ANNUAL INFORMATION FORM

For the year ended April 30, 2015

Dated: June 25, 2015

TABLE OF CONTENTS

ITEM 1: CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain statements contained in this document are forward-looking statements concerning anticipated developments in the Altius Minerals Corporation's ("Altius" or the "Corporation") operations in future periods, planned exploration activities, adequacy of the Corporation's financial resources and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "targeted", "plans", "possible", and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. Such forward-looking statements include, but are not limited to, statements with respect to the Kami Project, Alderon Iron Ore Corporation, the Julienne Lake iron ore deposit, contributions to Mining Equity, the price of commodities with respect to the previously mentioned projects and entities, the timing and amount of estimated future production, capital expenditures, contributions under royalty agreements and reserves determination, that involve known or unknown risks, uncertainties and other factors, which may cause the Corporation's actual results, performance or achievements to be materially different from those projected, implied or foreseen by such forward-looking statements.

A number of factors could cause actual events or results to differ materially from any forward-looking information, including, without limitation: fluctuations in the prices of the primary commodities that drive royalty revenue; fluctuations in the value of the Canadian dollar; changes in national and local government legislation, including permitting and licensing regimes and taxation policies; regulations and political or economic developments in any of the jurisdictions where properties in which the Corporation holds a royalty or other interest are located; influence of macro-economic developments; access to debt and equity capital; litigation; title, permit or licensing disputes related to the Corporation's interests or any of the properties in which the Corporation holds a royalty or other interest; cost escalation as well as development, permitting, infrastructure, operating or technical difficulties on any of the properties in which the Corporation holds a royalty or other interest; rate and timing of production differences from resource estimates; risks and hazards associated with the business of development and mining on any of the properties in which the Corporation holds a royalty or other interest, including, but not limited to unusual or unexpected geological and metallurgical conditions, slope failures or cave ins, flooding and other natural disasters; and other risks identified under the heading "Description of the Business – Risk Factors".

The forward-looking information contained in herein is based upon assumptions management believes to be reasonable, including, without limitation: the ongoing operation of the properties in which the Corporation holds a royalty or other interest by the owners or operators of such properties in a manner consistent with past practice; the accuracy of public statements and disclosures made by the owners or operators of such underlying properties; no material adverse change in the market price of the commodities that underlie the asset portfolio; no adverse development in respect of any significant property in which the Corporation holds a royalty or other interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. However, there can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Forward-looking information is not a guarantee of future performance. The Corporation cannot be certain that actual results will be consistent with any forward-looking information disclosed herein. Accordingly, undue reliance should not be placed on forward-looking information due to the inherent uncertainty thereof. The Corporation has no obligation to update forward-looking information contained herein, except as required by applicable securities laws. For additional information with respect to risks, uncertainties and assumptions, please refer to the "Description of the Business - Risk Factors" section below.

Unless otherwise noted, the information given herein is as of April 30, 2015.

ITEM 2: CURRENCY

All currency references in this Annual Information Form (the "AIF") are to Canadian dollars unless otherwise indicated.

ITEM 3: TECHNICAL AND THIRD PARTY INFORMATION

Except where otherwise stated, the disclosure in this AIF relating to properties and operations on the properties in which Altius holds royalty interests is based primarily on information publicly disclosed by the owners or operators of these properties and information available in the public domain as at April 30, 2015. As a royalty holder, Altius has limited, if any, access to properties included in its asset portfolio. Altius generally relies on publicly available information regarding these properties and operations and generally has no ability to independently verify such information. Additionally, Altius has, and may from time to time receive, operating information from the owners and operators of these properties, which it is not permitted to disclose to the public. Altius is dependent on the operators of the properties and their qualified persons to provide information to Altius or on publicly available information to prepare required disclosure pertaining to properties and operations on the properties on which Altius holds royalty interests and generally has limited or no ability to independently verify such information. Although Altius does not have any knowledge that such information may not be accurate, there can be no assurance that such third party information is complete or accurate.

ITEM 4: CORPORATE STRUCTURE

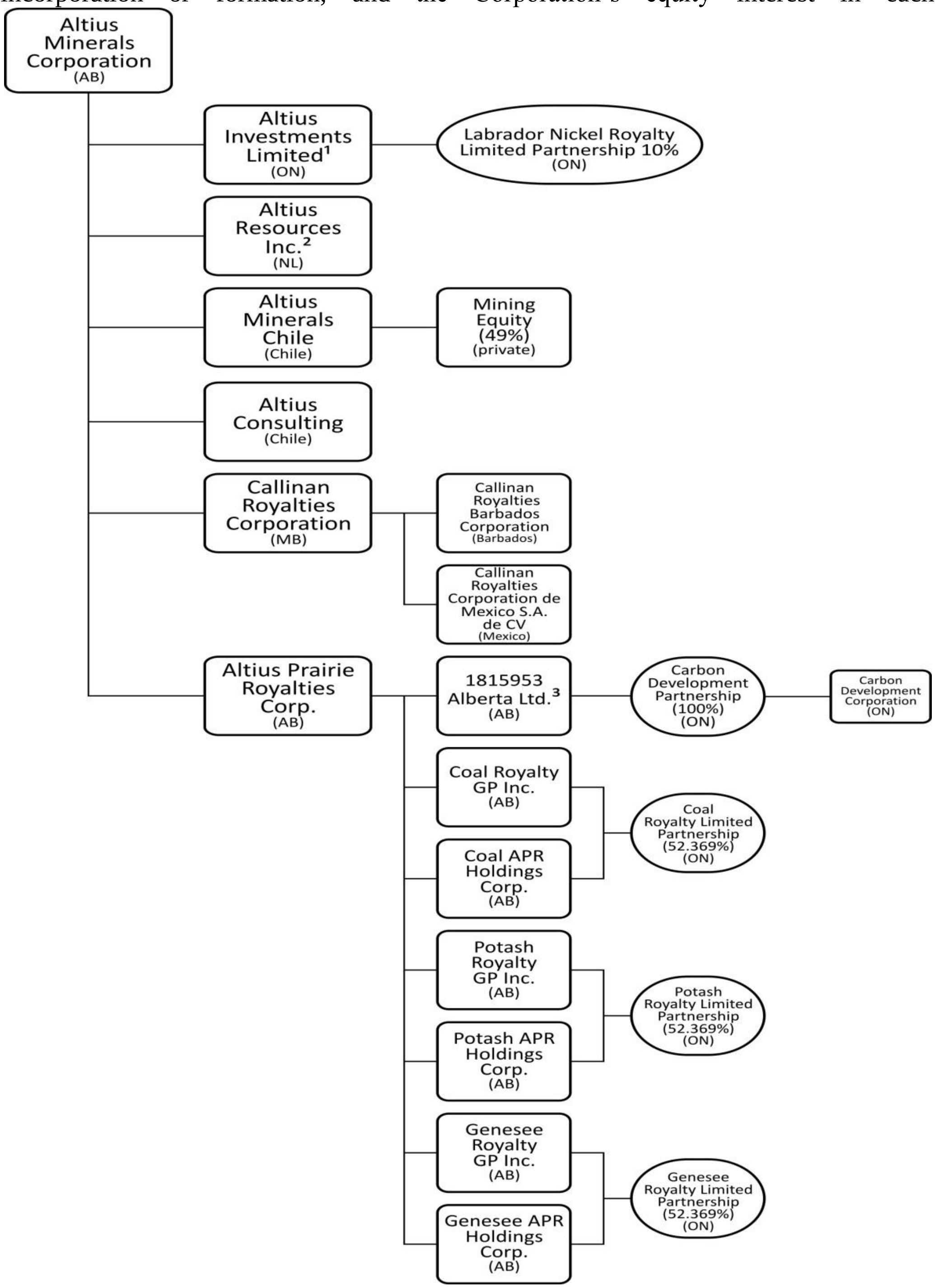
4.1 Name, Address and Incorporation

The Corporation was incorporated as a private corporation under the name 730260 Alberta Inc. by certificate and articles of incorporation (the "Articles") issued pursuant to the provisions of the *Business Corporations Act* (Alberta) on March 5, 1997. The Articles were amended by certificate and articles of amendment dated June 12, 1997 to remove the "private company" provisions and the restrictions on share transfers and to change the name of the Corporation to "Altius Minerals Corporation."

The head office of the Corporation is located at Suite 202 – 66 Kenmount Road, St. John's, Newfoundland and Labrador A1B 3V7. Its registered office is located at 850, 901 – 9 Ave SW, Calgary, Alberta T2P 3C5.

4.2 Inter-Corporate Relationships

The following chart sets forth the material subsidiaries of the Corporation, their jurisdictions of incorporation or formation, and the Corporation's equity interest in each such subsidiary.



ITEM 5: GENERAL DEVELOPMENT OF THE BUSINESS

5.1 Significant Acquisitions

Acquisition of Callinan Royalties Corporation

On March 5, 2015, the Corporation and Callinan Royalties Corporation ("Callinan") announced that they entered into a definitive arrangement agreement (the "Callinan Arrangement Agreement") whereby Altius would acquire all of the outstanding securities of Callinan pursuant to a plan of arrangement (the "Callinan Arrangement"). Pursuant to the Callinan Arrangement, Altius acquired each outstanding Callinan common share for 0.163 of an Altius common share and $0.203 in cash, valuing each Callinan common share at $2.27 based on Altius' closing share price on the Toronto Stock Exchange as of March 4, 2015. On May 5, 2015, the Corporation completed its acquisition of Callinan. Callinan holds a 4% net smelter royalty return ("NSR") on the 777 mine in Flin Flon, Manitoba and numerous other mineral project royalties and related exploration alliances.

Acquisition of Prairie Royalties and Carbon Development Partnership

On December 24, 2013, the Corporation and Altius Prairie Royalties Corp. ("APRC"), a wholly-owned subsidiary of the Corporation, had entered into a definitive agreement (the "Sherritt Arrangement Agreement") with Sherritt International Corporation ("Sherritt"), Prairie Mines & Royalty Ltd. ("PMRL"), a former wholly-owned subsidiary of Sherritt, and Westmoreland Coal Company pursuant to which the Corporation agreed to indirectly acquire a 52.369% interest in the coal and potash royalty business operated by PMRL ("Prairie Royalties"). The Corporation agreed to fund $240.9 million of the $460 million aggregate purchase price for Prairie Royalties alongside Liberty Metals & Mining Holdings, LLC, a subsidiary of Boston-based Liberty Mutual Insurance, and the Chairman of Haywood Securities Inc. and certain trusts controlled by him, who agreed to acquire the remaining interest in Prairie Royalties. The Sherritt Arrangement Agreement also provided for the indirect acquisition by Altius of Sherritt's 50% interest (the "Sherritt CDP Interest") in CDP, an Ontario partnership owned 50% by Sherritt and 50% by the Ontario Teachers' Pension Plan Board ("OTPPB"), for a purchase price of $21 million. The acquisition of Prairie Royalties and the Sherritt CDP interest was completed on April 28, 2014 pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (Alberta).

On April 22, 2014, Altius entered into a purchase agreement with OTPPB, OTPPB SCP Inc. and APRC whereby Altius agreed to purchase the remaining 50% of CDP from OTPPB (the "OTPPB CDP Interest") on substantially the same terms and conditions as those contained under the Arrangement Agreement for a purchase price of $21 million. The acquisition of the OTPPB CDP Interest closed on May 13, 2014.

CDP holds a portfolio of small production stage royalties on potash and electrical coal operations and exploration stage coal projects with more than 7.2 billion tonnes of measured and indicated resources of coal and approximately 4.7 billion tonnes of inferred resources of coal. CDP also holds potash properties with approximately 77.3 Mt of proven and probable reserves of potash and approximately 1.6 billion tonnes of inferred resources of potash in Saskatchewan.

The Corporation filed a Form 51-102F4 (Business Acquisition Report) in respect of the acquisitions of each of Prairie Royalties and CDP on June 23, 2014, and the acquisition of Callinan on May 13, 2015.

5.2 Three Year History

Over the past three years, the Corporation has continued to evolve from a junior mineral exploration company into a diversified mining royalty company with royalty interests in 13 producing mines located in Canada, as a result of the completion of two significant acquisitions in the past 18 months.

The Corporation obtained much of the funds it utilized in its recent acquisitions through the sale of shares it had previously received upon the exchange of various minerals properties for founding equity stakes. It realized significant profits in these sales. Over a 3-year period commencing in 2006, Altius sold its founding shares in Aurora Energy Resources Inc. ("Aurora") for gross proceeds of approximately $208 million. Aurora held the Central Mineral Belt uranium properties located in Labrador.

