ALTIUS MINERALS CORPORATION

Management's Discussion and Analysis

of Financial Conditions and Results of Operations

Three and Six Months Ended October 31, 2009

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's unaudited consolidated financial statements for the period ended October 31, 2009 and related notes. This MD&A has been prepared as of ***December 10, 2009.***

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 copies of 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's (the "Corporation") principal business activities include the generation and acquisition of projects involving natural resources primarily in eastern Canada. In general, the Corporation prefers to generate alliances or corporate structures related to the opportunities it generates, which results in the Corporation carrying minority and non-operating project or equity interests and/or royalty interests.

The Corporation's current holdings include highly liquid government guaranteed and investment grade corporate instruments, cash and marketable securities of approximately $132,000,000 and no debt, various mineral properties, exploration stage royalty interests, and a 10% interest in the Labrador Nickel Royalty LP, which holds a 3.0% production stage royalty interest in the Voisey's Bay nickel-copper-cobalt project in Labrador. The Corporation holds a 13.8% interest in Rambler Metals and Mining plc ("Rambler"), which is carrying out advanced exploration of the past producing Ming copper - gold mine, located near Baie Verte, Newfoundland and Labrador. In addition, the Corporation holds a 39.6% interest in Newfoundland and Labrador Refining Corporation ("NLRC") and is the sole secured creditor of NLRC , which was under bankruptcy protection. NLRC is a private company that was proposing to construct a new 300,000 barrel per day oil refinery in south eastern Newfoundland and Labrador. The Corporation also holds investments in mining and mineral related companies with an approximate market value of $38,000,000, through direct investment and through the vending of earn-in agreements on its mineral exploration properties.

Operational and Business Overview

The Corporation recorded a net loss of $486,000 or ($0.02) per share for the three months ended October 31, 2009. The Corporation recognized lower investment income from government guaranteed marketable securities in comparison to the prior year as well as lower royalty revenue from the Voisey's Bay nickel royalty and a result to the strike and production curtailments.

The current quarter's mineral exploration activity focused on generative exploration work in several regions throughout Newfoundland and Labrador. In addition, three partner-funded drilling programs commenced during the current quarter. The Corporation also progressed two advanced exploration projects, namely the Kamistiatusset iron ore project and the New Brunswick oil shale project.

Results of bench scale metallurgical studies on the Kamistiatusset iron ore project located in western Labrador indicate that grade and quality is consistent with other operating mines in the area. The Corporation finalized an agreement with a third party to further develop and define the resource potential of this property whereby a third party will spend $5 million over the next two years to complete additional drilling and metallurgical work. Drilling is anticipated to begin in early 2010.

The Corporation also concluded its New Brunswick oil shale drilling program and completed the assessment and characterization of the oil shale. The Corporation is seeking a partner with financial and technical expertise to perform field research and development work on the project.

Additional information on the exploration activities of the Corporation and its alliance partners is outlined in the ***Mineral Properties Overview*** section of this MD&A.

Subsequent to the quarter-end, NLRC received court approval for a proposal to creditors submitted in October 2008. NLRC will now seek financing or will seek to sell the refinery project to a third party under the supervision of the Trustee. The Corporation continues to hold the value of its investment and loan to NLRC at $nil to reflect the uncertainty of recovery.

During the quarter Rambler completed the purchase of the Nugget Pond processing facility situated 40 kilometres from Rambler's Ming mine on the Baie Verte Peninsula in Newfoundland. Rambler also completed a private placement to fund this acquisition and subsequent engineering work on the facility. Following the transaction, the Corporation’s ownership interest in Rambler was reduced from 20.16% to 13.8% and the Corporation recorded a dilution gain of $137,000.

Rambler reported that it expects to complete the detailed engineering and retrofit of the Nugget Pond mill as well as prepare and submit documentation for Environmental approval.

Further details on Rambler and NLRC are available in the ***Equity Investments Overview*** section of this MD&A.

Outlook

The price of commodities and the market valuation of assets and companies linked to the exploration and production of commodities continued to improve during the current period. The Corporation reviewed several investment opportunities during the quarter but, based on current market expectations, declined to compete in several auctions. Valuations of quality generative exploration opportunities remained attractive during the quarter and the Corporation spent a significant portion of its efforts doing preliminary research and assembling land positions that will be developed as opportunities to attract joint venture partners in future periods.

Operationally, the Corporation expects its two key sources of revenue, the Voisey’s Bay royalty and interest income, to remain relatively low in the near term because of production curtailments and a strike at Voisey’s Bay, and low yields on high quality investments. However, with its strong balance sheet and net working capital position, the Corporation is well equipped to take advantage of investment opportunities. The Corporation will continue to manage its shareholder’s cash prudently and will continue its efforts to attract strong financial and technical expertise to share risks and rewards on the Corporation’s portfolio of exploration projects. The Corporation will also continue to evaluate investment opportunities and expansion opportunities over the coming months.

