ALTIUS MINERALS CORPORATION

Management's Discussion and Analysis
of Financial Conditions and Results of Operations
Three and Nine Months Ended January 31, 2017

ALTIUS MINERALS CORPORATION

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's condensed consolidated financial statements for the three and nine months ended January 31, 2017 and related notes. This MD&A has been prepared as of March 15, 2017.

Management's discussion and analysis of financial condition and results of operations contains forward–looking statements. By their nature, these statements involve risks and uncertainties, many of which are beyond the Corporation's control, which could cause actual results to differ materially from those expressed in such forward-looking statements. Readers are cautioned not to place undue reliance on these statements. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional information regarding the Corporation, including the Corporation's continuous disclosure materials, is available on the Corporation's website at www.altiusminerals.com or through the SEDAR website at www.sedar.com.

Description of Business

Altius Minerals Corporation ("Altius" or the "Corporation") has two key elements to its long-term business strategy - the building of a diversified portfolio of long-life mine royalty/streaming interests and the generation of high quality exploration projects that it converts to royalties and various other types of third party funded interests. Both business components recognize the strong inherent cyclicity of valuations and the availability of capital within the minerals sector, and are managed with contrarian discipline over full-cycle investment timeframes.

Its diversified direct and indirect royalties and streams generate revenue from 15 operating mines located in Canada (14) and Brazil (1), from copper, zinc, nickel, cobalt, precious metals, potash, iron ore and thermal (electrical) and metallurgical coal (see *Appendix 1: Summary of Producing Royalties and Streaming Interests*). The portfolio also includes numerous pre-production stage royalties covering a wide spectrum of mineral commodities in numerous jurisdictions. Additional information on the status of these royalty interests is available in *Appendix 2: Summary of Exploration and Pre-Development Stage Royalties* of this MD&A.

The Corporation's exploration project generation portfolio is well diversified by commodity and geography, and consists of exploration projects it has generated in respect of which it seeks to create funding partnerships with other exploration and mining companies to advance the projects while retaining royalties and equity or minority project interests.

Operational and Business Overview

The Corporation's two business lines continues to benefit from the improving commodity markets during the quarter and year to date. The Royalty business saw commodity price and production volume improvements that brought royalty revenue to record levels across the portfolio during the quarter. The Project Generation business also benefited from improved equity market sentiment and the Corporation closed four third party agreements during the three months ended January 31, 2017. In addition, the value of the Corporation's junior equities portfolio continued to grow as a result of improving markets and additions stemming from project vend-out agreements.

Fairfax Investment
Subsequent to the quarter end, on February 24, 2017, the Corporation announced it had entered into a letter agreement pursuant to which Fairfax Financial Holdings Limited, through certain of its subsidiaries ("Fairfax') will make up to a $100 million investment in Altius. Fairfax has agreed to subscribe, on a private placement basis, for 5% preferred securities in an aggregate amount of $100 million, issuable in tranches of not less than $25 million. The preferred securities will be subordinate, secured and have no fixed maturity date but may be redeemed by the Corporation at any time after 5 years from closing, or after 3 years if its common shares are trading at a price of at least $24 per share.

The Corporation has also agreed to issue to Fairfax 6,670,000 common share purchase warrants, exercisable at $15 per share. Warrants will vest proportionately based on the aggregate amount of preferred securities issued by Altius under the private placement. Each vested warrant will be exercisable within 5 years, but may be extended to 7 years if the closing price of the Altius common shares is less than $24 on the fifth anniversary of the initial closing. The Corporation can also elect to require early exercise of the warrants if the closing price of its common shares reaches $24 at any time after the third anniversary of the initial closing.

The Corporation intends to close an initial subscription of $25 million, and has sole discretion with respect to additional Fairfax subscriptions for the remaining $75 million in minimum tranche sizes of $25 million by no later than December 31, 2017. The proceeds from the Fairfax financing will be used by the

Corporation for investing in opportunities it identifies within the mining and minerals sector and for general corporate purposes.

Fairfax will have the right to nominate one director to the board of directors of Altius.

Royalties

A summary of the Corporation's attributable revenue by royalty shown in thousands of Canadian dollars is as follows:

	Three months ended January 31,			Nine months ended January 31,		
	2017	2016	Variance	**2017**	2016	Variance
Revenue						
Base metals						
777 Mine	**2,213**	1,642	571	**7,261**	6,534	727
Chapada	**4,427**	-	4,427	**7,615**	-	7,615
Voisey's Bay	**-**	381	(381)	**-**	1,430	(1,430)
Metallurgical Coal						
Cheviot	**1,582**	356	1,226	**2,854**	1,228	1,626
Thermal (Electrical) Coal						
Genesee	**2,131**	1,374	757	**4,327**	5,171	(844)
Paintearth	**225**	238	(13)	**520**	897	(377)
Sheerness	**1,527**	1,013	514	**4,096**	3,455	641
Highvale	**275**	231	44	**635**	532	103
Potash						
Cory	**121**	199	(78)	**342**	633	(291)
Rocanville	**733**	570	163	**1,502**	1,848	(346)
Allan	**116**	143	(27)	**253**	381	(128)
Patience Lake	**42**	72	(30)	**66**	120	(54)
Esterhazy	**258**	283	(25)	**718**	968	(250)
Vanscoy	**22**	32	(10)	**44**	110	(66)
CDP - potash	**177**	193	(16)	**436**	700	(264)
Other						
CDP - other	**325**	242	83	**1,016**	597	420
Project generation - other	**54**	1	53	**259**	3	256
Interest and investment	**307**	332	(25)	**967**	1,014	(47)
Attributable revenue	**14,535**	7,301	7,234	**32,911**	25,620	7,291

See non-IFRS measures section of this MD&A for definition and reconciliation of attributable revenue

Chapada Copper Stream

During the quarter, the Corporation sold 1,286,000 pounds of copper from its Chapada copper stream at an average price of US $2.60 per pound and generated gross revenue of US $3,338,000. During the nine-month period, Altius sold 2,426,000 pounds of copper at an average price of US$2.38 per pound and generated gross revenue of US $5,783,000. The Chapada Mine is operating as expected on a per annum basis while there may be variability in quarterly realized revenues to the Corporation due to timing of ore shipments. On February 14, 2017 Yamana Gold Corporation also reported positive exploration results from several areas within its Chapada Mine land holdings.

