ALTIUS MINERALS CORPORATION

Consolidated Financial Statements
For the years ended
April 30, 2014 and 2013

ALTIUS MINERALS CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Altius Minerals Corporation

We have audited the accompanying consolidated financial statements of Altius Minerals Corporation, which comprise the consolidated balance sheets as at April 30, 2014 and April 30, 2013, and the consolidated statements of loss, consolidated statements of comprehensive earnings (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Altius Minerals Corporation as at April 30, 2014 and April 30, 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Deloitte LLP

Chartered Accountants
June 25, 2014
St. John's, Newfoundland and Labrador, Canada

ALTIUS MINERALS CORPORATION

Consolidated Balance Sheets

(In thousands of Canadian dollars)

As at April 30,

	Note #	2014 $	2013 $ Restated (Note 23)
ASSETS			
Current assets			
Cash and cash equivalents	18	**6,972**	67,806
Marketable securities		**-**	77,926
Accounts receivable and prepaid expenses		**889**	499
Income taxes receivable		**1,489**	1,004
		9,350	147,235
Non-current assets			
Exploration and evaluation assets	6	**2,944**	2,826
Property and equipment	7	**152**	192
Interests in joint ventures	8,9	**274,043**	8,892
Investments in associates	10	**57,487**	73,223
Mining and other investments	11	**58,025**	37,621
Other assets	24	**984**	-
Deferred income taxes	12	**4,433**	2,851
		398,068	125,605
TOTAL ASSETS		**407,418**	272,840
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**10,647**	1,945
Current portion of debt	13	**34,200**	-
Interest payable		**106**	-
		44,953	1,945
Non-current liabilities			
Other liabilities	17	**3,684**	1,404
Long-term debt	13	**109,568**	-
Deferred income taxes	12	**7,198**	8,988
		165,403	12,337
EQUITY			
Shareholders' equity		**238,973**	257,734
Non-controlling interest		**3,042**	2,769
		242,015	260,503
TOTAL LIABILITIES AND EQUITY		**407,418**	272,840

see accompanying notes to the consolidated financial statements

ALTIUS MINERALS CORPORATION

Consolidated Statements of Loss

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

For the years ended April 30,

	Note #	2014	2013
		$	$
			Restated (Note 23)
Revenue			
Interest and investment		**1,780**	2,500
Other		**1,525**	229
		3,305	2,729
Expenses			
General and administrative	14	**8,396**	3,795
Share-based compensation	17	**2,304**	14
Generative exploration		**612**	518
Exploration and evaluation assets abandoned or impaired	6	**453**	565
Interest on long-term debt		**106**	-
Amortization		**63**	75
		11,934	4,967
Loss on disposal of investments and impairment recognition	11	**(3,528)**	(5,467)
Unrealized gain on fair value adjustment of derivatives	11	**1,371**	1,272
Dilution gain on issuance of shares by associates	10	**348**	1,717
Earnings from joint ventures	9	**686**	842
Share of loss and impairment in associates	10	**(17,328)**	(11,236)
Loss before income taxes		**(27,080)**	(15,110)
Income tax (recovery) expense (Note 12)			
Current		**459**	887
Deferred		**(4,923)**	(2,846)
		(4,464)	(1,959)
Net loss		**(22,616)**	(13,151)
Net loss attributable to:			
Common shareholders		**(22,565)**	(13,339)
Non-controlling interest		**(51)**	188
		(22,616)	(13,151)
Net loss per share			
- basic and diluted	16	**(0.81)**	(0.47)

see accompanying notes to the consolidated financial statements

ALTIUS MINERALS CORPORATION

Consolidated Statements of Comprehensive Earnings (Loss)

(In thousands of Canadian dollars)

For the years ended April 30,

	2014	2013
	$	$
Net loss	**(22,616)**	(13,151)
Other comprehensive earnings (loss), net of tax		
To be reclassed subsequently to profit or loss:		
Currency translation adjustment (net of income taxes of $38 (2013 - $nil))	**246**	-
Net unrealized gain (loss) on available-for-sale investments (net of deferred income taxes of $1,635 (2013 - net of deferred income tax recovery of $796)	**10,634**	(4,820)
Adjustment for realized (gain) loss on available-for-sale investments recognized in net loss (net of deferred income tax recovery of $122 (2013 - deferred income taxes of $690)	**(801)**	4,184
Total comprehensive loss	**(12,537)**	(13,787)
Total comprehensive earnings (loss) attributable to:		
Common shareholders	**(13,084)**	(14,217)
Non-controlling interest	**547**	430
	(12,537)	(13,787)

see accompanying notes to the consolidated financial statements

ALTIUS MINERALS CORPORATION

Consolidated Statements of Cash Flows

(In thousands of Canadian dollars)
For the years ended April 30,

	Note #	2014 $	2013 $ Restated (Note 23)
Operating activities			
Net loss		**(22,616)**	(13,151)
Adjustments for:			
Generative exploration		**612**	518
Exploration and evaluation assets abandoned or impaired		**453**	565
Share-based compensation		**2,304**	14
Amortization		**63**	75
Interest on long-term debt		**106**	-
Loss on disposal of investments and impairment recognition		**3,528**	5,467
Unrealized gain on fair value adjustment of derivatives		**(1,371)**	(1,272)
Earnings from joint ventures		**(686)**	(842)
Non-cash other revenue		**(1,713)**	-
Share of loss and impairment in associates		**17,328**	11,236
Dilution gain on issuance of shares by associates		**(348)**	(1,717)
Income tax recovery		**(4,464)**	(1,959)
Income taxes (paid) received		**(756)**	5,053
		(7,560)	3,987
Changes in non-cash operating working capital	18	**8,313**	(236)
		753	3,751
Financing activities			
Payments to non-controlling interests		**(274)**	348
Proceeds from short-term promissory note		**7,200**	-
Proceeds from long-term debt (net of cost of $3,432)		**136,568**	-
Other assets and acquisition costs	24	**(984)**	-
Repurchase of common shares	15	**(5,957)**	(8,366)
Proceeds from exercise of stock options		**257**	22
		136,810	(7,996)
Investing activities			
Proceeds from sale of investments	11	**959**	7,122
Distributions received from joint venture	9	**2,435**	2,688
Investment in joint venture	9	**(266,900)**	(499)
Generative exploration		**(669)**	(561)
Exploration and evaluation assets, net of recoveries	6	**(702)**	(253)
Decrease in marketable securities		**77,926**	33,714
Acquisition of investments	10 & 11	**(11,423)**	(20,523)
Acquisition of property and equipment		**(23)**	(11)
		(198,397)	21,677
Net (decrease) increase in cash and cash equivalents		**(60,834)**	17,432
Cash and cash equivalents, beginning of year		**67,806**	50,374
Cash and cash equivalents, end of year		**6,972**	67,806

