Management's Discussion and Analysis
of Financial Conditions and Results of Operations
Three and Six Months Ended October 31, 2007

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's unaudited consolidated financial statements for the period ended October 31, 2007 and related notes. This MD&A has been prepared as of December 13, 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.

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

Description of Business

Altius Minerals Corporation's (the "Corporation") principal business activities include the generation and acquisition of projects related to natural resources opportunities in the Province of Newfoundland and Labrador, Canada. 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's current holdings include various exploration stage royalty interests and an effective 0.3% production stage royalty interest in the Voisey's Bay nickel-copper-cobalt project in Labrador. The Corporation also holds various investments in mining and mineral related companies, through direct investment and through the vending of earn-in agreements on its mineral exploration properties. In addition, the Corporation currently holds a 39.6% interest in Newfoundland Labrador Refining Corporation "(NLRC"), a private company proposing to construct a new 300,000 barrel per day oil refinery in south eastern Newfoundland and Labrador.

Results of Operations

The net earnings for the three months ended October 31, 2007 was $37.8 million bringing the year to date net earnings to $53.5 million, compared to net earnings for the three months ended October 31, 2006 of $24.4 million and 2006 year to date earnings of $24.6 million.

The current period net earnings include gains on disposals from the sale of investments of $45.4 million bringing year to date gains on disposals from the sale of investments to $61.6 million, primarily from the sale of the Corporation's interest in Aurora Energy Resources Inc. ("Aurora") and the sale of other mining and mineral related investments. The Corporation also earned $1.4 million during the quarter from its interest in the Labrador Nickel Royalty Limited Partnership bringing the total six month royalty revenue to $2.8 million. The Corporation derives its royalty revenue from its effective 0.3% net smelter return royalty interest in the Voisey's Bay nickel-cobalt-copper mine.

The Corporation recognized total revenue of $3 million for the current quarter bringing the revenue for the six months ended October 31, 2007 to $5.7 million, compared to $1.4 million and $2.1 million respectively for the same periods last year. Royalty revenue from the Labrador Nickel Royalty Limited Partnership was $1.4 million during the quarter. Interest income of $1.6 million was recognized on reinvested proceeds from the sale of investments.

General and administrative expenses for the three month period increased from $328,000 last year to $735,000 this year. Of this $407,000 increase, $42,000 is attributable to an increase in compliance costs and a $129,000 increase in salaries and wages due to new hires and salary increases for existing employees as well as salary related expenses. The Corporation also incurred foreign exchange losses of $135,000 due to the strengthening Canadian dollar. In addition, the Corporation incurred additional administrative expenses and professional fees related to the management of its investments during the period.

General and administrative expenses for the six month period increased from $632,000 last year to $1,327,000 this year. Of this $695,000 increase, $166,000 is attributable to an increase in compliance costs and a $151,000 increase in salaries and wages due to new hires and salary increases for existing employees as well as salary related expenses. The Corporation also incurred foreign exchange losses of $165,000 due to the strengthening Canadian dollar.
In addition, the Corporation incurred additional administrative expenses and professional fees related to the management of its investments during the period

Royalty tax for the three month period ended October 31, 2007 was $277,000, compared to $138,000 for the same three month period last year. Royalty tax for the six month period ended October 31, 2007 was $471,000, compared to $171,000 for the same six month period last year. The royalty tax is a 20% provincial levy withheld on the Corporation's net smelter return royalty in the province of Newfoundland and Labrador. The Corporation receives a credit against the 20% base rate for eligible exploration expenditures incurred in the province of Newfoundland and Labrador.

Stock-based compensation for the three month period ended October 31, 2007 decreased from $276,000 for the same period last year while the six month period decreased to $233,000, compared to $276,000 for the same period last year. In addition to stock-based compensation cost recognized on the income statement, the Corporation deferred $11,000 as part of its mineral exploration and development costs during the current year (2006 – $28,890).

Amortization for the quarter decreased from $328,000 last year to $267,000 for the same period this year and for the six month period, amortization decreased from $447,000 last year to $371,000 for the same period in the current year. The Corporation's royalty interest in the Voisey's Bay mineral property is being amortized on units of production basis over the expected life of the mine.

