ALTIUS MINERALS CORPORATION

Management's Discussion and Analysis

of Financial Conditions and Results of Operations

Three Months Ended July 31, 2009

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

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

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

Description of Business

Altius Minerals Corporation’s (the “Corporation”) principal business activities include the generation and acquisition of projects involving natural resources primarily in eastern Canada. In general, the Corporation prefers to generate 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 highly liquid cash and marketable securities of approximately $133,000,000, various mineral properties, 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 holds a 20.2% interest in Rambler Metals and Mining plc (“Rambler”), which is carrying out advanced exploration of the past producing Ming copper - gold mine, located near Baie Verte, Newfoundland and Labrador. In addition, the Corporation currently holds a 39.6% interest in Newfoundland and Labrador Refining Corporation (“NLRC”), which is currently under bankruptcy protection. NLRC is a private company proposing to construct a new 300,000 barrel per day oil refinery in south eastern Newfoundland and Labrador. The Corporation also holds various investments in mining and mineral related companies with an approximate market value of $34,000,000, through direct investment and through the vending of earn-in agreements on its mineral exploration properties.

Operational and Business Overview

The Corporation recorded a net loss of $597,000 for three months ended July 31, 2009 or a loss of $0.02 per share. The decline from the same period last year was primarily caused by lower investment income from government guaranteed marketable securities in comparison to the prior year.

The current quarter exploration activity included the completion of a 6,000 metre drill program at the Corporation’s New Brunswick oil shale project, as well as a significant effort to identify new projects through early stage exploration for iron ore, uranium, potash, base metals, and gold in Newfoundland and Labrador. Additional exploration activities were undertaken as part of respective earn-in/joint venture agreements with various third parties. Of particular significance were the drilling and exploration activities with Northern Abitibi Mining Corp. (“Northern Abitibi”) at the Viking gold project, which on June 22 and July 2 reported new areas of high grade gold mineralization in new trenches at the Viking gold project.

The Corporation also engaged an engineering firm to coordinate a preliminary bench-scale metallurgical program to determine characteristics of the iron ore mineralization encountered in drilling in the 2008/09 drill program at the wholly owned Kamistiatusset iron ore* project in western Labrador. Drill core samples have been submitted for preliminary grinding and beneficiation by low intensity magnetic and gravity separation, with final results anticipated in late summer.

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

The Corporation's major equity investments, NLRC and Rambler, continue to face challenges as a result of the turmoil caused by the collapse of the global equity and financial markets. NLRC remains under creditor protection, and awaits the ratification of a proposal to creditors submitted in October 2008. In the prior year, the Corporation reduced the value of its investment and loan to NLRC to $nil to reflect the uncertainty caused by the current conditions of NLRC.

On September 9, 2009, Rambler announced that it had successfully completed negotiations with Crew Gold Corporation for the purchase of the Nugget Pond processing facility situated 40 kilometres from Rambler's Ming mine on the Baie Verte Peninsula in Newfoundland. Rambler views the acquisition of the facility as an attractive opportunity that will greatly improve project economics. Rambler's management continues to evaluate operational parameters and continues to evaluate financing opportunities in light of the improvement in copper prices.

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

During the current quarter, the Corporation acquired 6,572,250 shares in International Royalty Corporation ("IRC") at a total cost of $23,469,000. As at July 31, 2009 The Corporation's ownership interest in IRC was 8,746,072 shares or 9.2% of the total outstanding shares.

In June 2009 the Corporation acquired 4,227,273 units in Millrock Resources Limited ("Millrock") at a total cost of $930,000. Each unit consists of one common share and one common share purchase warrant with an escalating exercise price over the two year warrant period.

At July 31, 2009 the Corporation had net working capital of $133,112,000 and no debt. The Corporation's current assets are comprised primarily of cash and marketable securities, which are held in short-term and medium-term interest bearing government guaranteed and investment-grade corporate instruments. The Corporation does not expect any liquidity issues on any of it marketable securities.