Supplemental cash flow information (Note 18)

ALTIUS MINERALS CORPORATION

Consolidated Statements of Changes in Equity
(In thousands of Canadian dollars, except share amounts)

	Common Shares		Share-based Payment Reserve	Accumulated Other Comprehensive (Loss) Earnings	Retained Earnings	Total Shareholders' Equity	Non-controlling interest	Total Equity
	#	$	$	$	$	$	$	$
Balance, April 30, 2012	28,759,675	76,881	3,676	(912)	200,559	280,204	1,991	282,195
Net (loss) earnings and comprehensive loss,								
May 1, 2012 to April 30, 2013	-	-	-	(878)	(13,339)	(14,217)	430	(13,787)
Payments to non-controlllling interest (net of receipts)	-	-	-	-	-	-	348	348
Shares repurchased and cancelled	(777,428)	(2,078)	-	-	(6,288)	(8,366)	-	(8,366)
Share-based compensation	-	-	91	-	-	91	-	91
Shares issued under stock option plan	20,557	103	(81)	-	-	22	-	22
Balance, April 30, 2013	28,002,804	74,906	3,686	(1,790)	180,932	257,734	2,769	260,503
Net earnings (loss) and comprehensive earnings,								
May 1, 2013 to April 30, 2014	-	-	-	9,481	(22,565)	(13,084)	547	(12,537)
Payments to non-controlling interest	-	-	-	-	-	-	(274)	(274)
Shares repurchased and cancelled	(559,500)	(1,498)	-	-	(4,459)	(5,957)	-	(5,957)
Share-based compensation	-	-	23	-	-	23	-	23
Shares issued under stock option plan	152,517	879	(622)	-	-	257	-	257
Balance, April 30, 2014	**27,595,821**	**74,287**	**3,087**	**7,691**	**153,908**	**238,973**	**3,042**	**242,015**

see accompanying notes to the consolidated financial statements

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

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Altius Minerals Corporation's ("Altius" or the "Corporation") principal business activities include the generation and acquisition of exploration and evaluation assets, royalties, and investments. The Corporation prefers to generate alliances or corporate structures related to the mineral exploration and natural resource opportunities it generates, which results in the Corporation carrying minority and non-operating project or equity interests and/or royalty interests.

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

These audited consolidated financial statements were approved and authorized for issuance by the Board of Directors on June 25, 2014.

2. BASIS OF PRESENTATION

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

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

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

Altius Minerals Corporation	100%	Parent company
Altius Resources Inc.	100%	Exploration company
Altius Investments Limited	100%	Holding company
2260761 Ontario Inc.	72.8%	Holding company
Altius Prairie Royalties Corp	100%	Holding company

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

Minera Altius Chile Limitada	100%	Holding company

Non-controlling interests in the net assets of 2260761 Ontario Inc. are identified separately from the Corporation’s equity. The non-controlling interest consists of the non-controlling interest’s portion of net assets, earnings, and other comprehensive earnings.

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

Financial instruments

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

Cash and cash equivalents

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

Marketable securities

Marketable securities consist of Canadian government guaranteed and corporate backed commercial paper, bonds and marketable securities with maturities of greater than three months at the time of purchase. All marketable securities are classified as fair value through loss and are adjusted to fair market value at each balance sheet reporting date, with the corresponding adjustment going to current period earnings. Transactions are recorded on a trade date basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

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

Exploration and evaluation assets

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Decommissioning and restoration provision

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

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

The Corporation has not incurred any decommissioning and restoration provisions relating to its activities as of April 30, 2014.

Property and equipment

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

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

Impairment of equipment and intangible assets

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of equipment and intangible assets (continued)

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

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

Revenue recognition

Interest income is recognized on an accrual basis. Other revenue is recognized when the services are provided, when persuasive evidence of an arrangement exists, the fixed price is determinable, and there is reasonable assurance of collection.

Income taxes

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

Foreign currency translation

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Segment reporting

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

Share-based payments

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Earnings (loss) per share

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

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

4. CRITICAL ACCOUNTING ESTIMATES

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

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

Use of estimates, judgments and assumptions

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

Income taxes: The Corporation has available unused operating losses and temporary timing differences as disclosed in Note 12 to the consolidated financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that all or part of the related tax benefit will be realized.

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

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

4. CRITICAL ACCOUNTING ESTIMATES (CONTINUED)

Investments (continued)

decline in the fair value of the securities below their cost is considered to be objective evidence of impairment. If an available-for-sale financial investment is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive earnings (loss) are reclassified to earnings (loss) in the period.

Investments in joint ventures: Certain joint ventures hold royalty interests in mineral properties that include the acquired royalty interest in production stage mineral properties. The production stage royalty interest is recorded initially at its cost and is being amortized using the units of production basis over the expected life of the mineral property, which is determined using available estimates of proven and probable reserves. Determination of proven and probable reserves by the operators associated with the royalty interests impact the measurement of the respective assets. These estimates affect amortization of the royalty and the related amount of the equity pickup and the assessment of the recoverability of the carrying value of the investment in joint ventures. The Corporation has the ability to jointly control the relevant activities of these joint arrangements and have classified these as joint ventures (Note 9).

Alderon Iron Ore Corporation ("Alderon"): The Corporation acquired its interest in Alderon by vending its Kami mineral property to Alderon in exchange for common shares. The Corporation equity accounts for its investment in Alderon, by virtue of its Board participation right and its ownership interest of 25.3%.

The most significant accounting estimate of the Corporation during the current fiscal period was the assessment of the Corporation's investment in Alderon. Prior to management's analysis at the reporting date, the market value of the Alderon shares held by the Corporation was $52,590,000 versus the carrying value of $66,525,000 (Note 10).

