ALTIUS MINERALS CORPORATION

Management's Discussion and Analysis

of Financial Conditions and Results of Operations

Year Ended April 30, 2011

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's consolidated financial statements for the year ended April 30, 2011 and related notes. This MD&A has been prepared as of July 7, 2011.

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 are focused on the generation and acquisition of natural resource projects, royalties, and investments. The Corporation pursues this objective through its business segments.

Exploration and Royalty Creation:
The Corporation conducts early stage mineral exploration and prospect generation primarily in Eastern Canada. It utilizes a team of approximately 15 professional geologists and prospectors that create mineral exploration initiatives through concept development, field-based research, prospecting and exploration. Successful concepts are advanced to the project acquisition stage and subsequently to the target generation stage. Its project portfolio currently consists of approximately 20 projects prospective for iron ore, gold, uranium, nickel, and other base metals.

The Corporation prefers to create agreements with other exploration and mining companies related to the mineral exploration opportunities it generates, which results in the Corporation carrying minority and non-operating project or equity interests and/or royalty interests. The Corporation currently has six active exploration agreements with partners on projects located throughout Newfoundland and Labrador. Additional information on specific exploration projects is located in the ***Exploration Overview*** section of this MD&A.

Investment and Royalty Acquisition:
Building upon its success in mineral exploration, the Corporation recently segregated the majority of its accumulated profits into a separate business segment with two primary objectives: 1) royalty based financing of top tier development stage assets and/or the acquisition of existing royalty interests under third party control in development and production stage mining assets that are of world class calibre; and 2) the direct investment in minerals related companies with a goal of long term capital appreciation.

The Corporation currently has one producing royalty interest - an effective 0.3% net smelter return royalty ("NSR") in Vale's Voisey's Bay nickel-copper-cobalt operating mine. The Corporation also holds several pre-development/exploration stage royalty interests in several mineral properties, including a 3% gross sales royalty ("GSR") on Alderon Resource Corporation's ("Alderon") advanced exploration stage Kamistiatusset ("Kami") iron ore project located in Western Labrador; a 2% GSR on uranium production from Paladin's Central Mineral Belt project; and a 2-4% net smelter return sliding scale royalty on Northern Abitibi Mining Corp's ("Northern Abitibi") Viking gold project located in Newfoundland. Additional information on the status of non-producing royalty interests is available in ***Table 2: Summary of Exploration and Pre-production Stage Royalties*** of this MD&A.

The Corporation's investments in mining and mineral resource related companies include a 40% equity interest in Alderon and a 39.6% interest in Newfoundland and Labrador Refining Corporation ("NLRC"). NLRC is seeking to partner or sell its unique approvals and rights to construct a 300,000 barrel per day oil refinery project. The Corporation also holds 72.8% of a new company it co-founded in October 2010, 2260761 Ontario Inc. ("2260761"), to invest in early stage mining and resource based companies with a goal of long term capital appreciation.

The new company is managed independently by Paul van Eeden, who has a successful mining and investment industry track record. Additional information on investments and investing activity is included in the ***Investments Overview*** section of this MD&A.

The Corporation has over $313,000,000 in total assets and no debt. Current holdings include $189,000,000 in cash and highly liquid marketable securities and several mining and mineral related investments with a current market value of $111,000,000.

Operational and Business Overview

The Corporation’s net earnings for the year ended April 30, 2011 were $70,239,000 or $2.42 per share.

Positive annual results were driven by a gain on the transfer of the Kami iron ore property to Alderon of $84,675,000 before taxes. Alderon earned a 100% interest in the Kami iron ore project by meeting exploration expenditure and financing commitments and by delivering 32,285,006 common shares to the Corporation. The value of the Alderon shares received was approximately $86,000,000 at the time of closing and currently has a market value of approximately $95,000,000. The Corporation currently maintains a 40% equity stake in Alderon and also holds a 3% GSR relating to any potential future mining production on the Kami property.

Drill results reported by Alderon throughout the year continued to delineate and expand the iron ore resource potential indicated in earlier drilling by Altius. Additional drilling on the North Rose zone commenced in mid-February and is ongoing. On April 5, 2011 Alderon released the results of an initial independent National Instrument 43-101 mineral resource estimate for the Kami project. The Watts, Griffis and McOuat Limited (WGM) estimate includes an indicated iron ore resource of 490 million tonnes at 30.0 per cent iron and an additional inferred resource of 118 million tonnes at 30.3 per cent iron based on a cut-off grade of 20 per cent iron.

During the year, the Corporation co-invested with Cranberry Capital Inc. to form 2260761 to invest primarily in early stage mineral exploration companies with a goal of capital appreciation. The new company is managed independently by Paul van Eeden, who has a successful mining and investment industry track record. The Corporation’s total investment in the new company consisted of $25,007,000 in cash and the financial results of the company are included in the consolidated financial statements for the year ended April 30, 2011.

In December, the Corporation entered into an exploration alliance with Cliffs Natural Resources Exploration Inc. ("CNR") for nickel and chromium within specifically defined areas of Newfoundland and Labrador. The alliance will combine the Corporation’s exploration expertise in Eastern Canada with the capital funding, development and operating strength of CNR. CNR will fund regional and generative exploration to a value of $1,800,000 within specific areas of the province over a two year period with the goal of identifying generating new grassroots exploration targets over a two year period. Work under the alliance has commenced targeting nickel-iron alloy minerals and chromite on the island of Newfoundland. To date, 4,117 mineral claims (98,225 hectares) have been staked during the current year to cover prospective areas.

