ALTIUS MINERALS CORPORATION

Management's Discussion and Analysis

of Financial Conditions and Results of Operations

Year Ended April 30, 2016

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, 2016 and related notes. This MD&A has been prepared as of June 22, 2016.

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 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") has two key elements to its business model - the building of a diversified portfolio of long-life mine royalty/streaming interests and the generation of high quality exploration projects that it can advance through various types of partnership leveraged investment. Both business components recognize the strong inherent cyclicity of valuations and availability of capital within the minerals sector and are managed with contrarian discipline over full-cycle investment timeframes.

Its diversified royalties and streams generate revenue from 14 operating mines largely located throughout Canada, and more recently Brazil, from copper, zinc, nickel, cobalt, precious metals, potash and thermal (electrical) and metallurgical coal (see *Appendix 1: Summary of Producing Royalties and Streaming Interests*). The portfolio also includes numerous pre-development stage royalties covering a wide spectrum of mineral commodities and jurisdictions. Additional information on the status of certain non-producing royalty interests is available in *Appendix 2: Summary of Exploration and Pre-Development Stage Royalties* of this MD&A.

The exploration portfolio is well diversified by commodity and geography and consists of exploration projects the Corporation has generated in respect of which it seeks to create funding partnerships with other exploration and mining companies while retaining royalties and equity or minority project interests.

Annual Operational and Business Overview

Subsequent to April 30, 2016, the Corporation added a significant long-life mine with additional commodity diversity to its revenue generating portfolio through the acquisition of a copper stream on the Chapada copper-gold mine located in Brazil. The Corporation used a combination of cash on hand and new debt and equity to finance this transaction. During the year ended April 30, 2016, the Corporation paid a non-refundable deposit on the Chapada stream in the amount of $8,000,000 USD.

On the exploration front, the Corporation continued to accumulate high quality land positions in favourable jurisdictions in anticipation that the prolonged period of reduced exploration expenditures will eventually lead to an increased demand for high quality mineral properties. Areas of project generation included Chile, the Republic of Ireland, the U.S. (Michigan), and Canada with a focus on base metals and gold.

While the Corporation's revenue for the year increased year over year with the addition of the 777 mine royalty (acquired through the acquisition of Callinan in May 2015), some other royalty revenues were negatively affected by lower commodity prices and mine sequencing on some of its electrical coal assets.
Additional information on the activities for the year is discussed further below.

Equity Raise

On May 3, 2016, the Corporation closed an equity financing under a short-form prospectus. The equity offering consisted of 3,578,800 Common Shares of the Corporation at a price of $11.25 per Common Share, for aggregate gross proceeds of $40,261,500. The Common Shares were offered for sale pursuant to an underwriting agreement dated April 19, 2016 between the Corporation and a syndicate of underwriters which included TD Securities Inc., Scotia Capital Inc., Raymond James Ltd., BMO Nesbitt Burns Inc., and Haywood Securities Inc. On closing, the Corporation paid the Underwriters a fee equal to 5.0% of the gross proceeds of the equity offering. The Corporation has used the net proceeds of the equity offering for general corporate purposes and to partially fund the acquisition of the Chapada copper stream.

Chapada Copper Stream
On May 3, 2016, the Corporation closed the agreement to acquire a copper streaming interest on the Chapada copper-gold mine located in central Brazil and operated by a subsidiary of Yamana Gold Inc. ("Yamana"). The total cost of the acquisition was US$60,000,000 which was composed of an initial US$8,000,000 paid on March 31, 2016 and a final payment of US$52,000,000 and 400,000 common share purchase warrants of the Corporation, paid on May 3, 2016**.** Under the terms of the Agreement, the Corporation is entitled to purchase 3.7% of the payable copper produced from the Chapada mine at 30% of the market price. The rate of payable copper is subject to reduction in the event of a threshold production increase at Chapada or upon delivery of 75 million pounds of copper.

New Credit Facility
On May 3, 2016, the Corporation obtained a senior secured debt facility of $150,000,000 (the "New Credit Facilities"), comprised of a $70,000,000, 4 year, amortizing term debt facility (the "Term Facility") and an $80,000,000, 3 year, revolving facility (the "Revolving Facility"). The New Credit Facilities were provided by a consortium of lenders led by the Bank of Nova Scotia, as Lead Arranger and Administrative Agent, ING Capital LLC as Syndication Agent and Bookrunner, Export Development Canada and the Toronto-Dominion Bank. The Term Facility is repayable over a four year period with quarterly principal repayments of $2,000,000 commencing July 31, 2016 until July 31, 2017 and increasing to $3,250,000 thereafter, bearing interest at variable rates based on the Corporation's total debt ratio. The Revolving Facility is payable in full in 3 years and includes a cash sweep mechanism commencing 12 months after a qualifying royalty or streaming acquisition. Additional draw-downs on the Revolving Facility are permitted for future qualifying royalty and streaming acquisitions.

On May 3, 2016, the Corporation has drawn down the full amount of the Term Facility of $70,000,000 and $33,000,000 (US$ 26,000,000) on the Revolving Facility to repay its existing Credit Facility and to pay a portion of the purchase price for the Chapada copper purchase agreement.

Adventus
The Corporation expanded its mineral exploration business into the Republic of Ireland in 2016 with a focus on zinc and other base metals through a financing and controlling investment of Adventus Exploration Ltd. ("Adventus"), a private Irish mineral exploration corporation. On November 3, 2015, the Corporation entered into an exploration alliance and funding agreement with Adventus. Furthermore, on April 30, 2016, the Corporation increased its ownership in Adventus to 80%.

