Management's Discussion and Analysis
of Financial Conditions and Results of Operations
Three Months Ended July 31, 2007

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's unaudited consolidated financial statements for the period ended July 31, 2007 and related notes. This MD&A has been prepared as of September 13, 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.

The Corporation's current holdings include various exploration stage royalty interests and an effective 0.3% production stage royalty interest in the Voisey's Bay nickel-copper-cobalt project in Labrador. The Corporation also holds various investments in mining and mineral related companies, through direct investment and through the vending of earn-in agreements on its mineral exploration properties. In addition, the Corporation holds a 37% interest in Newfoundland Labrador Refining Corporation "(NLRC"), a private company proposing to construct a new 300,000 barrel per day oil refinery in south eastern Newfoundland and Labrador.

Results of Operations

The net earnings for the three months ended July 31, 2007 were $15.7 million compared to net earnings of $128,000 for the same period last year.

The current period net earnings include gains on disposals from the sale of investments of $16.2 million and a $2.4 million gain on dilution of equity investment. The Corporation also earned $1.4 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 $2.6 million during the quarter, compared to $707,000 for the same period last year. Royalty revenue from the Labrador Nickel Royalty Limited Partnership was $1.4 million during the quarter. Interest income of $1.2 million was recognized on reinvested proceeds from the sale of investments.

General and administrative expenses for the quarter increased from $304,000 last year to $592,000 this year. Of this $288,000 increase, $124,000 is attributable to an increase in compliance costs and a $22,000 increase in salaries and wages due to new hires and salary increases for existing employees. In addition, the Corporation incurred additional administrative expense related to the management of its investments during the period.

Royalty tax was $194,000 compared to $33,000 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 $141,000 compared to $nil for the same period last year. In addition to stock-based compensation cost recognized on the income statement, the Corporation deferred $25,000 as part of its mineral exploration and development costs during the current year (2006 – $nil).

Amortization decreased from $119,000 last year to $104,000 for the same period this year. The Corporation's royalty interest in the Voisey's Bay mineral property is being amortized on units of production basis over the expected life of the mine.

The Corporation realized gains on disposal of $16.2 million for the quarter, compared to $nil for the same period last year. During the quarter the Corporation sold 834,900 shares in Aurora for net proceeds of $14.3 million and realized a gain on disposal of $13.8 million. As of July 31, 2007, the Corporation's interest in Aurora was 5.8 million shares. Of the remaining 5.8 million shares, 2.5 million shares are secured as part of an equity forward agreement entered into in March 2007. The equity forward agreement locks in the economic interest of the shares at the contractual rate.

The share of loss in equity investments was $165,000 in the current year, compared to $399,000 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 commencing in August 2006.

The Corporation recognized interest on long-term debt expense of $385,000 in the current quarter 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 $18,000 during the quarter compared to $364,000 in the same period last year. The Corporation disposed of some dividend-paying investments during the quarter.

The Corporation incurred current and future income tax expense of $3.6 million compared to $70,000 for the same period last year. The effective tax rate of 18.8% is caused by a higher weighting of capital gains income, which is taxed at one-half the normal effective tax rate for corporate earnings.

Cash Flows, Liquidity and Capital Resources

Operating Activities

The Corporation used cash from operating activities of $18.1 million for the three months ended July 31, 2007 compared to a use of cash of $63,000 for the same period last year. The increase was caused by higher net earnings than in the previous period, offset by a decrease in non-cash working capital of $15.5 million. The decrease in non-cash working capital is caused by a decrease in income taxes payable of $15 million during the quarter and a reduction in payables and accruals. The Corporation paid cash taxes of $ 19.6 million during the quarter.

Financing Activities

Proceeds from the exercise of stock options during the quarter totaled $195,000 compared to $231,000 for the prior year.

Investing Activities

The Corporation had a net inflow of $26.2 million from investing activities compared to a net outflow of $10.9 million for the same period last year. The major source of cash was the $27.9 million proceeds from the disposal of investments including $13.8 million from the sale of 834,900 Aurora shares. The Corporation reinvested $1.2 million of these proceeds into NLRC during the quarter.

Liquidity

At July 31, 2007 the Corporation had current assets of $124.9 million and current liabilities of $2.9 million for net working capital of $122 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.

