ALTIUS
MINERALS CORPORATION

Consolidated Financial Statements

(Unaudited)

For the three months ended

July 31, 2007and 2006

ALTIUS MINERALS CORPORATION

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Consolidated Balance Sheets

(Unaudited)

(In thousands of dollars)

	As at July 31, 2007 $	As at April 30, 2007 $
Assets		
Current assets		
Cash and cash equivalents	**122,548**	114,284
Accounts receivable and prepaid expenses	**2,362**	2,571
	124,910	116,855
Mineral properties and deferred exploration costs (Note 4)	**2,308**	1,945
Royalty interest in mineral property	**13,093**	13,177
Property and equipment	**168**	175
Fair value of share purchase warrants (Note 3)	**778**	-
Equity investments (Note 3 and 5)	**10,972**	7,714
Mining and mineral related investments (Note 3 and 6)	**106,175**	30,059
	258,404	169,925
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**456**	1,048
Income taxes payable	**1,119**	16,186
Future income taxes	**1,313**	1,298
	2,888	18,532
Deferred option payments (Note 7)	**601**	580
Future income taxes	**15,157**	1,064
Equity forward financial instrument (Note 3)	**656**	-
Long-term debt	**36,943**	36,557
	56,245	56,733
Shareholders' Equity		
Share capital (Note 8)	**26,214**	25,886
Contributed surplus	**1,345**	1,312
Accumulated other comprehensive earnings (Note 3 and 10)	**72,282**	215
Retained earnings	**102,318**	85,779
	202,159	113,192
	258,404	169,925

Approved by the Board,

"John A. Baker", Director   "Brian F. Dalton", Director

see accompanying notes to the unaudited consolidated financial statements

Consolidated Statements of Earnings and Retained Earnings

(Unaudited)
(In thousands of dollars, except per share amounts)

	For the three months ended July 31, 2007 $	For the three months ended July 31, 2006 $
Revenue		
Royalty	**1,394**	315
Other	**12**	105
Interest	**1,241**	287
	2,647	707
Expenses		
General and administrative	**592**	304
Mineral properties abandoned or impaired (Note 4)	**138**	18
Royalty tax	**194**	33
Stock-based compensation	**141**	-
Amortization	**104**	119
	1,169	474
Earnings before the following	**1,478**	233
Interest on long-term debt	**(385)**	-
Gain on disposal of investment	**16,242**	-
Dilution gain on issuance of shares by equity investment	**2,369**	-
Share of (loss) in equity investments	**(165)**	(399)
Change in fair value of share purchase warrants	**(243)**	-
Investment income	**18**	364
Earnings before income taxes	**19,314**	198
Income taxes		
- current	**4,555**	140
- future	**(939)**	(70)
	3,616	70
Net earnings	**15,698**	128
Retained earnings,		
beginning of period	**85,779**	34,369
accounting change (Note 3)	**841**	-
Retained earnings, end of period	**102,318**	34,497
Net earnings per share (Note 8)		
- basic	**0.54**	0.01
- diluted	**0.53**	0.01

see accompanying notes to the unaudited consolidated financial statements

ALTIUS MINERALS CORPORATION

Consolidated Statements of Cash Flows

(Unaudited)

(In thousands of dollars)