Michigan Exploration Agreement
On September 21, 2015, the Corporation closed a strategic transaction with Bitterroot Resources Ltd. ("Bitterroot") under which the Corporation will finance future mineral exploration on Bitterroot's Voyageur and Copper Range lands in the Upper Peninsula of Michigan (the "Properties") in return for ownership and control of the Properties, notably all of which are 'freehold'. The intent of the transaction is to define and enhance nickel exploration targets and attract third party partners to further explore this emerging and potentially globally significant nickel mining district. The Corporation has acquired a 50.1% interest in the Properties and has agreed to fund $600,000 of exploration expenditures before September 29, 2016. Following the Year 1 earn-in, the Corporation may acquire an additional 19.9% of the Properties by completing $2.5 million in exploration spending by September 29, 2021, plus the right to acquire an additional 10% of the Properties by completing exploration spending of a further $5 million, or completing a NI 43-101 compliant pre-feasibility study on a mineral resource on the Properties, before September 29, 2025. The Corporation was also granted a 2% net smelter return ("NSR") royalty on the Voyageur lands and the right to repurchase a 1% NSR held by a third party on the Copper Range lands, both of which are subject to the Corporation funding the required Year 1 exploration expenditures.

Royalty Creation
On July 10, 2015 the Corporation completed an agreement to transfer certain of its Carbon Development Partnership ("CDP") mineral lands in central Alberta to Westmoreland Coal Corporation ("Westmoreland") in exchange for future production royalties. Westmoreland operates the Paintearth and Sheerness mines in central Alberta, Canada which provide thermal coal to the Battle River and Sheerness electrical generating stations. The subject lands are located in close proximity to current mine permit areas that are known to contain near surface coal resources. The royalty rate remains confidential but is consistent with the inflation adjusted tonnage based rates of similar existing CDP royalty agreements in Alberta.

Callinan Acquisition
On May 5, 2015, Altius completed the acquisition of Callinan Royalties Corporation ("Callinan") under a plan of arrangement whereby Altius acquired all of the issued and outstanding common shares of Callinan (the "Arrangement"). Pursuant to the Arrangement, each former Callinan shareholder received 0.163 of an Altius common share and $0.203 in cash for each Callinan common share held. The Corporation paid $9,431,775 in cash and issued 7,573,297 common shares to the shareholders of Callinan under the Arrangement. Callinan holds a 4% net smelter return royalty ("NSR") on the 777 mine in Flin Flon, Manitoba and numerous other exploration stage royalties and related alliances.

Alberta Electrical Coal Royalties
The Corporation receives tonnage based royalties from four thermal coal mining operations that provide fuel to 15 individual electricity generating units in Alberta. Production volumes and related revenues at Genesee were as predicted, but lower royalty revenues were noted from the Paintearth and Sheerness mines during the year as compared to the prior year. Production volumes are expected to remain stable at Genesee and to improve at Sheerness due to mine sequencing while lower production volumes are expected to persist at Paintearth in response to decreased customer demand. The recent resumption of mine production onto royalty lands at Highvale is expected to continue for the foreseeable future.

In November of 2015, the newly elected Alberta government announced a goal of accelerating the phase out of its coal fueled electrical generation capacity by 2030. This contrasts with a current federal regulatory condition, which requires individual plants to either close or meet more stringent CO_2 emission standards by the approximate 50th anniversary of original commissioning. Under the existing federal regulatory regime, the Corporation had assumed that the majority of these generating units would have already been decommissioned or begun to source coal from non-royalty lands prior to 2030, with revenue related to only three generating units at Genesee expected beyond this date.

The Alberta government has not yet provided the details of its accelerated closure objective nor has it released details of how it proposes to compensate stakeholders that will be adversely affected by the accelerated closure goal. Altius will evaluate such proposals as they become available to determine whether the impairment of any post-2030 carrying values assumed under the current federal regulatory framework might be required.

Saskatchewan Potash Royalties
Altius receives revenue from six of the nine currently producing potash mining operations in Saskatchewan. Cumulative production volumes at these operations were lower than levels from the prior year, while US dollar based declines in realized potash prices during the year were partially offset by Canadian dollar exchange rate declines resulting in slightly lower than anticipated royalty revenues from the potash portfolio.

Individual mine operational volumes are expected to be moderately lower in the coming year as a result of supply side discipline. Also, in response to lower prices, operators continue to focus production towards their lowest cost mines while also continuing to pursue a long standing strategy of matching supply to global market demand. In the longer term the Corporation expects potash production to continue its positive growth pattern.

Notably, Potash Corporation of Saskatchewan Inc. ("PotashCorp") recently announced plans to place its potash mining operations in the province of New Brunswick (in which Altius has no royalty interest) on indefinite care and maintenance, and to offset the lost production with increased production from its lower cost operations located in Saskatchewan. Altius has royalty exposure to four of PotashCorp's Saskatchewan operations, including its lowest cost Rocanville mine, where a doubling of production capacity is nearing completion and volumes are forecast to ramp up significantly over the next two years.

Most of the other Saskatchewan potash mines from which Altius derives royalties have also undergone recent significant capacity additions that it anticipates will eventually be utilized based on long-term global potash consumption growth trends - which is commonly estimated by producers and analysts to be averaging at 2.5% to 3% annually. The Corporation's potash royalties are covering mines that have reserve and resource bases that allow for production lives of between 60 and more than 1,400 years based upon current production rates and assuming full conversion of all identified potash resources to mineable reserve categories.

777 Copper-Zinc-Gold-Silver Royalty
The Corporation receives royalty revenues from HudBay Minerals Inc. ("HudBay") on its 777 copper-zinc-gold-silver mine in Manitoba. Royalty payments during the year were modestly impacted by lower metal prices and a minor production shortfall as a result of a labour dispute at the mine, partially offset by Canadian dollar exchange rate declines.

HudBay reported consistent production in its first quarter of the year while also indicating expectations for improved 2016 ore production and higher zinc and precious metal grades.

Voisey's Bay Nickel-Copper-Cobalt Royalty
Royalty revenue was negatively affected by declines in the nickel price that were only partly offset by Canadian dollar exchange rate declines.

During the fourth quarter, Vale began deducting capital costs associated with construction of its Long Harbour processing facility against the net smelter return royalty calculation, which have reduced the royalty to $nil. Altius disagrees that the royalty agreement allows for the deduction of capital related costs against royalty payments and is, through the Labrador Nickel Royalty Limited Partnership ("LNRLP"), pursuing all legal remedies available to defend its position and its NSR royalty entitlements.