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

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

Based on the evaluation of the above-noted factors, and in particular the duration and amount of the decline in the share price of Alderon relative to the carrying value and combined with reduced iron ore prices, management has concluded that a reduction in the carrying value of Alderon to market value is appropriate at this time. This resulted in an impairment adjustment of $13,935,000 before taxes.

5. NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS

The following standards are effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Corporation has adopted these standards as of May 1, 2013 and has determined that, except as noted below on IFRS 11, they have no material impact on the Corporation's financial results.

Disclosures, Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7): On December 16, 2011 the IASB published new disclosure requirements jointly with the Financial Accounting Standards Board "(FASB") that enables users of financial statements to better compare financial statements prepared in accordance with IFRS and US Generally Accepted Accounting Principles.

IFRS 10, Consolidated Financial Statements: IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27, *Consolidated and Separate Financial Statements*, and *SIC-12, Consolidation – Special Purpose Entities*.

IFRS 11, Joint Arrangements: IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. IFRS 11 supersedes current IAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly Controlled Entities-Non – Monetary Contributions by Venturers.* The Corporation reviewed and assessed the legal form and terms of the contractual arrangements in joint arrangements. The application of IFRS 11 has changed the method for accounting of the Corporation's investment in Labrador Nickel Royalty Limited Partnership from the proportionate consolidation method to the equity method. The change in accounting method has affected amounts and classifications presented in the Corporation's financial statements (see Note 23 and Note 9).

IFRS 12, Disclosure of Interests in Other Entities: IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.

IFRS 13, Fair Value Measurements: IFRS 13 defines fair value, sets out in a single IFRS framework for measuring value and requires disclosures about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances.

IAS 1 – Presentation of Financial Statements: In June 2011, the IAS issued amendments to IAS 1 that requires an entity to group items presented in the statement of comprehensive income on the basis of whether they may be reclassified to earnings subsequent to initial recognition. For those items presented before taxes, the amendments to IAS 1 also require that the taxes related to the two separate groups be presented separately.

IAS 28, Investments in Associates and Joint Ventures: IAS 28 has been updated and it is to be applied by all entities that are investors with joint control of, or significant influence over, an investee. The scope of the current IAS 28 Investments in Associates does not include joint ventures.

The following standards are effective for annual periods beginning on or after January 1, 2014 or later, with

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

5. NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS (CONTINUED)

earlier adoption permitted.

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

IFRS 9, Financial Instruments: In July 2011, the IASB agreed to defer the effective date of IFRS 9 from 2013 to 2018. This has since been delayed indefinitely. The standard is the first part of a multi-phase project to replace IAS 39, *Financial Instruments: Recognition and Measurement*.

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

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

6. EXPLORATION AND EVALUATION ASSETS

The Corporation acquires exploration and evaluation assets through staking and from third party vendors. In addition, the Corporation sells some or a portion of its exploration and evaluation assets to third parties in exchange for exploration expenditures, royalty interests, cash and share based payments.

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

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

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Project	Note	As at April 30, 2012	Additions, net of recoveries	Abandoned or impaired	As at April 30, 2013
		$	$	$	$
Labrador					
Natashquan River - Nickel/Copper/PGE	a	368	153	-	521
Notakwanon River - Uranium		166	68	-	234
Julienne Lake - Iron Ore	b	600	558	-	1,158
Snelgrove Lake - Iron Ore	i	640	(640)	-	-
Alexis River & Other - Uranium/Nickel	j	16	14	(30)	-
Newfoundland					
Topsails - Uranium/Copper	c	734	11	(409)	336
Rocky Brook - Uranium	d	92	2	-	94
Moosehead - Gold	e	15	6	-	21
Taylor Brook - Nickel	f	217	46	-	263
Wing Pond - Gold		108	1	(109)	-
Other		-	19	(1)	18
Quebec					
Grand Portage - Nickel/Copper	h	-	114	-	114
Security Deposits	m	282	(199)	(16)	67
Grand Total		3,238	153	(565)	2,826

a – Natashquan River

On July 25, 2013, the Corporation announced an earn in and royalty agreement with Anglo American to explore the Natashquan nickel-copper-PGE property. Under the terms of the agreement, Anglo American may earn 66% of the property by investing $20,000,000 in exploration expenditures over a five year period. Altius will also retain a 1% net smelter return royalty on the property upon formation of the joint venture.

b – Julienne Lake Iron Ore

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

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

c - Topsails – Uranium/Copper

The Corporation and JNR Resources Inc. (“JNR”) signed a 50/50 cost shared agreement in September 2007 to explore for volcanic-hosted uranium and copper deposits in a defined area in central Newfoundland. In return for generating the project, the Corporation has retained a 2% Gross Sales Royalty (“GSR”) on uranium products and a 2% net smelter return on all other commodities. JNR was taken over by Denison Mines Corp. (“Denison”). In January 2014, the Corporation received notification from Denison that they were terminating the agreement. The Corporation has no further plans for this property.

d - Rocky Brook - Uranium

The Corporation acquired the rights to the Rocky Brook uranium property in western Newfoundland in April 2001 by making payments of $2,400 and 75,000 common shares over a three year period. The acquisition agreement is also subject to an underlying 2% net smelter return royalty that can be reduced to 1% with an additional $1,000,000 payment.

JNR earned a 70% interest in the Rocky Brook property by spending $2,525,000 on exploration expenditures by December 2008, and making a payment of 125,000 shares and other cash or share payments over the four year period totaling $172,000. Upon earn-in, the net smelter return obligation of the initial property acquisition agreement became an obligation of the joint venture. The Corporation did not participate in the recent exploration programs and the Corporation’s current ownership interest in the property has been diluted to 26.6%. JNR was taken over by Denison Mines Corp. (“Denison”). In January 2014, the Corporation received notification from Denison that they were terminating the agreement. The Corporation has no further plans for this property.

e - Moosehead - Gold

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

Agnico Eagle Mines Inc. (“Agnico”) has earned an interest in the Moosehead property as part of its agreement dated September 2001. The Corporation’s current ownership on the property is 46% and the Corporation can either maintain this ownership by cost-sharing future exploration and development expenditures, increase ownership by deleting the ownership of Agnico by sole-funding future exploration and development expenditures, or accepting a dilution in ownership to a minimum of 10%, at which point the ownership would convert to a 1% net smelter return royalty on the property. The original 1.16% net smelter return royalty obligation is now an obligation of the joint venture.

f - Taylor Brook - Nickel

The Corporation acquired the rights to the Taylor Brook nickel property in western Newfoundland in July 1999 by making payments of $35,000 over a three year period. The acquisition agreement is subject to an

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

f - Taylor Brook – Nickel (Continued)

underlying 2% net smelter return royalty that can be reduced to 1% with an additional $1,000,000 payment. The Corporation is currently seeking a partner.

g - Fosse Gold

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

h - Grand Portage – Nickel/Copper

The Corporation entered into an earn-in agreement to acquire the rights to the Grand Portage nickel/copper property located in southeastern Quebec in July 2012. Under the terms of the agreement, the Corporation must make total cash payments of $50,000 over a three year period ($20,000 as of April 30, 2014) and must incur $100,000 in exploration expenditures prior to January 2014 (commitment has been met). The original property holders also retained a 1% net smelter return royalty, half of which can be repurchased for $1,500,000. The agreement remains in good standing.