The Corporation's mineral exploration activity is focused on generative exploration in several regions and planning for the upcoming field programs for the upcoming season has commenced. The Corporation also staked 1,244 square kilometers of new mineral claims covering underexplored prospective iron ore terrane in the Labrador Trough, Canada's major region of historic and current iron ore production. Despite the maturity of the mining district, many areas have seen little or no advanced exploration. The Corporation believes significant potential exists for the identification of new iron ore resources and is therefore undertaking a systematic district-wide exploration program. Summer work programs for this project and several others are in progress.

The Corporation is also actively discussing potential exploration agreements with several industry partners on numerous properties, including the Snelgrove Lake iron ore, Labrador Trough iron ore, Julienne Lake iron ore, Notakwanon uranium and Natashquan nickel-copper-PGEs projects. The Corporation's near term objective is to attract third party funding agreements on these and other developing projects.

Outlook

A primary objective of the Corporation in the near term will be to manage its investment in Alderon in a manner that maximizes the potential return for shareholders. The Corporation's investment in Alderon represents a current market value of approximately $95,000,000 and the Corporation holds an underlying 3% GSR on Alderon's Kami project. Alderon is currently planning an $11 million exploration program consisting of 26,000 metres of drilling designed to upgrade the current resource as well as expand the known zones of mineralization and target new areas.

The Corporation recently added to its land position in Newfoundland and Labrador, particularly in the Labrador west iron ore producing region, and is currently the largest mineral property holder in the province of Newfoundland and Labrador. The Corporation currently has three major projects in Labrador west for which it is seeking alliance partners. These are Snelgrove Lake, Julienne Lake, and the recently staked Trough Iron Ore projects. These are in addition to the Corporation's interest in Alderon (Kami Project) and a 2008 option/earn-in agreement whereby Rio Tinto is exploring several of the Corporation's licenses. Over the next several months the Corporation will focus significant efforts on further evaluating these iron ore prospects and will seek partnerships to further advance the exploration properties.

The Corporation will continue to maintain its discipline by employing the project generation model of attracting funding partners to its projects. The Corporation continues to expand its "prospect generation" model into Nunavut and is reviewing other regions in eastern Canada.

With the establishment of 2260761 in late 2010 which invests directly in junior exploration and resource based companies, the Corporation expects its investment activity to increase over the next several months as designated funds are deployed in the market. The investment company currently has an asset base of approximately $30,000,000, of which $17,000,000 is cash and marketable securities.

The Corporation has evaluated several development to production stage royalty investment opportunities over the past several months but has not yet found a target that meets its minimum long term royalty investment objectives in terms of value or underlying asset quality. With the continuing availability of low-cost debt and equity alternatives for development stage companies, the Corporation expects attractive royalty acquisition opportunities to continue to be difficult to find. Nevertheless, it remains in a strong position to act on such opportunities whenever cyclical, market volatility, or special circumstances present themselves.

The Corporation expects royalty revenue from the Voisey's Bay mine to increase due to the resolution of the strike at Vale's Canadian operations on January 26, 2011. In addition, it is expected that interest revenue will remain low in the near term as interest rates remain low on high quality investments.

Selected Annual Information

The following data are derived from our financial statements for the fiscal years ended April 30, 2011, 2010 and 2009 (in thousands, except per share amounts):

	2011	2010	2009
	$	$	$
Revenue	5,601	3,171	9,388
Net earnings	70,239	20,963	28,501
Net earnings per share			
basic	2.45	0.74	0.97
diluted	2.42	0.73	0.97
Total assets	313,819	223,558	188,878
Total liabilities	18,455	7,476	1,866
Cash dividends declared & paid to shareholders	Nil	Nil	Nil

The Corporation receives revenue primarily from investment income and from the producing Voisey's Bay Royalty.

Royalty revenue decreased from 2009 to 2011 as a result of a decline in nickel prices, production curtailments, and more recently from an 18-month strike at Vale's Canadian operations which was settled in January 2011. Investment and interest income was also negatively affected by lower yields on corporate and government guaranteed investments due to the economic downturn. The settlement of the strike at Vale's Canadian operations and slightly higher yields on corporate and government guaranteed investments contributed to an increase in revenue recorded in April 30, 2011 compared to April 30, 2010.

Net earnings are affected somewhat by revenue net of operating expenses, but are affected primarily by the realization of gains or losses on the Corporation's investments and mineral exploration alliances. Net earnings for 2011 include a pre-tax gain of $84,675,000 as a result of the vending of the Kami iron ore property to Alderon in exchange for a major equity position in the company. Net earnings for 2010 include a pre-tax gain of $28,413,000 on the sale of the Corporation's investment in International Royalty Corporation. Net earnings for 2009 included a $38,180,000 pre-tax gain on the settlement of the equity forward agreement on the Corporation's remaining 2,500,000 Aurora shares, offset by write-downs in other investments as a result of the economic downturn.

The Corporation's growth in total assets from 2009 to 2011 reflects the growth in cash and investments as a result of the major transactions noted above. The Corporation's growth in liabilities is primarily related to future income taxes based on this asset growth. The Corporation currently has no debt.

Results of Operations

Analysis of Results of Operations for the year ending April 30, 2011 compared with the year ending April 30, 2010

The Corporation recorded net earnings of $70,239,000 for the year ended April 30, 2011 compared to net earnings for the year ended April 30, 2010 of $20,963,000. The increase in net earnings resulted primarily from a pre-tax gain on the disposal of mineral properties of $84,675,000 (2010 - $499,000) recorded on the sale of the Corporation's Kami property to Alderon combined with gains on the sale of investments of $4,987,000 (2010 - $28,741,000) offset by income tax expense of $9,261,000 (2010 -$3,848,000) and operating expenses of $12,508,000 (2010 - $7,541,000).

