ALTIUS MINERALS CORPORATION

Management's Discussion and Analysis

of Financial Conditions and Results of Operations

Year Ended April 30, 2014

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's consolidated financial statements for the year ended April 30, 2014 and related notes. This MD&A has been prepared as of July 2, 2014.

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 ("Altius" or the "Corporation") is a diversified minerals royalty company with royalty interests in 12 producing mines located in Canada. The royalty interests include mining operations that produce thermal (electrical) and metallurgical coal, potash, nickel, copper and cobalt (see *Table 1: Summary of Producing Royalties*). The Corporation also holds other significant pre-development stage royalty interests that include a 3% gross sales royalty ("GSR") on Alderon Iron Ore Corporation's ("Alderon") Kami iron ore project, a 2% GSR on production from Paladin's Central Mineral Belt uranium project, as well as several other earlier stage royalties.

Altius may also invest in publicly traded mineral royalty or royalty-like companies when the Corporation's management believes the value of the underlying royalty interests are not properly reflected in the company's market capitalization. Additional information on the status of non-producing royalty interests is available in *Table 2: Summary of Exploration and Pre-production Stage Royalties* of this MD&A.

Altius' 12 production stage royalties have been largely acquired using a combination of profits generated from its mineral exploration/project generation activities and debt and equity procurement.

Low cost project generation is conducted with a primary objective of creating royalty interests at nominal cost. Altius accomplishes this by conducting early stage mineral exploration and prospect generation utilizing a small team of geoscientists, prospectors, and consultants that develop mineral exploration initiatives through scientific concept development and field work. Concepts of merit are advanced through to mineral rights acquisition and then marketed to prospective partners for the purpose of securing select third parties to finance and advance the projects. The Corporation creates agreements with other companies related to the mineral exploration opportunities it generates, which results in the Corporation carrying minority and non-operating project and/or equity and royalty interests. In some cases the Corporation receives shares in public companies which, depending on a number of factors, are monetized and the proceeds used for further project generation work and/or to acquire additional third party royalties.

Table 1: Summary of Producing Royalties

MINE	OPERATOR	ROYALTY	COMMODITY
Voisey's Bay	Vale	0.3% NSR	Nickel-Copper-Cobalt
Genesee	Westmoreland/Capital Power Corporation	Tonnes x indexed multiplier	Coal/Electricity
Sheerness	Westmoreland/ATCO	Tonnes x indexed multiplier	Coal/Electricity
Paintearth	Westmoreland/ATCO	Tonnes x indexed multiplier	Coal/Electricity
Highvale	TransAlta	Tonnes x indexed multiplier	Coal/Electricity
Cheviot	Teck	5% net revenue	Metallurgical Coal
Rocanville	Potash Corp	Revenue	Potash
Cory	Potash Corp	Revenue	Potash
Allan	Potash Corp	Revenue	Potash
Patience Lake	Potash Corp	Revenue	Potash
Esterhazy	Mosaic	Revenue	Potash
Vanscoy	Agrium	Revenue	Potash
CDP	various	Revenue	Potash /other

The Corporation's investments include an approximate 25.3% founding equity interest in Alderon and a 72.8% interest in a company, 2260761 Ontario Inc. ("2260761"), whose business plan is to invest in predominantly early stage companies with a goal of long-term capital appreciation. 2260761 is managed independently by Paul van Eeden, who has a successful track record in investment in the minerals industry and has also invested his own funds alongside the Corporation in the venture.

Acquisition of Prairie Royalties and Carbon Development Partnership

On April 28, 2014 Altius acquired a 52.369% ownership in Sherritt International Corporation's ("Sherritt") PMRL Royalty Business ("Prairie Royalties") which is comprised of four electrical (also referred to as thermal) coal royalties, a metallurgical coal royalty, and six potash royalties located in the Canadian provinces of Alberta and Saskatchewan. Altius also acquired a 100% interest in Carbon Development Partnership ("CDP"), which holds a portfolio of production stage royalties on potash and electrical coal operations as well as significant undeveloped resources of coal and potash. At April 30, 2014 the Corporation held 50% of CDP and acquired the remaining 50% on on May 13, 2014.

The aggregate purchase price for Prairie Royalties and CDP was $282,900,000, of which approximately $261,900,000 was paid to Sherritt on April 28, 2014 for a 52.369% interest in the Prairies Royalties and 50% interest in CDP, while a further $21,000,000 was paid to the Ontario Teachers Pension Plan Benefits ("OTPPB") subsequent to year end for its 50% interest in CDP. The Acquisitions were financed by a credit facility in the amount of $140,000,000 (the "Credit Facility"), an unsecured loan in the amount of $7,200,000, and $114,700,000 of available cash and marketable securities on hand. Subsequent to year end Altius completed an equity offering of 4,643,000 common shares at a price of $14.00 per share raising gross proceeds of $65,002,000. The proceeds of this offering were used to repay $21,000,000 of the Credit Facility, the unsecured loan and the $21,000,000 purchase price to OTPPB for its 50% interest in CDP, as well as for general corporate purposes.

Prairie Royalties holds five thermal coal and metallurgical coal royalties and six potash royalties located in the provinces of Alberta and Saskatchewan. The coal royalties include royalties in respect of electrical coal produced from the Genesee Mine, the Paintearth Mine, the Sheerness Mine and the Highvale Mine, and a royalty interest in respect of metallurgical coal produced from the Cheviot Mine, each of which is located in Alberta. The potash royalties include royalties in respect of potash produced from the Rocanville Mine, Cory Mine, Allan Mine, Patience Lake Mine, Esterhazy Mine and Vanscoy Mine, each of which is located in Saskatchewan.

CDP holds a portfolio of small production stage royalties on potash and electrical coal operations and exploration stage coal projects with more than 7.2 billion tonnes of measured and indicated resources of coal and approximately 4.7 billion tonnes of inferred resources of coal. CDP also holds potash properties with approximately 77.3 million tonnes of proven and probable reserves of potash and approximately 1.6 billion tonnes of inferred resources of potash in Saskatchewan.