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

i - Snelgrove Lake Iron Ore

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

j – Trough Iron Ore

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

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

j– Trough Iron Ore (Continued)

GSR on the properties. The Corporation has received 5,000,000 shares to date and the agreement remains in good standing.

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

k - Labrador West – Iron Ore

The properties are subject to an agreement signed in December 2008 whereby Rio Tinto Exploration Canada Inc. ("Rio Tinto") may earn, in stages, up to a 70% interest in the properties by incurring $7,000,000 in exploration expenditures by December 2013. In December 2011, Rio Tinto earned an initial 51% interest in the properties by incurring exploration expenditures of $3,000,000. Rio Tinto also informed the Corporation that it intends to enter the next phase of the earn-in to bring its interest to 70% by incurring an additional $4,000,000 in exploration expenditures by December 2014. This project is subject to 3% gross overriding royalty in favor of the Corporation. The agreement remains in good standing.

l - Grenville Alliance – Nickel/Copper/PGE

On July 4, 2012 the Corporation formed an exploration alliance with Virginia Mines Limited, a Quebec based mineral exploration company, to explore for base and precious metals in the southern Labrador and Quebec North Shore region. Both companies will cost-share in early stage exploration expenditures over a multi-year exploration program to evaluate this region.

m – Security Deposits

Security deposits are refundable to the Corporation if a minimum level of exploration expenditures is incurred on the subject properties. The Corporation is required to spend $581,000 by April 30, 2015 in order to maintain various licenses in good standing, of which $5,000 is required to be spent for a refund of security deposits in the amount of $25,550.

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

7. PROPERTY AND EQUIPMENT

	Computer Equipment	Office Equipment	Geological Equipment	Total
	$	$	$	$
Cost:				
Balance April 30, 2012	143	25	307	475
Additions	17	-	(6)	11
Balance April 30, 2013	160	25	301	486
Additions	21	-	2	23
Balance April 30, 2014	**181**	**25**	**303**	**509**
Accumulated Amortization:				
Balance April 30, 2012	70	4	145	219
Additions	24	4	47	75
Balance April 30, 2013	94	8	192	294
Additions	27	3	33	63
Balance April 30, 2014	**121**	**11**	**225**	**357**
Carrying Value:				
Balance April 30, 2012	73	21	162	256
Balance April 30, 2013	66	17	109	192
Balance April 30, 2014	**60**	**14**	**78**	**152**

8. ACQUISITION OF PRAIRIE ROYALTIES AND CARBON DEVELOPMENT PARTNERSHIP

On December 24, 2013, the Corporation and Altius Prairie Royalties Corp. (“APRC”) a wholly-owned subsidiary of the Corporation, entered into a definitive agreement (the “Arrangement Agreement”) with Sherritt International Corporation (“Sherritt”), Prairie Mines & Royalty Ltd. (“PMRL”), a former wholly-owned subsidiary of Sherritt, and Westmoreland Coal Company (“Westmoreland”) pursuant to which the Corporation agreed to acquire a 52.369% interest in the coal and potash PMRL Royalty Business. The Corporation agreed to fund $240.9 million of the $460 million aggregate purchase price for the PMRL Royalty Business (the “Royalty Purchase Price”) alongside Liberty Metals & Mining Holdings, LLC (“Liberty”), a subsidiary of Boston-based Liberty Mutual Insurance, and the Chairman of Haywood Securities Inc., and certain trusts controlled by him (the “Minority Royalty Partner”), who agreed to acquire the remaining interest in the PMRL Royalty Business.

The Arrangement Agreement also provided for the acquisition of Sherritt’s 50% interest in Carbon Development Partnership (“CDP”), an Ontario partnership owned 50% by Sherritt and 50% by the Ontario Teachers’ Pension Plan Board (“OTPPB”) for a purchase price of $21 million (together with the Corporation’s pro rata share of the Royalty Purchase Price, is the “Sherritt Purchase Price”). The acquisition of the PMRL Royalty Business and the Sherritt CDP interest, collectively the “Royalty Acquisition”, closed on April 28, 2014 (the “Royalty Acquisition Closing”).

In addition to acquiring the Sherritt CDP interest pursuant to the Arrangement Agreement, the Corporation will also acquire OTPPB’s 50% interest in CDP immediately following an equity offering closing (“the Offering Closing”) completed subsequent to April 30, 2014 (Note 24) for a purchase price of $21 million (the “OTPPB Purchase Price”). The Royalty Acquisition and the OTPPB CDP acquisition are referred to collectively as the “Acquisition”.

The aggregate purchase price for the Acquisition is $282.9 million. Approximately $261.9 million was paid to Sherritt at the time of the Royalty Acquisition Closing in respect of the Sherritt Purchase Price and $21 million is payable to OTPPB, following the Offering Closing, in respect of the OTPPB Purchase Price. The Sherritt Purchase Price was financed by a credit facility (Note 13) in the amount of $140 million, an unsecured loan (Note 13) in the amount of $7.2 million and $114.7 million of available cash and marketable securities on hand. The OTPPB Purchase Price of $21 million is expected to be financed by a portion of the net proceeds of the Offering.

As at April 30, 2014 the 52.369% interest of the PMRL Royalty Business and the 50% interest of CDP are investments in joint ventures which are recorded using the equity method of accounting in accordance with IFRS 11 (Note 9).