Results of Operations

Analysis of Results of Operations for the three month period ending October 31, 2009 compared with the three month period ending October 31, 2008

The Corporation recorded a net loss of $486,000 for the three months ended October 31, 2009 compared to a net loss for the three months ended October 31, 2008 of $2,023,000. The current quarter revenue was $1,097,000 compared to $3,206,000 for the same quarter last year, reflecting lower royalty revenue and lower investment yields on low risk marketable securities. Last year's results also included a $2,755,000 impairment adjustment on investments in the wake of the financial crisis in the fall of 2008.

Interest income was $445,000 for the quarter ended October 31, 2009 compared to $1,230,000 for the same period last year. This decrease resulted from much lower yields on corporate and government guaranteed investments.

Royalty revenue from the Labrador Nickel Royalty Limited Partnership was $383,000 during the three month period ended October 31, 2009 compared to $1,844,000 for the same period last year. Decreased revenue was the result of lower concentrate shipments as a result of the continued strike at Vale Inco and lower nickel and copper prices compared to the same period last year. The reduction in concentrate shipments is expected to continue over the near term until the strike is resolved. The Labrador Nickel Royalty Limited Partnership, in which the Corporation holds a 10% interest, launched a claim against the payer of the royalty for short – payment of royalty amounts under the royalty agreement.

General and administrative expenses for the three months ended October 31, 2009 were $739,000 compared to $565,000 for the same period last year. The prior year results included a foreign exchange gain on U.S. Dollar receivables of $214,000. The decrease in corporate development expenses of $146,000 was partially offset by increases in travel and office related costs during the current quarter.

The Corporation recognized a dilution gain on issuance of shares by equity investment of $137,000 for the three month period ended October 31, 2009 compared to $nil for the same period last year. This was due to a private placement completed by Rambler in October 2009 which also resulted in a reduction of the Corporation's ownership interest in Rambler to 13.8%.

Royalty tax for the three months ended October 31, 2009 was $76,000 compared to $369,000 for the same month period last year, reflecting the lower royalty revenue noted above. The royalty tax is a 20% provincial levy withheld on the Corporation's net smelter return royalty in the province of Newfoundland and Labrador.

Stock-based compensation for the three months ended October 31, 2009 was $345,000 compared to $281,000 for the same period last year. In addition to stock-based compensation cost recognized on the income statement, the Corporation deferred $165,000 as part of its mineral exploration and development costs during the three month period (2008 – $178,000). The

Corporation awarded 370,000 stock options to employees and directors during the three month period ended October 31, 2009 at an exercise price of $7.00 per share.

Amortization for the three months ended October 31, 2009 was $83,000 which was lower than the $321,000 for the same period last year. The decrease is caused by a reduction in the amortization of the royalty interest in the Voisey’s Bay mine, which being amortized on a units of production basis over the expected life of the mine. The decrease in amortization reflects the lower volume of concentrate shipments during the current period in comparison to the prior year.

Mineral properties abandoned or impaired was $337,000 for the three month period ended October 31, 2009 compared to $224,000 in the same period last year. Of the amount written down, $288,000 (2008 - $23,000) relates to the Corporation’s early stage research and reconnaissance stage exploration work, which the Corporation expenses immediately.

The Corporation recognized interest on long-term debt of $nil for the current three month period compared to $619,000 in the same period last year. The interest on long-term debt was from a zero – coupon loan bearing interest at 4.25%, which was settled during the previous year.

The Corporation recognized an income tax expense of $49,000 for the three months ended October 31, 2009 compared to an income tax recovery of $9,000 for the same period last year. The Corporation’s effective tax rate reflects non-deductible stock-based compensation costs incurred in the current period.

The six month period ending October 31, 2009 compared with the six month period ending October 31, 2008

The Corporation recorded a net loss of $1,083,000 for the six months ended October 31, 2009 compared to net loss for the six months ended October 31, 2008 of $1,643,000. The current year’s loss was due to lower royalty income from the Labrador Nickel Royalty Limited Partnership and lower investment income from lower yields on corporate and government guaranteed investments as previously mentioned. Last year’s results included a $2,755,000 impairment adjustment on investments in the wake of the financial crisis in the fall of 2008.

The Corporation recognized total revenue of $2,203,000 for the six month period ended October 31, 2009 compared to $5,341,000 for the same period last year. Royalty revenue from the Labrador Nickel Royalty Limited Partnership was $1,102,000 during the six month period ended October 31, 2009 compared to $2,641,000 for the same period last year. Decreased revenue was the result of lower concentrate shipments as a result of the continued strike at Vale Inco and lower realized nickel and copper prices in comparison to the previous year. The reduction in concentrate shipments is expected to continue over the next quarters until the strike is resolved.

