can't really pigeonhole **Altius**", says Wells. "We think longer-term than any other mineral exploration company on the planet earth." But like the story of the tortoise and the hare, Wells sees **Altius'** strategy establishing the company as a slow and steady leader in the mining industry for years to come.

The next step will be to build on the prosperity **Altius** has achieved through its spin-off companies. It's a tried and tested routine, as the company works up exploration on a property, establishes its' potential and then forms a new company to take on the future production.

The strategy worked well enough with Aurora Energy Resources Inc., a uranium company created by **Altius** and its joint venture partner Fronteer Development Group in 2006 to continue the development of the Central Mineral Belt projects in Labrador. As part of that deal, **Altius** maintains a two per cent gross uranium sales royalty and a two per cent net smelter return royalty on the projects there. Maintaining royalties on all its spin-offs is the core of **Altius'** business.

"We are not wanting to run a new company, but instead we want to back the creation of the company and sit there as a shareholder", says Wells. But the company doesn't just pick these projects out of a hat. There's months, even years, of research put into every one. "We have to be confident the calibre of the project identified is able to effectively independently finance itself. Like rearing a child to when you know they are ready to leave the household and financially take care of themselves", says Wells.

**Altius'** latest example of royalty success comes in the shape of spin-off company, Alderon. Alderon started with the Kamistatussett project, a 2,125 hectare iron ore property in Labrador that was acquired through staking in 2004.

After a 6,000 metre drilling program completed last year, the project was found to be of good grade and thickness and, overall, a good asset around which to build a new company. So it was decided **Altius** would create Alderon Resources Corp. to manage the future production.

Now Alderon will take on the risk and financial obligations of developing the project, while **Altius** will keep a three per cent gross sales royalty on the Kamistatussett property. And with this tried and tested strategy seemingly running like a well-oiled machine at the moment, Wells says **Altius** is now on the hunt for the next Alderon.

Having said that, though, **Altius** is willing to wait for its next big break. Wells says it is all about timing, market cycles and assessing if the market is ripe to embrace the underlying project commodity. "Our Aurora success in 2006 was a result of good timing in the uranium market cycle, while Alderon feels right in the current iron ore market cycle."

So with the money in the bank from the IRC sale, the Aurora royalties and other royalties from Voisey`s Bay, Wells says the company is cooking up current plans for the cash. "We want to add a different element to our royalty business, so we have C\$200 million earmarked to get us some more non-gold royalties", says Wells, adding that **Altius** is exploring the idea of base metals royalty opportunities because currently it looks like an underexploited sector in the industry. Watch this space.

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