ALTIUS MINERALS CORPORATION

Management's Discussion and Analysis

of Financial Conditions and Results of Operations

Three and Six Months Ended October 31, 2008

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 October 31, 2008 and related notes. This MD&A has been prepared as of December 12, 2008.

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's (the "Corporation") principal business activities include the generation and acquisition of projects related to natural resources opportunities in eastern 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. The Corporation holds a 20.2% interest in Rambler Metals and Mining plc ("Rambler"), which is carrying out advanced exploration of the past producing Ming copper - gold mine, located near Baie Verte, Newfoundland and Labrador. In addition, the Corporation currently holds a 39.6% interest in Newfoundland Labrador Refining Corporation "(NLRC"), which is currently under bankruptcy protection. NLRC is 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 three month period ending October 31, 2008 compared with the three month period ending October 31, 2007

The Corporation recorded a net loss of $2,023,000 for the three months ended October 31, 2008 compared to net earnings for the three months ended October 31, 2007 of $37,799,000. The current quarter's earnings include a $2,755,000 impairment adjustment for an other-than-temporary decline in the value of investments. Last year, the Corporation recorded gains on disposals from the sale of investments of $45,610,000. Royalty income was $1,844,000 for the quarter ended October 31, 2008 compared to $1,385,000 for the same period last year.

The Corporation recognized total revenue of $3,206,000 for the three month period ended October 31, 2008 compared to $3,049,000 for the same period last year. Royalty revenue from the Labrador Nickel Royalty Limited Partnership was $1,844,000 during the three month period ended October 31, 2008 compared to $1,385,000 for the same period last year. Higher concentrate shipments during the quarter and a stronger U.S. dollar helped to offset the decrease in realized nickel prices during the quarter. The realized nickel price during the quarter was U.S. $ 10.37 per pound compared to U.S. $ 15.59 in the prior year.

Interest income of $1,230,000 was recognized during the three month period ended October 31, 2008 compared to $1,562,000 for the three months ended October 31, 2007. The reduction in interest income was caused by lower realized interest rates on government guaranteed financial instruments.

General and administrative expenses for the three month period ended October 31, 2008 were $565,000 compared to $735,000 for the same period last year. One- time foreign exchange gains of $337,000 on U.S. dollar denominated royalties receivable and other cost reductions were partially offset by an increase in corporate development costs of $214,000.

Royalty tax for the three month period ended October 31, 2008 was $369,000 compared to $277,000 for the same three month period last year, reflecting the higher royalty revenue noted above.

Stock-based compensation for the three month period ended October 31, 2008 was $281,000 compared to $92,000 for the same period last year. In addition to stock-based compensation cost recognized on the income statement, the Corporation deferred $178,000 as part of its mineral exploration and development costs during the current three month period (2007 – $nil). The Corporation awarded 365,000 stock options to employees and directors during the period at an exercise price of $5.60 per share.

Amortization for the three month period ended October 31, 2008 was $321,000 which was higher than the $267,000 for the same period last year. The Corporation's royalty interest in the Voisey's Bay mineral property is being amortized on a units of production basis over the expected life of the mine. The increase in amortization over the prior period reflects the higher volume of concentrate shipments during the current period.

Due to the current market uncertainty and the recent decline in equity markets, the Corporation recognized an other-than-temporary impairment of $2,755,000 on the value of its mining and mineral related investments.

The Corporation did not recognize any gains on disposals of investments for the three month period ended October 31, 2008 compared to $45,610,000 for the same period last year. These gains from the prior year were from the sale of 3.25 million shares in Aurora Energy Resources and other mining and mineral related investments. As of October 31, 2008, the Corporation's interest in Aurora was 2,500,000 shares which 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 of $17.72 per share**.**

The share of loss in equity investments was $104,000 for the three months ended October 31, 2008 compared to $162,000 for the same period last year. The decrease over the prior year was caused by inactivity at NLRC in comparison to the prior year.

The Corporation recognized interest on long-term debt of $619,000 for the three month period ended October 31, 2008 compared to $477,000 in the same period last year. The interest on long-term debt is from a zero – coupon loan bearing interest at 4.25% per year and maturing in 4 years.

The Corporation also recognized a decline in value of share purchase warrants of $232,000 for the three month period ended October 31, 2007 compared to $nil in the current year. This fair value treatment was adopted beginning in the previous fiscal year, as described in note 3 to the annual consolidated financial statements.

The Corporation incurred current and future income tax recovery of $9,000 for the three months ended October 31, 2008 compared to $8,523,000 expense for the same period last year.

