

Altius Minerals Corporation

Management's Discussion and Analysis

Three and Six Months Ended October 31, 2006

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and the accompanying unaudited interim consolidated financial statements and notes thereto should be read in conjunction with the Corporation's Audited Consolidated Financial Statements and MD&A for the year ended April 30, 2006. This MD&A has been prepared as of December 28, 2006, except for the restatement described below, which is as of April 26, 2007.

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

Restatement:

The MD&A for the three and six month period ended October 31, 2006 has been restated and replaces the MD&A previously issued on December 28, 2006 to reflect the changes as described in note # 3 of the restated April 30, 2006 consolidated financial statements. The April 30, 2006 restatement adjusted the gain on disposal and the dilution gains related to the Corporation's investment in Aurora Energy Resources Inc. ("Aurora") to reflect an accounting treatment which better represents the transactions. In addition, the contributed surplus related to stock – based compensation of Aurora has been netted against the carrying value of the investment in Aurora on the Corporation's Consolidated Balance Sheets. The resulting changes affected the April 30, 2006 closing balances of retained earnings, contributed surplus, future income taxes and investments and affected those carrying values in subsequent periods. The current period and comparative balance sheets have been adjusted to record these adjustments and there is no impact on current year net earnings.

In addition, a previous restatement affecting the carrying values of royalty interests in mineral properties and future income taxes was deemed unnecessary based on further research. No other financial statements were affected by this change and there was no income statement impact for any periods.

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

Description of Business

The Corporation's principal business activities include the generation and acquisition of projects related to natural resources opportunities in Newfoundland and Labrador. Areas of primary interest include mineral exploration and mine development, oil and gas production and refining and hydro electricity generation, although other natural resource sectors are also considered. In general, the Corporation prefers to create partnerships or corporate structures related to the opportunities it generates, which results in the Corporation carrying minority and non-operating project or equity interests and/or royalty interests.

The Corporation holds a 10% interest in the Labrador Nickel Royalty Limited Partnership. This Limited Partnership holds a 3% net smelter return royalty interest in the Voisey's Bay nickel-copper-cobalt project in Labrador.

Among other interests, the Corporation held an approximately 14% interest in Aurora Energy Resources Inc. ("Aurora") at October 31, 2006, as well as royalties on Aurora's Central Mineral Belt project. It also holds an approximately 30% equity shareholding in Rambler Metals and Mining plc ("Rambler") and a 36.9% equity shareholding in Newfoundland and Labrador Refining Corporation.

The Corporation's current mineral properties are located in the Province of Newfoundland and Labrador, with one project in New Brunswick, Canada; however, it has certain royalty entitlements to projects in Norway, Sweden and Finland.

Financing for the exploration of the Corporation's mineral properties is provided by the Corporation directly and also through earn-in/joint venture agreements with other exploration and mining companies.

Financial Overview

	Three Months Ended October 31		Six Months Ended October 31	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Total revenue	\$ <u>1,420,398</u>	\$ <u>43,729</u>	\$ <u>2,127,964</u>	\$ <u>123,542</u>
Total operating expenses	\$ <u>1,093,021</u>	\$ <u>349,123</u>	\$ <u>1,567,324</u>	\$ <u>575,582</u>
Net earnings	\$ <u>24,439,299</u>	\$ <u>557,812</u>	\$ <u>24,567,456</u>	\$ <u>391,656</u>
Diluted earnings per share	\$ <u>0.83</u>	\$ <u>0.02</u>	\$ <u>0.84</u>	\$ <u>0.01</u>
Net cash flow	\$ <u>26,162,406</u>	\$ <u>(871,669)</u>	\$ <u>15,468,147</u>	\$ <u>2,668,371</u>

The net earnings for the three months ended October 31, 2006 were \$24,439,299 as compared to net earnings of \$557,812 for the three months ended October 31, 2005.

The current year's net earnings were supported by a \$30.1 million gain on sale of a portion of the Company's interest in Aurora during the quarter. The Company's financial performance was also aided by royalty revenue of \$888,851 in the current quarter (\$1,204,143 year to date).

