ALTIUS MINERALS CORPORATION

Consolidated Financial Statements
For the years ended
April 30, 2015 and 2014

ALTIUS MINERALS CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Altius Minerals Corporation

We have audited the accompanying consolidated financial statements of Altius Minerals Corporation, which comprise the consolidated balance sheets as at April 30, 2015 and April 30, 2014, and the consolidated statements of loss, consolidated statements of comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Altius Minerals Corporation as at April 30, 2015 and April 30, 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Deloitte LLP

Chartered Professional Accountants
June 24, 2015

St. John's, Newfoundland & Labrador, Canada

ALTIUS MINERALS CORPORATION

Consolidated Balance Sheets

(In thousands of Canadian dollars)

As at April 30,

	Note #	2015	2014
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	19	**18,543**	6,972
Accounts receivable and prepaid expenses		**1,220**	889
Income taxes receivable		**383**	1,489
		20,146	9,350
Non-current assets			
Royalty interests in mineral properties	8 & 9	**22,567**	-
Exploration and evaluation assets	6 & 8	**36,349**	2,944
Property and equipment	7	**124**	152
Interests in joint ventures	10	**245,858**	274,043
Investments in associates	11	**9,532**	57,487
Mining and other investments	12	**17,085**	58,025
Other assets		**-**	984
Deferred income taxes	13	**4,230**	4,433
		335,745	398,068
TOTAL ASSETS		**355,891**	407,418
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**1,790**	10,647
Income taxes payable		**1,685**	-
Current portion of debt	14	**11,000**	34,200
Interest payable		**-**	106
		14,475	44,953
Non-current liabilities			
Other liabilities	18	**1,830**	3,684
Long-term debt	14	**63,386**	109,568
Deferred income taxes	13	**15,426**	7,198
		95,117	165,403
EQUITY			
Shareholders' equity		**260,774**	238,973
Non-controlling interest	24	**-**	3,042
		260,774	242,015
TOTAL LIABILITIES AND EQUITY		**355,891**	407,418

see accompanying notes to the consolidated financial statements

ALTIUS MINERALS CORPORATION

Consolidated Statements of Loss

(In thousands of Canadian dollars, except per share amounts)

For the years ended April 30,

	Note #	2015	2014
		$	$
Revenue			
Royalty	8	**2,107**	-
Interest and investment		**180**	1,780
Other		**394**	1,525
		2,681	3,305
Expenses (Recovery)			
General and administrative	15	**5,387**	8,396
Share-based compensation	18	**(1,523)**	2,304
Generative exploration		**482**	612
Exploration and evaluation assets abandoned or impaired	6	**474**	453
Mineral rights and leases	8	**425**	-
Interest on long-term debt		**10,030**	106
Amortization	7 & 9	**481**	63
		15,756	11,934
Earnings from joint ventures	10	**17,031**	686
Unrealized (loss) gain on fair value adjustment of derivatives	12	**(2,540)**	1,371
Gain (loss) on disposal of investments and impairment recognition	12	**14,331**	(3,528)
Loss on disposal of subsidiary	24	**(5,839)**	-
Dilution gain on issuance of shares by associates	11	**163**	348
Share of loss and impairment in associates	11	**(43,613)**	(17,328)
Loss before income taxes		**(33,542)**	(27,080)
Income tax (recovery) expense			
Current	13	**2,674**	459
Deferred	13	**(5,890)**	(4,923)
		(3,216)	(4,464)
Net loss		**(30,326)**	(22,616)
Net loss attributable to:			
Common shareholders		**(30,211)**	(22,565)
Non-controlling interest		**(115)**	(51)
		(30,326)	(22,616)
Net loss per share			
- basic and diluted	17	**(0.94)**	(0.81)

see accompanying notes to the consolidated financial statements

Consolidated Statements of Comprehensive Loss

(In thousands of Canadian dollars)

For the years ended April 30,

	2015	2014
	$	$
Net loss	**(30,326)**	(22,616)
Other comprehensive earnings (loss), net of tax		
To be reclassed subsequently to profit or loss:		
Currency translation adjustment (derecognition) (net of income tax recovery year to date of $38 (2014 - $38))	**(246)**	246
Net unrealized gain on available-for-sale investments (net of deferred income taxes year to date of $1,247 (2014 - $1,635))	**6,201**	10,634
Adjustment for realized gain (loss) on available-for-sale investments recognized in net loss (net of deferred income tax recovery year to date of $2,305 (2014 - $122))	**(15,089)**	(801)
Total comprehensive loss	**(39,460)**	(12,537)
Total comprehensive loss attributable to:		
Common shareholders	**(39,131)**	(13,084)
Non-controlling interest	**(329)**	547
	(39,460)	(12,537)

see accompanying notes to the consolidated financial statements

ALTIUS MINERALS CORPORATION

Consolidated Statements of Cash Flows

(In thousands of Canadian dollars)

For the years ended April 30,

	Note #	2015 $	2014 $
Operating activities			
Net loss		**(30,326)**	(22,616)
Adjustments for operating activities	19	**17,786**	15,056
		(12,540)	(7,560)
Changes in non-cash operating working capital	19	**(9,137)**	8,313
		(21,677)	753
Financing activities			
Payments to non-controlling interests	20	**(316)**	(274)
Proceeds from short-term promissory note		**-**	7,200
Proceeds from long-term debt (net of costs of $3,432)		**-**	136,568
Proceeds from issuance of shares (net of issuance costs)	16	**61,144**	-
Proceeds from exercise of stock options		**-**	257
Repayment of long-term debt (inclusive of debt costs of $52)	14	**(70,252)**	-
Other assets		**-**	(984)
Dividends paid		**(647)**	-
Repurchase of common shares		**-**	(5,957)
		(10,071)	136,810
Investing activities			
Proceeds from sale of investments	12	**43,852**	959
Proceeds from disposal of mineral properties	6 & 8	**776**	-
Cash received from joint ventures	10	**23,075**	2,435
Acquisition of CDP	8	**(21,000)**	-
Investment in joint ventures	10	**(359)**	(266,900)
Generative exploration		**(483)**	(669)
Exploration and evaluation assets, net of recoveries	6	**(730)**	(702)
Decrease in marketable securities		**-**	77,926
Reimbursement of acquisition costs	10	**1,499**	-
Acquisition of investments	12	**(3,291)**	(11,423)
Acquisition of property and equipment		**(20)**	(23)
		43,319	(198,397)
Net increase (decrease) in cash and cash equivalents		**11,571**	(60,834)
Cash and cash equivalents, beginning of year		**6,972**	67,806
Cash and cash equivalents, end of year		**18,543**	6,972

Supplemental cash flow information (Note 19)

see accompanying notes to the consolidated financial statements

ALTIUS MINERALS CORPORATION

Consolidated Statements of Changes in Equity

(In thousands of Canadian dollars, except share amounts)

	Common Shares		Contributed Surplus	Accumulated Other Comprehensive (Loss) Earnings	Retained Earnings	Total Shareholders' Equity	Non-controlling interest	Total Equity
	#	$	$	$	$	$	$	$
Balance, April 30, 2013	28,002,804	74,906	3,686	(1,790)	180,932	257,734	2,769	260,503
Net (loss) earnings and comprehensive loss, May 1, 2013 to April 30, 2014	-	-	-	9,481	(22,565)	(13,084)	547	(12,537)
Payments to non-controlling interest (net of receipts)	-	-	-	-	-	-	(274)	(274)
Shares repurchased and cancelled	(559,500)	(1,498)	-	-	(4,459)	(5,957)	-	(5,957)
Share-based compensation	-	-	23	-	-	23	-	23
Shares issued under stock option plan	152,517	879	(622)	-	-	257	-	257
Balance, April 30, 2014	27,595,821	74,287	3,087	7,691	153,908	238,973	3,042	242,015
Net loss and comprehensive loss, May 1, 2014 to April 30, 2015	-	-	-	(8,920)	(30,211)	(39,131)	(329)	(39,460)
Payments to non-controlling interest (Note 20)	-	-	-	-	-	-	(316)	(316)
Disposal of subsidairy (Note 24)	-	-	-	-	-	-	(2,397)	(2,397)
Shares issued under offering (Note 16)	4,643,000	65,002	-	-	-	65,002	-	65,002
Share issue costs (Note 16)	-	(3,475)	-	-	-	(3,475)	-	(3,475)
Dividends paid	-	-	-	-	(647)	(647)	-	(647)
Shares issued under stock option plan	118,005	728	(676)	-	-	52	-	52
Balance, April 30, 2015	**32,356,826**	**136,542**	**2,411**	**(1,229)**	**123,050**	**260,774**	**-**	**260,774**

see accompanying notes to the consolidated financial statements

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Altius Minerals Corporation ("Altius" or the "Corporation") is a diversified mining royalty company with royalty interests in 12 producing mines located in Canada. The royalty interests include mining operations that produce thermal (electrical) and metallurgical coal, potash, nickel, copper and cobalt. The Corporation also holds other significant pre-development stage royalty interests that include a 3% gross sales royalty ("GSR") on Alderon Iron Ore Corp's ("Alderon") Kami iron ore project, a 2% GSR on production from Paladin Energy Ltd's Central Mineral Belt uranium project, as well as several other early stage royalties.