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* ** The term 'iron ore' is commonly used mining industry terminology for iron oxide-rich rocks and its use here only implies the presence of iron mineralization, not necessarily 'ore', which may or may not have economic resource potential.*

Outlook

The price of commodities and the market valuation of assets and companies linked to the exploration and production of commodities continued to demonstrate volatility throughout the current period. The Corporation is reviewing an increasing number of opportunities to prudently deploy its capital. Two significant investments were made in publicly traded resource companies during the quarter. Valuations of quality generative exploration opportunities are also attractive at present and efforts are underway to assemble land positions that will be developed as opportunities to attract joint venture partners.

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

Results of Operations

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

The Corporation recorded a net loss of $597,000 for the three months ended July 31, 2009 compared to net earnings for the three months ended July 31, 2008 of $380,000. The current quarter loss includes revenue of $1,106,000 offset by expenses of $1,683,000.

The Corporation recognized total revenue of $1,106,000 for the three months ended July 31, 2009 compared to $2,135,000 for the same period last year.

Interest income was $265,000 for the quarter ended July 31, 2009 compared to $1,302,000 for the same period last year. This decrease resulted from much lower yields on corporate and government guaranteed investments. The Corporation holds its cash in short-term and medium-term interest bearing government guaranteed and investment grade corporate instruments. In addition, the Corporation does not anticipate any liquidity issues on its cash and marketable securities.

Royalty revenue from the Labrador Nickel Royalty Limited Partnership was $719,000 during the three month period ended July 31, 2009 compared to $797,000 for the same period last year. Decreased revenue was the result of lower realized nickel prices which was partially offset by increased concentrate shipments. The realized nickel price during the quarter was U.S. $4.99 per pound compared to U.S. $12.93 last year.

General and administrative expenses for the three months ended July 31, 2009 were $800,000 compared to $517,000 for the same period last year. This increase was the result of an increase in corporate development expenses of $141,000 to evaluate investment opportunities, increased foreign exchange losses on U.S. Dollar receivables of $57,000, and increased salary and office related costs.

Royalty tax for the three months ended July 31, 2009 was $144,000 compared to $159,000 for the same month period last year, reflecting the lower royalty revenue noted above. The royalty tax is a 20% provincial levy withheld on the Corporation's net smelter return royalty in the province of Newfoundland and Labrador.

Stock-based compensation for the three months ended July 31, 2009 was $261,000 compared to $159,000 for the same period last year. In addition to stock-based compensation cost recognized on the income statement, the Corporation deferred $4,300 as part of its mineral exploration and development costs during the three month period (2008 – $78,000). The Corporation did not award any stock options to employees and directors during the three month period ended July 31, 2009 which is consistent with the same period in the prior year.

Amortization for the three months ended July 31, 2009 was $274,000 which was higher than the $159,000 for the same period last year. The Corporation's royalty in the Voisey's Bay mine is being amortized on a units of production basis over the expected life of the mine. The increase in amortization reflects the higher volume of concentrate shipments during the current period in comparison to the prior year as well as full amortization of recently purchased geological software.

Mineral properties abandoned or impaired was $204,000 for the three month period ended July 31, 2009 compared to $55,000 in the same period last year. This is reflective of the research and reconnaissance stage exploration work on several prospective areas of interest carried out in the current quarter.

The Corporation recognized interest on long-term debt of $nil for the current three month period compared to $402,000 in the same period last year. The interest on long-term debt was from a zero – coupon loan bearing interest at 4.25%, which was settled during the previous year.

The Corporation recognized a decline in value of share purchase warrants of $nil in the current year compared to $14,000 for the three month period ended July 31, 2008. These warrants expired unexercised during the prior fiscal year.

The Corporation recognized an income tax recovery of $96,000 for the three months ended July 31, 2009 compared to $217,000 expense for the same period last year. The Corporation's effective tax rate of 13.9% is lower than the expected effective tax rate because of non-deductible stock-based compensation costs incurred in the current period.

Cash Flows, Liquidity and Capital Resources

Operating Activities
The Corporation generated cash from operating activities of $55,000 for the three months ended July 31, 2009 compared to a cash inflow of $1,573,000 for the same period last year. The decrease was caused by net earnings of $380,000 for the three months ended July 31, 2008 compared to a net loss of $597,000 in the current period.

