ALTIUS MINERALS CORPORATION

Management's Discussion and Analysis

of Financial Conditions and Results of Operations

Three and Six Months Ended October 31, 2015

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's condensed consolidated interim financial statements for the six months ended October 31, 2015 and related notes. This MD&A has been prepared as of December 9, 2015.

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

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

Description of Business

Altius Minerals Corporation ("Altius" or the "Corporation") is a diversified mining royalty and mineral project generation company with royalty interests in 13 producing mines located throughout Canada. The royalty interests cover mining operations producing copper, zinc, nickel, cobalt, precious metals, potash and thermal (electrical) and metallurgical coal, (see *Appendix 1: Summary of Producing Royalties*). The Corporation also holds other significant pre-development stage royalty interests that include a 3% gross sales royalty ("GSR") on Alderon Iron Ore Corporation's ("Alderon") Kami iron ore project, a 2% GSR on production from Paladin Energy Ltd's Central Mineral Belt uranium project, as well as several other earlier stage royalties. It also holds equity interests in non-precious metals royalty companies, as well as various junior mineral exploration companies that undertake a project generation and joint venture type business model.

Additional information on the status of the non-producing royalty interests is available in *Appendix 2: Summary of Exploration and Pre-Development Stage Royalties* of this MD&A.

Altius has a diversified portfolio by commodity, geography and counter-party with royalty revenue from nine commodities. Approximately 40% of that revenue is expected to be from inflation-adjusted, tonnage-based (no commodity price exposure) electrical coal royalties while no single asset is expected to contribute more than 27% of the Corporation's total estimated revenue.

Operational and Business Overview

During the quarter, the Corporation continued to evaluate strategic investments and royalty acquisition opportunities as well as generative exploration activities both directly and with its various alliance and earn-in partners.

On September 21, 2015, the Corporation and Bitterroot Resources Ltd. ("Bitterroot") closed a strategic transaction under which the Corporation will finance future mineral exploration on Bitterroot's Voyageur Lands and Copper Range Lands in the Upper Peninsula of Michigan (the "Properties"). The Corporation has acquired a 50.1% interest in the Properties and has agreed to fund $600,000 of exploration expenditures on the Properties 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 an 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 returns (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.

Outlook

The Corporation will continue to balance its capital allocation strategy between debt repayment, shareholder capital returns and direct royalty acquisition opportunities. The Corporation also intends to continue its low cost and historically profitable project generation business with the long term goal of generating low cost royalties and capital gains.

The Corporation is uncertain what impact the start-up of the Long Harbour hydromet facility will have on the current Voisey's Bay net smelter return royalty calculation. Vale has proposed a calculation of the royalty that could result in a substantial reduction of the royalty payable to Labrador Nickel Royalty Limited Partnership ("LNRLP"). The LNRLP believes that Vale's proposed calculation is egregious and it is prepared to defend its royalty entitlements to the extent necessary. Please see the Corporation's annual MD&A for April 30, 2015 for additional information.

On November 22, 2015, the newly elected Government of Alberta announced a proposal to force the closure of all coal-fired power plants by the year 2030 and to replace the province's base load generation capacity, with wind powered generation cited most notably. Altius 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.

Results of Operations

Tabular amounts are shown in thousands of Canadian dollars.

	Three months ended October 31,			Six months ended October 31,		
	2015	2014	Variance	**2015**	2014	Variance
Attributable revenue	**8,534**	7,027	1,507	**18,319**	14,244	4,075
Adjusted EBITDA	**6,729**	7,693	(964)	**13,870**	12,754	1,116
Net loss attributable to common shareholders	**(1,140)**	(25,320)	24,180	**(1,682)**	(33,454)	31,772

Attributable revenue and adjusted EBITDA grew on a year to date basis by 29% and 9% respectively, primarily as a result of the addition of royalty revenue from the 777 mine, which was acquired through the merger with Callinan Royalties. Additional information on each specific royalty stream is included in the next table.

The Corporation recorded a net loss attributable to common shareholders of $1,682,000 for the six months ended October 31, 2015 compared to a net loss of $33,454,000 for the six months ended October 31, 2014. The current quarter results were negatively affected by equity losses of $1,002,000 (2014 - $534,000) and impairment losses of $1,695,000 (2014 - $28,719,000) in Alderon.