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

9. INTERESTS IN JOINT VENTURES

	LNRLP	Mining Equity	Prairie Royalties	CDP	Total
	$	$	$	$	$
Balance April 30, 2012	10,238	-	-	-	10,238
Additions	-	499	-	-	499
Earnings (loss)	1,342	(499)	-	-	843
Receipt of distributions	(2,688)	-	-	-	(2,688)
Balance April 30, 2013	8,892	-	-	-	8,892
Additions	-	742	245,158	21,000	266,900
Earnings (loss)	1,096	(567)	150	7	686
Receipt of distributions	(2,435)	-	-	-	(2,435)
Balance April 30, 2014	**7,553**	**175**	**245,308**	**21,007**	**274,043**

The Corporation holds a 10% interest in the Labrador Nickel Royalty Limited Partnership ("LNRLP") a limited partnership that holds a 3% net smelter return royalty in the Voisey's Bay nickel-copper-cobalt mine located in Northeastern Labrador, Canada. LNRLP's sole business is the receipt and distribution of the net smelter return royalty on the mine. Distributions to the partners are normally completed on a quarterly basis. Effective May 1, 2013, the Corporation adopted IFRS 11 and management determined that the partnership is a joint venture. Consequently, the partnership interest is accounted for using the equity method under the new guidance, as opposed to the proportionate consolidation treatment in prior periods (see Note 23 for restatement of prior periods).

On November 12, 2012 the Corporation co-founded Fondo de Inversion Privado Mining Equity ("Mining Equity"), a private Chilean entity established to perform regional early stage exploration and prospect generation in Chile. The Corporation may invest an additional $2,158,000 over a four year period to maintain its 49% ownership interest.

The Corporation holds an indirect 52.369% interest, through its wholly owned subsidiary of APRC, in the Genesee Royalty Limited Partnership ("Genesee LP"), Coal Royalty Limited Partnership ("Coal LP"), and Potash Royalty Limited Partnership ("Potash LP"), collectively the "Prairie Royalties". Prairie Royalties hold the rights to subsurface minerals in respect of a portfolio of coal and potash properties in the Canadian provinces of Alberta and Saskatchewan. Prairie Royalties have entered into leases, or similar agreements, with mining companies and electricity utilities that, in return for payment of a royalty, grant these companies the right to exploit the subsurface mineral resources. The Corporation acquired the ownership interest in the underlying partnerships effective April 28, 2014 (Note 8) and management determined that the partnerships are joint ventures under IFRS 11. Consequently, the partnerships interests are accounted for using the equity method. Included in the investment of Prairie Royalties is $4,258,000 of acquisition related costs.

The Corporation holds an indirect 50% interest in CDP. CDP is an Ontario general partnership that is currently held 50% by the Corporation and 50% by OTPPB. CDP holds a portfolio of small production

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

9. INTERESTS IN JOINT VENTURES (CONTINUED)

stage royalties on potash and electrical coal operations and exploration stage coal projects. The Corporation acquired the ownership interest effective April 28, 2014 (Note 8) and management determined that the partnership is a joint venture under IFRS 11. Consequently, the partnership interest is accounted for using the equity method.

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

	As at April 30, 2014		
	LNRLP	Prairie Royalties	CDP
	$	$	$
Balance Sheets			
Current assets	638	-	395
Royalty interests	6,916	460,000	-
Non-current assets	-	-	24,691
Current liabilities	-	-	96
Non-current liabilities	-	-	995
Statement of Earnings			
Royalty revenue	2,773	290	26
Royalty tax	(555)	-	-
General and administrative	(9)	(3)	(12)
Amortization	(1,113)	-	-
Statements of Cash Flows			
Operating activities	2,434	287	14

The statement of earnings and cash flows for both Prairie Royalties and CDP reflect 3 days of activity during the current year due to the Royalty Acquisition closing effective April 28, 2014 (Note 8).

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

10. INVESTMENTS IN ASSOCIATES

	Alderon	Sparkfly	Synodon	Total
	$	$	$	$
Balance April 30, 2012	77,530	2,376	-	79,906
Reclassification from mining and other investments	-	-	1,800	1,800
Additions, net of disposals	-	1,036	-	1,036
Share of loss in associates	(10,401)	(579)	(256)	(11,236)
Dilution gain (loss) on issuance of shares by associates	1,738	-	(21)	1,717
Balance April 30, 2013	68,867	2,833	1,523	73,223
Additions, net of disposals	-	210	750	960
Share of loss in associates	(2,342)	(571)	(480)	(3,393)
Impairment recognition	(13,935)			(13,935)
Foreign currency translation adjustment	-	284	-	284
Dilution gain on issuance of shares by associates	-	348	-	348
Balance April 30, 2014	**52,590**	**3,104**	**1,793**	**57,487**
Fair market value:				
At April 30, 2013:	33,855	n/a	2,693	
At April 30, 2014:	**52,590**	**n/a**	**5,540**	
Percentage ownership:				
At April 30, 2013:	25.3%	24.8%	19.6%	
At April 30, 2014:	**25.3%**	**23.9%**	**22.4%**	

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

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

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

	As at April 30, 2014		
	Alderon	**Sparkfly**	**Synodon**
	$	**$**	**$**
Balance Sheets			
Current assets	103,736	623	1,129
Current liabilities	(17,599)	(253)	(465)
Non-current assets	183,201	2,923	52
Non-current liabilities	(17,053)	(838)	-
Statement of Earnings			
Revenue	-	376	732
Comprehensive loss	(9,257)	(2,377)	(2,192)
Fiscal year end	December 31, 2013	December 31, 2013	October 31, 2013

On December 8, 2010, Alderon earned a 100% interest in the Kami iron ore property by meeting all the requirements of the option agreement and delivered to the Corporation shares of Alderon at the time of closing. The Corporation currently holds 32,869,006 shares in Alderon or 25.3% (2013 – 25.3%) of the total shares outstanding. The Corporation also retains a 3% gross sales royalty relating to any potential future mining operations on the Kami property. An impairment of $13,935,000 was recognized at April 30, 2014 based on an impairment analysis of this investment.

A subsidiary of the Corporation, 2260761 Ontario Incorporated ("2260761"), holds a 23.9% (2013 - 24.8%) interest in Sparkfly Inc. ("Sparkfly"), a private Georgia corporation that operates an innovative promotions and rewards platform integrated with retail point of sale systems.