Operational and Business Overview

The Corporation's net loss attributable to common shareholders for the year ended April 30, 2014 was $22,565,000 or $0.81 per share compared to the net loss attributable to common shareholders for the year ended April 30, 2013 of $13,339,000 or $0.47 per share. This is further discussed in the *Results of Operations* section of this MD&A.

A summary of the Corporation's attributable revenue is as follows:

	3 months ended 30-Apr	Year ended 2014
	$	$
Royalty revenue		
Voisey's Bay	664	2,773
Coal (1)	114	114
Potash (1)	44	44
Interest and investment	404	1,780
Other	9	1,525
Attributable revenue	**1,235**	**6,236**

(1) See non-IFRS measures section of this MD&A for definition and reconciliation of attributable revenue

(2)Coal and Potash royalties were acquired on April 28, 2014 and include three days of revenue

Following the acquisition of Prairie Royalties and CDP on April 28, 2014, Altius emerged as a significant mineral royalty company. The acquisitions of Prairie Royalties and CDP has substantially diversified Altius' asset base by commodity, geography and asset. Altius now has royalty revenue from six commodities with more than 50% of that revenue expect to be from low risk, inflation adjusted electrical coal royalties and no single asset that contributes more than 22% of estimated revenue. The Corporation has treated the interest purchased in Prairie Royalties as a joint venture by virtue of joint control over the relevant activities and therefore use the equity method of accounting. At year end, CDP was also treated as a joint venture and accounted for using the equity method. However, subsequent to year end, the Corporation increased its ownership in CDP to 100% and will consolidate the results of operations and assets and liabilities in future periods.

Alderon continued to make significant progress towards its goal of developing the Kami iron ore deposit located in western Labrador, Canada. Long-lead equipment orders were placed, release from both the Provincial and Federal Environmental Assessment ("EA") process was granted, a Power Purchase Agreement ("PPA") with a subsidiary of Nalcor energy was executed and a comprehensive benefits agreement was announced with the Province of Newfoundland and Labrador. Alderon remains focused on securing the remaining necessary capital to fund the proposed Kami mine construction

Altius holds a 25.3% founding equity interest in Alderon and a 3% GSR on the Kami project. Alderon's ongoing progress is described in greater detail on their website at http://www.alderonironore.com/.

During the year ended April 30, 2014, the Corporation continued generative exploration activities in eastern Canada and Chile with its various alliance and earn-in partners. The Corporation also continued dialogue with the Government of Newfoundland and Labrador regarding its proposal to develop the Julienne Lake Iron Ore Property in alliance with Chinese partners. Further details on the proposal are provided in the *Outlook* section below.

The Corporation holds a 72.8% interest in 2260761, a company co-founded in 2010 with Mr. Paul van Eeden to invest in early-stage companies with a goal of long-term capital appreciation. The financial results of 2260761 are included in the Corporation's consolidated financial statements by virtue of the Corporation's ownership percentage and control over relevant activities.

The total asset values of 2260761 were as follows:

Amounts in thousands of dollars

$	**April 30, 2014**	January 31, 2014	October 31, 2013	July 31, 2013	April 30, 2013
Cash and cash equivalents	**4,034**	4,344	5,753	8,051	7,692
Private and public company investments	**25,816**	24,117	20,536	16,923	17,750
Total	**29,850**	28,461	26,289	24,974	25,442
Total cost base of investment	**33,600**	33,600	33,600	33,600	33,600

2260761 continued to evaluate several new equity investments within the minerals sector during the year.

Subsequent events

On May 13, 2014, the Corporation closed an equity financing under a short-form prospectus (the "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 among the Corporation and a 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 used the net proceeds of the Offering to repay an unsecured loan of $7,200,000 and to repay $21,000,000 under the Credit Facility.

On May 13, 2014, the Corporation used the net proceeds of the Offering to pay the OTPPB Purchase Price of $21,000,000 (Note 8 to the consolidated financial statements) 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.

Outlook

The acquisition of a portfolio of 11 producing mineral royalties covering electrical coal (thermal), metallurgical coal, and potash provides a diversified, stable and long-term revenue base upon which to grow the Corporation's royalty business. The long lives of the assets, stable jurisdictions, and strong counterparties made this a compelling value investment for Altius. The Corporation intends to explore all avenues to reduce the Credit Facility (currently at

$119,000,000) as soon as reasonably possible. Altius currently holds 32,869,007 shares in Alderon with a current market value of approximately $53,000,000 as well as equity interests in two public royalty companies, Virginia Mines Inc. and Callinan Royalties Corporation, with a combined market value of approximately $36,000,000.

Alderon continued to meet significant development milestones during the year, and is in the process of evaluating financing alternatives for the Kami project. Pending finalization of financing, Alderon expects to commence mine construction in late 2014, with a goal of initial commercial production at 8 million tonnes of iron ore concentrate per annum in late 2015. As noted above, the Corporation holds a 3% GSR on the Kami project, which at the proposed 8 million tonne per annum production level could provide the Corporation with additional gross royalty revenue of approximately $25,000,000 per annum as per BBA's 2013 Feasibility Study assumptions for the Kami Iron Ore project.

The newly acquired CDP portfolio, which contains significant defined resources of coal and potash, represent meaningful joint venture and royalty creation opportunities for the Corporation. Altius is currently analyzing the portfolio with a view to advancing various assets to attract new partnerships and create new royalties.

In October 2012, the Government of Newfoundland and Labrador ("GNL") requested expressions of interest regarding development of a designated Exempt Mineral Land ("EML") in the western Labrador iron ore mining district that contains the undeveloped Julienne Lake iron ore deposit. Subsequently in May 2013, after invitation by GNL, the Corporation and its Chinese partners (the "JL Alliance") submitted a detailed proposal for the development of the EML and Altius' adjacent mineral rights, where the Corporation had confirmed the extension of the Julienne Lake deposit. On April 16, 2014, it was announced that the JL Alliance had been selected by GNL to enter into exclusive final stage negotiations for the award of the EML of the Julienne Lake deposit. Altius intends to contribute its mineral claims to the JL Alliance in exchange for a royalty interest on the consolidated project as well as a minority equity interest. Discussions between the JL Alliance and the Province of Newfoundland and Labrador are ongoing.