	For the three months ended July 31, 2007	For the three months ended July 31, 2006
	$	$
Operating activities		
Net earnings	**15,698**	128
Items not affecting cash:		
Mineral properties abandoned or impaired	**138**	18
Stock-based compensation	**141**	-
Amortization	**104**	119
Gain on disposal of investment	**(16,242)**	-
Non - cash interest on long-term debt	**385**	-
Dilution gain on issuance of shares by equity investment	**(2,369)**	-
Share of loss in equity investment	**165**	399
Change in fair value of share purchase warrants	**243**	
Future income taxes	**(939)**	(70)
	(2,676)	594
Change in non-cash operating working capital	**(15,458)**	(657)
	(18,134)	(63)
Financing activities		
Proceeds from issuance of shares, net of issuance costs	**195**	319
Repurchase of common shares	**-**	(88)
	195	231
Investing activities		
Proceeds from disposal of investments	**27,881**	-
Deferred exploration costs, net of recoveries	**(476)**	(264)
Acquisition of royalty interest in mineral property	**-**	(23)
Acquisition of equity investments	**(1,198)**	-
Acquisition of portfolio investments	**-**	(9,840)
Acquisition of property and equipment	**(13)**	(21)
Decrease (increase) in accounts receivable - related companies	**9**	(714)
	26,203	(10,862)
Net increase (decrease) in cash and cash equivalents	**8,264**	(10,694)
Cash and cash equivalents, beginning of period	**114,284**	35,332
Cash and cash equivalents, end of period	**122,548**	24,638

Supplemental cash flow information (Note 11)

see accompanying notes to the unaudited consolidated financial statements

	For the three months ended July 31, 2007 **$**	For the three months ended July 31, 2006 $
Net earnings	**15,698**	128
Other comprehensive earnings (loss):		
Unrealized gain (loss) on the translation of financial statements of self-sustaining equity investment		
gross amount	**(144)**	-
tax effect	**25**	-
net amount	**(119)**	-
Unrealized gains (losses) on available-for-sale investments during the period		
gross amount	**(18,265)**	-
tax effect	**3,121**	-
net amount	**(15,144)**	-
Reclassification adjustment for disposals of available-for-sale investments included in net earnings during the period		
gross amount	**(15,841)**	-
tax effect	**2,604**	-
net amount	**(13,237)**	-
Gain (loss) on derivative designated as cash flow hedge during the period		
gross amount	**7,224**	-
tax effect	**(1,192)**	-
net amount	**6,032**	-
Other comprehensive earnings (loss)	**(22,468)**	-
Comprehensive earnings (loss)	**(6,770)**	128

see accompanying notes to the unaudited consolidated financial statements

1. NATURE OF OPERATIONS

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, including but not limited to mineral exploration and the energy sector. In general, the Corporation prefers to create partnerships or corporate structures related to the opportunities it develops, which results in the Corporation carrying minority and non-operating project or equity interests and/or royalty interests.

2. BASIS OF PRESENTATION

The unaudited interim consolidated financial statements have been prepared following the accounting policies set out in the 2007 annual consolidated financial statements, except as disclosed in note 3.

The disclosures in the unaudited consolidated financial statements do not conform in all material respects to the requirements of generally accepted accounting principles for annual financial statements. Accordingly, these unaudited interim consolidated financial statements should be read in conjunction with the April 30, 2007 annual consolidated financial statements.

3. ADOPTION OF NEW ACCOUNTING POLICIES

Comprehensive Income, Equity, Financial Instruments and Hedges

Effective May 1, 2007, the Corporation adopted Canadian Institute of Chartered Accountants ("CICA") Section 1530, "Comprehensive Income", Section 3251, "Equity", Section 3855, "Financial Instruments - Recognition and Measurement" and Section 3865, "Hedges". Under the standards:

Financial assets are classified as loans and receivables, held-to- maturity, held-for-trading or available-for-sale. Loans and receivables include all loans and receivables except debt securities and are accounted for at amortized cost. Held-to-maturity classification is restricted to fixed maturity instruments that the Corporation intends and is able to hold to maturity and are accounted for at amortized cost. Held- for-trading instruments are recorded at fair value with realized and unrealized gains and losses reported in net income. The remaining financial assets are classified as available-for-sale. These are recorded at fair value with unrealized gains and losses reported in a new category of shareholders' equity called accumulated other comprehensive earnings ("AOCE");

Financial liabilities are classified as either held-for-trading or other. Held-for-trading instruments are recorded at fair value with realized and unrealized gains and losses reported in net earnings. Other instruments are accounted for at amortized cost with gains and losses reported in net earnings in the period that the liability is derecognized; and

