# Management's Discussion and Analysis
# of Financial Conditions and Results of Operations
# Year Ended April 30, 2007

# Management's Discussion and Analysis

*This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's Audited Consolidated Financial Statements for the year ended April 30, 2007 and related notes. This MD&A has been prepared as of July 30, 2007.*

*Management's discussion and analysis of financial condition and results of operations contains forward–looking statements. By their nature, these statements involve risk 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's (the "Corporation") principal business activities include the generation and acquisition of projects related to natural resources opportunities in the Province of Newfoundland and Labrador, Canada. In general, the Corporation prefers to create partnerships 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.

### Royalty interests

The Corporation holds a 10% interest in the Labrador Nickel Royalty Limited Partnership ("LNRLP"). This Limited Partnership holds a 3% net smelter return royalty interest in the Voisey's Bay nickel-copper-cobalt project in Labrador. The Corporation received its first royalty payment from LNRLP in May 2006.

It is expected that the Voisey's Bay Royalty will provide the Corporation with consistent and sustainable cash flow for an estimated 25 years, thus enhancing the Corporation's ability to minimize equity dilution risk while maximizing the number of project generation opportunities that it can advance.

In addition, the Altius Voisey's Bay Royalty exposes the Corporation to the inherent continuing exploration potential of the Voisey's Bay Project without further cost as exploration and potential future expansion costs are borne entirely by the mine operator rather than the royalty holder.

**Founding equity stakes**

*Aurora Energy Resources Inc. (“Aurora”)*

As at April 30, 2007, the Corporation held 6.5 million common shares representing a voting interest of 9.9% of the total outstanding common shares of Aurora, of which 2.5 million common shares are subject to an equity forward agreement which effectively locks in the economic value of these shares. In addition, the Corporation holds a 2% gross sales royalty for uranium and a 2% net smelter return royalty on any base and precious metals production from Aurora’s Central Mineral Belt Properties.

Aurora's 2006 exploration program for the Central Mineral Belt Project reported positive uranium exploration results. In 2007, Aurora announced plans for a comprehensive exploration program, which will include 80,000 to 100,000 metres of drilling, at a budget of approximately $20 million, and a pre-feasibility study.

For additional information on Aurora, visit their web site at *http://www.aurora-energy.ca*

*Rambler Metals & Mining Plc (“Rambler”)*

The Corporation holds 12 million shares in Rambler which is listed on Alternative Investment Market of the London Stock Exchange (“AIM”), and on the TSX-V. Rambler is carrying out advanced exploration of the historic Ming copper - gold mine, located near Baie Verte, Newfoundland and Labrador. Ongoing exploration and delineation drilling of the Rambler Project has delivered encouraging results. As a result, a program of dewatering and rehabilitation of the historic underground Ming Mine infrastructure is underway to facilitate more efficient exploration and delineation of potential ore zones.

In May 2007, Rambler completed a private placement to finance future exploration expenditures, whereby Rambler issued 9.35 million units comprising 1 share and one purchase warrant. After giving effect to this financing, the Corporation’s ownership interest is 24.3%.

For additional information on Rambler, visit their web site at http://www.ramblermines.com/

*Newfoundland and Labrador Refining Corporation (“NLRC”)*

The Corporation is a founding shareholder of NLRC, together with successful Irish and UK based entrepreneurs and financiers, and currently holds a 37% equity shareholding in NLRC, reduced from an original 37.5% as a result of subsequent financings and share issuances. NLRC recently completed a feasibility study in respect of the development of a 300,000 barrel per day (“bpd”) advanced oil refinery in southeastern Newfoundland. The Corporation also holds a refining margin-based sliding scale royalty on any future potential refinery operations.

The feasibility study concluded that a 300,000 bpd oil refinery would cost approximately US$4.6-billion to construct, plus standard owner's costs, and would rank among the largest and most advanced crude oil processing plants in the world. Such a refinery in Placentia Bay has been determined to be economically feasible based on a number of inputs, including NLRC's conservative long-term combined refining margin and sweet-sour crude price differential outlook of approximately $12 per barrel.