The Corporation expects royalty receipts from the Voisey's Bay mine to continue at annualized levels of approximately $2,500,000 based on current nickel prices and typical production volumes. Based on historical information, the Corporation expects the newly acquired Prairie Royalties to generate attributable revenue of approximately $30,000,000 per year.

Project generation/exploration expenditures will continue to be directed towards the objective of long term royalty creation at an estimated cost of approximately $2,000,000 per annum.

Selected Annual Information

The following data are derived from our consolidated financial statements for the fiscal years ended April 30, 2014, 2013 and 2012 (in thousands, except per share amounts):

	2014	2013	2012
	$	$	$
Royalty revenue			
Voisey's Bay	2,773	3,136	4,115
Coal	114	-	-
Potash	44	-	-
Interest and investment	1,780	2,500	2,722
Other	1,525	229	4,211
Attributable revenue (1)	**6,236**	**5,865**	**11,048**
Adjust: joint venture revenue	(2,931)	(3,136)	(4,115)
IFRS revenue per consolidated financial statements	3,305	2,729	6,933
Attributable EBITDA (1)	(25,798)	(14,408)	(6,872)
Net loss attributable to common shareholders	(22,565)	(13,339)	(5,119)
Net loss per share			
basic and diluted	(0.81)	(0.47)	(0.16)
Total assets	407,418	272,840	296,563
Total liabilities	165,403	12,337	14,368
Cash dividends declared & paid to shareholders	Nil	Nil	Nil

(1) See non-IFRS measures section of this MD&A for a reconcilation and explanation of attributable revenue and EBITDA

(2)Coal and Potash royalties were acquired on April 28, 2014 and include three days of revenue

The Corporation received revenue primarily from investment income and from royalty income from the producing Voisey's Bay mine, and in the future anticipates most of its revenue to derive from royalty income generated from Voisey's Bay and the recently acquired coal and potash royalties. Attributable revenue in 2014 increased from 2013 by approximately $370,000 mainly due to receipt of shares from an earn-in agreement offset by lower interest, investment and royalty revenue. This decrease in investment and interest revenue was caused by lower returns and a lower overall cash balance as funds were applied to other initiatives. Royalty revenue decreased as a result of lower volumes of concentrate shipments from Voisey's Bay as well as lower realized nickel and copper prices, which improved somewhat later in the fiscal year.

Net earnings are affected somewhat by revenue net of operating expenses, but historically have been affected primarily by the realization of gains or losses on the Corporation's investments, equity-accounting for certain investments and mineral exploration alliances. Net earnings for 2014 were affected mainly by corporate development costs of $3,616,000 and Altius' loss in earnings and impairment recognition of associates of $17,328,000. Net earnings for 2013 were affected by the Corporation's loss in earnings of associates, namely Alderon, of $11,735,000 and a loss on disposal of investments and impairment recognition of $5,467,000. Net earnings for 2012 were affected by the Corporation's loss in earnings of associates of $6,719,000 and the general decline in the equity markets.

The Corporation's increase in total assets in 2014 is a direct result of the acquisition of Prairie Royalties and CDP whereas 2012 to 2013 reflects a decline in total assets based on declines in some investment valuations and the share of loss of associates. Altius' increase in liabilities is also related to the Acquisition which resulted in the Corporation incurring $140,000,000 in long-term debt, a $7,200,000 short-term promissory note and a general increase in accounts payable and accrued liabilities. From 2012 and 2013, the Corporation's decline in liabilities is primarily related to deferred income taxes and changes in tandem with the asset values.

Table 2: Summary of Exploration and Pre-Development Stage Royalties

Property	Explorer/Developer	Royalty	Status
Kami - iron ore (Western Labrador)	Alderon Iron Ore Corp [a]	3% GSR	Feasibility Study released January 2013 - $3.2B net present value and 29.3% IRR discounted at 8%. Hebei has completed its initial strategic investment in the Kami iron ore project for an aggregate amount of C$182.2 million. Financing plan, detailed engineering, procurement of long-lead items and infrastructure agreements for rail and power are underway. Release from provincial EA granted on January 10, 2014 and a positive decision regarding federal EA was granted on February 18, 2014. A third transmission line was also recently announced by the Province which ensures power supply and on February 25, 2014, a Power Purchase Agreement was concluded with Nalcor. On March 27, Alderon signed an agreement with the Town of Wabush and received permission for mineral extraction. On April 2, 2014 Alderon commenced work at its proposed Terminal Site near the Port of Sept-Iles.

Property	Explorer/Developer	Royalty	Status
Julienne Lake – iron ore (Western Labrador)	Julienne Lake Alliance (Altius and two undisclosed Chinese State Owned Entities).	Under negotiation	On April 16, 2014 the JL Alliance was selected by the Province of Newfoundland & Labrador to enter into final stage negotiations for the mineral rights over the Julienne Lake deposit. The deposit hosts a 867 Mt at 33.7% iron (Measured and Indicated Mineral Resources) and 299 Mt at 34.1% iron (Inferred Mineral Resources) on the Province's land but no resource determination has yet been made on Altius' land. Drill results released April 16, 2014 by Altius for recent work on its land include 259 metres @ 34.4% Fe. A Pre-Feasibility Study is planned by the Alliance should negotiations with the Province prove successful.
Natashquan – nickel, copper, PGE (Central Labrador)	Anglo American	1% NSR	Anglo American may earn a 66% project interest by incurring $20 million in exploration expenditures over a five year period. An initial exploration program commenced in 2013 and additional work is planned for 2014.
Central Mineral Belt – uranium (Central Labrador)	Paladin Energy Limited	2% GSR	Contained NI-43-101 U_3O_8 resource: 83.8 million pounds Measured and Indicated Mineral Resources and 53.0 million pounds Inferred Mineral Resources (29Mt ore at 0.08%). Operator completed a 14,000 metre ore delineation drill program in 2012 and completed further definition drilling in 2013.
Labrador West - iron ore (Western Labrador)	Rio Tinto Exploration Inc.	3% GSR	Drilling in 2012 resulted in a new iron ore discovery (279 m @ 29.8% Fe); awaiting confirmation of Rio Tinto's next program as part of an ongoing second phase earn-in for a 70% interest.
Snelgrove Lake - iron ore (Western Labrador)	Champion Iron Ltd. (formerly Mamba Minerals)	Earn-in (100%) and 3% GSR	The results of an 814-metre, 8-hole drill program targeting hematite iron mineralization was reported in Q2 2013 by Champion (formerly Mamba).