The Corporation recognized total revenue of $5,601,000 for the year ended April 30, 2011 compared to $3,171,000 for the same period last year. Royalty revenue from the Labrador Nickel Royalty Limited Partnership ("LNRLP") was $2,872,000 during the year ended April 30, 2011 compared to $1,654,000 for the same period last year. Increased royalty revenue was the result of higher production at the Voisey's Bay mine site since contract workers were used to replace striking workers in the later stages of the 18-month long strike at the mine site. The strike was resolved in late January 2011 which brought production back to expected levels.

Interest and investment income of $2,606,000 was recognized in the year ended April 30, 2011 compared to $1,171,000 for the year ended April 30, 2010. This increase was caused by the increased cash balance and slightly higher yields on corporate and government guaranteed investments.

The Corporation recorded a net gain on the sale of investments of $4,987,000 (2010 - $28,741,000) for the year ended April 30, 2011. Included in the gain for the year ended April 30, 2011 is a gain of $1,451,000 recorded on the sale of the Corporation's equity investment in Rambler which was sold in January 2011 and is described in greater detail in the section entitled

Investments Overview included in this MD&A. The prior year ended April 30, 2010 included a gain of $28,413,000 from the sale of the Corporation's International Royalty Corporation's ("IRC") shares as a result of the takeover by Royal Gold which is described in greater detail in the section entitled ***Investments Overview***.

An unrealized gain on derivative financial instruments of $1,422,000 was recorded for the year ended April 30, 2011 compared to $nil for the same period last year. This gain is primarily related to warrants of Millrock Resources Limited ("Millrock") valued at $1,092,000 which entitles the Corporation to purchase 3,450,000 common shares at a price of 45 cents per share. The warrants expire in June 2015.

General and administrative expenses for the year period ended April 30, 2011 were $5,473,000 compared to $4,398,000 for the prior year. During the year ended April 30, 2011, the Corporation recorded an increased management bonus accrual of $776,000 as a result of the Alderon transaction, increased salary related expenses of $496,000 and increased conference attendance and related travel of $40,000 offset by decreased corporate development costs of $90,000, decreased office related expenses of $95,000 and decreased foreign exchange losses of $52,000.

Generative exploration and mineral properties abandoned or impaired expense was $4,334,000 for the year ended April 30, 2011 compared to $995,000 in the same period last year. Current year write-downs include $2,774,000 for the New Brunswick oil shale project and $633,000 for the Labrador Trough base metal project. A decision was made to write down these projects after management determined that it does not intend to conduct further exploration efforts on the properties. The write-down also includes early stage generative exploration expenditures of $713,000 which is expensed immediately. A listing of these properties can be found in the section in Note 4 to the audited annual consolidated financial statements.

Royalty tax for the year ended April 30, 2011 was $598,000 compared to $331,000 for the prior year as a direct result of higher royalty revenue. The mineral rights tax on the Voisey's Bay royalty is 20% of gross royalty revenue.

Stock-based compensation for the year ended April 30, 2011 was $1,200,000 compared to $1,304,000 for the same period last year. Stock based compensation decreased as a result of lower stock option awards and increased forfeitures in the current year, but was offset by additional expenses from the implementation of a share appreciation rights ("SAR") plan and the director's deferred share unit ("DSU") plan. The Corporation did not defer any stock based compensation costs as part of its mineral exploration and development costs during the current year (2010 – $260,000).

Amortization for the year ended April 30, 2011 was $903,000 compared to $513,000 for the same period last year. The increase in amortization over the prior year reflects the higher production level at the Voisey's Bay nickel-copper-cobalt mine for the year ended April 30, 2011.

The share of loss in equity investment was $2,159,000 for the year ended April 30, 2011 compared to $350,000 for the same period last year. The Corporation retains an approximate 40% equity interest in Alderon and recorded $1,999,000 for its proportionate share of Alderon's loss as well as $160,000 for its proportionate share of Rambler's loss. Activities on Alderon and Rambler are described in greater detail in the section entitled ***Investments Overview*** included in this MD&A.

The Corporation recorded a dilution loss of $2,520,000 for the year ended April 30, 2011 compared to a gain of $291,000 for the same period in the previous year. This dilution loss was the result of a private placement completed by Alderon whereby Alderon issued 9,125,000 units at $2.20 per unit.

The Corporation recorded an income tax expense of $8,972,000 for the year ended April 30, 2011 compared to an expense of $3,848,000 for the same period last year. The increased tax expense is primarily the result of the gain from the sale of the Kami property to Alderon and gains from other investments and derivatives, which is effectively taxed at one-half of the general corporate tax rate.

Cash Flows, Liquidity and Capital Resources

Operating Activities

The Corporation used cash from operating activities of $110,000 for the three months ended April 30, 2011 compared to a cash outflow of $1,154,000 for the same period last year. The change from the prior year is primarily due to an increase in accounts payable and income taxes payable, partially offset by an increase in receivables over the prior year.

The Corporation generated cash from operating activities of $2,447,000 for the year ended April 30, 2011 compared to a cash outflow of $2,022,000 for the same period last year. The change from the prior year is primarily due to an increase in accounts payable and income taxes payable, partially offset by an increase in receivables over the prior year.

Financing Activities

The Corporation generated cash from financing activities of $116,000 for the three months ended April 30, 2011 compared to a cash inflow of $675,000 for the three months ended April 30, 2010. The Corporation received proceeds of $192,000 from the exercise of employee stock options for the current period (2010 - $675,000) and paid out $76,000 in dividends to a non-controlling interest. The dividend is payable on class A shares held by the non-controlling interest at a rate of 1% per annum of the newly formed investment company's net asset value.

