ALTIUS MINERALS CORPORATION

Management's Discussion and Analysis
of Financial Conditions and Results of Operations
Three and Nine Months Ended January 31, 2015

ALTIUS MINERALS CORPORATION

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's condensed consolidated interim financial statements for the three and nine months ended January 31, 2015 and related notes. This MD&A has been prepared as of March 11, 2015.

Management's discussion and analysis of financial condition and results of operations contains forward–looking statements. By their nature, these statements involve risks and uncertainties, many of which are beyond the Corporation's control, which could cause actual results to differ materially from those expressed in such forward-looking statements. Readers are cautioned not to place undue reliance on these statements. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional information regarding the Corporation, including copies of the Corporation's continuous disclosure materials is available on the Corporation's website at www.altiusminerals.com or through the SEDAR website at www.sedar.com .

Description of Business

Altius Minerals Corporation ("Altius" or the "Corporation") is a diversified mining royalty company with royalty interests in 12 producing mines located throughout Canada. The royalty interests cover mining operations producing thermal (electrical) coal, metallurgical coal, potash, nickel, copper and cobalt (see *Table 1: Summary of Producing Royalties*). The Corporation also holds other significant pre-development stage royalty interests that include a 3% gross sales royalty ("GSR") on Alderon Iron Ore Corporation's ("Alderon") 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 certain public companies that hold mineral royalty interests.

Additional information on the status of the non-producing royalty interests is available in *Table 2: Summary of Exploration and Pre-Development Stage Royalties of this MD&A.*

Altius' 12 production stage royalties have been largely acquired using a combination of profits generated from its mineral exploration/project generation activities and from debt and equity procurement.

Low cost project generation is conducted with a primary objective of creating royalty interests at nominal cost. Altius accomplishes this by conducting early stage mineral exploration and prospect generation utilizing a small team of geoscientists, prospectors and consultants that develop 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 select third parties to finance and advance the projects. The Corporation creates agreements with other technically-suited 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. In certain cases the Corporation receives shares in public companies in exchange for project interests which, depending on a number of factors, are monetized and the proceeds used for further project generation work and/or to acquire additional third party royalties.

Since the recent acquisition of the royalty portfolio of Prairie Mines & Royalties Ltd (the "Prairie Royalties") and of Carbon Development Partnership ("CDP"), Altius has emerged as a significant mining royalty company. The acquisitions of the Prairie Royalties and CDP has substantially diversified Altius' asset base by commodity, geography and counter-party. Altius now has royalty revenue from six commodities with more than 50% of that revenue expected to be from low risk, inflation-adjusted electrical coal royalties while no single asset contributes more than 22% of the total estimated revenue. The Corporation has treated the interest in the Prairie Royalties as a joint venture by virtue of joint control over the relevant activities and therefore uses the equity method of accounting. The Corporation consolidates the results of operations and assets and liabilities in CDP.

CDP holds a portfolio of small production stage royalties on potash and electrical coal operations that generate approximately $2.0 million per year in royalty revenue. CDP also has control of substantial undeveloped coal resources with more than 7.2 billion tonnes of measured and indicated resources and approximately 4.7 billion tonnes of inferred resources of various types of coal. CDP also holds prospective potash properties in Saskatchewan that contain approximately 1.6 billion tonnes of inferred resources of potash.

Table 1: Summary of Producing Royalties

MINE	OPERATOR	ROYALTY	COMMODITY
Voisey's Bay	Vale	0.3% NSR	Nickel-Copper-Cobalt
Genesee	Westmoreland/Capital Power Corporation	Tonnes x indexed multiplier	Coal/Electricity
Sheerness	Westmoreland/ATCO/TransAlta	Tonnes x indexed multiplier	Coal/Electricity
Paintearth	Westmoreland/ATCO	Tonnes x indexed multiplier	Coal/Electricity
Highvale	TransAlta	Tonnes x indexed multiplier	Coal/Electricity
Cheviot	Teck	2.5% effective net revenue	Metallurgical Coal
Rocanville	Potash Corp	Revenue	Potash
Cory	Potash Corp	Revenue	Potash
Allan	Potash Corp	Revenue	Potash
Patience Lake	Potash Corp	Revenue	Potash
Esterhazy	Mosaic	Revenue	Potash
Vanscoy	Agrium	Revenue	Potash
CDP	Various	Revenue	Potash /other

The Corporation's investments include an approximate 24.9% founding equity interest in Alderon Iron Ore Corp ("Alderon") and a 72.8% interest in a company, 2260761 Ontario Inc. ("2260761"), whose business plan is to invest in predominantly early stage companies with a goal of long-term capital appreciation. 2260761 is managed independently by Paul van Eeden, who has a successful track record in investments in the minerals industry and who has also invested his own funds in 2260761 alongside the Corporation.

