ALTIUS MINERALS CORPORATION

Management's Discussion and Analysis

of Financial Conditions and Results of Operations

Three Months Ended July 31, 2016

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's condensed consolidated financial statements for the three months ended July 31, 2016 and related notes. This MD&A has been prepared as of September 12, 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 converts to royalties and various other types of third party funded interests. Both business components recognize the strong inherent cyclicity of valuations and the 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 located in Canada (13) and Brazil (1), 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-production stage royalties covering a wide spectrum of mineral commodities and jurisdictions. Additional information on the status of these 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 that 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.

Operational and Business Overview

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

	Three months ended July 31,		
	2016	2015	Variance
Revenue			
Base metals			
777 Mine	**2,606**	2,530	76
Chapada	**887**	-	887
Voisey's Bay	**-**	677	(677)
Coal			
Genesee	**1,187**	2,144	(957)
Paintearth	**121**	230	(109)
Sheerness	**1,066**	1,212	(146)
Highvale	**128**	130	(2)
Cheviot	**331**	537	(206)
Potash			
Cory	**117**	186	(69)
Rocanville	**533**	778	(245)
Allan	**63**	126	(63)
Patience Lake	**24**	48	(24)
Esterhazy	**242**	332	(90)
Vanscoy	**9**	32	(23)
CDP - potash	**126**	291	(165)
Other			
CDP - other	**472**	165	307
Project generation - other	**155**	-	155
Interest and investment	**343**	366	(23)
Attributable revenue	**8,410**	9,784	(1,374)

See non-IFRS measures

On May 3, 2016 the Corporation closed a series of transactions consisting of an equity raise, an acquisition of a copper purchase stream and procurement of new debt facilities.

Equity Raise

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. Upon closing, the Corporation paid the Underwriters a fee equal to 5.0% of the gross proceeds of the equity offering. The Corporation used the net proceeds of the equity offering for general corporate purposes and to partially fund the acquisition of the Chapada copper stream.

New Credit Facility

The Corporation arranged a new 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, which commenced July 31, 2016, until July 31, 2017 and increasing to $3,250,000 per quarter thereafter, bearing interest at variable rates. The Revolving Facility is payable in full in 3 years and also bears interest at variable rates. Additional draw-downs on the Revolving Facility are permitted for future qualifying royalty and streaming acquisitions.

On May 3, 2016, the Corporation drew 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. Scheduled payments of $2,000,000 and voluntary payments of $10,416,000 (US $8,000,000) were made during the quarter. Subsequent to the quarter, $3,858,000 (US $3,000,000) in additional voluntary payments were made.

Chapada Copper Stream

The Corporation closed an agreement to acquire a copper purchase streaming interest in 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 percentage 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. Additional details on the agreement can be found in the Corporation's news release dated March 31, 2016 and on SEDAR.

The agreement became effective part way through the quarter and Altius has now received its first copper payments. During the quarter the Corporation sold 324,000 lbs of copper at an average price of US $2.12 per pound and generated gross revenue of US $687,000 (CAD $887,000).

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 revenue for this period is comparable to the prior period in 2015 despite an overall reduction in copper prices which were offset by more favorable US dollar exchange rates. Processed ore during the current quarter was higher than in the prior year due to labour related issues during the comparable prior period. However, lower copper grades resulted in slightly lower yields in comparison to the prior year. Production attributable to the 777 mine was 10.5 million pounds of copper and 15.1 million pounds of zinc (2015 - 11.8 million pounds of copper and 13 million pounds of zinc). The 777 mine is expected to process approximately 1,400,000 tonnes of ore annually.

Voisey's Bay Nickel-Copper-Cobalt Royalty

Vale continued to deduct 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. 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 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%.

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. Royalties are calculated based upon production tonnages multiplied by royalty rates that vary both by mine and, in some cases, production areas within individual mines. Royalty rates also recalculate annually in accordance with Canadian GDP indices. Total production attributable to the Corporation's electrical coal royalties during the quarter was 660,000 tonnes (2015 – 1,018,000 tonnes).