777 Copper-Zinc-Gold-Silver Royalty

The Corporation receives royalty revenues from HudBay Minerals Inc. on its 777 copper-zinc-gold-silver mine in Manitoba. Total royalty revenue for this period is higher than the comparable period in 2016 due to stronger metal prices. Production attributable to the 777 mine for the quarter was 10,800,000 pounds of copper and 24,000,000 pounds of zinc (2016 – 11,300,000 pounds of copper and 22,000,000 pounds of zinc). Royalty revenue for copper and zinc for the quarter was $1,105,000 and $1,108,000 respectively (2016 - $1,117,000 and $525,000).

Production attributable to the 777 mine for the nine months ended January 31, 2017 was 29,800,000 pounds of copper and 63,700,000 pounds of zinc (2016 – 35,000,000 pounds of copper and 47,8000,000 pounds of zinc). Royalty revenue for copper and zinc year to date is $4,659,000 and $2,601,000 respectively (2016 - $5,148,000 and $1,387,000).

Voisey's Bay Nickel-Copper-Cobalt Royalty

Vale continued to deduct capital costs associated with construction of its Long Harbour processing facility against the net smelter return royalty calculation, which has reduced the royalty to $nil. Altius disagrees that the royalty agreement allows for the deduction of capital related costs against royalty payments and through the Labrador Nickel Royalty Limited Partnership ("LNRLP") is pursuing a legal claim asserting its position and its royalty entitlements.

The LNRLP legal claim against Vale also includes assertions that all previous royalty payments made to it have been inadequate on the basis that the sales of material from the mine to other operating subsidiaries of Vale were completed at lower than fair market prices. Altius is a 10% unit holder in LNRLP while Royal Gold is the General Partner holding the remaining 90%. During the current quarter, the Corporation accrued legal fees of USD $219,000 in relation to its share of the legal expense to date. The legal claim is currently in the document production stage.

During the three months ended January 31, 2017, Vale processed 26,000,000 payable pounds of copper and 17,300,000 payable pounds of nickel (2016 – 39,200,000 payable pounds of copper and 19,700,000 payable pounds of nickel). On a year to date basis, Vale processed 62,300,000 payable pounds of copper and 58,800,000 payable pounds of nickel (2016 – 56,100,000 payable pounds of copper and 79,400,000 payable pounds of nickel).

Saskatchewan Potash Royalties

Altius receives revenue from six producing potash mining operations in Saskatchewan. Potash prices remained relatively low during the quarter but appear to be stabilizing. These lower prices have led to production curtailments at several higher cost operations throughout the industry and the redirection of production to lower cost operations by certain producers. The mines from which Altius receives the majority of its royalties are generally lower cost operations and the Corporation is benefitting from increasing total royalty production volumes as a result.

Total production attributable to the Corporation's potash royalties during the quarter was 230,000 tonnes (2016 – 159,000 tonnes) at an average realized price of $274 per tonne (2016 - $368 per tonne). Total potash revenue for the three months ended January 31, 2017 was $1,469,000 (2016 - $1,491,000). Year to date 2017 combined royalty production volume has grown to 529,000 tonnes from 464,000 tonnes in 2016 mostly due to increased volumes from Rocanville and Esterhazy. For the nine months ended January 31, 2017 total potash revenues were $3,361,000 (2016 - $4,760,000).

Metallurgical Coal Royalty

The Corporation's royalty on Teck's Cheviot metallurgical coal mine is based upon both sales volumes and realized commodity prices, net of certain costs. Total sales attributable to the Corporation's metallurgical coal royalty during the quarter were 105,000 tonnes (2016 – 106,000 tonnes) at an average gross realized price of $378 per tonne (2016 - $103 per tonne). Year to date, total sales attributable to this royalty were 349,000 tonnes compared to 350,000 tonnes for the same period in 2016. Royalty revenue for the three and nine months ended January 31, 2017 was $1,582,000 and $2,854,000 respectively (2016 - $356,000 and $1,228,000).

Alberta Electrical Coal Royalties
The Corporation receives tonnage based royalties from four thermal coal mining operations that provide fuel to 15 individual electricity generating units in Alberta. Royalties are calculated based upon production tonnages multiplied by royalty rates that vary both by mine and, in some cases, production areas within individual mines. Royalty rates also recalculate annually in accordance with Canadian GDP indices. Total production attributable to the Corporation's electrical coal royalties during the quarter was 1,114,000 tonnes (2016 - 879,000 tonnes). Thermal coal royalties amounted to $4,158,000 during the three months ended January 31, 2017 (2016 - $2,856,000). On a year to date basis for 2017 and the comparable period in 2016, total production attributable to these royalties was 2,697,000 tonnes and 2,765,000 tonnes respectively. For the nine months ended January 31, 2017, thermal coal royalties were $9,578,000 (2016 - $10,055,000).

Production volumes and related revenues at Genesee were higher during the three months and nine months ended January 31, 2017 than the same periods ended January 31, 2016 based on timing of coal production.

Higher royalty revenues were received from the Sheerness mine during the three and nine month period ended January 31, 2017 as compared to the same periods in the prior year. Production volumes improved due to mine sequencing changes and movement back onto higher rate royalty applicable lands. The Sheerness royalty delivers variable royalty rates depending on the particular area of coal extraction.

Quarterly royalty revenues from the Paintearth mine were consistent with the prior year comparable quarter but lower for the nine-month period ended January 31, 2017 as compared to the same period in the prior year. The nine-month production volume decline is attributed to lower customer demand as a result of weaker economic conditions in Alberta.

The royalty on the Highvale mine, which commenced payments in 2015, delivered royalty revenues for the quarter in line with expectations and just slightly above the comparable three and nine months ended January 31, 2016.