The Company recognized total revenue of \$1,420,398 during the quarter, compared to \$43,729 for the same period last year. \$888,851 of this growth was driven by net smelter return royalty revenue from the Labrador Nickel Royalty Limited Partnership. In addition, option payments and management fees increased as a result of work performed on behalf of Rambler. The option payments and management fees will decrease in future periods because Rambler now runs its operations independently from the Company. Interest income increased substantially from the same period last year as proceeds from the sale of Aurora shares were invested in short-term marketable securities.

Revenue from the six month period ending October 31, 2006 increased from \$123,542 in the prior year to \$2,127,964 in the current year for primarily the same reasons as noted above.

General and administrative expenses for the quarter increased from \$227,905 last year to \$328,032. Salaries and wages increased \$56,230 due to new hires and salary increases for existing employees. Corporate compliance and annual report costs increased by \$27,525 from the previous year because the Company incurred fees associated with the share buy-back plan and the preparation of the Annual Report. The Company also incurred slightly higher travel and office expenses related to the management of its growing portfolio of investments.

General and administrative expenses for the six months ended October 31, 2006 were \$632,243 compared to \$429,601 for the same period last year, with the increase driven primarily by the same factors as in the current quarter.

Royalty tax was \$137,803 and \$170,745 for the three months and six months ended October 31, 2006 respectively, compared to \$nil for the same periods last year. The royalty tax is a provincial levy withheld on the Company's net smelter return royalty in the province of Newfoundland and Labrador.

Stock-based compensation increased to \$275,879 compared to \$nil for the same period last year. In addition to stock-based compensation cost recognized on the income statement, the Company deferred \$28,890 as part of its mineral exploration and development costs during the current quarter (October 2005 - \$nil).

Amortization increased to \$327,765 compared to \$12,355 for the same period last year. The primary increase is driven by the amortization of the royalty interest which is being amortized on a units of production basis over the expected life of the mine at Voisey's Bay. Amortization for the six months ended October 31, 2006 was \$446,958 compared to \$21,490 for the same period last year. The increase was covered primarily by the amortization of the royalty interest.

The Company recorded a gain on disposal of \$30,141,482 for the period ending October 31, 2006 compared to \$nil for the same period last year. The gain on disposal was recorded on the sale of 3 million shares in Aurora.

The share of loss in equity investees increased to \$684,678 in the quarter, compared to \$286,146 for the same period last year. The increase was driven primarily by losses recognized on the equity interest in Aurora during the quarter.

The Company recognized investment income of \$336,000 during the quarter compared to \$nil in the same period last year. Part of the proceeds from the sale of Aurora shares were reinvested into other long-term investments, which yielded returns of \$336,000 in the current quarter and \$700,000 on a year to date basis. There was no investment income in the prior year.

The company incurred current and future income tax expense of \$5,680,882 for the three months ended October 31, 2006, compared to \$190,000 for the same period last year. The Company incurred income tax expense of \$5,751,189 for the six months ended October 31, 2006, compared to \$190,000 for the same period last year. The year to date effective income tax rate is 19%. The lower than normal effective tax rate for the Company is primarily because of a higher weighting of capital gains income, which is taxed at a lower effective rate.

Cash Flows, Liquidity and Capital Resources

Operating Activities

The company generated cash of \$1,715,058 from operating activities for the three months ended October 31, 2006, compared to a use of cash of \$516,412 for the same period last year. The increase was caused by higher net earnings than in the previous period. The increase in non-cash working capital is caused by an increase in income taxes payable of \$5,585,000. The Company expects this decrease in non-cash working trend to reverse when income taxes are paid early in 2007.

Financing Activities

The Company spent \$726,774 on financing activities during the quarter as compared to an inflow of \$13,500 for the same period last year. The Company acquired 112,800 Altius common shares from the public market at a total cost of \$745,273 under its normal course issuer bid. The total shares held in treasury at October 31, 2006 of 127,900 were cancelled after the period end.

Investing Activities

The Company had a net inflow of \$25,174,122 from investing activities compared to a net outflow of \$368,757 for the same period last year. The major source of cash was the \$31,350,000 proceeds from the sale of Aurora shares. The Company also invested \$233,037 in mineral properties. In addition, the Company invested an additional \$5,436,270 in other long-term investments during the quarter. The Company also advanced \$463,447 to an affiliated company, most of which has been subsequently received.