The Corporation realized proceeds of approximately $63 million from its investment in, and subsequent sale of, its 9.4% interest in International Royalty Corporation during the year ended April 30, 2010. Similarly the Corporation currently holds 32.9 million shares of Alderon Iron Ore Corporation ("Alderon") which it received in exchange for the transfer of its property interest in the Kamistaitusset iron ore property located in western Labrador (the "Kami Project") to during the year ended April 30, 2011.

The Corporation continues to embark upon the generation of various mineral exploration and resource based exploration opportunities with the goal of attracting project level funding and operating partners with complementary technical and financial expertise. In these circumstances, the Corporation generally retains a minority project stake and royalty interests. As at April 30, 2015, the Corporation had four active exploration alliances with various companies.

<u>Year Ended April 30, 2013</u>

The Corporation entered into an agreement with Zeus Capital Inc. ("Zeus") of Santiago, Chile, to establish a mineral exploration prospect generation business in Chile. Altius, Zeus and its investors agreed to contribute a total of $7.1 million into the new business entity at various milestones over a four-year period. Altius acquired a 49% equity stake and a retained royalty interest in all projects generated by this entity. In addition to its portion of equity financing, Zeus arranged up to $14 million in financing in the form of a non-recourse loan from the Chilean government's Fenix program that is designed to promote the development of a domestic junior exploration sector in Chile. Exploration work commenced in Chile through Fondo de Inversion Privado Mining Equity ("Mining Equity"), the entity created to conduct exploration work under the alliance. Early stage work included mapping/sampling and prospecting in various regions throughout Chile as well as the evaluation of several mineral properties held by cash constrained junior exploration companies and individuals. No mineral rights acquisitions were completed during the year and technical evaluation continued. A Chile-dedicated technical team was established to operate the business.

In October 2012, the Government of Newfoundland and Labrador ("GNL") requested expressions of interest ("EOI") regarding development of a designated Exempt Mineral Land ("EML") that contains the undeveloped Julienne Lake iron ore deposit. Altius has conducted exploration drilling and geophysical work on its adjacent claims that confirms extension of the deposit to the northeast and southwest.

The Corporation continued its exploration activity on other projects during the year.

As at April 30, 2013, the Corporation continued to hold 32.9 million shares of Alderon and a 3% gross sales royalty ("GSR") on the Kami Project.

<u>Year Ended April 30, 2014</u>

During the year ended April 30, 2014, the Corporation continued generative exploration activities in eastern Canada and Chile with its various alliance and earn-in partners.

In May 2013, after the invitation by the GNL of an EOI, the Corporation and its partners (the "JL Alliance") submitted a detailed proposal for the development of the EML and Altius' adjacent mineral rights, where the Corporation had confirmed the extension of the Julienne Lake deposit. On April 16, 2014, it was announced that the JL Alliance had been selected by GNL to enter into exclusive final stage negotiations for the award of the EML for the Julienne Lake deposit. Altius intends to contribute its mineral claims to the JL Alliance in exchange for a royalty interest on the consolidated project as well as a minority equity interest. Discussions between the JL Alliance and the GNL are ongoing.

Alderon continued to make significant progress towards its goal of developing the Kami Project. Long-lead equipment orders were placed, release from both the Provincial and Federal Environmental Assessment ("EA") process was granted in February 2014, a Power Purchase Agreement ("PPA") with a subsidiary of Nalcor Energy was executed and a comprehensive benefits agreement was announced with the GNL. Alderon remains focused on securing the remaining necessary capital to fund the proposed Kami mine construction.

Following completion of the acquisition of Prairie Royalties and CDP on April 28, 2014 and May 13, 2014 (See Item 5.1 – Significant Acquisitions), Altius emerged as a significant diversified mining royalty company. The acquisition of Prairie Royalties and CDP substantially diversified Altius' asset base by commodity, geography and asset. With this acquisition, Altius' royalty revenue was derived from six commodities with more than 50% of revenue expected to be derived from low risk, inflation adjusted electrical coal royalties and no single asset expected to contribute more than 22% of estimated revenue.

Prairie Royalties holds five thermal and one metallurgical coal royalties and six potash royalties located in the provinces of Alberta and Saskatchewan, respectively. The coal royalties include revenues generated from the production of electrical coal at the Genesee Mine, the Paintearth Mine, the Sheerness Mine, the Highvale mine, and a royalty revenue from metallurgical coal at Teck's Cheviot mine. The potash royalties include revenues generated from the production of potash at the Rocanville mine, Cory mine, Allan mine, Patience Lake mine, Esterhazy mine and Vanscoy mine.

The aggregate purchase price for the acquisitions of Prairie Royalties and CDP was $282.9 million. Altius financed the acquisition of Prairie Royalties and the Sherritt CDP Interest through (i) a senior secured non-revolving credit facility in the amount of $140 million that was provided by Sprott Resource Lending Partnership, Earlston Investment Corp. and the Chairman of Haywood Securities Inc. (the "Credit Facility") (ii) a $7.2 million unsecured loan that was provided by the Chairman of Haywood Securities Inc. (the "Unsecured Loan") and (iii) $114.7 million of cash and marketable securities on hand.

Year Ended April 30, 2015

Altius financed the acquisition of the OTPPB CDP Interest through the issuance of 4,643,000 common shares at a price of $14.00 per share for total gross proceeds of $65,002,000 pursuant to a short form prospectus dated May 6, 2014 (the "Offering"). The Offering closed on May 13, 2014, and Altius used $21 million of the net proceeds of the Offering to acquire the OTPPB CDP Interest, with the balance of the net proceeds of the Offering being used (i) to repay the Unsecured Loan of $7.2 million, (ii) to repay $21 million under the Credit Facility and (iii) for general corporate purposes. As at April 30, 2015, the outstanding balance under the Credit Facility was $77 million.

In November 2014, the Corporation entered into a support agreement with respect to a proposed business combination of Osisko Gold Royalties Ltd. ("Osisko") and Virginia Mines Inc. ("Virginia"). The transaction was approved by the respective shareholders of Osisko and Virginia in January 2015 and as a result the Corporation received shares in Osisko. On February 18, 2015, the Corporation completed the divestiture of its shareholding. Total cash proceeds received from the sale were approximately $41 million.

As a result of the monetization of this investment, the Company's net debt position (total debt minus cash on hand) was reduced to approximately $62,000,000, positioning the Corporation to consider additional royalty investment opportunities, such as the acquisition of Callinan (see section 5.1), which was completed on May 5, 2015.

In spite of the significant progress made in the past on the advancement and potential development of the Kami Project, Alderon has not yet secured the capital required to commence the construction of the initial 8 million tonne per annum proposed mine operation. Global iron ore markets during the year continued to experience significant additions of new supply that caused a corresponding price decline and very weak capital market conditions. Alderon does not intend to commence mine-site construction until the full construction funding is in place and has therefore halted all non-essential activities until that goal can be achieved. It is anticipated that construction of the proposed mine would take 2-3 years from the construction commencement date. Altius holds a 24.9% founding equity interest in Alderon and a 3% GSR on the Kami Project.

During the year ended April 30, 2015, the Corporation continued generative exploration activities in eastern Canada and in Chile with its various alliance and earn-in partners. The Corporation also continued exclusive discussions with the GNL regarding its proposal to develop the Julienne Lake Iron Ore Property in alliance with its partners.

ITEM 6: DESCRIPTION OF THE BUSINESS

6.1 General

The Corporation's principal business activities are focused on the generation and acquisition of mineral resource projects, royalties, and investments. The Corporation pursues these objectives through exploration-project generation and royalty creation and investment and royalty acquisition. Altius currently has 15 employees.

Altius is a diversified mining royalty company with royalty interests in 13 producing mines located throughout Canada. The royalty interests cover mining operations producing thermal (electrical) and metallurgical coal, potash, nickel, copper, zinc, cobalt, gold, and silver. The Corporation also holds other significant pre-development stage royalty interests it generated that include a 3% GSR on Alderon's Kami iron ore project, a 2% GSR on production from Paladin Energy Ltd.'s Central Mineral Belt uranium project, as well as several other earlier stage royalties. It also holds equity-level interests in a number of junior mineral exploration companies that pursue a project generation and joint venture type business model.

Altius' 13 production stage royalties have been acquired using a combination of profits generated from its mineral exploration/project generation activities and from debt and equity procurement.
Exploration-Project Generation and Royalty Creation

Altius conducts early stage, low-cost mineral exploration and prospect generation utilizing a small team of professional geoscientists, prospectors, and consultants that create mineral exploration initiatives through scientific concept development and field work. Concepts of merit are advanced through to mineral rights acquisition and then marketed to prospective partners for the purpose of securing third party financing to advance the projects. The Corporation's project portfolio currently consists of approximately 20 projects covering prospective targets for iron ore, nickel, copper, gold, and platinum-group metals.

The Corporation prefers to enter into agreements with other companies related to the mineral exploration opportunities it generates, which results in the Corporation carrying minority and non-operating project and/or equity and royalty interests.

Investment and Royalty Acquisition

The Corporation's two primary objectives with respect to its investment and royalty acquisition are: (i) to seek out royalty-based financing opportunities of exploration/pre-development stage assets and/or the acquisition of existing royalty interests under third party ownership on development and production stage mining assets; and (ii) to selectively invest in natural resource related companies with a goal of long-term capital appreciation.

Altius' royalty portfolio includes royalty interests in 11 producing coal and potash mines located in Alberta, and Saskatchewan, Canada, as well as several other non-producing royalty interests in salt, petroleum and coal bed methane leases.

Coal

The coal royalties comprise royalty interests in respect of electrical coal produced from the Genesee Mine, the Sheerness Mine, the Paintearth Mine and the Highvale Mine and a royalty interest in respect of metallurgical coal produced from the Cheviot Mine. Each of these mines is located in Alberta, Canada.

Coal Royalty Agreements

The coal royalties are comprised of electrical coal rights at the Genesee Mine, Sheerness Mine, Paintearth Mine and Highvale Mine, which are payable under coal leases, coal supply/exchange agreements and the Genesee Royalty Agreement. All of the electrical coal royalty arrangements provide for a royalty payable at a base rate with an annual escalator provision that is tied to indices published by Statistics Canada. Electrical coal royalties are paid by the power utilities and the royalty rates are escalated in accordance with Canadian GDP inflation, in most cases. Certain of the coal rights to which the coal royalties are tied have been pooled/unitized with the coal rights of other owners within a larger geographic area to form Dedicated Reserves. These Dedicated Reserves may or may not be subject to unitization agreements. Under a unitization agreement, any coal produced from a unitized area is allocated to and deemed to be produced from the lands of each party in accordance with each party's proportionate share of the coal reserves for the purpose of calculating royalties. Under the terms of its unitized leases, Altius will earn its share of royalties based on its proportionate share of total coal production within the unitized area. Under a non-unitized arrangement, actual royalties earned may vary depending on the total coal production in the areas where PMRL's coal and royalty mineral rights are located. At the Sheerness Mine, Paintearth Mine and Highvale Mine, not all coal rights have been unitized and, as such, variations will result from mining operations moving in and out of the areas where PMRL's coal and mineral rights are located.

See Schedule "A" and "B" for additional discussion on material royalties as well as Item 7 Royalty Portfolio.

Potash

The potash royalties comprise royalty interests in respect of potash produced from the Rocanville Mine, Cory Mine, Allan Mine, Patience Lake Mine, Vanscoy Mine and Esterhazy Mine, each of which is located in Saskatchewan, Canada.

Potash Royalty Agreements

The potash royalty agreements under which the potash royalties are payable are generally structured as a lease of subsurface mineral rights owned by a party to a potash mining company for a specified term in return for a royalty payment based on a percentage of the net selling price of potash. The specific royalty percentages are generally determined in accordance with Saskatchewan's Subsurface Mineral Regulations, which provide for a variable rate depending on the average grade of potash ore mined. The net selling price is typically determined with reference to the mining company's list price for standard grade potash.

Subsurface minerals are leased to PotashCorp, Mosaic and Agrium, which are mining companies that have the exclusive right to mine the leased subsurface minerals under various unitized and non-unitized leases. Under the unitized leases, as with the coal royalties, Altius will earn royalties based on its proportionate share of all potash mined within the larger area. Altius will earn royalty payments for each tonne of potash produced based on the market price of potash, the quality of the potash that is produced during a given period, and the tonnage produced from within the lands or the unitized area. Actual royalties earned each year may vary depending on total potash production at each of the mines underlying the potash royalties. At mines where the leases of mineral rights are not unitized, variations will also result from mining operations moving in and out of the areas where the potash rights are located.