The Corporation realized gains on disposal of investment of $45.4 million for the three month period ended October 31, 2007 and $61.6 million for the six month period ended October 31, 2007,compared to $30 million respectively for the same periods last year. A gain on disposal of a mineral property of $220,000 was also recognized in the second quarter related to the sale of a base metal property. During the quarter, the Corporation sold 3.25 million shares in Aurora for net proceeds of $45.6 million and realized a gain on disposal of $44.5 million. As of October 31, 2007, the Corporation's interest in Aurora was 2.5 million shares which are secured as part of an equity forward agreement entered into in March 2007. The equity forward agreement locks in the economic interest of the shares at the contractual rate**.**

The share of loss in equity investments was $162,000 for the three months ended October 31, 2007 and $327,000 for the six months ended October 31, 2007, compared to $685,000 and $1.1 million respectively for the same periods last year. The decrease over the prior year was caused by the change in the treatment of the investment in Aurora from the equity basis to available-for-sale treatment commencing in August 2006.

The Corporation recognized interest on long-term debt expense of $477,000 in the current quarter which brings the year to date balance to $862,000 compared to $nil in the same periods last year. The interest on long-term debt was the result of the receipt of proceeds on a zero – coupon loan in March 2007 bearing interest at 4.25% per year and maturing in 5 years.

The Corporation recognized investment income of $42,000 for the three month period ended October 31, 2007 and $60,000 for the six month period ended October 31, 2007 compared to $336,000 and $700,000 for the same periods last year. The Corporation disposed of some dividend-paying investments during the current periods.

The Corporation incurred current and future income tax expense of $8.5 million for the three months ended October 31, 2007 and $12 million for the six month period ended October 31, 2007 compared to $5.7 million and $5.8 million for the same periods last year. The effective tax rate of 18.4% is caused by a higher weighting of capital gains income, which is taxed at one-half the normal effective tax rate for corporate earnings.

Cash Flows, Liquidity and Capital Resources

Operating Activities

The Corporation used cash from operating activities of $2.2 million for the three months ended October 31, 2007 compared to an inflow of cash of $1.7 million for the same period last year. This use of cash for the current periods is primarily caused by the add-back of non-operating gains including gains on disposal of $ 45.4 million and $61.6 million for the three month and six month period ended October 31, 2007 respectively. In addition, the Corporation paid $24.1 million in cash taxes for the six- month period ended October 31, 2007.

Financing Activities

The Corporation used cash from financing activities of $1.2 million for the three months ended October 31, 2007 compared to a use of cash of $727,000 for the same period last year. The

Corporation repurchased 101,400 common shares under its normal course issuer bid at a total cost of $1.6 million. This use of cash was offset by the exercise of stock options totaling $434,000.

Investing Activities

The Corporation generated cash inflow of $46 million from investing activities for the three months ended October 31, 2007 compared to a net inflow of $25 million for the same period last year. The major source of cash was the $49 million proceeds from the disposal of investments including $44.5 million from the sale of 3.25 million Aurora shares. The Corporation invested $2.4 million into NLRC during the quarter to progress additional environmental work and engineering.

Liquidity

At October 31, 2007 the Corporation had current assets of $167.8 million and current liabilities of $6.2 million for net working capital of $161.6 million. The Corporation anticipates that the net working capital is sufficient to meet its current requirements for operating and investing activities.

The Corporation's major sources of funding are the earn-in/joint venture agreements on mineral exploration properties, equity financing, interest and investment income from marketable securities and 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.

Commitments and Contractual Obligations

As at October 31, 2007, the Corporation must spend $465,970 on mineral property exploration over the next 12 months in order to maintain its properties in good standing or for refund of security deposits. As an alternative to making the expenditures, the Corporation may choose to reduce the number of claims on a property, thereby reducing the annual expenditures required to maintain the property in good standing.

The Corporation has other contractual obligations that are contingent upon future events, such as successful mineral discoveries and future mine production. See note 12 to the annual audited consolidated financial statements for additional details.