Altius is a publicly traded company, incorporated and domiciled in Canada. The address of its registered office is Suite 202, 66 Kenmount Road, St. John's, Newfoundland and Labrador, Canada A1B 3V7.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on June 24, 2015.

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements have been prepared on a historical cost basis, except for derivative assets and liabilities, and financial assets classified as at fair value through profit or loss, or available-for-sale,which are measured at fair value. Additionally, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts are expressed in Canadian dollars, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements include the financial statements of the Corporation and the entities controlled by the Corporation (its subsidiaries). Control exists when the Corporation has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

The consolidated financial statements included in the accounts of the Corporation for the periods presented are as follows:

Altius Minerals Corporation	100%	Parent company
Altius Resources Inc.	100%	Exploration company
Altius Investments Limited	100%	Holding company
Altius Prairie Royalties Corporation	100%	Holding company
Minera Altius Chile Limitada	100%	Holding company

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

During the current year, the Corporation disposed of, and deconsolidated, a subsidiary, 2260761 Ontario Inc. of which it owned 72.8% (Note 24). Non-controlling interest in the net assets of 2260761 Ontario Inc. were identified separately from the Corporation's equity. The non-controlling interest prior to disposal consisted of the non-controlling interest's portion of net assets, earnings, and other comprehensive earnings.

Investments in associates and investments in joint ventures are accounted for using the equity method. Under this method, the Corporation's share of the investment's earnings or losses is included in the statement of loss and the carrying amount of the investment is adjusted by a like amount.

Financial instruments

Financial assets
The Corporation classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Corporation's accounting policy for each category is as follows:

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Corporation's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the consolidated statement of loss in the period of determination.

Fair value through profit or loss - This category includes derivatives and investments acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated balance sheet at fair value with changes in fair value recognized in the consolidated statement of loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in other comprehensive loss. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from other comprehensive loss and recognized in the consolidated statement of loss.

All financial assets except for those classified as fair value through earnings or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence that a financial asset or a group of financial assets are impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

The Corporation classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Corporation's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the consolidated statement of loss.

Other financial liabilities - This category includes borrowings and accounts payable and accrued liabilities, which are initially recorded at fair value and subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments, including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts, through the expected life of the financial liability, or where appropriate a shorter period, to the net carrying amount on initial recognition.

Cash and cash equivalents

Cash and cash equivalents consists of amounts on deposit with banks and short-term investments in money market instruments that are readily convertible to cash with maturities of three months or less at the time of purchase. Cash and cash equivalents are classified as loans and receivables and carried at amortized cost.

Investments

Investments in associates over which the Corporation exercises significant influence are accounted for using the equity method. Investments in joint ventures, which the Corporation can jointly control, are accounted for using the equity method. Mining and other investments over which the Corporation cannot exert significant influence are recorded initially at cost and adjusted to reflect changes in the fair value in subsequent periods. For mining and other investments classified as available for sale, any subsequent changes in the fair value are recorded in other comprehensive earnings (loss). If there has been a decline in value of the investment below the carrying value that is considered to be other than temporary, the valuation adjustment is recorded in net loss in the period of determination. The fair value of the investments is based on the quoted market price on the closing date of the period.

Exploration and evaluation assets

The Corporation defers costs for mineral properties and exploration costs when the Corporation has in its possession the legal right to explore for mineral deposits on a given property. General prospecting and exploration costs incurred prior to the staking of specific mineral claims are expensed immediately (“Genex”). Exploration and evaluation assets include the direct costs of acquiring, maintaining, exploring and developing properties, an allocation of geologists and prospectors salaries based on time spent, and other costs directly related to specific properties. Mineral properties acquired for share consideration are recorded at the fair value of the mineral properties received.

Incidental revenue and cost recoveries relating to exploration and evaluation assets are recorded first as a reduction of the specific exploration and evaluation assets to which the fees and payments relate, and any excess as other revenue on the consolidated statement of loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management reviews the carrying values of exploration and evaluation assets' costs on a quarterly basis. A decision to abandon, reduce or expand activity on a specific project is based upon many factors including general and specific assessments of mineral reserves, anticipated future mineral prices, anticipated costs of developing and operating a producing mine, the expiration date of mineral property leases, and the general likelihood that the Corporation will continue exploration on the project. The Corporation does not set a pre-determined holding period for properties with unproven reserves. However, properties which have not demonstrated suitable prospects at the conclusion of each phase of an exploration program are re-evaluated to determine if further exploration is warranted and if the carrying values are appropriate.

If a mineral property is abandoned or it is determined that its carrying value cannot be supported by future production or sale, the related costs are charged against earnings in the year of abandonment or determination of impairment. The amounts recorded as exploration and evaluation assets represent unamortized costs to date and do not necessarily reflect present or future values.

The accumulated costs of exploration and evaluation assets that are developed to the stage of technical feasibility and commercial viability will be amortized to operations on a units-of-production basis over the life of the economically recoverable reserves.

Decommissioning and restoration provision

The Corporation recognizes a provision for decommissioning and restoration costs associated with long-lived assets which includes the abandonment of exploration and evaluation assets and costs required to return the property to its original condition.

The Corporation recognizes the fair value of the provision in the period in which it is incurred and records a corresponding increase in the carrying value of the related long-lived asset. Fair value is estimated using the present value of the estimated future cash outflows to abandon the asset at the Corporation's risk-free interest rate. The provision is subsequently adjusted for the passage of time, and is recognized as an accretion expense in the consolidated statement of loss. The provision is also adjusted due to revisions in either the timing or the amount of the original estimated cash flows. The increase in the carrying value of the asset is amortized on the same basis as exploration and evaluation assets.

The Corporation has not incurred any decommissioning and restoration costs relating to its activities as of April 30, 2015.

Property and equipment

Property and equipment is initially recorded at cost and amortized over its estimated useful life. Amortization is provided using the declining balance method at the following annual rates:

Computer equipment	30% - 100%
Geological equipment	30%
Office equipment	20%

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of equipment and intangible assets

At each reporting date the carrying amounts of the Corporation's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs of disposal and value in use, which is the present value of future cash flows expected to be derived from the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of loss for the period.

An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately as additional amortization. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in the amortization charge for the period.

Revenue recognition

Interest income is recognized on an accrual basis. Other revenue is recognized when the services are provided, when persuasive evidence of an arrangement exists, the fixed price is determinable, and there is reasonable assurance of collection. Royalty revenue is recognized when the underlying commodity is extracted, the amount of revenue can be measured reliably, is probable that the economic benefits associated with the transaction will flow to the Corporation and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income taxes

The Corporation follows the liability method of accounting for income taxes. Under this method, deferred income taxes are recognized based on the expected future tax consequences of unused tax losses, unused tax credits, and differences between the carrying amount of balance sheet items and their corresponding tax basis, using the substantively enacted income tax rates for the years in which the differences are expected to reverse. Deferred income tax assets are recognized to the extent it is probable they will be realized.

Foreign currency translation

The presentation currency and the functional currency of the Corporation and each of its subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each financial statement reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Gains and losses on translation of monetary assets and liabilities are included in the determination of net earnings (loss) for the period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Corporation's subsidiaries and equity investments with non-Canadian dollar functional currencies are accounted for using the current rate method, whereby the assets and liabilities are translated at the rate in effect at the balance sheet date and the revenue and expenses are translated using the average exchange rate for the period. The resulting translation adjustment is recorded as a separate component of accumulated other comprehensive loss until there is a reduction in the net investment.