Interest income of $710,000 was recognized in the six months ended October 31, 2009 compared to $2,532,000 for the six months ended October 31, 2008. As noted previously, this decrease was caused by lower yields on corporate and government guaranteed investments.

General and administrative expenses for the six month period ended October 31, 2009 were $1,539,000 compared to $1,082,000 for the same period last year. The prior year results included a foreign exchange gain on U.S. dollar receivables of $271,000. The Corporation also incurred increased conferences and mineral show attendance and related travel of $132,000 and increased office and salary related expenses of $55,000.

The Corporation recorded a dilution gain of $137,000 for the six month period ended October 31, 2009 compared to $nil for the same period in the previous year. This dilution gain was the result of a private placement completed by Rambler whereby Rambler issued 27.5 million ordinary shares at 20 pence each ($0.345 per share Canadian).

Royalty tax for the six month period ended October 31, 2009 was $220,000 compared to $528,000 for the same six month period last year. The prior year's royalty included an estimated recovery amount, which was later reversed. The Corporation is still awaiting the result of its appeal of the decision to reject the mineral rights tax reduction for exploration expenditures incurred in the province of Newfoundland and Labrador. The mineral rights tax on the Voisey's Bay royalty is 20% of gross royalty revenue.

Stock-based compensation for the six month period ended October 31, 2009 was $606,000 compared to $440,000 for the same period last year. In addition to stock-based compensation cost recognized on the income statement, the Corporation deferred $170,000 as part of its mineral exploration and development costs during the current six month period (2008 – $256,000).

Amortization for the six month period ended October 31, 2009 was $357,000 which was lower than the $480,000 for the same period last year. The decrease in amortization over the prior period reflects the lower year to date production level at the mine.

The share of loss in equity investment in Rambler was $192,000 for the six months ended October 31, 2009 compared to $177,000 for the same period last year. Activities on Rambler are described in greater detail in the section entitled ***Equity Investments Overview*** included in this MD&A.

The Corporation recognized interest and financing charges of $nil for the six month period ended October 31, 2009 compared to $1,021,000 in the same period last year. The interest and financing charges from the previous year were primarily from a zero – coupon loan which was settled in January 2009.

The Corporation incurred current and future income tax recovery of $47,000 for the six months ended October 31, 2009 compared to an expense of $208,000 for the same period last year.

Cash Flows, Liquidity and Capital Resources

Operating Activities
The Corporation generated cash from operating activities of $739,000 for the three months ended October 31, 2009 compared to a cash inflow of $6,417,000 for the same period last year. This decrease was caused primarily by an income tax recovery of $6,646,000 recorded in the prior year.

Financing Activities
The Corporation used cash from financing activities of $293,000 for the three months ended October 31, 2009 compared to an outflow of cash of $11,504,000 for the same period last year. The Corporation repurchased 55,300 common shares under its normal course issuer bid during the current period at a total cost of $331,000 compared to 1,947,700 shares repurchased in the prior period at a cost of $11,646,000.

Investing Activities
The Corporation generated cash in investing activities of $11,760,000 for the three months ended October 31, 2009 compared to an outflow of cash of $39,072,000 for the same period last year. A major portion of the investment included the reallocation of marketable securities into cash totaling $13,231,000. Marketable securities are comprised of highly liquid government guaranteed and investment grade commercial paper with original maturities greater than three months.

During the current quarter, the Corporation acquired 178,900 shares in International Royalty Corporation ("IRC") at a total cost of $679,000. As at October 31, 2009, the Corporation's ownership interest in IRC was 8,924,973 shares or 9.4% of the total outstanding shares. The Corporation is currently reviewing strategic alternatives of this investment.

In addition, the Corporation incurred $815,000 in net mineral exploration expenditures during the current quarter and $1,673,000 on a year to date basis. Mineral exploration activities are described in greater detail in the ***Mineral Exploration Overview*** section of this MD&A.

Liquidity
At October 31, 2009, the Corporation had current assets of $132,457,000 and current liabilities of $616,000 for net working capital of $131,841,000, which is sufficient to meet its current requirements for operating and investing activities. The Corporation holds its cash in short-term and medium-term interest bearing government guaranteed and investment grade corporate instruments and does not anticipate any liquidity issues.

The Corporation's major sources of funding are from royalty and interest income. In addition, the Corporation partially funds exploration expenditures by collaborating with exploration partners under earn-in agreements, or joint venture arrangements whereby exploration expenditures are cost-shared in exchange for a partial ownership interest in the mineral rights to the properties. Given that the current cash level is significantly more than that required for the continuing operations of the Corporation, management will continue to evaluate opportunities to deploy surplus cash in the upcoming periods.