Related Party Transactions

Chairman of the Board and Director John Baker is a Partner of the legal firm White Ottenheimer and Baker. This firm provided legal services in the amount of $4,000 for the three months ended October 31, 2007 (2006 – $13,000)

VMS Consultants Inc., controlled by director Geoff Thurlow, invoiced a total of $3,000 (2006 – $28,000) for geological consulting services and reimbursement of expenses associated with exploration of certain of the Corporation's properties for the three months ended October 31, 2007. Thurlow, through his consulting company, explores and partly administers certain of the Corporation's wholly owned and/or operated exploration programs.

The Corporation recognized revenue from equity investments in the amount of $14,000 for the three months ended October 31, 2007 (2006 – $91,000). The management fees are charged by the Corporation for incidental services provided to Rambler and for office and administrative services provided to NLRC.

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

Summary of Quarterly Financial Information

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

$	**October 31, 2007**	**July 31, 2007**	**April 30, 2007**	**January 31, 2007**
Revenue	3,049	2,647	2,765	2,235
Net earnings	37,799	15,698	871	27,325
Net earnings per share				
- basic	1.31	0.54	0.03	0.95
- diluted	1.28	0.53	0.03	0.93

$	**October 31, 2006**	**July 31, 2006**	**April 30, 2006**	**January 31, 2006**
Revenue	1,420	708	324	91
Net earnings (loss)	24,439	128	33,531	(395)
Net earnings (loss) per share				
- basic	0.85	0.01	1.17	(0.01)
- diluted	0.83	0.01	1.15	(0.01)

The Corporation does not experience seasonality in operations since revenue is derived primarily from investment income and from the Voiseys' Bay Royalty, which is contingent upon commodity price and production levels at the Voisey's Bay nickel-copper-cobalt mine.

The total number of common shares outstanding as of December 13, 2007 is 30,944,425.

Equity Investments Overview

The Corporation has two development-stage equity investments, NLRC and Rambler Metals and Mining ("Rambler").

NLRC

The Corporation currently holds a 36.9% interest in NLRC, a private company proposing to construct a new 300,000 barrel per day oil refinery in south eastern Newfoundland and Labrador. During the quarter the Corporation invested an additional $2.4 million in NLRC to fund its proportionate share of ongoing evaluation and permitting work.

During the quarter the Corporation and NLRC entered into a standby subscription letter under which the Corporation may from time to time, until December 31, 2008, subscribe for up to 4,812,762 common shares in the capital of NLRC at a price of US$20.78 per share for the purposes of funding NLRC's operations. The agreement is subject to a number of conditions and may be terminated by the Corporation in certain events.

If the Corporation makes share subscription payments under this agreement, the Corporation's ownership interest in NLRC could increase to a maximum of 51%, assuming no other equity participation. Based on this agreement, the Corporation expects to fund in excess of its proportionate share of NLRC expenditures and thereby increase its ongoing expenditures for the near term. No estimate of funding requirements for NLRC can be made since several milestones must be met before the refinery project can progress to the next phases of detailed engineering and commencement of construction.

In July 2007, NLRC submitted an environmental impact statement ("EIS") to the Newfoundland and Labrador Department of Environment and Conservation following the issuance of guidelines by the department on June 21, 2007. Based upon public input and internal review of the EIS, the provincial minister of the Department of Environment and Conservation issued a statement on October 5, 2007 regarding a positive decision pertaining to the acceptability of the EIS for the refinery project. The decision is subject to requirements of continuing data submission and providing an amendment document to add to the EIS. The conditions and continuing commitments were each acceptable to NLRC and consistent with its own stated objective of ensuring the project properly and fully addresses environmental and socioeconomic considerations.

NLRC also expects a comprehensive study report ("CSR") on the proposed refinery's marine terminal to be prepared by the Federal Department of Transport and the Department of Fisheries and Oceans following public review and comments received on the EIS. Once the CSR has been issued, it will be distributed to the public for at least 30 days for review and comment. The Minister of Environment Canada will then consider the public input in making a final decision.