Segment reporting

The Corporation manages its business under a single operating segment, consisting of the generation and acquisition of mineral resource projects, royalties, and investments. All of the Corporation's assets and revenues are attributable to this single operating segment. The operating segment is reported in a manner consistent with the internal reporting provided to the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") who fulfill the role of the chief operating decision-maker. The CEO and CFO are responsible for allocating resources and assessing performance of the Corporation's operating segment.

Share-based payments

Stock options granted to employees, directors and non-employees are accounted for using the fair value method. The compensation cost for options granted is determined based on the estimated fair value of the stock options at the time of the grant using the Black-Scholes option pricing model and is amortized over the vesting period with an offset to share based payment reserve. When options are exercised, the corresponding share based payment reserve and the proceeds received by the Corporation are credited to share capital. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

The Corporation also has a share appreciation rights plan ("SARs") under which awarded SARs will vest over a specified period and have a reference price based on the common share price at the date of grant. Any payouts will be cash-settled on the scheduled vesting date. SARs granted to employees, directors and non-employees are accounted for using the fair value method. The compensation cost for SARs granted is determined based on the estimated fair value of the SARs at each reporting period using the Black-Scholes option pricing model and is amortized over the vesting period with an offsetting credit to other liabilities.

The total liability will be re-measured at each period-end with any increase or decrease in value of the obligation affecting the compensation cost. The amount recognized as expense is adjusted to reflect the number of SARs expected to vest. Because the SARs are cash-settled, the estimated net obligation of the amount expensed to date based on the vesting schedule is disclosed as a liability on the Corporation's consolidated balance sheet.

The Corporation also has a Directors' deferred share unit ("DSU") plan. Under the terms of the DSU plan, each non-executive director receives credit for a portion of their annual retainer to a notional account of DSUs in lieu of cash. Each DSU represents a unit with an underlying value equal to the value of one common share of the Corporation.

Because the DSUs are cash-settled, the estimated net obligation of the amount expensed to date based on the vesting schedule will be disclosed as a liability on the Corporation's consolidated balance sheet. The total liability is re-measured at each period-end with any increase or decrease in value of the obligation affecting the compensation cost.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Earnings (loss) per share

Basic net earnings (loss) per share is calculated using the weighted average number of common shares outstanding for the respective periods.

Diluted earnings (loss) per share is calculated using the treasury stock method, whereby it is assumed that proceeds received on the exercise of in-the-money stock options and warrants are used to repurchase the Corporation's shares at the average market price during the period.

Business Combinations

Applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition-date fair value. The excess, if any, of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of the acquisition-date fair values often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of royalty interest in mineral properties and exploration and evaluation assets acquired generally require a high degree of judgment, and include estimates of mineral reserves and resources acquired, future metal prices and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill in the purchase price allocation. Acquisition related costs are recognized in the statements of net loss.

Intangible assets – royalty interest in mineral properties

Intangible assets acquired are recognized separately from goodwill if the asset is separable or arises from contractual or legal rights. Intangible assets are also recognized when acquired individually or with a group of other assets. Intangible assets are initially recorded at their estimated fair value. Intangible assets with a finite life are amortized over their useful economic lives on a straight-line or units of production basis, as appropriate. The amortization expense is included in the statement of loss unless otherwise noted. Intangible assets that are not yet ready for use are not amortized until available for use. They are reviewed for impairment at least annually. The Corporation has no identifiable intangible assets for which the expected useful life is indefinite.

4. CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires the Corporation to make estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences.

Estimates and assumptions are continually evaluated and are based on historical experience, current and future economic conditions and other factors, including expectations of events that are believed to be reasonable under the circumstances.

4. CRITICAL ACCOUNTING ESTIMATES (CONTINUED)

Use of estimates, judgments and assumptions

In preparing these consolidated financial statements, the significant judgments made by management in applying the Corporation's accounting policies, basis of consolidation and the key sources of estimation uncertainty include but are not limited to the following:

Business combinations: For business combinations, the Corporation must make assumptions and estimates to determine the purchase price allocation of the business being acquired. To do so, the Corporation must determine the acquisition-date fair value of the identifiable assets acquired, including intangible assets and liabilities assumed. Among other things, the determination of these fair market values involves the use of discounted cash flow analyses. Goodwill, if any, is measured as the excess of the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree over the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date. These assumptions and estimates have an impact on the asset and liability amounts recorded in the consolidated balance sheet on the acquisition date. In addition, the estimated useful lives of the acquired amortizable assets, the identification of intangible assets and the determination of the indefinite or finite useful lives of intangible assets acquired will have an impact on the Corporation’s future earnings (loss).

Income taxes: The Corporation has available unused operating losses and temporary timing differences as disclosed in Note 13 to the consolidated financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that all or part of the related tax benefit will be realized.

Share based compensation: The fair value of certain share based compensation units require judgment in the determination of fair value using assumptions on expected volatility, expected lives and other factors that could affect the value reported as an expense and as an obligation.

Investments: All investments are reviewed at each reporting period to determine if an investment is impaired. Impairment losses are recognized if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In particular, for available-for-sale investments, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment. If an available-for-sale financial investment is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive earnings (loss) are reclassified to earnings (loss) in the period.

Investments in joint ventures: Certain joint ventures hold royalty interests in mineral properties that include the acquired royalty interest in production stage mineral properties. The production stage royalty interest is recorded initially at its cost and is being amortized using the units of production basis over the expected life of the mineral property, which is determined using available estimates of proven and probable reserves. Determination of proven and probable reserves by the operators associated with the royalty interests impact the measurement of the respective assets. These estimates affect amortization of the royalty and the related amount of the equity pickup and the assessment of the recoverability of the carrying value of the investment in joint ventures. The Corporation has the ability to jointly control the relevant activities of these joint arrangements and have classified these as joint ventures (Note 10).

4. CRITICAL ACCOUNTING ESTIMATES (CONTINUED)

Royalty interest in mineral properties: The Corporation holds royalty interests in production stage mineral properties. The production stage royalty interests are recorded using the fair value assigned to the assets (Note 9) and are being amortized straight line over the useful life or using the units of production basis over the expected life of the mineral property, which is determined using available estimates of proven and probable reserves. Determination of proven and probable reserves by the operators associated with the royalty interests impact the measurement of the respective assets. These estimates affect amortization and the assessment of the recoverability of the carrying value of the royalty interest in mineral properties.

Alderon Iron Ore Corp.: The Corporation acquired its interest in Alderon by vending its Kami mineral property to Alderon in exchange for common shares. The Corporation equity accounts for its investment in Alderon, by virtue of its Board participation right and its ownership interest of 24.9%.

Management reviewed the investment in Alderon for impairment indicators, using the same criteria applied to available-for-sale investments. The evaluation of whether there were impairment indicators present included consideration of a number of factors including an evaluation of the market, economic and legal environment in which Alderon operates; consideration of whether Alderon was in significant financial difficulty and, considerations relating to the existence of any contractual breaches of Alderon.

Management also considered facts specific to Alderon in determining whether or not an impairment adjustment was warranted. Factors considered included significant or prolonged decline in the share price of Alderon relative to the carrying value and the implied valuation of the investment based on recent financings. The Corporation also assessed the current financial position, expected financing requirements to commence mine development, and evaluated the expected long-term cash flows of Alderon based on the January 2013 Feasibility Study on the Kami project after consideration of consensus iron ore prices.

Based on the evaluation of the above-noted factors, and in particular the duration and amount of the decline in the share price of Alderon relative to the carrying value and combined with prolonged reduced iron ore prices, management has concluded that a reduction in the carrying value of Alderon to market value is appropriate at this time. This resulted in an impairment adjustment of $39,832,000 before taxes (Note 11) for the year ended April 30, 2015 and an impairment adjustment for the year ended April 30, 2014 of $13,935,000.

5. NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS

The following standards and amendments to standards are effective for annual periods beginning on or after January 1, 2014.

IAS 32 – Financial Instruments Presentation: the IASB published amendments to IAS 32, on December 16, 2011, to clarify the application of the offsetting requirements.

IFRIC 21, Levies: IFRIC 21 provides guidance on accounting for levies in accordance with *IAS 37*, *Provisions, Contingent Liabilities and Contingent Assets.*

IAS 36 - Impairment of Assets (IAS 36) was amended by the IASB in May 2013. The amendments require the disclosure of the recoverable amount of impaired assets when an impairment loss has been recognized or reversed during the period and additional disclosures about the measurement of the recoverable amount of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014.

5. NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The Corporation adopted these standards as of May 1, 2014 and has determined that they have no material impact on the Corporation's financial results.

The following standards and amendments to standards are effective for annual periods beginning on or after January 1, 2015 or later, with earlier adoption permitted.

Disclosure Initiative (Amendments to IAS 1) - On December 18, 2014, the IASB issued *Disclosure Initiative (Amendments to IAS 1*) as part of its major initiative to improve presentation and disclosure in financial reports. The amendments to IAS 1 relate to (i) materiality; (ii) order of the notes; (iii) subtotals; (iv) accounting policies; and (v) disaggregation and are designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures. The standard is effective for annual periods beginning on or after January 1, 2016. Earlier adoption is permitted.

IFRS 9 - Financial Instruments - A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement has been issued and is effective for annual periods beginning on or after January 1, 2018. The standard contains requirements in the following areas: classification and measurement, impairment, hedge accounting and derecognition. This new standard supersedes all prior versions of IFRS 9.

IFRS 11 - Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11). The standard is effective on or after January 1, 2016 and has been amended to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in *IFRS 3 Business Combinations*) to: apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11 and disclose the information required by IFRS 3 and other IFRSs for business combinations. The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not re-measured).

IFRS 15 - Revenue from Contracts with Customers. This standard is effective from fiscal years beginning on or after January 1, 2017 and provides a single, principles based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. This standard has been tentatively deferred until January 1, 2018.

IAS 16 - Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16). The amendments are effective for annual periods beginning January 1, 2016 and clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment.

5. NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS (CONTINUED)

IAS 38 - Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 38). The amendments are effective for annual periods beginning January 1, 2016 and introduce a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The Corporation has not early adopted these standards and is currently assessing the impact they will have on the consolidated financial statements.

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

6. EXPLORATION AND EVALUATION ASSETS

Project	Note	As at April 30, 2014	Additions/ Reclassifications, net of recoveries	Abandoned or impaired	Sold	As at April 30, 2015
		$	$	$		$
Labrador						
Natashquan River - Nickel	a	513	1	-	-	**514**
Notakwanon River - Uranium		236	-	(236)	-	**-**
Julienne Lake - Iron Ore	b	1,472	166	-	-	**1,638**
Other - Uranium/Nickel		42	22	(51)	-	**13**
Newfoundland						
Buchans		-	157	-	-	**157**
Moosehead - Gold	c	21	-	(21)	-	**-**
Taylor Brook - Nickel	d	268	8	-	-	**276**
Other		28	35	(27)	-	**36**
Quebec						
Fosse Gold	e	209	132	-	-	**341**
Grand Portage - Nickel/Copper	f	130	8	(138)	-	**-**
Alberta & Saskatchewan						
Coal (Note 8)	k	-	33,500	-	(776)	**32,724**
Potash (Note 8)		-	500	-	-	**500**
Security Deposits	l	25	126	(1)	-	**150**
Grand Total		**2,944**	**34,655**	**(474)**	**(776)**	**36,349**

Project	Note	As at April 30, 2013	Additions/ Reclassifications, net of recoveries	Abandoned or impaired	As at April 30, 2014
		$	$	$	$
Labrador					
Natashquan River - Nickel	a	521	(8)	-	513
Notakwanon River - Uranium		234	2	-	236
Julienne Lake - Iron Ore	b	1,158	314	-	1,472
Other - Uranium/Nickel		-	42	-	42
Newfoundland					
Topsails - Uranium/Copper		336	2	(338)	-
Rocky Brook - Uranium		94	3	(97)	-
Moosehead - Gold	c	21	-	-	21
Taylor Brook - Nickel	d	263	5	-	268
Other		18	14	(4)	28
Quebec					
Fosse Gold	e	-	209	-	209
Grand Portage - Nickel/Copper	f	114	16	-	130
Security Deposits	l	67	(28)	(14)	25
Grand Total		2,826	571	(453)	2,944

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

a – Natashquan River

On July 25, 2013, the Corporation announced an earn in and royalty agreement with Anglo American to explore the Natashquan nickel-copper-PGE property. Under the terms of the agreement, Anglo American may earn 66% of the property by investing $20,000,000 in exploration expenditures over a five year period. Altius will also retain a 1% net smelter return ("NSR") royalty on the property upon formation of the joint venture. On February 12, 2015, the Corporation received notification from Anglo American that they were terminating the agreement. The Corporation is currently seeking a partner.

b – Julienne Lake Iron Ore

In 2008 the Corporation acquired exploration and evaluation assets adjacent to Government of Newfoundland and Labrador Exempt Mineral Lands ("EML") that hold the historic Julienne Lake iron ore deposit located in Western Labrador. In October 2012, the Government of Newfoundland and Labrador requested expressions of interest ("EOI") regarding development of the designated EML. In May 2013 the Corporation, with its partners (the "Julienne Lake Alliance"), submitted a detailed proposal to the Province to develop the EML and the adjacent claims held by the Corporation as one combined, larger operation. On April 16 2014, the provincial government announced that it was entering into exclusive discussions with the Julienne Lake Alliance with the objective to secure an agreement to develop the deposit. These discussions remain ongoing.

c - Moosehead - Gold

The Corporation acquired the mineral rights to the Moosehead gold property in western Newfoundland in August 1997 by making payments of $30,000 and 60,000 common shares over a three year period. The acquisition agreement is also subject to an underlying 1.16% NSR royalty.

Agnico Eagle Mines Inc. ("Agnico") had earned an interest in the Moosehead property as part of its agreement dated September 2001. On October 30, 2014, the Corporation received notification from Agnico that they were terminating the agreement. In 2014 upon the lapse of the mineral rights and termination of the agreement with Agnico, Altius re-staked the claims and currently holds a 100% interest subject to the 1.16% NSR royalty. The Corporation has plans to conduct trenching on the project during the summer of 2015 while actively seeking a partner.

d - Taylor Brook - Nickel

The Corporation acquired the rights to the Taylor Brook nickel property in western Newfoundland in July 1999 by making payments of $35,000 over a three year period. The acquisition agreement is subject to an underlying 2% NSR royalty that can be reduced to 1% with an additional $1,000,000 payment. The Corporation is currently seeking a partner to conduct further exploration.

e - Fosse Gold

On July 9, 2013 the Corporation formed an exploration alliance with Virginia Mines Limited, a Quebec based mineral exploration company, to explore for base and precious metals in the Labrador Trough. Both companies will cost-share early stage exploration expenditures over a multi-year exploration program to evaluate this region.

f - Grand Portage – Nickel/Copper

The Corporation entered into an earn-in agreement to acquire the rights to the Grand Portage nickel/copper property located in southeastern Quebec in July 2012. Under the terms of the agreement, the Corporation must

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

make total cash payments of $50,000 over a three year period ($20,000 as of April 30, 2014) and must incur $100,000 in exploration expenditures prior to January 2014 (commitment has been met). The original property holders also retained a 1% net smelter return royalty, half of which can be repurchased for $1,500,000.

In March 2013, the Grand Portage property was added to the Grenville Alliance (see item *j - Grenville Alliance* below).

In April 2015, the Corporation decided to terminate this agreement and has no further plans for this property.

g - Snelgrove Lake Iron Ore

On July 30, 2012 the Corporation announced an earn-in and royalty agreement with a subsidiary of Capital Investment Partners, CIP Magnetite Limited ("CIP"), to explore the Snelgrove Lake property. Under the terms of the agreement, CIP may earn a 100% interest in the property by investing $6,500,000 in exploration expenditures over a three year period. The property had been held in a newly formed public entity listed on the Australian Stock Exchange, Mamba Minerals ("Mamba"), and the Corporation was entitled to approximately 20% of the shares of the public entity upon earn-in and to also retain a 3% gross sales royalty ("GSR") on the property. On March 31, 2014, Mamba and Champion Iron Mines completed a merger by means of a Plan of Arrangement. As part of the merger, Mamba has changed its name to Champion Iron Limited. The agreement remains in good standing.

h - Trough Iron Ore

Century Iron Mines ("Century") signed an agreement with the Corporation in September 2011 whereby it may earn a 100% interest in the Corporation's four Trough Iron projects (Astray, Grenville, Menihek and Schefferville) by incurring $7,000,000 in exploration expenditures on each of the four projects by September 2016. Under the terms of the agreement, the Corporation may receive 5,000,000 shares in Century during the earn-in period, and may be eligible to receive additional shares if National Instrument 43-101 compliant iron-ore resource targets are met. The Corporation also retained a 1% to 4% sliding scale GSR on the properties. The Corporation has received 5,000,000 shares to date and the agreement remains in good standing.

