

DOUG CASEY'S



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INTERNATIONAL SPECULATOR

- International Speculator -

Volume XXV Issue 4

April 2004

An excerpt from...TIMES THEY ARE A' CHANGIN'

ALTIUS MINERALS (ALS.T. \$3.44. SO 23,824,226) Strong Buy

In the interest of space, I am trying to keep these updates brief. In the case of Altius, that's not easy. We first recommended ALS back in September of 2001 at \$0.51. Since then, it's given us a return of over 300%. So, is the party over? In a word: no. In my opinion, and that of many others whose opinions I value, ALS may currently be the best junior exploration company in the business.

They have done a masterful job implementing the joint venture model you'll see over and over again in these updates. They have taken the model to a new level, enticing the big boys into spending big money on their various properties, largely because of the determination and, oddly enough, creativity of management: they have been very good at making economic sense of complex deposits, including those that others have explored and passed on.

The company is currently focused in Newfoundland and Labrador... both areas with big geology, as well as popular dog names. In the case of Newfoundland, it has borne the brunt of no less than four continental collisions in the last 250 million years. Such massive geologic events lead to dramatic rock alteration of the sort that leaves mineral deposits in its wake. So it's a good place to hunt elephants.

Speaking of elephants, the Robert's Arm property contains indication of a very large scale base metal system that compares favorably to the Buchans mine that lies just to the east. When producing, the Buchans was one of the world's richest base metal mines. At current metal prices, the net present value of Buchans would be in excess of five hundred million dollars.

This project is currently the focus of ongoing exploration by Altius and funded by Inmet.

The company is also active on its Rambler property, a previously producing high-grade copper and gold mine. After the operators mined the deposit out to the old property boundary and were unable to successfully negotiate for the adjoining property, they were

forced to shut down. Altius succeeded where the old company failed and is now aggressively defining extensions to the old mineralization. In fact, the company probably has enough data in hand already to attract a joint venture partner, so news of the sort that moves share prices should be forthcoming.

Then there's the Rocky Brook uranium-gold-silver project that Altius is working with Cameco, the undisputed king of the uranium companies. The companies have identified a significant magnetic anomaly and drilled a bunch of holes into it – 96 at last count. As the assays on the drill core begin coming back, we'll see steady news on this front as well.

Based on the activities already mentioned, I'd rate ALS a buy, but when you take into account the .225% net smelter royalty the company picked up last year on Inco's Voisey's Bay deposit, it moves into the category of a Strong Buy. The cumulative royalty payments to Altius from this royalty alone should conservatively work out to be on the order of sixty-five million dollars, or C\$2.80 per share. That's more than 80% of what the stock is trading for today, so we are getting a lot of upside for very little risk.

There is even more to the story but, based on what I've told you already, another double from today's levels is entirely possible. Maybe even probable.

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