

# The Northern Miner

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## ALTIUS MORE THAN A BLIP ON HAYWOOD'S RADAR SCREEN

Newfoundland is proving to be a favoured hunting ground for junior companies searching for stand-alone gold projects or base metal deposits that might attract the interest of majors. Mining analyst James Mustard of Haywood Securities says Altius Minerals (ALS-V) stands out among those companies exploring the island "because of its focus, large property portfolio, novel approach to financing, and excellent capital structure."

The junior holds 20 properties in the province, including several under option to major companies that are funding early-stage exploration. In most cases, Altius is operator.

For proof that Newfoundland is a prospective for large deposits, Mustard points to the famous Buchans massive sulphide operation, which produced continuously between 1928 and 1984. Production over the 56-year period was 16.2 million tonnes grading 1.33% copper, 7.56% lead and 14.51% zinc, plus 126 grams silver and 1.37 grams gold per tonne.

"A history of major industrial conglomerates (such as Brinex and Nalcorp) holding minerals tenure precluded effective exploration and prospecting by small entrepreneurial companies and individuals until the mid-1980's," Mustard notes. "Thus, much of the island is underexplored except for a few small areas."

Altius is managed by a team of local geologists who are familiar with the province's geological potential. Their strategy is to locate promising, early-stage properties and then advance them sufficiently to interest a major partner.

"This formula has worked well to date for two principal reasons," Mustard explains. "There is a ready supply of untested but well-located properties, and the management group's reputation is highly rated by those higher up the food chain."

Having reviewed the junior's properties, Mustard issues a "speculative buy" recommendation for Altius, based on ongoing drill programs. (He discloses that a director of Haywood Securities holds shares of Altius.) The junior trades at about 50¢ within a 52-week range of 22-60¢ and has 11.6 million shares outstanding.

Haywood's research report focuses on three main projects: Lockport and Point Leamington, Robert Arm and Plateau Nickel (Taylor Brook).

Inmet Mining (IMN-T) can earn a 55% interest in the Lockport and

Point Leamington properties by spending \$2.5 million over four years. Drilling is under way at Lockport, which is considered prospective for hosting volcanogenic massive sulphide mineralization.

The first hole is designed to test the favourable stratigraphy 200 metres below a massive sulphide discovery made before Inmet optioned the ground. The discovery hole hit 26 metres of pyretic massive sulphide mineralization, which contained sections enriched in zinc, gold and silver, below a thick interval of strongly altered and mineralized felsic and mafic volcanic rocks. A second hole intersected the same rocks, returning copper-rich stock work sections. Altius believes both holes indicated potential for the discovery of an ore-grade deposit, and it plans to drill several thousand metres to follow up the new discovery and test new prospective areas.

A recent 759-metre drill program at Point Leamington did not intersect economic mineralization, and graphitic horizons were found to be the apparent cause of the geophysical anomaly that was targeted. Even so, the property covers 15km of strike length of favourable geology surrounding the Point Leamington deposit (belonging to another junior and under option to a major). The Roberts Arm properties cover portions of six known massive pyrite deposits within a sequence of largely underexplored felsic volcanics in a complexly folded/faulted setting.

Mustard says the main targets include the downplunge projections of the 3B zone, where a historical hole returned a 4.4 metre intersection of 4.4% copper. The Shamrock property hosts a massive sulphide zone (trenched late last year) that returned 6.4% zinc and 4.9% lead over 4 metres.

“Both Roberts Arm and Shamrock are being marketed to potential partners,” Mustard notes, “as are several other projects in the area, and consequently we do not anticipate any focused work until next year.”

Billiton has the right to acquire a 60% interest in the Plateau Nickel project, which covers newly discovered nickel-copper-cobalt mineralization in an unexplored region of northwestern Newfoundland. The mineralization identified at the Layden showing is associated with mafic-to-ultramafic rocks. Grab samples returned grades of 5.38% nickel, 1% copper and 0.1% cobalt, plus anomalous gold, platinum and palladium. The discovery is being followed up by trenching, geophysics and more sampling.

While these are not easy times for exploration companies, Mustard believes Altius could benefit if rumours of renewed discussions over development of the stalled Voisey's Bay nickel deposit in Labrador prove true. “If a resolution were to come about, it would be good news for the mineral markets in general,” he says.