Liquidity

At October 31, 2006 the Corporation had current assets of \$53.2 million and current liabilities of \$11.9 for net working capital of \$41.3 million. The Corporation anticipates that the net working capital is sufficient to meet its current requirements for operating and investing activities.

An additional source of funding for the Corporation's exploration programs is its earn-in/joint venture agreements with several mining industry partners. These partners are funding the exploration of individual properties, or group of properties, in exchange for direct ownership interest in the properties, should all vesting conditions be met. Annual cash and/or share option payments to the Corporation are often a component of these agreements.

The Corporation's major sources of funding are the earn-in/joint venture agreements referred to in the previous paragraph, equity financing, investment income from current and long term investments and royalty income from the Corporation's partnership interest in the Labrador Nickel Royalty Limited Partnership.

Capital Resources

The Corporation has obtained various mineral rights' licenses by staking claims and paying refundable security deposits. Certain expenditures are required on an annual basis, from the date of license issuance in order to maintain the properties in good standing and for refund of security deposits.

Third parties have entered into option agreements to earn interests in certain mineral properties held by the Corporation. These parties are required to make expenditures in order to maintain their rights under the option agreements.

The Corporation has the option of reducing claims on a property, thereby reducing the annual expenditures required to maintain the property in good standing.

The following schedule, as of October 31, 2006, details the specific properties and the required expenditures for each property to October 31, 2007 in order to maintain the properties in good standing or for refund of security deposits.

Property	Required Expenditures by October 31, 2007 to Maintain Property in Good Standing
Meshikamau	\$ 173,852
New Brunswick Oil Shale	33,095
Point Leamington	42,562
Merasheen	13,595
Howell's River	794
Baie d'Espoir	18,575
Labrador Trough	50,382
Alexis River	6,062
	\$ 338,917

The working capital on hand at October 31, 2006 is sufficient to fund the required expenditures to maintain the properties in good standing.

Related Party Transactions

VMS Consultants Inc., controlled by director Geoff Thurlow, invoiced a total of \$ 38,715 for geological consulting services and reimbursement of expenses associated with exploration of certain of the Corporation's properties for the six months ended October 31, 2006. Thurlow, through his consulting company, explores and partly administers certain of the Corporation's wholly owned and/or operated exploration programs. Director John Baker is a Partner of the legal firm White Ottenheimer and Baker. This firm provided legal services in the amount of \$20,242 for the six months ended October 31, 2006. The Corporation recognized management fee revenue in the amount of \$185,308 for the six months ended October 31, 2006 from 51190 Newfoundland & Labrador Inc. (51190), a wholly owned subsidiary of Rambler Metals and Mining plc, a company which is subject to significant influence by the Corporation. The management fees are charged by the Corporation as manager of an exploration project of 51190.

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

Subsequent Events

In November 2006, the Company sold an additional 2,556,527 shares of Aurora for gross proceeds of \$33.6 million. The Company's ownership interest in Aurora was reduced from 14% to 9.9% after this transaction.

In December 2006, the Company's Board of Directors approved the granting of 290,000 stock options to Board members and employees at an exercise price of \$8.30.

Summary of Quarterly Financial Information

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

	October 31 2006	July 31 2006	April 30 2006	January 31 2006
\$ (except shares outstanding)				
Revenue	1,420,398	707,566	323,856	91,400
Net earnings (loss)	24,439,299	128,157	33,531,292	(394,984)
Net earnings (loss) per share				
-basic	0.85	0.01	1.17	(0.01)
-diluted	0.83	0.01	1.15	(0.01)

	October 31 2005	July 31 2005	April 30 2005	January 31 2005
\$ (except shares outstanding)				
Revenue	43,729	79,813	30,775	78,043 ⁽¹⁾
Net earnings (loss)	557,812	(166,156)	4,223,038	(331,097)
Net earnings (loss) per share				
- basic	0.02	(0.01)	0.16	(0.01)
- diluted	0.02	(0.01)	0.13	(0.01)

(1) includes management fees and option payments previously reflected as a reduction of general and administrative expenses.

The number of shares outstanding at October 31, 2006 and as of December 28, 2006 is 28,854,725.

Mineral Exploration Projects Overview

The following description provides an overview of the exploration activity and progress on the Company's mineral properties for the periods noted. For additional details on each the properties please refer to the Company's web site, www.altiusminerals.com.