Genesee Write-Down
The Corporation holds a 53% interest in the Genesee Royalty Limited Partnership ("GRLP"). GRLP holds an underlying ownership interest in the coal resources at the Genesee mine in Alberta. Its resources, upon mining by a third party contractor, provide low-cost, mine-mouth thermal coal feed to Capital Power Corp.'s adjacent Genesee generating station. This coal is provided on a long-term, exclusive basis in exchange for a tonnage-based royalty.

In accordance with a proposed change in provincial electrical generation policy, Capital Power recently announced that it has reached an agreement with the government of Alberta to accept compensatory transition payments in exchange for ceasing coal-fuelled power generation at its Genesee facilities by 2030. At the time that Altius and its investment partners acquired the royalty, Genesee was governed by policy and regulatory conditions that would allow it to continue operations until approximately 2055. As a result of this agreement, Altius has reassessed the value of future GRLP payments and has recorded an impairment charge of $72,001,000 during the three months ended January 31, 2017.

The government of Alberta has publicly acknowledged that the province's new policy objective - to completely phase out coal-based electrical generation capacity by 2030 - will have a negative economic impact on certain stakeholders that made investments in its integrated coal electricity sector under previous policy regimes. It has therefore elected to provide transition payments to impacted electrical generation stations as a means of compensation for resulting stranded investments and to ensure continuing investor confidence in the province.

Pre-Production Royalties

On February 28, 2017, Alderon Iron Ore Corp. announced the results of an updated preliminary economic assessment ("PEA") on the Kami Iron Ore Property ("Kami") in Labrador which was prepared as a result of improving economic and iron ore market conditions. The PEA indicated that the Kami project still has attractive economics at an iron ore price below the current spot price of ~$90 per tonne. The Corporation holds a 3% gross sales royalty on the Kami property as well as 32,869,006 shares of Alderon.

On December 6, 2016, Excelisor Mining Corp. announced the results of a feasibility study on the North Star Deposit of the Gunnison copper project ("Gunnison"). The project is designed as a copper in-situ recovery mine. The feasibility study was deemed by the issuer as the last technical milestone of the project feasibility prior to receipt of operating permits. The Corporation holds a 1% gross revenue royalty on the Gunnison project as well as 0.5% gross revenue royalty purchase option.

On February 28, 2017, Allegiance Coal Limited announced the completion and delivery of the coal marketing and price assessment report for its Telkwa coking coal project. A pre-feasibility report is expected on or before June 30, 2017. The Corporation holds a 1.5-3% sliding scale royalty on this project – see Telkwa discussion below.

Project Generation

The exploration strategy of the Corporation continues to be to generate high quality projects across the commodities spectrum that it expects will attract third party funding agreements that result in the vend-out of lands in exchange for retained royalties and equity shareholdings.

Current jurisdictional areas of exposure for the Corporation's project generation efforts include Canada, Ireland, Chile, Finland, the U.S., Australia and a select few other jurisdictions in the Americas and Europe. The majority of the projects within the portfolio have been acquired through low-cost direct staking initiatives. Demand for the Corporation's projects has increased substantially during the current year as junior equity markets have begun to rebound from deep cyclical lows.

Adventus Zinc Corporation

In December 2016 Altius reported that together with select strategic investors it participated in the co-founding of a new company, Adventus Zinc Corporation ("Adventus Zinc"), by contributing a portfolio of zinc exploration projects from its Newfoundland and Irish properties and cash in exchange for shares in the company. Adventus Zinc via an Initial Public Offering began trading as a public company on the TSX.V on February 9, 2017. The Corporation currently holds 12,114,012 shares (approximately 27%) and two seats on Adventus Zinc's board of directors.

Adventus Zinc has approximately $9,800,000 in initial working capital and is focused on pursuing the acquisition of one or more advanced-stage zinc projects while advancing its portfolio of prospective zinc exploration projects located in both Ireland and Eastern Canada.

Vidalita, Chile

In November 2016 the Corporation, through its 49% owned joint venture Mining Equity, executed a Heads of Agreement ("HOA") with an Australian junior company, Emu NL, related to the option of its Vidalita gold project in Chile. As consideration for the option, Mining Equity will, assuming the option exercise, receive 15,000,000 Emu shares. Mining Equity has received 2,500,000 shares in accordance with the agreement. Minimum exploration expenditures of $1,0000,000 US will be committed to the project over the initial 24 months of the agreement and a 1% NSR royalty will be retained. Subsequent to quarter end the HOA agreement was ratified by Emu NL shareholders at a Special Meeting and the initial 2.5 million share payment has been received by Altius.

Telkwa, British Columbia
On November 8, 2016, the private company optionee of the Telkwa Coal project ("Telkwa"), Telkwa Coal Limited ("TCL"), completed a transaction to be acquired by an Australian based public issuer, Allegiance Coal Ltd. ("Allegiance"). TCL has the right to earn up to a 90 percent interest in Telkwa in exchange for staged milestone payments. On October 29, 2016, the Corporation elected to receive its milestone option payment and reimbursement of certain mineral tenure related expenses in the form of shares in ASX listed Allegiance. The Corporation now holds 10,956,282 shares of Allegiance. The Corporation also retains a sliding scale gross sales royalty that ranges between 1.5% and 3.0% depending upon benchmark coal prices at the time of any coal sale, and a 10% project interest.

Antler Gold Inc.
On September 15, 2016, the Corporation completed an agreement to option its Wilding Lake property to Northwest Arm Capital Inc., a new TSX Venture Exchange listed Capital Pool Company which has since been renamed as Antler Gold Inc. ("Antler"). During the quarter ended January 31, 2017, Altius received 4,500,000 shares of Antler in exchange for the Wilding lake property while retaining a 2% net smelter return royalty covering the vast project.

Readers are encouraged to visit the corporate website at www.altiusminerals.com to gain added insight into the exploration activities and projects of the Corporation.

Outlook

Most base metal and bulk materials commodities saw meaningful price increases throughout the nine-month period ended January 31, 2017, which resulted in the growth of royalty revenues to record levels. Improved commodity prices in zinc, copper and metallurgical coal in particular are expected to continue to positively impact the Corporation's revenues in the fourth quarter.