Property	Explorer/Developer	Royalty	Status
Trough Iron - iron ore projects (Grenville, Menihek and Schefferville) (Western Labrador)	Century Iron Mines Corporation	Earn-in (100%) and 1% to 4% sliding scale GSR	Work completed by Century in 2013 included 1.2 km of re-trenching, ground mapping and prospecting, and a small diamond drill program on the Schefferville West property. Geophysical data re-interpretation and modeling was carried out on the Grenville and Menihek properties followed by ground follow-up of select targets. At Astray North, historic data was compiled and ground gravity surveys and follow-up prospecting and mapping was completed over select target areas. The 2014 work program is currently being planned.
Astray - iron ore (Western Labrador)	Northern Star Minerals	1% to 4% sliding scale GSR	Work completed by Northern Star in 2013 included a small drill program, airborne gravity and magnetic surveys and prospecting and mapping of geophysical targets identified from the survey. The 2014 program is currently being planned.
Viking – gold (Western Newfoundland)	Spruce Ridge Resources Limited	2-4% sliding scale NSR	NI 43-101 Inferred Mineral Resources of 131,511 ounces of gold (6,293,000 tonnes at a grade of 0.65 g/t).
Various Copper-gold-molybdenum targets (Alaska)	Millrock and various partners	2% NSR on gold; 1% NSR on base metals	Partner-funded drilling programs and Millrock funded early stage exploration on 4 properties subject to a royalty.

[a] *indicates operator*

Results of Operations

Analysis of Results of Operations for the year ending April 30, 2014 compared with the year ending April 30, 2013

On May 1, 2013, the Corporation adopted IFRS 11 (Joint Arrangements). Prior to the adoption of IFRS 11, the Corporation proportionately consolidated its interest in the Labrador Nickel Royalty Limited Partnership by recording its proportionate share of the royalty revenue, amortization expense, and mining tax expense of the partnership. Effective May 1, 2013, the Corporation began recording its share of the Labrador Nickel Royalty Limited Partnership *earnings on a net basis under the equity accounting method as a result of the assessment under IFRS 11. The prior period comparative statement of earnings, statement of cash flow, and the April 30, 2013 balance sheet have also been restated in accordance with IFRS 11. Additional information on comparative periods and the impact of the restatement is included in Note 23 to the consolidated financial statements*.

The Corporation recorded a net loss attributable to common shareholders of $22,565,000 for the year ended April 30, 2014 compared to a net loss of $13,339,000 for the year ended April 30, 2013. The increase in net loss from the prior year resulted primarily from lower share of loss in associates offset by an impairment recognition of associates and other investment adjustments.

The Corporation recognized total revenue of $3,305,000 for the year ended April 30, 2014 compared to $2,729,000 for the same period last year. Interest and investment income of $1,780,000 was recognized in the year ended April 30, 2014 compared to $2,500,000 for the year ended April 30, 2013. This decrease was caused by lower returns and a lower overall cash balance as funds were applied to other initiatives.

Other income of $1,525,000 was recognized in the year ended April 30, 2014 compared to $229,000 for the year ended April 30, 2013. This increase was caused primarily by the receipt of 3,000,000 shares from Century as part of the royalty/earn in agreement signed in September 2011.

General and administrative expenses for the year ended April 30, 2014 were $8,396,000 compared to $3,795,000 for the same period last year. The increase was primarily the result of higher corporate development costs related to the Acquisition, previously explained in this MD&A, of $3,616,000, increased salary costs of $901,000 related to one-time payments, increased corporate development travel related costs of $55,000 and increased office and other related costs of $28,000.

Exploration and evaluation assets abandoned or impaired was $453,000 for the year ended April 30, 2014 compared to $565,000 in the same period last year. Generative exploration ("Genex") for the year ended April 30, 2014 was $612,000 compared to $518,000 in the same period last year. These activities included early stage evaluation of properties not yet acquired.

Interest on long-term debt was $106,000 for the year ended April 30, 2014 compared to $nil for the year ended April 30, 2013. This is related to the interest owed on the $140,000,000 Credit Facility for the acquisition of Prairie Royalties and CDP previously explained in this MD&A.

Share-based compensation for the year ended April 30, 2014 was $2,304,000 compared to $14,000 for the same period last year. The SARs and DSUs obligation and expense are recalculated quarterly with the share price being a significant factor in the calculation.

Amortization for the year ended April 30, 2014 was $63,000 which is in line with $75,000 for the same period last year.

The Corporation recorded a loss on the sale of investments of $1,105,000 for the year ended April 30, 2014 compared to a loss of $1,927,000 recorded for the same period in the prior year. These disposals were primarily related to sale of various investments held in 2260761 Ontario Inc. After a review of the investment portfolio, an impairment provision of $2,423,000 was recorded for the year ended April 30, 2014 compared to an impairment provision of $3,540,000 recorded for the year ended April 30, 2013.

A gain on derivative financial instruments of $1,371,000 was recorded for the year ended April 30, 2014 compared to a gain of $1,272,000 for the year ended April 30, 2013. The warrants are revalued quarterly using a Black–Scholes calculation to determine the estimated market value, including such factors as share price, time to expiry and volatility of the underlying stock.

The Corporation recorded a dilution gain of $348,000 for the year ended April 30, 2014 compared to a dilution gain of $1,717,000 for the same period last year. The dilution gain in the current year was related to financing completed by Sparkfly, of which 2260761 invested $210,000. The dilution gain recorded in the prior year was related to Alderon’s financing arrangements with strategic partners Hebei and Liberty Metals and Mining.