Financing Activities
The Corporation used cash from financing activities of $14,000 for the three months ended July 31, 2009 compared to an outflow of cash of $466,000 for the same period last year. The Corporation repurchased 5,000 common shares under its normal course issuer bid during the current period at a total cost of $30,000 compared to 67,600 shares repurchased in the prior year at a cost of $466,000.

Investing Activities
The Corporation used cash in investing activities of $56,087,000 for the three months ended July 31, 2009 compared to an outflow of cash of $1,896,000 for the same period last year. A major portion of the investment included the reallocation of cash into marketable securities totaling $30,951,000. Marketable securities are comprised of highly liquid government guaranteed and investment grade commercial paper with original maturities greater than three months.

The Corporation also acquired 6,572,250 shares in IRC at a total cost of $23,469,000 and acquired 4,227,273 units in Millrock at a total cost of $930,000. Each Millrock unit consists of one common share and one common share purchase warrant with an exercise price of $0.30 for a period of one year from the purchase date and $0.40 in the second year. The Corporation classified both investments as available-for-sale. The warrants are classified as held-for-trading.

In addition, the Corporation incurred $858,000 in net mineral exploration expenditures during the current year, as described in greater detail in the ***Mineral Exploration Overview***.

Liquidity
At July 31, 2009 the Corporation had current assets of $133,785,000 and current liabilities of $673,000 for net working capital of $133,112,000, which is sufficient to meet its current requirements for operating and investing activities. The Corporation holds its cash in short-term and medium-term interest bearing government guaranteed and investment grade corporate instruments.

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

Commitments and Contractual Obligations
The Corporation has obtained various mineral rights licenses by staking claims and paying refundable security deposits. Certain expenditures are required on an annual basis, from the date of license issuance in order to maintain the properties in good standing and for refund of security deposits. On or before the anniversary date of license issuance, and if the required expenditures are not met, the Corporation has the option of reducing claims on a property, post a refundable security bond for the deficient amount or elect to allow title of the license be cancelled. The Corporation is required to spend $2,853,000 by July 31, 2010 in order to maintain various licenses in good standing, of which exploration partners have agreed to spend approximately $1,679,000. Exploration expenditures of $615,000 over the next year are required on certain properties to receive a refund of the total of security deposits in the amount of $277,000.

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

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

Related Party Transactions
Chairman of the Board and Director John Baker is a Partner of the legal firm White Ottenheimer and Baker. This firm provided legal services to the Corporation in the amount of $9,000 for the three months ended July 31, 2009 (2008 – $16,000).

VMS Consultants Inc., controlled by director Geoff Thurlow, invoiced a total of $3,000 (2008 – $6,000) for geological consulting services and reimbursement of expenses associated with exploration of certain of the Corporation's properties for the three months ended July 31, 2009.

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

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

Summary of Quarterly Financial Information

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

Amounts in thousands of dollars, except per share amounts

$	July 31, 2009	April 30, 2009	January 31, 2009	October 31, 2008
Revenue	1,106	1,938	2,109	3,206
Net earnings (loss)	(597)	(1,480)	31,624	(2,032)
Net earnings (loss) per share				
- basic	(0.02)	(0.05)	1.11	(0.07)
- diluted	(0.02)	(0.05)	1.11	(0.07)

$	July 31, 2008	April 30, 2008	January 31, 2008	October 31, 2007
Revenue	2,135	2,735	3,763	3,091
Net earnings (loss)	380	(42,007)	604	37,799
Net earnings (loss) per share				
- basic	0.01	(1.36)	0.02	1.31
- diluted	0.01	(1.34)	0.02	1.28

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

Equity Investments Overview

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

NLRC

The Corporation currently holds a 39.6% equity interest in NLRC, which is currently under creditor protection under the Bankruptcy and Insolvency Act ("BIA"). NLRC is a private company proposing to construct a new 300,000 barrel per day crude oil refinery at Southern Head, Placentia Bay in south eastern Newfoundland and Labrador, Canada. The Corporation's carrying value on its investment in NLRC is $nil as at July 31, 2009.

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

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

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

Rambler

The Corporation holds 12 million shares or a 20.2% interest in Rambler, which is listed on the Alternative Investment Market of the London Stock Exchange ("AIM"), and on the TSX-V.

