

NEWS

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Altius Minerals Holds A Trump Card At the Newfoundland Oil Refinery

Minesite has long been a fan of Brian Dalton's Altius Minerals and recent progress clearly demonstrates the reasoning behind this stance. For a start the Newfoundland & Labrador Ministry of Environment and Conservation has now conditionally approved the crucial environmental impact statement which has cleared the way for the development of Newfoundland & Labrador Corporation's C\$5 billion petroleum refinery at Placentia Bay—the first new refinery slated for construction in North America in three decades. Altius owns a 37 per cent equity interest in the planned 300,000 barrel/day Newfoundland refinery and is a founding member of the investor group designing and developing the project.

The company's joint venture operations are also going well. The latest news is that an alliance has been agreed with JNR Resources to explore for uranium deposits hosted in Silurian to Devonian-age felsic volcanic and related intrusive rocks in central Newfoundland. The 50-50 exploration partners have staked 10,584 claims covering 264,600 hectares, one of the largest staking efforts ever undertaken in eastern Canada, according to **Altius**. "This past year has seen **Altius** secure more JV's in a single year than ever before and I am confident that this new crop of projects and partnerships will lead to further success and enrichment in shareholder value. I like them all! The more opportunities we generate, the greater the odds the company will prosper.", **Altius's** corporate development officer Chad Wells told Minesite.

Regarding the environmental impact statement Chad said, "This positive decision now allows us to focus on building the key partnerships and agreements for the commercial side of things, such as crude off-take, that will facilitate NLRC's ability to structure an arrangement to raise the C\$5 billion required to construct this world class facility. The next three to four months will focus on the multiple arms of the commercial side of things which then effectively lead to the mode of financing."

The environment ministry's approval and the increasing likelihood of **Altius** earning royalty income from NLRC's gross refining margins based on a sliding 1-10 per cent scale prompted Haywood & Co. analyst David Beasley to add C\$10-plus to the value of **Altius's** shares, peg a new target price at C\$37, and grade the company as Sector Outperform. **Altius** has a 62 per cent stake in the refinery's royalties. Brian Dalton learned all about the benefits of royalties a few years ago when the company acquired an interest in the Voisey's Bay nickel royalties which should start to pay off in the next year or so.

"The positive decision by the Provincial Minister of Environment and Conservation provides what we consider to be a near best-case outcome for the process, as conditions on the decision do not appear to be problematic. With the most significant hurdle cleared, we expect the company's various ongoing negotiations to accelerate," Beasley wrote in a recent

research update.

"**Altius** is a natural resources business that focuses on project/concept generation with a vision to create non-operational stakes and royalties in world class natural resource projects," Chad explains. "Our focus in the resource rich jurisdiction of Newfoundland and Labrador offers numerous world class natural resource opportunities in which we want to participate and contribute to the prosperity of this region."

As already pointed out, **Altius** owns a 10 per cent interest in the Labrador Nickel Royalty Limited Partnership which in turn owns a 3 per cent net smelter return royalty in the Voisey's Bay nickel district. CVRD Inco's Voisey's Bay Nickel Company is investing C\$3 billion in mining and processing infrastructure in the Canadian province over the estimated 30-year life of the project. **Altius** reported an initial payment of C\$4.3 million from this royalty in the year to end April 2007.

Altius has inked more than 40 joint ventures in the mineral exploration space spread across the commodities spectrum since the company was established. "It remains a core business within our company and our philosophy to 'build through partnership' is sound and it is this joint venture model and discipline that has lead to successes like Aurora and **Rambler**" says Chad. The latter two JVs have progressed to the point where Aurora Energy Resources listed on the TSX in March 2006 and **Rambler** Metals & Mining did likewise, listing on the TSX as well as the London's AIM market. **Altius** owns 43.2 per cent of Aurora Energy Resource's shares, plus royalty interests in its Central Mineral Belt uranium project, and holds 30 per cent of **Rambler**'s shares.

The company has taken significant profits on its Aurora Energy shares and now has a modest holding, but it is still involved with **Rambler**. The result is cash in the kitty of around C\$120 million and to this it will be adding another US\$50 million from a bought deal announced at the end of last week. Perpetual motion is what the company is about and though the refinery appears to be top of the pile at the moment, it could be overtaken by any one of the other joint ventures in which this exciting company is involved.

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