Altius is also, through LNRLP, pursuing a legal claim against Vale which includes assertions that all previous royalty payments made to it have been inadequate on the basis that the sales of material from the mine to other operating subsidiaries of Vale were completed at lower than fair market prices. Altius is a 10% unit holder in LNRLP while Royal Gold is the General Partner holding the remaining 90%.

Exploration Project Generation
The Corporation has been very active over the past year, either directly or through various interests in its subsidiaries, in assembling a variety of new exploration projects in various globally significant mining jurisdictions, including Chile, Canada, the Republic of Ireland, and the United States. The majority of these interests have been acquired through direct staking initiatives as declining exploration budgets throughout the sector have resulted in significant land tenure reductions by competing explorers in the majority of the jurisdictions where the Corporation is strategically building mineral land portfolios.

The exploration strategy of the Corporation continues to be to generate high quality projects across the commodities spectrum that it expects will attract third party funding agreements with the long-term goal of generating low cost royalties and capital gains. Readers are encouraged to visit the corporate website at www.altiusminerals.com to gain added insight into the exploration activities and projects of the Corporation.

Outlook

The Corporation will continue to balance its capital allocation strategy between debt repayment, shareholder capital returns, direct royalty acquisition opportunities and low cost exploration initiatives.

The Corporation expects the existing portfolio revenue to remain relatively stable in the coming year. In addition, the recently acquired Chapada stream is expected to begin contributing net revenue in the Corporation's second quarter, and adds an important copper revenue component to our growing diversified portfolio. Commodity prices remain relatively weak but are partially counteracted by currency benefits. Potash production and volume are expected to reduce moderately from current levels as a result of supply side dynamics but are expected to continue their positive growth pattern in the longer term. Notably, all of the potash mine operations in which the Corporation has a royalty interest are nearing completion of major expansion projects and have flexibility on increasing product supply once the market improves. Electrical coal royalty revenue is based on a per tonne inflation indexed rate that will not be affected by weak market based thermal coal prices or currency rates although political policy related uncertainties remain an ongoing concern.

The Corporation will continue to selectively add high quality, long life royalties or streaming interests to the royalty portfolio should the right opportunities arise. However, recent commodity price improvements paired with recovering market sentiment suggests that the best acquisition opportunities for royalty and streaming interests are potentially behind us for this cycle. If that is indeed the case, the Corporation will focus on debt reduction and capital management, and will shift its attention to realizing on its exploration and project generation initiatives.

Low-cost exploration and generative activities will continue to focus on the build-up of high quality projects in globally significant mining jurisdictions. The ongoing underinvestment in global exploration is providing a counter-cyclical opportunity to acquire mineral rights that the Corporation believes will become highly sought after as exploration investment rebounds to sustainable levels.

Selected Annual Information

The following data are derived from our consolidated financial statements for the fiscal years ended April 30, 2016, 2015 and 2014 (in thousands, except per share amounts):

	2016 $	2015 $	2014 (2) $
Royalty revenue			
Base metals	**9,653**	2,523	2,773
Coal	**15,240**	17,889	107
Potash	**6,155**	6,707	44
Other	**720**	1,509	7
Interest and investment	**1,317**	180	1,780
Attributable revenue (1)	**33,085**	28,808	4,711
Adjust: joint venture revenue	**(21,881)**	(26,127)	(2,931)
IFRS revenue per consolidated financial statements	**11,204**	2,681	1,780
Net loss attributable to common shareholders	**(38,464)**	(30,211)	(22,565)
Net loss per share			
basic and diluted	**(0.97)**	(0.94)	(0.81)
Total assets	**411,492**	355,891	407,418
Total liabilities	**91,277**	95,117	165,403
Cash dividends declared & paid to shareholders	**4,789**	647	Nil

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

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

Attributable revenue in 2016 increased $4,300,000 from 2015. This increase can be attributed to the addition of the 777 royalty on May 5, 2016 and increased dividend income related to 1,150,000 shares of Labrador Iron Ore Royalty Corporation (“LIF”) that are held by the Corporation, offset by decreases in coal and potash and other royalties due to a combination of declines in commodity prices and production, offset by the Canadian dollar exchange.

Net earnings are affected somewhat by royalty revenue net of operating expenses, but 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 loss for 2016 were also impacted by impairment charges on goodwill related to 777 mine of $16,402,000 and impairment charges on the Paintearth royalty. Net earnings for 2015 were affected mainly by the Corporation’s share of losses of associates and impairment charges of $43,600,000 as well as a loss on disposition of a subsidiary of $6 million. Net earnings for 2014 were reflective of corporate development costs of $3,616,000 and Altius’ loss in earnings and impairment recognition of associates of $17,328,000.

During 2016, total assets increased as a direct result of the acquisition of Callinan on May 5, 2015. In 2015, assets decreased based on the impairment charges taken on an associate. The Corporation’s increase in total assets in 2014 was driven by the acquisition of Prairie Royalties and CDP at the end of April 2014.

The Corporation’s liabilities have decreased in 2016 as a result of the repayment of $11,000,000 in debt during the year, offset by an increase in deferred tax liabilities triggered by the Callinan acquistion. Altius’ liabilities decreased in 2015 as a result of payments of $63 million on debt.

In the current fiscal year Altius paid a dividend at $0.03 per share on a quarterly basis.

Results of Operations

Tabular amounts are shown in thousands of Canadian dollars.

	Three months ended April 30,			Year ended April 30,		
	2016	2015	Variance	**2016**	2015	Variance
Attributable revenue	**7,465**	6,981	484	**33,085**	28,808	4,277
Adjusted EBITDA	**5,356**	4,927	429	**25,499**	22,881	2,618
Net loss attributable to common shareholders	**(19,988)**	8,939	(28,927)	**(38,464)**	(30,211)	(8,253)

Attributable revenue and adjusted EBITDA (see non-IFRS measures) grew on a year to date basis by 15% and 11% respectively, primarily as a result of the addition of royalty revenue from the 777 mine, which was acquired through the acquisition of Callinan. Additional information on each specific royalty stream is included in the next table.