Operational and Business Overview

On March 5, 2015, the Corporation and Callinan Royalties Corporation ("Callinan") announced that they have entered into a definitive arrangement agreement (the "Arrangement Agreement") whereby Altius will acquire all outstanding securities of Callinan pursuant to a plan of arrangement (the "Arrangement"). This transaction results in the creation of a diversified mining royalty company leader. Pursuant to the Arrangement, Altius will acquire 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. Upon completion of the Arrangement, Callinan will become a wholly-owned subsidiary of Altius and Callinan will be entitled to nominate one member to the Altius board of directors upon closing of the Arrangement.

The Corporation's net loss attributable to common shareholders for the three months ended January 31, 2015 was $5,701,000 or $0.18 per share compared to the net loss attributable to common shareholders for the three months ended January 31, 2014 of $2,000 or $0.00 per share. The current quarter's results benefited from attributable royalty revenue of $7,583,000 but this was offset by negative adjustments to the carrying value of market based investment holdings that totaled $42,083,000. The majority of this adjustment relates to Alderon ($39,329,000) whose share price continued to be negatively impacted by low iron ore prices during the current quarter. The Corporation also incurred interest expenses of $2,378,000 directly related to its debt during the current quarter. This is further discussed in the *Results of Operations* section of this MD&A.

A summary of the Corporation's attributable revenue (in 000's) is as follows:

	3 months ended Jan 31, 2015 $	3 months ended Jan 31, 2014 $	**9 months ended Jan 31, 2015 $**	9 months ended Jan 31, 2014 $
Royalty revenue				
Coal				
Genesee	**1,403**	-	**5,483**	-
Paintearth	**643**	-	**2,012**	-
Sheerness	**2,039**	-	**5,108**	-
Cheviot	**373**	-	**1,371**	-
Highvale	**-**	-	**-**	-
Potash				
Cory	**257**	-	**634**	-
Rocanville	**663**	-	**1,873**	-
Allan	**178**	-	**385**	-
Patience Lake	**132**	-	**194**	-
Esterhazy	**357**	-	**869**	-
Vanscoy	**3**	-	**53**	-
Other				
Voisey's Bay	**500**	700	**1,762**	2,109
CDP	**618**	-	**1,477**	-
Interest and investment	**67**	523	**216**	1,376
Other	**350**	1,481	**390**	1,516
Attributable revenue	**7,583**	2,704	**21,827**	5,001

See non-IFRS measures section of this MD&A for definition and reconciliation of attributable revenue

There was $4,458,000 in total coal royalty revenue generated in the quarter. $1,403,000 is attributable to the Genesee royalty while $2,682,000 is from the Paintearth and Sheerness royalties, all of which are 'mine-mouth' tonnage based royalties with no commodity price exposure.

The Cheviot royalty covering Teck's metallurgical coal mine generated $373,000 in revenues in the quarter and is the only coal royalty within the royalty portfolio that is exposed to the market price of the commodity, hence revenues from Cheviot will likely fluctuate depending on both the level of sales and price.

The potash royalties contributed $1,590,000 in quarterly revenue from long life potash mines and are performing as anticipated.

The Corporation's share of Voisey's Bay royalty revenue was lower in the quarter compared to the same period last year due to a modest decrease in production. Vale had stated its intention to transition Voisey's Bay nickel concentrate processing from its Sudbury and Thompson smelters to its new Long Harbour hydrometallurgical plant in the near future, however subsequent to the quarter end Vale announced that as a result of delays in commissioning its processing plant in Long Harbour it has reached an agreement with the Newfoundland and Labrador government allowing it to export more nickel concentrate from the Voisey's Bay Mine. The Corporation's partner in the Labrador Nickel Royalty Limited Partnership ("LNRLP"), Royal Gold Inc., is in discussions with Vale regarding the methodology for calculation of royalties once treatment of these nickel concentrates transitions to the Long Harbour plant, now anticipated to be in 2018. Vale has proposed a calculation of the royalty that could result in a substantial reduction of the royalty payable to LNRLP.

CDP revenue consisted of potash royalties of $254,000, coal royalties of $137,000, petroleum and natural gas ("PNG") royalties of $226,000 and annual rentals of $1,000, for a total of $618,000 for the quarter.

Interest and investment income of $67,000 were lower than in the previously corresponding period due to a lower overall cash and marketable securities balance. Other revenue of $451,000 was lower this period than last year due to receipt of shares on an agreement in the prior year.

Carbon Development Partnership

During the nine months ended January 31, 2015, the Corporation entered into an option and royalty agreement on the Telkwa coal project (the "Project") with a private company, Telkwa Coal Ltd. ("TCL"). Altius originally acquired the Project in May as part of the acquisition of CDP.

The terms of the agreement allow TCL, over 4 years, to earn a 90% project interest while Altius would retain a 10% interest and up to a 1.5% price-based sliding-scale gross revenue royalty. TCL must make milestone payments totaling $10,000,000 in cash (and/or common stock at the Corporation's discretion). Within 6 months of execution of the agreement, TCL has the option to pay Altius $500,000 and prepare a NI 43-101 compliant resource statement for the Project. The final milestone hurdle requires a positive development decision. Altius has tag-along rights with respect to its project interest and any common share payments received.