3. ADOPTION OF NEW ACCOUNTING POLICIES (Continued)

Derivative instruments ("derivatives") are classified as held-for-trading unless designated as hedging instruments. All derivatives are recorded at fair value on the consolidated balance sheet. For derivatives that hedge variability in cash flows, the effective portion of the changes in the derivatives' fair value are initially recognized in other comprehensive earnings ("OCE") with any ineffective portion recorded in net earnings. Amounts temporarily recorded in AOCE will subsequently be reclassified to net earnings in the periods when net earnings is affected by the variability in the cash flows of the hedged item.

These standards have been applied prospectively; accordingly comparative amounts for prior periods have not been restated. The adoption of these standards resulted in the following adjustments and classifications as of May 1, 2007 in accordance with the transition provisions:

Cash and cash equivalents are classified as held for trading. These financial assets are marked-to-market through net earnings in each period. The carrying value of these assets approximate the market value at the transition date and no adjustment was required.

Accounts receivable and refundable security deposits are classified as “Loans and Receivables”.
After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method. For the Corporation, the measured amount generally corresponds to cost and no transition adjustment was required.

Accounts payable, long - term debt and deferred option payments are classified as “Other Financial Liabilities”. After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method. For the Corporation, the measured amount generally corresponds to cost and no transition adjustment was required.

Held for trading investments

The Corporation holds share purchase warrants in various companies which were not recorded on the consolidated balance sheet in prior periods. Under the adoption of the new standard, these warrants are considered derivative financial instruments and are classified as held for trading and are measured at fair value. The fair value of these instruments is measured using the Black-Scholes option pricing model. The change in accounting policy resulted in an increase of $1,021,000 to the carrying value of held for trading financial assets and an increase to retained earnings of $841,000 (net of future income taxes of $180,000).

Available-for-sale investments

The Corporation's mining and mineral related investments have been classified as available-for-sale and recorded at market value in the consolidated balance sheet, resulting in an increase in investments of $121,840,000, an increase to AOCE of $101,115,000, and an increase in future income tax liability of $20,725,000.

3. ADOPTION OF NEW ACCOUNTING POLICIES (Continued)

Derivatives

The Corporation has an equity forward agreement to sell 2,500,000 shares in Aurora Energy Resources Inc. ("Aurora") in December 2011. This derivative instrument qualifies for hedge accounting as a cash flow hedge and was not recorded on the consolidated balance sheet in prior periods. Under the new accounting pronouncements, the equity forward agreement was recorded on the consolidated balance sheet at fair value resulting in an increase in derivative instruments (liability) of $7,880,000, a decrease in future income tax liability of $1,300,000, and a decrease in AOCE of $6,580,000.

Foreign currency translation adjustment

The Corporation previously recorded any changes in value of the self-sustaining foreign equity investment caused by foreign currency fluctuations in a separate component on shareholders' equity entitled "foreign currency translation adjustment". The balance of $215,000 at April 30, 2007 was reclassified to opening AOCE, with no other changes in the accounting treatment or calculation basis.

(Unless otherwise indicated, tabular amounts in thousands of dollars, except per share amounts)

4. MINERAL PROPERTIES AND DEFFERED EXPLORATION COSTS

Location	Primary Metal	Number of Claims	As at April 30, 2007	Net Additions	Abandoned or Impaired	As at July 31, 2007
			$	$	$	$
Labrador						
	Base metals	60	50	52		102
	Iron Ore	80	58	111		169
	Nickel	1,070	45	30		75
	Uranium	2,754	232	145		377
		3,964	385	338	-	723
Newfoundland						
	Base metals	503	575	12		587
	Gold	451	101	56		157
	Nickel	112	86	20		106
	Uranium	437	369	13	(91)	291
		1,503	1,131	101	(91)	1,141
Other						
	Oil shale		106	3		109
		-	106	3	-	109
Security Deposit						
	Security Deposit		323	12		335
		-	323	12	-	335
General Exploration						
	General Exploration			47	(47)	-
		-	-	47	(47)	-
Grand Total		5,467	1,945	501	(138)	2,308