The Placentia Bay study area was chosen because of its natural attributes including access to a skilled local workforce, established ice-free, deepwater shipping lanes, and proximity to both potential oil supplies and large markets for refined products along the east coast of North America and in Europe.

In June 2007, the Federal and Provincial governments announced positive decisions regarding the Environmental Assessment process that facilitates a time based procedural review of an Environmental Impact Statement ("EIS") which was submitted by the Corporation in July 2007. NLRC anticipates decisions regarding the EIS from both the provincial and federal authorities by third quarter 2007. The current timeline for the project envisions completion of construction and commissioning of the project in the 4$^{th}$ quarter of 2011.

*Lower Churchill Falls Hydroelectric Project*
The Corporation continues to pursue a royalty investment in the Lower Churchill hydroelectricity project of Newfoundland and Labrador Hydro. The Lower Churchill Project consists of two of the best undeveloped hydroelectric sites in North America: Gull Island, located 225 kilometers downstream from the existing Churchill Falls Generating Station; and Muskrat Falls, located 60 kilometers downstream from Gull Island. Combined, the projects will produce an estimated 2800 megawatt of clean energy.

No assurances can be provided that an agreement will be reached as a result of this initiative. However, the Corporation believes its proposal complements the Province's stated objective of maximizing benefits for Newfoundland and Labrador while remaining consistent with Altius' investment objectives.

*Paragon Minerals Corporation ("Paragon")*
In August 2006, the Corporation made an investment of $1.9 million in Paragon and also vended a base metals property to Paragon in exchange for additional shares. As a result, the Corporation holds a 17.5% interest in Paragon, an exploration company operating primarily on the island portion of Newfoundland and Labrador. Paragon is a publicly traded company listed on the TSX Venture exchange under the symbol "PGR".

For additional information on Paragon, visit their web site at http://www.paragonminerals.com

*Alba Mineral Resources Plc ("Alba")*
The Corporation has certain royalty entitlements to Nickel exploration licenses in Sweden as a result of the royalty and equity financing agreement that it entered into with Alba in September 2005.

For additional information on Alba, visit their web site at http://www.albamineralresources.com

**Exploration and Royalty Creation**
The Corporation has exposure to gold, base metals, iron ore, and uranium in Newfoundland and Labrador through a varied equity and exploration portfolio that is largely funded by third parties or external sources. In addition, the Corporation holds a licence to explore for oil shale in the Province of New Brunswick, Canada. The Corporation seeks to enters into earn-in or joint venture mineral exploration agreements with industry funding partners and continues to directly invest in new generative projects and initiatives with a goal of attracting additional partners.

These agreements typically result in the Corporation holding minority project interests and royalties. Financing for the exploration of the Corporation's mineral properties is provided partially from the Corporation's own operating cash flows but also through earn-in/joint venture agreements with other exploration and mining companies.

During the current year the Corporation completed option agreements to transfer mineral property rights on two of its properties to other exploration companies in exchange for exploration expenditure commitments, equity interests in the exploration companies, and royalty interests on any future potential mine production.

## Selected Annual Financial Information

The table below outlines selected financial information related to the Corporation's years ended April 30, 2007, 2006 and 2005. The financial information is extracted from the Corporation's audited financial statements.

| **($, except shares outstanding)** | **2007** | **2006** | **2005** |
|---|---|---|---|
| Total assets | 169,924,583 | 67,701,139 | 23,832,179 |
| Total revenue | 7,128,275 | 538,798 | 209,447 |
| Net earnings | 52,762,799 | 33,527,964 | 3,546,240 |
| Net earnings per share | | | |
| - basic | 1.83 | 1.19 | 0.14 |
| - diluted | 1.80 | 1.12 | 0.13 |
| Shares outstanding, end of year | 28,787,825 | 28,722,725 | 26,896,097 |
| Total long-term financial liabilities | 36,557,385 | - | - |
| Cash dividends | - | - | - |

## Results of Operations

The net earnings for the year ended April 30, 2007 were $52.8 million as compared to net earnings of $33.5 million for the same period last year.