2260761 also holds a 22.4% (2013 – 19.6%) interest in Synodon Inc. ("Synodon"). Synodon is a technology company which has developed an advanced airborne remote gas sensing system called *realSens*, based on technologies developed under the Canadian Space Program and by Synodon scientists.

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

11. MINING AND OTHER INVESTMENTS

	Investments	Share Purchase Warrants	Total
	$	$	$
Balance, April 30, 2012	31,805	274	32,079
Additions	19,159	328	19,487
Reclassification to available - for - sale investments	32	(32)	-
Reclassification to investments in associates	(1,637)	(163)	(1,800)
Disposals and impairments	(8,659)	(358)	(9,017)
Revaluation	(4,400)	1,272	(3,128)
Balance, April 30, 2013	36,300	1,321	37,621
Additions	10,296	169	10,465
Reclassification to available - for - sale investments	38	(38)	-
Receipt for interest in mineral property	1,713	-	1,713
Disposals and impairments	(4,298)	(189)	(4,487)
Revaluation	11,342	1,371	12,713
Balance, April 30, 2014	**55,391**	**2,634**	**58,025**

The Corporation holds investments in other publicly listed and privately owned entities participating predominantly in early stage exploration, resource related and technology companies with a goal of long-term capital appreciation, either through direct investment or in exchange for an interest in the Corporation's mineral properties. These investments are classified as available-for-sale. The fair value of the publicly traded entity is determined by reference to the unadjusted quoted prices in active markets, normally either the TSX or TSX Venture exchange. The Corporation holds investments in private companies that may become publicly traded in the future pending a public listing. Because there is no readily available market value, the Corporation carries these investments at their original cost until more information becomes available. As at April 30, 2014, the Corporation had investments in privately held companies, most of which are in the early stage of exploration, with a carrying value of $1,941,000 (excluding Sparkfly which is equity accounted – See Note 10) (2013 – $1,623,000).

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

The Corporation sold investments at a carrying value of $2,064,000 for gross proceeds of $959,000 and recognized a loss on disposal of $1,105,000 during the year ended April 30, 2014. The Corporation sold investments at a carrying value of $9,049,000 for gross proceeds of $7,122,000 and recognized a loss on disposal of $1,927,000 during the year ended April 30, 2013. Included in the April 30, 2014 loss on disposal is an impairment of $2,423,000 (2013 - $3,540,000).

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

12. INCOME TAXES

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

	2014	2013
	$	$
Temporary differences related to exploration and evaluation assets	**294**	142
Tax values of property and equipment and interests in joint ventures in excess of carrying values	**101**	719
Non capital and net capital loss carryforwards	**2,420**	1,505
Carrying value of investments in excess of tax values	**(7,181)**	(8,746)
Deferred partnership income	**(436)**	(541)
Deferred and deductible share-based compensation	**1,467**	806
Share issue and debt costs	**570**	(22)
	(2,765)	(6,137)

	2014	2013
	$	$
Deferred tax liabilities	**(7,198)**	(8,988)
Deferred tax assets	**4,433**	2,851
	(2,765)	(6,137)

	2014	2013
	$	$
Expected tax recovery	**(7,853)**	(4,382)
Non-taxable portion of capital gains and losses	**691**	603
Non- deductible share-based compensation	**7**	26
Tax rate differences arising from dilution gains, associate earnings and warrant revaluation	**2,430**	1,794
Non-deductible acquisition costs	**261**	-
	(4,464)	(1,959)

The Corporation has recognized non-capital loss carry forwards of $6,178,000 (2013 -$3,611,000) that expire in 2032 and 2033 and net capital losses of $5,067,000 (2013 - $3,554,000) that have no expiry date.

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

13. DEBT

At amortized cost	**2014**	2013
	$	$
Promissory note	**7,200**	-
Long-term debt	**136,568**	-
	143,768	-
Current	**34,200**	-
Non-current	**109,568**	-
	143,768	-

On April 28, 2014, APRC obtained an unsecured, non-interest bearing, short-term promissory note in the amount of $7,200,000 which was subsequently repaid on May 13, 2014. These funds were used to partially finance the Royalty Acquisition (see Note 8).

On April 28, 2014, APRC obtained a senior secured debt facility of $140,000,000 (the “Credit Facility”) provided by a consortium of lenders led by Sprott Resource Lending Partnership (“Sprott”) to fund the remaining portion of the Royalty Acquisition. The Credit Facility is repayable over a five year period with quarterly principal repayments of $2,000,000, commencing October 31, 2014, bearing interest at fixed rates ranging from 6.5% to 8.85% based on the principal balance of debt.

The Credit Facility allows for optional prepayments of principal at the end of each calendar month. On April 28, 2015, a cash fee of 2% of the principal amount in excess of $80,000,000 will be payable.

The Corporation and its subsidiaries, other than Minera Altius Chile, Limitada, Consultora Altius Chile Limitada and 2260761 Ontario Ltd., act as guarantors under the Credit Facility (the “Credit Parties”). The lenders under the Credit Facility have taken a secured charge against all real property of the Credit Parties and share pledges of all the equity interests in each of the Credit Parties. The terms of the security shall be registered and/or recorded in all jurisdictions required by Sprott.

The Corporation has recorded costs of $3,432,000 that are directly attributable to securing the Credit Facility, against the balance of the debt and will amortize these fees and calculated interest using an effective interest rate of 9.021%.

There is a required repayment of $60,000,000 on the Credit Facility on or before the second anniversary of the debt, which principal repayment shall be reduced dollar for dollar to the extent that the balance of the debt is less than $140,000,000.

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

13. DEBT (CONTINUED)

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

	$
2015	27,000
2016	49,000
2017	8,000
2018	8,000
2019	48,000
	140,000

14. GENERAL AND ADMINISTRATIVE

	2014	2013
	$	$
Corporate development	**3,616**	-
Salaries and benefits	**2,724**	1,823
Office and administrative	**993**	1,043
Professional and consulting fees	**664**	646
Travel and accommodations	**399**	283
	8,396	3,795

15. SHARE CAPITAL

Authorized

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

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

During the year ended April 30, 2014, the Corporation repurchased and cancelled 559,500 common shares for a total cost of $5,957,000 under its normal course issuer bid (2013 - 777,428 common shares repurchased and cancelled for a total cost of $8,366,000).