The Corporation recorded earnings from joint ventures of $686,000 compared to $842,000 for the same period last year as a result of slightly lower volumes of concentrate shipments from the Voisey’s Bay royalty as well as lower realized nickel and copper prices. Earnings were generated from the Corporation’s interest in the Labrador Nickel Royalty Limited Partnership of $1,096,000 (2013 - $1,342,000) and earnings from Prairie Royalties and CDP of $157,000 (2013 - $nil) is offset by a loss of $567,000 (2013 - $499,000) recorded from the Corporation’s investment in Mining Equity.

The share of loss and impairment in associates was $17,328,000 for the year ended April 30, 2014 compared to $11,236,000 for the same period last year. Included in the 2014 year is an impairment recognition on Alderon of $13,935,000 to adjust the carrying value to market value. The Corporation holds an approximate 25.3% equity interest in Alderon and recorded $2,342,000 for its proportionate share of Alderon’s net loss for the year ended April 30, 2014 (2013 - $10,401,000).

The Corporation recorded an income tax recovery of $4,464,000 for the year ended April 30, 2014 compared to an income tax recovery of $1,959,000 for the same period last year. Rates are lower than the statutory rates because of the mix of operating and capital earnings.

Analysis of Results of Operations for the three months ended April 30, 2014 compared with the three months ended April 30, 2013

The Corporation recorded a net loss attributable to common shareholders of $20,540,000 for the three months ended April 30, 2014 compared to a net loss attributable to common shareholders of $3,970,000 for the three months ended April 30, 2013.

The Corporation recognized total revenue of $413,000 for the three months ended April 30, 2014 compared to $693,000 for the same period last year. Interest income of $404,000 was recognized in the three months ended April 30, 2014 compared to $679,000 for the three months ended April 30, 2013. This decrease was caused by the use of marketable securities to partially finance the acquisition of Prairie Royalties and CDP.

General and administrative expenses for the three months ended April 30, 2014 were $4,499,000 compared to $919,000 for the same period last year. The increase was primarily the result of higher corporate development costs related to the acquisition of Prairie Royalties and CDP, previously explained in this MD&A, of $2,914,000, increased salary costs of $551,000 related to one-time payments, increased office and other related costs of $90,000 and increased travel related costs of $25,000.

Exploration and evaluation assets abandoned or impaired was $nil for the three months ended April 30, 2014 compared to $425,000 in the same period last year. The Corporation consolidated some of its mineral claims on the Topsails project during the prior year. Generative exploration ("Genex") for the three months ended April 30, 2014 was $36,000 compared to $90,000 in the same period last year. These activities included early stage evaluation of properties not yet acquired.

Share-based compensation for the three months ended April 30, 2014 was $377,000 compared to a recovery of $535,000 for the same period last year. The prior year's recovery is caused by adjustments to share appreciation rights and deferred share unit expenses because of the decline in the Corporation's share price during the prior year. The SARs and DSUs obligation and expense are recalculated quarterly with the share price being a significant factor in the calculation.

Interest on long-term debt was $106,000 for the three months ended April 30, 2014 compared to $nil for the three months ended April 30, 2013. This is related to the interest owed on the $140,000,000 Credit Facility for the acquisition of Prairie Royalties and CDP previously explained in this MD&A.

Amortization for the three months ended April 30, 2014 was $18,000 which is in line with $19,000 for the same period last year.

The Corporation recorded a gain on the sale of investments of $219,000 for the three months ended April 30, 2014 compared to a loss of $202,000 recorded for the same period in the prior year. These disposals were primarily related to sale of various investments held in 2260761. After a review of the investment portfolio, an impairment provision of $2,423,000 was recorded for the three months ended April 30, 2014 compared to an impairment provision of $3,540,000 recorded for the three months ended April 30, 2013.

An unrealized loss on the fair value adjustment of warrants of $2,762,000 was recorded for the three months ended April 30, 2014 compared to a gain of $1,178,000 for the same period last year. The warrants are revalued quarterly using a Black–Scholes calculation to determine the estimated market value, including such factors as share price, time to expiry and volatility of the underlying stock.

The Corporation recorded earnings from joint ventures of $121,000 compared to a loss of $141,000 for the same period last year. Earnings were generated from the Corporation's interest in the Labrador Nickel Royalty Limited Partnership of $265,000 (2013 - $358,000) which was previously recorded on a gross basis using proportionate consolidation, earnings from Prairie Royalties of $150,000 (2013 - $nil) and earnings from CDP of $7,000 (2013 - $nil) and is offset by a loss of $301,000 (2013- $499,000) recorded from the Corporation's investment in Mining Equity.

The share of loss and impairment in associates was $14,819,000 for the three months ended April 30, 2014 compared to $1,537,000 for the same period last year. Altius has an impairment recognition of $13,935,000 on Alderon and adjusted the carrying value of the investment to market. The Corporation holds a 25.3% equity interest in Alderon and recorded $495,000 for its proportionate share of Alderon's net loss for the three months ended April 30, 2014 (2013 - $1,607,000).

The Corporation recorded an income tax recovery of $3,600,000 for the three months ended April 30, 2014 compared to an income tax recovery of $526,000 for the same period last year. Rates are lower than the statutory rates because of the mix of operating and capital earnings.

Cash Flows, Liquidity and Capital Resources

Operating Activities

The Corporation received cash from operating activities of $753,000 for the year ended April 30, 2014 compared to a cash receipt of $3,751,000 for the same period last year. The change from the prior year was primarily due to the net payment of corporate income taxes of $756,000 in the current year compared to a net receipt of corporate income taxes of $5,053,000 in the prior year.

Financing Activities

The Corporation received cash from financing activities of $136,810,000 for the year ended April 30, 2014 compared to a use of $7,996,000 for the year ended April 30, 2013. The Corporation repurchased 559,500 common shares under its normal course issuer bid during the current year at a total cost of $5,957,000 (2013 – 777,428 shares at a total cost of $8,366,000).