Rambler is carrying out advanced exploration of the past producing Ming copper - gold mine, located near Baie Verte, Newfoundland and Labrador.

In January 2009, Rambler announced that while it would continue with its evaluation of the Ming copper-gold project, it would implement the first phase of a cost reduction program at the mine site. The operations at the Ming Mine were scaled back in order to preserve working capital ahead of potential project development. All underground drilling and pre-development work was suspended and the underground workings at the Ming Mine were put on a care and maintenance program with pump, fire watch and security the only duties taking place at the site to protect Rambler's assets.

On September 9, 2009, Rambler announced that it had successfully completed negotiations with Crew Gold Corporation for the purchase of the Nugget Pond processing facility situated 40 kilometres from Rambler's Ming mine on the Baie Verte Peninsula in Newfoundland. The gold concentrator will be adapted to process base metals sulphides from the Ming Mine through the addition of a copper flotation circuit. The modification will diversify the existing facility and allow for a range of processing capabilities. Rambler views the acquisition of the facility as an attractive opportunity that will greatly improve project economics.

Rambler continues to focus on technical requirements and in the near future management expects to complete an application for an environmental license, initiate discussions around a possible project financing, finalize plans to resume pre-production development and construction as well as exploration and maintain their plan to bring the mine into production during 2010.

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

Mineral Exploration Projects Overview

The Corporation incurred $858,000 in net exploration expenditures during the quarter. The Corporation completed a 3,636 metre drill program in April at the New Brunswick oil shale project and conducted early-stage reconnaissance in several areas throughout Newfoundland and Labrador. The early stage exploration focused primarily on the identification of new exploration targets, including iron ore, uranium, potash, base metals, and gold.

The Corporation has entered into an agreement with a third party on its Albert oil shale project in the southeast part of the province of New Brunswick, Canada. The third party plans to undertake a geological study of the oil shale underlying the Corporation's license to evaluate its suitability for field research on recovery processes. An initial payment has been made to the Corporation and optional annual payments are due during the life of the agreement. As part of the geological study program, a four-hole diamond drilling program was completed near Albert Mines by the Corporation, the cost of which was reimbursed by the third party. Separately, drilling was completed at three sites in the Albert Mines area at sole cost to the Corporation and assessment of drill core and from the 2009 program is ongoing. Core samples have been sent for oil yield tests as well as chemical and mineralogical characterization. Details of the drilling program and analytical results will be reported subsequently.

The Corporation also engaged an engineering firm to coordinate a preliminary bench-scale metallurgical program to determine characteristics of the Kamistiatusset iron ore property located in western Labrador. Drill core samples have been submitted for preliminary grinding and beneficiation by low intensity magnetic and gravity separation, with final results anticipated in late summer. The next phase of exploration at Kamistiatusset will be planned upon receipt of results of the preliminary metallurgical study. Notably, additional drilling is required to fully test this target area and to provide a basis for a resource calculation. The Corporation's agreement with Norvista Resources Corporation relative to this property expired on June 19, 2009 and a new agreement with a third party is being sought for this project.

During the quarter, third parties have also reported drilling and exploration activities on various properties under exploration agreement with the Corporation. These include Northern Abitibi, which on June 22nd and July 2nd reported new areas of high grade gold mineralization in new trenches at the Viking gold project. On July 20th Northern Abitibi reported the first results from the 2009 drill program, including 18.4 grams per tonne (g/t) gold over 4.3 metres in Hole 14, located 210 metres south of the high grade Thor Vein. In 2008 drilling the Thor Vein yielded up to 23.0 metres grading 5.12 g/t gold, including a 0.5 metre interval grading 176.20 g/t gold (drill hole hole 08VK-03). Drilling is ongoing through the quarter and will be completed in August with an estimated 2,000 to 3,000 metres in new core anticipated. Other portions of the 3 to 4 kilometre long gold-in-soil geochemical anomaly will also be drill tested. Results will be reported as they become available.

Kirrin Resources Inc. (formerly Monroe Minerals Inc.) has stated that they anticipate drill testing the Boxey Point uranium project in late 2009 or early 2010. Requests for drill bids have been issued and planning for this next phase is underway.