Voisey's Bay

In 2003, Altius indirectly acquired a 7.5% interest in a 3% net smelter return royalty interest in Voisey's Bay nickel-copper-cobalt project. Altius has since increased its 7.5% interest to a 10% interest and therefore currently has an effective 0.3% net smelter return royalty. The Voisey's Bay mine is operated by Vale.

777 Mine

Altius, through its acquisition of Callinan on May 5, 2015, owns a 4% net smelter royalty, in addition to a tonnage royalty, covering the 777 Mine and the 777 North expansion, which are located in the Flin Flon mining district, Manitoba, Canada and are operated by Hudbay. The 777 Mine is an underground mining operation that commenced commercial production in 2004 and that has an expected mine life of 2021 based on current reserves. The mine is a low-cost producer of copper, zinc, gold and silver and it has an expected production rate of approximately 1,642,500 tonnes for 2014. In 2010, Hudbay began the $20,000,000 777 North expansion, which involved driving a ramp from the surface to the 440-metre level to access zinc and copper zones and to facilitate the development of an underground exploration platform to evaluate further exploration opportunities. The 777 North expansion is now in production and is expected to deliver an approx

Below is a summary of the Corporation's producing royalties and 2015 revenues.

Summary of Producing Royalties

Mine	Operator	Royalty	2015 Revenue (3) (millions $)	Commodity
777	Hudbay Minerals	Net smelter	Nil (2)	Zinc, Copper, Gold & Silver
Genesee	Westmoreland/Capital Power Corporation	Tonnes x indexed multiplier	7.0	Coal/Electricity
Sheerness	Westmoreland/ATCO/TransAlta	Tonnes x indexed multiplier	6.7	Coal/Electricity
Paintearth	Westmoreland/ATCO	Tonnes x indexed multiplier	2.3	Coal/Electricity
Highvale	TransAlta	Tonnes x indexed multiplier	Nil (1)	Coal/Electricity
Cheviot	Teck	2.5% effective net revenue	1.9	Metallurgical Coal
Rocanville	Potash Corp	Revenue	2.5	Potash
Cory	Potash Corp	Revenue	1.0	Potash
Allan	Potash Corp	Revenue	0.6	Potash
Patience Lake	Potash Corp	Revenue	0.3	Potash
Esterhazy	Mosaic	Revenue	1.3	Potash
Vanscoy	Agrium	Revenue	0.1	Potash
Voisey's Bay	Vale	0.3% NSR	2.5	Nickel-Copper-Cobalt
CDP	Various	Revenue	2.1	Potash /other

(1) Not producing on leases related to the Corporation's royalties

(2) Acquired May 5, 2015

Founding Equity Stakes

Alderon

The Corporation currently holds a 24.9% interest in Alderon, a Corporation conducting further exploration and evaluation work on the Kami Project. The Corporation received its equity stake in exchange for transfer of the Kami iron ore properties during the year ended April 30, 2011.

See Item 5, "General Development of the Business" for additional information on Alderon and the Kami Project.

Mining Equity

The Corporation currently holds a 49% interest in Mining Equity, the entity created to conduct mineral exploration and prospect generation in Chile. Altius and its investors expect to contribute a total of $7.1 million into the new business entity at various milestones over a four-year period [**NTD: Status**?]. See Item 5, "General Development of the Business" for additional information on the activities of Mining Equity.

6.2 Risk Factors

The following is a summary of significant business risks as they pertain to the outlook and conditions currently known to management which could have a material impact on the financial condition and results of the operations of the Corporation and its investments and royalty interests. The risks described are not the only ones faced by the Corporation and any risks in combination or individually could have a material adverse effect on the Corporation's financial condition and results of operations.

Operational and Development Risk
The Corporation operates in the mineral exploration sector, which implicitly involves a high degree of risk caused by limited chances of discovery of an economic deposit and eventual mine development. The Corporation mitigates this risk by cost-sharing with exploration partners and by continuously evaluating the economic potential of each mineral property at every stage of its life cycle.

Development Stage Projects

Profits from commercial operations will depend on a significant number of factors, including economic feasibility, changing market conditions, aboriginal involvement, environmental and governmental regulations, labour availability, the cost of and the ability to attract external financial capital, and the ability to attract partners with sufficient technical expertise and relevant industry experience to further develop the various projects. Any failure to meet one or a combination of these factors may result in project delays or potential cancellation and the Corporation's future operating results may be adversely affected. The Corporation mitigates this risk by evaluating the economic potential of each property at each stage of its life cycle and through diversification of projects.

Dependence on Third Party Property Owners and Operators

The revenue derived from the Corporation's royalty portfolio is based on production by third party property owners and operators. These owners and operators are responsible for determining the manner in which the properties underlying the royalties are exploited, including decisions to expand, continue or reduce production from a property, and decisions to advance exploration efforts and conduct development of non-producing properties. The Corporation will have little or no input on such matters. The interests of third party owners and operators and those of the Corporation on the relevant properties may not always be aligned. As an example, it will, in almost all cases, be in the interest of the Corporation to advance development and production on properties as rapidly as possible in order to maximize near term cash flow to mitigate the risk, while third party owners and operators may, in many cases, take a more cautious approach to development as they are at risk on the cost of development and operations. The inability of the Corporation to control the operations for the properties in which it has a royalty interest may result in a material and adverse effect on the Corporation's profitability, results of operation and financial condition.

Exposure to Mineral Price Fluctuations

The revenue derived by the Corporation from its royalty portfolio and investments will be significantly affected by changes in the market price of the commodities that underlie those royalties and other investments, which can affect production levels at properties to which its royalty portfolio is tied. The Corporation's revenue will be particularly sensitive to changes in the price of metallurgical coal and potash, as the revenue from these commodities represents the majority of the cash flow expected to be derived in the near future. Commodity prices, including those to which the Corporation is exposed, fluctuate on a daily basis and are affected by numerous factors beyond the control of the Corporation, including levels of supply and demand, industrial development levels, inflation and the level of interest rates. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments.

All commodities, by their nature, are subject to wide price fluctuations and future material price declines will result in a decrease in revenue or, in the case of severe declines that cause a suspension or termination of production by relevant operators, a complete cessation of revenue from royalties or working interests applicable to one or more relevant commodities. Moreover, the broader commodity market tends to be cyclical, and a general downturn in overall commodity prices could result in a significant decrease in overall revenue. Any such price decline may result in a material and adverse effect on the Corporation's profitability, results of operation, financial condition and dividend policy. The Corporation mitigates this risk through monitoring of prices as well as ensuring asset and commodity diversification.

Limited Access to Data and Disclosure for Royalty Portfolio

The Corporation does not serve as the mine property owner or operator for the properties underlying its royalty portfolio, and in almost all cases the Corporation has no input into how the operations are conducted. Consequently, the Corporation has varying access to data on the operations or to the actual properties themselves. This could affect its ability to assess the value of the royalty interest or enhance the royalty's performance. This could also result in delays in cash flow from that anticipated by the Corporation based on the stage of development of the applicable properties underlying its royalty portfolio. The Corporation's royalty payments may be calculated by the royalty payors in a manner different from the Corporation's projections and the Corporation may or may not have rights of audit with respect to such royalty interests. In addition, some royalties may be subject to confidentiality arrangements that govern the disclosure of information with regard to royalties and as a result the Corporation may not be in a position to publicly disclose non-public information with respect to certain royalties. The Corporation mitigates this risk by building relationships with various operators and counterparties to encourage information sharing.

Dependence on Payment from Royalty Payors

The Corporation will be dependent to a large extent upon the financial viability and operational effectiveness of owners and operators of the properties underlying its royalty portfolio. Payments from production generally flow through the operator and there is a risk of delay and additional expense in receiving such revenues. Payments may be delayed by restrictions imposed by lenders, delays in the sale or delivery of products, recovery by the operators of expenses, the establishment by the operators of mineral reserves for such expenses or the bankruptcy, insolvency or other adverse financial condition of the operator. The Corporation's rights to payment under the royalties must, in most cases, be enforced by contract without the protection of a security interest over property that the Corporation could readily liquidate. This inhibits the Corporation's ability to collect outstanding royalties upon a default. In the event of a bankruptcy, insolvency or other arrangement of an operator or owner, the Corporation will be treated like any other unsecured creditor, and therefore have a limited prospect for full recovery of royalty revenue. The Corporation mitigates this risk by having formal legal agreements with royalty payors which would allow the Corporation to exert legal rights and enforce royalty contracts, if required.

The Ability to Attract Partners for Exploration

The probability of successfully progressing early stage projects is dependent on an ability to attract exploration partners to share project expenditures and to provide additional technical expertise required to develop projects. If the Corporation is unable to attract partners to cost-share project expenditures and to provide additional technical expertise, the level of exploration the Corporation could perform with limited personnel may be adversely impacted. This could affect the likelihood of discovering future commercially feasible projects. To mitigate this risk, the Corporation monitors the market cycles and adjusts our business development approach for the changes. Marketing and business development are ongoing throughout all stages.

Credit facility

The Credit Facility is subject to certain restrictive conditions that limit the discretion of management with respect to certain business matters, including financial covenants that require the Corporation to meet certain financial ratios, financial condition tests and other restrictive covenants. A failure to comply with the obligations in the Credit Facility could result in a default which, if not cured or waived, could result in a termination of the Credit Facility. The Corporation monitors this risk by analysis of financial results and covenant calculations as well as ongoing communications with creditors.

Leverage Risk

The Corporation's degree of leverage, particularly given the drawdown under the Credit Facility that was used to complete the acquisition of Prairie Royalties and CDP, could have adverse consequences for the Corporation, including: limiting the Corporation's ability to obtain additional financing for working capital, debt service requirements, acquisitions and general corporate or other purposes; restricting the Corporation's flexibility and discretion to operate its business; having to dedicate a portion of the Corporation's cash flows from operations to the payment of interest on its existing indebtedness and not having such cash flows available for other purposes including expenditures that are important to its growth and strategies; exposing the Corporation to increased interest expense on borrowings at variable rates; limiting the Corporation's ability to adjust to changing market conditions; and placing the Corporation at a competitive disadvantage compared to its competitors that have less debt. The Corporation mitigates this risk through awareness and recognition that reducing the debt balance is a priority and ensuring that the Corporation meet debt obligations and working capital requirements by budgeting and monitoring cash flow.

Debt and Equity Financing

Because of their size and scale, the success of some resource-based projects depends on the ability of the Corporation, its partners or its investments to raise the financial capital required to successfully construct and operate a project. This ability may be affected by general economic and market conditions, including the perceived threat or actual occurrence of an economic recession or liquidity issues. If market conditions are not favourable, major resource based projects could be cancelled or delayed, or the expected rate of return to the Corporation may be significantly diminished. The Corporation mitigates this risk by asset and commodity diversification to protect and cover if one market is unfavorable.

Government Regulations

The Corporation's operations are subject to extensive governmental regulations with respect to such matters as environmental protection, health, safety and labour; mining law reform; restrictions on production or export, price controls and tax increases; aboriginal land claims; and expropriation of property in the jurisdictions in which it operates. Compliance with these and other laws and regulations may require the Corporation to make significant capital outlays which may slow its growth by diverting its financial resources. The enactment of new adverse regulations or regulatory requirements or more stringent enforcement of current regulations or regulatory requirements may increase costs, which could have an adverse effect on the Corporation. The Corporation cannot give assurances that it will be able to adapt to these regulatory developments on a timely or cost effective basis. Violations of these regulations and regulatory requirements could lead to substantial fines, penalties or other sanctions. The Corporation mitigates this risk through not doing business in unstable countries and within stable countries, the Corporation follows all laws and regulations and engages legal counsel to ensure compliance, if necessary.

Key Employee Attraction and Retention

The Corporation’s continued success is highly dependent on the retention of key personnel who possess relevant business and technical expertise and are well versed in the various projects underway and under consideration. The number of persons skilled in the acquisition, exploration and development of natural resource and mining projects is limited and competition for such persons is intense. As the Corporation's business activity grows, additional key financial, administrative and operations personnel as well as additional staff may be required. Although the Corporation believes it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success. If the Corporation is not successful in attracting, training and retaining qualified personnel, the efficiency of operations may be affected. Additionally, should any key person decide to leave, then the success of one or more of the projects underway or under consideration could be at risk.

Although safety and health factors are considered integral to all aspects of the Corporation, mineral exploration is an inherently risky business. In the event of an accident or an unforeseen circumstance, the Corporation has emergency succession plans in place for both the Chair and the CEO of the Corporation as well as for other members of senior management.