The six month period ending October 31, 2008 compared with the six month period ending October 31, 2007

The Corporation recorded a net loss of $1,643,000 for the six months ended October 31, 2008 compared to net earnings for the six months ended October 31, 2007 of $53,497,000. As noted previously, the current period's loss includes a $2,755,000 impairment adjustment for an other-than-temporary decline in the value of investments. In the prior year, the Corporation recorded gains on disposals from the sale of investments of $61,852,000. Royalty income of $2,641,000 was slightly lower for the six month period ended October 31, 2008 compared to $2,779,000 for the six month period ended October 31, 2007, primarily because of lower metals prices in the current period.

The Corporation recognized total revenue of $5,341,000 for the six month period ended October 31, 2008 compared to $5,696,000 for the same period last year. Royalty revenue from the Labrador Nickel Royalty Limited Partnership was $2,641,000 during the six month period ended October 31, 2008 compared to $2,779,000 for the same period last year. This decrease was due to lower average nickel prices of U.S. $11.30 per pound in the current period compared to U.S. $18.03 for the same period last year, offset slightly by an increase in concentrate shipments and a stronger relative U.S. dollar. Interest income of $2,532,000 was recognized in the six months ended October 31, 2008 compared to $2,803,000 for the six months ended October 31, 2007.

General and administrative expenses for the six month period ended October 31, 2008 were $1,082,000 which was lower than general and administrative expenses of $1,327,000 for the same period last year. One- time foreign exchange gains of $328,000 on U.S. dollar denominated royalties receivable was partially offset by an increase in corporate development costs of $249,000 and an increase in salaries of $84,000.

Royalty tax for the six month period ended October 31, 2008 was $528,000 compared to $471,000 for the same six month period last year. The prior year's royalty included an estimated recovery amount, which was later reversed. The Corporation is still awaiting the result of its appeal of the decision to reject the mineral rights tax reduction for exploration expenditures incurred in the province of Newfoundland and Labrador. The mineral rights tax currently is 20% of gross royalty revenue.

Stock-based compensation for the six month period ended October 31, 2008 was $440,000 compared to $233,000 for the same period last year. In addition to stock-based compensation cost recognized on the income statement, the Corporation deferred $256,000 as part of its mineral exploration and development costs during the current six month period (2007 – $25,000).

Amortization for the six month period ended October 31, 2008 was $480,000 which was higher than the $371,000 for the same period last year. The Corporation's royalty interest in the Voisey's Bay mineral property is being amortized on a units of production basis over the expected life of the mine. The increase in amortization over the prior period reflects the higher production level at the mine in the current period.

The Corporation did not recognize any gains on disposals of investments for the six month period ended October 31, 2008 compared to $61,852,000 for the same period last year. These gains from last year were primarily from the sale of the Corporation's Aurora shares and other mining and mineral related investments. As of October 31, 2008, the Corporation's interest in Aurora was 2,500,000 shares which 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 of $17.72 per share**.**

The share of loss in equity investments was $177,000 for the six months ended October 31, 2008 compared to $327,000 for the same period last year. The decrease over the prior year was caused by less activity at NLRC in comparison to the prior year.

The Corporation recognized interest and financing charges of $1,021,000 for the six month period ended October 31, 2008 compared to $862,000 in the same period last year. The interest and financing charges are primarily from a zero – coupon loan bearing interest at 4.25% per year and maturing in December 2011.

The Corporation also recognized a decline in value of share purchase warrants of $14,000 for the six month period ended October 31, 2008 compared to $475,000 in the previous year. This fair value treatment was adopted beginning in the previous fiscal year, as described in note 3 to the annual consolidated financial statements.

The Corporation incurred current and future income tax expense of $208,000 for the six months ended October 31, 2008 compared to an expense of $12,139,000 for the same period last year.

Cash Flows, Liquidity and Capital Resources

Operating Activities
The Corporation generated cash from operating activities of $6,417,000 for the three months ended October 31, 2008 compared to an outflow of cash of $2,184,000 for the same period last year. The current period cash flow included an income tax recovery of $6,646,000 and was partially offset by an increase in royalty receivable and accrued interest receivable totaling $2,252,000.

Financing Activities
The Corporation used cash from financing activities of $11,504,000 for the three months ended October 31, 2008 compared to an outflow of cash of $1,174,000 for the same period last year. The Corporation repurchased 1,947,730 common shares under its normal course issuer bid during the current quarter at a total cost of $11,646,000. The treasury shares were cancelled subsequent to the quarter end.