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

16. NET LOSS PER SHARE

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

	2014	2013
Weighted average number of shares:		
Basic and diluted	**27,714,240**	28,399,693

17. SHARE-BASED COMPENSATION

The Corporation recognized the following share-based compensation:

	2014	2013
	$	$
Stock option expense	**23**	91
Share appreciation rights ("SAR") expense (recovery)	**1,743**	(273)
Directors' deferred share unit ("DSU") expense	**538**	196
	2,304	14

Stock Option Plan

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

The following table summarizes information about stock options outstanding and exercisable at April 30, 2014:

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

17. SHARE-BASED COMPENSATION (CONTINUED)

	Total Options Outstanding			**Total Exercisable Options**		
	Outstanding Options	**Average Remaining Contractual Life**	**Weighted Average Strike Price**	**Vested Options**	**Average Remaining Contractual Life**	**Weighted Average Strike Price**
	#	**Years**	**$**	**#**	**Years**	**$**
7.00	240,000	0.5	7.00	240,000	0.5	7.00
10.13	10,000	1.0	10.13	8,000	1.0	10.13
Total	250,000	0.5	7.13	248,000	0.5	7.10

A summary of the status of the Corporation's stock option plan as of April 30, 2014 and changes during the year then ended is as follows:

	2014		2013	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
		$		$
Outstanding, beginning of year	**518,500**	**6.45**	728,500	11.18
Exercised	**(266,000)**	**5.82**	(35,000)	5.74
Expired	**(2,500)**	**5.60**	(175,000)	26.29
Outstanding, end of year	**250,000**	**7.13**	518,500	6.45
Exercisable, end of year	**248,000**	**7.10**	455,500	6.34

A summary of the status of the Corporation's share appreciation rights as of April 30, 2014 and changes during the year then ended is as follows:

	Number of SARs	**Reference Price**
Balance, April 30, 2013	700,000	11
Balance, April 30, 2014	700,000	11

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

17. SHARE-BASED COMPENSATION (CONTINUED)

A summary of the status of the Corporation's deferred share units as of April 30, 2014 and changes during the year then ended is as follows:

	Number of DSUs
Balance, April 30, 2012	43,052
Awarded	23,450
Balance, April 30, 2013	66,502
Awarded	20,390
Balance, April 30, 2014	**86,892**

Other Liabilities

Other liabilities consist of the following:

	2014	2013
	$	$
DSUs	**1,251**	714
SARs	**2,433**	690
	3,684	1,404

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

18. SUPPLEMENTAL CASH FLOW INFORMATION

	2014	2013
	$	$
Changes in non-cash operating working capital:		
Accounts receivable and prepaid expenses	**(390)**	(6)
Accounts payable and accrued liabilities	**8,703**	(230)
	8,313	(236)

	2014	2013
	$	$
Cash and cash equivalents consist of:		
Deposits with banks	**6,607**	10,217
Short-term investments	**365**	57,589
	6,972	67,806

19. RELATED PARTY TRANSACTIONS

Chairman of the Board and Director John Baker is a Partner of the legal firm McInnes Cooper. This firm provided legal services to the Corporation in the amount of $201,000 for the year ended April 30, 2014 (2013 – $78,000).

During the year ended April 30, 2014, the Corporation billed Mining Equity (a joint venture investment – see Note 9) for the reimbursement of exploration and consulting assistance totaling $138,000 (2013- $47,000). $93,000 of this amount billed is included in the Accounts receivables balance at April 30, 2014.

During the year ended April 30, 2014, the Corporation's subsidiary, 2260761, paid dividends of $274,000 (2013 - $252,000) to the non-controlling interest of 2260761, Cranberry Capital Inc.

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

19. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2014	2013
	$	$
Salaries and benefits	**1,730**	1,077
Share-based compensation	**2,280**	64
	4,010	1,141

These transactions are in the normal course of operations and are measured at the fair value amount, which is the amount of consideration established and agreed to by the related parties.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

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

Level 3 – valuation techniques with significant unobservable market inputs.

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

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

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

As at April 30, 2014:

	Level 1	**Level 2**	**Level 3**	**TOTAL**
	$	$	$	$
FINANCIAL ASSETS				
Short-term investments in cash equivalents	**365**	-	-	**365**
Marketable securities	-	-	-	-
Mining and other investments	**53,450**	**2,634**	-	**56,084**
TOTAL FINANCIAL ASSETS	**53,815**	**2,634**	-	**56,449**
FINANCIAL LIABILITIES	**1,251**	**2,433**	-	**3,684**

As at April 30, 2013:	Level 1	Level 2	Level 3	TOTAL
	$	$	$	$
FINANCIAL ASSETS				
Short-term investments in cash equivalents	57,589	-	-	57,589
Marketable securities	77,926	-	-	77,926
Mining and other investments	34,677	1,321	-	35,998
TOTAL FINANCIAL ASSETS	170,192	1,321	-	171,513
FINANCIAL LIABILITIES	714	690	-	1,404

Risk Management

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

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

Credit risk

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

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

The Corporation's cash and cash equivalents and marketable 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.

Foreign currency risk

Distributions from LNRLP are exposed to foreign currency fluctuations related to royalty revenue, which is denominated and paid in US dollars. The Corporation does not enter into any derivative contracts to reduce this exposure since the receivable is short-term in nature and the expected receivable amount cannot be predicted reliably.

Liquidity risk

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

Other price risk

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

The Corporation may be unable to sell its entire interest in an investment without having an adverse effect on the fair value of the security due to low trading volumes on some investments. The Corporation does not enter into any derivative contracts to reduce this exposure.

Interest rate risk

The Corporation has debt and is therefore exposed to interest rate risk on liabilities. The Corporation manages this risk by having fixed interest rates over a 5 year term on the debt. The Corporation's cash and cash equivalents may fluctuate in value depending on the market interest rates and the time to maturity of the instruments. The Corporation manages this risk by limiting the maximum term to maturity on invested funds or holding the investments to maturity.

As at April 30, 2014, a +/- 1% change in the effective interest rates on cash and cash equivalents would affect comprehensive earnings by $49,000 net of applicable taxes.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Sensitivity Analysis

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

As at April 30, 2014, the Corporation's mining and other investments sensitivity to a +/- 20% movement in quoted market prices would affect comprehensive earnings by $9,826,000 net of applicable taxes.

21. CAPITAL MANAGEMENT

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

The Corporation is not subject to external capital requirements on long-term debt as of April 30, 2014. Covenant compliance commences July 31, 2014 and will be assessed on a quarterly basis.