Commitments and Contractual Obligations

As at July 31, 2007, the Corporation must spend $833,245 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 other contractual obligations that are contingent upon future events, such as successful mineral discoveries and future mine production. See note 12 to the annual audited consolidated financial statements for additional details.

Related Party Transactions

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 $15,000 for the three months ended July 31, 2007 (2006 – $7,000).

VMS Consultants Inc., controlled by director Geoff Thurlow, invoiced a total of $nil (2006 – $11,000) for geological consulting services and reimbursement of expenses associated with exploration of certain of the Corporation's properties for the three months ended July 31, 2007. Thurlow, through his consulting company, explores and partly administers certain of the Corporation's wholly owned and/or operated exploration programs.

The Corporation recognized revenue from equity investments in the amount of $8,000 for the three months ended July 31, 2007 (2006 – $95,000). 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

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.

Amounts in thousands of dollars, except per share amounts

$	July 31 2007	April 30 2007	January 31 2007	October 31 2006
Revenue	2,647	2,765	2,235	1,420
Net earnings	15,698	871	27,325	24,439
Net earnings per share				
- basic	0.54	0.03	0.95	0.85
- diluted	0.53	0.03	0.93	0.83

$	July 31 2006	April 30 2006	January 31 2006	October 31 2005
Revenue	707	324	91	44
Net earnings (loss)	128	33,531	(395)	558
Net earnings (loss) per share				
- basic	0.01	1.17	(0.01)	0.02
- diluted	0.01	1.15	(0.01)	0.02

The Corporation does not experience seasonality in operations since revenue is derived primarily from investment income and from the Voiseys' Bay Royalty, which is contingent upon commodity price and production levels at the Voisey's Bay nickel-copper-cobalt mine.

The total number of common shares outstanding as of September 13, 2007 is 28,990,825.

Equity Investments Overview

The Corporation has two development-stage equity investments, NLRC and Rambler Metals and Mining ("Rambler").

NLRC
The Corporation holds a 37% interest in NLRC, a private company proposing to construct a new 300,000 barrel per day oil refinery in south eastern Newfoundland and Labrador. During the quarter the Corporation invested an additional $1.2 million in NLRC to fund its proportionate share of ongoing evaluation and permitting work. The corporation expects to continue to fund its proportionate share of ongoing expenditures for the near term.

In July 2007, NLRC submitted an environmental impact statement ("EIS") to the Newfoundland and Labrador Department of Environment and Conservation following the issuance of guidelines by the department on June 21, 2007. Following public review and comment, the provincial minister of the Department of Environment and Conservation is expected to issue a decision regarding the approval of the EIS by October 5, 2007.

NLRC also expects a comprehensive study report (CSR) to be prepared by the Federal Department of Transport and the Department of Fisheries and Oceans following public review and comments received on the EIS. Once the CSR has been issued, it will be distributed to the public for at least 30 days for review and comment. The Minister of Environment Canada will then consider the public input in making a final decision.

Engineering work continued in conjunction with SNC-Lavalin throughout the quarter while NLRC management progressed on potential partnership discussions with long lead item suppliers, licensors, large heavy oil producers, refinery operators, petroleum product marketing firms and debt and equity financiers.

Rambler Metals and Mining plc (”Rambler”)
The Corporation holds a 24.3% interest in Rambler, an exploration stage company with property interests in the historic Ming copper-gold mine located near Baie Verte, Newfoundland and Labrador.

A comprehensive program of dewatering and rehabilitation of the historic underground infrastructure commenced in mid-June 2007 to facilitate more efficient exploration and delineation of the potential ore zones from underground. As of August 14, 2007, approximately 47 million gallons of water had been pumped from the mine workings representing 24% of the estimated water volume to be removed.

Ongoing exploration and delineation drilling programs from surface continued to deliver encouraging results from the historic Ming and Ming West copper-gold deposits. Other prospective zones of copper mineralization including the Ming Footwall Zone, the upper Ming Footwall Zone, and Zone 1807, were also extended by drilling in the quarter.

In May 2007 Rambler completed a private placement to finance future exploration and development expenditures, whereby Rambler issued 9.35 million units comprising one share and one-half of a share purchase warrant. As a result of this financing the Corporation’s ownership interest was diluted to 24.3%.

Mineral Exploration Projects Overview
The following description provides an overview of the Corporation’s mineral property holdings and current year exploration activity the three months ended July 31, 2007. For additional details on the properties please refer to the Corporation’s web site, *www.altiusminerals.com*.