The Corporation is currently seeking partners for various other projects within the CDP portfolio.

Alderon

In spite of the significant progress made in the past on the advancement and potential development of the Kami iron ore deposit located in western Labrador, Canada, 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 are currently experiencing significant additions of new supply that have 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' current carrying value of Alderon, after adjusting for equity accounting losses and fair value adjustments noted above, is $10,847,000 or $0.33 per Alderon share held.

Altius holds a 24.9% founding equity interest in Alderon and a 3% GSR on the Kami project. Alderon's ongoing progress is described in greater detail on their website at www.alderonironore.com.

Exploration activities

During the nine months ended January 31, 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 Government of Newfoundland and Labrador ("GNL") regarding its proposal to develop the Julienne Lake Iron Ore Property in alliance with its Chinese partners. Further details on the proposal are provided in the *Outlook* section below.

Other investments

The Corporation holds a 72.8% interest in 2260761, a company co-founded in 2010 with Mr. Paul van Eeden to invest in early-stage companies with a goal of long-term capital appreciation. The financial results of 2260761 are included in the Corporation's consolidated financial statements by virtue of the Corporation's ownership percentage and control over relevant activities.

The total asset values of 2260761 were as follows:

Amounts in thousands of dollars

$	**January 31, 2015**	October 31, 2014	July 31, 2014	April 30, 2014	January 31, 2014
Cash and cash equivalents	**2,576**	2,377	2,419	4,034	4,344
Private and public company investments	**18,335**	20,726	25,955	25,816	24,117
Total	**20,911**	23,103	28,374	29,850	28,461

The decline in value during the current quarter was in line with general junior equity markets. 2260761 continued to evaluate several new equity investments within the minerals sector during the period.

Outlook

The recently announced Arrangement Agreement between the Corporation and Callinan will result in the creation of a larger and more diversified mining royalty company.

The current portfolio of 12 producing mine royalties provides a diversified, stable, and long-term revenue base upon which to grow the Corporation's mining royalty business. The Corporation intends to explore all avenues to reduce its Credit Facility ($114,000,000) including the orderly monetization of certain of its investments. The Corporation completed the monetization of its interest in Virginia in mid-February 2015 for total proceeds of $41.2 million. Altius also currently holds 32,869,006 shares in Alderon and 2,901,000 shares in Callinan Royalties Corporation, with a combined market value of approximately $14,800,000.

On February 18, 2015, the Corporation completed the divestiture of its shareholding (2,437,549 shares) in Virginia Mines Inc. ("Virginia"), In November 2014 the Corporation entered into a support agreement with respect to a proposed business combination of Osisko Royalties Ltd. ("Osisko") and Virginia. The transaction was approved by their respective shareholders in January 2015. Total cash proceeds received from the sale of shares was approximately $41 million. As a result of the monetization of this investment, the Company's net debt position (total debt minus cash on hand) has been reduced to approximately $62,000,000. As a result of this reduced net debt reduction the Corporation is well positioned to take advantage of additional royalty investment opportunities.

Based on historical information, the Corporation expects its royalty portfolio to generate attributable revenue of approximately $27,000,000 to $30,000,000 per year.

The Corporation is uncertain what impact the start-up of the Long Harbour hydromet facility will have on the current Voisey's Bay net smelter return royalty calculation. Vale proposed a calculation of the royalty that could result in a substantial reduction of the royalty payable to LNRLP. On December 5, 2014, LNRLP filed amendments to its October 16, 2009 Statement of Claim in the Supreme Court of

Newfoundland and Labrador Trial Division against Vale Inco Limited, now known as Vale Canada Limited ("Vale Canada") and its wholly-owned subsidiaries, Vale Inco Atlantic Sales Limited and VNL, related to calculation of the NSR on the sale of concentrates, including nickel concentrates, from the Voisey's Bay mine. LNRLP asserts that the defendants have incorrectly calculated the NSR since production at Voisey's Bay began in late 2005, have indicated an intention to calculate the NSR in a manner LNRLP believes will violate the royalty agreement when Voisey's Bay concentrates are processed at Vale's new Long Harbour processing facility, and have breached their contractual duties of good faith and to act honestly in the performance of contractual obligations. LNRLP has requested an order in respect of the correct calculation of future payments, and damages for non-payment and underpayment of past royalties to the date of the claim, together with additional damages until the date of trial, interest, costs and other damages. The litigation is in the document production phase.

Alderon has not yet obtained construction financing and the company has recently taken prudent steps of delaying construction commencement until the construction funding has been wholly secured. Full project financing, which will likely take the form of debt and equity financing, is unlikely in the near term until the global iron ore supply/demand imbalance stabilizes and resource capital market funding sentiment improves.

