

Global Resource Investments Ltd.

The Global Exploration Analyst - Research Report

*Company Analysis, Mineral Property Evaluation,
Exploration Insights and Research*

**ALTIUS MINERALS
(ALS.CDNX)**

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Site Visit, Newfoundland

Mining and Exploration
Analyst

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Shares Out:	11.2mil	Recommendation: BUY Altius has leveraged itself into five joint ventures that potentially represent C\$15 in partner expenditure for every C\$1 in original ALS expenditure. Of the five properties likely to see drilling this summer, Lockport offers the clearest chance of a VMS discovery. However, any one of ALS' current stable of 20 properties could produce a deposit. The attraction of ALS is the near certainty that they will be around for many years and see numerous quality properties tested at minimal cost to themselves.
Fully Diluted:	14.2	
Cash:	C\$.5mil	
FD Cash:	C\$2.1mil*	
Current Price	C\$0.50	
Market Cap:	C\$5.6mil	
<i>*in the money</i>		

Altius' game plan will continue to leverage shareholders into high potential exploration plays funded

The minerals exploration game is one of such extremely long odds that the ability to just stay in business long enough to make a discovery is the most critical issue facing any junior exploration company. Altius Minerals is addressing this issue, and setting themselves apart from most of the pack of junior minerals explorers by

by partners

following a rather unique exploration funding model in an equally unique geologic environment. Their basic modus operandi makes the most of their intimate knowledge of Newfoundland geology and mineralization to turn up high potential, early stage, exploration properties. These properties are then joint ventured off to a major company on terms that require the major to conduct the more expensive and riskier initial evaluation and, allows ALS the option to participate when considerably more data is available. Through this disciplined approach to minerals exploration, which focuses on leveraging themselves into a number of potential discoveries, the chances of success as well as company longevity are greatly increased. Having just visited ALS' Newfoundland properties, I have no doubt they will continue to increase their odds of success by locating and venturing additional properties to majors.

ALS boasts a strong technical team focused on what they know best, mineralization in Newfoundland

Brian Dalton (President) and Roland Butler (Vice President) formed ALS when they rolled their separate exploration concessions into the company in 1997. Both Brian and Roland are accomplished geologists and explorationists who financed their way through university by optioning exploration concessions to mining companies. After going public in March, 1998, Dr. Geoff Thurlow immediately joined the board. The addition of Geoff brings considerable geologic depth to the already strong exploration team. Geoff is a respected and renowned expert on volcanogenic massive sulfide deposits (VMS) and responsible for associated with over a

dozen discoveries in Newfoundland, two of which are in feasibility. Given this strong team, it follows that exploration is geologically driven (as opposed to geophysically or corporately), and their 20 plus properties reflect a thorough understanding of Newfoundland geology and mineralization.

ALS' use of funds has effectively leveraged C\$550,000 into C\$7mil in potential expenditure

Almost equally important when evaluating a junior is the company's ability to stay focused on the geographic and geologic environment they know, and to continually turn up quality properties. By focusing on Newfoundland, ALS has established themselves as the pre-eminent authority in an extraordinary geologic terrain. Newfoundland was the proving ground of plate tectonics and is comprised of fragments of Africa on the east and North America to the west. Between these two landmasses an entire ocean has been compressed. This tectonic setting makes Newfoundland such a mineral rich island hosting VMS, nickel, epithermal gold and, iron oxide copper-gold style mineralization that ALS is targeting. An understanding of the structural complexity resulting from this tectonic setting is requisite to successful exploration.

The world class Buchans VMS deposit is the style of mineralization Billiton hopes to find at Victoria River

Newfoundland is best known for its VMS mineralization, in particular one of the richest deposits in the world, Buchans, where 16mil tonnes grading 14% zinc, 7.5% lead, 1.3% copper, 126g/t silver and 1.4g/t gold was mined. The ALS Victoria River property offers such a Buchans style target. Work to date outlined some strong geological and geophysical targets that could be the source of

debris flow clasts carrying up to 20% zinc and high copper, silver and gold values. Billiton recognized this potential and joint ventured into the property agreeing to spend C\$200,00 this year as part of a C\$1.5mil for 70% earn-in option. Billiton is using ALS geologist Geoff Thurlow to delineate targets and site drill holes for this summer, further evidence of ALS's technical competence. Results should be out early summer.

Inmet is earning into two VMS properties with known mineralization

Elsewhere in this VMS belt, Inmet Mining is earning into the Lockport and Pt. Leamington properties. The deal requires Inmet to spend C\$2.5mil for 55%, and both properties should see a total of about 4,000m of drilling this summer. Lockport is a known prospect that has seen some previous work, however detailed work by ALS recognized that the mineralized sequence was overturned and subsequent drilling through the basal stringer mineralization intersected 26m of massive sulfide mineralization. This year's drilling will target deeper extensions of this massive sulfide. The Pt. Leamington deposit hosts 14mil tonnes of massive sulfide (mostly pyrite) and the ALS-Inmet property is adjacent to a Rubicon-Billiton drill intercept of 21m grading 12.7% zinc, 3.8g/t gold, 43g/t silver and 0.48% copper. It appears the down-plunge extension of the Rubicon mineralization could lie on the ALS Pt. Leamington property.

Grab samples of up to 8%Ni have attracted Billiton to this potential new nickel belt

The Taylor Brook property represents a potentially new nickel belt in far western Newfoundland. Reconnaissance work by the vending prospector and ALS turned up 2% to 8% nickel and elevated platinum

group metals in rock samples. Billiton is earning into the property by spending a minimum of C\$250,000 this year which should include drilling this fall. More properties will undoubtedly come out of this new belt.

Epithermal gold mineralization was discovered by ALS in this entirely new setting for Newfoundland

ALS has also discovered an entirely new region of epithermal gold mineralization in Devonian aged (~300mil years old) sediments. The belt contains numerous examples of high level, hot spring alteration with gold occurring at a number of localities. Teck Corp. farmed into the Moosehead property in 1998, then pulled out (mistake) after a small drill program. Sulliden Resources has an option to earn into the Rolling Pond and Mustang properties this summer. Their exploration plans are not finalized, and due to their low cash position we could see Sulliden pull out of the property. None-the-less, this is an exciting unexplored belt and the potential for significant gold deposits is only just being recognized. We should see further joint ventures on ALS properties.

Averaging potentially \$15 in partner expenditure for every \$1 spent by ALS, this is the most intelligent way to play the high risk exploration business

ALS has another 13 wholly owned properties that offer the potential of VMS, gold, nickel, platinum and copper discoveries. For every property it seems ALS has two more ideas and targets in the pipeline. As these are brought to the joint venture stage, ALS will acquire more quality properties. Although it's important to realize the extremely long odds of an economic mineral discovery, ALS has so far managed to minimize risk by leveraging themselves into five projects where potentially C\$15 is spent by partners for every C\$1 they

originally put in. In our minds, this is the most intelligent way to play a very high-risk business.

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