Investing Activities
The Corporation used cash in investing activities of $39,072,000 for the three months ended October 31, 2008 compared to a source of cash of $46,329,000 for the same period last year. A major portion of the investment included the reallocation of cash into fixed income government guaranteed securities totaling $37,232,000. In addition, the corporation incurred $1,835,000 in net mineral exploration expenditures during the current quarter, as described in greater detail in the Mineral Exploration overview. The Corporation recognized proceeds from disposal of investments of $49,257,000 during the prior year which was primarily related to the sale of Aurora shares.

Liquidity
At October 31, 2008 the Corporation had current assets of $164,791,000 and current liabilities of $1,985,000 for net working capital of $162,806,000, which is sufficient to meet its current requirements for operating and investing activities. The Corporation holds its cash in short-term and medium-term interest bearing government guaranteed and corporate instruments with major Canadian corporations. Under the Corporation's investment policy, a significant portion of the cash is to be held primarily in government guaranteed and investment grade financial instruments. In addition, the Corporation does not hold any asset-backed commercial paper.

The Corporation's major sources of funding are royalty income from the Corporation's 0.3% net smelter return royalty in the Voisey's Bay nickel–copper–cobalt mine and from interest income. In addition, the Corporation partially funds exploration expenditures by collaborating with exploration partners under earn-in agreement, or joint venture arrangements whereby exploration expenditures are cost-shared in exchange for a partial ownership interest in the mineral rights to the properties. Given that the current cash level is significantly more than that required for the continuing operations of the Corporation, management will continue to evaluate opportunities to deploy surplus cash in the upcoming periods.

Commitments and Contractual Obligations
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. As at October 31, 2008, the Corporation must spend $2,201,000 on mineral property exploration over the next 12 months in order to maintain its properties in good standing or for refund of security deposits. Of this amount, exploration partners have agreed to spend approximately $660,000 on the properties over the next 12 months. 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.

$866,000 of the exploration expenditure commitments is secured by a promissory note from the Corporation payable to the Government of New Brunswick to cover required expenditures on the Albert Oil shale project.

Contingent Liability
The Corporation was served with a statement of claim issued by BAE-Newplan Group Limited ("BAE"), a wholly-owned subsidiary of SNC-Lavalin Inc., in the Supreme Court of Newfoundland and Labrador on October 1, 2008. In the statement of claim, BAE claims damages, including punitive and exemplary damages, interest and costs against the Corporation and others. In particular, BAE claims $20,594,000, which is also the amount of billing alleged as outstanding from NLRC to BAE for engineering services.

The Corporation believes this claim is without merit and intends to defend the claim vigorously. No provision has been recognized for this claim.

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 $4,000 for the three months ended October 31, 2008 (2007 – $4,000).

VMS Consultants Inc., controlled by director Geoff Thurlow, invoiced a total of $7,000 (2007 – $3,000) for geological consulting services and reimbursement of expenses associated with exploration of certain of the Corporation's properties for the three months ended October 31, 2008.

The Corporation recognized management fee revenue from equity investments in the amount of $6,000 for the three months ended October 31, 2008 (2007 – $14,000). The management fees are charged by the Corporation for office and administrative services provided to NLRC. The Corporation has recorded an allowance for $6,389 for this receivable.

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 the 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

$	October 31, 2008	July 31, 2008	April 30, 2008	January 31, 2008
Revenue	3,206	2,135	2,703	3,763
Net earnings (loss)	(2,032)	380	(42,007)	604
Net earnings (loss) per share				
- basic	(0.07)	0.01	(1.36)	0.02
- diluted	(0.07)	0.01	(1.34)	0.02

$	October 31, 2007	July 31, 2007	April 30, 2007	January 31, 2007
Revenue	3,049	2,647	2,765	2,235
Net earnings	37,799	15,698	871	27,325
Net earnings per share				
- basic	1.31	0.54	0.03	0.95
- diluted	1.28	0.53	0.03	0.93

The Corporation does not experience seasonality in operations. Revenue is derived primarily from investment income and from the Voisey's Bay Royalty, which is contingent upon commodity prices, mine production levels, and the timing of concentrate shipments.

The total number of common shares outstanding as of December 12, 2008 is 28,337,695.

Equity Investments Overview

The Corporation has two significant equity investments, NLRC and Rambler.