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

22. COMMITMENTS

Operating leases

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

	$
2015	**202**
2016	**175**
2017	**175**
2018	**175**
2019	**161**
	888

Mineral property expenditures

The Corporation has obtained various mineral rights licenses by staking claims and paying refundable security deposits. Certain expenditures are required on an annual basis, from the date of license issuance, in order to maintain the licenses in good standing and for refund of security deposits. On or before the anniversary date of license issuance, and if the required expenditures are not met, the Corporation has the option of reducing claims on a property, post a refundable security bond for the deficient amount or elect to allow title of the license be cancelled. The Corporation is required to spend $581,000 by April 30, 2015 in order to maintain various licenses in good standing, of which $5,000 is required to be spent for a refund of security deposits in the amount of $25,550.

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

23. EXPLANATION OF THE EFFECT OF THE ADOPTION OF IFRS 11

The transition to IFRS 11 affected the Corporation's previously reported Consolidated Balance Sheets as at April 30, 2013 and the Consolidated Statements of Loss and Consolidated Statements of Cash Flow as at and for the year ended April 30, 2013. Prior to the adoption of IFRS 11, LNRLP and Mining Equity were accounted for using the proportionate consolidation method and is now being accounted for using the equity method.

The Adoption of IFRS 11 had no impact on the Consolidated Statements of Comprehensive Earnings (Loss) and the Consolidated Statement of Changes in equity.

Impact on Balance Sheet Classifications as at April 30, 2013

	April 30, 2013 Previously Released	Reclassification	**April 30, 2013 Restated**
Accounts receivable and prepaid expenses	1,362	(863)	499
Royalty interest in mineral property	8,029	(8,029)	-
Interests in joint ventures	-	8,892	8,892

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

23. EXPLANATION OF THE EFFECT OF THE ADOPTION OF IFRS 11 (CONTINUED)

Impact on Consolidated Statement of Loss

	Year ended April 30, 2013 Previously Released	Reclassification	**Year ended April 30, 2013 Restated**
	$	$	**$**
Revenue			
Royalty	3,136	(3,136)	**-**
Interest and investment	2,500	-	**2,500**
Other	229	-	**229**
	5,865	(3,136)	**2,729**
Expenses			
General and administrative	3,809	(14)	**3,795**
Generative exploration	518	-	**518**
Exploration and evaluation assets abandoned or impaired	565	-	**565**
Amortization	1,229	(1,154)	**75**
Share-based compensation	14	-	**14**
Royalty tax	627	(627)	**-**
	6,762	(1,795)	**4,967**
Loss on disposal of investments	(5,467)	-	**(5,467)**
Unrealized gain on fair value adjustment of derivatives	1,272	-	**1,272**
Dilution gain on issuance of shares by associate	1,717	-	**1,717**
Earnings from joint ventures	-	842	**842**
Share of loss in associates	(11,735)	499	**(11,236)**
Loss before income taxes	(15,110)	-	**(15,110)**
Income tax (recovery) expense			
Current	887	-	**887**
Deferred	(2,846)	-	**(2,846)**
	(1,959)	-	**(1,959)**
Net loss	(13,151)	-	**(13,151)**

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

23. EXPLANATION OF THE EFFECT OF THE ADOPTION OF IFRS 11 (CONTINUED)

Impact on Consolidated Statement of Cash Flows

	Year ended April 30, 2013 Previously Released	Reclassification	**Year ended April 30, 2013 Restated**
	$	$	$
Operating activities			
Net loss	(13,151)	-	(13,151)
Adjustments for:			
Generative exploration	518	-	518
Exploration and evaluation assets abandoned or impaired	565	-	565
Share-based compensation	14	-	14
Amortization	1,229	(1,154)	75
Loss on disposal of investments	5,467	-	5,467
Unrealized gain on fair value adjustment of derivatives	(1,272)	-	(1,272)
Earnings from joint ventures	-	(842)	(842)
Share of loss in associates	11,735	(499)	11,236
Dilution gain on issuance of shares by associates	(1,717)	-	(1,717)
Income tax recovery	(1,959)	-	(1,959)
Income taxes received	5,053	-	5,053
	6,482	(2,495)	3,987
Changes in non-cash operating working capital	(43)	(193)	(236)
	6,439	(2,688)	3,751
Financing activities			
Payments from non-controlling interests	348	-	348
Repurchase of common shares	(8,366)	-	(8,366)
Proceeds from exercise of stock options	22	-	22
	(7,996)	-	(7,996)
Investing activities			
Proceeds from sale of investments	7,122	-	7,122
Distributions from joint ventures	-	2,688	2,688
Generative exploration	(561)	-	(561)
Exploration and evaluation assets, net of recoveries	(253)	-	(253)
Increase in marketable securities	33,714	-	33,714
Acquisition of joint venture	-	(499)	(499)
Acquisition of investments	(21,022)	499	(20,523)
Acquisition of property and equipment	(11)	-	(11)
	18,989	2,688	21,677
Net decrease in cash and cash equivalents	17,432	-	17,432
Cash and cash equivalents, beginning of year	50,374	-	50,374
Cash and cash equivalents, end of year	67,806	-	67,806

24. SUBSEQUENT EVENTS

On May 13, 2014, the Corporation closed an equity financing under a short-form prospectus. The equity offering (the “Offering”) consisted of 4,643,000 common shares (“Common Shares”) of the Corporation at a price of $14.00 per Common Share, for aggregate gross proceeds of $65,002,000. The Common Shares were offered for sale pursuant to an agency agreement (the “Agency Agreement”) dated May 6, 2014 among the Corporation and a various syndicate of agents (the “Agents”). The Corporation has paid the Agents a fee equal to 5.0% of the gross proceeds of the Offering.

The Corporation has used the net proceeds of the Offering to repay the unsecured loan of $7.2 million (Note 13) and to repay $21 million (Note 13) under the Credit Facility.

On May 13, 2014, the Corporation has used the net proceeds of the Offering to pay the OTPPB Purchase Price of $21 million (Note 8) for the remaining 50% interest in CDP. Effective this date, the Corporation owns 100% of CDP and will consolidate the results of operations, assets and liabilities of the partnership going forward.

At April 30, 2014, $984,000 in share issue costs have been deferred until the Offering has closed.