(Unless otherwise indicated, tabular amounts in thousands of dollars, except per share amounts)

5. EQUITY INVESTMENTS

	As at July 31, 2007 $	As at April 30, 2007 $
Rambler Metals and Mining plc, (percentage ownership: July 31, 2007 - 24.3%; April 30, 2007 - 30%) (market value: July 31, 2007 - $17.3 million; April 30, 2007 - $17.4 million)	**6,470**	4,405
Newfoundland and Labrador Refining Corporation, (percentage ownership: 36.8%)	**4,502**	3,309
	10,972	7,714

Rambler Metals and Mining

The Corporation began accounting for Rambler Metals and Mining plc (“Rambler”) as a self-sustaining operation in August 2006 after Rambler established its own independent management and geological team. The net investment is now adjusted for any changes in value caused by currency fluctuation, with the adjustment (net of applicable taxes) applied to other comprehensive earnings.

In May 2007, Rambler 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. Following the transaction the Corporation’s ownership interest in Rambler was reduced from 30% to 24.3% and the Corporation recorded a dilution gain of $ 2,369,000.

6. MINING AND MINERAL RELATED INVESTMENTS

	As at July 31, 2007 (market value) **$**	As at April 30, 2007 (carrying value) $
Aurora Energy Resources Inc. (July 2007 - 5,750,011 shares; April 2007 - 6,539,911 shares) (carrying value: July 31, 2007 - $2.3 million) (market value: April 30, 2007 - $107.4 million)	**82,742**	2,635
Other mining related portfolio investments (carrying value: July 31, 2007 - $16.3 million) (market value: April 30, 2007 - $ 36.4 million)	**23,433**	27,424
	106,175	30,059

(Unless otherwise indicated, tabular amounts in thousands of dollars, except per share amounts)

6. MINING AND MINERAL RELATED INVESTMENTS (Continued)

Aurora Energy Resources Inc.

The Corporation began accounting for its investment in Aurora Energy Resources Inc. ("Aurora") on a cost basis in August 2006. This change from the equity method was made on the basis of the Corporation's reduced ownership interest in Aurora and the removal of representation on the Aurora Board of Directors.

During the quarter the Corporation sold 834,900 shares in Aurora for net proceeds of $14,347,000 and realized a gain on disposal of $13,809,000.

2,500,000 Aurora shares have been pledged as part of the equity forward agreement, which effectively locks in the economic value of these shares at the contractual price, as described in note 14 to the April 30, 2007 consolidated financial statements.

7. DEFERRED OPTION PAYMENTS

Various option payments have been received by the Corporation in exchange for the right to earn interests in certain mineral properties. The deferred option payments balances received on each of the respective properties are as follows:

	As at July 31, 2007 $	As at April 30, 2007 $
South Tally Pond	**275**	275
Rocky Brook	**289**	290
Taylor Brook	**15**	15
Viking	**22**	-
	601	580

(Unless otherwise indicated, tabular amounts in thousands of dollars, except per share amounts)

8. SHARE CAPITAL

Authorized

Unlimited number of Common voting shares
Unlimited number of First Preferred shares
Unlimited number of Second Preferred shares

The First and Second Preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. The Corporation has not issued any First and Second Preferred shares.

Issued and outstanding - Common shares

	As at July 31, 2007	
	Number	**Stated Value**
		$
Balance, beginning of year	**28,787,825**	**25,886**
Exercise of stock options	**59,000**	**328**
Balance, end of year	**28,846,825**	**26,214**

Net earnings per share

Basic net earnings per share has been calculated using the weighted average number of common shares of 28,814,760 (July 2006 – 28,729,887) outstanding during the period. Diluted net earnings per share have been calculated using the weighted average number of common shares of 29,634,638 (July 2006 – 31,306,991) after giving effect to dilutive stock options and warrants. There was no change in the numerator in calculating net earnings per share.