Production volumes and related revenues at Genesee were lower this quarterly period than in 2015 due to timing of coal production. Production at Genesee was weighted more heavily towards the spring months in the current year whereas the summer months were busier in the previous year. Altius anticipates mine production and royalty revenue to remain consistent on an annual basis and mine production remains on target for the year.

Lower royalty revenues were noted from both the Paintearth and Sheerness mines during the period as compared to the period in the prior year. Production volumes, while down for this quarter at both mines, are expected to improve due to mine sequencing changes and movement back onto royalty lands. The Corporation receives variable royalty rates depending on the particular area of mineral extraction. Based on mine plans provided by the operator, the Corporation expects revenue at Sheerness to improve in the coming months. Overall, production volumes at Paintearth are lower in response to decreased customer demand. The royalty on the Highvale mine, which commenced in 2015, came in as expected.

There has been no update by the Alberta government with respect to their November 2015 announcement on accelerating the phase out of coal fueled electrical generation capacity by 2030. The Corporation will continue to monitor any developments.

Metallurgical Coal Royalty

Our royalty on Teck's Cheviot metallurgical coal mine is based upon both sales volumes and realized commodity prices. Total sales attributable to the Corporation's metallurgical coal royalty during the quarter were 90,000 tonnes (2015 – 146,000 tonnes) at an average realized price of $108 per tonne (2015 - $112 per tonne). Metallurgical coal prices have rebounded strongly subsequent to quarter end.

Saskatchewan Potash Royalties
Altius receives revenue from six producing potash mining operations in Saskatchewan. Total production attributable to the Corporation's potash royalties during the quarter was 161,000 tonnes (2015 – 158,000 tonnes) at an average realized price of $251 per tonne (2015 - $412 per tonne).

Oversupply conditions for potash on the world market have caused prices to decline sharply during the past year and have led to production curtailments at several higher cost operations throughout the industry and, in some cases, the redirection of production to lower cost operations. The mines from which we receive royalties are generally lower cost operations and volumes have remained stable.

Project Generation
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.

Focus areas for our project generation effort include Ireland, Chile, Canada, the U.S., Australia and a select few other jurisdictions in the Americas and Europe. The majority of the portfolio projects were acquired through low-cost direct staking initiatives.

We have shifted gears operationally in accordance with a cyclical sentiment shift that has occurred for select mineral commodities. Capital has become available again for high quality projects involving gold, zinc and to a lesser extent, metallurgical coal and copper.

In addition to continuing our efforts to assemble quality exploration lands we are now also actively engaging in discussions involving project vend-ins and spin-outs for the portfolio projects that we have accumulated over the past several down-cycle years. We believe that these projects represent above average quality speculative opportunities and are deserving of concerted investment.

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. In summary, demand is cyclically increasing for projects that offer real discovery potential and we are prepared and responding accordingly.

Outlook

Most base metal and bulk materials commodity prices remain relatively weak but zinc, gold and metallurgical coal prices all saw meaningful price increases through the summer. For zinc and metallurgical coal the price increases were supported by supply side tightness. The copper and nickel markets have traded within a tight range. Potash prices seem to have stopped declining as global producers implement supply side discipline measures such as curtailing production at higher cost operations. Longer term forecasts for global volume growth requirements remain positive. Alberta thermal coal fired electricity generation demand continues to be negatively affected by decreased electrical demand related to a sharp economic decline in the province. We continue to await details with respect to the current provincial government's stated ambition to effect an early phase out of coal generated electricity by 2030 and its plans for compensation to impacted parties.

The Corporation will continue to selectively add high quality, long life royalties or streaming interests to the royalty portfolio should the right opportunities arise. Recent signs of a recovering market sentiment have resulted in deterioration of the number of opportunities available for producing assets but should also result in an improvement in the number of development stage assets that seek financing.

Low-cost exploration and generative activities will continue to focus on the build-up of high quality projects in globally significant mining jurisdictions. During the quarter the Corporation accumulated additional properties with potential for gold and zinc in Newfoundland and the Republic of Ireland. The Corporation has recently experienced an increased interest in its portfolio of mineral properties, particularly those that host potential for gold and zinc deposits. The Corporation is in discussions with various parties on some of these properties with a goal of vending some or all of the projects in exchange for minority project or equity interests and royalties.