The Corporation generated cash from financing activities of $1,323,000 for the year ended April 30, 2011 compared to a cash inflow of $817,000 in the same period last year. The Corporation received proceeds of $1,399,000 (2010 - $1,148,000) from the exercise of employee stock options and paid a $76,000 (2010 - $nil) dividend to a non-controlling interest for the year ended April 30, 2011. The Corporation repurchased 55,300 common shares under its normal course issuer bid during the prior year at a total cost of $331,000 compared to $nil in the current year.

Investing Activities
The Corporation generated cash from investing activities of $12,974,000 for the three months ended April 30, 2011 compared to an inflow of cash of $18,579,000 for the same period last year. The Corporation received cash proceeds from the sale of investments and equity investments of $27,563,000 for the three months ended April 30, 2011 (2010 - $37,974,000).

A major portion of the investment activities in the current three month period also included the reallocation of cash from marketable securities totaling $7,258,000 (2010 - $19,457,000). Marketable securities are comprised of highly liquid government guaranteed and investment grade commercial paper with original maturities greater than three months.

The Corporation also used cash of $ 7,312,000 for the acquisition of investments and warrants for the three month period ended April 30, 2011 compared to $nil for the prior three month period. Additional information on the transactions is included in Notes 7 & 8 to the audited annual consolidated financial statements.

The Corporation generated cash in investing activities of $5,289,000 for the year ended April 30, 2011 compared to an outflow of cash of $22,634,000 for the same period last year. The Corporation received cash proceeds from the sale of investments and equity investments of $38,188,000 for the year ended April 30, 2011 (2010 - $38,125,000). A major portion of the investment in the current year also included the reallocation of cash from marketable securities totaling $12,748,000 compared to a reallocation of cash from marketable securities for the year ended April 30, 2010 totaling $33,598,000. The Corporation also paid $2,487,000 to a non-controlling interest in exchange for investments, as noted previously. The Corporation also used cash of $15,266,000 for the acquisition of investments and derivatives for the year ended April 30, 2011 compared to $25,078,000 for the prior year. For the year period ended April 30, 2010, the Corporation acquired 6,751,150 shares in International Royalty Corporation ("IRC") at a total cost of $24,148,000 and 4,227,273 units in Millrock at a total cost of $930,000.

In addition, the Corporation incurred $2,319,000 (2010 - $2,236,000) in net mineral exploration expenditures for the year ended April 30, 2011. Mineral exploration activities are described in greater detail in the ***Mineral Exploration Projects Overview*** section of this MD&A.

Liquidity
At April 30, 2011, the Corporation had current assets of $190,714,000 and current liabilities of $6,157,000 for net working capital of $184,557,000, 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 sales of direct and indirect exploration investments, royalty payments and interest income. In addition, the Corporation partially funds exploration expenditures via third party agreements such as earn-in agreements or joint venture arrangements 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. Given that the current cash level is significantly more than that required for the continuing mineral exploration 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 mineral exploration 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. If the required assessment expenditures are not met on or before the anniversary date of license issuance, 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 $2,425,000 by April 30, 2012 in order to maintain all licenses in good standing, of which exploration partners have agreed to spend approximately $1,034,000. Exploration expenditures of $1,951,000 over the next year are required on certain properties to receive a refund of the total of security deposits in the amount of $562,000.

Contingent Liability
On October 1, 2008 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. 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 $35,000 for the year ended April 30, 2011 (2010 – $25,000).

The Corporation recognized management fee revenue from 2260761 Ontario Inc. ("2260761") in the amount of $3,000 for the year ended April 30, 2011 and $18,000 from NLRC for the year ended April 30, 2010. The management fees were charged by the Corporation for office and administrative services provided to 2260761 Ontario Inc. in the current year and NLRC in the prior year.

During the year, a payment of $76,000 (2010 - $nil) was paid to the non-controlling interest of 2260761.

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 and audited financial statements.

Amounts in thousands of dollars, except per share amounts

$	April 30, 2011	January 31, 2011	October 31, 2010	July 31, 2010
Revenue	1,758	1,103	1,453	1,287
Net earnings (loss)	(931)	69,368	2,063	(261)
Net earnings (loss) per share				
- basic	(0.03)	2.41	0.07	(0.01)
- diluted	(0.03)	2.38	0.07	(0.01)

$	April 30, 2010	January 31, 2010	October 31, 2009	July 31, 2009
Revenue	56	912	1,097	1,106
Net earnings (loss)	22,148	(102)	(486)	(597)
Net earnings (loss) per share				
- basic	0.78	-	(0.02)	(0.02)
- diluted	0.77	-	(0.02)	(0.02)

The Corporation does not experience significant seasonality in operations. Revenue is derived primarily from investment income and from the producing Voisey's Bay Royalty, which is contingent upon commodity prices, mine production levels, and the timing of concentrate shipments. The decline in revenue over the previous several quarters was caused primarily by the 18-month labour dispute at the Voisey's Bay nickel-copper-cobalt mine. Interest revenue has also declined because, we believe, of the 'flight to safety' of investment funds, which reduced returns on high-quality liquid investments. Net earnings are affected somewhat by revenue net of operating expenses, but are affected primarily by the realization of gains or losses on the Corporation's investments and mineral exploration alliances. A pre-tax gain of $84,675,000 was recognized in the quarter ended January 31, 2011 as a result of the vending of the Kami iron ore property to Alderon. A pre-tax gain of $ 28,431,000 was recognized during the quarter ended April 30, 2010 as a result of the sale of the Corporation's interest in IRC.