On April 16, 2014, it was announced that the JL Alliance, which includes Altius and certain Chinese steel making companies, had been selected by the GNL to enter into exclusive final stage negotiations for the award of mineral rights that host a significant part of the Julienne Lake iron ore deposit. Altius intends to contribute certain of its mineral claims that host the remainder of the deposit to the JL Alliance in exchange for a royalty interest as well as a minority equity interest in the consolidated project. Negotiations between the JL Alliance and the Province of Newfoundland and Labrador are ongoing.

Project generation/exploration expenditures will continue to be directed towards the objective of long-term royalty creation at an estimated cost of approximately $2,000,000 over the next twelve months. In Canada, the Corporation is active in Newfoundland & Labrador and Quebec and continues to seek projects of high merit in other prospective jurisdictions. In Chile, the Corporation's 49% owned alliance has acquired, via staking and agreements with individuals, title to 10 copper-gold projects totaling approximately 100,000 hectares and continues to make concession applications and to negotiate with concession holders to acquire additional mineral rights. The Corporation believes that the present downturn in the commodities cycle and lack of capital funding for mineral exploration in general is providing a favorable window of opportunity in this top-tier global mining jurisdiction.

Table 2: Summary of Exploration and Pre-Development Stage Royalties

Property	Explorer/Developer	Royalty	Status
Kami - iron ore (Western Labrador)	Alderon Iron Ore Corp	3% GSR	Feasibility Study released January 2013 - $3.2B net present value and 29.3% IRR discounted at 8%. Hebei has completed its initial strategic investment for an aggregate amount of C$182.2 million. Provincial EA and federal EA approvals granted. A Power Purchase Agreement was concluded with Nalcor. Point Noire Port Expansion is moving ahead and 8 Mt/a port access secured. Surface and mining leases have been granted. On July 29, 2014, an off take agreement with Glencore executed for the remaining 40% of product (Hebei has 60%). The commencement of construction remains subject to the completion of the Company's financing plan and project sanction by its board. Alderon recently announced that it has sufficient working capital through to 2017.
Julienne Lake – iron ore (Western Labrador)	Julienne Lake Alliance (Altius and two undisclosed Chinese State Owned Entities).	Under negotiation	On April 16, 2014 the JL Alliance was selected by the government of Newfoundland and Labrador ("GNL") to enter into final stage negotiations for the mineral rights over the Julienne Lake deposit. The deposit hosts 867 Mt at 33.7% iron (Measured and Indicated Mineral Resources) and 299 Mt at 34.1% iron (Inferred Mineral Resources) on the GNL's land but no resource determination has yet been made on Altius' land. Drill results released April 16, 2014 by Altius for recent work on its land include 259 metres @ 34.4% Fe. A Pre-Feasibility Study is planned by the Alliance should negotiations with the GNL prove successful.
Natashquan – nickel, copper, PGE (Central Labrador)	--		Anglo American completed a drill program during the summer of 2014 which failed to intersect any significant mineralization and as a result has recently terminated the option agreement. Altius will seek a new partner for this project.

Property	Explorer/Developer	Royalty	Status
Central Mineral Belt – uranium (Central Labrador)	Paladin Energy Limited	2% GSR	Paladin completed a 14,000 metre ore delineation drill program in 2012 and completed further definition drilling in 2013. On June 26, 2014, the operator announced project area mineral resources of 100.8 Mlb U_3O_8 Measured and Indicated and 39.8 Mlb U_3O_8 Inferred. A recent presentation by Paladin says the project has the potential to be placed amongst the world's largest economically viable uranium projects – likely to start at around 5Mlb/a with expansion potential, commencing in 2021\ subject to uranium prices.
Labrador West - iron ore (Western Labrador)	Rio Tinto Exploration Inc.	3% GSR	Drilling in 2012 resulted in a new iron ore discovery (279 m @ 29.8% Fe); Rio Tinto recently fulfilled their obligations of $7M in expenditures for an earned interest of 70% and have therefore notified Altius of their intentions to form a JV.
Snelgrove Lake - iron ore (Western Labrador)	Champion Iron Ltd. (formerly Mamba Minerals)	Earn-in (100%) and 3% GSR	The results of an 814-metre, 8-hole drill program targeting hematite iron mineralization was reported in Q2 2013 by Champion (formerly Mamba). No activity in 2014.
Trough Iron - iron ore projects (Grenville, Menihek and Schefferville) (Western Labrador)	Century Iron Mines Corporation	1% to 4% sliding scale GSR	Agreement amended Sept 23, 2014 to reduce land holdings and annual expenditures. The revised commitment is a $1.0M per annum exploration expenditure until a $14M commitment has been fulfilled. A report for the 2014 work program is pending.
Astray - iron ore (Western Labrador)	Northern Star Minerals	1% to 4% sliding scale GSR	Work completed by Northern Star in 2013 included a small drill program, airborne gravity and magnetic surveys and prospecting and mapping of geophysical targets identified from the survey. Project inactive in 2014
Viking – gold (Western Newfoundland)	Spruce Ridge Resources Limited	2-4% sliding scale NSR	NI 43-101 Inferred Mineral Resources of 131,511 ounces of gold (6,293,000 tonnes at a grade of 0.65 g/t). Inactive in 2014.