Commitments and Contractual Obligations

The Corporation has obtained various mineral rights licenses by staking claims and paying refundable security deposits. Certain expenditures are required on an annual basis, from the date of license issuance in order to maintain the properties in good standing and for refund of 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, post a refundable security bond for the deficient amount or elect to allow title of the license be cancelled. The Corporation is required to spend $1,384,000 by October 31, 2010 in order to maintain various licenses in good standing, of which exploration partners have agreed to spend approximately $747,000. Exploration expenditures of $504,000 over the next year are required on certain properties to receive a refund of the total of security deposits in the amount of $265,000.

Contingent Liability

The Corporation was served with a statement of claim issued by BAE-Newplan Group Limited ("BAE"), a wholly-owned subsidiary of SNC-Lavalin Inc., in the Supreme Court of Newfoundland and Labrador on October 1, 2008. In the statement of claim, BAE claims damages, including punitive and exemplary damages, interest and costs against the Corporation and others in aggregate. In particular, BAE claims $20,594,000, which is also the amount of billing alleged as outstanding from NLRC to BAE for engineering services.

The Corporation believes this claim is without merit and intends to defend the claim vigorously. No provision has been recognized for this claim. The Corporation's defense of the claim is ongoing and a date has not yet been set for the trial of the matter.

Related Party Transactions

Chairman of the Board and Director John Baker is a Partner of the legal firm Ottenheimer and Baker. This firm provided legal services to the Corporation in the amount of $2,000 for the three months ended October 31, 2009 (2008 – $4,000).

VMS Consultants Inc., controlled by director Geoff Thurlow, invoiced a total of $7,000 (2008 – $7,000) for geological consulting services and reimbursement of expenses associated with exploration of certain of the Corporation's properties for the three months ended October 31, 2009.

The Corporation recognized management fee revenue from equity investments in the amount of $6,000 for the three months ended October 31, 2009 (2008 – $6,000). The management fees are charged by the Corporation for office and administrative services provided to NLRC.

These related party transactions are in the normal course of operations and are measured at the exchange amount, 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 transactions with non-related parties.

Summary of Quarterly Financial Information

The table below outlines selected financial information related to the Corporation's revenue, 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 unaudited financial statements.

Amounts in thousands of dollars, except per share amounts

$	October 31, 2009	July 31, 2009	April 30, 2009	January 31, 2009
Revenue	1,097	1,106	1,938	2,109
Net earnings (loss)	(486)	(597)	(1,480)	31,624
Net earnings (loss) per share				
- basic	(0.02)	(0.02)	(0.05)	1.11
- diluted	(0.02)	(0.02)	(0.05)	1.11

$	October 31, 2008	July 31, 2008	April 30, 2008	January 31, 2008
Revenue	3,206	2,135	2,735	3,763
Net earnings (loss)	(2,032)	380	(42,007)	604
Net earnings (loss) per share				
- basic	(0.07)	0.01	(1.36)	0.02
- diluted	(0.07)	0.01	(1.34)	0.02

The Corporation does not experience significant seasonality in operations. Revenue is derived primarily from investment income and from the Voisey's Bay Royalty, which is contingent upon commodity prices, mine production levels, and the timing of concentrate shipments. Net earnings are affected somewhat by revenue net of operating expenses, but is affected primarily by the realization of gains or losses on the Corporation's investments and mineral exploration alliances.

Equity Investments Overview

The Corporation has two significant equity accounted investments, NLRC and Rambler.

NLRC

The Corporation currently holds a 39.6% equity interest in NLRC, which is currently under creditor protection under the Bankruptcy and Insolvency Act ("BIA"). NLRC is a private company that was proposing to construct a new 300,000 barrel per day crude oil refinery at

Southern Head, Placentia Bay in south eastern Newfoundland and Labrador, Canada. The Corporation's carrying value on its investment in NLRC is $nil as at October 31, 2009.

On June 18, 2008, SNC Lavalin, a contractor providing environmental and engineering services to NLRC, served NLRC with a notice of proceedings in the Supreme Court of Newfoundland and Labrador to have NLRC adjudged bankrupt. In response to this filing, NLRC sought and was granted creditor protection under the Bankruptcy and Insolvency Act ("BIA") on June 24, 2008. This protection enabled NLRC, under the supervision of a trustee, to formulate a proposal for restructuring and to continue its efforts to attract financing and or partners for the refinery project. The initial period of creditor protection granted was 30 days, and was later extended for two additional periods of 45 days each until October 17, 2008.

On October 17, 2008, NLRC submitted a proposal to the creditors for a project care and maintenance plan for up to 36 months. Under the care and maintenance plan, it was proposed that ongoing costs be kept to a minimum and that all refinery permits would be kept in good standing until such time as the project can be sold or financed when economic conditions improve. In addition, it was proposed that all creditors' claims would be deferred until the end of the care and maintenance period or until the project obtains financing. Following the vote by creditors on the proposal on November 6, 2008, the trustee indicated that the outcome of the vote would depend on the legitimacy of claim amounts submitted as part of the voting procedure and, therefore, recessed to evaluate the various claim amounts. The creditors meeting was reconvened on July 15, 2009 and the outcome of the vote indicated that a majority of the votes were in favour of the proposal. The trustee's application to accept the proposal was heard by the Newfoundland Supreme Court on October 22, 2009. At that time the Court also considered an application by a creditor to reduce one of the other creditor's claims, which could affect the outcome of the vote.

