

# Adrian Day

ADRIAN DAY'S GLOBAL ANALYST

*If you like a company, you should love it when the stock is on sale; we often suggest buying more of a particular stock “if you’re under-invested”. Occasionally, when the stock of a favorite becomes ridiculously inexpensive, we will make a formal recommendation to double up. Thus, you will see Virginia Mines twice on our list of Current Holdings. Today, we are recommending you buy more of another of our favorites, one that likewise is trading under Net Asset Value, and one whose stock has fallen precipitously.*

**BUY ALTIUS MINERALS (ALS.Toronto, C\$625-6.29) with a limit of C\$6:31**

Altius’ story should be well known to subscribers. I recently wrote extensively about it (#375, June 21<sup>st</sup>), outlining the value as well as recent problems. Nothing has changed significantly since then.

The stock price has slid further, however. After an initial bounce following the plunge on the bankruptcy filing of its refinery subsidiary, Altius’s stock slid from over \$9 to the under \$6, before recovering a little to the current price. Tuesday’s dip under \$6 may have been the low.

Cheap, cheap, cheap

Regardless, Altius now is very inexpensive, for all the reasons we discussed in June. The value of just its cash and the Voisey’s Bay royalty is about \$7.50-\$8 per share. That’s a substantial premium to where the shares are current trading; the stock is the cheapest it’s ever been relative to its NAV.

That’s without giving any value at all to its reserves, joint-ventures, exploration project...or the refinery. The bankruptcy court has extended proceedings until September 2<sup>nd</sup> and we would expect some progress report by then. Given the prospective refinery’s status—it would be the first new refiner in North America in more than two decades—I am sure there is interest in the project and expect it will eventually be worth something north of zero to Altius.

They are all buying

In the meantime, Altius has already commenced buying under its share-buyback program (latest filing shows 100,000 shares in the last couple of weeks), and insiders have also been buying; directors and management currently own about 5 million shares of 30 million outstanding.

So for the reasons we mentioned before—balance sheet, management, business model, steady cash flow, lots of upside—as well as the discount to NAV, we are still buying, and now make this a formal “double-up”. Buy **Altius Minerals** (ALS, Toronto) up to C\$6.31.

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Needless to say, if you do not already own Altius, I would be happy to see you pay more. Since this is an “double-up” recommendation, we are trying to steal it. If we fill at C\$6.31, we’ll be doing just that.