In October 2012, Century transferred one of the four properties (Astray) to Northern Star Minerals. Northern Star Minerals assumed all obligations of the original earn-in agreement with Century, including exploration commitments and an underlying NSR royalty. The agreement remains in good standing.

i - Labrador West – Iron Ore

The properties are subject to an agreement signed in December 2008 whereby Rio Tinto Exploration Canada Inc. ("Rio Tinto") may earn, in stages, up to a 70% interest in the properties by incurring $7,000,000 in exploration expenditures by December 2013. In December 2011, Rio Tinto earned an initial 51% interest in the properties by incurring exploration expenditures of $3,000,000. Rio Tinto subsequently increased its interest to 70% by incurring an additional $4,000,000 in exploration expenditures by December 2014. This project is subject to 3% gross overriding royalty in favor of the Corporation. The agreement remains in good standing. No work was performed on the property in 2015.

j - Grenville Alliance – Nickel/Copper/PGE

On July 4, 2012 the Corporation formed an exploration alliance with Virginia Mines Limited (which has since been acquired by Osisko Gold Royalties Ltd), to explore for base and precious metals in the southern Labrador and Quebec North Shore region. Both companies intend to cost-share early stage exploration expenditures over

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

a multi-year exploration program to evaluate this region.

k – Telkwa - Coal

On September 20, 2014, the Corporation entered into an option and royalty agreement on the Telkwa coal project (the "Project") with a private company, Telkwa Coal Ltd. ("TCL"). The Corporation acquired the Project in May 2014 as part of the acquisition of CDP. The terms of the agreement allow TCL, over 4 years, to earn a 90% project interest while the Corporation would retain a 10% interest and up to a 1.5% price-based sliding-scale gross revenue royalty. TCL has the option to make milestone payments totaling $10,000,000 in cash (and/or common stock at the Corporation's discretion). Since execution of the agreement, TCL has prepared a NI 43-101 compliant resource statement for the Project as part of the option requirement while the original $500,000 milestone payment due within 6 months of agreement execution was extended to 18 months upon request of TCL. The final milestone hurdle requires a positive development decision. The Corporation has tag-along rights with respect to its project interest and any common share payments received.

l - Security Deposits

Security deposits are refundable to the Corporation if a minimum level of exploration expenditures is incurred on the subject properties. The Corporation is required to spend $352,000 by April 30, 2016 in order to maintain various licenses in good standing, of which $162,000 is required to be spent for a refund of security deposits in the amount of $75,000.

7. PROPERTY AND EQUIPMENT

	Computer Equipment	Office Equipment	Geological Equipment	Total
	$	$	$	$
Cost:				
Balance April 30, 2013	160	25	301	486
Additions	21	-	2	23
Balance April 30, 2014	181	25	303	509
Additions	19	1	4	24
Disposals	-	-	(9)	(9)
Balance April 30, 2015	**200**	**26**	**298**	**524**
Accumulated Amortization:				
Balance April 30, 2013	94	8	192	294
Additions	27	3	33	63
Balance April 30, 2014	121	11	225	357
Additions	21	3	24	48
Disposals	-	-	(5)	(5)
Balance April 30, 2015	**142**	**14**	**244**	**400**
Carrying Value:				
Balance April 30, 2013	66	17	109	192
Balance April 30, 2014	60	14	78	152
Balance April 30, 2015	**58**	**12**	**54**	**124**

8. ACQUISITION OF CARBON DEVELOPMENT PARTNERSHIP

On December 24, 2013, the Corporation entered into a definitive agreement (the "Arrangement Agreement") with Sherritt International Corporation ("Sherritt"), Prairie Mines & Royalty Ltd. ("PMRL"), a former wholly owned subsidiary of Sherritt, and Westmoreland Coal Company ("Westmoreland") pursuant to which the Corporation agreed to acquire a 52.369% interest in the PMRL coal and potash royalty business. The Arrangement Agreement also provided for the acquisition of Sherritt's 50% interest in Carbon Development Partnership ("CDP"), an Ontario partnership owned 50% by Sherritt and 50% by the Ontario Teachers' Pension Plan Board ("OTPPB"). The acquisition of the PMRL royalty business and the Sherritt CDP interest closed on April 28, 2014 (the "Royalty Acquisition Closing") for total consideration of $240.9 million and $21 million, respectively.

On May 13, 2014, the Corporation acquired the OTPPB 50% interest in CDP for a purchase price of $21 million. The Corporation thus owns 100% of CDP commencing May 13, 2014. The acquisition of CDP has diversified the Corporation's royalty asset base underlying coal and potash assets. As a result, the Corporation has reclassified the investment in joint venture it held in CDP at April 30, 2014 and has accounted for the purchase of CDP in accordance with *IFRS 3 Business Combinations*. No gain or loss has been recognized as a result of this acquisition being completed in stages.

The unadjusted aggregate purchase price of the acquisition of CDP is $42,000,000 and the Corporation financed the acquisition using part of a senior debt facility, cash on hand and funds raised in an equity offering (the "Offering").

The acquisition of CDP included a covenant that on the date of closing, CDP would have zero net working capital, no cash, and no indebtedness. These items have been removed from the opening balance sheet and are reflected as an adjustment in the purchase price allocation.

The net purchase price of the acquisition of CDP, before assumed debt and acquisition costs, has been allocated based on the estimated fair value of the net assets acquired from CDP. A valuation of $23,000,000 has been allocated to royalty interests in mineral properties and $34,000,000 has been allocated to exploration and evaluation assets on the consolidated balance sheet. The Corporation completed a comprehensive analysis of all land titles, mineral property interests and leasing agreements that have been acquired. As a result, the Corporation has determined that goodwill as disclosed in the preliminary purchase price allocation is eliminated from the final purchase price allocation. In addition, $15,000,000 has been recognized as a deferred tax liability as a result of the book value of the assets being in excess of the tax carrying value of the above noted assets.

During the year ended April 30, 2015, royalty revenues of $2,107,000 (2014 - $nil), general and administrative expenses of $567,000 (2014 - $nil), mineral rights and leases of $425,000 (2014 - $nil) and amortization of royalty interests of $433,000 (2014- $nil) have been included in the Corporation's financial results. Transaction costs of $62,000 have been expensed in the current year (2014 - $74,000) relating to the acquisition of CDP. This excludes any share issuance costs which are recorded directly against equity (Note 16).

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

8. ACQUISITION OF CARBON DEVELOPMENT PARTNERSHIP (CONTINUED)

Allocation of net purchase price of CDP

The net purchase price has been allocated to the estimated fair values of CDP net assets and liabilities as at May 13, 2014 in accordance with the purchase method, as follows:

	CDP	Fair Value and Other Adjustments	Net Total
Assets acquired:	$	$	$
Cash and cash equivalents	1,591	(1,591)	-
Accounts receivable and prepaid expenses	193	(193)	-
Total current assets	1,784	(1,784)	-
Royalty interests in mineral properties	-	23,000	23,000
Exploration and evaluation assets	-	34,000	34,000
Property and equipment	25,534	(25,534)	-
	27,318	29,682	57,000
Liabilities assumed:			
Accounts payable and accrued liabilities	2,378	(2,378)	-
Total current liabilities	2,378	(2,378)	-
Other liabilities	556	(556)	-
Deferred taxes	-	11,130	15,000
	2,934	8,196	15,000
Fair value of net assets, as at May 13, 2014			42,000
Total consideration paid			42,000
Goodwill			-

During the year ended April 30, 2015, a parcel of land in Alberta was sold for proceeds of $776,000. There was no gain or loss recorded on this disposition. The disposition was recorded against the exploration and evaluation assets which are recorded based on estimated fair values. The proceeds on sale were applied against the Corporation's Credit Facility (Note 14).