Potash prices have improved slightly from their bottom this past summer as global producers implement supply side discipline measures such as curtailing production at higher cost operations. Longer term forecasts for global potash volume growth requirements remain positive and a shift of volumes to lower cost operations is expected to be ultimately beneficial to Altius given our weighted exposure to these lower cost operations.

Alberta thermal coal fired electricity generation demand continues to remain consistent and near capacity at the Genesee and Sheerness facilities while decreased electrical demand at higher cost operations such as Paintearth continued.

The Corporation will continue to selectively add high quality, long life royalties or streaming interests to the royalty portfolio should the right opportunities arise. Recently improved broader sector market sentiment has resulted in fewer opportunities available for production stage royalty assets but should also result in an improvement in the number of development stage assets that come to market for various types of financing.

Improvements in junior equity markets and the resulting access to capital is expected to enable the Corporation to vend-out additional mineral properties to select partners in exchange for equity interests and retained royalties. The Corporation has monetized certain legacy junior equity investments totaling $11,013,000 during the nine months ended January 31, 2017. Altius expects to continue to replenish and grow the investment base through additional vend-out agreements during the balance of this fiscal year and the Corporation is currently in discussions with various parties regarding new vend out arrangements.

Low-cost exploration and generative activities will continue to focus on the build-up and assembly of high quality projects in globally attractive mining jurisdictions.

Results of Operations

	Three months ended January 31,			Nine months ended Janauary 31,		
	2017	2016	Variance	**2017**	2016	Variance
Attributable revenue	**14,535**	7,301	7,234	**32,911**	25,620	7,291
Adjusted EBITDA	**11,262**	6,273	4,989	**24,451**	18,843	5,608
Loss attributable to common shareholders	**(67,293)**	(16,794)	(50,499)	**(63,903)**	(18,476)	(45,427)

Tabular amounts are shown in thousands of Canadian dollars

Altius had attributable revenue (see non-IFRS measures) of $14,535,000 for the third quarter ended January 31, 2017. This represents a new quarterly record and is a 46% increase over the second quarter ended October 31, 2016 and 99% over last year's comparable quarter ended January 31, 2016. The increase in attributable revenue was driven by higher 777 mine royalty revenues, particularly related to zinc production, a full quarter of revenue from the Chapada copper stream, and improvements in copper and metallurgical coal prices. The revenue increase was partially offset by lower potash prices and Voisey's Bay revenue of $nil (see discussion above). In the current year, adjusted EBITDA is impacted by positive changes to revenues offset by increases to costs and expenses discussed below. Interest and investment income was largely related to dividends received on available for sale equity holdings (particularly from Labrador Iron Ore Royalty Corporation) and interest on cash holdings.

The Corporation recorded a net loss per share to common shareholders of $1.55 for the three months ended January 31, 2017 compared to net loss per share of $0.42 for the three months ended January 31, 2016. The current quarter was negatively impacted by a non-cash impairment charge on its Genesee royalty interest of $72,001,000 ($1.66 per share). The 2016 quarter results were negatively impacted by losses in associates related to a non-cash reduction in the carrying value of shares held in Alderon Iron Ore.

Costs and Expenses

	Three months ended January 31,			Nine months ended January 31,		
	2017	2016	Variance	**2017**	2016	Variance
General and administrative	**1,520**	469	1,051	**4,579**	4,082	497
Cost of sales - copper stream	**1,291**	-	1,291	**2,239**	-	2,239
Share-based compensation	**239**	228	11	**862**	393	469
Generative exploration	**193**	132	61	**821**	343	478
Exploration and evaluation assets abondoned or impaired	**2,000**	2	1,998	**2,000**	661	1,339
Mineral rights and leases	**89**	202	(113)	**419**	632	(213)
Amortization and depletion	**3,169**	2,494	675	**8,709**	6,068	2,641
	8,501	3,527	4,974	**19,629**	12,179	7,450

Tabular amounts are shown in thousands of Canadian dollars

General and administrative expenses in the three and nine months ended January 31, 2017 were higher than in the prior year due to increased professional fees and salaries and benefits. Specifically, the Corporation had increased legal costs resulting from claims in relation to Bow City Power Limitedand the legal claim LNRLP is pursuing against Vale. The prior year salary costs recorded a reversal of a management bonus accrual of $272,000. Cost of sales – copper stream relates to the acquisition of copper under the Chapada copper stream agreement which provides for payments equal to 30% of the spot price. Generative exploration increased for the three and nine months ended January 31, 2017 due to increased exploration activities. The increase in exploration and evaluation assets abandoned or impaired for the three and nine months ended January 31, 2017 is primarily related to the impairment of a thermal coal exploration project in Alberta for $2,000,000. Increased amortization and depletion is primarily related to the addition of the Chapada copper stream agreement.

	Three months ended January 31,			Nine months ended January 31,		
	2017	2016	Variance	**2017**	2016	Variance
(Loss) earnings from joint ventures	**(67,226)**	(5,785)	(61,441)	**(61,471)**	1,119	(62,590)
Gain on disposal of investments and impairment recognition	**232**	(5,763)	5,995	**5,773**	(5,219)	10,992
Gain on disposal of mineral property	**2,657**	-	2,657	**2,657**	-	2,657
Foreign exchange loss	**317**	-	317	**(1,053)**	-	(1,053)
Gain (loss) on derivative financial instruments	**-**	129	(129)	**-**	348	(348)
Interest on long-term debt	**(1,422)**	(1,328)	(94)	**(6,351)**	(4,180)	(2,171)
Dilution gain on issuance of shares by associate	**566**	-	566	**566**	-	566
Share of loss and impairment in associates	**(95)**	(3,780)	3,685	**(95)**	(7,067)	6,972
Income tax expense	**1,402**	(850)	2,252	**1,997**	146	1,851

Tabular amounts are shown in thousands of Canadian dollars

Other factors which contributed to the change in the Corporation's loss are:

- Earnings from royalty joint ventures were lower than the previous year for the three and nine months ended January 31, 2017 as a result of the impairment of the Genesee royalty interest which is described in the *Operational and Business Overview* section of this MD&A.
- During the nine months ended January 31, 2017, the Corporation recorded net gains on sale of investments of $6,023,000 compared to a loss of $5,219,000 for the same period in the prior year.
- A gain on disposal of mineral property of $2,657,000 recorded in the three and nine months ended January 31, 2017 was related to the receipt of 4,500,000 Antler Gold shares received in relation to the transfer of the Wilding Lake gold project.
- The current nine-month period includes an impairment recognition of $250,000 compared to $4,903,000 in the prior year on Alderon and other investments, to adjust the carrying value to fair value.
- Interest on long-term debt in the nine-month period ended January 31, 2017 includes a one-time cost of $1,875,000 relating to the retirement of the previous credit facility. These costs were recognized in earnings during the period while costs associated with the new credit facilities were deferred and will be amortized over the terms of the debt.
- A dilution gain on issuance of shares by an associate of $566,000 recorded in the current three and nine months is related to Adventus Zinc, a corporation which Altius co-founded and currently owns approximately 27%.
- Foreign exchange loss recorded in the nine months ended January 31, 2017 related to the revaluation of the USD denominated Revolving Facility compared to $nil for the same periods in the prior year.

Cash Flows, Liquidity and Capital Resources

Summary of Cash Flows	**For the nine months ended January 31,**	
	2017	2016
	$	$
Operating activities	**5,136**	(4,428)
Financing activities	**45,032**	(13,416)
Investing activities	**(47,210)**	14,101
Net increase (decrease) in cash and cash equivalents	**2,958**	(3,743)
Cash and cash equivalents, beginning of period	**9,577**	18,543
Cash and cash equivalents, end of period	**12,535**	14,800

Tabular amounts are shown in thousands of Canadian dollars

Operating Activities

For the nine months ended January 31, 2017, there was increased royalty revenue, as described in the *Operational and Business Overview* section above, as well as lower income taxes paid which contributed to the improvement in operating cash flow.

Financing Activities

The Corporation closed an equity financing on May 3, 2016 for net proceeds of $37,620,000, a portion of which was used to pay for the acquisition of the Chapada copper stream. Net proceeds of $101,116,000 were received from new credit facilities. A portion of the new debt proceeds was used to repay the previous credit facility of $66,000,000.

A total of $22,929,000 (2016 - $9,000,000) was repaid on the new credit facilities in the nine months ended January 31, 2017, $4,655,000 of which was repaid in the three months ended January 31, 2017.

The Corporation paid dividends of $3,904,000 (2016 - $3,594,000) to its shareholders in the nine months ended January 31, 2017 and also repurchased and cancelled 90,000 common shares (2016 – 100,000) for a total cost of $872,000 (2016 - $822,000) under its normal course issuer bid.

Investing Activities

The Corporation paid $65,481,000 to complete its acquisition of the Chapada copper stream, of which $65,402,000 (US $52,000,000) was paid as the second and final payment directly to a subsidiary of Yamana and $79,000 was paid in acquisition related costs.

Joint venture based royalty cash flow decreased to $14,145,000 in the current year from $16,754,000 in the prior year because of slightly lower revenues on certain coal and potash royalties in the current year and timing of distributions. The Corporation received $11,013,000 in proceeds for the nine months ended January 31, 2017 from the sale of available for sale investments, which was used to repay a portion of new credit facilities, compared to $3,832,000 for the same period in the prior year.

The Corporation used $4,830,000 in cash to acquire investments in the nine months ended January 31, 2017 compared to $26,897,000 for the same period in the prior year.

In the prior year, net cash received from the Callinan acquisition on May 5, 2015 was $22,654,000.

Liquidity
At January 31, 2017, the Corporation had current assets of $17,337,000, consisting of $12,535,000 in cash and cash equivalents and $3,553,000 primarily in accounts receivable and prepaid expenses with the remainder in income taxes receivable, and current liabilities of $13,323,000 including the current portion of long-term debt obligations of $10,500,000. The Corporation has approximately $62,000,000 available on its revolving facility that can be used for future acquisitions. Contingent upon closing, the Fairfax financing, expected in late March, Altius may have additional liquidity of $100 million to invest in mining and mineral related opportunities. The Corporation's major sources of funding are from royalty and streaming revenue, cash receipts from royalty partnership interests, sales of direct and indirect exploration investments, and investment income. In addition, the Corporation partially funds exploration expenditures via third party agreements whereby exploration expenditures are cost-shared or funded by third parties in exchange for a partial ownership interest in the mineral rights to the properties.

Commitments and Contractual Obligations

The Corporation has obtained various mineral rights in Canada, Finland, Australia, the United States and Ireland by staking claims and paying refundable security deposits. On these lands, certain expenditures are required on an annual basis from the date of license issuance in order to maintain the licenses in good standing and for security deposits. On or before the anniversary date of license issuance, and if the required expenditures are not met, the Corporation has the option of reducing claims on a property, posting a refundable security bond for the deficient amount or electing to allow title of the license to be cancelled. The Corporation is required to spend an additional $562,000 by January 31, 2018 in order to maintain various licenses in good standing.

The following principal repayments for the new credit facilities are required over the next 5 years.

	Term	Revolver	Total
	$	**$**	**$**
2017	10,500,000	-	10,500,000
2018	13,000,000	-	13,000,000
2019	13,000,000	17,001,000	30,001,000
2020	27,500,000	-	27,500,000
2021	-	-	-
	64,000,000	17,001,000	81,001,000

Related Party Transactions

During the nine months ended January 31, 2017, the Corporation billed Mining Equity (a joint venture investment) for the reimbursement of exploration and consulting assistance totaling $172,000 (2016 - $157,000) of which $14,000 is included in the accounts receivable balance at January 31, 2017 (2016 - $157,000).

Strauss Partners Ltd., which is owned by director Jamie Strauss, was paid $50,000 (GBP 30,000) during the nine months ended January 31, 2017 (2016 - $nil) for marketing and investor relations services.

The Corporation billed Adventus $10,000 during the three and nine months ended January 31, 2017 for administrative services (2016 - $nil) and $133,000 for reimbursement of property, professional and general administrative expenses (2016 - $nil).