Exploration Alliances

The Corporation’s objective is to create joint ventures 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. In certain circumstances the Corporation must rely on the decisions and expertise regarding operational matters for properties, equity interests and other assets including: whether, when and how to commence permitting; feasibility analysis; facility design and operation, processing, plant and equipment matters; and the temporary or permanent suspension of operations. In some of these instances, it may difficult or impossible for the Corporation to ensure that the properties and assets are operated in its best interest. To mitigate this risk, the Corporation participates in cost-sharing with exploration partners. As well, there is continuous evaluation of economic potential of each property at every stage of its life cycle. The Corporation will undertake ongoing monitoring and relationship building with appropriate government officials in order to have input into possible regulatory changes and to better plan for what these changes might mean financially and operationally to the Corporation.

Legal Claims

Altius may become party to legal claims arising in the ordinary course of business, including as a result of activities of joint ventures in which it has an interest. There can be no assurance that any such legal claims will not result in significant costs to Altius. To mitigate this risk, there are ongoing communications with the parties to whom it does business and are aware of any legal issues and potential operational and financial impacts. The Corporation works diligently with counterparties to limit legal issues.

Title to Mineral Properties Cannot Be Assured

The acquisition of title to mineral properties is a very detailed and time consuming process. Title to, and the area of, mineral rights may be disputed and additional amounts may have to be paid to surface rights owners in connection with any development of mining activity. The properties may also be subject to prior unregistered agreements of transfer or aboriginal land claims, and title may be affected by undetected defects. Although Altius believes it has taken reasonable measures to ensure that title to its properties is in good standing, there is no guarantee that title to its properties will not be challenged or impaired by third parties, or that such rights and title interests will not be revoked or significantly altered to the detriment of the Corporation.

Financial Instrument Risk

The Corporation's financial assets and financial liabilities are exposed to various risk factors that may affect the fair value presentation or the amount ultimately received or paid on settlement of its assets and liabilities. The Corporation manages these risks through prudent investment and business decisions, and, where the exposure is deemed too high, the Corporation may enter into derivative contracts to reduce this exposure. The Corporation does not utilize derivative financial instruments for trading or speculative purposes. Hedge accounting is applied only when appropriate documentation and effectiveness criteria are met. The Corporation does not currently use any hedges.

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

Credit risk

Credit risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. Credit risk arises from cash and cash equivalents, short-term investments and receivables. The Corporation closely monitors its financial assets, including the receivables from royalty operators who are responsible for remitting royalty revenues. The operators are established and reputable companies in the mining and mineral sector and as such management does not believe we have a significant concentration of credit risk.

Foreign currency risk

Distributions from Labrador Nickel Royalty Limited Partnership ("LNRLP") are exposed to foreign currency fluctuations on a portion of its accounts receivable related to royalty revenue, which is denominated and paid in US dollars. 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 cannot be predicted reliably.

Liquidity risk

The Corporation believes that on a long-term basis its revenue generating assets and net working capital position will enable it to meet current and future obligations at the current level of activity. This conclusion could change with a significant change in the operations of the Corporation or from other developments.

Other price risk

The value of the Corporation's mining and mineral related investments is exposed to fluctuations in the quoted market price depending on a number of factors, including general market conditions, company-specific operating performance and the market value of the commodities that those companiesmay focus on. The Corporation does not utilize any derivative contracts to reduce this exposure.

The Corporation may be unable to sell its entire interest in an investment without having an adverse effect on the fair value of the security due to low trading volumes on some investments. The Corporation does not enter into any derivative contracts to reduce this exposure.

Interest rate risk

The Corporation has debt and is therefore exposed to interest rate risk on liabilities. The Corporation manages this risk by having fixed interest rates over a 5 year term on the debt. The Corporation's cash and cash equivalents may fluctuate in value depending on the market interest rates and the time to maturity of the instruments. The Corporation manages this risk by limiting the maximum term to maturity on invested funds or holding the investments to maturity.

ITEM 7: ROYALTY PORTFOLIO

7.1 Genesee Royalty

The Corporation holds a royalty on the Genesee coal mine (the "Genesee Mine"), which is located approximately 70 km southwest of Edmonton, Alberta (the "Genesee Royalty"). The Genesee Mine, which open pit mine, has been in operation since 1989 and has an annual production capacity of 5.6 Mt. Its coal is delivered to the Genesee power station which is approximately 25 km southwest of the mine. The power station is operated by Capital Power Corporation.

The coal rights underlying the Genesee Royalty have been unitized with the coal rights of other owners within a larger geographic area and are subject to a unitization agreement. The Genesee Royalty is comprised of (i) a crown equivalent royalty, calculated as the greater of a royalty calculated in accordance with the Alberta Coal Royalty Regulations as they stood at April 1981, or the per tonne provincial royalty payable for coal produced from Crown leases and (ii) an overriding royalty, which is an agreed upon base rate that is escalated by the GDP implicit price index published by Statistics Canada.

Management considers the Genesee Royalty to be material to the Corporation for purposes of National Instrument 43-101 – Standards for Disclosure for Mineral Projects ("NI 43-101"). Additional information on the Genesee Royalty can be found in Schedule "A" to this AIF.

7.2 Sheerness Royalty

The Corporation holds a royalty on the Sheerness coal mine (the "Sheerness Royalty"). The Genesee Mine is located approximately 160 km northeast of Calgary, Alberta. Operations commenced in 1986 and currently have an annual production capacity of 3.7 Mt. Coal is delivered by road from the open pit mine to the Sheerness power station, which is adjacent to the mine. Sheerness power station is owned by ATCO Power Ltd. (50%) and TransAlta Corporation (50%).

The Sheerness Royalty is payable under four leases/agreements. The Sheerness Royalty is non-unitized and the royalty rate is based on an agreed base rate escalated by the GDP implicit price index published by Statistics Canada. Teck Resources Ltd. ("Teck") retains the right to receive a royalty on revenue earned from the mining of certain of the lands underlying the Sheerness Royalty. This royalty is non-unitized and the royalty rate is set at per tonne amount for coal deliveries made from the leased area.

Management considers the Sheerness Royalty to be material to the Corporation for purposes of NI 43-101. Additional information on the Sheerness Royalty can be found in Schedule "B" to this AIF.

ITEM 8: DIVIDENDS AND DISTRIBUTIONS

Altius paid aggregate dividends of $647,000 on its common shares during the year ended April 30, 2015. In the two previously completed financial years, no dividends or distributions have been paid to shareholders of the Corporation. The future payment of dividends or distributions will remain dependent upon the financial requirements to fund future growth, the financial condition of the Corporation and other factors the Corporation's board of directors (the "Board") may consider appropriate in the circumstances. The Corporation is not aware of any restrictions that could prevent the paying of dividends or distributions.

ITEM 9: DESCRIPTION OF CAPITAL STRUCTURE

Authorized and Issued Capital

The Corporation is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. As at April 30, 2015, there were 32,356,826 common shares, and no preferred shares issued and outstanding.

On May 13, 2014, the Corporation closed an equity financing under a short form prospectus whereby an additional 4,643,000 common shares were issued. In addition, on May 5, 2015, the Corporation closed its acquisition of Callinan, whereby it paid Callinan shareholders $9,431,775 in cash and issued 7,573,297 common shares under the Arrangement. In addition, there are 326,000 common shares reserved for issuance under outstanding warrants of the Corporation.

Common Shares

The holders of common shares are entitled to dividends if, as and when declared by the Board, to one vote per share at meetings of common shareholders of the Corporation and, upon liquidation, dissolution, or winding up to receive on a pro rata basis the net assets of the Corporation after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority or on a pro rata basis with the common shares. The common shares do not carry any pre-emptive subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Preferred Shares

The preferred shares may be issued in one or more series, each consisting of a number of preferred shares as determined by the Board who also may fix the designations, rights, privileges, restrictions and conditions attaching to the shares of each series of preferred shares. The preferred shares, with respect to payment of dividends and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding-up or any other distribution of the assets, rank on a parity with the preferred shares of every other series and shall be entitled to preference over the common shares and the shares of any other class ranking junior to the preferred shares.

ITEM 10: MARKET FOR SECURITIES

The Corporation's common shares trade on the Toronto Stock Exchange under the trading symbol "ALS". The common shares were listed for trading on the Toronto Stock Exchange on January 15, 2007, prior to which they were listed for trading on the TSX Venture Exchange.

10.1 Price Range and Trading Volume

The following table sets forth the reported high and low sale prices and the trading volumes of the Corporation's common shares for each month in the fiscal year ending April 30, 2015.

Month	Price Range High $	Price Range Low $	Trading Volume
May 2014	14.49	12.75	2,385,653
June 2014	13.19	12.30	1,379,277
July 2014	14.87	12.36	1,746,632
August 2014	15.12	14.15	1,102,057
September 2014	14.42	11.00	1,619,819
October 2014	12.20	10.26	2,250,149
November 2014	12.03	9.93	2,417,680
December 2014	14.50	9.84	2,629,031
January 2015	14.20	12.45	2,260,073
February 2015	13.90	11.76	987,314
March 2015	13.59	12.91	2,188,177
April 2015	13.18	12.47	1,551,325

ITEM 11: DIRECTORS AND OFFICERS

11.1 Name, Address, Occupation and Security Holding

The following table sets forth the names, the provinces/countries of residence, the positions held with the Corporation and the principal occupations of each of the directors and executive officers:

Name and Province and Country of Residence Position and Date of Appointment	Principal occupation
John Baker Newfoundland and Labrador, Canada Director since June 1997, Chairman since November 2006[5]	Executive Chairman of the Corporation
Brian Dalton Newfoundland and Labrador, Canada President and CEO, Director since June 1997	President and CEO of the Corporation
Frederick Mifflin[1,2,3,4] Ontario, Canada Director since November 2006	Vice Chairman, Blair Franklin Capital Partners Inc., an independent financial advisory firm

Name and Province and Country of Residence Position and Date of Appointment	Principal occupation
Susan Sherk[1, 2, 3] Newfoundland and Labrador, Canada Director since November 2006	Socio-Economic Consultant and a former Senior Human Environment Associate with AMEC Environment and Infrastructure, a division of AMEC Americas Limited, an international project management and services company
Jamie Strauss[2,3,,4] London, United Kingdom Director since October 2010	Director, Strauss Partners, a mining finance boutique firm
Anna Stylianides British Columbia, Canada Director since May 2015	President, Chief Executive Officer and Co-Chair of Eco-Oro Minerals Corp, Former director of Callinan Royalties Corporation
Donald Warr[1,4] Newfoundland and Labrador, Canada Director since November 2006	Partner, Blackwood & Warr Chartered Accountants
Ben Lewis Newfoundland and Labrador, Canada Chief Financial Officer since October 2006	Chief Financial Officer of the Corporation
Chad Wells Newfoundland and Labrador, Canada Vice President, Corporate Development/Corporate Secretary since February 2003	Corporate Secretary and Vice President, Corporate Development of the Corporation
Lawrence Winter Newfoundland and Labrador, Canada Vice-President, Exploration since October 2006	Vice-President, Exploration of the Corporation

Notes:
(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Governance Committee.
(4) Member of the Investment Committee.
(5) Effective June 30, 2014, Mr. Baker became the full time Executive Chairman of Altius.

Except as otherwise noted in the footnote below[1], each of the directors and the officers of the Corporation has held the principal occupation set forth opposite his or her name in the table above for the past five years.

As at the date of this AIF, the directors and executive officers of the Corporation, as a group, own beneficially, directly or indirectly, or exercise control or direction over 2,360,052 common shares or 5.9% of the issued and outstanding common shares. Each director holds office until the next annual general meeting of shareholders or until his or her successor is elected or appointed.

[1] Mr. Strauss has held various financial brokerage positions in London for the past five years.