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

9. ROYALTY INTERESTS IN MINERAL PROPERTIES

	2015	2014
	$	$
Cost		
Balance, beginning of year	-	-
Additions (Note 8):		
Rocanville	5,000	-
Esterhazy	3,000	-
Other potash	7,000	
Coal & coal bed methane	8,000	-
Balance, end of year	**23,000**	**-**
Amortization and impairment losses		
Balance, beginning of year	-	-
Amortization:		
Rocanville	18	-
Esterhazy	15	-
Other potash	-	-
Coal & coal bed methane	400	-
Balance, end of year	**433**	**-**
Net book value	**22,567**	**-**

10. INTERESTS IN JOINT VENTURES

	LNRLP	Mining Equity	Prairie Royalties	CDP	Total
	$	$	$	$	$
Balance April 30, 2013	8,892	-	-	-	8,892
Additions	-	742	245,158	21,000	266,900
Earnings (loss)	1,096	(567)	150	7	686
Cash receipts	(2,435)	-	-	-	(2,435)
Balance April 30, 2014	7,553	175	245,308	21,007	274,043
Additions	-	60	305	-	365
Earnings (loss)	1,169	(235)	16,097	-	17,031
Cash receipts	(1,928)	-	(21,147)	-	(23,075)
Reclassification (Note 8)	-	-	-	(21,007)	(21,007)
Recovery of acquisition costs	-	-	(1,499)	-	(1,499)
Balance April 30, 2015	**6,794**	**-**	**239,064**	**-**	**245,858**

The Corporation holds a 10% interest in the Labrador Nickel Royalty Limited Partnership ("LNRLP") a limited partnership that holds a 3% net smelter return royalty on the Voisey's Bay nickel-copper-cobalt mine located in Northeastern Labrador, Canada. LNRLP's sole business is the receipt and distribution of the net smelter return royalty on the mine. Distributions to the partners are normally completed on a quarterly basis.

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

10. INTERESTS IN JOINT VENTURES (CONTINUED)

On November 12, 2012 the Corporation co-founded Fondo de Inversion Privado Mining Equity ("Mining Equity"), a private Chilean entity established to perform regional early stage exploration and prospect generation in Chile. During the year ended April 30, 2015, the Corporation invested an additional $60,000 in Mining Equity. The Corporation may invest an additional $2,098,000 over the next two years to maintain its 49% ownership interest.

The Corporation holds a 52.369% interest in the Genesee Royalty Limited Partnership ("Genesee LP"), the Coal Royalty Limited Partnership ("Coal LP") and the Potash Royalty Limited Partnership ("Potash LP"), collectively the "Prairie Royalties LPs". The Prairie Royalties LPs hold the rights to subsurface minerals in respect of a portfolio of coal and potash properties in the Canadian provinces of Alberta and Saskatchewan. The Prairie Royalties LPs have entered into leases, or similar agreements, with mining companies and electricity utilities that, in return for payment of a royalty, grant these companies the right to exploit the subsurface mineral resources. The Corporation acquired the ownership interest in the underlying partnerships effective April 28, 2014 and management determined that the partnerships are joint ventures under IFRS 11. Consequently, the partnerships' interests are accounted for using the equity method. Included in the investment is $3,062,000 of acquisition related costs. During the year ended April 30, 2015, $1,499,000 of acquisition costs were reimbursed to the Corporation.

A summary of assets, liability, income, expenses and cash flow of the joint ventures based on financial information that is available, is as follows:

	As at April 30, 2015	
	LNRLP (1)	Prairie Royalties (2)
	$	$
Balance Sheets		
Current assets	668	26,439
Royalty interests	6,126	446,794
Non-current assets	-	-
Current liabilities	-	584
Non-current liabilities	-	-
Statement of Earnings		
Royalty revenue	2,523	45,081
Royalty tax	(505)	-
General and administrative	(59)	(1,140)
Amortization	(790)	(13,207)

(1) Figures presented are the Corporation's portion of 10%; no readily available IFRS financial statements

(2) Figures presented on a 100% basis using IFRS financial statements

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

11. INVESTMENTS IN ASSOCIATES

	Alderon	Sparkfly	Synodon	Total
	$	$	$	$
Balance April 30, 2013	68,867	2,833	1,523	73,223
Additions, net of disposals	-	210	750	960
Share of loss in associates	(2,342)	(571)	(480)	(3,393)
Impairment recognition	(13,935)	-	-	(13,935)
Foreign currency translation adjustment	-	284	-	284
Dilution gain on issuance of shares by associates	-	348	-	348
Balance April 30, 2014	52,590	3,104	1,793	57,487
Share of loss in associates	(3,226)	(419)	(137)	(3,782)
Impairment recognition	(39,832)	-	-	(39,832)
Foreign currency translation adjustment	-	457	-	457
Dilution gain on issuance of shares by associates	-	117	46	163
Disposal of subsidiary (Note 24)	-	(3,259)	(1,702)	(4,961)
Balance April 30, 2015	**9,532**	**-**	**-**	**9,532**

	Alderon	Sparkfly	Synodon
Fair market value:			
At April 30, 2014:	52,590	n/a	5,540
At April 30, 2015:	**9,532**	**n/a**	**n/a**
Percentage ownership:			
At April 30, 2014:	25.3%	23.9%	22.4%
At April 30, 2015:	**24.9%**	**0.0%**	**0.0%**

The Corporation's share of loss in associates was derived from the most recent set of available financial statements of the investments.

The Corporation currently holds 32,869,006 shares in Alderon or 24.9% (2014 - 25.3%) of the total shares outstanding. The Corporation also retains a 3% gross sales royalty relating to any potential future mining operations on the Kami property. An impairment of $39,832,000 (2014 - $13,935,000) was recognized for the year ended April 30, 2015. On December 8, 2010, Alderon earned a 100% interest in the Kami iron ore property by meeting all the requirements of the option agreement and delivered to the Corporation shares of Alderon at the time of closing.

During the year ended April 30, 2015, the Corporation disposed of its subsidiary, 2260761 Ontario Incorporated ("2260761"), which held a 23.5% (2014 - 23.9%) interest in Sparkfly Inc. ("Sparkfly"), and a 21.9% (2014 – 22.4%) interest in Synodon Inc. ('Synodon).

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

11. INVESTMENTS IN ASSOCIATES (CONTINUED)

The Corporation's share of loss in associates was derived from the most recent set of available financial statements of the investment. Financial highlights of the Corporation's investment in associates include the following:

	Alderon
	$
Balance Sheets	
Current assets	43,376
Current liabilities	(9,642)
Non-current assets	225,761
Non-current liabilities	(19,710)
Statement of Earnings	
Revenue	-
Comprehensive loss	(3,262)
Fiscal year end	December 31, 2014

12. MINING AND OTHER INVESTMENTS

	Investments	Share Purchase Warrants	Total
	$	$	$
Balance, April 30, 2013	36,300	1,321	37,621
Additions	10,296	169	10,465
Reclassification to available - for - sale investments	38	(38)	-
Receipt for interest in mineral property	1,713	-	1,713
Disposals and impairments	(4,298)	(189)	(4,487)
Revaluation	11,342	1,371	12,713
Balance, April 30, 2014	55,391	2,634	58,025
Additions	3,215	76	3,291
Disposal of subsidiary (Note 24)	(2,175)	-	(2,175)
Reclassification to available - for - sale investments	66	(66)	-
Disposals and impairments	(29,466)	(104)	(29,570)
Revaluation	(9,946)	(2,540)	(12,486)
Balance, April 30, 2015	**17,085**	**-**	**17,085**

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

12. MINING AND OTHER INVESTMENTS (CONTINUED)

The Corporation holds investments in other publicly listed entities participating predominantly in early stage exploration with a goal of long-term capital appreciation, either through direct investment or in exchange for an interest in the Corporation's mineral properties. These investments are classified as available-for-sale. The fair value of the publicly traded entities is determined by reference to the unadjusted quoted prices in active markets, normally either the TSX or TSX Venture Exchange. Prior to the sale of 2260761, the Corporation held investments in private companies. Because there was no readily available market value, the Corporation carried these investments at their original cost. As at April 30, 2105, the Corporation held no investments in privately held companies (2014 - $1,941,000).

The share purchase warrants are considered derivative financial instruments for accounting purposes, and any change in fair value is included in net loss for the year. The fair value of the share purchase warrants is estimated using the Black-Scholes option pricing model, which uses inputs other than quoted market prices to determine the estimated fair value. The significant assumptions used include estimates of expected volatility, expected life and expected risk-free rate of return.