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

The Corporation currently has 12 active earn-in agreements or exploration alliances with various third parties throughout the province of Newfoundland and Labrador in Canada covering a variety of commodities. During the quarter Golden Cross Resources ("Golden Cross") terminated the Nuiklavik uranium project earn-in agreement with the Corporation. The Corporation will seek a new third party agreement to advance this project. Golden Cross has indicated that it remains committed to the Notakwanon uranium project and discussions are underway for exploration work in 2010.

Summary of Exploration Activity

Property	Partner	Agreement type	Status
Alexis River – Uranium	Kirrin Resources Inc[a]	Earn in	Operator evaluating '08 drilling program

Property	**Partner**	**Agreement type**	**Status**
Boxey – Uranium	Kirrin Resources Inc[a]	Earn in	Drilling planned for ’09
Kamistiatusset - Iron-ore	None	Not applicable	Conducting baseline metallurgical program.
Labrador Trough - Base metals	Cornerstone [a]	Alliance	Planning ’09 field program to evaluate airborne geophysical survey targets
Labrador West Iron Ore	Kennecott Canada Exploration Inc[a]	Earn in	Planning ‘09 program
Moosehead - Gold	Agnico Eagle Mines Ltd.	Joint venture	No active exploration
New Brunswick Oil Shale	Third Party	Geological study + potential field Test (partial area)	Drilling completed; awaiting _ results and third party area selection
Notakwanon - Uranium	Golden Cross Resources	Earn in	Planning field program for ‘09 and possible drilling ‘10
Nuiklavik - Uranium	None	Not applicable	Reviewing results of ‘08 exploration program; planning field program for ‘09
Rocky Brook – Uranium	JNR Resources Inc[a]	Joint venture	Summer program being planned, including drilling
South Tally Pond – Base Metals	Paragon Minerals Corp[a]	Earn in	Evaluating ’08 drill results
St. George’s Bay - Potash	Sprott Resources Corp	Earn in	Geophysical (gravity) survey complete; ongoing historical core re-logging, third party geophysical consulting underway
Taylor Brook – Nickel	Northern Abitibi Mining Corp[a]	Earn in	Planning ’10 program
Topsails – Uranium	JNR Resources Inc	Alliance	Winter lake sediment sampling program completed; summer field program ongoing
Viking – Gold	Northern Abitibi Mining Corp[a]	Earn in	Summer trenching/drilling program completed; data review and planning for ’10 program underway

Property	Partner	Agreement type	Status

[a] *indicates operator*

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

During the period, the Corporation decreased its staked properties from 450,154 hectares at April 30, 2009 to 422,254 hectares at July 31, 2009. The Corporation decreased its exploration claims on the island portion and the Labrador portion of the province after reviewing field work results. The Corporation continues to seek exploration agreements for its properties to cost-share exploration expenditures in exchange for a partial equity interest in the mineral properties.

Mineral Claims Activity

(in hectares)

Location	Primary metal	April 30, 2009 Balance	Additions	Deletions	July 31, 2009 Balance
Labrador					
	Iron Ore	51,652	725	(9,400)	**42,977**
	Nickel	11,475		-	**11,475**
	Uranium	47,700		(12,975)	**34,725**
	Base metals	65,275		(2,600)	**62,675**
	Silica	725		(725)	**-**
		176,827	725	(25,700)	**151,852**
Island of Newfoundland					
	Uranium *	190,925		(975)	**189,950**
	Gold	20,225		(625)	**19,600**
	Base metals	6,225		-	**6,225**
	Potash	46,250		(1,325)	**44,925**
		263,625	-	(2,925)	**260,700**
Other					
	Oil Shale	9,702			**9,702**
		9,702	-	-	**9,702**
Grand total		450,154	725	(28,625)	**422,254**

* 182,600 hectares are subject to a 50% joint venture agreement

Internal Control over Financial Reporting

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") and in accordance with accounting policies set out in the notes to the consolidated financial statements for the period ended July 31, 2009.

There has been no change in the Corporation's internal control over financial reporting during the Corporation's period ended July 31, 2009 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Evaluation and Effectiveness of Disclosure Controls and Procedures

The Corporation has established and maintains disclosure controls and procedures over financial reporting. The certifying officers have evaluated the effectiveness of the issuer's disclosure controls and procedures as of July 31, 2009 and have concluded that such procedures are adequate and effective to ensure accurate and complete disclosures in public filings.