On November 20, 2009 the Court accepted the proposal and dismissed all further requests for creditor's claim adjustments for voting purposes. NLRC now has approximately 2 years to sell or finance its project interest to satisfy all creditors claims. The Corporation intends to continue to holds its investment in and receivable from NLRC at $nil because of the high level of uncertainty.

Additional information on NLRC is available on their web site at http://www.nlrefining.com.

Rambler

The Corporation holds 12 million shares or a 13.8% interest in Rambler, which is listed on the Alternative Investment Market of the London Stock Exchange ("AIM"), and on the TSX-V. Rambler is carrying out advanced exploration of the past producing Ming copper - gold mine, located near Baie Verte, Newfoundland and Labrador.

On September 9, 2009, Rambler announced that it had purchased the Nugget Pond processing facility from Crew Gold Corporation at a total cost of $3.5 million. The processing facility is situated 40 kilometres from Rambler's Ming mine on the Baie Verte Peninsula in Newfoundland. and will enable Rambler to process free gold from its deposits. Rambler also intends to add a copper flotation circuit so that the facility can process ore to be delivered from the Ming mine in the early years of production. Rambler believes that this acquisition greatly improves project economics while reducing total capital costs.

On October 22, 2009, Rambler completed a private placement to fund the acquisition of the processing facility and to fund subsequent engineering work on the facility. Rambler issued 27.5 million ordinary shares at 20 pence each ($0.345 per share Canadian). Following the private placement, the Corporation’s ownership interest in Rambler was reduced from 20.2% to 13.8% and the Corporation recorded a dilution gain of $137,000. The Corporation continued to equity-account for Rambler after this transaction based on the fact that it is a significant shareholder and continues to have representation on the Rambler Board.

For additional information on Rambler, visit their web site at http://www.ramblermines.com/

Mineral Exploration Projects Overview

The Corporation incurred $815,000 in net exploration expenditures during the quarter, including $288,000 on early-stage reconnaissance in several areas throughout Newfoundland and Labrador with the goal of identifying additional exploration joint venture opportunities for earn-in partners. The early stage exploration focused primarily on the identification of new exploration targets, including iron ore, uranium, potash, base metals, and gold. In addition, three third party-funded drilling programs were commenced on the Corporation’s properties during the current quarter.

During the current quarter, the Corporation completed its evaluation of drill results of the New Brunswick Oil Shale project. Drill results indicate both thick and high grade oil shale intervals occur over a 1 kilometre wide area at Albert Mines. In addition, oil shale characterization tests on core samples also indicate the potential for high quality, light, sweet synthetic crude with an American Petroleum Institute (API) gravity of 32.0. Additional information is available at the Corporation’s web site and through the Corporation’s press release dated December 9, 2009.

Subsequent to the quarter-end a third party who had been conducting a geological study under a cooperation agreement indicated that it did not intend to conduct further field research on the New Brunswick oil shale property. The Corporation is seeking a new partner to explore, research, and further develop the project.

During the quarter the Corporation received positive metallurgical results on its wholly owned Kamistiatusset iron ore project in Labrador. The project is located 10 kilometres southwest of Wabush Mines' Scully mine in the heart of the iron ore mining district. Previous drilling highlights include 31.65 per cent iron over 100.3 metres. As noted in the Corporation’s press release, the recoveries and characteristics of the preliminary metallurgical results are consistent with those of operating mines within the district. Additional information is available on the Corporation’s website and in its press release dated October 5, 2009.

Subsequent to quarter-end the Corporation finalized an agreement with a private company with respect to its Kamistiatusset iron ore project. A primary condition of the agreement is that the private company is obligated to form a new public company (“Newco”) that will focus on the western Labrador iron ore mining district of Canada. Newco is wholly responsible for the recruitment of a management group and board acceptable to the Corporation. Organization of the board, management, and capital structuring of Newco is presently under way and will be reported upon once completed.

As part of the commercial agreement a substantial drilling program, with a budget of approximately $5 million, is anticipated to commence early in 2010 to provide sufficient data to generate a National Instrument 43-101 resource estimate of the iron ore zones discovered in the 2008-2009 drilling program. The Corporation will retain a 100-per-cent interest in the Kamistiatusset project until such time as Newco incurs the $5-million in exploration expenditures on the property. At that time the Corporation will transfer its 100-per-cent interest in the project to Newco in exchange for a 3-per-cent gross sales royalty and for an initial 50-per-cent equity interest in Newco.