Results of Operations

Tabular amounts are shown in thousands of Canadian dollars.

	Three months ended July 31,		
	2016	2015	Variance
Attributable revenue	**8,410**	9,784	(1,374)
Adjusted EBITDA	**6,403**	6,094	309
Net earnings (loss) attributable to common shareholders	**3,049**	(1,632)	4,681

Changes in attributable revenue (see non-IFRS measures) from the same period last year were primarily a result of lower potash prices, decreased coal production and Voisey's Bay revenue of $nil (see discussion above), but offset by an increase in the 777 mine royalty revenues and the commencement of revenue from the recently acquired Chapada copper stream. In the prior year, adjusted EBITDA was impacted by one-time acquisition costs related to our Callinan Royalties Corporation ("Callinan") acquisition. Additional information on each specific royalty stream is included in the table above.

The Corporation recorded net earnings per share to common shareholders of $0.07 for the three months ended July 31, 2016 compared to net loss per share of $0.04 for the three months ended July 31, 2015. The current quarter was positively impacted by gains on disposition of investments and decreased costs from the prior period and negatively affected by one-time costs of $1,874,000 relating to the retirement of the previous credit facility. The 2015 quarter results were negatively impacted by one-time acquisition related costs after the closing of our Callinan acquisition.

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

Costs and Expenses

	Three months ended July 31,		
	2016	2015	Variance
General and administrative	**1,268**	3,087	(1,819)
Cost of sales - copper stream	**264**	-	264
Share-based compensation	**248**	434	(186)
Generative exploration	**195**	116	79
Exploration and evaluation assets abondoned or impaired	**-**	342	(342)
Mineral rights and leases	**213**	217	(4)
Amortization and depletion	**2,609**	1,836	773
	4,797	6,032	(1,235)

Costs and expenses were lower for the three months ended July 31, 2016 compared to the same period in the prior year. General and administrative expenses in the three months ended July 31, 2016 were lower than in the prior year due to one-time expenses related to the Callinan acquisition incurred in the prior year, as well as lower professional fees and salary related costs in the current year. Cost of sales – copper stream relates to the acquisition of copper under the Chapada copper stream agreement which provides for payments equal to 30% of the spot price.

	Three months ended July 31,		
	2016	2015	Variance
Earnings from joint ventures	**2,691**	3,343	(652)
Gain (loss) on disposal of investments	**5,184**	(62)	5,246
Foreign exchange loss	**(926)**	-	(926)
Interest on long-term debt	**(3,450)**	(1,447)	(2,003)
Share of loss and impairment in associates	**-**	(590)	590
Income tax expense	**252**	197	55

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

- During the three months ended July 31 2016, the Corporation recorded net gains on sale of investments of $5,184,000 compared to a loss of $62,000 for the same period in the prior year.
- Earnings from joint ventures were lower than the previous year as a result of revenue from the Voisey's Bay royalty being reduced to $nil.
- Interest on long-term debt in the current three month period includes a one-time cost of $1,874,000 relating to the retirement of the previous credit facility. These costs were recognized in earnings during the period while costs associated with the New Credit Facilities were deferred and will be amortized over the terms of the debt.
- Foreign exchange loss of $926,000 related to the revaluation of the USD denominated Revolving Facility was recorded in the three months ended July 31, 2016 compared to $nil for the same period in the prior year.

Cash Flows, Liquidity and Capital Resources

Summary of Cash Flows	For the three months ended July 31,	
	2016	2015
	$	$
Operating activities	**(1,395)**	(2,523)
Financing activities	**59,518**	(3,884)
Investing activities	**(52,077)**	3,341
Net increase (decrease) in cash and cash equivalents	**6,046**	(3,066)
Cash and cash equivalents, beginning of period	**9,577**	18,543
Cash and cash equivalents, end of period	**15,623**	15,477

Operating Activities

For the three months ended July 31, 2016 there was increased royalty revenue and investment income as well as lower income taxes paid which contributed to the improvement in operating cash flow.