(Unless otherwise indicated, tabular amounts in thousands of dollars, except per share amounts)

9. STOCK-BASED COMPENSATION

The Corporation has a stock option plan under which directors, officers, employees and consultants of the Corporation and of its subsidiaries are eligible to receive stock options. The aggregate number of shares to be issued upon the exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Corporation at the time of granting the options. The maximum number of common shares optioned to any one optionee shall not exceed 5% of outstanding common shares of the Corporation. Options granted under the plan generally have a term of five years but may not exceed five years and typically vest over a five–year period or at terms to be determined by the directors at the time of grant. The exercise price of each option shall be determined by the directors at the time of grant but shall not be less than the price permitted by the policies of the stock exchange(s) on which the Corporation's common shares are then listed.

A summary of the status of the Corporation's stock option plan as of July 31, 2007 and changes during the period then ended is as follows:

	Number of Options	Weighted Average Exercise Price
		$
Outstanding, April 30, 2007	**1,238,000**	4.87
Granted	**20,000**	13.04
Exercised	**(59,000)**	3.31
Forfeited	**(20,000)**	5.62
Outstanding, July 31, 2007	**1,179,000**	5.07
Exercisable, July 31, 2007	**573,000**	3.29

(Unless otherwise indicated, tabular amounts in thousands of dollars, except per share amounts)

9. STOCK-BASED COMPENSATION (Continued)

The following table summarizes information about stock options outstanding and exercisable at July 31, 2007:

Exercise Prices	Number of Outstanding Options	Weighted Average Remaining Contractual life of Outstanding Options	Number of Exercisable Options	Weighted Average Remaining Contractual Life of Exercisable Options
1.35	280,000	0.13	280,000	0.13
3.00	77,000	1.54	43,000	1.54
3.50	10,000	1.67	8,000	1.67
4.00	125,000	2.37	75,000	2.37
3.75	52,000	2.73	20,000	2.73
4.15	200,000	3.39	68,000	3.39
7.60	30,000	4.03	6,000	4.03
6.75	30,000	4.18	6,000	4.18
8.30	280,000	4.33	48,000	4.33
10.60	75,000	4.43	15,000	4.43
13.03	15,000	4.76	3,000	4.76
13.05	5,000	4.85	1,000	4.85
	1,179,000	2.69	573,000	1.61

(Unless otherwise indicated, tabular amounts in thousands of dollars, except per share amounts)

10. ACCUMULATED OTHER COMPREHENSIVE EARNINGS

The balances related to each component of accumulated other comprehensive earnings, net of related income taxes, are as follows:

	Opening Balance May 1, 2007	Transition amount May 1, 2007	Net change	**Ending balance July 31, 2007**
				$
Unrealized gain on the translation of financial statments of self-sustaining equity investment	215	-	(119)	**96**
Unrealized gains on available-for-sale investments		101,115	(28,381)	**72,734**
Unrealized losses on derivatives designated as cash flow hedges		(6,580)	6,032	**(548)**
	215	94,535	(22,468)	**72,282**

11. SUPPLEMENTAL CASH FLOW INFORMATION

	For the three months ended	
	July 31, 2007	July 31, 2006
	$	$
Cash taxes paid	**(19,622)**	-
Receipt of available for sale financial assets in exchange for interests in mineral properties	**21**	-

Cash and cash equivalents consist of:	**As at July 31, 2007**	As at April 30, 2007
Deposits with banks	**187**	2,397
Short-term investments	**122,361**	111,887
	122,548	114,284

(Unless otherwise indicated, tabular amounts in thousands of dollars, except per share amounts)

12. RELATED PARTY TRANSACTIONS

The Corporation's related party transactions are as follows:

	For the three months ended	
	July 31, 2007	July 31, 2006
	$	**$**
Revenue from companies subject to significant influence	**8**	95
Consulting fees and related services and costs paid to a company controlled by a director, and reflected as:		
Mineral properties and deferred exploration costs	**-**	11
Legal services received from a partnership, one of the partners of which is a director of the Corporation and reflected as:		
Mineral properties and deferred exploration costs	**7**	1
General and administrative expenses	**8**	6
	15	7

These 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.

