

Junior exploration company weathers economic storm

BY NATASHA CARBERRY
R-B NEWS

Altius Minerals has weathered a four-year economic storm, and the road ahead is beginning to look brighter for the company.

The junior exploration company, with offices in St. John's and Laurenceton, defied the odds and experienced steady growth over the past several years – despite exploration and mining analysts' statements that the recent downturn was one of the worst in their industry's history.

Roland Butler, Altius' vice-president and chief financial officer (CFO), has a theory for the company's success.

He told the Grand Falls Rotary Club recently the firm is part of a growing local base of companies, who are attracting new investment to the province, committed to mineral exploration on a regional level.

"We're a business that's interested in return on investment and creating shareholder value," he said. "Our business plan is to generate exploration projects that would be of interest to mining companies; to form partnerships with those mining companies, and to conduct drilling operations.

"Drilling is an important part of our overall plan, and one aspect of our activities that we've increased over the past four years," added Mr. Butler. "This year, we're forecasting 10 kilometres of drilling, which will increase our chances

of discovery."

The vice-president added that Altius Minerals' progress over the past four years has been "remarkable."

He credits his company's success in large part to the benefits of setting up operations in Newfoundland and Labrador.

"We've been able to do it here in this province because it has been a great place to work," he explained. "The rocks are here, the people are here, and there are a lot of services available at a reasonable cost. It is a great place to work."

PARTNERSHIPS

However, the success the company has experienced has not happened in isolation of others in the industry.

Over the past several years, Mr. Butler said Altius Minerals has formed partnerships and joint ventures with mining and exploration companies including Billiton, Noranda, Sudbury Contact Mines, a subsidiary of Agnico-Eagle and Inmet Mining, among others.

"The benefit of partnering with mining companies is that they are a remarkable source of expertise," he explained. "They can look at a project and decide if it has the potential to become a mine. That can provide confidence for the shareholder when they go to make an investment.

"The other benefit they bring is technical expertise," added the vice-president. "Drilling can also get expensive – up to



Roland Butler, vice-president and chief financial officer of Altius Minerals (center), updated the Grand Falls Rotary Club's secretary, Rod French, and president, Corporal Peter McKay, on his company's recent activities.

80 per cent of an exploration budget, so partners also bring a financial commitment to the arrangement."

The end result is the company, which began in 1997 with three people and an investment of \$30,000, is now worth an estimated \$14 million.

"As a result of our activities, we have a number of projects and 29 properties," said Mr. Butler. "Lots of people are starting to follow the company and its projects,

and as a result, they're learning a lot about Newfoundland. That's a positive thing in itself.

"But, we have to keep exploring, and hopefully we'll make that large discovery further down the road," he added. "The mineral potential is here, and it is being developed by local exploration companies and prospectors. That's the story that's been developing in Newfoundland for the past five to 10 years."