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that key management personnel consist of members of the Corporation's Board of Directors and corporate officers, including the Corporation's Executive Chairman, Chief Executive Officer and Chief Financial Officer, as well as two Vice Presidents reporting directly to a corporate officer.

Total salaries and benefits paid to key management personnel during the nine months ended January 31, 2017 was $1,855,000 (2016 - $1,514,000). Total share based compensation relating to key management personnel during the nine months ended January 31, 2017 was $862,000 (2016 - $393,000).

These related party transactions are in the normal course of operations and are measured at fair value, which is the amount of consideration established and agreed to by the related parties. It is management's estimation that these transactions were undertaken under the same terms and conditions as would apply to transactions with non-related parties.

Summary of Quarterly Financial Information

The table below outlines selected financial information related to the Corporation's attributable revenue, adjusted EBITDA, net earnings (loss) and net earnings (loss) per share for the most recent eight quarters. The financial information is extracted from the Corporation's interim condensed and audited consolidated financial statements.

Amounts in thousands of dollars, except per share amounts

$	January 31, 2017	October 31, 2016	July 31, 2016	April 30, 2016
Attributable revenue (1)	14,535	9,964	8,410	7,465
Adjusted EBITDA (1)	11,262	6,786	6,403	5,356
Net earnings (loss) attributable to common shareholders	(67,293)	341	3,049	(19,988)
Net earnings (loss) per share - basic and diluted	(1.55)	0.01	0.07	(0.51)

$	January 31, 2016	October 31, 2015	July 31, 2015	April 30, 2015
Attributable revenue (1)	7,301	8,534	9,785	6,981
Adjusted EBITDA (1)	6,273	6,475	6,094	4,927
Net earnings (loss) attributable to common shareholders	(16,794)	(1,140)	(1,632)	8,939
Net loss per share - basic and diluted	(0.42)	(0.03)	(0.04)	0.28

(1) Non-IFRS measures are reconciled and described in the Non-IFRS Measures section of this MD&A

Earnings are derived primarily from royalty and investment income. Royalty income is contingent on many factors including commodity prices, mine production levels, mine sequencing, maintenance schedules and the timing of concentrate shipments.

Net earnings are affected somewhat by revenue net of operating expenses, but are affected primarily by the realization of both cash and non-cash gains or losses on the Corporation's investments and mineral exploration alliances and the equity accounting of some investments.

Internal Control over Financial Reporting

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The certifying officers have evaluated the effectiveness of the Corporation's internal control over financial reporting as of January 31, 2017, and have concluded that such controls are adequate and effective to ensure accurate and complete financial reporting in public filings. The condensed consolidated interim financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out in the notes to the condensed consolidated interim financial statements for the three and nine months ended January 31, 2017. There has been no change in the Corporation's internal control over financial reporting during the Corporation's nine months ended January 31, 2017 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Evaluation and Effectiveness of Disclosure Controls and Procedures

The Corporation has established and maintains disclosure controls and procedures over financial reporting. The certifying officers have evaluated the effectiveness of the issuer's disclosure controls and procedures as of January 31, 2017, and have concluded that such procedures are adequate and effective to ensure accurate and complete disclosures in public filings.

There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of management estimates include the reserves used for depletion of the Chapada copper stream, rates for amortization of the royalty interests, deferred income taxes, the carrying value and assessment of impairment of investments in joint ventures and royalty and streaming interests, the assumptions used in the determination of the fair value of share based compensation, the assessment of impairment of goodwill and the assumptions used in the determination of the fair value of derivatives for which there is no publicly traded market.

Risk Factors and Key Success Factors

An investment in securities of the Corporation involves a significant degree of risk that should be considered prior to making an investment decision. In addition to discussions of key success factors and business issues elsewhere in this MD&A, the investor should consider risk factors. Please refer to the annual financial statements and MD&A for the year ended April 30, 2016 for a complete listing of risk factors specific to the Corporation. No additional risks have been identified in the current period.

The Corporation's coal royalty revenue is exposed to uncertainty given the proposal by the Government of Alberta to phase out coal fired power plants by the year 2030. The Corporation receives royalties from four coal fired power plants in Alberta and of these only the Genesee plant was expected to have a useful life beyond the proposed 2030 forced closure date. See *Operational and Business Overview* for further discussion on the phase out of coal fired electrical generation.

Financial Instrument Risk

The Corporation's financial assets and financial liabilities are exposed to various risk factors that may affect the fair value presentation or the amount ultimately received or paid on settlement of its assets and liabilities. The Corporation manages these risks through prudent investment and business decisions, and, where the exposure is deemed too high, the Corporation may enter into derivative contracts to reduce this exposure. The Corporation does not utilize derivative financial instruments for trading or speculative purposes. Hedge accounting is applied only when appropriate documentation and effectiveness criteria are met. The Corporation does not currently use any hedges.

A summary of the major financial instrument risks and the Corporation's approach to the management of these risks are included in the annual financial statements and MD&A for April 30, 2016. There have been no changes to these factors during the current period.

Outstanding Share Data

At March 15, 2017, the Corporation had 43,335,654 common shares outstanding, 400,000 warrants outstanding and 274,933 stock options outstanding.

Non-IFRS Measures

Attributable royalty and other revenue ("attributable revenue") and adjusted EBITDA are intended to provide additional information only and does not have any standardized meaning prescribed under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently. For a reconciliation of these measures to various IFRS measures, please see the Corporation's MD&A disclosure below. Tabular amounts are presented in thousands of Canadian dollars.

(1) Attributable revenue is defined by the Corporation as total revenue from the consolidated financial statements plus the Corporation's proportionate share of gross royalty revenue in the joint ventures. The Corporation's key decision makers use attributable royalty revenue and related attributable royalty expenses as a basis to evaluate the business performance. The attributable royalty revenue amounts, together with amortization of royalty interests, general and administrative costs and mining tax, are not reported gross in the consolidated statement of earnings (loss) since the royalty revenues are being generated in a joint venture and IFRS 11 Joint Arrangements requires net

reporting as an equity pick up. The reconciliation to IFRS reports the elimination of the attributable revenues and reconciles to the revenues recognized in the consolidated statements of earnings (loss).