The current year's net earnings were supported by a $62.7 million gain on sale of investments, primarily from the sale of a portion of the Corporation's interest in Aurora. The Corporation's financial performance was also aided by the first full year of royalty revenue of $4.3 million from its interest in the Labrador Nickel Royalty Limited Partnership, which provides the Corporation with an effective 0.3% net smelter return royalty in the Voisey's Bay nickel-cobalt-copper mine.

The Corporation recognized total revenue of $7.1 million during the year, compared to $0.5 million for the same period last year. Royalty revenue from the Labrador Nickel Royalty Limited Partnership increased $4.2 million during the year as the Voisey's Bay nickel–copper–cobalt mine had its first full year of operations. Interest income of $2.5 million was recognized on reinvested proceeds from the sale of investments during the year.

General and administrative expenses for the year increased from $1,127,821 last year to $2,577,563 this year. The Corporation incurred one-time costs related to its switch to the TSX

Exchange of $155,000 and one–time corporate development costs of $992,301. Salaries and wage expense for the period increased by $131,000 due to new hires and salary increases for existing employees. In addition, the Corporation incurred additional travel and administrative expense related to the management of its investments during the period.

Royalty tax was $478,990 compared to $nil for the same period last year. The royalty tax is a 20% provincial levy withheld on the Corporation's net smelter return royalty in the province of Newfoundland and Labrador. The Corporation receives a credit against the 20% base rate for eligible exploration expenditures incurred in the province of Newfoundland and Labrador.

Stock-based compensation increased to $781,091 compared to $299,938 for the same period last year. The Corporation awarded 425,000 stock options to employees and directors during the current year. In addition to stock-based compensation cost recognized on the income statement, the Corporation deferred $71,732 as part of its mineral exploration and development costs during the current year (2006 – $35,542).

Amortization increased to $521,126 compared to $74,361 for the same period last year. The primary increase is the amortization of the royalty interest, which is being amortized on units of production basis over the expected life of the mine at Voisey's Bay.

The Corporation realized gains on disposal of $62,745,711 for the year, compared to $32,476,682 for the same period last year. The gains on disposals in both years are primarily the result of the Corporation's sale of shares in Aurora. As at April 30, 2007, the Corporation's interest in Aurora was 6.5 million shares, or approximately 9.9% of the total outstanding shares. Of the remaining 6.5 million shares, 2.5 million shares are secured as part of the equity forward agreement entered into during the year. The equity forward agreement locks in the economic interest of the shares at the contractual rate.

The share of loss in equity investments was $1,599,184 in the current year, compared to $2,209,508 for the same period last year. The decrease over the prior year was caused by the change in the treatment of the investment in Aurora to cost basis part-way through the current fiscal year. In addition, Rambler is now accounted for as a self-sustaining operation and therefore foreign exchange gains and losses are no longer reported in the equity earnings of Rambler. These reductions were partially offset by the increase in activity at NLRC, as the company continued its efforts towards the goal of constructing a 300,000 barrel per day oil refinery in Placentia Bay, Newfoundland and Labrador. The Corporation has to date invested $3.7 million in NLRC and currently holds a 37% interest in the refinery evaluation project.

**Share of Loss in Equity Investees**

| year ended April 30, | **2007** | **2006** |
|---|---|---|
| Rambler | $ (569,873) | $ (812,637) |
| Aurora | (624,548) | (1,392,140) |
| NLRC | (404,763) | (4,731) |
| | $ (1,599,184) | $ (2,209,508) |

The Corporation recognized interest on long-term debt expense of $245,542 in the current year compared to $nil in the same period last year. The interest on long-term debt was the result of the receipt of proceeds on a zero – coupon loan in March 2007 bearing interest at 4.25% per year and maturing in 5 years.