Property	Explorer/Developer	Royalty	Status
Telkwa – CDP (British Columbia)	Telkwa Coal Limited (TCL)	Up to 1.5% price based sliding scale GSR	Option/Earn-in agreement signed during the quarter to earn up to 90% in the project. TCL may make milestone payments totaling $10 million in cash (and/or common stock), including $500,000 within 6 months.
Various Copper-gold-molybdenum targets (Alaska)	Millrock and various partners	2% NSR on gold; 1% NSR on base metals	Partner-funded drilling programs and Millrock funded early stage exploration on 4 properties subject to a royalty.

Results of Operations

Analysis of Results of Operations for the three months ended January 31, 2015 compared with the three months ended January 31, 2014

The Corporation recorded a net loss attributable to common shareholders of $5,701,000 for the three months ended January 31, 2015 compared to a net loss of $2,000 for the three months ended January 31, 2014. The increase in net loss from the prior year resulted primarily from an impairment recognition of associates, other investment adjustments and from increased loss in associates.

The Corporation recognized total revenue of $1,031,000 for the three months ended January 31, 2015 compared to $2,004,000 for the same period last year. Royalty revenue from CDP was $618,000 for the three months ended January 31, 2015 compared to $nil for the three months ended January 31, 2014. Please refer to the Business and Operational Overview section above which further explains revenue and attributable revenue for the quarter.

Other revenue of $345,000 was recognized for the three months ended January 31, 2015 compared to $1,481,000 recognized for the same period in the prior year. This decrease was caused primarily by the receipt in the prior period of 3,000,000 shares from Century Iron Mines Corporation (“Century”) as part of the royalty/earn in agreement signed in September 2011.

Interest and investment income of $68,000 was recognized in the three months ended January 31, 2015 compared to $523,000 for the three months ended January 31, 2014. This decrease was caused by a lower overall cash balance as funds were applied to other initiatives towards the end of fiscal 2014.

General and administrative expenses for the three months ended January 31, 2015 were $1,184,000 compared to $1,038,000 for the same period last year. This increase was primarily related to increased corporate development costs offset by lower salary and office related costs.

Exploration and evaluation assets abandoned or impaired was $244,000 for the three months ended January 31, 2015 compared to $nil in the same period last year. Generative exploration (“Genex”) for the three months ended January 31, 2015 was $90,000 compared to $85,000 in the same period last year. These activities included early stage evaluation of properties not yet acquired.

Interest on long-term debt was $2,378,000 for the three months ended January 31, 2015 compared to $nil for the three months ended January 31, 2014. This is related to the interest owed on the Credit Facility.

Share-based compensation for the three months ended January 31, 2015 was $824,000 compared to an expense of $1,739,000 for the same period last year. The obligation and expense relating to SARs and DSUs are recalculated quarterly with the share price being a significant factor in the calculation.

Amortization for the three months ended January 31, 2015 was $40,000 compared to $17,000 for the same period last year. This increase was related to amortization of newly acquired royalty interests held by CDP in the current year.

The Corporation recorded a gain on the sale of investments of $1,538,000 and impairment provision of $1,330,000 for the three months ended January 31, 2015 compared to a loss on the sale of investments of $46,000 and $nil impairment charges recorded for the same period in the prior year. The gain on the sale of investments is primarily related to a gain recorded on the sale of Virginia shares. The impairment provision was primarily related to various investments held in 2260761.

A loss on derivative financial instruments of $574,000 was recorded for the three months ended January 31, 2015 compared to a gain of $1,528,000 for the three months ended January 31, 2014. The warrants are revalued quarterly using a Black–Scholes calculation to determine the estimated market value, including such factors as share price, time to expiry and volatility of the underlying stock.

The Corporation recorded a dilution gain of $89,000 for the three months ended January 31, 2015 compared to a gain of $229,000 for the same period last year. The dilution gain was related to financing completed by Sparkfly, an investment held by 2260761, in respect of which, the Corporation did not participate.

The Corporation recorded earnings from joint ventures of $4,253,000 compared to $78,000 for the same period last year. Earnings were generated from Prairie Royalties of $4,117,000 (2014 - $nil) and from the Corporation's interest in LNRLP of $195,000 (2014 - $278,000).

The share of loss and impairment in associates was $6,215,000 for the three months ended January 31, 2015 compared to $1,078,000 for the same period last year. Included in the 2015 year is impairment recognition on Alderon of $5,577,000 to adjust the carrying value to market value. The Corporation holds an approximate 24.9% equity interest in Alderon and recorded $2,414,000 for its proportionate share of Alderon's net loss for the three months ended January 31, 2015 (2014 - $893,000).

The Corporation recorded an income tax recovery of $272,000 for the three months ended January 31, 2015 compared to an income tax recovery of $298,000 for the same period last year. Rates are lower than the statutory rates because of the mix of operating and capital earnings.