The Corporation recorded a net loss attributable to common shareholders of $19,988,000 for the three months ended April 30, 2016 compared to net earnings of $8,939,000 for the three months ended April 30, 2015 and recorded a net loss attributable to common shareholders of $38,464,000 for the twelve months ended April 30, 2016 compared to a net loss of $30,211,000 for the twelve months ended April 30, 2015. The current quarter and year to date results were negatively affected by non-cash based impairments in the carrying value of certain joint venture royalty holdings, investment in associates, available for sale investments, exploration assets and an impairment charge on goodwill.

A summary of the Corporation's attributable revenue by royalty (in 000's) is as follows:

	Three months ended April 30,			Year ended April 30,		
	2016	2015	Variance	**2016**	2015	Variance
Royalty revenue						
Base metals						
777 Mine	**1,689**	-	1,689	**8,223**	-	8,223
Voisey's Bay	**-**	761	(761)	**1,430**	2,523	(1,093)
Coal						
Genesee	**2,481**	1,544	937	**7,652**	7,027	625
Paintearth	**210**	297	(87)	**1,107**	2,309	(1,202)
Sheerness	**656**	1,565	(909)	**4,111**	6,673	(2,562)
Highvale	**217**	-	217	**749**	-	749
Cheviot	**393**	509	(116)	**1,621**	1,880	(259)
Potash						
Cory	**135**	306	(171)	**768**	940	(172)
Rocanville	**541**	696	(155)	**2,389**	2,518	(129)
Allan	**85**	184	(99)	**466**	569	(103)
Patience Lake	**96**	147	(51)	**216**	341	(125)
Esterhazy	**279**	450	(171)	**1,247**	1,269	(22)
Vanscoy	**15**	25	(10)	**125**	78	47
CDP - potash	**244**	334	(90)	**944**	992	(48)
Other						
CDP - other	**121**	296	(175)	**718**	1,115	(397)
Project generation - other	**-**	(97)	97	**2**	394	(392)
Interest and investment	**303**	(36)	339	**1,317**	180	1,137
Attributable revenue	**7,465**	6,981	484	**33,085**	28,808	4,277

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

The royalty on the 777 Mine operated by HudBay, which pays the Corporation a 4% NSR royalty, had total revenue of $8,223,000 in the year. Production was impacted by a labour dispute at the mine; however, production improved during the second half of the year. Copper and overall commodity prices were depressed in the year further contributing to lower than expected revenues.

The Corporation's share of Voisey's Bay royalty revenue was lower quarter over quarter and year over year due to lower nickel prices that were only partially offset by the favourable Canadian to US Dollar exchange rate. During the fourth quarter, Vale began deducting capital costs associated with construction of its Long Harbour processing facility against the net smelter return royalty calculation, which has reduced the royalty to $nil.

Year to date there was $15,240,000 in total coal royalty revenue generated of which $13,612,000 were 'mine-mouth' tonnage based royalties with no commodity price exposure. Two of the coal royalties performed better than expected while Paintearth experienced lower customer demand and there were some mine sequencing differences on Sheerness. The Genesee royalty revenues, for three months and the year, were based upon higher production volumes than for the comparable year. The Highvale mine commenced production on royalty applicable lands in June 2015 and is expected to remain on royalty lands for the foreseeable future. The Sheerness mine had lower royalty tonnes in the three and twelve month period than in the prior periods based on mine sequencing relative to our royalty lands. The Corporation anticipates production to increase on royalty lands in the coming year. The Cheviot metallurgical coal mine royalty generated slightly lower revenues for the quarter and the year ended April 30, 2016 driven by increased sales volumes, offset by lower US dollar based realized prices.

Year to date and quarterly cumulative potash royalty revenues were slightly lower than those for the prior year comparable period as volumes were slightly lower and US dollar based potash prices have declined considerably during the year. These pricing decreases were partially offset by Canadian dollar exchange rate benefits.

CDP revenue consisted of potash royalties of $944,000 and other royalties of $718,000 for the current year which was lower than the comparative figures for the prior year and consistent with the overall drop in commodity prices.

Interest and investment income was largely related to dividends received on available for sale equity holdings and interest on cash holdings.

Expenses

	Three months ended April 30,			Year ended April 30,		
	2016	2015	Variance	**2016**	2015	Variance
General and administrative	**1,454**	1,921	(467)	**5,913**	5,387	526
Share-based compensation (recovery)	**188**	(355)	543	**581**	(1,523)	2,104
Generative exploration	**63**	67	(4)	**406**	482	(76)
Exploration and evaluation assets abondoned or impaired	**4,565**	138	4,427	**5,723**	474	5,249
Mineral rights and leases	**184**	176	8	**816**	425	391
Interest on long-term debt	**1,260**	2,343	(1,083)	**5,440**	10,030	(4,590)
Amortization	**2,342**	354	1,988	**8,410**	481	7,929
	10,056	4,644	5,412	**27,289**	15,756	11,533

The increase in expenses for the three and twelve months ended April 30, 2016 was primarily related to increased amortization of royalty interests, resulting from the addition of the 777 royalty interest, of $7,850,000.

The increase in exploration and evaluation assets abandoned or impaired in the current quarter and year to date was primarily related to an impairment of $4,555,000 recorded on the War Baby exploration project.

A recovery of $1,523,000 was also recorded in the prior year for share-based compensation compared to an expense of $581,000 in the current twelve month period. The obligation and expense relating to cash settled share appreciation rights, restricted share units and deferred share units is recalculated quarterly with the share price being a significant factor in the calculation. During the twelve month period ended April 30, 2016 the shareholders approved modifications to the Corporation's share based compensation plan to allow for share settlement, which will result in reduced volatility on the statement of earnings.

General and administrative expenses in the current quarter and year to date were primarily impacted by changes in professional fees and salary related costs. The prior year costs recorded a partial reversal of a management bonus accrual of $1,375,000 offset by increased acquisition related costs.

Interest on long-term debt has decreased in the current quarter and year to date as a result of decreasing debt levels. During the quarter, the Corporation repaid $2,000,000 on debt, and $11,000,000 for the year, resulting in an ending balance of $66,000,000 before deferred costs.