Financing Activities

The Corporation closed an equity financing on May 3, 2016 for net proceeds of $38,008,000, a portion of which was used to pay for the acquisition of the Chapada copper stream. Net proceeds of $101,229,000 were received from the New Credit Facilities. A portion of the new debt proceeds was used to repay the previous credit facility of $66,000,000. $12,416,000 (2015 - $2,686,000) was repaid on the New Credit Facilities in the current three months ended July 31, 2016.

The Corporation paid dividends of $1,303,000 (2015 - $1,198,000) to its shareholders in the three months ended July 31, 2016.

Investing Activities

The Corporation paid $65,481,000 to complete its acquisition of the Chapada copper stream, of which $65,402,000 (US $52,000,000) was paid as the second and final payment directly to a subsidiary of Yamana.

Royalty cash flow (from joint ventures) decreased to $4,393,000 in the current year from $6,342,000 in the prior year because of lower revenues. The Corporation received $9,529,000 in proceeds for the three months ended July 31, 2016 from the sale of available for sale investments, which was used to repay a portion of the New Credit Facilities, compared to $690,000 for the same period in the prior year.

The Corporation did not use any cash to acquire marketable equity securities in the three months ended July 31, 2016 compared to $25,767,000 for the same period in the prior year.

In the prior year, net cash received from the Callinan acquisition on May 5, 2015 was $22,659,000.

Liquidity

At July 31, 2016, the Corporation had current assets of $21,556,000, consisting of $15,623,000 in cash and cash equivalents and $3,589,000 primarily in accounts receivable and prepaid expenses with the remainder in income taxes receivable, and current liabilities of $8,890,000, including the current portion of long-term debt obligations of $8,000,000. The Corporation has approximately $60,000,000 available on its Revolving Facility that can be used for future acquisitions. The Corporation’s major sources of funding are from royalty and streaming 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 $102,000 by July 31, 2017 in order to maintain various licenses in good standing.

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	13,000,000	-	13,000,000
2019	13,000,000	23,465,000	36,465,000
2020	34,000,000	-	34,000,000
2021	-	-	-
	68,000,000	23,465,000	91,465,000

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. During the three months ended July 31, 2016, the Corporation billed Mining Equity for the reimbursement of exploration and consulting assistance totaling $14,000 (2015 - $131,000).

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 three months ended July 31, 2016 was $1,096,000 (2015 - $1,608,000). Total share based compensation relating to key management personnel during the three months ended July 31, 2016 was $248,000 (2015 - $434,000).

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, 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

$	July 31, 2016	April 30, 2016	January 31, 2016	October 31, 2015
Attributable revenue (1)	8,410	7,465	7,301	8,534
Adjusted EBITDA (1)	6,403	5,356	6,273	6,475
Net earnings (loss) attributable to common shareholders	3,049	(19,988)	(16,794)	(1,140)
Net earnings (loss) per share - basic and diluted	0.07	(0.51)	(0.42)	(0.03)

$	July 31, 2015	April 30, 2015	January 31, 2015	October 31, 2014
Attributable revenue (1)	9,785	6,981	7,583	7,027
Adjusted EBITDA (1)	6,094	4,927	5,200	7,693
Net earnings (loss) attributable to common shareholders	(1,632)	8,939	(5,701)	(25,348)
Net loss per share - basic and diluted	(0.04)	0.28	(0.18)	(0.77)

(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 July 31, 2016 and have concluded that such controls are adequate and effective to ensure accurate and complete financial reporting in public filings. The condensed consolidated interim financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out in the notes to the condensed consolidated interim financial statements for the three months ended July 31, 2016. There has been no change in the Corporation's internal control over financial reporting during the Corporation's three months ended July 31, 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 July 31, 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 reserves used for depletion of the Chapada copper stream, rates for amortization of the royalty interests, deferred income taxes, the carrying value and assessment of impairment of investments in joint ventures and royalty and streaming 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 risk factors. Please refer to the annual financial statements and MD&A for the year ended April 30, 2016 for a complete listing of risk factors specific to the Corporation. No additional risks have been identified in the current period.

The Corporation's coal royalty revenue is exposed to uncertainty given the proposal by the Government of Alberta to phase out coal fired power plants by the year 2030. The Corporation receives royalties from four coal fired power plants in Alberta and of these, only the Genesee plant has an expected useful life beyond the proposed 2030 forced closure date. Very few details are available with respect to the forced closure plan at this time and we will continue to assess information and monitor policy as it becomes available.