The Corporation recognized investment income of $1,251,931 during the year compared to $66,080 in the same period last year. The investment income was generated from mining and mineral related portfolio investments.

The Corporation incurred current and future income tax expense of $11,898,689 compared to $6,157,182 for the same period last year. The lower than normal effective tax rate for the Corporation is caused by a higher weighting of capital gains income, which is taxed at one-half the normal effective tax rate for normal corporate earnings.

## Cash Flows, Liquidity and Capital Resources

**Operating Activities**
The Corporation generated cash flow from operating activities of $3,713,572 for the year ended April 30 2007 compared to a use of cash of $505,081 for the same period last year. The increase was caused by higher net earnings than in the previous period and by an increase in non-cash working capital of $9.3 million. The increase in non-cash working capital is caused by an increase in income taxes payable of $10.9 million during the year, partially offset by an increase in accrued interest receivable and a reduction in payables and accruals.

**Financing Activities**
The Corporation generated $35,487,419 through financing activities compared to $3,382,669 for the prior year. The Corporation received proceeds of $36.3 million under a zero - coupon loan agreement at an interest rate of 4.25% per annum maturing in December 2011. As security, the Corporation has pledged the proceeds from the equity forward agreement as described in note 14 to the audited consolidated financial statements. The value of the zero - coupon loan at the maturity date will equal the expected proceeds receivable from the equity forward agreement. The proceeds of the loan were reinvested in marketable securities and mining and mineral related long term investments.

Proceeds from the exercise of stock options during the year totaled $705,900. In addition, the Corporation purchased and cancelled 199,900 shares at a total cost of $1,530,324 under its normal course issuer bid.

**Investing Activities**
The Corporation had a net inflow of $39.8 million from investing activities compared to a net inflow of $30.5 million for the same period last year. The major source of cash was the $69.2 million proceeds from the sale of investments, primarily Aurora. The Corporation reinvested $29.2 million of these proceeds into other mining and mineral related long term investments during the year. The Corporation also collected receivables from affiliated companies during the year.

**Liquidity**
At April 30, 2007 the Corporation had current assets of $116.9 million and current liabilities of $18.5 million for net working capital of $98.4 million. The Corporation anticipates that the net working capital is sufficient to meet its current requirements for operating and investing activities.

The Corporation's major sources of funding are the earn-in/joint venture agreements on mineral exploration properties, equity financing, interest and investment income from current and long term investments, and royalty income from the Corporation's partnership interest in the Labrador Nickel Royalty Limited Partnership.

**Capital Resources**
The Corporation has obtained various mineral rights licenses by staking claims and paying refundable security deposits. Certain expenditures are required on an annual basis, from the date of license issuance in order to maintain the properties in good standing and for refund of security deposits.

Third parties have entered into option agreements to earn interests in certain mineral properties held by the Corporation. These parties are required to make expenditures in order to maintain their rights under the option agreements.

The Corporation has the option of reducing claims on a property, thereby reducing the annual expenditures required to maintain the property in good standing.

**Financial Instruments**
During the year, the Corporation entered into an equity forward agreement to sell 2.5 million shares in Aurora for gross proceeds of $17.72 per share on December 14, 2011. The arrangement effectively locks in the economic value of the 2.5 million Aurora shares at the contractual price. The Corporation will maintain all rights of ownership of the shares, including voting rights, throughout the contractual period. The equity forward has been designated as an effective hedge against the 2.5 million Aurora shares and will not be recorded on the balance sheet.

**Commitments and Contractual Obligations**
As of April 30, 2007, the Corporation must spend $695,104 on mineral property exploration over the next 12 months in order to maintain its properties in good standing or for refund of security deposits. As an alternative to making the expenditures, the Corporation may choose to reduce the number of claims on a property, thereby reducing the annual expenditures required to maintain the property in good standing.