During the quarter ended July 31, 2007, Altius engaged in exploration programs on the Alexis River, Nuiklavik, Notakwanon, Merasheen, Viking, Voisey Bay, Labrador Trough, Meshikamau, Kamistaitusset, Chapel Island and Rocky Brook Properties. Altius is also very active in reconnaissance-type exploration focused on the generation of new mineral properties.

In addition, the Corporation increased its staked land position by 3,175 hectares from 144,977 hectares to 148,152 hectares.

The Corporation has recently signed five agreements with exploration partners that will see increased exploration activity on several base metal, gold, and uranium properties over the next three to five years. Collectively, these new partners may contribute up to $9.2 million in exploration expenditures.

In July 2007 Messina Minerals Inc. (“Messina”) purchased two of the Corporation’s Victoria River base metal properties in central Newfoundland in consideration for 250,000 shares and a 3% Net Smelter Return Royalty in favour of the Corporation.

Northern Abitibi Mining Corporation (“Northern Abitibi”) has agreed to earn-in up to a 51-percent interest in the Corporation’s Viking gold project in western Newfoundland by issuing up to 1,115,000 shares of Northern Abitibi and spending up to C$1,200,000 on exploration over 4 years.

Monroe Minerals Inc. has agreed to earn up to a 60 percent interest in the Corporation’s Alexis River uranium project in southeast Labrador by paying up to 2,500,000 shares and spending up to $1,250,000 on exploration over four years.

Altius Minerals Corporation
Mineral Claims Activity
(in hectares)

Location	Primary metal	Opening	Additions	Deletions	Closing
Labrador					
	Iron Ore	2,000			**2,000**
	Nickel	26,750			**26,750**
	Uranium	67,350	1,500		**68,850**
	Base metals	1,500			**1,500**
		97,600	1,500	-	**99,100**
Island of Newfoundland					
	Nickel	1,125	1,675		**2,800**
	Uranium	10,925			**10,925**
	Gold	11,275			**11,275**
	Base metals	14,350			**14,350**
		37,675	1,675	-	**39,350**
Other					
	Oil Shale	9,702	-		**9,702**
Other Total		9,702	-	-	**9,702**
Grand Total		144,977	3,175	-	**148,152**

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 three months ended July 31, 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. Management has identified a weakness caused by a lack of segregation of duties. This is a typical issue for smaller companies, and while the Corporation has added staff during the quarter to strengthen the segregation of duties, there still existed a lack of such segregation for part of the quarter. Management believes, however, that the risks associated with the lack of segregation of duties during part of the quarter 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 July 31, 2007 and have concluded that such procedures are adequate and effective to ensure accurate and complete disclosures in annual filings.

Adoption of New Accounting Standards

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". The new standards require, among other things, the fair market value presentation of all financial instruments, including cash , receivables and prepaids, derivatives, and non - equity accounted investments. These assets and liabilities were previously measured at their carrying amount. These changes, including the transitional provisions and initial designation of financial instruments are explained in further detail in note 3 to the interim consolidated financial statements. In addition, a detailed discussion of factors affecting financial instruments and the Corporation’s risk management approach is included in note 13 to the interim consolidated financial statements.

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 uranium 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.

The following schedule outlines the major categories of mineral properties, deferred exploration costs, and security deposits at July 31, 2007.

Amounts in thousands of dollars

Location	Primary Metal	Acquisitions	Wages	Geology / Geophysics	Drilling	Travel/Other	Recovered Property Costs	Write-Down	Security Deposits	Grand Total
Labrador										
	Base metals	(1)	23	14		66				102
	Iron Ore	1	44	71		53				169
	Nickel	10	74	349		265	(623)			75
	Uranium	26	55	279		109	(92)			377
		36	196	713	-	493	(715)	-	-	723
Island of Newfoundland										
	Base metals	50	356	198	299	177	(486)	(7)		587
	Gold	71	107	62		113	(174)	(22)		157
	Nickel	42	21	39		12	(7)	(1)		106
	Uranium	300	245	220	504	190	(1,168)	-		291
		463	729	519	803	492	(1,835)	(30)	-	1,141
Other										
	Oil shale	5	23	43		38				109
		5	23	43	-	38	-	-	-	109
Security Deposits									335	335
General Exploration						47		(47)		-
Grand Total		504	948	1,275	803	1,070	(2,550)	(77)	335	2,308