The Corporation sold investments having a carrying value of $26,651,000 for gross cash proceeds of $43,852,000 and non-cash proceeds of $66,000 and recognized a gain on disposal of $17,267,000 during the year ended April 30, 2015. The Corporation sold investments at a carrying value of $2,064,000 for gross proceeds of $959,000 and recognized a loss on disposal of $1,105,000 during year ended April 30, 2014. Included in the April 30, 2015 gain on disposal is an impairment of $2,936,000 (2014 - $2,423,000).

13. INCOME TAXES

Significant components of the net deferred income tax liability are as follows:

	2015	2014
	$	$
Temporary differences related to exploration and evaluation assets	**453**	294
Tax values of property and equipment and interests in joint ventures in excess of carrying values	**9**	101
Non capital and net capital loss carryforwards	**1,874**	2,420
Carrying value of investments in excess of tax values	**(285)**	(7,181)
Deferred partnership income	**(396)**	(436)
Deferred and deductible share-based compensation	**531**	1,467
Share issue and debt costs	**1,618**	570
Carrying values in excess of tax values on purchase price allocation of CDP (Note 8)	**(15,000)**	-
	(11,196)	(2,765)
Consists of:		
Deferred tax liabilities	**(15,426)**	(7,198)
Deferred tax assets	**4,230**	4,433
	(11,196)	(2,765)

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

13. INCOME TAXES (CONTINUED)

Significant components of the income tax rate reconciliation are as follows:

	2015	2014
	$	$
Expected tax recovery	**(9,727)**	(7,853)
Non-taxable portion of capital gains and losses	**5,038**	691
Non- deductible share-based compensation	**96**	7
Tax rate differences arising from dilution gains, associate & JV earnings and warrant revaluation	**3,137**	2,430
Sale of subsidiary	**(1,760)**	-
Non-deductible acquisition costs	**-**	261
	(3,216)	(4,464)

The Corporation has non-capital loss carry forwards of $5,982,000 (2014 -$6,178,000) that expire in 2032 and 2033 and net capital losses of $197,000 (2014 - $5,067,000) that have no expiry date.

14. DEBT

At amortized cost	2015	2014
	$	$
Promissory note	**-**	7,200
Long-term debt	**74,386**	136,568
	74,386	143,768
Current	**11,000**	34,200
Non-current	**63,386**	109,568
	74,386	143,768

On April 28, 2014, the Corporation obtained an unsecured, non-interest bearing, short-term promissory note in the amount of $7,200,000 which was subsequently repaid on May 13, 2014. On April 28, 2014, the Corporation obtained a senior secured debt facility of $140,000,000 (the "Credit Facility") provided by a consortium of lenders led by Sprott Resource Lending Partnership ("Sprott") to fund the remaining portion of the Royalty Acquisition. The Credit Facility is repayable over a five year period with quarterly principal repayments of $2,000,000, commencing October 31, 2014, bearing interest at fixed rates ranging from 6.5% to 8.85% based on the principal balance of debt.

The Credit Facility allows for optional prepayments of principal at the end of each calendar month.

The Corporation and its subsidiaries, other than Minera Altius Chile, Limitada, and Consultora Altius Chile Limitada act as guarantors under the Credit Facility (the "Credit Parties"). The lenders under the Credit Facility have taken a secured charge against all real property of the Credit Parties and share pledges of all the equity interests in each of the Credit Parties. The terms of the security shall be registered in all jurisdictions required by the lender.

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

14. DEBT (CONTINUED)

The Corporation recorded costs of $3,484,000 that were directly attributable to securing the Credit Facility, against the balance of the debt and are amortizing these fees and calculated interest using an effective interest rate of 8.724%. During the year ended April 30, 2015, $870,000 (2014 - $nil) of the costs were recognized in the statement of loss.

There is a required additional repayment of $60,000,000 on the Credit Facility on or before April 28, 2016, of which $57,000,000 has been repaid. As at October 31, 2014, scheduled quarterly principal repayments commenced in accordance with the terms of the Credit Facility and $6,000,000 was repaid during the year.

As at April 30, 2015, the Corporation is in compliance with all debt covenants.

The following principal repayments for the Credit Facility are required over the next 5 years.

	$
2015	11,000
2016	8,000
2017	8,000
2018	8,000
2019	42,000
	77,000
Less: unamortized debt costs	2,614
	74,386

15. GENERAL AND ADMINISTRATIVE

	2015	2014
	$	$
Salaries and benefits	**1,940**	2,724
Professional and consulting fees	**1,709**	664
Office and administrative	**880**	993
Travel and accommodations	**402**	399
Corporate development	**456**	3,616
	5,387	8,396

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

16. SHARE CAPITAL

Authorized

Unlimited number of Common voting shares
Unlimited number of First Preferred shares
Unlimited number of Second Preferred shares

The First and Second Preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. The Corporation has not issued any First or Second Preferred shares.

Equity Offering

On May 13, 2014, the Corporation closed an equity financing under a short-form prospectus. The Offering consisted of 4,643,000 common shares (“Common Shares”) of the Corporation at a price of $14.00 per Common Share, for aggregate gross proceeds of $65,002,000. The Common Shares were offered for sale pursuant to an agency agreement (the “Agency Agreement”) dated May 6, 2014 among the Corporation and a syndicate of agents (the “Agents”). The Corporation paid the Agents a fee equal to 5.0% of the gross proceeds of the Offering as well as other share issuance costs totaling $4,895,000 ($984,000 of this amount was paid during the year ended April 30, 2014) which are recorded against equity and reported net of deferred tax of $1,420,000.

17. NET LOSS PER SHARE

Basic and diluted net loss per share was calculated using the weighted average number of common shares for the respective periods.

	2015	2014
Weighted average number of shares:		
Basic and diluted	**32,149,737**	27,714,240

18. SHARE-BASED COMPENSATION

The Corporation recognized the following share-based compensation (recovery):

	2015	2014
	$	$
Stock option expense	**-**	23
Share appreciation rights ("SAR") (recovery) expense	**(1,598)**	1,743
Directors' deferred share unit ("DSU") expense	**75**	538
	(1,523)	2,304

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

18. SHARE-BASED COMPENSATION (CONTINUED)

Stock Option Plan

The Corporation has a stock option plan under which directors, officers and employees of the Corporation and of its subsidiaries are eligible to receive stock options. The aggregate number of shares to be issued upon the exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Corporation at the time of granting the options. The maximum number of common shares optioned to any one optionee shall not exceed 5% of outstanding common shares of the Corporation. Options granted under the plan generally have a term of five years but may not exceed five years and typically vest over a five–year period or at terms to be determined by the directors at the time of grant. The exercise price of each option shall be determined by the directors at the time of grant but shall not be less than the price permitted by the policies of the stock exchange(s) on which the Corporation's common shares are then listed.

A summary of the status of the Corporation's stock option plan as of April 30, 2015 and changes during the year then ended is as follows:

	2015		2014	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
		$		$
Outstanding, beginning of year	**250,000**	**7.13**	518,500	6.45
Exercised	**(240,000)**	**7.00**	(266,000)	5.82
Expired/forfeited	**-**	**-**	(2,500)	5.60
Outstanding, end of year	**10,000**	**10.13**	250,000	7.13
Exercisable, end of year	**10,000**	**10.13**	248,000	7.10

The remaining options outstanding expire on and are exercisable through May 3, 2015.

A summary of the status of the Corporation's share appreciation rights ("SARSs") as of April 30, 2015 and changes during the year then ended is as follows:

	Number of SARs	**Reference Price**
Balance, April 30, 2014	700,000	10.82
Settled	466,666	10.82
Balance, April 30, 2015	233,334	10.82

During the year ended April 30, 2015, 466,666 (2014 – nil) SARSs were cash settled for $331,000 (2014 – $nil).