11.2 Corporate Cease Trade Orders or Bankruptcies

During the past ten years, except as noted below, none of the directors, executive officers or shareholders holding a sufficient number of securities to affect materially the control of the Corporation is or has been a director or executive officer of any other company that while such person was acting in that capacity: (a) was the subject of a cease trade order or similar order or an order that denied such company access to any exemption under securities legislation for a period of more than 30 consecutive days, (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in such company being the subject of a cease trade or similar order or an order that denied such company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (c) within a year of that person ceasing to act in that capacity, such company became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

John Baker, Executive Chairman, and Brian Dalton, CEO, also serve as directors of Newfoundland and Labrador Refining Corporation ("NLRC"), a 39.6% owned equity investment of the Corporation. In response to a bankruptcy petition initiated by a contractor, NLRC sought and was granted creditor protection under the BIA on June 24, 2008. This protection enabled 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 until October 17, 2008. NLRC filed a proposal with the Trustee and Official Receiver on October 17, 2008 and an amended Proposal on or about November 6, 2008 (the "Proposal"). The Proposal was approved by Order of the Supreme Court of Newfoundland and Labrador (the "Court") on November 20, 2009. Altius Resources Inc. filed a Proof of Claim in the amount of $30,099,254.52 - $30,092,865 of which is a secured claim as a result of a debenture dated December 20, 2007 and registered under the Personal Property Security Act (Newfoundland and Labrador) on February 19, 2008. Under the Proposal, NLRC was given a continued period of time, up to 3 years, to search for an equity partner, buyer or funding (the "Standstill Period"). During the Standstill Period, funds which would otherwise be allocated to Altius, as secured creditor, were utilized to maintain the existence of regulatory approvals and to fund the cost of a continuing equity solicitation process. The Proposal further stated that, upon Project commencement, creditors would receive 100% of the amount owing to them plus interest within 30 days of the date of restructuring, defined as the earlier of the following: (i) the date at which all or substantially all of the shares or all or substantially all of the non-tangible assets of NLRC are sold, (ii) the date at which financing of the NLRC Project is achieved, and (iii) the date at which construction of the NLRC Project commences. On June 12, 2014 the Trustee under the Proposal delivered a Notice of Default in the Performance of the Proposal indicating that there had been a default in the performance of a provision of the Proposal which was not cured or waived, that the Trustee intended to apply for its discharge as Trustee, and that creditors were free to take proceedings to annul the Proposal and place NLRC in bankruptcy. No further proceedings were taken by creditors and accordingly on July 30, 2014 the Trustee was granted an Order by the Court discharging the Trustee under the Proposal without annulment of the Proposal.

11.3 Penalties or Sanctions

None of the directors, executive officers or shareholders holding a sufficient number of securities to affect materially the control of the Corporation has been subject to (a) any penalties or sanctions by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

11.4 Personal Bankruptcies

During the past ten years, none of the directors, executive officers or shareholders holding a sufficient number of securities to affect materially the control of the Corporation has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

11.5 Conflicts of Interest

Some of the directors and officers are or may be engaged in business activities on their own behalf and on behalf of other corporations and situations may arise where some of the directors and officers may be in a potential conflict of interest with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (Alberta).

ITEM 12: LEGAL PROCEEDINGS

The Corporation and its subsidiaries are not a party to any material legal proceedings.

In 2014, CDP, APRC and 1815953 Alberta Ltd. were served with a Statement of Claim by Bow City Power Ltd. ("BCPL") arising out of a 2007 purchase agreement, in which BCPL alleged that CDP breached the agreement by hindering it from obtaining certain consents in aid of its financing efforts, by granting certain coal bed methane rights to a third party and by failing to enter into a coal lease agreement with BCPL pursuant to a coal lease option agreement. BCPL claims damages in excess of $1 billion. Altius believes that the BCPL claims are without merit, and has not recorded any provision for such claims in its accounts. However, as with any action, a successful outcome cannot be guaranteed. The action is in the document discovery phase.

ITEM 13: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of any director, executive officer, or any person or company who beneficially owns, directly or indirectly, more than 10% of the outstanding common shares or any known associate or affiliate of such persons, in any transaction during the three most recently completed financial years or during the current financial year which has materially affected or is reasonably expected to materially affect the Corporation or a subsidiary of the Corporation.

ITEM 14: TRANSFER AGENT AND REGISTRAR

TMX Equity Transfer Services, through its office in Toronto, Ontario, is the transfer agent and registrar for the Corporation's common shares.

ITEM 15: MATERIAL CONTRACTS

The following are the material contracts entered into by Altius during the financial year ended April 30, 2015 or since such time or before such time and that are still in effect:

1) Agreement between Altius Resources Inc. and Alderon Resource Corp. dated as of December 6, 2010 relating to the payment of the Kami Royalty;

2) Sherritt Arrangement Agreement;

3) Credit Agreement among APRC, Altius, Altius Investments Limited, Altius Resources Inc., Sprott Resource Lending Partnership, Earlston Investments Corp. and John Tognetti dated April 28, 2014 relating to the Credit Facility;

4) Callinan Arrangement Agreement; and

5) Agency agreement among Altius, Scotia Capital Inc., Haywood Securities Inc., BMO Nesbitt Burns Inc., Sprott Private Wealth L.P., Raymond James Ltd. and Salman Partners Inc. dated May 6, 2014 relating to the offering of 4,643,000 common shares at a price of $14.00 per share.

A copy of each material contract is available on SEDAR under Altius' profile at www.sedar.com.

In the normal course of business, the Corporation enters into and maintains several earn-in agreements or exploration alliances with other exploration companies to provide technical support and to cost – share in exploration expenditures. These agreements normally result in the Corporation holding a reduced ownership in the mineral property and holding a royalty interest in any future potential mining revenues. While these agreements are not individually material, any of them could become material pending a significant mineral discovery and eventual development.

ITEM 16: INTERESTS OF EXPERTS

Other than transactions carried out in the ordinary course of business of the Corporation or its subsidiaries, none of the directors or executive officers of the Corporation, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, more than 10% of the outstanding Common Shares, or an associate or affiliate of any of the foregoing persons has had, during the three most recently completed financial years of the Corporation or during the current financial year, any material interest, direct or indirect, in any transactions that materially affected or would materially affect the Corporation or its subsidiaries.

Information regarding the Genesee Mine and Genesee Mine have been excerpted or derived from Sherritt's December 31, 2013 annual information form (the "Sherritt AIF"), Westmoreland Coal Company's Report on Form 10-K in respect of its fiscal year ended December 31, 2014 (the "Westmoreland 10-K"), and the technical report entitled "Technical Report, Genesee Mine, Alberta" dated May 19, 2006 (the "Genesee Report") and the technical report entitled "Technical Report, Sheerness Mine, Alberta" dated May 19, 2006 (the "Sheerness Report"), as applicable. Keith Wilson, P. Eng., of Norwest, a "qualified person" as such term is defined in NI 43-101 and who is independent of the Corporation, has reviewed and approved the scientific and technical information in this annual information form on the Genesee Mine and Sheerness Mine. Keith Wilson does not own any securities of the Corporation or of any associate or affiliate of the Corporation. Readers should consult the Sherritt AIF, the Genesee Report and the Sheerness Report to obtain further particulars regarding the Genesee Mine and Sheerness Mine. The Sherritt AIF, the Genesee Report and the Sheerness Report are available for review under Sherritt's profile on SEDAR at www.sedar.com.

Deloitte LLP is the auditor of the Corporation and is independent of the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Newfoundland and Labrador.

ITEM 17: AUDIT COMMITTEE

The purpose of the Corporation's audit committee is to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation. It is the objective of the audit committee to maintain free and open communications among the Board, the independent auditors and the financial and senior management of the Corporation.

The full text of the audit committee's charter is included as Schedule "C" to this AIF.

17.1 Composition of the Audit Committee

The audit committee is comprised of Susan Sherk, Fred Mifflin and Don Warr. All members are financially literate and are independent, as defined under Section 1.4 and 1.5 of National Instrument 52-110 *Audit Committees* ("NI 52-110").

17.2 Relevant Education and Experience

Donald Warr

Mr. Warr is a chartered accountant with over 45 years of experience in providing accounting and financial services. He has been a partner in the firm of Blackwood & Warr Chartered Accountants since 1992. Prior to 1992, Mr. Warr was a partner with a national public accounting firm. Mr. Warr was the Chief Financial Officer of the Corporation from February 2004 to October 2006.

Susan Sherk

Ms. Sherk is a Socio-Economic Consultant. Past positions include Senior Human Environment Associate with AMEC Environment and Infrastructure, a division of AMEC Americas Limited, an international project management and services company, Assistant Deputy Minister with the Government of the Province of Newfoundland and Labrador, Manager of Corporate Communications for Michelin Tires (Canada) Limited and Senior Public Affairs Manager with Mobil Oil Canada and Mobil Corporation. Ms. Sherk is a director of Investors Group and Mackenzie Inc. and is a former member of the Public Sector Pension Investment Board.

Frederick Mifflin

Mr. Mifflin is Vice Chairman of Blair Franklin Capital Partners Inc., an independent financial advisory firm. From 1989 to 2006, Mr. Mifflin was employed by BMO Capital Markets Inc. in various executive positions. Mr. Mifflin holds a B. Comm. (Honours) degree from Queen's University, an M.B.A. from The University of Chicago and is a graduate of the Advanced Management Program of the Harvard Business School. Mr. Mifflin is also a director accredited by the Institute of Corporate Directors.

17.3 Pre-Approval Policies and Procedures

Under its terms of reference, the audit committee is required to review and pre-approve the objectives and scope of the audit work to be performed by the Corporation's external auditors and their proposed fees. In addition, the audit committee is required to review and pre-approve all non-audit services which the Corporation's external auditors are to perform.

Pursuant to these procedures since their implementation, all of the services provided by the Corporation's external auditors relating to the fees reported as audit, audit-related, tax and all other services have been approved by the audit committee.

17.4 Audit Fees

The aggregate fees billed by the external auditors in the years ending April 30, 2015 and April 30, 2014 for audit services were $307,412 and $310,358 respectively.

17.5 Tax Fees

The aggregate fees billed by the external auditors in the years ending April 30, 2015 and April 30, 2014, for tax compliance, tax advice and tax planning services were $87,887 and $73,095, respectively.

17.6 Audit Related Fees

The aggregate fees billed by the external auditors in the years ending April 30, 2015 and April 30, 2014, for all audit-related fees were $nil and $nil, respectively.

17.7 All Other Fees

All other fees billed by the external auditors in the years ending April 30, 2015 and April 30, 2014 were $245,262 and $307,328, respectively.

ITEM 18: ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Additional information, including regarding directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is contained in the Corporation's management information circular for its most recent annual meeting of shareholders that involved the election of directors. Additional information is also provided in the Corporation's financial statements and Management's Discussion & Analysis for its most recently completed financial year.

Schedule "B"

Genesee Royalty

ITEM 7.2: *Genesee Royalty*

Certain of the information below has been excerpted or derived from the Sherritt 2013 AIF, the Westmoreland 10-K, and the 2005 Technical Report for the Genesee Mine. Keith Wilson, P. Eng., of Norwest, has reviewed and approved the scientific and technical information in this section on the Genesee Mine. Readers should consult the Sherritt AIF and the Genesee Technical Report to obtain further particulars regarding the Genesee Mine. The Sherritt AIF and the Genesee Technical Report are available for review under Sherritt's profile on SEDAR at www.sedar.com. The Westmoreland 10-K is available for review under Westmoreland's profile on EDGAR at www.sec.gov.

The following document refers to Sherritt International (Sherritt), EPCOR Utilities Inc. (EPCOR), and Prairie Mines & Royalty Ltd. (PMRL). The following comments should be noted.

> PMRL was a 100% owned subsidiary of Sherritt. In 2014 Sherritt sold PMRL to the Westmoreland Coal Company. These assets now exist as Prairie Mines & Royalty ULC (PMRULC), a subsidiary of Westmoreland.
>
> EPCOR is a utility company owned by the City of Edmonton. In 2009 EPCOR divested its power producing assets through the creation of a publically traded company, Capital Power Corporation.
>
> References to Sherritt, EPCOR, and PMRL are historical in nature.

Property Description and Location

The Genesee Mine is located in west central Alberta, approximately 70 km southwest of Edmonton, Alberta, and consists of leased and freehold lands totaling approximately 21,038 ha. It falls within Townships 50 and 51, Range 3, west of the 5th Meridian and Township 50, Range 2, west of the 5th Meridian.

The Genesee Mine is operated by Capital Power GP Holdings Inc. under the AER Mine permit No. C99-8C.

Alberta Environmental Protection and Enhancement Act ("**EPEA**") Approval No. 10404-02-00 as amended regulates the development, operation and reclamation of the mine and any disturbances directly related to the Genesee Mine. The approval expires on September 14, 2015. All operating licenses and approvals are granted with the capability to renew every ten years upon reapplication.

Of the 7,381 ha of land within the mine permit area, 650 ha are privately held. The remaining area is controlled by EPCOR.

The Genesee Mine area of mutual interest consists of 21,038 ha in which 1,359 ha are Crown coal mineral leases, 7,568 ha are held by PMRL, 5,656 ha are held by EPCOR, and another 1,464 ha are owned or controlled by others in the mine area. A total of 2,985 ha comprise the area controlled by a joint venture between PMRL and EPCOR. The remaining 2,006 ha are located in the northern most portion of the area of mutual interest, an area containing no mineable coal. PMRL has exclusive right to mine the coal within the Genesee Mine, supplying run-of-mine coal to EPCOR generating stations.