Engineering work continued in conjunction with SNC-Lavalin throughout the quarter while NLRC management progressed on potential partnership discussions with long lead item suppliers, licensors, large heavy oil producers, refinery operators, petroleum product marketing firms and debt and equity financiers.

Rambler Metals and Mining plc ("Rambler")

The Corporation holds a 24.1% interest in Rambler, an exploration stage company with property interests in the historic Ming copper-gold mine located near Baie Verte, Newfoundland and Labrador.

A comprehensive program of dewatering and rehabilitation of the historic underground infrastructure commenced in mid-June 2007 to facilitate more efficient exploration and delineation of the potential ore zones from underground. As of October 31, 2007, approximately 103.2 million gallons of water had been pumped from the mine workings representing 51.6% of the estimated water volume to be removed. Based upon the current rate of mine dewatering Rambler anticipates commencement of its underground drilling program in the 4th quarter which will focus on resource delineation of the Ming Footwall Zone.

Ongoing exploration and delineation drilling programs from surface continued to deliver encouraging results from the historic Ming and Ming West copper-gold deposits. Other prospective zones of copper mineralization including the Ming Footwall Zone, the upper Ming Footwall Zone, and Zone 1807, were also extended by drilling in the quarter.

In May 2007 Rambler completed a private placement to finance future exploration and development expenditures, whereby Rambler issued 9.35 million units comprising one share and one-half of a share purchase warrant. As a result of this financing the Corporation's ownership interest was diluted from 30% to 24.3%.

Mineral Exploration Projects Overview

During the quarter ended October 31, 2007, the Corporation engaged in exploration programs on several base metals and mineral properties located throughout the Island portion of the province and in Labrador. The Corporation also added three new exploration partnerships to its portfolio of joint venture and earn-in agreements.

On August 9, 2007, Golden Cross Resources ("GCR") signed an agreement with the Corporation whereby GCR may earn a 50 percent interest in two separate uranium projects in central

Labrador. GCR may issue 25,000,000 shares and spend $3,500,000 on exploration over 5 years at the Notakwanon project and may issue 15,000,000 shares and spend $2,000,000 on exploration over 5 years at the Nuiklavik project. Both projects are subject to royalties held by the Corporation, which includes a 2% gross sales royalty on uranium and a 2% net smelter return on other metals. Airborne radiometric, magnetic and electromagnetic surveying in conjunction with prospecting and mapping is being planned for the summer of 2008.

In October 2007, the Corporation established an alliance with JNR Resources Inc. ("JNR") to explore for uranium in the newly acquired Topsails property which covers 2,646 square kilometers. Under this alliance, the Corporation and JNR will each hold a 50% interest in the venture. In return for generating the project, the Corporation has retained a 2% Gross Sales Royalty on uranium products and a 2% Net Smelter Return on all other commodities. JNR has agreed to make an initial 50,000 share payment to the Corporation and an optional 50,000 share payment on the first anniversary.

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

The Corporation increased its staked land position during the quarter by 277,900 hectares from 148,152 hectares in July 2007 to 426,052 hectares in October 2007.

Altius Minerals Corporation
Mineral Claims Activity
(in hectares)

Location	Primary metal	April 30, 2007 Balance	Additions	Deletions	Sold	October 31, 2007 Balance
Labrador						
	Iron Ore	2,000	125			**2,125**
	Nickel	26,750	10,350	(19,700)		**17,400**
	Uranium	67,350	1,500			**68,850**
	Base metals	1,500				**1,500**
		97,600	11,975	(19,700)	-	**89,875**
Island of Newfoundland						
	Nickel	1,125	1,675			**2,800**
	Uranium	10,925	292,725			**303,650**
	Gold	11,275	775	(4,700)		**7,350**
	Base metals	12,575		(200)	(1,475)	**10,900**
	Other	1,775				**1,775**
		37,675	295,175	(4,900)	(1,475)	**326,475**
Other						
	Oil Shale	9,702	-			**9,702**
Other Total		9,702	-	-	-	**9,702**
Grand Total		144,977	307,150	(24,600)	(1,475)	**426,052**

Internal Control over Financial Reporting

Management is responsible for the establishment and maintenance of a system of internal controls over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles (GAAP) and in accordance with accounting policies set out in the notes to the consolidated financial statements for the three months and six months ended October 31, 2007.