The Corporation received gross proceeds of long-term debt of $140,000,000 and incurred costs of $3,432,000 (2013 - $nil) and proceeds from a short-term promissory note of $7,200,000 (2013 - $nil).

The Corporation's subsidiary, 2260761, paid $274,000 (2013 - $252,000) in dividends to Cranberry Capital Inc., a non-controlling interest of 2260761 during the period compared to a receipt of net proceeds of $348,000 during the prior year which included an additional investment in 2260761 of $600,000. The dividend is payable on class A shares held by the non-controlling interest at a rate of 1% per annum of 2260761's calculated net asset value.

The Corporation paid $984,000 (2013 - $nil) in relation to share issue costs for the equity offering that closed subsequent to year end. These costs are deferred as other assets on the consolidated balance sheet.

The Corporation received proceeds from the exercise of employee stock options of $257,000 for the year ended April 30, 2014 compared to $22,000 for the same period in the prior year.

Investing Activities

The Corporation used cash from investing activities of $198,397,000 for the year ended April 30, 2014 compared to a receipt of $21,677,000 for the same period last year.

A portion of the investment activities in the current period included the decrease in marketable securities totaling $77,926,000. The Corporation used its marketable securities to partially pay for the acquisition of Prairie Royalties and CDP.

The Corporation used cash of $11,423,000 for the acquisition of investments and warrants for the year ended April 30, 2014 compared to $20,523,000 in the same period last year. The Corporation also received $959,000 in proceeds from the sale of investments compared to $7,122,000 in the same period last year.

The Corporation received proceeds from the Labrador Nickel Royalty Limited Partnership of $2,435,000 for the year ended April 30, 2014 compared to $2,688,000 for the year ended April 30, 2013. This payment represents the Corporation's share of the net smelter return royalty received on the Voisey's Bay royalty after deduction of mineral rights tax of 20%.

The Corporation invested $742,000 (2013 - $499,000) in Mining Equity. The Corporation also used cash of $245,158,000 (2013 - $nil) on the acquisition of Prairie Royalties and $21,000,000 (2013 - $nil) on the acquisition of CDP for the year ended April 30, 2014.

In addition, the Corporation used $702,000 (2013 - $253,000) in net mineral exploration expenditures for the year ended April 30, 2014. The prior year's activity included a recovery from a partner of exploration costs incurred in a previous period totaling $735,000 for the Snelgrove Lake project. The Corporation also incurred $669,000 (2013 - $561,000) in generative exploration expenditures for the year ended April 30, 2014.

Liquidity

At April 30, 2014, the Corporation had current assets of $9,350,000 and current liabilities of $44,953,000 for negative net working capital of $35,603,000. This is a direct result of the acquisition of Prairie Royalties and CDP and use of internal capital to finance the acquisition. Subsequent to year end, the Corporation closed an equity offering under a short-form prospectus for gross proceeds of $65,002,000. These funds were used to finance a repayment of the Credit Facility of $21,000,000, the repayment of the short-term promissory note of $7,200,000, the payment to OTPPB of $21,000,000 to acquire the remaining 50% purchase of CDP and for general corporate purposes. The Corporation has appropriate working capital to meet its current requirements for operating and investing activities.

The Corporation's major sources of funding are from royalty revenue, sales of direct and indirect exploration investments, investment and interest income. In addition, the Corporation partially funds exploration expenditures via third party agreements such as earn-in agreements or joint venture arrangements whereby exploration expenditures are cost-shared or funded by third parties in exchange for a partial ownership interest in the mineral rights to the properties.

Commitments and Contractual Obligations

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

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.

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

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).

The Corporation has a 49% interest in Mining Equity, a private Chilean entity established to perform regional early stage exploration and prospect generation in Chile. This investment is accounted for as a joint venture in Note 9 of the audited consolidated financial statements. During the year ended April 30, 2014, the Corporation billed Mining Equity for the reimbursement of exploration and consulting assistance totaling $138,000 (2013 - $47,000).

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., which is owned by Paul van Eeden, the President of 2260761.

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.
Total salaries and benefits paid to key management personnel during the year ended April 30, 2014 was $1,730,000 (2013 - $1,077,000). Total share based compensation relating to key management personnel during the year ended April 30, 2014 was $2,280,000 (2013 – $64,000).

These related party transactions are in the normal course of operations and are measured at fair value, 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 attributable revenue and EBITDA, 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 condensed and audited financial statements.

$	April 30, 2014	January 31, 2014	October 31, 2013	July 31, 2013
Attributable revenue (1)	1,235	2,704	1,338	959
Attributable EBITDA (1)	(23,898)	129	(875)	(1,154)
Net loss attributable to common shareholders	(20,540)	(2)	(731)	(1,292)
Net loss per share - basic and diluted	(0.73)	-	(0.03)	(0.05)

$	April 30, 2013	January 31, 2013	October 31, 2012	July 31, 2012
Attributable revenue (1)	1,584	1,366	1,580	1,335
Attributable EBITDA (1)	(4,115)	(4,160)	(2,434)	(3,173)
Net loss attributable to common shareholders	(3,970)	(3,627)	(2,885)	(2,857)
Net loss per share - basic and diluted	(0.14)	(0.13)	(0.10)	(0.10)

(1) Non-IFRS measures are reconciled and described in the Non-IFRS Measures section of this MD&A

The Corporation does not experience significant seasonality in operations. Earnings are derived primarily from investment income and from the producing Labrador Nickel Royalty Limited Partnership, which is contingent upon commodity prices, mine production levels, and the timing of concentrate shipments. The recent acquisition of 11 producing royalties did not have a significant impact on revenue since it occurred immediately before the end of the fiscal period. Revenue in the previous quarter trended higher as a result of the receipt of shares in a company as part of an earn-in agreement.

Net earnings are affected somewhat by revenue net of operating expenses, but are affected primarily by the realization of gains or losses on the Corporation's investments and mineral exploration alliances and equity accounting of some investments. Recent losses have been caused primarily by a decline in the fair value of investments and the equity accounting of Alderon and other associates, whereby the Corporation records its proportionate share of the operating loss as well as an increase in corporate development costs.