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 included in the annual financial statements and MD&A for April 30, 2016. There have been no changes to these factors during the current period.

Outstanding Share Data

At September 12, 2016, the Corporation had 43,425,654 common shares outstanding, 400,000 warants outstanding and 274,633 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 royalty 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

$	Three months ended July 31, 2016	April 30, 2016	January 31, 2016	October 31, 2015
Revenue				
Base metals	3,493	1,689	2,023	2,733
Coal	2,833	3,957	3,212	3,819
Potash	1,114	1,398	1,490	1,474
Other	627	119	244	192
Interest and investment	343	302	332	316
Attributable revenue	**8,410**	**7,465**	**7,301**	**8,534**
Adjust: joint venture revenue	(3,822)	(5,110)	(4,891)	(5,449)
IFRS revenue per consolidated financial statements	4,588	2,355	2,410	3,085

$	Three months ended July 31, 2015	April 30, 2015	January 31, 2015	October 31, 2014
Revenue				
Base metals	3,207	761	500	683
Coal	4,252	3,911	4,462	4,558
Potash	1,793	2,078	1,845	1,514
Other	165	268	709	204
Interest and investment	367	(37)	67	68
Attributable revenue	**9,784**	**6,981**	**7,583**	**7,027**
Adjust: joint venture revenue	(6,431)	(6,379)	(6,552)	(6,585)
IFRS revenue per consolidated financial statements	3,353	602	1,031	442

Reconciliation to IFRS measures

Adjusted EBITDA (*)	Three months ended			
	July 31, 2016	April 30, 2016	January 31, 2016	October 31, 2015
Earnings (loss) before income taxes	3,290	(21,550)	(17,644)	(341)
Addback(deduct):				
Amortization and depletion	2,609	2,342	2,494	1,738
Exploration and evaluation assets abandoned or impaired	-	5,062	2	317
Share based compensation (share settled)	248	188	228	(269)
Interest on long-term debt	3,450	1,260	1,328	1,405
Loss (gain) on disposal of investments & impairment recognition	(5,184)	(506)	5,763	(606)
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
Loss (earnings) from joint ventures	(2,691)	(3,433)	5,785	(3,561)
LNRLP EBITDA	-	-	265	279
Prairie Royalties EBITDA	3,755	5,078	4,401	5,035
Impairment of goodwill	-	16,402	-	-
Foreign currency loss	926	513	-	-
Adjusted EBITDA	6,403	5,356	6,273	6,475

LNRLP EBITDA				
Revenue	-	-	381	372
Less: mining taxes	-	-	(116)	(93)
LNRLP Adjusted EBITDA	-	-	265	279

Prairie Royalties EBITDA				
Revenue	3,822	5,109	4,511	5,079
Operating expenses	(67)	(31)	(110)	(44)
Prairie Royalties Adjusted EBITDA	3,755	5,078	4,401	5,035

**updated calculation to reflect segmented reporting in Q1 2017*

ALTIUS MINERALS CORPORATION

Reconciliation to IFRS measures

Adjusted EBITDA (*)	Three months ended			
	July 31, 2015	**April 30, 2015**	**January 31, 2015**	**October 31, 2014**
(Loss) earnings before income taxes	(1,435)	9,276	(6,120)	(28,083)
Addback(deduct):				
Amortization	1,836	354	40	32
Share based compensation	434	-	-	-
Exploration and evaluation assets abandoned or impaired	342	138	244	92
Interest on long-term debt	1,447	2,343	2,378	2,417
Loss (gain) on disposal of investments & impairment recognition	62	(15,636)	(208)	791
Loss on disposal of subsidiary	-	5,839	-	-
Unrealized (gain) loss on fair value adjustment of derivatives	-	(435)	574	1,102
Dilution (gain) on issuance of shares by associates	-	-	(89)	(46)
Share of loss and impairment in associates	590	1,314	6,215	29,543
Loss (earnings) from joint ventures	(3,343)	(4,400)	(4,253)	(4,310)
LNRLP EBITDA	542	590	359	547
Prairie Royalties EBITDA	5,619	5,544	6,060	5,608
Adjusted EBITDA	6,094	4,927	5,200	7,693