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

	Three months ended October 31,			Six months ended October 31,		
	2015	2014	Variance	**2015**	2014	Variance
Royalty revenue						
Coal						
Genesee	**1,653**	1,611	42	**3,797**	4,080	(283)
Paintearth	**429**	632	(203)	**659**	1,369	(710)
Sheerness	**1,230**	1,706	(476)	**2,442**	3,069	(627)
Highvale	**171**	-	171	**301**	-	301
Cheviot	**335**	608	(273)	**872**	998	(126)
Potash			-			-
Cory	**248**	198	50	**434**	377	57
Rocanville	**500**	743	(243)	**1,278**	1,210	68
Allan	**112**	118	(6)	**238**	207	31
Patience Lake	**-**	7	(7)	**48**	62	(14)
Esterhazy	**353**	256	97	**685**	512	173
Vanscoy	**45**	23	22	**77**	50	27
Other			-			
777 Mine	**2,361**	-	2,361	**4,892**	-	4,892
Voisey's Bay	**372**	683	(311)	**1,049**	1,262	(213)
CDP	**406**	355	51	**862**	859	3
Interest and investment	**317**	68	249	**683**	149	534
Other	**2**	19	(17)	**2**	40	(38)
Attributable revenue	**8,534**	7,027	1,507	**18,319**	14,244	4,075

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

Year to date, there was $8,071,000 in total coal royalty revenue generated in the period of which $7,200,000 are ‘mine-mouth’ tonnage based royalties with no commodity price exposure. The coal royalties performed as expected with the exception of Paintearth, which experienced lower customer demand on two of the generators.

The Genesee royalty’s prior year results included a one-off positive adjustment with favorable production levels in the current year. The Sheerness mine had lower royalty tonnes in the current year than in the prior year. The Highvale mine commenced production on royalty applicable lands during the previous quarter and is expected to be on royalty lands for the next 14 years.

The Cheviot royalty covering Teck’s metallurgical coal mine generated $872,000 for the six months ended October 31, 2015 driven by comparable sales volumes. Lower realized prices however were partially offset by a weaker Canadian dollar.

Potash royalties were positively affected by higher production volumes at several operations.

The royalty revenue on the 777 Mine operated by HudBay, which pays the Corporation a 4% net smelter royalty, had total revenue of $4,892,000 in the six month period. There was approximately 519,000 tonnes of ore processed in the six months ended October 31, 2015.

The Corporation’s share of Voisey’s Bay royalty revenue was lower in the current year compared to the prior period due to lower nickel and copper prices, partially offset by a favourable Canadian to US Dollar exchange rate. Vale has not yet provided the required information to allow a determination of whether threats to begin deducting processing plant capital costs from royalty payments have been followed through.

CDP revenue consisted of potash royalties of $508,000, coal royalties of $60,000, and petroleum and natural gas royalties of $294,000 for a total of $862,000 for the six months ended.

Interest and investment income included primarily dividend income from recently acquired non- precious metals royalty companies.

	Three months ended October 31,			**Six months ended October 31,**		
	2015	2014	Variance	**2015**	2014	Variance
General and administrative	**1,616**	967	649	**3,613**	2,282	1,331
Share-based compensation (recovery)	**(269)**	(2,184)	1,915	**165**	(1,992)	2,157
Generative exploration	**95**	146	(51)	**211**	325	(114)
Exploration and evaluation assets abondoned or impaired	**317**	92	225	**659**	92	567
Mineral rights and leases	**213**	(25)	238	**430**	97	333
Interest on long-term debt	**1,405**	2,417	(1,012)	**2,852**	5,309	(2,457)
Amortization	**1,738**	32	1,706	**3,574**	87	3,487
	5,115	1,445	3,670	**11,504**	6,200	5,304

The increase in expenses for the current quarter and year to date was primarily related to increased amortization of royalty interests, resulting from the addition of the 777 royalty interest, of $3,338,000. Increased general and administrative expenses in the current quarter and year to date were primarily impacted by a change in salary related costs. The prior year recorded a partial reversal of a management bonus accrual of $548,000 which had previously been recorded under a now defunct compensation plan. A recovery of $1,992,000 was recorded in the prior year for share based compensation compared to an expense of $165,000 in the current year. The obligation and expense relating to cash settled share appreciation rights, restricted share units and deferred share units are recalculated quarterly with the share price being a significant factor in the calculation. During the quarter the shareholders approved modifications to the Corporation’s share based compensation plan to allow for share settlement. Interest on long-term debt has decreased in the current quarter and year to date as a result of decreasing debt, which was further reduced during the quarter to a balance of $70 million before deferred costs.