The Corporation has contractual obligations as noted in the following table:

**Contractual Obligations at April 30, 2007**

| | Payments Due by Period | | |
|---|---|---|---|
| | Less than 1 year | 1-3 years | 4-5 years |
| Long-term debt | $ - | $ - | $ 36,557,385 |
| Operating leases | 52,661 | 59,811 | - |
| Mineral property acquisitions | 15,000 | - | - |
| **Total Contractual obligations** | **$ 67,661** | **$ 59,811** | **$ 36,557,385** |

In addition to the contractual obligations noted in the above table the Corporation has other contractual obligations that are contingent upon future events, such as successful mineral discoveries and future mine production. See note 12 to the audited consolidated financial statements for additional details.

## Related Party Transactions

VMS Consultants Inc., controlled by director Geoff Thurlow, invoiced a total of $69,188 (2006 – $101,175) for geological consulting services and reimbursement of expenses associated with exploration of certain of the Corporation's properties for the year ended April 30, 2007. Thurlow, through his consulting company, explores and partly administers certain of the Corporation's wholly owned and/or operated exploration programs.

Chairman of the Board and Director John Baker is a Partner of the legal firm White Ottenheimer and Baker. This firm provided legal services in the amount of $50,336 for the year ended April 30, 2007 (2006 – $65,742).

The Corporation recognized revenue in the amount of $234,697 for the year ended April 30, 2007 (2006 – $221,695) from companies subject to significant influence by the Corporation. The management fees are charged by the Corporation as manager of an exploration project of a subsidiary of Rambler and for office and administrative services provided to NLRC.

These related party transactions are in the normal course of operations and are measured at the exchange amount, 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

Net earnings for the quarter ended April 30, 2007 was $870,754 or $0.03 per share compared to $33.5 million or $1.15 per share for the quarter ended April 30, 2006. The prior year's results include a gain on disposal of $32.5 million and a dilution gain on an equity investment of $9.2 million, both of which related to the Corporation's investment in Aurora.

Revenue was $2.8 million in the quarter ended April 30, 2007 compared to $0.3 million in the same period last year. The Corporation benefited from a full quarter of production at the Voisey's Bay mine to generate revenue of $1.7 million and also earned revenue from the reinvested proceeds from the sale of investments. General and administrative costs for the quarter ending April 30, 2007 were $1,375,022 compared to $459,305 for the same period last year. The primary increase was caused by one-time corporate development expenses of $992,301 and increased salaries and benefits because of new hires and salary increases for existing employees.

The table below outlines selected financial information related to the Corporation's revenue, net earnings (loss) and net earnings (loss) per share for most recent eight quarters. The financial information is extracted from the Corporation's interim unaudited financial statements.

| **$** | **April 30 2007** | **January 31 2007** | **October 31 2006** | **July 31 2006** |
|---|---|---|---|---|
| Revenue | 2,765,349 | 2,234,962 | 1,420,398 | 707,566 |
| Net earnings | 870,754 | 27,324,589 | 24,439,299 | 128,157 |
| Net earnings per share | | | | |
| - basic | 0.03 | 0.95 | 0.85 | 0.01 |
| - diluted | 0.03 | 0.93 | 0.83 | 0.01 |

| **$** | **April 30 2006** | **January 31 2006** | **October 31 2005** | **July 31 2005** |
|---|---|---|---|---|
| Revenue | 323,856 | 91,400 | 43,729 | 79,813 |
| Net earnings (loss) | 33,531,292 | (394,984) | 557,812 | (166,156) |
| Net earnings (loss) per share | | | | |
| - basic | 1.17 | (0.01) | 0.02 | (0.01) |
| - diluted | 1.15 | (0.01) | 0.02 | (0.01) |

The Corporation does not experience seasonality in operations since revenue is derived primarily from investment income and from the Voiseys' Bay Royalty.

The total number of common shares outstanding as of July 30, 2007 is 28,846,825.