	Three months ended April 30,			Year ended April 30,		
	2016	2015	Variance	**2016**	2015	Variance
Earnings (loss) from joint ventures	**3,433**	4,400	(967)	**4,552**	17,031	(12,479)
Unrealized gain (loss) on fair value adjustment of derivatives	**-**	435	(435)	**348**	(2,540)	2,888
(Loss) gain on disposal of investments and impairment recognition	**506**	15,636	(15,130)	**(4,713)**	14,331	(19,044)
Foreign currency loss	**(890)**	-	(890)	**(513)**	-	(513)
Impairment of goodwill	**(16,402)**	-	(16,402)	**(16,402)**	-	(16,402)
Dilution gain on issuance of shares by associates	**-**	-	-	**-**	163	(163)
Loss on sale of subsidiary	**-**	(5,839)	5,839	**-**	(5,839)	5,839
Share of loss and impairment in associates	**-**	(1,314)	1,314	**(7,067)**	(43,613)	36,546
Income tax expense (recovery)	**(1,562)**	300	(1,862)	**(1,416)**	(3,216)	1,800

Other factors which contributed to the change in the Corporation's earnings are:

- Goodwill impairment of $16,402,000 related to the Callinan acquisition was recognized at April 30, 2016.
- Earnings (loss) from joint ventures has decreased year over year and quarter over quarter as a result of an impairment charge of $8,970,000 recorded on the Paintearth royalty. The impairment of this royalty interest was a result of the sustained reduction in production tonnes at the mine related to lower customer demand at the associated electrical generating station. In addition to the impairment charge, the Voisey's Bay royalty was reduced to $nil in the fourth quarter with no such reduction in the prior year.
- During the three and twelve months ended April 30 2016, the Corporation recorded impairment charges of $592,000 and $6,187,000, respectively, on certain mining and other investments compared to impairment charges of $183,000 and $2,936,000 for the comparable periods. During the three and twelve months ended April 30 2016, the Corporation recorded net gains on sale of investments of $1,098,000 and $1,474,000 compared to $15,819,000 and $17,267,000 for the comparable periods. The prior year gain was related to the completion of the Corporation's divestiture of its shareholding (2,437,549 shares) in Virginia (Osisko) resulting in a net gain of $17,675,000.
- For the twelve months ended April 30, 2016, the Corporation recorded a non-cash reduction of $7,067,000 (2015 - $43,613,000) in the carrying value of Alderon Iron Ore Corp. ("Alderon") consisting of equity losses and impairment mainly due to the decreased market value in the shares of Alderon.
- On March 31, 2015, the Corporation sold all of its common and preferred shares in 2260761 Ontario Inc. to the non-controlling interest in 2260761, Cranberry Capital Inc., in exchange for cash and investments. The sale resulted in a deconsolidation of 2260761 and a loss on disposition of a subsidiary of $5,839,000. The Corporation held 0% ownership in 2260761 post March 31, 2015.

Cash Flows, Liquidity and Capital Resources

Summary of Cash Flows	**For the year ended April 30,**	
	2016	2015
	$	$
Operating activities	**(6,463)**	(21,677)
Financing activities	**(16,611)**	(10,071)
Investing activities	**14,108**	43,319
Net (decrease) increase in cash and cash equivalents	**(8,966)**	11,571
Cash and cash equivalents, beginning of year	**18,543**	6,972
Cash and cash equivalents, end of year	**9,577**	18,543

Operating Activities

For the twelve months ended April 30, 2016, there was increased royalty revenue from the 777 royalty. Offsetting the increase in operating cash flow was decreased interest paid on the debt balance which has declined and increased income taxes paid.

In the previous twelve months, the Corporation repaid a promissory note of $7,200,000 and paid out significant acquisition related expenses.

Financing Activities
The Corporation closed an equity financing in the prior year for net proceeds of $61,144,000 and repaid $70,252,000 in debt. In the current year, the Corporation did not raise financing and repaid $11,000,000 on long-term debt for the twelve months ended April 30, 2016, of which $2,000,000 was repaid in the current quarter.

The Corporation paid dividends of $4,789,000 (2015 - $647,000) to its shareholders in the twelve months ended April 30, 2016 and also repurchased and cancelled 100,000 common shares for a total cost of $822,000 (2015 - $nil) under its normal course issuer bid.

Investing Activities
Net cash received from the Callinan acquisition on May 5, 2015 was $22,654,000 while cash of $21,000,000 was used to complete the acquisition of CDP in the prior year.

Royalty cash flow decreased to $21,902,000 in the current year from $23,075,000 in the prior year because of slightly lower revenues. The sale of mineral properties in CDP in the current year generated cash of $1,940,000 (2015 - $776,000). The Corporation received $7,972,000 in proceeds from the sale of available for sale investments compared to $43,852,000, primarily from the disposition of its shareholding in Virginia Mines Inc. (Osisko), for the same period in the prior year.

The Corporation used cash of $26,897,000 for the acquisition of marketable equity securities for the twelve months ended April 30, 2016 compared to $3,291,000 in the prior year.

The Corporation paid a non-refundable deposit of $10,418,000 ($8,000,000 USD) to a subsidiary of Yamana in relation to the metal purchase agreement announced March 31, 2016.

Liquidity
At April 30, 2016, the Corporation had current assets of $26,673,000, consisting of $9,577,000 in cash and cash equivalents and $12,815,000 primarily in prepaid acquisition related expenses with the remainder in accounts and income tax receivables, and current liabilities of $9,979,000, including the current portion of long-term debt obligations of $8,000,000. The Corporation's major sources of funding are from royalty revenue, cash receipts from royalty partnership interests, sales of direct and indirect exploration investments, and investment income. In addition, the Corporation partially funds exploration expenditures via third party agreements 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 has obtained various mineral rights in Canada, the United States and Ireland by staking claims and paying refundable security deposits. On these lands, 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 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, posting a refundable security bond for the deficient amount or electing to allow title of the license to be cancelled. The Corporation is required to spend an additional $115,000 by April 30, 2017 in order to maintain various licenses in good standing.