	Three months ended October 31,			Six months ended October 31,		
	2015	2014	Variance	**2015**	2014	Variance
Earnings from joint ventures	**3,561**	4,310	(749)	**6,904**	8,378	(1,474)
Unrealized gain (loss) on fair value adjustment of derivatives	**219**	(1,102)	1,321	**219**	(2,401)	2,620
Gain (loss) on disposal of investments and impairment recognition	**606**	(791)	1,397	**544**	(1,513)	2,057
Dilution gain on issuance of shares by associates	**-**	46	(46)	**-**	74	(74)
Share of loss and impairment in associates	**(2,697)**	(29,543)	26,846	**(3,287)**	(36,084)	32,797
Income tax expense (recovery)	**799**	(2,763)	3,562	**996**	(3,244)	4,240

Other factors which contributed to the change in the Corporation's earnings for the current quarter and year to date are:

- Included in the prior year was an impairment recognition of $29,386,000, compared to $1,695,000 in the current year, on Alderon and other investments to adjust the carrying value to fair value.
- The prior year results included a loss on derivative financial instruments. The Corporation does not currently hold any significant derivatives. Quarterly and year to date earnings were also impacted by increased income tax expense as a result of higher pre-tax earnings and royalty income.

Cash Flows, Liquidity and Capital Resources

Summary of Cash Flows	**For the six months ended October 31,**	
	2015	2014
	$	$
Operating activities	**(3,944)**	(15,511)
Financing activities	**(9,396)**	30,975
Investing activities	**10,034**	(11,182)
Net (decrease) increase in cash and cash equivalents	**(3,306)**	4,282
Cash and cash equivalents, beginning of period	**18,543**	6,972
Cash and cash equivalents, end of period	**15,237**	11,254

Operating Activities

The change in operating activities from the prior period was primarily due to non-cash operating working capital of $2,552,000 and lower interest paid on long-term debt offset by increased income taxes paid of $6,215,000 in the current year.

Financing Activities

The change in financing activities from the prior period was influenced primarily by an equity offering and increased repayment of debt in the prior year.

The Corporation closed an equity financing under a short form prospectus on May 13, 2014 in the prior year. The Offering consisted of 4,643,000 common shares of the Corporation at a price of $14.00 per Common Share for net proceeds of $61,327,000.

The Corporation repaid $7,000,000 on long-term debt year to date, $4,313,000 of which was repaid in the current quarter, compared to $30,200,000 in the first six months of the prior year. The Corporation also paid dividends of $2,396,000 (2014 - $nil) to its shareholders in the six months ended October 31, 2015.

Investing Activities
Several different activities accounted for the change in investing activities from the prior period.

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.

Cash received from joint ventures increased to $11,961,000 in the current year from $10,502,000 in the prior year based purely on timing of receipts. The sale of mineral properties in CDP in the current year generated cash of $686,000. These proceeds were paid on the Credit Facility. The Corporation received $3,775,000 in proceeds from the sale of investments compared to $736,000 for the same period in the prior year.

The Corporation used cash of $26,839,000 for the acquisition of investments for the six months ended October 31, 2015 compared to $2,126,000 in the same period last year.

Liquidity
At October 31, 2015, the Corporation had current assets of $19,756,000 and current liabilities of $8,923,000, including a 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 by staking claims and paying refundable security deposits. Certain expenditures are required on an annual basis, from the date of license issuance, in order to maintain the licenses in good standing and for refund of security deposits. On or before the anniversary date of license issuance, and if the required expenditures are not met, the Corporation has the option of reducing claims on a property, 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 $190,000 by October 31, 2016 in order to maintain various licenses in good standing, of which $139,000 is required to be spent for a refund of security deposits in the amount of $76,000.

The following principal repayments for the Credit Facility are required over the next 5 years (in $000s). The Corporation made principal repayments of $2,000,000 during the current quarter, $4,000,000 on a year to date basis, in addition to an additional payments of $3,000,000.

	$
2016	8,000
2017	8,000
2018	8,000
2019 (maturity)	46,000
	70,000

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

7 of the condensed consolidated interim financial statements. During the six months ended October 31, 2015, the Corporation billed Mining Equity for the reimbursement of exploration and consulting assistance totaling $141,000 (2014 - $131,000).

During the six months ended October 31, 2015, the Corporation paid Alderon, an Associate, $119,600 for consulting services (2014 - $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 any Vice Presidents reporting directly to a corporate officer.

