

# **Altius Minerals Corporation (ALS:TSXV)**

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## **ALTIUS TO ACQUIRE PART OF NSR ROYALTY INTEREST IN VOISEY'S BAY**

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ST. JOHN'S – Altius Minerals Corporation (“Altius”) has entered into an agreement to acquire part of the 3% net smelter return (“NSR”) royalty interest in the Voisey's Bay nickel-copper-cobalt project in Labrador, Canada. The NSR is currently held by Archean Resources Limited (“Archean”), who made the initial discovery of nickel-copper-cobalt near Voisey's Bay. Archean is a private, Newfoundland and Labrador-based mineral exploration company, wholly at arms length from Altius. Inco Limited and its wholly owned subsidiary, Voisey's Bay Nickel Company Limited, are currently developing the Voisey's Bay project.

Altius considers the acquisition of this NSR to represent both an attractive and rare opportunity for its shareholders to participate in a world-class mineral project. Recent feasibility study results released by Inco Limited suggest that the Voisey's Bay deposit has the potential to be one of the largest and lowest-cost nickel producers in the world.

Upon the closing of the proposed acquisition a limited partnership will be formed by Archean and Altius. Archean will contribute the NSR to the limited partnership and Altius will acquire a 7.5% interest in the limited partnership. In addition, Altius will receive an escalating 3½ year option to increase its interest in the limited partnership to 10%.

The acquisition price for Altius' interest in the limited partnership will be C\$9.75 million and 750,000 common share purchase warrants in Altius. The warrants may be exercised at escalating prices ranging from C\$2.00 to C\$4.00 over the next 3½ years.

To fund the cash portion of the proposed acquisition, Altius has engaged a syndicate of underwriters co-led by Haywood Securities Inc. and Canaccord Capital Corporation and also including Pacific International Securities Inc. This syndicate will place 6,250,000 units, on a best efforts basis, for proceeds of C\$10 million. Each unit will be priced at C\$1.60 and include one half of one share purchase warrant. The warrant exercise price and term will be set in accordance with TSX Venture Exchange policies and regulations. The proceeds of the placement will be held in escrow pending successful closing of the acquisition.

Closing conditions include completion of final partnership agreements, regulatory approval, completion of financing and waiver by Voisey's Bay Nickel Company Limited of a first right of refusal it holds concerning any sale or transfer of the NSR by Archean. While Voisey's Bay Nickel Company Limited has indicated its willingness to provide this waiver, any such waiver will be subject to the satisfaction of certain terms and conditions requested by Voisey's Bay Nickel Company Limited, including a right of first offer granted to Voisey's Bay Nickel Company Limited covering future sales or transfers of the limited partnership units or the NSR. While Altius and Archean believe they are capable of satisfying all such terms and conditions, such terms and conditions are subject to negotiation and must be satisfactory to Voisey's Bay Nickel Company Limited.

The Voisey's Bay project is currently expected to occupy a very low position on the cost curve for global nickel projects. Inco, in a March 20, 2003 press release, announced results of a bankable feasibility study for the initial phase of the Voisey's Bay project that projected life-of-mine finished nickel production cash costs, based upon certain nickel and other metal and exchange rate assumptions, of approximately US\$1.10 to US\$1.15 per pound. Annual nickel prices over the past 25 years have ranged between US\$1.76 and US\$6.25 and the current London Metal Exchange cash quoted price is slightly more than US\$4.00.

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Assuming a 10% partnership interest, a 25-year life for the Voisey's Bay project, and Inco's year-end 2002 reported estimates of mineral reserves and resources, Altius has internally estimated its life-of-project average annual royalty revenue would be well in excess of C\$1 million per year. This estimate has been developed exclusively by Altius and has not been reviewed by any third party. Inco's current scheduling anticipates commencement of production from the Voisey's Bay deposit in either late 2005 or early 2006.

Considerable change and refinement to the modeled estimate is likely as more specific information becomes available concerning factors that include start-up timing, metal recoveries, production rates and grade scheduling, and smelting and refining charges, among other items. The revenue stream is expected to be most sensitive to the price of nickel. A long-term average nickel price of US\$3.25 per pound was utilized for the estimate described above.

Additional information concerning the Voisey's Bay project can be accessed by visiting the corporate websites of Voisey's Bay Nickel Company Limited ([www.vbnc.com](http://www.vbnc.com)) and Inco Limited ([www.Inco.com](http://www.Inco.com)). Inco's 2002 annual report is available for download at the latter and contains a section that provides mineral reserve and resource estimates as at year-end 2002.

### **Altius Minerals Corporation**

Altius has established a proven 5-year track record under its business plan of generating innovative exploration projects and attracting mining company joint venture partners. Thus far, 29 properties have attracted direct project financing from companies such as Barrick Gold, BHP-Billiton, Cameco Corporation, Inmet Mining, Sudbury Contact Mines, and Teck-Cominco, among others. As part of these agreements, Altius normally receives cash payments and retains the flexibility to hold direct property interests or to convert to production royalties.

Altius presently has approximately \$2.5 million in working capital and no debt. This year, for the fifth successive year, exploration expenditures by partners are projected to be higher than previous year levels.

Upon closing of this transaction, Altius will be positioned to grow its portfolio of mineral property and royalty interests and will continue to seek opportunities of merit within the sector.

**For further information, please contact Brian Dalton or Chad Wells**

This News Release includes certain "forward-looking statements" as such term is commonly understood. Other than statements of historical fact, all statements in this release, including, without limitation, statements regarding mineral reserves and resources estimates, commencement of production, potential ranking of the Voisey's Bay deposit amongst global nickel projects, projected annual royalty revenue and future plans and objectives of the Company, are forward-looking statements that involve various known and unknown risks, uncertainties and other factors. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date of this announcement. Important factors that could cause actual results to differ materially from the Company's expectations include, among others, the ongoing results of current exploration activities, conclusions of any pre-feasibility or feasibility studies, start up timing, metal recoveries, smelting and refining charges, long term demand for and supply of nickel, copper and cobalt, exchange rates, the accuracy of mineral reserves and resources estimates, the provincial tax regime, environmental and political developments, changes in project parameters and future metal prices, as well as those factors discussed herein and elsewhere in the Company's documents filed from time to time with the TSX Venture Exchange, Canadian securities regulators and other regulatory authorities. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. While the Company anticipates that subsequent events and developments may cause the Company's views to change, the Company specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this release.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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