There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

New and Future Accounting Pronouncements

Goodwill and Intangible Assets

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

International Financial Reporting Standards ("IFRS")

On February 13, 2008, the Canadian Accounting Standards Board confirmed that publicly accountable entities will be required to prepare financial statements in accordance with IFRS for interim and annual financial statements for fiscal years beginning on or after January 1, 2011 with appropriate comparative data from the prior year. Under IFRS, there is significantly more disclosure required, specifically for quarterly reporting. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies that will need to be addressed by management. The Corporation is currently assessing the impacts of the conversion on its consolidated financial statements.

Critical Accounting Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of management estimates include the rates for amortization of the royalty interest, future income taxes, assessments of the recoverability of deferred exploration expenditures, the carrying value and assessment of other than temporary impairment of investments, the recoverability of accounts receivable and loans, the determination of the provision for future removal and site restoration costs, and the assumptions used in the determination of the fair value of stock-based compensation.

Risk Factors and Key Success Factors

An investment in securities of the Corporation involves a significant degree of risk that should be considered prior to making an investment decision. In addition to discussions of key success factors and business issues elsewhere in this MD&A, the investor should consider the following risk factors:

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

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

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

an operation open, prolonged operating losses could induce an operating company to close its operations, thereby eliminating such royalty revenue.

Exposure to Mineral Price Fluctuations

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

The Ability to Attract joint Venture Partners

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

Debt and Equity Financing

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

Government Regulations

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

Key Employee Attraction and Retention

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

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

Financial Instrument Risk

The Corporation’s financial assets and financial liabilities are exposed to various risk factors that may affect the fair value presentation or the amount ultimately received or paid on settlement of its assets and liabilities. The Corporation manages these risks through prudent investment and business decisions, and, where the exposure is deemed too high, the Corporation may enter into derivative contracts to reduce this exposure. The Corporation does not utilize derivative financial instruments for trading or speculative purposes. Hedge accounting is applied only when appropriate documentation and effectiveness criteria are met.

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

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

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

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

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

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

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

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

Outstanding Share Data

The total number of common shares outstanding as of September 10, 2009 is 28,319,895.

Subsequent Event

In August 2009, the Corporation purchased an additional 178,900 shares in IRC at a total cost of $679,000. As a result of the purchase the Corporation currently owns 8,924,972 shares in IRC, representing 9.4% of the outstanding common shares.

The following schedule outlines the major categories of mineral properties, deferred exploration costs, and security deposits at July 31, 2009.

Amounts in thousands of dollars

Location	Primary Metal	Acquisitions	Wages	Geology / Geophysics	Drilling	Travel/Other	Recovered Property Costs	Write-Down	Security Deposits	Grand Total
Labrador										
	Base metals	57	117	166	-	313	(20)	-	-	633
	Iron Ore	27	383	518	1,083	342	-	-	-	2,353
	Nickel	4	15	205	-	59	-	-	-	283
	Uranium	16	244	585	-	633	(1,283)	-	-	195
		104	759	1,474	1,083	1,347	(1,303)	-	-	3,464
Island of Newfoundland										
	Base metals	11	204	99	106	86	(506)	-	-	-
	Gold	73	135	68	-	112	(216)	(7)	-	165
	Nickel	26	23	39	-	13	(100)	(1)	-	-
	Potash	31	71	108	-	38	(226)	-	-	22
	Uranium	91	949	1,135	728	823	(2,791)	-	-	935
		232	1,382	1,449	834	1,072	(3,839)	(8)	-	1,122
Other										
New Brunswick	Oil shale	17	188	837	1,463	331	(210)	-	-	2,626
Nova Scotia	Potash	25	13	80	-	33	-	-	-	151
		42	201	917	1,463	364	(210)	-	-	2,777
Security Deposits		-	-	-	-	-	-	-	277	277
General Exploration		-	45	27	-	102	-	(174)	-	-
Grand Total		378	2,387	3,867	3,380	2,885	(5,352)	(182)	277	7,640