For a description of the royalties associated with the Genesee Mine, see “Description of the Royalty Portfolio”.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Genesee Mine is accessible southwest of Edmonton, Alberta via Highway Nos. 16 and 770. The City of Edmonton is located 70 km to the northeast. The main east-west line of Canadian National Railway passes 25 km to the north en-route to, and from, west coast port facilities.

The average annual daily temperature of the area is 3.4°C, with an average summer maximum of 21.8°C and a winter minimum of −15.9°C. Winds from the west and northwest predominate with average speeds of 9.3 to 11.9 km/hr. The average annual precipitation is 536 mm of which 410 mm is recorded as direct rainfall. The average annual snowfall is 133.9 cm.

The principal resources of the area are agriculture and some oil and gas production. The local terrain is gently to moderately rolling farmland, light boreal forest and wetlands. The North Saskatchewan River flows from west to east immediately north of the property. Surface elevations vary from approximately 730 m to 840 m above mean sea level.

The Genesee Mine does not typically experience constraints regarding power or water supply needed for operations due to the availability of such infrastructure in close proximity to the mine. The Genesee Mine does not require tailings ponds, refuse areas or leach pads as the coal produced is not refined before use. Ample space is available for storage or processing, where needed.

History

EPCOR acquired the major mineral leases for Genesee Mine following encouraging drill tests in the 1950’s. Subsequent drilling investigations were carried out in the 1960’s and 1970’s, resulting in production of an exploration report by R.S. Taylor in 1977. EPCOR and Fording formed a joint venture in 1980 and conducted a burn test of a bulk sample from the property in September and October of that same year. Fording developed significant exploration and feasibility reports in 1983 and 1987 after further drilling was completed. A 400 MW thermal power unit was eventually brought on line in 1989. A second 400 MW unit was commissioned in 1994 and a 450 MW unit was commissioned on March 1, 2005.

Geological Setting

The Genesee Mine is located within the Plains Region of Alberta, a principal physiographic region of the province.

Coal seams at the Genesee Mine are Sub-bituminous B in rank and are found in the uppermost Cretaceous Scollard Formation Ardley Coal Zone. The Scollard Formation represents predominantly fluvial environments and unconformably overlies the Upper Cretaceous Battle Formation and underlies the Tertiary Paskapoo Formation. The Ardley unit locally consists of coal seams interbedded with bentonic and carbonaceous shales and clay beds with associated sandstones and siltstones. The Ardley includes three major coal successions regionally across west central Alberta. These include the lowermost, or Lower Ardley A unit, the overlying Lower Ardley B, and the uppermost, Upper Ardley. The zone of commercial interest at the Genesee Mine is the Lower Ardley B. The Upper Ardley has been removed by post-Cretaceous erosion and the Lower Ardley A is not economically mineable at the Genesee Mine.

The strata are relatively flat-lying and structurally undisturbed although some glacial faulting has been noted along the north-facing subcrop edge of the formation.

Mineralization

The sub-bituminous coal at Genesee lies within the Lower Ardley B Coal Zone of the Upper Cretaceous Scollard Formation. Four seams are present and are designated, in ascending stratigraphic order, as the Lower Main, Upper Main, Hanging Wall and High seams. The average thicknesses are 1.80 m, 2.74 m, <0.60 m, and 0.74 m respectively. Three of the four local coal seams are commercially exploitable and demonstrate consistent stratigraphic continuity with thicknesses ranging from 0.5 m to 4.0 m. The Hanging Wall Seam is excluded from reserves estimates because it is not normally of mineable thickness. The High Seam is similarly of insufficient mining thickness in some areas of the Genesee Mine. A number of rider seams and splits are present throughout the Genesee Mine which are included for mining if of sufficient thickness and within close stratigraphic proximity to mineable coal intervals. Major interburden thicknesses vary from 0.18 m to 15.5 m.

Exploration

A large number of exploration holes have been drilled on the Genesee Mine property since the 1950’s. Major drilling programs in the 1970’s and 1980’s largely defined the extent and quality of the reserves. The final spacing of exploration drilling by 1987 was generally less than 800 m and core holes were spaced approximately 800 m to 1,600 m, or less. Geophysical log suites for each hole typically included caliper, resistivity, natural gamma ray, and density runs. Drilling programs conducted almost annually since the late 1980’s have continued to more closely define the stratigraphy and quality of the deposit.

Drilling

To year end 2004, data from approximately 3,800 drill holes and surveyed data locations were available. Approximately 2,710 of these holes provided coal seam data and 2,200 provided glacial till data. In 2004 the drill hole database, and subsequent geological model, were expanded to include 85 auger holes used to better define the till/rock contact as well as 39 core and or geophysically logged holes used to interpret coal seams.

Drill holes have been surveyed for collar data which includes the “x”, “y” and “z” coordinates of the surface location of the hole. Further, the drill hole data, including geophysical logs, geologists’ core/cuttings descriptions, sample intervals (core) and drillers’ logs, have been compiled and transcribed into a digital database containing the “from”, “to” and “thickness” of lithologic units per drill hole, including coal and till, coal seam identification as well as analytical results from sampled coal core.

Drill hole core descriptions, geophysical logs and coal quality data are used to characterize and interpret the stratigraphy in the mine area, particularly with respect to the economic coal seams, partings and interburden intervals.

As of December 31, 2013, the Genesee Mine drill hole database contained data from approximately 2,248 drill holes.

Sampling Method and Approach

Both cores and drill cuttings samples were retrieved to provide subsamples for testing and subsequent composite samples for selective analyses. As of 1987 there were approximately 140 core holes located on the property and a significantly greater number have been drilled since that reporting. Following core examination work in the field, sub-samples were sealed and forwarded to the laboratory for analysis. Composite samples were blended at the laboratory for further analysis.

Sample Preparation, Analyses and Security

Samples are collected from drill core and submitted for analysis using methods that are standard for the coal industry. The specific process used at Genesee Mine is described below:

1. Core from the drill hole is logged (i.e., measured and described) using standard geological terms to document various attributes including lithology, color, hardness and grain size.

2. Each core hole is subject to a down-hole geophysical logging program. The logging program produces a geophysical log suite consisting of caliper, density (gamma-gamma), natural gamma and resistivity trace. The geophysical logs are used to identify rock types, including coal intersected in the hole.

3. Coal intervals are collected in a split tube core barrel that is opened and logged at the drill site by a geologist. The geologist's core log consists of the measured thickness and description of the coal, inter-seam partings, adjacent roof and floor rock, and details of any sample intervals removed for analysis.

4. Recovered core is measured to determine an overall recovery (reported in percent) by comparing the recovered core length with the coring run length recorded by the driller. Recovered core is measured and compared to the coal interval thickness determined from the geophysical log suite.

5. Recovered coal intervals are sampled using the following criteria:

i. The minimum thickness for a coal sample is 30 to 50 cm.

ii. All non-carbonaceous partings >15 cm are not sampled.

iii. In-seam partings, to a maximum thickness of 15 cm, will be included in a coal sample, where the thickness of the adjacent coal beds above and below the parting are both a minimum of 35 cm in thickness.

6. Collected samples are cleaned of any mud contamination and placed in individual plastic bags. The bags are labelled on the outside with both the core hole and sample number and sealed with plastic tape to prevent excessive moisture loss. The sample bags are placed together in a collection bag for the core hole before being placed in palletized containers and shipped to an independent lab for analysis.

Individual ply samples were analysed for moisture contents, relative density, and proximate analyses (including heating value). Composite (full seam) samples were also analysed for these same parameters as well as ultimate analyses, chemical analyses of the ash, fusibility temperatures, and Hardgrove Grindability Indices.

The geological data collected during these test drilling programs is used to model coal seams and predict coal quality using geological modeling software. In addition, samples are collected during mining operations to further enhance understanding and prediction of coal quality. In-pit samples are routinely collected from active coal faces or from the plant feed and analyzed at the utility customer's laboratory for sulphur, ash, heat value and moisture. This data is used to help optimize the quality of the coal being delivered to the utility customer.

Data Verification

In 2005 PMRL provided Genesee Mine data to Norwest in digital format for validation and subsequent use in geological modeling and reserve estimation work. Norwest also reviewed a randomly chosen series of test holes throughout the mine area for data quality and file content. The assessment included in the Genesee Report was based entirely on a review of the Southfield database where mine development is concentrated for the foreseeable future.

PMRL's digital geological data are stored in an Oracle database and comprise drill hole collar coordinates, lithology, coal seam intercepts, and coal quality information. At the time of the Genesee Report, PMRL used MineSight to interpret and model the geologic data at the Genesee Mine. All digital data in PMRL's Oracle database and MineSight were exported and provided to Norwest in ASCII format.

In the process of creating new geological models for the Genesee Mine, Norwest first reviewed, verified, and completed any necessary edits of the PMRL data files before creating a new database in Microsoft Access. The geological database created by Norwest included over 3,800 drill holes.

The data and/or interpretations are a reasonable representation of the geology of the Genesee Mine, based on the exploration and development drill hole data.

Mineral Reserve Estimates

When calculating the estimated mineral reserves, only coal intended for mining within each of the pits was included. Three major coal seams, which include the High Seam, Upper Main and Upper Main 1 are mined within the Genesee Mine. Four rider seams High Seam-1, Upper Main-A, Upper Main-B and Upper Main, are recoverable to 0.15 m when found in close proximity to noted major seams.

The following table summarizes coal reserves in the Genesee Mine as of December 31, 2014, as reported in Westmoreland's 10-K and converted to metric units

Proven Reserves (Mt)	**Probable Reserves (Mt)**	**Sulphur Content(1) (%)**	**Heating Value(2) (kj/kg)**
235.8	38.0	0.20	18,690

Notes

(1) Approximate sulphur content applies to the coal mined in 2014..
(2) Approximate heat content applies to the coal mined in 2014.

Mining Operations

The Genesee Mine supplies sub-bituminous coal to the Genesee generating station, which is owned and operated by EPCOR, under a joint venture agreement with PMRL. The Genesee Mine is a conventional dragline surface mining operation, with a production capacity of up to 5.6 Mt per year.

Mining Method

The Genesee Mine is a typical prairie-type mine-mouth dragline operation. Draglines strip the overburden to expose the coal seam which is then lifted onto the operating bench. An electrical powered cable shovel loads the coal into haulers for transportation to the truck dump. Pits are reclaimed using tracked dozers to recontour the dragline spoil piles prior to the spreading of subsoil and topsoil.

Processing

In east central Alberta, the near-surface coals of the Ardley Formation are most commonly ranked as Sub-bituminous B and are best suited as a fuel for a “mine-mouth” power station (i.e., the generating station is located in close proximity to the mine). There are no coal processing and/or preparation facilities — the coal is delivered directly to the power plant from the pit(s).

Sub-bituminous B is a lower rank, consolidated, black coal that produces between 22,100 and 24,400 kilojoules per kilogram (kj/kg) on a moist, mineral-matter-free basis when burned. The coal has high moisture content and is bright to dull in lustre, medium hard and often has a blocky texture. The Genesee coals yield approximately 22,500 kj/kg on a moist, mineral-matter-free basis upon testing.

Production Forecast

Historically, production at the Genesee Mine has been steady, driven by demand for coal at the Genesee generating station. The 2005 commissioning of the G-3 generating unit has increased coal demand from historical levels, however future production levels can be expected to remain stable. Since the generating station relies on its coal supply from the Genesee Mine, the forecast annual production and total coal production have been estimated with a high level of confidence.

The two draglines are capable of producing approximately 5.5 Mt per year of coal. Waste volumes are expected to increase in the future due to gradually increasing topography and pre-stripping for the draglines will be required.

Markets

The Genesee Mine is the exclusive source of Sub-bituminous B coal for the production of electricity at the Genesee generating station.

Contracts

The Genesee generating station is owned and managed by EPCOR. Coal is supplied to the generating station by the joint venture operated by PMRL under a long term agreement. The terms of this contract are confidential.

Environmental Conditions

The Genesee operations achieved environmental certification under the ISO 9001 and 14001 quality and environmental management standards in 2001.

Payback Period

The Genesee Mine has been in operation since 1989 and underwent a change in ownership in 2003. The mining operations are ongoing and hence a discussion regarding the payback period is not applicable.

Taxes, Capital and Operating Cost Estimates

The Genesee Mine is an on-going joint venture operation with significant operating history. Annual budget plans, as well as long range mine plans are developed on a regular basis. These plans forecast mine waste volumes and coal tonnage as well as project operating and capital mine expenditures on an annual basis. The plans are based on historical and projected equipment operating productivities and costs and are reviewed regularly to ensure that the projected equipment and labour operating hours and associated costs are valid.