For the Quarter Ending October 31, 2006

The Corporation acquired a total of 1050 map staked claims at a cost of \$63,000 with \$52,500 of the total considered refundable upon completion of first year exploration work.

An additional 6 claims were added to the western side of the Viking Property to cover newly discovered mineralization as well as untested anomalies discovered by previous workers.

Two new property groups were acquired during competitive staking on October 31, 2006. The Nuiklavik Property comprises 790 claims held under 6 licences to cover previously discovered areas of potential uranium and rare-earth-element mineralization. Compilation and research programs are ongoing in preparation for 2007 field programs. The Voisey's Bay Property

comprises 258 claims held under 6 mineral licenses. The ground was acquired after the Newfoundland Government removed staking restrictions. The area lies within 10 kilometers of the Voisey's Bay Deposit and contains targets areas for potential nickel, copper and cobalt mineralization.

Several work programs were conducted during this quarter. One diamond drill hole was drilled at the South Tally Pond Property to test an offhole time-domain electromagnetics response discovered during the 2001 drilling program. Reconnaissance prospecting and sampling was conducted over parts of the Viking Property and an extension to the known extents of mineralization was discovered and subsequently staked. Drilling programs continued on the Rocky Brook property along with follow-up ground checking of resultant anomalies from the airborne radiometrics and electromagnetic survey completed during the summer. Preliminary property visits of a reconnaissance nature were conducted over parts of the Notakwanon, Kamistaitusset, Howell's River, Merasheen and Lac Joseph properties. In addition, numerous areas of interest in Newfoundland and Labrador were visited in order to evaluate if the Corporation would be interested in taking a land position. Several other of the Corporation properties are currently being researched and data compiled in advance of planned 2007 field programs.

Year to Date

Based on exploration results for several properties, the Corporation has seen fit to reduce the size of some licenses:

- May 2006; The Baie d'Espoir Property was reduced from 70 claims to 49 claims
- July 2006; The Corporation reduced the Lac Joseph Property from 95 to 24 claims

Ongoing review of prospective areas as well as areas currently covered by claim held by the Corporation resulted in acquisition of additional claim holdings:

- May 2006; An additional 12 claims were added to the Notakwanon Property in order to acquire an area of known mineralization that came available for staking.

In addition to those items discussed above, the Corporation has also been actively involved with numerous areas of evaluation for potential base metal, uranium, gold and nickel mineralization throughout Newfoundland and Labrador. The work being done will aide the Corporation in its decision to acquire additional mineral lands. Drill programs have been ongoing at Rocky Brook since mid-Summer 2006. An airborne survey (EM + Radiometrics) flown by Aeroquest covered not only the Rocky Brook property group but also a large area of land contiguous to the north. This additional survey area, termed the White Bay Project, is being evaluated for potential undiscovered gold and uranium mineralization.

Several properties such as Viking, Meshikamau and prospective areas within Western Labrador were also visited and examined in order to assess their potential for further exploration work.

The Corporation is represented by the following Qualified Persons supervising its projects:

- Dr. Geoffrey J. Thurlow, P.Geo.,
- Lawrence Winter, M.Sc., P.Geo.
- Rod Churchill, M.Sc., P.Geo.

The following schedule outlines the major categories of capitalized mineral property and deferred exploration costs by property at October 31, 2006.

