RADAR FLASH

December 21, 2007

Altius Minerals Corporation (ALS-T, $27.09)

David Beasley (416-507-2710, dbeasley@haywood.com)

Rating: SECTOR OUTPERFORM; 12-Month Target: $41.00; Risk: SPECULATIVE

Impact: Positive

Event: NLRC Project Progress: Labour Contract Signed, CSR Issued

- Altius subsidiary Newfoundland and Labrador Refining Corporation announced Thursday night that the Company has signed a Memorandum of Settlement concluding a collective agreement with construction unions for the refinery project. Negotiated terms should be in line with feasibility study estimates. Recall that the project will likely require 3,000 jobs to construct, and 750 to operate.
- The Canadian Environmental Assessment Agency this week issued the comprehensive study report (CSR) – essentially the last remaining broad permitting hurdle for construction of the marine terminal on the project. The public consultation period will end January 24, 2008 after which a decision is expected.

Implications: The collective agreement is positive on two fronts: 1) it provides stability for the labour costs of construction which should reduce the market implied risk of capital cost overruns, and 2) it should further local support for the project as it will allow thousands of skilled Newfoundland and Labrador trades people currently working elsewhere (Alberta for example) to return to their home province.

The issuance of the comprehensive study report is positive as it marks January 24th as the end of public consultation into the marine terminal project, which should be followed by a decision from the relevant federal authorities. The project timeline calls for construction of this portion to begin mid-year thus providing built-in flexibility with respect to the timing of the decision.

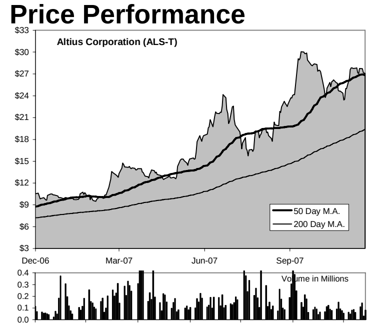
We expect to see further news flow as the project materializes throughout the first half of 2008, and reiterate our Sector Outperform rating on ALS shares.

Valuation: Our sum-of-parts valuation estimates a marketable asset value of $9.50 per share. We calculate a combined NPV valuation for Altius' post-dilution equity stake in NLRC and refining margin royalty of about $33 per share. The result provides us with a tax-adjusted forecasted NAV for Altius shares of $41.

Target Price	$41.00	52-Week High / Low	$30.40/$8.50
Current Price	$27.09	Shares O/S	31.2 million (basic)
Return	51.3%		32.4 million (F/D)
YTD Performance	158%	Market Capitalization	$845.2 million
		Enterprise Value	$717.0 million
Risk Profile:		Daily Volume	
Forecast Risk: Moderate		(3 mo avg)	163,937
Financial Risk: Low		Currency	C$ unless noted
Valuation Risk: High		Company Web Site	www.altiusminerals.com
Political Risk: Moderate		CEO	Brian F. Dalton

Last Research: November 14, 2007

Price Performance



Source: Bloomberg

Please see rating structure, important disclosures, risk profile parameters, disclaimers, and notes on pages 2 -6 of this report.

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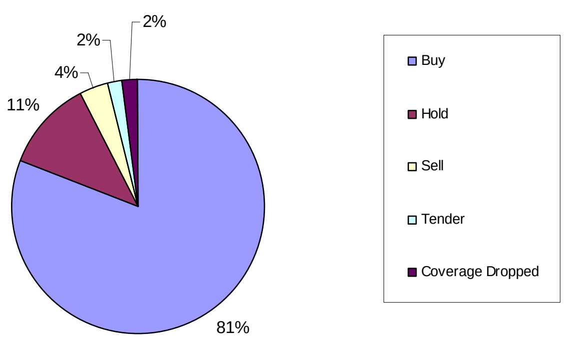
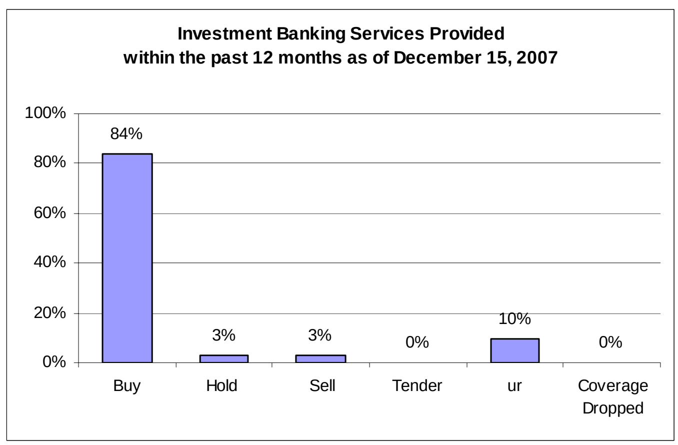
Rating Distribution September 15, 2007 - December 15, 2007





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"SPECULATIVE". A stock indicating a SPECULATIVE risk is determined from sector specific criteria outlined below listed below.