LNRLP EBITDA				
Revenue	677	761	500	683
Less: mining taxes	(135)	(153)	(100)	(136)
Less: admin charges	-	(18)	(41)	-
LNRLP Adjusted EBITDA	542	590	359	547

Prairie Royalties EBITDA				
Revenue	5,752	5,623	6,260	5,849
Operating expenses	(133)	(79)	(200)	(241)
Prairie Royalties Adjusted EBITDA	5,619	5,544	6,060	5,608

**updated calculation to reflect segmented reporting in Q1 2017*

Appendix 1: Summary of Producing Royalties & Streaming Interests

Mine	Operator	Revenue Basis	Commodity
Chapada	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

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

Property/Commodity	Explorer/Developer	Royalty Basis	Status
Kami - (Western Labrador) - Iron	Alderon Iron Ore Corp	3% GSR	Pre-development; feasibility study
Central Mineral Belt - (Central Labrador) - Iron	Paladin Energy Limited	2% GSR	Pre-feasibility study; inactive
Labrador West (Western Labrador) - Iron	Rio Tinto Exploration Inc.	3% GSR	Exploration; inactive
Astray - (Western Labrador) - Iron	Northern Star Minerals	1% to 4% sliding scale GSR	Exploration; inactive
Viking - (Western Newfoundland) - Gold	Anaconda Mining Inc.	2% NSR, plus 1-1.5% royalties on surrounding lands	Exploration/scoping phase
Telkwa – CDP (British Columbia) - Met Coal	Telkwa Coal Limited (TCL)	Up to 1.5% price based sliding scale GSR	Exploration; pre-feasibility study
Sheerness West - CDP (Alberta) - Thermal Coal	Westmoreland Coal Company	Tonnes x indexed multiplier	Exploration phase
Iron Horse (Western Labrador) - Iron	Sokoman Iron Corp	1% GSR; option to acquire additional 1.1% GSR	Exploration; inactive
Shrule Block, Kingscourt Block, West Cork Block (Republic of Ireland) - Zinc	Adventus Exploration Ltd. (Kingscourt JV'd with Teck Ireland Ltd.)	2% NSR on each Block	Exploration
Various Copper-gold-molybdenum targets (Alaska) - Copper	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/Commodity	Explorer/Developer	Royalty Basis	Status
War Baby (Manitoba) - Copper	HudBay Minerals	Possible to earn up to 3% NSR	Advanced exploration
Gunnison (Arizona) - Copper	Excelsior Mining Corp	1.0% GRR; options to acquire additional 1.5% GRR	Feasibility
Golden Shears (Nevada) - Gold	Renaissance Gold Inc (JV with Walmer Capital Corp.)	1.5% NSR	Early-stage exploration
Silicon (Nevada) - Gold	Renaissance Gold Inc	1.5% NSR	Early-stage exploration
Alvito (Portugal) - Copper	Avrupa Minerals Ltd	1.5% NSR	Early-stage exploration
Ely Springs/Jupiter (Nevada) - Gold	Kinetic Gold Corp	1.0% NSR	Early-stage exploration
Llano del Nogal (Mexico) - Copper	Evrim Resources Corp	1.5% NSR on PM; 1.0% NSR on BM	Early-stage exploration
Storm Claim Group (Quebec) - Nickel	Northern Shield Resources Inc	Options to acquire 1% royalty on any one project in claim group	Early-stage exploration; inactive
Wallbridge Projects (Ontario) - Nickel	Wallbridge Mining Company Ltd	Option to acquire up to 2% NSR	Early-stage exploration
Fox River (Manitoba) - Copper	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; inactive
Coles Creek (Manitoba) - Copper	Callinex Mines Ltd	Option to acquire 2.5% NSR	Early-Stage Exploration; inactive
Herblet Lake (Manitoba) - Copper	Callinex Mines Ltd	Option to acquire 1.25% NSR	Early-stage exploration; inactive
Moak and Norris Lake (Manitoba) - Copper	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; inactive

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

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