Subsequent to April 30, 2016, the Corporation has drawn down the full amount of the new Term Facility of $70,000,000 and $33,000,000 (US$ 26,000,000) on the new Revolving Facility to repay its existing Credit Facility and to pay a portion of the purchase price for the Chapada copper stream. In 2016, the Corporation made principal repayments of $2,000,000 during the current quarter and $11,000,000 on a year-to-date basis. (See Annual Operational and Business Overview section above).

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

	Term	Revolver	Total
	$	**$**	**$**
2017	8,000,000	-	8,000,000
2018	11,750,000	-	11,750,000
2019	13,000,000	33,000,000	46,000,000
2020	37,250,000	-	37,250,000
	70,000,000	33,000,000	103,000,000

Related Party Transactions

The Corporation has a 49% interest in Mining Equity, an investment fund focused on project generation activities and based in Santiago, Chile. This investment is accounted for as a joint venture as disclosed in Note 11 of the condensed financial statements. During the twelve months ended April 30, 2016, the Corporation billed Mining Equity for the reimbursement of exploration and consulting assistance totaling $158,700 (2015 - $238,000).

During the year ended April 30, 2016, the Corporation paid Alderon, an Associate, $221,000 for investment research related consulting services (2015 - $nil).

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 consist of members of the Corporation's Board of Directors and corporate officers, including the Corporation's Executive Chairman, Chief Executive Officer and Chief Financial Officer, as well as two Vice Presidents reporting directly to a corporate officer.

Total salaries and benefits paid to key management personnel during the twelve months ended April 30, 2016 was $1,870,000 (2015 - $3,952,000). Total share based compensation relating to key management personnel during the twelve months ended April 30, 2016 was $581,000 (2015 – recovery of $1,523,000). The Corporation issued 149,027 stock options to senior management personnel during the twelve months ended April 30, 2016.

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, adjusted 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 consolidated financial statements.

Amounts in thousands of dollars, except per share amounts

$	April 30, 2016	January 31, 2016	October 31, 2015	July 31, 2015
Attributable revenue (1)	7,465	7,301	8,534	9,785
Adjusted EBITDA (1)	5,356	6,273	6,729	7,141
Net loss attributable to common shareholders	(19,988)	(16,794)	(1,140)	(542)
Net loss per share - basic and diluted	(0.51)	(0.42)	(0.03)	(0.01)

$	April 30, 2015	January 31, 2015	October 31, 2014	July 31, 2014
Attributable revenue (1)	6,981	7,583	7,027	7,217
Adjusted EBITDA (1)	4,927	5,200	7,693	5,061
Net earnings (loss) attributable to common shareholders	8,939	(5,701)	(25,348)	(8,102)
Net loss per share - basic and diluted	0.28	(0.18)	(0.77)	(0.26)

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

Earnings are derived primarily from royalty and investment income. Royalty income is contingent on many factors including commodity prices, mine production levels, mine sequencing, maintenance schedules and the timing of concentrate shipments.

Net earnings are affected somewhat by revenue net of operating expenses, but are affected primarily by the realization of both cash and non-cash gains or losses on the Corporation's investments and mineral exploration alliances and the equity accounting of some investments.

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, 2016 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, 2016. There has been no change in the Corporation's internal control over financial reporting during the Corporation's year ended April 30, 2016 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, 2016 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 purchase price allocation of Callinan, rates for amortization of the royalty interests, deferred income taxes, the carrying value and assessment of impairment of investments in joint ventures and royalty interests, the assumptions used in the determination of the fair value of share based compensation, the assessment of impairment of goodwill and the assumptions used in the determination of the fair value of derivatives for which there is no publicly traded market.

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. The Corporation mitigates this risk by evaluating the economic potential of each property at each stage of its life cycle and through diversification of projects.

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 to mitigate the risk, 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 could be 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 copper, metallurgical coal and potash, as the revenue from these commodities represents 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. The Corporation mitigates this risk through monitoring of prices as well as ensuring asset and commodity diversification.

Limited Access to Data and Disclosure for Royalty / Stream 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. The Corporation mitigates this risk by building relationships with various operators and counterparties to encourage information sharing.

Dependence on Payment from Operators

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 and streaming portfolio. Payments from production generally flow 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 Corporation mitigates this risk by having formal legal agreements with royalty payors which would allow the Corporation to exert legal rights and enforce royalty contracts, if required.

Unknown Defects and Impairments
A defect in a streaming transaction under a copper purchase agreement may arise to defeat or impair the claim of the Corporation to such streaming transaction, which may have a material adverse effect on the Corporation. It is possible that material changes could occur that may adversely affect management's estimate of the recoverable amount. Any impairment estimates, which are based on applicable key assumptions and sensitivity analysis, are based on management's best knowledge of the amounts, events or actions at such time, and the actual future outcomes may differ from any estimates that are provided by the Corporation. Any impairment charges on the Corporation's carrying value could have a material adverse effect on the Corporation.

Security over Underlying Assets
There is no guarantee that the Corporation will be able to effectively enforce any guarantees, indemnities or other security interests it may have. Should a bankruptcy or other similar event related to a mining operator occur that precludes a party from performing its obligations under the copper purchase agreement, the Corporation would have to enforce its security interest. In the event that the mining operator has insufficient assets to pay its liabilities, it is possible that other liabilities will be satisfied prior to the liabilities owed to the Corporation. In addition, bankruptcy or other similar proceedings are often a complex and lengthy process, the outcome of which may be uncertain and could result in a material adverse effect on the Corporation.

The Corporation's security interests may be subject to enforcement and insolvency laws of foreign jurisdictions that differ significantly from those in North America, and the Corporation's security interests may not be enforceable as anticipated. Further, there can be no assurance that any judgments obtained in Canadian courts will be enforceable in any of those jurisdictions. If the Corporation is unable to enforce its security interests, there may be a material adverse effect on the Corporation.

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. To mitigate this risk, the Corporation monitors the market cycles and adjusts our business development approach for the changes. Marketing and business development are ongoing throughout all stages.

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. The Corporation monitors this risk by analysis of financial results and covenant calculations as well as ongoing communications with creditors.