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 certifying officers have evaluated the effectiveness of the Corporation's internal control over financial reporting as of April 30, 2014 and have concluded that such controls are adequate and effective to ensure accurate and complete financial reporting in public filings. The consolidated financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out in the notes to the consolidated financial statements for the year ended April 30, 2014.

There has been no change in the Corporation's internal control over financial reporting during the Corporation's year ended April 30, 2014 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 April 30, 2014 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.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS 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, deferred income taxes, the carrying value and assessment of impairment of investments, the assumptions used in the determination of the fair value of share based compensation and SARs, and the assumptions used in the determination of the fair value of derivatives for which there is no publicly traded market.

The most significant accounting estimate of the Corporation during the current fiscal period was the assessment of the Corporation's investment in Alderon. At the reporting date, the fair value of the Alderon shares held by the Corporation was $52,590,000 versus the carrying value of $66,525,000.

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 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.

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.

Development Stage Projects

Profits from commercial operations will depend on a significant number of factors, including economic feasibility, changing market conditions, aboriginal involvement, 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.

Dependence on Third Party Property Owners and Operators

The revenue derived from the Corporation's royalty portfolio is based on production by third party property owners and operators. These owners and operators are responsible for determining the manner in which the properties underlying the royalties are exploited, including decisions to expand, continue or reduce production from a property, and decisions to advance exploration efforts and conduct development of non-producing properties. The Corporation will have little or no input on such matters. The interests of third party owners and operators and those of the Corporation on the relevant properties may not always be aligned. As an example, it will, in almost all cases, be in the interest of the Corporation to advance development and production on properties as rapidly as possible in order to maximize near term cash flow, while third party owners and operators may, in many cases, take a more cautious approach to development as they are at risk on the cost of development and operations. The inability of the Corporation to control the operations for the properties in which it has a royalty interest may result in a material and adverse effect on the Corporation's profitability, results of operation and financial condition.

Exposure to Mineral Price Fluctuations

The revenue derived by the Corporation from the its royalty portfolio and investments will be significantly affected by changes in the market price of the commodities that underlie those royalties and other investments, which can affect production levels to which its royalty portfolio is tied. The Corporation's revenue will be particularly sensitive to changes in the price of metallurgical coal and potash, as the revenue from these commodities represent the majority of the cash flow expected to be derived in the near future. Commodity prices, including those to which the Corporation is exposed, fluctuate on a daily basis and are affected by numerous factors beyond the control of the Corporation, including levels of supply and demand, industrial development levels, inflation and the level of interest rates. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments.

All commodities, by their nature, are subject to wide price fluctuations and future material price declines will result in a decrease in revenue or, in the case of severe declines that cause a suspension or termination of production by relevant operators, a complete cessation of revenue from royalties or working interests applicable to one or more relevant commodities. Moreover, the broader commodity market tends to be cyclical, and a general downturn in overall commodity prices could result in a significant decrease in overall revenue. Any such price decline may result in a material and adverse effect on the Corporation's profitability, results of operation, financial condition and dividend policy.

Limited Access to Data and Disclosure for Royalty Portfolio

The Corporation neither serves as the mine property owner or operator for the properties underlying its royalty portfolio, and in almost all cases the Corporation has no input into how the operations are conducted. Consequently, the Corporation has varying access to data on the operations or to the actual properties themselves. This could affect its ability to assess the value of the royalty interest or enhance the royalty's performance. This could also result in delays in cash flow from that anticipated by the Corporation based on the stage of development of the applicable properties underlying its royalty portfolio. The Corporation's royalty payments may be calculated by the royalty payors in a manner different from the Corporation's projections and the Corporation may or may not have rights of audit with respect to such royalty interests. In addition, some royalties may be subject to confidentiality arrangements that govern the disclosure of information with regard to royalties and as a result the Corporation may not be in a position to publicly disclose non-public information with respect to certain royalties. The limited access to data and disclosure regarding the operations of the properties in which the Corporation has an interest may restrict the Corporation's ability to assess the value or enhance its performance, which may result in a material and adverse effect on the Corporation's profitability, results of operation and financial condition.

Dependence on Payment from Royalty Payors

The Corporation will be dependent to a large extent upon the financial viability and operational effectiveness of owners and operators of the properties underlying its royalty portfolio. Payments from production generally flows through the operator and there is a risk of delay and additional expense in receiving such revenues. Payments may be delayed by restrictions imposed by lenders, delays in the sale or delivery of products, recovery by the operators of expenses, the establishment by the operators of mineral reserves for such expenses or the bankruptcy, insolvency or other adverse financial condition of the operator. The Corporation's rights to payment under the royalties must, in most cases, be enforced by contract without the protection of a security interest over property that the Corporation could readily liquidate. This inhibits the Corporation's ability to collect outstanding royalties upon a default. In the event of a bankruptcy, insolvency or other arrangement of an operator or owner, the Corporation will be treated like any other unsecured creditor, and therefore have a limited prospect for full recovery of royalty revenue.

The Ability to Attract Partners for Exploration

The probability of successfully progressing early stage projects is dependent on an ability to attract exploration 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 may be adversely impacted. This could affect the likelihood of discovering future commercially feasible projects.

Credit facility

The Credit Facility is subject to certain restrictive conditions that limit the discretion of management with respect to certain business matters, including financial covenants that require the Corporation to meet certain financial ratios, financial condition tests and other restrictive covenants. A failure to comply with the obligations in the Credit Facility could result in a default which, if not cured or waived, could result in a termination of the Credit Facility.

Leverage Risk

The Corporation's degree of leverage, particularly given the drawdown under the Credit Facility that was used to complete the acquisition of Prairie Royalties and CDP, could have adverse consequences for the Corporation, including: limiting the Corporation's ability to obtain additional financing for working capital, debt service requirements, acquisitions and general corporate or other purposes; restricting the Corporation's flexibility and discretion to operate its business; having to dedicate a portion of the Corporation's cash flows from operations to the payment of interest on its existing indebtedness and not having such cash flows available for other purposes including expenditures that are important to its growth and strategies; exposing the Corporation to increased interest expense on borrowings at variable rates; limiting the

Corporation’s ability to adjust to changing market conditions; and placing the Corporation at a competitive disadvantage compared to its competitors that have less debt.