Analysis of Results of Operations for the nine month period ended January 31, 2015 compared with the nine month period ended January 31, 2014

The Corporation recorded a net loss attributable to common shareholders of $39,150,000 for the nine months ended January 31, 2014 compared to a net loss of $2,025,000 for the nine month period ended January 31, 2014. The increase in net loss from the prior year resulted primarily from an impairment recognition of associates and other investment adjustments and from increased loss in associates.

The Corporation recognized total revenue of $2,079,000 for the nine months ended January 31, 2015 compared to $2,892,000 for the same period last year. Royalty revenue from CDP was $1,477,000 for the nine months ended January 31, 2015 compared to $nil for the nine months ended January 31, 2014. Please refer to the Business and Operational Overview section above which further explains revenue and attributable revenue for the quarter.

Other revenue of $386,000 was recognized for the nine months ended January 31, 2015 compared to $1,516,000 recognized for the same period in the prior year. This decrease was caused primarily by the receipt in the prior year of 3,000,000 shares from Century Iron Mines Corporation ("Century") as part of the royalty/earn in agreement signed in September 2011.

Interest income of $216,000 was recognized in the nine months ended January 31, 2015 compared to $1,376,000 for the nine months ended January 31, 2014. The decrease was caused by lower returns and a lower overall cash balance as funds were applied to other initiatives.

The Corporation recorded earnings from joint ventures of $12,631,000 for the nine months ended compared January 31, 2015 compared to $565,000 for the same period last year. Earnings were primarily generated from Prairie Royalties of $12,048,000 (2014 - $nil) and from the Corporation's interest in LNRLP of $818,000 (2014 - $830,000).

General and administrative expenses for the nine months ended January 31, 2015 were $3,466,000 compared to $3,897,000 for the same period last year. The decrease was primarily the result of lower salary costs of $405,000 related to adjustments in bonus accruals and lower promotional and corporate development costs.

Exploration and evaluation assets abandoned or impaired was $336,000 for the nine months ended January 31, 2015 compared to $453,000 in the same period last year. Generative exploration ("Genex") for the nine months ended January 31, 2015 was $415,000 compared to $576,000 in the same period last year. These activities included early stage evaluation of properties not yet acquired.

Interest on long-term debt was $7,687,000 for the nine months ended January 31, 2015 compared to $nil for the nine months ended January 31, 2014. This is related to the interest owed on the Credit Facility.

Share-based compensation for the nine months ended January 31, 2015 was a recovery of $1,168,000 compared to an expense of $1,927,000 for the same period last year. The SARs and DSUs obligation and expense are recalculated quarterly with the share price being a significant factor in the calculation.

Amortization for the nine months ended January 31, 2015 was $127,000 compared to $45,000 for the same period last year. This increase was related to amortization of newly acquired royalty interests held by CDP in the current year.

The Corporation recorded a gain on the sale of investments of $1,448,000 and impairment provision of $2,753,000 for the nine months ended January 31, 2015 compared to a loss on sale of investments of $1,324,000 and $nil impairment charges recorded for the same period in the prior year. The gain on the sale of investments is primarily related to a gain recorded on the sale of Virginia shares. The impairment provision was primarily related to various investments held in 2260761.

A loss on derivative financial instruments of $2,975,000 was recorded for the nine months ended January 31, 2015 compared to a gain of $4,133,000 for the nine months ended January 31, 2014. The warrants are revalued quarterly using the Black-Scholes calculation to determine the estimated market value, including such factors as share price, time to expiry and volatility of the underlying stock.

The Corporation recorded a dilution gain of $163,000 for the nine months ended January 31, 2015 compared to a dilution gain of $348,000 for the same period last year. The dilution gain in the current year was related to financing completed by Sparkfly Inc. ("Sparkfly") and Synodon which the Corporation did not participate in. The dilution gain recorded in the prior year was also related to financing completed by Sparkfly.

The share of loss and impairment in associates was $42,299,000 for the nine months ended January 31, 2015 compared to $2,509,000 for the same period last year. Included in the 2015 year is impairment recognition on Alderon of $39,329,000 to adjust the carrying value to market value. The Corporation holds an approximate 24.9% equity interest in Alderon and recorded $2,414,000 for its proportionate share of Alderon's net loss for the nine months ended January 31, 2015 (2014 - $1,847,000).

The Corporation recorded an income tax recovery of $3,516,000 for the nine months ended January 31, 2015 compared to an income tax recovery of $864,000 for the same period last year. Rates are lower than the statutory rates because of the mix of operating and capital earnings.

Cash Flows, Liquidity and Capital Resources

Operating Activities

The Corporation used cash from operating activities of $18,591,000 for the nine months ended January 31, 2015 compared to a use of cash of $2,643,000 for the same period last year. The change from the prior period was primarily due to the change in accounts payable and receivable of $9,523,000 and the interest paid on long-term debt of $7,559,000 in the current year compared to $nil in the prior year. Royalty revenues are received as distributions from limited partnerships which hold the royalty interests. These are included in the investing activities discussed further below.