Accounts receivable and prepaid expenses include $7,000 (April 30, 2007 - $16,000) receivable from equity investments. The balances are receivable upon receipt of invoice.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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's 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 formally documents the relationship between the hedging instrument and the hedged item, as well as its risk management objective and strategy for undertaking the hedge transaction. The Corporation also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivative used in

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

the hedging transaction is highly effective in offsetting changes in the fair value or cash flow of the hedged item

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

Market value and commodity price risk
The value of the Corporation's mining and mineral related investments companies are exposed to fluctuations in value depending on a number of factors, including the quoted market price and the market value of the commodities that the companies may focus on. Except as noted below, the Corporation does not utilize any derivative contracts to reduce this exposure.

The Corporation has entered into an equity forward pricing agreement to hedge the Corporation's exposure to expected future cash flows from the sale of 2,500,000 Aurora shares. This effectively locks in the value of these shares at the contractual rate. The Corporation applies hedge accounting to this relationship under the parameters described above.

Foreign currency risk
The Corporation is exposed to foreign currency fluctuations on a portion of its accounts receivable related to royalty revenue. The Corporation does not enter into any derivative contracts to reduce this exposure since the receivable is short-term in nature and the expected receivable amount can not be predicted reliably.

Interest rate risk
The Corporation's long-term debt has a fixed interest rate and therefore the expected payments are not exposed to interest rate fluctuations. However, the fair value of the debt will fluctuate with changes in the prevailing interest rates. In addition, the fair value of equity forward agreement and warrants will be affected by any interest rate fluctuations since the fair value is determined using net present value calculations. An increase to the interest rate or discount rate would result in a decrease in the fair value of the long-term debt, and the equity forward contract and an increase in the fair value of the warrants.

Liquidity risk
Given the relative size of some of the Corporation's investments compared to the normal trading volume of the underlying investments, the Corporation may be unable to sell its entire interest in an investment quickly at close to its fair value. The Corporation does not enter into any derivative contracts to reduce this exposure.

Credit risk
The Corporation is exposed to credit-related losses in the event of non-performance by the counter-party to the equity forward agreement but does not expect the counter-party to fail to meet its obligation.

The Corporation's cash and marketable securities include guaranteed investment certificates, bankers' acceptances and bankers' depository notes with major Canadian chartered banks with various maturity dates not exceeding 90 days. The Corporation does not expect any credit losses on these marketable securities.

14. SUBSEQUENT EVENTS

In August 2007, the Corporation signed two option agreements with Golden Cross Resources ("GCR") to transfer 50% ownership in its Notakwanon and Nuiklaviik properties located in Labrador. In exchange for a 50% interest in the Notakwanon property, GCR will provide 25 million of its common shares to the Corporation and spend $3,500,000 on exploration over a five year period. In exchange for a 50% interest in the Nuiklavik property, GCR will provide 15 million of its common shares to the Corporation and spend $2,000,000 on exploration over a five year period. Both projects are subject to royalties held by Altius, which include a 2-per-cent gross sales royalty on uranium and a 2-per-cent net smelter return royalty on other metals.

In August 2007 The Corporation repurchased 101,400 shares in the Corporation under its normal course issuer bid at an average price of $15.86 for a total cost of $1,608,000.

In August 2007 the Corporation sold an additional 500,000 shares in Aurora for net proceeds of $7,500,000.