During the quarter, Northern Abitibi announced the final results of its 2009 drilling program on the Viking gold property. The drill results to date indicate the existence of high-grade gold mineralization within larger zones of lower grade mineralization along a 600 metres strike length. The zones are still open to expansion laterally to the north and south as well as at depth. Other portions of the 3 to 4 kilometre long gold-in-soil geochemical anomaly within the Viking property have not yet been drill tested. Subsequent to the quarter-end, Northern Abitibi indicated it has earned its majority interest in the Viking project by meeting required expenditure commitments and share based payments. Both parties are currently discussing the proposed structure going forward and the planned exploration activities for the next field season.

Kirrin Resources Inc. commenced its three month, 1,000 drilling program in October 2009 on the Boxey Point uranium project in southeastern Newfoundland. JNR Resources also recently completed a 1,900 metre drill program at Rocky Brook and results are pending.

Cornerstone Capital Resources Inc. (“Cornerstone”) and the Corporation have discussed the results of the 2008 and 2009 Labrador Trough field programs and airborne magnetic and radiometric survey. This belt has several known occurrences of copper and is considered prospective for sediment-hosted and IOCG-style copper deposits. A field program was completed in July and results are pending.

The Corporation currently has 12 active earn-in agreements or exploration alliances with various third parties throughout the province of Newfoundland and Labrador in Canada covering a variety of commodities.

Summary of Exploration Activity

Property	Partner	Agreement type	Status
Alexis River – Uranium	Kirrin Resources Inc[a]	Earn in	Operator evaluating ’08 drilling program
Boxey Point – Uranium	Kirrin Resources Inc[a]	Earn in	Partner funded drilling in progress
Kamistiatusset - Iron-ore	Private company	Earn-in & public company	Selecting management team and planning 2010 drilling program
Labrador Trough - Base metals	Cornerstone [a]	Alliance	2009 field program completed; evaluating results.
Labrador West Iron Ore	Kennecott Canada Exploration Inc[a]	Earn in	Planning 2010 program
Alaska generative exploration	Millrock Resources	Alliance	2009 field work completed; the Corporation is analyzing results to determine participation
Moosehead - Gold	Agnico Eagle Mines Ltd.	Joint venture	3D modeling in progress
New Brunswick Oil Shale	-	-	Drilling and oil characterization analysis completed; seeking a partner to advance the project
Notakwanon - Uranium	Golden Cross Resources	Earn in	Planning field program and possible drilling ‘10
Nuiklavik - Uranium	-	-	Seeking partner to advance the project
Rocky Brook – Uranium	JNR Resources Inc[a]	Joint venture	JNR-funded drilling program completed; analysis and results pending
South Tally Pond – Base Metals	Paragon Minerals Corp[a]	Sale	Evaluating ’08 drill results
St. George’s Bay - Potash	Sprott Resources Corp	Earn in	Early stage research and Geophysical (gravity) survey complete; Partners are searching for an additional partner to fund the next phase of exploration.

Property	Partner	Agreement type	Status
Taylor Brook – Nickel	Northern Abitibi Mining Corp[a]	Earn in	Planning '10 program
Topsails – Uranium	JNR Resources Inc	Alliance	Evaluating results of 2009 field program
Viking – Gold	Northern Abitibi Mining Corp[a]	Earn in	Fall trenching/drilling program completed; data review and analysis underway

[a] indicates operator

For additional details on the properties and exploration agreements, please refer to the Corporation's web site, www.altiusminerals.com.

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 consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") and in accordance with accounting policies set out in the notes to the consolidated financial statements for the period ended October 31, 2009.

There has been no change in the Corporation's internal control over financial reporting during the Corporation's period ended October 31, 2009 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 October 31, 2009 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.

New and Future Accounting Pronouncements

Goodwill and Intangible Assets

Commencing May 1, 2009 the Corporation adopted CICA Handbook Section 3064, "Goodwill and Intangible Assets", which replaced Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This standard did not have a material impact on the Corporation's consolidated financial statements.

International Financial Reporting Standards ("IFRS")

On February 13, 2008, the Canadian Accounting Standards Board confirmed that publicly accountable entities will be required to prepare financial statements in accordance with IFRS for interim and annual financial statements for fiscal years beginning on or after January 1, 2011 with appropriate comparative data from the prior year. The Corporation will be required to adopt IFRS commencing May 1, 2011 and will require the restatement, for comparative purposes, of amounts reported on the Corporation's opening IFRS balance sheet as at May 1, 2010 and amounts reported for the year ended April 30, 2011.

Under IFRS, there is significantly more disclosure required, specifically for quarterly reporting. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies that will need to be addressed by management. The Corporation has a comprehensive IFRS conversion plan and has completed its initial scoping study to identify key areas that may affect disclosure and financial reporting upon transition to IFRS.