In compliance with Form 52-109F1 of Multilateral Instrument 52-109, management must disclose in its MD&A any material weakness found to exist within its system of internal control over financial reporting.

Management has identified a material weakness during the current year caused by a lack of segregation of duties. This is a typical issue for smaller companies, and while the Corporation has added additional staff during the period which strengthens the segregation of duties, there still existed a lack of such segregation for part of the current fiscal year. Management believes, however, that the risks associated with the lack of segregation of duties during part of the quarter have been mitigated by the implementation of other controls. The Audit Committee has direct oversight responsibilities for the review and approval of the quarterly and annual financial disclosures, the Corporation retains the external auditor to perform quarterly reviews of the financial statements, and the Corporation has qualified senior accounting personnel engaged on a full time basis to manage the Corporation's financial disclosures.

Evaluation and Effectiveness of Disclosure Controls and Procedures

The Corporation has established and maintains disclosure controls and procedures over financial reporting. The certifying officers have evaluated the effectiveness of the issuer's disclosure controls and procedures as of October 31, 2007 and have concluded that such procedures are adequate and effective to ensure accurate and complete disclosures in annual filings.

Adoption of New Accounting Standards

Comprehensive Income, Equity, Financial Instruments and Hedges

Effective May 1, 2007, the Corporation adopted Canadian Institute of Chartered Accountants ("CICA") Section 1530, "Comprehensive Income", Section 3251, "Equity", Section 3855, "Financial Instruments - Recognition and Measurement" and Section 3865, "Hedges". The new standards require, among other things, the fair market value presentation of all financial instruments, including cash , receivables and prepaids, derivatives, and non - equity accounted investments. These assets and liabilities were previously measured at their carrying amount. These changes, including the transitional provisions and initial designation of financial instruments are explained in further detail in note 3 to the interim consolidated financial statements. In addition, a detailed discussion of factors affecting financial instruments and the Corporation's risk management approach is included in note 13 to the interim consolidated financial statements.

Subsequent events

In November 2007 the Corporation closed a bought deal financing and issued 1,800,000 common shares at a price of $28 per share for gross proceeds of $50.4 million. The offering was done by way of short-form prospectus. Upon closing the Corporation received net proceeds of $47.8 million, net of the 5% underwriting fee and other share issuance costs.

In December 2007 the Corporation acquired an additional 750,000 shares in NLRC at a price of US $20.78 per share for a total cash outlay of $15.6 million. Following this share subscription the Corporation's ownership interest in NLRC has increased from 36.8% to 39.6%. The funds are expected to be used by NLRC to pay general corporate costs and to progress ongoing environmental and engineering work.

The following schedule outlines the major categories of mineral properties, deferred exploration costs, and security deposits at October 31, 2007.

Amounts in thousands of dollars

Location	Primary Metal	Acquisitions	Wages	Geology / Geophysics	Drilling	Travel/Other	Recovered Property Costs	Write-Down	Security Deposits	Grand Total
Labrador										
	Base metals	(1)	23	18	-	66	-	-		106
	Iron Ore	1	55	152	-	71	-	-		279
	Nickel	7	19	8	-	50	-	-		84
	Uranium	28	88	534	-	325	(701)	-		274
		35	185	712	-	512	(701)	-	-	743
Island of Newfoundland										
	Base metals	35	291	117	168	126	(199)	(1)		537
	Gold	66	79	40	-	83	(146)	(7)		115
	Nickel	42	21	38	-	13	(7)	(1)		106
	Uranium	365	292	226	687	238	(1,427)	-		381
		508	683	421	855	460	(1,779)	(9)	-	1,139
Other										
	Oil shale	5	29	43	-	41	-	-		118
		5	29	43	-	41	-	-	-	118
Security Deposits									677	677
General Exploration						68		(68)		-
Grand Total		548	897	1,176	855	1,081	(2,480)	(77)	677	2,677