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Company Updates

Altius Minerals

(ALS - CDNX)

The recently announced joint venture with Barrick Gold is significant far beyond the money that the major company will spend on the Altius property. This joint venture deal with the major is almost more important as a confirmation of the leading edge geological work that the Altius geologists are conducting in Newfoundland.

The geological brains behind Altius were the first to recognize the potential for Carlin-type gold deposits in the province. (The Carlin Trend in Nevada is the second largest depository of gold in the world.) Barrick is one of the leading producers in the Carlin Trend. That company, which now ranks as the second largest gold producer, began as a penny-stock operating a gold mine in Nevada less than 20 years ago.

The evidence in the field on the Altius property is strongly supportive of a Carlin-type setting. (See the comments in the July 2001 issue of Resource Opportunities that follow from my site visit. Available at www.ResourceOpportunities.com)

In spite of the strong geological evidence, Barrick's field geologists had a tough time initially convincing head office that such a huge prize could exist in a setting where no one had previously thought it possible.

The deal demonstrates that Barrick's management now believes in the potential for a major discovery on Altius' Botwood Basin project. Bar-

rick must fund all of the exploration costs through completion of a feasibility study to earn its 75% interest. In addition, the major has reimbursed Altius for the costs it incurred on the project to date. Furthermore, Altius can elect to have Barrick fund the project all the way to production in return for an additional 5% interest.

It's not hard to see the reasons for Barrick's bullishness on the Botwood Basin project. Altius geologists have identified a 90 kilometer long trend (roughly the extent of the Carlin Trend) that has geological features remarkably similar to the Nevada setting.

An important distinction is that the Newfoundland trend is almost completely obscured by soil and forest cover. It took the youthful enthusiasm and the diligence of the Altius team to uncover enough rocks to put the story together.

Altius had been turning up decent gold values along the trend for more than a year. However, the complexion of the project changed dramatically with some recent drill results. A joint venture partner that was drilling on a small portion of Altius' property in the region hit a bonanza intersection of 5 ounces of gold over 5 feet.

Beyond the obvious importance of this project in its own right is the confirmation of the world class potential of the projects that are being turned up by Altius. Readers may recall that in the July issue I also described other Altius projects, involving copper, nickel and uranium projects, of a scale comparable to the potential of the Botwood Basin gold project.

Keep an eye out for more joint ven-

tures with major companies on other Altius projects. Altius, in my opinion, is the quintessential exploration company: Smart geologists that come up with high potential projects and then let other companies spend the big dollars to explore the projects. Over time, one or more of those projects will be shown to be an important discovery and reward patient shareholders with a several-fold return on their investment.

The only negative with this stock is that it is not very liquid and it is difficult to accumulate a meaningful position. Much of the stock is held by insiders and long-term supporters. Even though the price gained more than 60% since the company was presented here last July, very little stock has come free.

The price has moved up in the past few months, but it is still worth holding a stake as I believe it will ultimately be a major success story.

Price Jan 11, 2002: C\$0.99

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