Financing Activities

The Corporation received cash from financing activities of $27,896,000 for the nine months ended January 31, 2015 compared to a use of $5,919,000 for the nine months ended January 31, 2014. The Corporation closed an equity financing under a short form prospectus on May 13, 2014. The Offering consisted of 4,643,000 common shares of the Corporation at a price of $14.00 per Common Share, for gross proceeds of $65,002,000 net of share issue costs of $3,911,000. The Corporation also repaid debt (inclusive of costs of $52,000) of $33,028,000 (2013 - $nil) during the nine months ended January 31, 2015.

The Corporation received proceeds from the exercise of employee stock options of $53,000 for the nine months ended January 31, 2015 compared to $244,000 for the same period in the prior year.

The Corporation repurchased 559,500 common shares under its normal course issuer bid during the prior year at a total cost of $5,957,000 compared to $nil in the current period.

The Corporation's subsidiary, 2260761, paid $220,000 (2014 - $206,000) in dividends to Cranberry Capital Inc., a non-controlling interest of 2260761 during the nine months ended January 31, 2015. The dividend is payable on class A shares held by the non-controlling interest at a per annum rate of 1% of 2260761's calculated net asset value.

Investing Activities

The Corporation received cash from investing activities of $24,744,000 for the nine months ended January 31, 2015 compared to a use of cash of $30,383,000 for the same period last year.

The Corporation used cash of $2,951,000 for the acquisition of investments and warrants for the nine months ended January 31, 2015 compared to $11,189,000 in the same period last year. The Corporation also received $5,977,000 in proceeds from the sale of investments compared to $652,000 in the same period last year.

During the nine months ended January 31, 2015, the Corporation received proceeds of $24,571,000 from the partial disposition of its shareholding in Virginia. The Corporation received cash receipts from the Voisey's Bay royalty and the Prairie Royalties of $17,240,000 for the nine months ended January 31, 2015 compared to cash receipts of $1,854,000 from the Voisey's Bay royalty only for the nine months ended January 31, 2014. These quarterly cash receipts are expected to increase over the coming quarters as a full operating cycle is commenced.

The Corporation received $776,000 for the sale of mineral properties in CDP during the nine months ended January 31, 2015 compared to $nil in the prior year. These proceeds were paid on the Credit Facility.

During the nine months ended January 31, 2015, the Corporation used cash of $21,000,000 to complete the acquisition of CDP.

The Corporation also received a reimbursement of $1,499,000 for acquisition costs related to the Prairie Royalties acquisition.

In addition, the Corporation used cash of $585,000 (2014 - $574,000) in net mineral exploration expenditures for the nine months ended January 31, 2015. The Corporation also incurred $415,000 (2014 - $576,000) in generative exploration expenditures for the nine months ended January 31, 2015.

Liquidity

At January 31, 2015, the Corporation had current assets of $42,558,000 and current liabilities of $36,082,000, including a current portion of long-term debt obligations of $8,000,000. During the three months ended January 31, 2015, the Corporation had started a process of short selling Osisko shares which will be received by the Corporation upon the closing of the business combination with Virginia. As at January 31, 2015, the Corporation had short sold 1,463,000 shares in Osisko and had received net cash proceeds of $24,571,000 on sale of these shares. Included in current liabilities is $24,996,000 which reflects the fair market value to settle and deliver the Osisko shares.

On February 18, 2015, the Corporation completed the divestiture of its shareholding (2,437,549 shares) in Virginia. Total cash proceeds received from the sale of shares was approximately $41 million. As a result of the monetization of this investment, the Company's net debt position (total debt minus cash on hand) has been reduced to approximately $62,000,000. As a result of this reduced net debt reduction the Corporation is well positioned to take advantage of additional royalty investment opportunities.

The Corporation's major sources of funding are from royalty revenue, cash receipts from royalty partnership interests, sales of direct and indirect exploration investments, and investment income. In addition, the Corporation partially funds exploration expenditures via third party agreements whereby exploration expenditures are cost-shared or funded by third parties in exchange for a partial ownership interest in the mineral rights to the properties.

Commitments and Contractual Obligations

The Corporation has obtained various mineral rights by staking claims and paying refundable security deposits. Certain expenditures are required on an annual basis, from the date of license issuance, in order to maintain the licenses in good standing and for refund of security deposits. On or before the anniversary date of license issuance, and if the required expenditures are not met, the Corporation has the option of reducing claims on a property, post a refundable security bond for the deficient amount or elect to allow title of the license to be cancelled. The Corporation is required to spend $368,000 by January 31, 2016, in order to maintain various licenses in good standing, of which $188,000 is required to be spent for a refund of security deposits in the amount of $70,150.

The following principal repayments for the Credit Facility are required over the next 5 years (in $000's). The Corporation made principal repayments of $4,000,000 during the current quarter in addition to an additional payment of $776,000 resulting from a sale of mineral properties in CDP.