(2) Adjusted EBITDA is defined by the Corporation as net earnings (loss) before taxes, amortization, interest, non-recurring items, non-cash amounts such as impairments, losses and gains, and share based compensation. The Corporation also adjusts earnings in joint ventures to reflect EBITDA on those assets which exclude amortization of royalty interests as well as adjusting for any one time items. Adjusted EBITDA is a useful measure of the performance of our business, especially for demonstrating the impact that EBITDA in joint ventures have on the overall business. Adjusted EBITDA identifies the cash generated in a given period that will be available to fund the Corporation's future operations, growth opportunities, shareholder dividends and to service debt obligations.

Reconciliation to IFRS measures

Attributable revenue	Three months ended			
$	January 31, 2017	October 31, 2016	July 31, 2016	April 30, 2016
Revenue				
Base metals	6,640	4,742	3,493	1,689
Coal	5,740	3,858	2,833	3,957
Potash	1,469	778	1,114	1,398
Other	379	269	627	119
Interest and investment	307	317	343	302
Attributable revenue	**14,535**	**9,964**	**8,410**	**7,465**
Adjust: joint venture revenue	(7,032)	(4,501)	(3,822)	(5,110)
IFRS revenue per consolidated financial statements	7,503	5,463	4,588	2,355

	Three months ended			
$	January 31, 2016	October 31, 2015	July 31, 2015	April 30, 2015
Revenue				
Base metals	2,458	2,733	3,208	761
Coal	3,212	3,819	4,252	3,911
Potash	1,298	1,474	1,793	2,078
Other	1	192	165	268
Interest and investment	332	316	366	(37)
Attributable revenue	**7,301**	**8,534**	**9,784**	**6,981**
Adjust: joint venture revenue	(4,891)	(5,449)	(6,431)	(6,379)
IFRS revenue per consolidated financial statements	2,410	3,085	3,353	602

ALTIUS MINERALS CORPORATION

Reconciliation to IFRS measures

Adjusted EBITDA (*)	**Three months ended**			
	January 31, 2017	**October 31, 2016**	**July 31, 2016**	**April 30, 2016**
Earnings (loss) before income taxes	(65,969)	630	3,290	(21,550)
Addback(deduct):				
Amortization and depletion	3,169	2,931	2,609	2,342
Exploration and evaluation assets abandoned or impaired	2,000	-	-	5,062
Share based compensation (share settled)	239	375	248	188
Interest on long-term debt	1,422	1,479	3,450	1,260
Loss (gain) on disposal of investments & impairment recognition	(232)	(357)	(5,184)	(506)
Unrealized (gain) loss on fair value adjustment of derivatives	-	-	-	-
Dilution (gain) on issuance of shares by associates	(566)	-	-	-
Share of loss and impairment in associates	95	-	-	-
Loss (earnings) from joint ventures	67,226	(3,064)	(2,691)	(3,433)
LNRLP EBITDA	-	-	-	-
Prairie Royalties EBITDA	6,852	4,348	3,755	5,078
Impairment of goodwill	-	-	-	16,402
Foreign currency loss	(317)	444	926	513
Gain on disposal of mineral property	(2,657)	-	-	-
Adjusted EBITDA	11,262	6,786	6,403	5,356

LNRLP EBITDA				
Revenue	-	-	-	-
Less: mining taxes	-	-	-	-
LNRLP Adjusted EBITDA	-	-	-	-

Prairie Royalties EBITDA				
Revenue	7,032	4,501	3,822	5,109
Operating expenses	(180)	(153)	(67)	(31)
Prairie Royalties Adjusted EBITDA	6,852	4,348	3,755	5,078

**updated calculation to reflect segmented reporting in Q1 2017*

Reconciliation to IFRS measures

Adjusted EBITDA (*)	Three months ended			
	January 31, 2016	**October 31, 2015**	**July 31, 2015**	**April 30, 2015**
(Loss) earnings before income taxes	(17,644)	(341)	(1,435)	9,276
Addback(deduct):				
Amortization	2,494	1,738	1,836	354
Share based compensation	228	(269)	434	-
Exploration and evaluation assets abandoned or impaired	2	317	342	138
Interest on long-term debt	1,328	1,405	1,447	2,343
Loss (gain) on disposal of investments & impairment recognition	5,763	(606)	62	(15,636)
Loss on disposal of subsidiary		-	-	5,839
Unrealized (gain) loss on fair value adjustment of derivatives	(129)	(219)	-	(435)
Dilution (gain) on issuance of shares by associates		-	-	-
Share of loss and impairment in associates	3,780	2,697	590	1,314
Loss (earnings) from joint ventures	5,785	(3,561)	(3,343)	(4,400)
LNRLP EBITDA	265	279	542	590
Prairie Royalties EBITDA	4,401	5,035	5,619	5,544
Adjusted EBITDA	6,273	6,475	6,094	4,927

LNRLP EBITDA				
Revenue	381	372	677	761
Less: mining taxes	(116)	(93)	(135)	(153)
Less: admin charges		-	-	(18)
LNRLP Adjusted EBITDA	265	279	542	590

Prairie Royalties EBITDA				
Revenue	4,511	5,079	5,752	5,623
Operating expenses	(110)	(44)	(133)	(79)
Prairie Royalties Adjusted EBITDA	4,401	5,035	5,619	5,544

**updated calculation to reflect segmented reporting in Q1 2017*

Appendix 1: Summary of Producing Royalties & Streaming Interests

Mine	Primary Commodity	Operator	Revenue Basis
Chapada	Copper	Yamana Gold	3.7% of payable copper stream
777	Zinc, Copper, Gold & Silver	Hudbay Minerals	4% Net smelter return ("NSR")
Genesee	Coal (Electricity)	Westmoreland/Capital Power Corporation	Tonnes x indexed multiplier
Sheerness	Coal (Electricity)	Westmoreland/ATCO/TransAlta	Tonnes x indexed multiplier
Paintearth	Coal (Electricity)	Westmoreland/ATCO	Tonnes x indexed multiplier
Highvale	Coal (Electricity)	TransAlta	Tonnes x indexed multiplier
Cheviot	Metallurgical Coal	Teck	2.5% effective net revenue
Rocanville	Potash	Potash Corp	Revenue
Cory	Potash	Potash Corp	Revenue
Allan	Potash	Potash Corp	Revenue
Patience Lake	Potash	Potash Corp	Revenue
Esterhazy	Potash	Mosaic	Revenue
Vanscoy	Potash	Agrium	Revenue
Voisey's Bay	Nickel, Copper, Cobalt	Vale	0.3% NSR
IOC	Iron	Iron Ore Company of Canada	7% Gross Overriding Royalty ("GOR")
CDP	Potash, other	Various	Revenue