Analysis of Results of Operations for the three month period ending April 30, 2011 compared with the three month period ending April 30, 2010

The Corporation recorded a net loss of $931,000 for the three months ended April 30, 2011 compared to net earnings for the three months ended April 30, 2010 of $22,148,000. The decrease in net earnings from the prior year resulted primarily from a gain recorded on the sale of the Corporation's investment in IRC for the three months ended April 30, 2010. The Corporation supported the Royal Gold proposal to acquire all of the shares of IRC in exchange for a combination of cash plus shares. As a result of the closing of this transaction, the Corporation received proceeds with a market value of $63,132,000 including cash of $37,520,000 and 529,297 shares in RG ExchangeCo Inc and recorded a gain on the sale of $28,413,000.

The Corporation recognized total revenue of $1,758,000 for the three months ended April 30, 2011 compared to $56,000 for the same period last year. Royalty revenue from LNRLP was $1,009,000 during the quarter ended April 30, 2011 compared to $188,000 for the same period last year. Increased royalty revenue was the result of higher production at the Voisey's Bay mine site, as striking workers returned to work during the period. The 18-month long labour dispute was resolved in late January 2011.

Interest and investment income was $701,000 in the three month period ended April 30, 2011 compared to $(133,000) for the three month period ended April 30, 2010. This increase was caused by higher yields on corporate and government guaranteed investments on a higher cash balance.

The Corporation recorded a net gain on the sale of investments of $1,273,000 for the three months ended April 30, 2011 compared to $28,756,000 recorded for the same period in the prior year. This prior year's gain was the result of the sale of the Corporation's investment in IRC, as previously mentioned.

General and administrative expenses for the three month period ended April 30, 2011 were $1,287,000 compared to $1,970,000 for the same period last year. During the current quarter, the Corporation recorded decreased bonus expense of $693,000, increased salary related expenses of $164,000 and increased conference attendance and professional development related travel of $43,000 offset by decreased corporate development costs of $174,000 and decreased other office related expenses of $22,000.

Generative exploration and mineral properties abandoned or impaired expense was $686,000 for the three month period ended April 30, 2011 compared to $235,000 for the same period last year. The Corporation wrote down its Labrador Trough base metal project by $633,000 since management has decided not to pursue this project further. A listing of these properties can be found in Note 4 of the audited consolidated annual financial statements.

Royalty tax for the three months ended April 30, 2011 was $202,000 compared to $38,000 for the same period last year. The higher royalty tax is a direct result of the increased royalty revenue recorded in the quarter as previously mentioned.

Stock-based compensation for the three months ended April 30, 2011 was $276,000 compared to $350,000 for the same period last year. Stock based compensation increased slightly as a result of the implementation the SAR plan and the director's DSU plan and was offset by lower stock option awards during the current period. The Corporation did not defer any stock-based compensation expenses as part of its mineral exploration and development costs during the current quarter (2010 – $58,000).

Amortization for the three months ended April 30, 2011 was $312,000 which was higher than the $67,000 for the same period last year. The increase in amortization over the prior year reflects the higher production level at the Voisey's Bay nickel-copper-cobalt mine during the year ended April 30, 2011, as noted previously.

The share of loss in equity investments was $1,721,000 for the three months ended April 30, 2011 compared to $75,000 for the same period last year. The Corporation holds a 40% equity interest in Alderon and recorded $341,000 for its proportionate share of Alderon's loss in the current quarter. The Corporation sold its interest in Rambler in January 2011.

The Corporation recorded an income tax recovery of $2,126,000 for the three months ended April 30, 2011 compared to an expense of $4,084,000 for the same period last year. The decreased tax expense is primarily the result of a change in the expected timing of future income tax reversals.

Non-controlling interest of $68,000 represents the portion of earnings attributable to the minority shareholding in 2260761 Ontario Inc. ("2260761"). 2260761 commenced operations in November 2010 so there are no comparative results for prior years.

Business Overview

The Corporation recently restructured its operations into two separate business units. The exploration and prospect generation segment will continue its generative exploration work with a goal of attracting partners to provide financial and technical expertise in exchange for an interest in the Corporation's mineral properties. The investment/royalty acquisition segment will manage the portfolio that has been created from the prospect generation business and will evaluate and invest in various resource based opportunities with a goal of long term profitability. This will encompass, among other things, investing in the minerals sector and potentially the acquisition of royalties.

Investments Overview

Rambler

The Corporation sold its 12 million shares Rambler during the year ended April 30, 2011 and realized a net gain on the transaction of $1,451,000. Rambler is a company that is currently in the advanced stages of re-developing the past-producing Ming copper-gold mine.

Alderon

On December 8, 2010, Alderon successfully earned a 100% interest in the Kami iron ore project located in western Labrador by meeting all requirements of an option agreement between the companies. In conjunction with its transfer of title to the project, the Corporation received 32,285,006 common shares of Alderon (representing approximately 45% of the issued Alderon common shares) with a market value of $86,847,000 at the time of closing. The Corporation also holds a 3% gross sales royalty relating to any potential future mining operations on the Kami property.

By virtue of its large shareholding position and its board participation, the Corporation will account for its interest in Alderon using the equity method. Under this method, the Corporation will pick up its proportionate share of the net earnings (loss) of Alderon, with a corresponding adjustment to the carrying value of the investment.

In December 2010, Alderon completed a bought deal private placement financing for gross proceeds of $20,075,000, which reduced the Corporation's ownership interest from 45% to 40%. Furthermore, in January Alderon appointed BBA Inc. and Stassinu Stantec Limited Partnership to conduct a Scoping Study on the Kami Project. Subsequently, Alderon initiated discussions with Iron Ore Company of Canada on use of the Quebec North Shore & Labrador railway and also with the Port of Sept-Iles for access to their soon to be constructed deep water multi-user facility. These discussions serve as a means to firm up accountabilities, logistics and costs as part of the Scoping Study due for completion late Q3 2011 and Feasibility Study to be completed early 2012.