Risk Profile Parameters – Oil and Gas Sector

Forecast Risk: *High* – Haywood forecasts are below guidance. The Company has a history of missing targets and/or Haywood expects guidance to be lowered. Limited hedging increases commodity risk beyond peers. To raise expectations requires higher commodity prices or production that is ahead of guidance. *Moderate* – Haywood forecasts are generally in line with guidance. The Company has a history of meeting or exceeding guidance. Forecasts are consistent with current commodity pricing and production guidance. Hedging practices are in line with peers. *Low* – Haywood forecasts exceed guidance. The Company has a history of meeting or exceeding guidance. Forecasts allow for modestly lower commodity pricing or production levels. Commodity hedging lowers volatility relative to peers.

Financial Risk: *High* – The capital expenditure program in the current year or the next year of the forecast is not fully funded but requires additional debt and/or equity financing. This categorization does not necessarily predict whether the additional funds will be raised. *Moderate* – The capital expenditure program in the current year or the next year is fully funded with cash flow and limited debt. *Low* – The capital expenditure program in the current year or the next year is fully funded with cash flow and no new debt.

Political Risk: *High* – Properties are located in an area with limited petroleum industry activity or infrastructure. An environment unfriendly to the industry makes obtaining permits to drill or produce hydrocarbons challenging. Significant government or local opposition exists. *Moderate* – Properties are located in an area with minimal petroleum industry activity or infrastructure. An environment friendly to the industry makes obtaining permits relatively straightforward. All levels of government are considered indifferent to hydrocarbon activity. *Low* – Properties are located in an area with established petroleum exploration and development activity. Oil and gas Production Sharing Agreements or Exploration Permits are in hand. Government at all levels supports the sector.

Valuation Risk: *High* – The current valuation is at the high end of historic levels and/or at a premium to peers. The valuation reflects continued production growth and/or continuing strong commodity prices or further appreciation. Where applicable, the market capitalization exceeds the NAV by more than 30%. *Moderate* – The current valuation is within historic ranges and generally consistent with peers. The valuation reflects reasonable production growth and/or commodity price appreciation. Where applicable, the market capitalization exceeds the NAV by 15% to 30%. *Low* – The current valuation is at the low end of historic ranges and/or at a discount to peer valuations. The valuation reflects limited production growth and/or no commodity price appreciation. Where applicable, the market capitalization exceeds the NAV by less than 15% or falls below the capitalization.

Risk Profile Parameters – Mining and Minerals Sector

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Financial Risk: *High* – The business plan is not fully funded, but requires debt and/or equity financing. The exploration program is funded for two years or less. This categorization does not predict whether the additional funds will be raised. *Moderate* – The development plan is fully funded, with the exploration program funded for three years or more. The Company's debt is rated below investment grade. *Low* – The Company is fully funded. Its debt is rated investment grade and/or the Company has a history of profitability or dividend payments in each of the last three years.

Valuation Risk: *High* – The current valuation is at the high end of historic levels and/or at a premium to peers. The valuation reflects considerable exploration success and/or commodity appreciation. Where applicable, the current capitalization exceeds the DCF evaluation by more than 50%. *Moderate* – The current valuation is within historic ranges

David Beasley (dbeasley@haywood.com)

and generally consistent with peers. The valuation reflects reasonable exploration success and/or commodity appreciation. Where applicable, the current capitalization exceeds the DCF valuation by 15% to 50%. *Low* – The current valuation is at the low end of historic ranges and at a discount to peer valuations. The valuation reflects limited new exploration success and no commodity appreciation. Where applicable, the current capitalization exceeds the DCF valuation by less than 15% or falls below the current market value.

Political Risk: *High* – Currently no industry activity or infrastructure exists. Government opposition is significant. Obtaining permits is challenging. *Moderate* – Industry activity or infrastructure is minimal. Government at national, regional, and local levels is indifferent. Obtaining permits is relatively straightforward. *Low* – Industry activity and infrastructure exist. Government is supportive. Obtaining permits is facilitated.

Risk Profile Parameters – Technology/Special Situations

Forecast Risk: *High* – Haywood forecasts are below guidance. The Company has a history of missing targets and/or Haywood expects guidance to be lowered. Sales are minimally visible. *Moderate* – Haywood forecasts are generally in line with guidance and sales are moderately visible. The Company has a history of meeting or exceeding guidance. *Low* – Haywood forecasts exceed guidance. The Company has a history of meeting or exceeding guidance and its sales are highly visible.

Financial Risk: *High* – The business plan is not fully funded but requires debt and/or equity financing. This categorization does not necessarily predict whether the additional funds will be raised. Inventory turnover is low, cash flow is weak, and assets are below par. *Moderate* – The business plan is fully funded. Inventory turnover and cash flow are moderate, and assets are reasonably liquid. The Company's debt is rated below investment grade. *Low* – The Company is fully funded with investment grade debt, high inventory turnover, high cash flow, and superior assets.

Valuation Risk: *High* – The current valuation is at the high end of historic levels and/or at a premium to peers. Where applicable, the DCF valuation is not more than 10% above the current equity valuation. *Moderate* – The current valuation is within historic ranges and generally consistent with peers. Where applicable, the DCF valuation exceeds the current capitalization by more than 10%. *Low* – The current valuation is at the low end of historic ranges and at a discount to peer valuations. Where applicable, the DCF valuation exceeds the current capitalization by more than 20%.

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