During the current quarter the Corporation completed its key employee training and initiated its detailed analysis of identified areas of potential accounting changes and is approximately 50% complete its review of key areas. It is expected that all of the decisions regarding accounting policy choice, transitional provisions and the potential impacts of IFRS on the Corporation's financial statements will be completed by April 30, 2010. The Corporation will also evaluate and re-document its information systems, internal controls over financial reporting, and data collection methods to ensure that it can smoothly transition to IFRS while meeting all financial reporting obligations. No significant issues are anticipated at this time.

Business Combinations

In January 2009, the CICA issued CICA Handbook Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements, and Section 1602, Non-controlling Interests, which superseded Section 1581, Business Combinations, and Section 1600, Consolidated Financial Statements. CICA Handbook Section 1582, Business Combinations, replaces the former Section 1581, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3, Business Combinations (January 2008). This Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

CICA Handbook Section 1601, Consolidated Financial Statements, together with the new Section 1602, Non-Controlling Interests, replaces the former Section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS 27, Consolidated and Separate Financial Statements, (January 2008). Both sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

Earlier adoption is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Corporation is evaluating the impact of the adoption of these sections to determine if early adoption is appropriate.

Critical Accounting Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 rates for amortization of the royalty interest, future income taxes, assessments of the recoverability of deferred exploration expenditures, the carrying value and assessment of other than temporary impairment of investments, the recoverability of accounts receivable and loans, the determination of the provision for future removal and site restoration costs, and the assumptions used in the determination of the fair value of stock-based compensation.

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 the following risk factors:

Operational and Development Risk
The Corporation operates in the mineral exploration sector, which implicitly involves a high degree of risk caused by limited chances of discovery of an economic deposit and eventual mine development. The Corporation mitigates this risk by cost-sharing with exploration partners and by continuously evaluating the economic potential of each mineral property at every stage of its life cycle.

Development Stage Projects
Profits from commercial operations will depend on a significant number of factors, including economic feasibility, changing market conditions, environmental and governmental regulations, labour availability, the cost of and the ability to attract external financial capital, and the ability to attract partners with sufficient technical expertise and relevant industry experience to further develop the various projects. Any failure to meet one or a combination of these factors may result in project delays or potential cancellation and the Corporation's future operating results may be adversely affected.

Issues Affecting Royalty Revenue
The level of cash flows from the Voisey's Bay royalty are subject to various economic factors, including the underlying commodity prices and smelting and other operating costs which are deducted from the net smelter return. Royalty payments are highly dependent on the operating and commercial success of the underlying operating company. Various factors, such as commodity price, operating costs, financing costs, labour availability, labour stability, environmental and stakeholder relations or any combination thereof could make an underlying operation unprofitable. Although short-term losses are not expected to affect the decision to keep an operation open, prolonged operating losses could induce an operating company to close its operations, thereby eliminating such royalty revenue.

Exposure to Mineral Price Fluctuations

Changes in the market price of nickel and to a lesser extent copper and cobalt will significantly impact the Corporation's revenue from the Voisey's Bay Royalty. The Corporation's financial results will be sensitive to external economic criteria related to the price of nickel. A substantial risk of lower royalty payments will arise if there is a prolonged period of lower nickel prices. Many factors beyond the Corporation's control influence the market price of nickel, including: global supply and demand; availability and costs of metal substitutes; speculative activities; international political and economic conditions; and production levels and costs in other nickel-producing countries.

The Ability to Attract joint Venture Partners

The probability of successfully progressing early stage projects is dependent on an ability to attract joint venture partners to share project expenditures and to provide additional technical expertise required to develop projects. If the Corporation is unable to attract partners to cost-share project expenditures and to provide additional technical expertise, the level of exploration the Corporation could perform with limited personnel and limited financial resources may be adversely impacted. This could affect the likelihood of discovering future commercially feasible projects.

Debt and Equity Financing

Because of their size and scale, the success of some resource-based projects will depend on the ability of the Corporation, its partners or its investments to raise the financial capital required to successfully construct and operate a project. This ability may be affected by general economic and market conditions, including the perceived threat or actual occurrence of an economic recession or liquidity issues. If market conditions are not favourable, major resource based projects could be cancelled or the expected rate of return to the Corporation may be significantly diminished.

Government Regulations

The Corporation's operations are subject to extensive governmental regulations with respect to such matters as environmental protection, health, safety and labour; mining law reform; restrictions on production or export, price controls and tax increases; aboriginal land claims; and expropriation of property in the jurisdictions in which it operates. Compliance with these and other laws and regulations may require the Corporation to make significant capital outlays which may slow its growth by diverting its financial resources. The enactment of new adverse regulations or regulatory requirements or more stringent enforcement of current regulations or regulatory requirements may increase costs, which could have an adverse effect on the Corporation. The Corporation cannot give assurances that it will be able to adapt to these regulatory developments on a timely or cost effective basis. Violations of these regulations and regulatory requirements could lead to substantial fines, penalties or other sanctions.