* Held indirectly through common shares of Labrador Iron Ore Royalty Corporation

ALTIUS MINERALS CORPORATION

Appendix 2: Summary of Exploration and Pre-Development Stage Royalties

PRE-FEASIBILTY/FEASIBILITY

Property	Primary Commodity	Explorer/Developer	Royalty Basis	Status
Gunnison (Arizona)	Copper	Excelsior Mining Corp	1.0% GRR; options to acquire additional 0.5% GRR	Feasibility completed
Kami - iron ore (Western Labrador)	Iron	Alderon Iron Ore Corp	3% GSR	Feasibility
Telkwa – CDP (British Columbia)	Met Coal	Telkwa Coal Limited (TCL)	1.5%-3% price based sliding scale GSR	Pre-feasibility
Central Mineral Belt - uranium (Central Labrador)	Uranium	Paladin Energy Limited	2% GSR	Feasibility (on hold)

ADVANCED EXPLORATION

Property	Primary Commodity	Explorer/Developer	Royalty Basis	Status
War Baby (Manitoba)	Copper	HudBay Minerals	Possible to earn up to 3% NSR	Advanced exploration (inactive)
Viking - gold (Western Newfoundland)	Gold	Anaconda Mining Inc.	2% NSR, plus 1-1.5% royalties on surrounding lands	Scoping level

EXPLORATION

Property	Primary Commodity	Explorer/Developer	Royalty Basis	Status
Golden Shears (Nevada)	Gold	Renaissance Gold Inc (JV with Walmer Capital Corp.)	1.5% NSR	Early-stage exploration
Silicon (Nevada)	Gold	Renaissance Gold Inc	1.5% NSR	Early-stage exploration
Alvito (Portugal)	Copper	Avrupa Minerals Ltd	1.5% NSR	Early-stage exploration
Ely Springs/Jupiter (Nevada)	Gold	Kinetic Gold Corp	1.0% NSR	Early-stage exploration
Llano del Nogal (Mexico)	Copper	Evrim Resources Corp	1.5% NSR on PM; 1.0% NSR on BM	Early-stage exploration
Wallbridge Projects (Ontario)	Nickel	Wallbridge Mining Company Ltd	Option to acquire up to 2% NSR	Early-stage exploration
Pine Bay (Manitoba)	Copper	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; active

Appendix 2: Summary of Exploration and Pre-Development Stage Royalties

EXPLORATION

Property	**Primary Commodity**	**Explorer/Developer**	**Royalty Basis**	**Status**
Voyageur Lands (Michigan)	Nickel	Bitterroot Resources Ltd.	2% NSR	Early-stage exploration; active
Loro en el Hombro, Morsas, and Culebra projects (Chile)	Copper	Revelo Resources Corp.	0.98% NSR on gold, 0.49% NSR on base metals	Early-stage exploration; active
Fox River (Manitoba)	Copper	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; inactive
Herblet Lake (Manitoba)	Copper	Callinex Mines Ltd	Option to acquire 1.25% NSR	Early-stage exploration; inactive
Island Lake (Manitoba)	Copper	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; inactive
Pine Lake (Manitoba)	Copper	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; inactive
Copper Range (Michigan)	Copper	Bitterroot Resources Ltd.	Option to acquire 1% NSR held by a third party	Early-stage exploration; active
Storm Claim Group (Quebec)	Nickel	Northern Shield Resources Inc	Options to acquire 1% royalty on any one project in claim group	Early-stage exploration; inactive
Coles Creek (Manitoba)	Copper	Callinex Mines Ltd	Option to acquire 2.5% NSR	Early-Stage Exploration; inactive
Moak and Norris Lake (Manitoba)	Copper	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; inactive
Gurney Gold Claims (Manitoba)	Copper	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; inactive
Gurney Gold Claims (Manitoba)	Gold	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; inactive

Appendix 2: Summary of Exploration and Pre-Development Stage Royalties

EXPLORATION

Property	Primary Commodity	Explorer/Developer	Royalty Basis	Status
Shrule, Kingscourt, Rathkeale, Lismore, Fermoy, Gaine River, Mayvore Projects (Republic of Ireland)	Zinc	Adventus Zinc Corporation	2% NSR on each Project	Exploration
West Cork (Republic of Ireland)	Copper	First Quantum	2% NSR	Exploration
Buchans, Katie, La Poile Projects (Newfoundland, Canada)	Zinc	Adventus Zinc Corporation	2% NSR on each Project	Exploration
Various Copper-gold-molybdenum targets (Alaska)	Copper	Millrock and various partners	2% NSR on gold; 1% NSR on base metals	Exploration
Sheerness West - CDP (Alberta)	Thermal Coal	Westmoreland Coal Company	Tonnes x indexed multiplier	Exploration
Labrador West - iron ore (Western Labrador)	Iron	Rio Tinto Exploration Inc.	3% GSR	Exploration; inactive
Wilding Lake (Newfoundland)	Gold	Antler Gold Inc.	0.5% NSR with option to purchase up to 1.0% for $500,000	Exploration
Noel Paul (Newfoundland)	Gold	Antler Gold Inc.	0.5% NSR with option to purchase up to 1.0% for $1,000,000	Exploration
Iron Horse (Western Labrador)	Iron	Sokoman Iron Corp	1% GSR; option to acquire additional 1.1% GSR	Exploration; inactive
Vidalita (Chile)	Gold	EMU NL	0.49% NSR	Exploration