During the current fiscal year, Alderon completed a 25,000 metre drilling program at the Kami iron ore project in western Labrador. The program built upon prior successful drilling by the Corporation and completed an infill and expansion drilling campaign to allow the calculation of a NI 43-101 compliant resource estimate, which was released in on April 5, 2011. The resource estimate, which was based on 2010 and earlier drill results, includes an indicated iron ore resource of 490 million tonnes at 30.0 per cent iron and an additional inferred resource of 118 million tonnes at 30.3 per cent iron based on a cut-off grade of 20 per cent iron. The resource estimate is based on the Rose Central and Mills Lake zones.

Alderon's near-term objective is to expand this resource estimate with its 5,000 metre winter drill program in the North Rose zone, which was not included in the April 2011 resource estimate. Drill results from the 2011 winter drill program include 31% iron over 204 meters, 30% iron over 186 meters, and 33% iron over 129 meters from the North Rose zone, a zone located north of Central Rose and which was not included in the April resource estimate. Alderon's stated goal is "to delineate 800 million to 1 billion tonnes at a grade between 28-32% iron ore". Complete assay highlights with drill plan maps and sections are posted on the Alderon website. In addition, Alderon is completing detailed metallurgical testing and plans to complete a scoping study over the next six months.

Additional information on the Kami iron ore project, including full drill results and an updated technical report can be found at www.alderonmining.com.

2260761 Ontario Inc. ("2260761")
During the current year, the Corporation invested with Cranberry Capital Inc. to form a new company to invest primarily in early stage mineral exploration companies with a goal of capital appreciation. The new company is managed independently by Paul van Eeden, who has a successful mining and investment industry track record.

The Corporation's total investment in the new company consisted of $25,007,000 in cash and the non-controlling shareholder contributed investments with a market value of $5,487,000. Additional details on the transaction are included in Note 17 to the consolidated financial statements. As of April 30, 2011, 2260761 held mining and mineral related investments of approximately $18,000,000, cash and marketable securities of $13,000,000 and had net earnings before non-controlling interest of $287,000 for the year ended April 30, 2011.

NLRC

The Corporation currently holds a 39.6% equity interest in NLRC, a private company that has earned permitting rights to and proposed the construction of a new 300,000 barrel per day crude oil refinery at Southern Head, Placentia Bay, Newfoundland and Labrador, Canada. NLRC is currently operating under a creditor standstill period with a mandate to sell its assets or complete financing of the project.

NLRC continues to seek out a strategic partner or buyer for the refinery project. Efforts of late have focused mainly on Asian based state interests.

Additional information on the historical developments of NLRC is included in the annual MD&A refiled on SEDAR on October 7, 2010.

Mineral Exploration Projects Overview

The Corporation's goal is to develop new exploration concepts and to continually refresh the Corporation's portfolio of exploration projects for subsequent third party funding agreements. Project generation is supported by early-stage, mostly grassroots exploration and the identification of new exploration targets including iron ore, uranium, gold, nickel and other base metals.

The Corporation incurred $2,319,000 in net exploration expenditures during the year ended April 30, 2011 including $713,000 on early-stage reconnaissance in several areas throughout Newfoundland and Labrador, Quebec, and Nunavut with the goal of identifying additional exploration projects of merit.

For fiscal 2011-12, the Corporation has approved a budget of approximately $3,000,000 to be spent on 12 early stage projects, including approximately 50% of the budget for early-stage reconnaissance exploration in several areas throughout Newfoundland and Labrador, Quebec and Nunavut. Moreover, the sum of exploration spending by earn-in and joint venture partners on current or former Altius properties is estimated at approximately $14,000,000 for the coming year.

The Corporation currently has six active earn-in agreements or exploration alliances with various third parties on properties located throughout the province of Newfoundland and Labrador in Canada covering a variety of commodities such as iron ore, gold, nickel, chromium, uranium, copper and other commodities. The most significant developments are discussed below.

In December, the Corporation entered into a strategic exploration alliance with Cliffs Natural Resources Exploration Inc. ("CNR") for nickel (nickel-iron alloy minerals) and chromium within specific areas of Newfoundland and Labrador. The alliance will combine the Corporation's exploration expertise in Eastern Canada with the capital funding, development and operating strength of CNR. CNR will fund regional and generative exploration to a value of $1,800,000 within specific areas over a two year period with the goal of identifying new grassroots exploration targets. The generated targets will be presented to CNR which can then choose to designate such projects as joint ventures. Projects designated as joint ventures will initially be held 50-50, subject to a 1% NSR royalty in favour of the Corporation. CNR will have an option to increase its participating interest to 70% by funding $4 million in exploration expenditures, including 3,000 metres of drilling, by the fourth anniversary of the joint venture agreement. CNR may subsequently increase its participating interest to 90% by completing and funding a bankable feasibility study. Work under the alliance commenced in the fall of 2010 on the island of Newfoundland and field programs are set to resume in June 2011. 4,117 mineral claims (102,925 Ha) have been staked over prospective areas.

Under an option agreement with the Corporation, Rio Tinto Exploration Canada Inc. ("Rio Tinto") continued to explore eight exploration licenses throughout the western Labrador iron ore mining district. An earn-in exploration and royalty agreement was executed in December 2008 allowing Rio Tinto to earn up to a 70% interest in the licenses in stages by spending up to $7,000,000 in exploration expenditures within five years. The Corporation retains a 3% gross overriding royalty of which 1% may be purchased for $10,000,000 on or before the tenth anniversary of the agreement. Initial drilling was undertaken during summer 2010 on some of the claims and the Corporation anticipates further drill testing by Rio Tinto in 2011.