All aspects of the mining process are included in the operating plans, including waste mining, coaling operations and reclamation activities. Indirect costs, such as taxes, royalties, administration and overhead where applicable are also detailed on an annual basis. Capital expenditures for development of new mining areas and equipment acquisitions and replacements are developed and a schedule of the spending is prepared.

Mine Life

Based on current production rates, the current reserves would be exhausted in 2068.

Exploration and Development

PMRL maintains a geological model of coal reserves and resources at Genesee Mine. Drilling activities are generally only necessary in advance of new mining area development orwhere tighter drill hole spacing is required to determine accurate near-term mine plans that will reflect the variations in coal seam quality and any geological anomalies that may exist. In 2013, PMRL continued its test drilling programs at Genesee Mine as part of its mine planning and development processes.

Schedule "C"

Sheerness Royalty

ITEM 7.3: ***Sheerness Royalty***

Sheerness Royalty

Certain of the information below has been excerpted or derived from the Sherritt 2013 AIF, the Westmoreland 10-K, and the 2005 Technical Report for the Sheerness Mine. Keith Wilson, P. Eng., of Norwest, has reviewed and approved the scientific and technical information in this section on the Sheerness Mine. Readers should consult the Sherritt AIF and the Sheerness Technical Report to obtain further particulars regarding the Sheerness Mine. The Sherritt AIF and the Sheerness Technical Report are available for review under Sherritt's profile on SEDAR at www.sedar.com. The Westmoreland 10-K is available for review under Westmoreland's profile on EDGAR at www.sec.gov.

The following document refers to Luscar, Sherritt International (Sherritt) and Prairie Mines & Royalty Ltd. (PMRL). The following comments should be noted.

> In 2001 Sherritt International and the Ontario Teachers' Pension Plan Board acquired Luscar Coal Ltd., forming the Luscar Energy Partnership.
>
> PMRL was a 100% owned subsidiary of Sherritt. In 2014 Sherritt sold PMRL to the Westmoreland Coal Company. These assets now exist as Prairie Mines & Royalty ULC (PMRULC), a subsidiary of Westmoreland.
>
> References to Luscar, Sherritt, and PMRL are historical in nature.

Project Description and Location

The Sheerness Mine is located in south central Alberta, approximately 160 km northeast of Calgary, Alberta. The Sheerness Mine is located in Townships 28 and 29, Ranges 12 and 13, west of the Fourth Meridian. Population centres in the immediate vicinity of the Sheerness Mine include the towns of Hanna, 25 km to the north, and Brooks, 130 km to the south.

The Sheerness Mine is owned by PMRULC and operated under the EUB Mine permit No. C 99-6B, which covers an area of approximately 7,000 ha. The Sheerness Mine permit has no expiry date.

The EPEA approval no. 11876-04-00, as amended, regulates the development, operation and reclamation of the mine and any disturbances directly related to the Sheerness Mine. The approval expires on April 22, 2025. All operating licenses and approvals are granted with the capability to renew every five to ten years upon reapplication.

Of the 7,000 ha of land within the Sheerness Mine permit area, there are 3,945 ha of crown coal mineral leases and 3,055 ha of freehold coal. Coal rights are controlled by PMRL, TransAlta and ATCO. PMRL has exclusive right to mine the coal within the Sheerness Mine, supplying run-of mine coal to Sheerness generating station, where it is the sole source of sub-bituminous coal for the production of electricity.

For a description of the royalties associated with the Sheerness Mine, see “Description of the Royalty Portfolio”.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Sheerness Mine produces sub-bituminous coal; mined coal supplies the adjacent Sheerness generating station. Access to the Sheerness Mine area is bounded by Highway No. 36 (primary highway) on the west. The mine infrastructure includes a network of haulage and service roads, pit power distribution lines, and water management facilities. Coal is transported by truck from the mine to the Sheerness generating station and is held in stockpiles prior to being utilized in the generating units.

The Sheerness Mine area is subject to the semi-arid climate characteristics of the south eastern Alberta prairie. The climate is characterized by relatively short warm summers and long cold winters, with an average annual precipitation of 39 cm, with approximately 11 cm occurring as snowfall. The majority of the precipitation occurs from May through September, which are also the warmest months.

Much of the land presently under pasture was cultivated at some time in the past but was returned to pasture or hay production, due to inadequate moisture and soil quality. Unmanaged rough grazing land also covers portions of the area.

The terrain in the Sheerness Mine area is prairie range and cropland characterized by rolling topography. The land surface consists of an undulating to gently rolling bedrock plain covered with till of varying thickness. This surface pattern is interrupted by two badland areas (eroded bedrock features) and by several small sloughs. Due to the lack of local relief and steep slopes in most of the mine area, erosion potential generated by water is generally very low. Ground surface elevations range from 810 to 860 m above sea level.

The Sheerness Mine area lies within the mixed prairie region of southern Alberta. This is a short-grass vegetation type developed in the driest areas of south eastern Alberta and south western Saskatchewan. Over 80% of the plant cover is composed of grasses and sedges. The mixed prairie region also supports localized habitats of distinct communities, the more common being badlands, saline depressions, and sloughs.

The region is almost completely treeless on upland sites. Climate is the major limiting factor to tree growth, with the combination of low precipitation and high evaporation creating a habitat too dry for tree establishment and survival.

The Sheerness Mine area is located on a topographic high and contains several small natural and manmade sloughs, ponds, and dugouts. With an annual precipitation rate of 39 cm and an evapotranspiration rate of 56 cm, surface water in this poorly draining landscape is in limited supply. In particular, the shallow sloughs and ponds are susceptible to drying up in the summer and the area is susceptible to drought. Regional surface drainage is to the south toward the Red Deer River.

The principal aquifers at the Sheerness Mine are the sandstone bedrock, the coal seams and the bedrock below the coal. The general direction of groundwater flow is primarily east to west with discharge into the Bullpond Creek drainage system. Owing to the presence of bentonite in the mining depths and thick shale and claystone sequences underlying the coal zone, recharge to the acquifers below the coal is limited. Due to the impeded downward movement of groundwater, isolated perched groundwater conditions exist in the more permeable areas of glacial till.

The majority of groundwater wells in the vicinity of the Sheerness Mine are developed in the sandstone above the coal seams. They supply water for domestic and livestock use. Water is generally of the sodium bicarbonate and sodium sulphate type with relatively high total dissolved solids (>1000 mg/l) and high iron concentrations (> 1mg/l).

The Sheerness Mine area lies within the dark brown soil area of Alberta and within 9 km of the brown soil zone to the east. In order to ensure accuracy in the soil handling program, annual soil surveys are made to define specific soil salvage areas, areas replaced, and stockpiled volumes.

The Sheerness Mine does not typically experience constraints regarding power or water supply needed for operations due to the availability of such infrastructure in close proximity to the mine. The Sheerness Mine does not require tailings ponds, refuse areas or leach pads as the coal produced is not refined before use. Ample space is available for storage or processing, where needed.

History

The lands now comprising the area within the Sheerness Mine were assembled by Alberta Power Company Ltd., a predecessor of ATCO, to be the site for a surface coal mine to supply coal to the Sheerness generating station. The first unit of the Sheerness generating station began commercial operation in 1986 and the second unit in 1990.

The Sheerness generating station, co-owned by ATCO and TransAlta Utilities Corporation, was initially supplied with coal from the Montgomery Mine, owned by Manalta. The Montgomery Mine began production in 1986. The Sheerness Mine began production in 1995. Luscar acquired the assets of Manalta in 1998 and in 1999 and merged the two operations into one in 1999, creating the Sheerness Mine.

Geological Setting

The Sheerness Mine area lies within the plains region of Alberta, a principal physiographic region of the province.

Coal seams in the Sheerness Mine are sub-bituminous C in rank and are located within the lowermost strata of the Upper Cretaceous Paskapoo Formation — Scollard member. This geologic formation comprises clastic, fine-grained sediments deposited in deltaic environments. The Horseshoe Canyon Formation conformably overlies the Bearpaw Formation, which consists primarily of coarsening upward cycles of marine sediments. Regionally, these strata lie in the eastern reaches of the Alberta Syncline and dip very gently in a west-southwesterly direction. As a result, the Lower Horseshoe Canyon Formation subcrops to the east of the Sheerness Mine and strata of the underlying Bearpaw Formation become the locally predominant bedrock unit. The coal-bearing strata in the area are directly overlain by till units except along escarpments and areas of high topographic relief.

Mineralization

There are six coal zones identified within the Sheerness Mine coal field. In ascending order these are: Sunnynook, Sheerness zone, Roselynn, Richdale, Taplow and Hanna. Only the seams within Sunnynook and Sheerness zone are considered mineable in the area. The thickness of the two zones varies between 0.3 m and 2.1 m. The Sunnynook and Sheerness coal zones have been further subdivided into five mineable coal seams; L1, L1U, L2, L3 and L4.

The Sheerness Mine coal field is typical of coal deposits in the Lower Horseshoe Canyon Formation of the Alberta Plains. The coal seams are relatively thin, contain numerous partings and show a high degree of variation laterally in both thickness and quality. These characteristics suggest that this deposit should be categorized as Low — Type C. In addition to thickness variability associated with original depositional configuration, the coal-bearing strata occasionally exhibit distortion due to differential compaction that occurred both during and after deposition. Glacial movement and till loading have also contributed to deformation of these coal units, closer to subcrop.

Exploration

The area within the Sheerness Mine permit includes an active mining area delineated by short and long-range mine plans and is not classified as an exploration area. As an operating mine, it has been very well-drilled; over 2,500 drill holes have been completed on the property. Coal seam characteristics, including thickness, extents and quality are very well understood as a result of the extensive drilling throughout the property. Holes have been drilled on average at less than 400 m spacing outside the active pits.

Drilling

At the time of the Sheerness Report, the drill hole database contained all available drill hole data, comprising a total of 2,728 holes. However, PMRL technical personnel considered some of these holes to be unreliable or incomplete and they are not included in the database used for geological modeling. As a result, within the Sheerness Mine permit area, 2,511 drill holes were used in modeling.

The spacing of these drill holes over the yet-to-be-mined portion of the permit area ranged from 40 m to 400 m and averages 200 m for rotary holes and 400 m for core holes.

Core recoveries average 30% to 35% in weathered coal zones (near subcrop) to 90% in unaltered coal. Improved core recoveries in the weathered coal zones have been attempted using modified Shelby tubes although without much success; coring of this type of material is extremely difficult. PMRL typically undertakes drilling programs ahead of mining. As mining progresses, pit design and layout are based on geological interpretation of drill hole information, quality analyses and pit wall mapping completed by PMRL technical personnel at 50 m intervals.

As of December 31, 2013, the drill hole database at Sheerness Mine contained a total of 3,304 holes.

Sampling Method and Approach

The sampling process starts after the recovered core from the drill hole is logged, measured and described by the geologist using standard geological terms to document various attributes. Generally, the minimum thickness for a coal sample is 30 to 50 cm, and in-seam partings to a maximum thickness of 10 to 15 cm may be included in a coal sample, where the thickness of the adjacent coal beds above and below the parting are both a minimum of twice the parting thickness. Samples are collected from drill cores and from channel and grab sampling programs using methods that are standard within the coal industry and according to current American Society for Testing and Materials standards.

Individual ply sample intervals are selected and each sample taken is cleaned of any contamination and placed in individual plastic bags. The bags are labeled on the outside with both the hole and sample number, and sealed with plastic tape to prevent excessive moisture loss. The sample bags are placed together in a collection bag and prepared for shipment to the laboratory for coal quality analyses.

All of the core samples, collected and submitted for analysis, were handled using methods that are standard for the coal industry. Norwest staff did not participate in the sampling of cores from the drill programs. Samples of core from coal seams and adjacent strata are analyzed for quality parameters by PMRL in commercial laboratories as well as at the laboratory at the Sheerness generating station. Sample intervals often include either a portion of a coal seam or the entire seam including interbeds and overlying or underlying rock.

For gross geological modeling purposes, this distribution of analyses has been demonstrated to be adequate. These production level analyses are supplemented and supported by daily analysis of composite samples of delivered coal, completed at the generating station laboratory.