Total salaries and benefits paid to key management personnel during the six months ended October 31, 2015 was $1,116,000 (2014 - $727,000). Total share based compensation relating to key management personnel during the six months ended October 31, 2015 was $165,000 (2014 – recovery of $1,992,000). The Company issued 149,027 stock options to senior management personnel during the six months ended October 31, 2015.

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

$	October 31, 2015	July 31, 2015	April 30, 2015	January 31, 2015
Attributable revenue (1)	8,534	9,785	6,981	7,583
Adjusted EBITDA (1)	6,729	7,141	4,927	5,200
Net loss attributable to common shareholders	(1,140)	(1,632)	8,939	(5,701)
Net loss per share - basic and diluted	(0.03)	(0.04)	0.28	(0.18)

$	October 31, 2014	July 31, 2014	April 30, 2014	January 31, 2014
Attributable revenue (1)	7,027	7,217	1,235	2,704
Adjusted EBITDA (1)	7,693	5,061	(3,818)	(298)
Net loss attributable to common shareholders	(25,348)	(8,102)	(20,540)	(2)
Net loss per share - basic and diluted	(0.78)	(0.26)	(0.73)	-

(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, maintenance schedules and the timing of mineral shipments.

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

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 October 31, 2015 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 six months ended October 31, 2015 and the consolidated financial statements for the year ended April 30, 2015. There has been no change in the Corporation's internal control over financial reporting during the Corporation's six months ended October 31, 2015 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 October 31, 2015 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 interest, deferred income taxes, the carrying value and assessment of impairment of investments, the assumptions used in the determination of the fair value of share based compensation and SARs, and the assumptions used in the determination of the fair value of derivatives for which there is no publicly traded market.

Please refer to the annual financial statements and MD&A for April 30, 2015 for complete disclosures.

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 a complete listing of risk factors specific to the Corporation. No additional risks have been identified in the current period, except as noted below.

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, 2015. There have been no changes to these factors during the current period.

Outstanding Share Data

At December 9, 2015, the Corporation had 39,932,102 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

$	October 31, 2015	July 31, 2015	April 30, 2015	January 31, 2015
	Three months ended			
Royalty revenue				
777	2,361	2,531	-	-
Coal	3,819	4,253	3,911	4,462
Potash	1,258	1,502	1,707	1,590
Voisey's Bay	372	677	761	500
CDP	406	456	630	618
Interest and investment	316	366	(37)	67
Other	2	-	9	346
Attributable revenue	**8,534**	**9,785**	**6,981**	**7,583**
Adjust: joint venture revenue	(5,449)	(6,432)	(6,379)	(6,552)
IFRS revenue per consolidated financial statements	3,085	3,353	602	1,031

$	October 31, 2014	July 31, 2014	April 30, 2014	January 31, 2014
	Three months ended			
Royalty revenue				
Coal	4,558	4,958	114	-
Potash	1,344	1,074	44	-
Voisey's Bay	683	579	664	700
CDP	355	504	-	-
Interest and investment	68	81	404	523
Other	19	21	9	1,481
Attributable revenue	**7,027**	**7,217**	**1,235**	**2,704**
Adjust: joint venture revenue	(6,585)	(6,611)	(822)	(700)
IFRS revenue per consolidated financial statements	442	606	413	2,004

ALTIUS MINERALS CORPORATION

Reconciliation to IFRS measures

Adjusted EBITDA	Three months ended			
	October 31, 2015	July 31, 2015	April 30, 2015	January 31, 2015
(Loss) earnings before income taxes	(341)	(345)	9,276	(6,120)
Addback(deduct):				
Amortization	1,738	1,836	354	40
Exploration and evaluation assets abandoned or impaired	317	342	138	244
Share based compensation (share settled)	(15)	180	-	-
Interest on long-term debt	1,405	1,447	2,343	2,378
Loss (gain) on disposal of investments & impairment recognition	(606)	62	(15,636)	(208)
Loss on disposal of subsidiary	-	-	5,839	-
Unrealized (gain) loss on fair value adjustment of derivatives	(219)	-	(435)	574
Dilution (gain) on issuance of shares by associates	-	-	-	(89)
Share of loss and impairment in associates	2,697	590	1,314	6,215
Earnings from joint ventures	(3,561)	(3,343)	(4,400)	(4,253)
LNRLP EBITDA	279	542	590	359
Prairie Royalties EBITDA	5,035	5,620	5,544	6,060
Callinan related one time costs	-	210	-	-
Adjusted EBITDA	6,729	7,141	4,927	5,200