The Topsails property, a 50/50 alliance between the JNR Resources Inc. ("JNR") and the Corporation, is located near the former mining community of Buchans. Results from 2010 include the discovery of at least three new granite-hosted prospects: Koorae Prospect: up to 0.84% Cu, 0.9 g/t Ag and 0.02% Mo from porphyritic rocks and up to 0.91% Cu, 3.9 g/t Ag and 0.008% Mo from granodioritic host rocks; Sheffield Lake South Prospect: up to 0.36% Cu and 66.4 g/t Ag and 0.14% Cu and 0.16% Mo, from felsic intrusive rocks. In addition, high-grade mineralization of 3.9% Mo and 95.3 g/t Ag was discovered. The Corporation and JNR are planning an additional trenching and soil sampling program in 2011 while seeking a senior partner for this project.

The Snelgrove Lake project is wholly owned by the Corporation and is located approximately 50 kilometres southeast of the past-producing Schefferville iron ore mining district. Iron formation outcrops are evident over a strike length of 28 kilometres. Iron assays are typical of taconite iron formation in the region and yielded a median value of 32% iron (n=184 samples). However, targets on this project include both potential large tonnage taconite resources and high-grade direct shipping ore (DSO) deposits similar to the Sawyer Lake deposit located immediately south of the Snelgrove Lake claims. The Corporation is planning the 2011 field exploration program while actively seeking a partner to conduct the first drill program on this project.

The Corporation holds mineral rights covering the projected extensions of the Julienne Lake deposit under Wabush Lake and Julienne Lake in Labrador West, approximately 15 km northeast of Iron Ore Company of Canada's Carol Lake operation. The deposit contains a historic and non-NI 43-101 compliant resource of 558.8 million tonnes grading 35% iron which is currently the subject of $2.1 million work program initiated by the Newfoundland and Labrador provincial government. The Corporation recently completed over lake ice a ground gravity survey to evaluate the resource potential of the Julienne Lake deposit on its claims. Results are anticipated in the coming quarter. Altius continues to market this project to potential partners.

During the year, the Corporation also acquired by staking 4,979 claims (124,475 hectares) in western Labrador known the Trough Iron project. The claims cover much of the known extent of iron formation between the Labrador City/Wabush and the Schefferville mining camps and, along with Altius' other projects in the region, make Altius the largest mineral claim holder in the belt. The Corporation has commissioned a regional scale airborne magnetics survey to be followed up by a field program, both beginning in June 2011, while continuing discussions with potential partners.

The wholly-owned Taylor Brook project is located in western Newfoundland and hosts high grade nickel-copper-PGE mineralization. Previous drilling revealed that four of five airborne EM conductors tested were due to occurrences of nickel-bearing massive sulphides, including intercepts such as 4.5% nickel, 0.16% copper, and 0.073% cobalt over a core length of 0.95 meters. During the 2011 field season the Corporation will conduct ground follow up of selected targets from a 2,417 km airborne EM-Mag survey flown in 2010. The Corporation now holds title to 219 square kilometers centered on the Taylor Brook nickel property and is seeking a partner to advance this drill-ready project.

In 2010 the Corporation conducted additional prospecting and sampling on its wholly-owned Natashquan nickel-copper-PGE project located in southern Labrador. An airborne EM and magnetics survey in 2008 and subsequent prospecting resulted in the discovery of semi-massive to massive sulphide mineralization. Assays include up to 8.35% Cu and 3.48 g/t TPGE's as well as 1.07% Ni from grab samples in hand dug trenches. Soil sampling also identified multi-element soil geochemical anomalies over other EM targets. The Corporation is seeking a partner to advance these grassroots discoveries and will be conducting additional work in the region in 2011.

Altius recently staked 22 licenses comprising 1,799 claims (44,975 Ha) which comprise the Saglek iron ore project in northern coastal Labrador, located between 140 and 240 km north of Voisey's Bay. The Corporation is planning an initial field program of mapping and sampling to be completed in August. The Corporation anticipates sourcing a partner for this new project.

In the previous quarter the Corporation also became more active in Nunavut and was granted 17 'prospecting permits' (totaling 283,105 Ha) that provide Altius with a 2-year exclusive right to stake claims over the same area. The company is targeting iron formation-hosted gold as well as base metals in a ~75 km long belt north of Wager Bay, in the Kivalliq region of Nunavut. The region hosts the Meadowbank gold mine and the feasibility-stage Meliadine gold project. The Corporation plans to conduct an initial field program during 2011 with the objective of generating new targets that will be marketed to potential partners.

Table 1: Summary of Exploration Projects, including wholly-owned projects and those under JV/Option Agreements

Property	Partner	Agreement type	Status
Alexis River – uranium	Kirrin Resources Inc[a]	Earn in	Program being planned for 2011.
Snelgrove Lake - iron ore	-	-	Program being planned and permitted for the coming year, including drilling program. Seeking partner.
Labrador West - iron ore	Rio Tinto *(formerly Kennecott Canada Exploration Inc)*[a]	Earn in	Field program and drilling completed in 2010. 2011 program planned.
Moosehead - gold	Agnico-Eagle Mines Ltd.	Joint venture (51% Agnico-Eagle)	Designing next exploration phase; seeking third party JV partner.
Newfoundland Ferro Alloys - nickel, chromium	Cliffs Natural Resources	Strategic Alliance	2011 program commencing in May; sample processing and analysis ongoing
Notakwanon - uranium	-	-	Planning 2011 program and seeking a partner.
Rocky Brook – uranium	JNR Resources Inc[a]	Joint venture (73.4% JNR)	2011 work program being planned.
Saglek - Iron	-	-	2011 field program planned; in discussions with potential partner.
Taylor Brook – nickel-PGE	-	-	2011 program planned; seeking partner.
Topsails – copper-molybdenum	JNR Resources Inc	Alliance	2010 program of mapping, , trenching planned; seeking senior partner.
Trough Iron - iron ore	-	-	2011 airborne survey and field program to commence in June; seeking partner.
Wing Pond - gold	-	-	Trenching and sampling planned for 2011; seeking partner.