Leverage Risk

The Corporation’s degree of leverage, 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. The Corporation mitigates this risk through awareness and recognition that reducing the debt balance is a priority and ensuring that the Corporation meet debt obligations and working capital requirements by budgeting and monitoring cash flow.

Dividends

The ability to pay dividends will be dependent on the financial condition of the Corporation. Payment of dividends on the Corporation’s common shares is within the discretion of the Board and will depend upon the Company’s future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. Although the Corporation currently pays a regular dividend, there can be no assurance that it will be in a position to declare dividends due to the occurrence of one or more of the risks described herein.

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 favorable, major resource based projects could be cancelled or delayed, or the expected rate of return to the Corporation may be significantly diminished. The Corporation mitigates this risk by asset and commodity diversification to protect and cover if one market is unfavorable.

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, such as the announcement by the Government of Alberta regarding the phase out of its coal fueled electrical generation capacity by 2030or 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. The Corporation mitigates this risk through not doing business in unstable countries and within stable countries, the Corporation follows all laws and regulations and engages legal counsel to ensure compliance, if necessary.

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 Executive Chairman 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. To mitigate this risk, the Corporation participates in cost-sharing with exploration partners. As well, there is continuous evaluation of economic potential of each property at every stage of its life cycle. The Corporation will undertake ongoing monitoring and relationship building with appropriate government officials in order to have input into possible regulatory changes and to better plan for what these changes might mean financially and operationally to the Corporation.

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. To mitigate this risk, there are ongoing communications with the parties to whom it does business and are aware of any legal issues and potential operational and financial impacts. The Corporation works diligently with counterparties to limit legal issues.

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 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

Certain royalty and streaming interests are denominated and paid in US dollars and therefore expose the Corporation to foreign currency fluctuations. The Corporation does not enter into any derivative contracts to reduce this exposure. However, a portion of the Corporation's new credit facility is denominated in US dollars and acts to partially offset the near-term variability in the US dollar exchange rate. In addition, a derivative existed at April 30, 2016 and the Corporation elected not to apply hedge accounting.

Liquidity risk

The Corporation believes that on a long-term basis its revenue generating assets, ability to increase its Credit Facility 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, Corporation-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 has variable interest rates on its New Credit Facilities and manages this through the ability to lock in rates for specified time periods. 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 22, 2016, the Corporation had 43,410,902 common shares outstanding and 159,027 stock options outstanding.

Non-IFRS Measures

Attributable royalty and other revenue ("attributable revenue") and adjusted EBITDA are intended to provide additional information only and does 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 plus 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) Adjusted EBITDA is defined by the Corporation as net earnings (loss) before taxes, amortization, interest, non-recurring items, non-cash amounts such as impairments, losses and gains, and share based compensation. The Corporation also adjusts earnings in joint ventures to reflect EBITDA on those assets which exclude amortization of royalty interests as well as adjusting for any one time items. Adjusted EBITDA is a useful measure of the performance of our business, especially for demonstrating the impact that EBITDA in joint ventures have on the overall business. Adjusted EBITDA identifies the cash generated in a given period that will be available to fund the Corporation's future operations, growth opportunities, shareholder dividends and to service debt obligations.

Reconciliation to IFRS measures

Attributable revenue

$	April 30, 2016	January 31, 2016	October 31, 2015	July 31, 2015
	Three months ended			
Royalty revenue				
Base metals	1,689	2,023	2,733	3,208
Coal	3,957	3,212	3,819	4,252
Potash	1,398	1,490	1,474	1,793
Other	119	244	192	165
Interest and investment	302	332	316	367
Attributable revenue	**7,465**	**7,301**	**8,534**	**9,785**
Adjust: joint venture revenue	(5,110)	(4,891)	(5,449)	(6,431)
IFRS revenue per consolidated financial statements	2,355	2,410	3,085	3,354

$	April 30, 2015	January 31, 2015	October 31, 2014	July 31, 2014
	Three months ended			
Royalty revenue				
Base metals	761	500	683	579
Coal	3,911	4,462	4,558	4,958
Potash	2,078	1,845	1,514	1,270
Other	268	709	204	329
Interest and investment	(37)	67	68	81
Attributable revenue	**6,981**	**7,583**	**7,027**	**7,217**
Adjust: joint venture revenue	(6,379)	(6,552)	(6,585)	(6,611)
IFRS revenue per consolidated financial statements	602	1,031	442	606

Reconciliation to IFRS measures

Adjusted EBITDA	Three months ended			
	April 30, 2016	**January 31, 2016**	**October 31, 2015**	**July 31, 2015**
(Loss) earnings before income taxes	(21,550)	(17,644)	(341)	(345)
Addback(deduct):				
Amortization	2,342	2,494	1,738	1,836
Exploration and evaluation assets abandoned or impaired	5,062	2	317	342
Share based compensation (share settled)	188	228	(15)	180
Interest on long-term debt	1,260	1,328	1,405	1,447
Loss (gain) on disposal of investments & impairment recognition	(506)	5,763	(606)	62
Loss on disposal of subsidiary	-	-	-	-
Unrealized (gain) loss on fair value adjustment of derivatives	-	(129)	(219)	-
Dilution (gain) on issuance of shares by associates	-	-	-	-
Share of loss and impairment in associates	-	3,780	2,697	590
Loss (earnings) from joint ventures	(3,433)	5,785	(3,561)	(3,343)
LNRLP EBITDA	-	265	279	542
Prairie Royalties EBITDA	5,078	4,401	5,035	5,620
Impairment of goodwill	16,402			
Foreign currency loss	513			
Callinan related one time costs	-	-	-	210
Adjusted EBITDA	5,356	6,273	6,729	7,141

LNRLP EBITDA				
Revenue	-	381	372	677
Less: mining taxes	-	(116)	(93)	(135)
Less: admin charges	-	-	-	-
LNRLP Adjusted EBITDA	-	265	279	542

Prairie Royalties EBITDA				
Revenue	5,109	4,511	5,079	5,752
Operating expenses	(31)	(110)	(44)	(132)
Prairie Royalties Adjusted EBITDA	5,078	4,401	5,035	5,620