NLRC

The Corporation currently holds a 39.6% equity interest in NLRC, which is currently under creditor protection under the Bankruptcy and Insolvency Act ("BIA"). NLRC is a private company proposing to construct a new 300,000 barrel per day crude oil refinery at Southern Head, Placentia Bay in south eastern Newfoundland and Labrador, Canada.

On June 18, 2008, SNC Lavalin, a contractor providing environmental and engineering services to NLRC, served NLRC with a notice of proceedings in the Supreme Court of Newfoundland and Labrador to have NLRC adjudged bankrupt. In response to this filing, NLRC sought and was granted creditor protection under the Bankruptcy and Insolvency Act ("BIA") on June 24, 2008. This protection enables NLRC, under the supervision of a trustee, to formulate a proposal for restructuring and to continue its efforts to attract financing and or partners for the refinery project. The initial period of creditor protection granted was 30 days, and was later extended for two additional periods of 45 days each until October 17, 2008.

On October 17, 2008 NLRC submitted a proposal to the creditors for a project care and maintenance plan for up to 36 months. Under the care and maintenance plan, it was proposed that ongoing costs be kept to a minimum and that all refinery permits would be kept in good standing until such time as the project can be sold or financed when economic conditions improve. In addition, all creditors' claims would be deferred until the end of the care and maintenance period or until the project obtains financing. On November 6, 2008, the trustee held a meeting of creditors to vote on the proposal. After the vote, the trustee indicated that the outcome of the vote will depend on the legitimacy of claim amounts submitted as part of the voting procedure and therefore recessed to evaluate the various claim amounts that it intended to complete as expeditiously as possible.

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

Rambler

The Corporation holds 12 million shares or a 20.2% interest in Rambler, which is listed on the Alternative Investment Market of the London Stock Exchange ("AIM"), and on the TSX-V. Rambler is carrying out advanced exploration of the past producing Ming copper - gold mine, located near Baie Verte, Newfoundland and Labrador.

Rambler reported advanced delineation drilling from underground during the quarter, targeting potential extensions of the high grade massive sulphides and gold mineralization encountered in May 2008. Rambler reported results from the '1806' massive sulphide zone where latest infill drill results from the underground program have confirmed the plunge extension of the massive sulphide with apparent enrichment of gold and zinc mineralization over multiple levels.

In June 2008, Rambler announced that they would begin a pre-feasibility study. A recent scoping study by SRK Consulting in conjunction with SNC Lavalin and Thibault Associates confirmed that the resources that have been delineated at the Ming project over the last three years are of sufficient size and grade to further evaluate. The pre-feasibility study will be based around a conceptual mine-plan initially mining the massive sulphide ore at a lower production rate, ramping up to full production of up to 4,000 tonnes per day after several years. Rambler has already initiated the base line environmental study that will be required to re-permit the past producing Ming Mine. Rambler publicly reported that environmental permitting of the mine is expected during 2009, with the objective of re-commissioning the mine in 2010.

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

Mineral Exploration Projects Overview

The Corporation incurred $1,835,000 in net exploration expenditures during the quarter, primarily on drilling activities on its New Brunswick oil shale and Kamistiatusset iron ore property in Labrador. In addition, reconnaissance and early stage exploration work continued on several prospective areas of interest during the quarter. The Corporation's exploration is focused on a variety of commodities, including base metals, uranium, gold, iron ore, potash, silica and nickel.

During the quarter, the Corporation reported positive drilling results from its Kamistiatusset iron ore project in Labrador. Preliminary drill hole results from the first four drill holes of the 24 hole program (totaling 6,008 metres) were received, of which, the highlights included hole K-08-01, which assayed 30.10% iron over 108.50 meters and K-08-03 which assayed 30.00% iron over 100.40 meters. Drill core samples from the remaining drill holes have been submitted for analysis and results will be reported as they become available. The Corporation has an agreement with Norvista Resources Corporation to cooperatively work towards creating a new publicly traded company focused on the western Labrador iron ore mining district.

A 4,375 metre resource characterization drill program was completed at the New Brunswick Oil Shale Project. Core samples have been sent for assay as well as chemical and mineralogical characterization. An applied process chemical engineering firm is managing a program of oil shale characterization and the assessment of hypothetical development concepts for the oil shale. Components of the ongoing program include groundwater chemistry surveys, pyrolysis tests, geological engineering studies, analytical work, and theoretical block diagrams for design of oil shale extraction and production of synthetic crude. Planning for additional drilling is currently underway. The Corporation continues to seek a partner with technical capabilities to further evaluate this oil shale project.