Key Employee Attraction and Retention

The Corporation's continued success is highly dependent on the retention of key personnel who possess business and technical expertise and are well versed in the various projects underway and under consideration. The number of persons skilled in the acquisition, exploration and development of natural resource and mining projects is limited and competition for such persons is intense. As the Corporation's business activity grows, additional key financial, administrative and operations personnel as well as additional staff will be required. Although the Corporation believes it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success. If the Corporation is not successful in attracting, training and retaining qualified personnel, the efficiency of operations may be affected. Additionally, should any key person decide to leave then the success of one or more of the projects under consideration could be at risk.

Exploration Alliances
The Corporation's objective is to create joint ventures or corporate structures related to the opportunities it generates, which results in the Corporation carrying minority and non-operating project or equity interests and/or royalty interests. In certain circumstances the Corporation must rely on the decisions and expertise regarding operational matters for properties, equity interests and other assets including: whether, when and how to commence permitting; feasibility analysis; facility design and operation, processing, plant and equipment matters; and the temporary or permanent suspension of operations. In some of these instances, it may difficult or impossible for the Corporation to ensure that the properties and assets are operated in its best interest.

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.

A summary of the major financial instrument risks and the Corporation's approach to the management of these risks are highlighted below

Market value and commodity price risk
The value of the Corporation's mining and mineral related investments is exposed to fluctuations in the quoted market price depending on a number of factors, including general market conditions, company-specific operating performance and the market value of the commodities that the companies may focus on. Except as noted below, the Corporation does not utilize any derivative contracts to reduce this exposure.

Foreign currency risk
The Corporation is exposed to foreign currency fluctuations on a portion of its accounts receivable related to royalty revenue. The Corporation does not enter into any derivative contracts to reduce this exposure since the receivable is short-term in nature and the expected receivable amount cannot be predicted reliably.

Liquidity risk
The Corporation believes that on a long-term basis its revenue generating assets and net working capital position will enable it to meet current and future obligations at the current level of activity. This conclusion could change with a significant change in the operations of the Corporation or from other developments.

Given the relative size of some of the Corporation's investments compared to the normal trading volume of the underlying investments, the Corporation may be unable to sell its entire interest in an investment without having an adverse effect on the fair value of the security. The Corporation does not enter into any derivative contracts to reduce this exposure.

Credit risk
The Corporation has some credit risk with accounts receivable balances owing from earn-in partners but the amount is not considered significant.

The Corporation's cash, marketable securities, and fixed income securities are distributed among government guaranteed instruments and investment grade commercial paper. All funds are held in fully segregated accounts and include only Canadian dollar instruments. The Corporation does not expect any liquidity issues or credit losses on these instruments.

Interest rate risk
The Corporation does not have any debt and is therefore not exposed to interest rate risk on liabilities. The Corporation's cash and marketable securities may fluctuate in value depending on the market interest rates and the time to maturity of the instruments. The Corporation manages this risk by limiting the maximum term to maturity on invested funds or holding the investments to maturity.

Outstanding Share Data

The total number of common shares outstanding as of December 10, 2009 is 28,426,895.

The following schedule outlines the major categories of mineral properties, deferred exploration costs, and security deposits at October 31, 2009.
Amounts in thousands of dollars

Location	Primary Metal	Acquisitions	Wages	Geology / Geophysics	Drilling	Travel/Other	Recovered Property Costs	Write-Down	Security Deposits	Grand Total
Labrador										
	Base metals	57	123	166	-	313	(20)	-	-	639
	Iron Ore	27	412	534	1,083	378	-	-	-	2,434
	Nickel	4	17	211	-	60	-	-	-	292
	Uranium	16	261	585	-	648	(1,292)	-	-	218
		104	813	1,496	1,083	1,399	(1,312)	-	-	3,583
Island of Newfoundland										
	Base metals	11	204	99	106	86	(506)	-	-	-
	Gold	82	182	83	-	137	(216)	(7)	-	261
	Nickel	28	23	39	-	13	(100)	(1)	-	2
	Potash	31	74	111	-	39	(231)	-	-	24
	Uranium	70	1,217	1,144	832	1,075	(3,128)	-	-	1,210
		222	1,700	1,476	938	1,350	(4,181)	(8)	-	1,497
Other										
New Brunswick	Oil shale	17	197	839	1,578	359	(210)	-	-	2,780
New Brunswick	Potash			2						2
Nova Scotia	Potash	24	19	100	-	14	-	-	-	157
		41	216	941	1,578	373	(210)	-	-	2,939
Security Deposits		-	-	-	-	-	-	-	265	265
General Exploration		-	69	35	-	358	-	(462)	-	-
Grand Total		367	2,798	3,948	3,599	3,480	(5,703)	(470)	265	8,284