Debt and Equity Financing

Because of their size and scale, the success of some resource-based projects depends 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 delayed, 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 may 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 underway or under consideration could be at risk.

Although safety and health factors are considered integral to all aspects of the Corporation, mineral exploration is an inherently risky business. In the event of an accident or an unforeseen circumstance, the Corporation has emergency succession plans in place for both the Chair and the CEO of the Corporation as well as for other members of senior management.

Exploration Alliances

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.

Legal Claims

Altius may become party to legal claims arising in the ordinary course of business, including as a result of activities of joint ventures in which it has an interest. There can be no assurance that any such legal claims will not result in significant costs to Altius.

Title to Mineral Properties Cannot Be Assured

The acquisition of title to mineral properties is a very detailed and time consuming process. Title to, and the area of, mineral rights may be disputed and additional amounts may have to be paid to surface rights owners in connection with any development of mining activity. The properties may also be subject to prior unregistered agreements of transfer or aboriginal land claims, and title may be affected by undetected defects. Although Altius believes it has taken reasonable measures to ensure that title to its properties are in good standing, there is no guarantee that title to its properties will not be challenged or impaired by third parties, or that such rights and title interests will not be revoked or significantly altered to the detriment of the Corporation.

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. The Corporation does not currently use any hedges.

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

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.

Foreign currency risk

Distributions from LNRLP are exposed to foreign currency fluctuations on a portion of its accounts receivable 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.

Outstanding Share Data

At June 25, 2014, the Corporation had 32,238,821 common shares outstanding and 250,000 stock options outstanding.

Non-IFRS Measures

Attributable royalty and other revenue ("attributable revenue") and attributable EBITDA are intended to provide additional information only and do not have any standardized meaning prescribed under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently. For a reconciliation of these measures to various IFRS measures, please see the Corporation's MD&A disclosure below.

(1) Attributable revenue is defined by the Corporation as total revenue from the consolidated financial statements and the Corporation's proportionate share of gross revenue in the joint ventures. The Corporation's key decision makers use attributable royalty revenue and related attributable royalty expenses as a basis to evaluate the business performance. The attributable royalty revenue amounts, together with amortization of royalty interests, general and administrative costs and mining tax, are not reported gross in the consolidated statement of earnings (loss) since the royalty revenues are being generated in a joint venture and IFRS 11 Joint Arrangements requires net reporting as an equity pick up. The reconciliation to IFRS reports the elimination of the attributable revenues and reconciles to the revenues recognized in the consolidated statements of earnings (loss).

(2) Attributable EBITDA is defined by the Corporation as net earnings (loss) excluding income tax expense/recovery, interest costs, amortization and depreciation, and amortization of royalty interest included in the earnings from joint venture amounts. The Corporation's key decision makers use attributable EBITDA as a basis to evaluate the underlying operating performance of the Corporation and to assist with the planning and forecasting of future operating results. Management believes that attributable EBITDA allows investors and analysts to better evaluate the results of the underlying business.

Reconciliations to IFRS measures

Attributable revenue

	2014	2013	2012
	$	$	$
Royalty revenue			
Voisey's Bay	2,773	3,136	4,115
Coal (1)	114	-	-
Potash (1)	44	-	-
Interest and investment	1,780	2,500	2,722
Other	1,525	229	4,211
Attributable revenue	**6,236**	**5,865**	**11,048**
Adjust: joint venture revenue	(2,931)	(3,136)	(4,115)
IFRS revenue per consolidated financial statements	3,305	2,729	6,933

(1)Coal and Potash royalties were acquired on April 28, 2014 and include three days of revenue

$	April 30, 2014	Jan 31, 2014	Oct 31, 2013	July 31, 2013
Royalty revenue				
Voisey's Bay	664	700	706	703
Coal	114	-	-	-
Potash	44	-	-	-
Interest and investment	404	523	608	245
Other	9	1,481	24	11
Attributable revenue	**1,235**	**2,704**	**1,338**	**959**
Adjust: joint venture revenue	(822)	(700)	(706)	(703)
IFRS revenue per consolidated financial statements	413	2,004	632	256

$	April 30, 2013	Jan 31, 2013	Oct 31, 2012	July 31, 2012
Royalty revenue				
Voisey's Bay	891	794	879	572
Interest and investment	679	466	635	720
Other	14	106	66	43
Attributable revenue	**1,584**	**1,366**	**1,580**	**1,335**
Adjust: joint venture revenue	(891)	(794)	(879)	(572)
IFRS revenue per consolidated financial statements	693	572	701	763

Attributable EBITDA

	2014 $	2013 $	2012 $
Net loss	(22,616)	(13,151)	(4,921)
Addback (deduct):			
Income tax recovery	(4,464)	(1,959)	(1,486)
Interest on long-term debt	106	-	-
Amortization	63	75	104
Amortization of royalty interest (1)	1,113	1,153	1,184
Attributable EBITDA	**(25,798)**	**(13,882)**	**(5,119)**

(1) Amortization of royalty interest is included in the equity pickup for earnings in joint ventures

$	April 30, 2014	Jan 31, 2014	Oct 31, 2013	July 31, 2013
Net (loss) earnings	(20,687)	134	(752)	(1,311)
Addback (deduct):				
Income tax recovery	(3,600)	(298)	(393)	(173)
Interest on long-term debt	106	-	-	-
Amortization	18	17	14	14
Amortization of royalty interests	265	276	256	316
Attributable EBITDA	**(23,898)**	**129**	**(875)**	**(1,154)**

$	April 30, 2013	Jan 31, 2013	Oct 31, 2012	July 31, 2012
Net loss	(3,962)	(3,758)	(2,362)	(3,069)
Addback (deduct):				
Income tax recovery	(526)	(672)	(388)	(373)
Amortization	19	19	18	19
Amortization of royalty interests	354	251	298	250
Attributable EBITDA	**(4,115)**	**(4,160)**	**(2,434)**	**(3,173)**