Third parties also continued drilling and exploration on various properties of the Corporation during the quarter under exploration agreements. Of particular significance were the exploration results announced by its partner Northern Abitibi Mining Corp. ("Northern Abitibi") at the Corporation's Viking gold project during the quarter. Northern Abitibi reported results from a comprehensive trenching program that indicated four new zones of bedrock-hosted high-grade gold mineralization with grades ranging from 7.7 to 335.4 grams per tonne gold (0.2 to 9.8

ounces per ton) and identification of numerous zones of alteration and quartz-sulphide veins in bedrock. Subsequent to quarter end, Northern Abitibi reported drilling results from the project that included high grade gold intercepts of 3.7 metres grading 50.05 g/t gold (1.46 ounces per ton) and a 0.5 metre interval grading 218.79 g/t gold (6.38 ounces per ton). Additional drill hole results are pending.

Monroe Minerals also released drill results on its uranium properties. A fall drilling program of 1,294.5 metres was completed on the Alexis River property with the key results from two holes showing high uranium assay of 0.754% U_30_8 across 0.20 m from 58.90 to 59.10 m core length and the low assay was 0.034% U_30_8 across 0.40 m from 16.70 to 17.10 m core length. The company will analyze their results to determine the future program at Alexis River.

Monroe Minerals also completed a summer field program on the Boxey property, the results of which indicated anomalous uranium trends. A fall field program commenced in October 2008 and results are pending. Monroe is currently planning a magnetic geophysical survey, follow-up soil sampling and selecting drill targets for the upcoming exploration season.

The Corporation currently has 13 active earn-in or exploration alliances with various partners throughout the province covering a variety of commodities.

Partner	Property	Agreement type	Status
Cornerstone Resources	Labrador Trough - Base metals	Alliance	Field program complete; airborne survey results pending.
Golden Cross Resources	Notakwanon - Uranium	Earn in	Field program complete; reviewing results of 2008 exploration program.
Golden Cross Resources	Nuiklavik - Uranium	Earn in	Field program complete; reviewing results of 2008 exploration program.
JNR Resources Inc	Rocky Brook – Uranium	Earn in	Surface water survey completed ; 2009 winter program planned.
JNR Resources Inc	Topsails – Uranium	Alliance	Airborne survey and 2008 field program complete; reviewing results.
Monroe Minerals Inc	Alexis River – Uranium	Earn in	Drilling program completed. Data under review.
Monroe Minerals Inc	Berry Hill – Uranium	Earn in	2008 field program complete, no current activity planned.

Partner	Property	Agreement type	Status
Monroe Minerals Inc	Boxey – Uranium	Earn in	Geophysical survey, soil sampling & drilling planned winter 2008/2009
Northern Abitibi Mining Corp	Viking - Gold	Earn in	Drilling completed – further results are pending
Northern Abitibi Mining Corp	Taylor Brook – Nickel	Earn in	Planning 2009 program
Norvista	Kamistiatusset - Iron-ore	Letter agreement (IPO)	6,000 metre drill program complete; awaiting further drill results
Paragon Minerals Corp	South Tally Pond – Base Metals	Earn in	Drilling ongoing ; further results are pending
Sprott Resources Corp	St. George's Bay - Potash	Earn in	Fieldwork ongoing – planning 2009 program
Agnico Eagle Mines Ltd	Moosehead - Gold	Joint venture	No active exploration

For additional details on the properties and exploration agreements please refer to the Corporation's web site, www.altiusminerals.com.

During the year, the Corporation increased its staked properties from 503,802 hectares at April 30, 2008 to 598,529 hectares at October 31, 2008. The Corporation increased its exploration claims in the Labrador portion of the province, with a primary focus on potential discoveries of uranium, silica, base metals, and iron ore through staking and signing option agreements with local prospectors. Additional exploration claims were acquired on the island portion of Newfoundland focusing on areas for uranium and potash potential through staking and signing agreements with a junior exploration company. The Corporation is also seeking exploration agreements for its properties to cost-share exploration expenditures in exchange for a partial equity interest in the mineral properties

Mineral Claims Activity

(in hectares)