## Mineral Exploration Projects Overview

The following description provides an overview of the Corporation's mineral property holdings and current year exploration activity the period ended April 30, 2007. For additional details on the properties please refer to the Corporation's web site, *www.altiusminerals.com*.

**Altius Minerals Corporation**
**Mineral Claims Activity**
( in hectares)

| Location | Primary metal | Opening | Additions | Deletions | Closing |
|---|---|---|---|---|---|
| Labrador | | | | | |
| | Iron Ore | 1,450 | 550 | | **2,000** |
| | Nickel | 46,650 | 6,450 | (26,350) | **26,750** |
| | Uranium | 3,750 | 63,600 | | **67,350** |
| | Base metals | 1,500 | | | **1,500** |
| | | 53,350 | 70,600 | (26,350) | **97,600** |
| Island of Newfoundland | | | | | |
| | Nickel | 400 | 725 | | **1,125** |
| | Uranium | 10,925 | | | **10,925** |
| | Gold | 14,600 | 150 | (3,475) | **11,275** |
| | Base metals | 12,575 | 1,775 | | **14,350** |
| | | 38,500 | 2,650 | (3,475) | **37,675** |
| Other | | | | | |
| | Oil Shale | 9,702 | - | | **9,702** |
| Other Total | | 9,702 | - | | **9,702** |
| Grand Total | | 101,552 | 73,250 | (29,825) | **144,977** |

During the year the Corporation increased its staked properties from 101,552 hectares to 144,977 hectares. The Corporation increased its exploration claims in the Labrador portion of the province, with a primary focus on potential discoveries of nickel, uranium, and iron ore. The Corporation also reduced its claims on some properties to concentrate its exploration effort based on information obtained during the previous exploration season.

The Corporation currently has five cost-sharing agreements with exploration partners. These partners can earn an equity interest in the mineral property rights in exchange for payments to the Corporation and for meeting exploration expenditure commitments. The Corporation is also seeking partnerships for its other properties to cost-share in exploration expenditures in exchange for a partial equity interest in the mineral properties.

During the year, drilling and airborne geophysics programs were completed over the Rocky Brook Property and final work reports were completed. Several properties in Newfoundland & Labrador were also visited and examined in order to assess their mineral potential.

Planning for the next phase of work in 2007 is well underway, including ongoing programs of permitting, planning, logistics, compilation and data review in advance of the field season in Newfoundland and Labrador. In addition, the Corporation is actively evaluating base metal, uranium, gold and nickel potential throughout numerous areas of Newfoundland and Labrador. The work being done will aid the Corporation in its decision to acquire additional mineral lands.

## Internal Control over Financial Reporting

Management is responsible for the establishment and maintenance of a system of internal controls 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 consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles (GAAP) and in accordance with accounting policies set out in the notes to the consolidated financial statements for the year ended April 30, 2007.

In compliance with Form 52-109F1 of Multilateral Instrument 52-109, management must disclose in its MD&A any material weakness found to exist within its system of internal control over financial reporting. Typical with smaller organizations, management has identified a material weakness during the year caused by a lack of segregation of duties. This is a typical issue for smaller companies, and while the Corporation has added additional staff during the year which strengthens the segregation of duties, there still existed a lack of such segregation for part of the year. Management believes, however, that the risks associated with the lack of segregation of duties during part of the year have been mitigated by the implementation of other controls. The Audit Committee has direct oversight responsibilities for the review and approval of the quarterly and annual financial disclosures, the Corporation retains the external auditor to perform quarterly reviews of the financial statements, and the Corporation has qualified senior accounting personnel engaged on a full time basis to manage the Corporation's financial disclosures.

## 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, 2007 and have concluded that such procedures are adequate and effective to ensure accurate and complete disclosures in annual filings.