(in dollars \$)	Acquisitions	Geological and Project Administrative Wages & Benefits	Geophysical and Geochemical	Drilling	Travel and Other	Recovered Property Costs	Accumulated Writedown for Impairment	Total October 31 2006
South Tally Pond	4,750	179,942	96,106	112,494	101,014	(49,900)	-	444,406
White Bay	-	-	81,546	-	-	-	-	81,546
Taylor Brook	20,287	16,212	38,100	-	13,024	(7,031)	(1,200)	79,392
Lockport	1,200	47,101	2,852	16,562	14,721	(12,002)	(50)	70,384
Mustang Trend	500	56,328	2,172	-	25,221	-	(18,620)	65,601
Notakwanon	1,120	16,340	-	-	41,166	(7,000)	-	51,626
Kamistaitusset	200	20,806	-	-	27,107	-	-	48,113
Viking	5,540	21,928	-	-	18,634	-	-	46,102
Labrador Trough	200	16,661	987	-	28,794	-	(900)	45,742
Newfoundland Uranium	-	32,496	-	-	10,823	-	-	43,319
Shamrock	-	33,341	4,464	-	10,797	-	(5,831)	42,771
Rocky Brook	282,800	72,856	4,219	2,800	14,633	(326,891)	(8,818)	41,599
New Brunswick Oil Shale	-	19,872	-	-	11,789	-	-	31,661
Point Leamington	19,702	21,155	1,281	-	2,743	(15,394)	-	29,487
Howell's River	500	2,535	-	-	22,092	-	-	25,127
Baie d'Espoir	3,050	23,333	21,718	-	21,699	(43,419)	(2,560)	23,821
Merasheen	1,880	15,902	1,497	-	10,610	-	(14,375)	15,514
Alexis River	500	3,196	-	-	9,526	-	-	13,222
Meshikamau	17,710	20,159	-	-	39,326	(66,591)	-	10,604
Voisey's Bay	-	1,530	-	-	8,382	-	-	9,912
Nuiklavik	-	4,789	-	-	4,746	-	-	9,535
Lac Joseph	950	3,734	-	-	4,826	-	(710)	8,800
Moosehead	41,427	54,608	16,701	-	43,022	(132,922)	(17,362)	5,474
Robert's Arm	1	1,948	-	-	3,515	(1,400)	-	4,064
Colliers River	-	2,192	-	-	1,750	-	-	3,942
Victoria River	3,700	556	-	-	2,983	(4,289)	-	2,950
Miguel's Trend	3,100	3,372	3,542	-	1,315	-	(8,754)	2,575
	409,117	692,892	275,185	131,856	494,258	(666,839)	(79,180)	1,257,289

The following schedule outlines the major categories of capitalized mineral property and deferred exploration costs by property at October 31, 2005.

(in dollars \$)	Acquisitions	Geological and Project Administrative Wages & Benefits	Geophysical and Geochemical	Drilling	Travel and Other	Recovered Property Costs	Accumulated Writedown for Impairment	Total October 31 2005
South Tally Pond	4,750	162,973	96,106	63,344	81,469	(49,900)	-	358,742
Nain	-	27,738	-	-	48,862	-	-	76,600
Lockport	1,200	47,101	2,852	16,562	14,721	(12,002)	(50)	70,384
Mustang Trend	500	54,181	2,172	-	25,087	-	(18,510)	63,430
Labrador Trough	200	16,189	987	-	28,794	-	(900)	45,270
Shamrock	-	33,341	4,464	-	10,797	-	(5,831)	42,771
Taylor Brook	20,287	12,937	-	-	12,622	(7,031)	(1,200)	37,615
Point Leamington	19,702	20,592	1,281	-	3,306	(15,394)	-	29,487
Kamistaitusset	200	8,664	-	-	16,586	-	-	25,450
Baie d'Espoir	3,050	21,718	21,718	-	21,699	(43,419)	(2,350)	22,416
Wade Lake	6,000	3,972	-	-	8,591	-	(6,960)	11,603
Alexis River	500	1,525	-	-	8,868	-	-	10,893
White Bay	-	-	-	-	3,251	-	-	3,251
Howell's River	500	-	-	-	2,600	-	-	3,100
Miguel's Trend	3,100	3,372	3,542	-	1,315	-	(8,754)	2,575
Meshikamau	17,710	18,827	-	-	31,593	(66,591)	-	1,539
Lac Joseph	950	128	-	-	-	-	-	1,078
Robert's Arm	1	-	-	-	-	-	-	1
Wild Cove	1	-	-	-	-	-	(1)	-
Merasheen	510	6,530	1,497	-	5,838	-	(14,375)	-
Moosehead	41,427	50,941	16,701	-	38,165	(131,567)	(15,667)	-
Rocky Brook	132,800	52,623	4,219	2,800	14,166	(197,790)	(8,818)	-
Labrador	-	33,865	-	-	49,746	(23,411)	(60,200)	-
Bay du Nord	480	3,398	-	-	4,645	-	(8,523)	-
Victoria River	750	556	-	-	2,983	(4,289)	-	-
	254,618	581,171	155,539	82,706	435,704	(551,394)	(152,139)	806,205