LNRLP EBITDA				
Revenue	372	677	761	500
Less: mining taxes	(93)	(135)	(153)	(100)
Less: admin charges		-	(18)	(41)
LNRLP Adjusted EBITDA	279	542	590	359

Prairie Royalties EBITDA				
Revenue	5,079	5,752	5,623	6,260
Operating expenses	(44)	(132)	(79)	(200)
Prairie Royalties Adjusted EBITDA	5,035	5,620	5,544	6,060

Reconciliation to IFRS measures

Adjusted EBITDA

	Three months ended			
	October 31, 2014	July 31, 2014	April 30, 2014	January 31, 2014
(Loss) earnings before income taxes	(28,083)	(8,615)	(24,287)	(164)
Addback(deduct):				
Amortization	32	55	18	17
Exploration and evaluation assets abandoned or impaired	92	-	-	-
Interest on long-term debt	2,417	2,892	106	-
Loss (gain) on disposal of investments & impairment recognition	791	722	2,204	46
Unrealized loss (gain) on fair value adjustment of derivatives	1,102	1,299	2,762	(1,528)
Dilution gain on issuance of shares by associates	(46)	(28)	-	(229)
Share of loss and impairment in associates	29,543	6,541	14,819	1,078
Earnings from joint ventures	(4,310)	(4,068)	(121)	(78)
LNRLP EBITDA	547	463	531	560
Prairie Royalties EBITDA	5,608	5,800	150	-
Adjusted EBITDA	7,693	5,061	(3,818)	(298)

LNRLP EBITDA				
Revenue	683	579	664	700
Less: mining taxes	(136)	(116)	(133)	(140)
LNRLP Adjusted EBITDA	547	463	531	560

Prairie Royalties EBITDA				
Revenue	5,849	5,877	150	-
Operating expenses	(241)	(77)	-	-
Prairie Royalties Adjusted EBITDA	5,608	5,800	150	-

Appendix 1: Summary of Producing Royalties

Mine	Operator	Royalty Basis	Commodity
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	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-development; pre-feasibility study
Labrador West - iron ore (Western Labrador)	Rio Tinto Exploration Inc.	3% GSR	Exploration; inactive
Snelgrove Lake - iron ore (Western Labrador)	Champion Iron Ltd. (formerly Mamba Minerals)	Earn-in (100%) and 3% GSR	Exploration; inactive
Astray - iron ore (Western Labrador)	Northern Star Minerals	1% to 4% sliding scale GSR	Exploration; inactive
Viking - gold (Western Newfoundland)	Spruce Ridge Resources Limited	2-4% sliding scale NSR	Exploration; inactive
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	Sokoman Iron Corp	1% GSR; option to acquire additional 1.1% GSR	Exploration; inactive
Shrule Block, Kingscourt Block, West Cork Block	Adventus Exploration 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	HudBay Minerals	Possible to earn up to 3% NSR	Advanced exploration
Gunnison	Excelsior Mining Corp	1.0% GRR; options to acquire additional 1.5% GRR	Pre-feasibility
Golden Shears	Renaissance Gold Inc (JV with Walmer Capital Corp.)	1.5% NSR	Early-stage exploration
Silicon	Renaissance Gold Inc	1.5% NSR	Early-stage exploration
Alvito	Avrupa Minerals Ltd	1.5% NSR	Early-stage exploration
Ely Springs/Jupiter	Kinetic Gold Corp	1.0% NSR	Early-stage exploration
Llano del Nogal	Evrim Resources Corp	1.5% NSR on PM; 1.0% NSR on BM	Early-stage exploration
Storm Claim Group	Northern Shield Resources Inc	Options to acquire 1% royalty on any one project in claim group	Early-stage exploration; inactive
Wallbridge Projects	Wallbridge Mining Company Ltd	Option to acquire up to 2% NSR	Early-stage exploration
Fox River	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; inactive
Coles Creek	Callinex Mines Ltd	Option to acquire 2.5% NSR	Early-Stage Exploration; inactive
Herblet Lake	Callinex Mines Ltd	Option to acquire 1.25% NSR	Early-stage exploration; inactive
Moak and Norris Lake	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	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; inactive
Gurney Gold Claims	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; inactive
Pine Bay	Callinex Mines Ltd	Option to acquire 1% NSR	Early-stage exploration; active
Voyageur Lands	Bitterroot Resources Ltd.	2% NSR; Option to acquire 1% NSR held by a third party	Early-stage exploration; active