## New Accounting Standards

The CICA has issued new accounting standards relating to the recognition and measurement of financial instruments, hedges, and comprehensive income, all of which will be effective for the Corporation's 2008 fiscal year. Under the new pronouncements, the Corporation's balance sheet will display all financial assets and liabilities at their fair value, and any unrealized fair value adjustments (net of taxes) will be recorded in a statement of comprehensive income. The Corporation is currently assessing the impact of these new recommendations on its financial statements and intends to implement the change in its interim financial statements for fiscal 2008.

## Subsequent events

In May 2007, Rambler, an equity investment of the Corporation, completed a private placement of 9.35 million units, at a price of $1.50 per unit, for gross proceeds of $14,025,000. Each unit comprises one ordinary share of one penny each in Rambler and one-half of one ordinary share purchase warrant. Each warrant entitles the holder to purchase one ordinary share at a price of

$2.00 until May 23, 2009. Upon completion of the private placement the Corporation's ownership interest in Rambler will be reduced from 30% to 24.3%.

In June 2007 the Corporation reached an agreement to transfer 100% of the mineral rights on its Victoria River property located in central Newfoundland to Messina Minerals in exchange for 250,000 common shares in Messina Minerals and a 1.5% to 3% net smelter return royalty on base and precious metals relating to the properties transferred in favour of the Corporation.

In July 2007 the Corporation signed an option agreement with Monroe Minerals to transfer 60% ownership in its Alexis River property located in Labrador. In exchange for a 60% interest, Monroe Minerals will provide 2,500,000 of its common shares to the Corporation over a four year period and will incur exploration expenditures of $1,125,000 on the property. Upon earn-in by Monroe Minerals, the Corporation has various conversion options for its remaining 40% interest, including cost-sharing of future expenditures, conversion to royalty interests, or a further reduction in ownership to 30% in exchange for additional expenditure commitments by Monroe Minerals.

The following schedule outlines the major categories of mineral properties, deferred exploration costs, and security deposits at April 30, 2007.

| Location | Primary Metal | Acquisitions | Wages | Geology/Geophysics | Drilling | Travel/Other | Recovered Property Costs | Write-Down | Grand Total |
|---|---|---|---|---|---|---|---|---|---|
| Labrador | | | | | | | | | |
| | Base metals | $ (700) | $ 15,610 | $ 8,463 | $ - | $ 27,078 | $ - | $ - | $ 50,451 |
| | Iron Ore | 950 | 13,749 | 16,215 | - | 26,926 | - | - | 57,840 |
| | Nickel | 10,440 | 67,383 | 347,854 | - | 241,287 | (622,709) | - | 44,255 |
| | Uranium | 23,430 | 39,364 | 127,617 | - | 62,469 | (21,275) | - | 231,605 |
| | | 34,120 | 136,106 | 500,149 | - | 357,760 | (643,984) | - | 384,151 |
| Island of Newfoundland | | | | | | | | | |
| | Base metals | 47,674 | 355,751 | 193,264 | 298,532 | 174,154 | (485,942) | (6,911) | 576,522 |
| | Gold | 80,378 | 121,691 | 89,880 | 33,871 | 147,718 | (297,392) | (75,915) | 100,231 |
| | Nickel | 25,358 | 17,806 | 39,027 | - | 12,150 | (7,031) | (1,200) | 86,110 |
| | Uranium | 300,078 | 242,354 | 388,077 | 504,324 | 198,114 | (1,263,905) | (480) | 368,562 |
| | | 453,488 | 737,602 | 710,248 | 836,727 | 532,136 | (2,054,270) | (84,506) | 1,131,425 |
| Other | | | | | | | | | |
| | Oil shale | 4,711 | 23,500 | 39,940 | - | 37,403 | - | - | 105,554 |
| | | 4,711 | 23,500 | 39,940 | - | 37,403 | - | - | 105,554 |
| Grand Total | | $ 492,319 | $ 897,208 | $ 1,250,337 | $ 836,727 | $ 927,299 | $ (2,698,254) | $ (84,506) | $ 1,621,130 |