ALTIUS MINERALS CORPORATION

Reconciliation to IFRS measures

Adjusted EBITDA	Three months ended			
	April 30, 2015	**January 31, 2015**	**October 31, 2014**	**July 31, 2014**
(Loss) earnings before income taxes	9,276	(6,120)	(28,083)	(8,615)
Addback(deduct):				
Amortization	354	40	32	55
Exploration and evaluation assets abandoned or impaired	138	244	92	-
Interest on long-term debt	2,343	2,378	2,417	2,892
Loss (gain) on disposal of investments & impairment recognition	(15,636)	(208)	791	722
Loss on disposal of subsidiary	5,839	-	-	-
Unrealized (gain) loss on fair value adjustment of derivatives	(435)	574	1,102	1,299
Dilution (gain) on issuance of shares by associates	-	(89)	(46)	(28)
Share of loss and impairment in associates	1,314	6,215	29,543	6,541
Loss (earnings) from joint ventures	(4,400)	(4,253)	(4,310)	(4,068)
LNRLP EBITDA	590	359	547	463
Prairie Royalties EBITDA	5,544	6,060	5,608	5,800
Callinan related one time costs	-	-	-	-
Adjusted EBITDA	4,927	5,200	7,693	5,061

LNRLP EBITDA

Revenue	761	500	683	579
Less: mining taxes	(153)	(100)	(136)	(116)
Less: admin charges	(18)	(41)	-	-
LNRLP Adjusted EBITDA	590	359	547	463

Prairie Royalties EBITDA

Revenue	5,623	6,260	5,849	5,877
Operating expenses	(79)	(200)	(241)	(77)
Prairie Royalties Adjusted EBITDA	5,544	6,060	5,608	5,800

Appendix 1: Summary of Producing Royalties & Streaming Interests

Mine	Operator	Revenue Basis	Commodity
Chapada (1)	Yamana Gold	3.7% of payable copper stream	Copper
777	Hudbay Minerals	4% Net smelter return	Zinc, Copper, Gold & Silver
Genesee	Westmoreland/Capital Power Corporation	Tonnes x indexed multiplier	Coal (Electricity)
Sheerness	Westmoreland/ATCO/TransAlta	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	2.5% effective 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
Voisey's Bay	Vale	0.3% NSR	Nickel, Copper, Cobalt
CDP	Various	Revenue	Potash, other

(1) Chapada stream closed May 3, 2016

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

Property	Explorer/Developer	Royalty Basis	Status
Kami - iron ore (Western Labrador)	Alderon Iron Ore Corp	3% GSR	Pre-development; feasibility study
Central Mineral Belt - uranium (Central Labrador)	Paladin Energy Limited	2% GSR	Pre-feasibility study; inactive
Labrador West - iron ore (Western Labrador)	Rio Tinto Exploration Inc.	3% GSR	Exploration; inactive
Astray - iron ore (Western Labrador)	Northern Star Minerals	1% to 4% sliding scale GSR	Exploration; inactive
Viking - gold (Western Newfoundland)	Anaconda Mining Inc.	2% NSR, plus 1-1.5% royalties on surrounding lands	Exploration/scoping phase
Telkwa – CDP (British Columbia)	Telkwa Coal Limited (TCL)	Up to 1.5% price based sliding scale GSR	Exploration; pre-feasibility study
Sheerness West - CDP (Alberta)	Westmoreland Coal Company	Tonnes x indexed multiplier	Exploration phase
Iron Horse (Western Labrador)	Sokoman Iron Corp	1% GSR; option to acquire additional 1.1% GSR	Exploration; inactive
Shrule Block, Kingscourt Block, West Cork Block (Republic of Ireland)	Adventus Exploration Ltd. (Kingscourt JV'd with Teck Ireland Ltd.)	2% NSR on each Block	Exploration
Various Copper-gold-molybdenum targets (Alaska)	Millrock and various partners	2% NSR on gold; 1% NSR on base metals	Exploration

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

Property	Explorer/Developer	Royalty Basis	Status
War Baby (Manitoba)	HudBay Minerals	Possible to earn up to 3% NSR	Advanced exploration
Gunnison (Arizona)	Excelsior Mining Corp	1.0% GRR; options to acquire additional 1.5% GRR	Feasibility
Golden Shears (Nevada)	Renaissance Gold Inc (JV with Walmer Capital Corp.)	1.5% NSR	Early-stage exploration
Silicon (Nevada)	Renaissance Gold Inc	1.5% NSR	Early-stage exploration
Alvito (Portugal)	Avrupa Minerals Ltd	1.5% NSR	Early-stage exploration
Ely Springs/Jupiter (Nevada)	Kinetic Gold Corp	1.0% NSR	Early-stage exploration
Llano del Nogal (Mexico)	Evrim Resources Corp	1.5% NSR on PM; 1.0% NSR on BM	Early-stage exploration
Storm Claim Group (Quebec)	Northern Shield Resources Inc	Options to acquire 1% royalty on any one project in claim group	Early-stage exploration; inactive
Wallbridge Projects (Ontario)	Wallbridge Mining Company Ltd	Option to acquire up to 2% NSR	Early-stage exploration
Fox River (Manitoba)	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; inactive
Coles Creek (Manitoba)	Callinex Mines Ltd	Option to acquire 2.5% NSR	Early-Stage Exploration; inactive
Herblet Lake (Manitoba)	Callinex Mines Ltd	Option to acquire 1.25% NSR	Early-stage exploration; inactive
Moak and Norris Lake (Manitoba)	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; inactive

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

Property	Explorer/Developer	Royalty Basis	Status
Island Lake (Manitoba)	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; inactive
Gurney Gold Claims (Manitoba)	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; inactive
Pine Bay (Manitoba)	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; active
Copper Range (Michigan)	Bitterroot Resources Ltd.	Option to acquire 1% NSR held by a third party	Early-stage exploration; active
Voyageur Lands (Michigan)	Bitterroot Resources Ltd.	2% NSR	Early-stage exploration; active
Loro en el Hombro, Morsas, and Culebra projects	Revelo Resources Corp.	0.98% NSR on gold, 0.49% NSR on base metals	Early-stage exploration; active