Property	Partner	Agreement type	Status
Wager Bay - gold			Recently acquired 17 Prospecting Permits totaling 2,831,000 Ha; planning field program; seeking senior partner.

[a] *indicates operator*

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

Property	Explorer/Developer	Royalty	Status
Kamistiatusset - iron ore	Alderon Resources Limited [a]	3% GSR	25,000 m drill program completed in 2010; winter drill program recently completed; initial resource estimate released in early April .
Labrador West - iron ore	Rio Tinto *(formerly Kennecott Canada Exploration Inc)*	3% GSR; 1% buyback	Field program and drilling completed in 2010; 2011 program planning planned.
Revelation	Millrock Resources Ltd. ("Millrock")	2% NSR on gold; 1% NSR on base metals;	Millrock is seeking a partner to conduct further work.
Cristo – copper-gold	Millrock /Brixton Metals Corp	2% NSR on gold; 1% NSR on base metals[a]	Exploration expenditures of US$5,000,000 required by December 31, 2013 by Brixton Metals Corp.
Topsails – copper-molybdenum	JNR Resources Inc	2% GSR on uranium; 2% NSR on all other commodities	Staked additional claims to cover prospective copper-gold; 2010 program of mapping, IP geophysics, trenching recently completed – results pending. Seeking senior partner.
Viking – gold	Northern Abitibi Mining Corp[a]	2-4% sliding scale NSR	3,500 – 4,000m drilling program underway to expand initial resource estimate.
Central Mineral Belt - uranium	Paladin Energy Limited	3% GSR	Project recently purchased by Paladin Energy Ltd. from Fronteer Gold Inc.
Nuiklavik - rare earth elements	Rare Element Resources	2% GOR; (1% buyback for $2.5m)	Operator is seeking a partner to conduct further work.
Humble - copper-gold-molybdenum	Millrock/ Kinross Gold Corporation	2% NSR on gold; 1% NSR on base metals;	Drill program is planned for 2011.

[a] *indicates operator*

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 April 30, 2011 and have concluded that such controls are adequate and effective to ensure accurate and complete financial reporting in public filings. 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 year ended April 30, 2011.

There has been no change in the Corporation's internal control over financial reporting during the Corporation's period ended April 30, 2011 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 April 30, 2011 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 Update

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.

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 substantially completed its IFRS conversion plan and has identified key areas that may affect disclosure and financial reporting upon transition to IFRS.

The Corporation anticipates a change to the timing recognition of stock based compensation expense that will reduce opening retained earnings by approximately $398,000. In addition, the recognition of expense related to the newly implemented share appreciation rights plan is expected to differ under IFRS. Under Canadian GAAP, these costs are measured using the intrinsic value ("in the money" amount) of the share appreciation rights over the vesting period and under IFRS, these instruments will be remeasured at each balance sheet date using the Black Scholes method. Opening retained earnings will be reduced by approximately $336,000 as a result of this accounting difference. In both cases noted above, the timing of the expense will change but the cumulative expenses to be recognized over the vesting period will not change.

No significant accounting policy changes are expected to financial instruments, exploration expenditures, and other property and equipment. The Corporation is also evaluating various elections available upon first- time adoption of IFRS and will only make elections that maintain the consistency and understandability of the Corporation's financial statements.

The Corporation has also completed its key employee IFRS training and has completed its evaluation of the financial reporting impacts of conversion to IFRS. The Corporation also evaluated and re-documented its information systems, internal controls over financial reporting, and data collection methods to confirm that it can smoothly transition to IFRS while meeting all financial reporting obligations. Based on the internal review, no significant issues are anticipated.

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, the assumptions used in the determination of the fair value of stock-based compensation, 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 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 significantly impact the Corporation's revenue from the Voisey's Bay Royalty. The Corporation's financial results are sensitive to external economic criteria related to the price of nickel. A substantial risk of lower royalty payments arises when 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 Partners for Exploration
The probability of successfully progressing early stage projects is dependent on an ability to attract exploration 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 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 depends 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 may 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

At July 7, 2011, the Corporation had 28,815,895 common shares outstanding and 963,000 stock options outstanding.

The following schedule outlines the major categories of mineral properties, deferred exploration costs, and security deposits at April 30, 2011.

(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										
	Iron Ore	64	88	151	-	166	(28)	-	-	441
	Nickel	23	66	235	-	109	(61)	-	-	372
	Uranium	16	171	413	-	447	(879)	-	-	168
		103	325	799	-	722	(968)	-	-	981
Island of Newfoundland										
	Awaruite	40	33	6	-	47	(126)	-	-	-
	Base metals	16	205	100	106	87	(506)	-	-	8
	Copper	2	23	3	-	12	-	-		40
	Gold	61	213	93	-	106	(301)	(7)	-	165
	Nickel	35	46	233	-	25	(123)	(1)	-	215
	Uranium	67	1,365	1,222	832	1,253	(3,348)	-	-	1,391
		221	1,885	1,657	938	1,530	(4,404)	(8)	-	1,819
Nunavut	Gold	-	17	-	-	-	-	-	-	17
Security Deposits		-	-	-	-	-	-	-	581	581
General Exploration		-	316	1	-	396	-	(713)	-	-
Grand Total		324	2,543	2,457	938	2,648	(5,372)	(721)	581	3,398