Location	Primary metal	April 30, 2008 Balance	Additions	Deletions	October 31, 2008 Balance
Labrador					
	Iron Ore	21,725	28,852	-	**50,577**
	Nickel	30,725	-	(6,450)	**24,275**
	Uranium	68,850	12,975	-	**81,825**
	Base metals	40,275	28,825	-	**69,100**
	Silica	725	-	-	**725**
		162,300	70,652	(6,450)	**226,502**
Island of Newfoundland					
	Uranium *	280,675	22,925	(1,425)	**302,175**
	Gold	6,800	-	-	**6,800**
	Base metals	6,225	-	-	**6,225**
	Potash	36,325	9,025	-	**45,350**
	Other	1,775	-	-	**1,775**
		331,800	31,950	(1,425)	**362,325**
Other					
	Oil Shale	9,702	-	-	**9,702**
		9,702	-	-	**9,702**
Grand total		503,802	102,602	(7,875)	**598,529**

* 290,350 hectares are subject to a 50% joint venture agreement

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 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 period ended October 31, 2008.

There has been no change in the Corporation's internal control over financial reporting during the Corporation's quarter ended October 31, 2008 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, 2008 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.

Adoption of New Accounting Standards

Financial Instruments – Disclosures and Financial Instruments – Presentation

Handbook sections entitled "Financial Instruments – Disclosures" (section 3862) and "Financial Instruments – Presentation" (section 3863), which replace "Financial Instruments – Disclosure and Presentation" (section 3861). The new disclosures standard increases the emphasis on the risk associated with both recognized and unrecognized financial instruments and how those risks are managed. The new presentation standard carries forward the former presentation requirements and is effective for the Corporation's interim and annual reporting periods beginning May 1, 2008. The new disclosure is included in note 12 to the unaudited consolidated financial statements.

Capital Disclosures

CICA Handbook section 1535 entitled "Capital Disclosures" was adopted by the Corporation effective May 1, 2008. The new standard requires disclosure of qualitative and quantitative information that enables users of financial statements to evaluate the Corporation's objectives, policies and processes for managing capital. This new disclosure is included in note 13 to the unaudited consolidated financial statements.

Future Accounting Pronouncements

Adoption of International Financial Reporting Standards in Canada

In February 2008, the Canadian Accounting Standards Board confirmed January 1, 2011 as the changeover date to move financial reporting for Canadian publicly accountable enterprises to the International Financial Reporting Standards "IFRS". The Corporation will report its financial results in accordance with IFRS for the fiscal period ending April 30, 2012 with comparative figures restated. The conversion plan and the impact of the transition of IFRS on the Corporation's consolidated financial statements is still under evaluation.

Critical Accounting Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 rates for amortization of the royalty interest, future income taxes, assessments of the recoverability of deferred exploration expenditures, the carrying value and assessment of other than temporary impairment of investments, the recoverability of accounts receivable and loans, the determination of the provision for future removal and site restoration costs, and the assumptions used in the determination of the fair value of stock-based compensation.

Subsequent Events

Normal Course Issuer Bid
Subsequent to the period-end, the Corporation repurchased an additional 607,700 common shares under the normal course issuer bid for a total cost of $2,941,000 or approximately $4.84 per share.

On November 29th, 2008, the Corporation cancelled 2,623,030 treasury shares that were repurchased under the Corporation's normal course issuer bid. The cancellation brought the Corporation's total common shares outstanding to 28,337,695 shares.

The following schedule outlines the major categories of mineral properties, deferred exploration costs, and security deposits at October 31, 2008.

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	27	90	78	-	256	(4)	-	-	447
	Iron Ore	23	330	387	1,126	216	-	-	-	2,082
	Nickel	10	9	355	-	39	-	-	-	413
	Silica	4	-	-	-	-	-	-	-	4
	Uranium	40	230	581	-	653	(1,139)	-	-	365
		104	659	1,401	1,126	1,164	(1,143)	-	-	3,311
Island of Newfoundland										
	Base metals	11	204	100	106	85	(81)	-	-	425
	Gold	68	91	54	-	84	(146)	(7)	-	144
	Nickel	25	23	39	-	12	(7)	(1)	-	91
	Potash	23	25	9	-	4	(28)	-	-	33
	Uranium	365	832	985	731	673	(2,448)	-	-	1,138
		492	1,175	1,187	837	858	(2,710)	(8)	-	1,831
Other										
New Brunswick	Oil shale	23	107	159	847	103	-	-	-	1,239
Nova Scotia	Potash	10	2	2	-	4	-	-	-	18
		33	109	161	847	107	-	-	-	1,257
Security Deposits		-	-	-	-	-	-	-	622	622
General Exploration		-	11	-	-	45	-	(56)	-	-
Grand Total		629	1,954	2,749	2,810	2,174	(3,853)	(64)	622	7,021