Sample Preparation, Analyses and Security

Samples from test drilling programs are transported to an accredited independent laboratory (third-party) for preparation and analyzed for moisture content, sulphur content, ash content, and heat value. A chain of custody form is completed on site by the geologist that gives sufficient information to identify the samples and describes the analyses required. The receiving third-party laboratory enters the information provided in the chain of custody form into their own laboratory information management system producing unique sample identification numbers for the preparation and analytical stages. The laboratory is responsible for tracking all samples once received from the mine site, and samples are stored in a secure location to prevent tampering.

The geological data collected during these test drilling programs is used to model coal seams and predict coal quality using geological modeling software. In addition, samples are collected during mining operations to further enhance understanding and prediction of coal quality. In-pit samples are routinely collected from active coal faces or from the plant feed and analyzed at the utility customer's laboratory for sulphur, ash, heat value and moisture. This data is used to help optimize the quality of the coal being delivered to the utility customer.

At the time of the Sheerness Report, duplicate samples from the Sheerness Mine were regularly sent to the CANMET Materials Technology Laboratory, and other reputable laboratories located in Alberta for confirmation that the mine and Sheerness generating station analyses procedures and results were reliable. These analyses results were not made available to Norwest. In coal work additional special security methods for the shipping and storage of samples are not commonly employed, as coal is a relatively low value bulk commodity.

Data Verification

At the time of the Sheerness Report, Sheerness Mine drill hole and quality database contains 2,728 drill holes and includes data acquired following the purchase of Manalta assets by Luscar in 1998. Luscar personnel reviewed all the data and rejected drill holes that did not meet acceptable standards for inclusion in the modeling process. The remaining 1,995 drill holes comprised the Minex database which was used to construct the geological model using Minex software.

Validation of the interpretation and transcription of the raw coal drill hole and analysis data was accomplished through spot checks. Norwest selected sixteen drill holes at random, distributed throughout the permit area, to verify that the coal seam intersections and coal quality data had been accurately represented in the database and model. Raw data, including the original drill hole geophysical logs and, in the case of core holes, the original core descriptions and lab analyses results, were reviewed to ensure that coal thickness determination was consistent with industry standards in interpretation, and the subsequent handling of this data was investigated to ensure data integrity. This validation also included reviewing drill hole survey data and processes through discussions with Luscar representatives to confirm adequacy for reserve estimates. Confirmation of the geological interpretations and their relationship to the raw data was accomplished through the inspection of geological maps and cross-sections.

Norwest has relied wholly on information and data provided by PMRL. Norwest did not conduct fieldwork, other than tour and inspect the operating mine on September 24, 2003; Norwest did not independently drill or geophysically log core holes, nor subject any coal samples to analysis.

Mineral Reserve Estimates

Mineral Reserve Estimates

At the Sheerness Mine, five seams are mined. Although the criteria for determining mineability propose a minimum coal seam thickness of 0.60 m and maximum included rock parting of 0.15 m, Luscar has been successfully recovering seams to 0.40 m. A comparison between modeled volumes and historical production reports for the years 2000 to 2003 inclusive have confirmed this.

Total aggregate coal thickness in mineable seams, including the "quality adjusted" coal, varies from 0.5 m to 1.9 m within the remaining mineral reserves in the Sheerness Mine area.

The following table summarizes coal reserves in the Sheerness Mine as of December 31, 2014, as reported in Westmoreland's 10-K and converted to metric units

Proven Reserves (Mt)	**Probable Reserves (Mt)**	**Sulphur Content[1] (%)**	**Heating Value[2] (kj/kg)**
30.5	3.1	0.50	16,800

Notes
(1) Approximate sulphur content applies to the coal mined in 2014..
(2) Approximate heat content applies to the coal mined in 2014.

Mining Operations

The Sheerness Mine supplies sub-bituminous coal to the Sheerness generating station under two contracts. The mine is a conventional dragline surface mining operation, with a production capacity of up to approximately 4.0 Mt per year.

Mining Method

The Sheerness Mine is a typical prairie-type dragline operation. Draglines strip the overburden to expose the coal seams. A rubber-tired loader excavates the coal, which is then trucked directly to the Sheerness generating station. Pits are reclaimed using tracked dozers to recontour the dragline spoil piles prior to the spreading of subsoil and topsoil.

Processing

At the Sheerness Mine, the coals of the Lower Horseshoe Canyon Formation are ranked sub-bituminous C and are best suited as a fuel for a "mine-mouth" power station (i.e., the generating station is located in close proximity to the Sheerness Mine). There are no coal processing and/or preparation facilities — the coal is delivered directly to the power plant from the pit.

The coal produces between 19,300 and 22,100 kilojoules per kilogram (kj/kg) on a moist, mineral-matter-free basis when burned. It has high moisture content and is susceptible to spontaneous combustion, which can often cause problems in transportation and storage.

Production Forecast

The Sheerness Mine is on two contracts with the Sheerness generating station, which consumes 100% of the coal produced by the mine. Based on projected consumption at the time of the Sheerness Report, the two generating units at the station require a total of approximately 3.5 to 4.0 Mt of coal annually from the Sheerness Mine.

Markets

The Sheerness Mine is the exclusive source of sub-bituminous coal for the production of electricity at the Sheerness generating station.

Contracts

The Sheerness generating station is co-owned by ATCO and TransAlta, and is managed by ATCO. ATCO purchases the coal from PMRL under two supply contracts.

Environmental Conditions

The Sheerness Mine follows environmental management, mitigation and reporting practices. Conservation and reclamation activities have been conducted progressively within the mining area.

Payback Period

Coal production commenced at Sheerness Mine in 1986 and has been conducted continually since that date. Consequently, a discussion of the payback period is no longer applicable to this operation.

Taxes, Capital and Operating Cost Estimates

The Sheerness Mine is an on-going operation with a significant operating history. Annual budget plans, as well as long range mine plans are developed on a regular basis. These plans forecast mine waste volumes and coal tonnage as well as project operating and capital mine expenditures on an annual basis. The plans are based on historical and projected equipment operating productivities and costs and are reviewed regularly to ensure that the projected equipment and labour operating hours and associated costs are valid. All aspects of the mining process are included in the operating plans, including waste mining, coaling operations and reclamation activities. Indirect costs, such as taxes, royalties, administration and overhead are also detailed on an annual basis. Capital expenditures for development of new mining areas and equipment acquisitions and replacements are developed and a schedule of the spending is prepared.

Mine Life

Based on current production rates, the current reserves would be exhausted in 2024, leaving a shortfall of reserves as compared to contractual commitments. Drilling programs are ongoing to identify additional mining areas and reserves.

Exploration and Development

PMRL maintains a geological model of coal reserves and resources at Sheerness Mine. Drilling activities are generally only necessary in advance of new mining area development, where tighter drill hole spacing is required to determine accurate near-term mine plans that will reflect the variations in coal seam quality and any geological anomalies that may exist. In 2014, PMRL will continue its test drilling programs at Sheerness Mine as part of its mine planning and development processes.

SCHEDULE "C"

Audit Committee Charter

INTRODUCTION

1. The purpose of the Audit Committee (the "Committee") is to assist the Board of Directors of the Corporation (the "Board") in fulfilling its oversight responsibilities by reviewing the financial information which will be provided to shareholders of the Corporation and others, the systems of corporate financial controls which management and the Board have established and the audit process.

2. The Committee will oversee the Corporation's financial reporting process on behalf of the Board and report the results to the Board.

3. While the Committee has the responsibilities and powers set forth in this mandate, it is not the duty of the Committee to plan or conduct audits or to determine the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Management is responsible for preparing the Corporation's financial statements and the independent auditors are ultimately accountable to the Board and the Committee, as representatives of the Corporation's shareholders.

DEFINITIONS

4. "Management" refers to the officers of the Corporation, and the other members of the senior management team of the Corporation as may be determined from time-to-time by the Chief Executive Officer and communicated to the Board.

5. "Officers" refer to those employees who are appointed as officers the by the Corporation.

DUTIES AND RESPONSIBILITIES

6. Financial Reporting

    a. Review, with management and the independent auditors the financial statements and management discussion and analysis prior to the filing of the Corporation's Annual and Interim Reports.

        i. Include in this review discussions regarding their judgment on the quality, not just the acceptability, of significant accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements;

        ii. Discuss the results of the review and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards if a review engagement of the interim financial statements is requested by the Committee; and

1. Ensure the Corporation's compliance with legal and regulatory requirements relating to financial disclosure.

b. Review any new appointments to senior positions of the Corporation with financial reporting responsibilities;

c. Review reports from senior officers of the Corporation outlining any significant changes in financial risks facing the Corporation;

d. Review the management letter of the external auditors and the Corporation's responses to suggestions made; and

e. Review all financial press releases, earnings guidance and the annual information form.

7. External Audit

a. Review the audit plan with the external auditors and discuss the overall scope and plans for the audit, including the adequacy of staffing and compensation;

b. Meet separately with the independent auditors, with and without management present, to discuss the results of their examinations and provide sufficient opportunity for the independent auditors to meet privately with the members of the Committee; and

c. Annually, review and recommend to the Board the selection of the Corporation's independent auditors, subject to shareholders' approval, and approve the annual fee for the external audit services.

8. Internal Audit

a. Annually review the summary report of the internal audit function for the past year; and

b. Annually review planned activities and resources of the internal audit function for the coming year.

9. Miscellaneous

Perform any other matters referred to the Committee or delegated to it by the Board.

10. Director Responsibilities and Performance

a. Committee Duties

Act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonable prudent person would exercise in comparable circumstances.

b. Committee Values

i. Assist the Corporation to operate in compliance with all corporate policies and codes, and all laws and regulations governing the Corporation; and

ii. Maintain strong financial reporting and control processes.

c. External Auditors

i. Ensure that the external auditors are accountable to the Board, as representatives of the shareholders, through the Committee;

ii. Recommend the appointment of auditors to the Corporation's shareholders and for the compensation and oversight of the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting; and

iii. Ensure that the external auditors report all material issues or potentially material issues to the Committee.

d. Reliance on Experts

i. Place appropriate reliance in good faith on reports that the financial statements of the Corporation represented to each member of the Committee by an officer of the Corporation or in a written report of the external auditors present fairly the financial position of the Corporation in accordance with Canadian general accepted accounting principles; and on any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

IV. OPERATION OF THE COMMITTEE

11. Reporting

The Committee shall report to the Board.

12. Composition of Committee

The Committee shall consist of not less than three directors, all shall qualify as "independent", as defined in multilateral instrument 52-110 Audit Committees.

13. Appointment of Committee Members

Members of the Committee shall be appointed at a meeting of the Board, typically held immediately after the annual shareholders' meeting, provided that any member may be removed or replaced at any time by the Board and shall in any event cease to be a member of the Committee upon ceasing to be a member of the Board.

14. Vacancies

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

15. Chair of the Committee

The Board shall designate the Chair of the Committee. The Chair shall have responsibility for overseeing that the Committee fulfills its mandate and its duties effectively. In the absence of the Chair of the Committee, the members will appoint an acting Chair.

16. Secretary

Unless the Committee otherwise specifies, the secretary of the Corporation will act as secretary of all meetings of the Committee.

17. Committee Meetings

The Committee will meet at least four times annually (or more frequently as circumstances dictate).

Committee meetings may be held in person, by video-conference, by means of telephone or by any combination any of the foregoing.

18. Notice of Meeting

Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by e-mail to each member of the Committee at least 48 hours prior to the time fixed for such meeting.

A member may in any manner waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

19. Quorum

A quorum will be a majority of the members of the Committee present in person, by video-conference, by telephone or by a combination thereof.

20. Attendance at Meetings

The Chief Financial Officer is expected to be available to attend meetings, but a portion of every meeting can be reserved for in camera discussion with the Chief Financial Officer, or any other member of management, being present.

The Committee may by specific invitation have other resource persons in attendance.
The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.

21. Meeting Agenda

Committee meeting agendas shall be set by the Chair of the Committee in consultation with Committee members, management if appropriate, and the external auditors if appropriate.

22. Minutes

The Committee shall keep regular minutes of proceedings and shall cause them to be recorded in books kept for that purpose.

23. Outside Advisors

The Committee is empowered to engage and compensate any outside advisors as it deems advisable to permit it to carry out its duties, at the expense of the Corporation.

24. Reporting to the Board

The Committee, through its Chair, will report regularly to the Board, and in any event no less frequently than on a quarterly basis.

V. OPERATION OF THE COMMITTEE

The Governance Committee will review these terms of reference at least every two years or, where circumstance warrants, at such shorter interval as is necessary, to determine if further additions, deletions or amendments are required, and make a recommendation to the Board as to their approval.

VI. HISTORY

These Terms of Reference were:

a. Initially adopted by the Board on September 12, 2007

b. Reviewed and approved by the Board on December 11, 2013