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

18. SHARE-BASED COMPENSATION (CONTINUED)

A summary of the status of the Corporation's deferred share units as of April 30, 2015 and changes during the year then ended is as follows:

	Number of DSUs
Balance, April 30, 2013	66,502
Awarded	20,390
Balance, April 30, 2014	86,892
Awarded	17,367
Balance, April 30, 2015	**104,259**

Other Liabilities

Other liabilities consist of the following:

	2015	2014
	$	$
DSUs	**1,326**	1,251
SARs	**504**	2,433
	1,830	3,684

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

19. SUPPLEMENTAL CASH FLOW INFORMATION

	Note #	2015	2014
		$	$
Adjustments for operating activities:			
Generative exploration		**482**	612
Exploration and evaluation assets abandoned or impaired	6	**474**	453
Share-based compensation	18	**(1,523)**	2,304
Cash-settled stock appreciation rights	18	**(331)**	-
Amortization		**481**	63
Interest on long-term debt		**10,030**	106
Interest paid		**(9,266)**	-
(Gain) loss on disposal of investments and impairment recognition	12	**(14,331)**	3,528
Non-cash other revenue		**-**	(1,713)
Unrealized loss (gain) on fair value adjustment of derivatives	12	**2,540**	(1,371)
Earnings from joint ventures	10	**(17,031)**	(686)
Share of loss and impairment in associates	11	**43,613**	17,328
Loss on disposal of subsidiary	24	**5,839**	-
Dilution gain on issuance of shares by associates	11	**(163)**	(348)
Income tax recovery		**(3,216)**	(4,464)
Income taxes received (paid)		**188**	(756)
		17,786	15,056
Changes in non-cash operating working capital:			
Accounts receivable and prepaid expenses		**(331)**	(390)
Accounts payable and accrued liabilities		**(8,806)**	8,703
		(9,137)	8,313
Cash and cash equivalents consist of:			
Deposits with banks		**8,207**	6,607
Short-term investments		**10,336**	365
		18,543	6,972

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

20. RELATED PARTY TRANSACTIONS

During the year ended April 30, 2015, the Corporation billed Mining Equity (a joint venture investment – see Note 10) for the reimbursement of exploration and consulting assistance totaling $238,000 (2014 - $138,000) of which $107,000 is included in the accounts receivable balance as at April 30, 2015.

During the year ended April 30, 2015, 2260761, which the Corporation has since disposed of, paid dividends of $316,000 (2014 - $274,000) to the non-controlling interest of 2260761, Cranberry Capital Inc. ("Cranberry").

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that key management personnel consists of members of the Corporation's Board of Directors and corporate officers, including the Corporation's Executive Chairman, CEO and CFO, as well as any Vice Presidents reporting directly to a Corporate officer. Compensation for key management personnel and directors is as follows:

	2015	2014
	$	$
Salaries and benefits	**3,952**	1,730
Share-based compensation	**(1,523)**	2,280
	2,429	4,010

These transactions are in the normal course of operations and are measured at the fair value amount, which is the amount of consideration established and agreed to by the related parties. During the year ended April 30, 2015 SARSs were cash settled for $331,000 (2014 – $nil). The SARs and deferred share units ("DSUs") are recalculated quarterly with the share price being a significant factor in the calculation. As at April 30, 2015, an amount of $854,000 was accrued for executive bonuses for key management personnel.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments recorded at fair value on the consolidated balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; inputs that are derived principally from or corroborated by observable market data by correlation or other means; and estimates of expected volatility, expected life and expected risk-free rate of return and

Level 3 – valuation techniques with significant unobservable market inputs.

During the year ended April 30, 2015, there were no transfers between levels.

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Fair value of the Corporation's financial assets and financial liabilities was determined as follows:

As at April 30, 2015:

	Level 1	Level 2	Level 3	TOTAL
	$	$	$	$
FINANCIAL ASSETS				
Short-term investments in cash equivalents	**10,336**	**-**	**-**	**10,336**
Mining and other investments	**17,085**	**-**	**-**	**17,085**
TOTAL FINANCIAL ASSETS	**27,421**	**-**	**-**	**27,421**
FINANCIAL LIABILITIES	**1,326**	**504**	**-**	**1,830**

As at April 30, 2014:	Level 1	Level 2	Level 3	TOTAL
	$	$	$	$
FINANCIAL ASSETS				
Short-term investments in cash equivalents	365	-	-	365
Mining and other investments	53,450	2,634	-	56,084
TOTAL FINANCIAL ASSETS	53,815	2,634	-	56,449

Risk Management

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 as follows:

Credit risk

Credit risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. Credit risk arises from cash and cash equivalents, short-term investments and receivables. The Corporation closely monitors its financial assets, including the receivables from royalty operators who are responsible for remitting royalty revenues. The operators are established and reputable companies in the mining and mineral sector and as such management does not believe we have a significant concentration of credit risk.

The Corporation's cash and cash equivalents are held in fully segregated accounts and include only Canadian and US dollar instruments. The Corporation does not expect any liquidity issues or credit losses on these instruments.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Foreign currency risk

Distributions from LNRLP are exposed to foreign currency fluctuations related to royalty revenue, which is denominated and paid in US dollars. 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.

Other 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. The Corporation does not utilize any derivative contracts to reduce this exposure.

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 due to low trading volumes on some investments. The Corporation does not enter into any derivative contracts to reduce this exposure.

Interest rate risk

The Corporation has debt and is therefore exposed to interest rate risk on liabilities. The Corporation manages this risk by having fixed interest rates over a five year term on the debt. The Corporation's cash and cash equivalents 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.

As at April 30, 2015, a +/- 1% change in the effective interest rates on cash and cash equivalents would affect comprehensive earnings by $130,000 net of applicable taxes.

Sensitivity Analysis

The Corporation has mining and other investments that are marked to fair market value at each reporting period, with a corresponding adjustment to other comprehensive (loss) earnings for increases in value and for other temporary declines in value.

As at April 30, 2015, the Corporation's mining and other investments sensitivity to a +/- 20% movement in quoted market prices would affect comprehensive earnings by $2,904,000 net of applicable taxes.

(Tabular amounts in thousands of Canadian dollars, except per share amounts)

22. CAPITAL MANAGEMENT

The Corporation defines its capital as its total equity attributable to common shareholders. The Corporation's objectives when managing capital are to minimize shareholder dilution while maximizing shareholder return and maintain financial liquidity and flexibility in order to preserve its ability to meet financial obligations. The Corporation also believes it should maintain sufficient capital and access to capital for potential investment opportunities and to pursue generative exploration opportunities. At times, the Corporation manages its capital by repurchasing its common shares under its normal course issuer bid. Where it believes the current share price does not reflect the true value, the Corporation may repurchase additional shares to enhance the value to existing shareholders. In addition, the Corporation may from time to time issue new shares or obtain debt financing to fund specific project initiatives. The Corporation commenced dividend distributions to shareholders during year ended April 30, 2015.

The Corporation is subject to external capital requirements on long-term debt as at April 30, 2015. The Corporation is in compliance with all covenant requirements and continues to be assessed on a quarterly basis.

23. COMMITMENTS

Operating leases

The Corporation is committed under leases on office space, including operating costs, for annual future minimum lease payments as follows:

	$
2016	**195**
2017	**176**
2018	**176**
2019	**176**
	723

Mineral property expenditures

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 licenses 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 $352,000 by April 30, 2016 in order to maintain various licenses in good standing, of which $162,000 is required to be spent for a refund of security deposits in the amount of $75,000.

24. DISPOSAL OF SUBSIDIARY, 2260761 ONTARIO INC.

On March 31, 2015, the Corporation sold all its common and preferred shares to the non-controlling interest in 2260761, Cranberry Capital Inc., in exchange for cash and investments. The sale resulted in a deconsolidation of 2260761 and a loss on disposition of a subsidiary of $5,839,000 which included the disposition of equity investments (see Note 11) and mining and other investments (see Note 12). The Corporation holds 0% ownership in 2260761 post March 31, 2015.

The Corporation derecognized the assets and liabilities of 2260761 from the consolidated balance sheet and recognized a loss associated with the loss of control of 2260761.

25. SUBSEQUENT EVENTS

On May 5, 2015 the Corporation completed its acquisition of Callinan Royalties Corporation ("Callinan"). On March 5, 2015, the Corporation and Callinan announced that they have entered into a definitive arrangement agreement (the "Arrangement Agreement") whereby Altius would acquire all outstanding securities of Callinan pursuant to a plan of arrangement (the "Arrangement"). Pursuant to the Arrangement, Altius acquired each outstanding Callinan common share for 0.163 of an Altius common share and $0.203 in cash, valuing each Callinan common share at $2.27 based on Altius' closing share price on the Toronto Stock Exchange as of March 4, 2015.

The Corporation paid $9,431,775 in cash and issued 7,573,297 common shares to the shareholders of Callinan under the Arrangement. In addition, there are 326,000 common shares reserved for outstanding warrants in the event the warrants are exercised.