	$
2015	8,000
2016	47,000
2017	8,000
2018	8,000
2019	43,224
	114,224

Related Party Transactions

The Corporation has a 49% interest in Mining Equity. This investment is accounted for as a joint venture as disclosed in Note 7 of the condensed consolidated interim financial statements. During the nine months ended January 31, 2015, the Corporation billed Mining Equity for the reimbursement of exploration and consulting assistance totaling $185,000 (2014 - $99,000).

During the nine months ended January 31, 2015, the Corporation's subsidiary, 2260761, paid dividends of $220,000 (2014 - $206,000) to the non-controlling interest of 2260761, Cranberry Capital Inc., which is owned by Paul van Eeden, the President of 2260761.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that key management personnel consists of members of the Corporation's Board of Directors and corporate officers, including the Corporation's Executive Chairman, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as well as any Vice Presidents reporting directly to a corporate officer.

Total salaries and benefits paid to key management personnel during the nine months ended January 31, 2015 was $1,150,000 (2014 - $842,000). Total share based compensation relating to key management personnel during the nine months ended January 31, 2015 was a recovery of $1,168,000 (2014 – $1,405,000). The SARs and deferred share units ("DSUs") are recalculated quarterly with the share price being a significant factor in the calculation.

These related party transactions are in the normal course of operations and are measured at fair value, which is the amount of consideration established and agreed to by the related parties. It is management's estimation that these transactions were undertaken under the same terms and conditions as transactions with non-related parties.

Summary of Quarterly Financial Information

The table below outlines selected financial information related to the Corporation's attributable revenue and attributable earnings before interest, taxes depreciation and amortization ("EBITDA"), net earnings (loss) and net earnings (loss) per share for the most recent eight quarters. The financial information is extracted from the Corporation's interim condensed and audited consolidated financial statements.

$	January 31, 2015	October 31, 2014	July 31, 2014	April 30, 2014
Attributable revenue (1)	7,583	7,027	7,217	1,235
Attributable EBITDA (1)	(1,808)	(23,343)	(3,882)	(23,898)
Net loss attributable to common shareholders	(5,701)	(25,348)	(8,102)	(20,540)
Net loss per share - basic and diluted	(0.18)	(0.77)	(0.26)	(0.73)

$	January 31, 2014	October 31, 2013	July 31, 2013	April 30, 2013
Attributable revenue (1)	2,704	1,338	959	1,584
Attributable EBITDA (1)	129	(875)	(1,154)	(4,115)
Net loss attributable to common shareholders	(2)	(731)	(1,292)	(3,970)
Net loss per share - basic and diluted	-	(0.03)	(0.05)	(0.14)

(1) Non-IFRS measures are reconciled and described in the Non-IFRS Measures section of this MD&A

Earnings are derived primarily from Prairie Royalties, CDP royalty income, LNRLP royalty income, and from investment income. Royalty income is contingent on many factors including commodity prices, mine production levels, maintenance schedules and the timing of mineral shipments.

Net earnings are affected somewhat by revenue net of operating expenses, but are affected primarily by the realization of gains or losses on the Corporation's investments and mineral exploration alliances and equity accounting of some investments. Recent losses have been caused primarily by seasonality in the Prairie Royalties revenue, a decline in the fair value of investments and the equity accounting of Alderon and other associates, whereby the Corporation records its proportionate share of the operating loss as well as an increase in corporate development costs relating to the transition of our new acquisitions.

Internal Control over Financial Reporting

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The certifying officers have evaluated the effectiveness of the Corporation's internal control over financial reporting as of January 31, 2015 and have concluded that such controls are adequate and effective to ensure accurate and complete financial reporting in public filings. The condensed consolidated interim financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out in the notes to the condensed consolidated interim financial statements for the nine months ended January 31, 2015. There has been no change in the Corporation's internal control over financial reporting during the Corporation's three and nine months ended January 31, 2015 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Evaluation and Effectiveness of Disclosure Controls and Procedures

The Corporation has established and maintains disclosure controls and procedures over financial reporting. The certifying officers have evaluated the effectiveness of the issuer's disclosure controls and procedures as of January 31, 2015 and have concluded that such procedures are adequate and effective to ensure accurate and complete disclosures in public filings.

There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of management estimates include the rates for amortization of the royalty interest, deferred income taxes, the carrying value and assessment of impairment of investments, the assumptions used in the determination of the fair value of share based compensation and SARs, and the assumptions used in the determination of the fair value of derivatives for which there is no publicly traded market.

The most significant accounting estimate of the Corporation during the current fiscal period was the assessment of the Corporation's investment in Alderon. At the reporting date, the fair value of the Alderon shares held by the Corporation was $10,847,000 and after an evaluation of the investment, the Corporation reduced the carrying value to the above -noted market value. The estimate and impairment indicators used to evaluate Alderon are consistent with those disclosed in the Corporation's annual MD&A.

Royalty interest in mineral properties: The Corporation holds royalty interests in production stage mineral properties. The production stage royalty interests are recorded preliminarily using the fair value assigned to the assets (Note 6) and are being amortized straight line over the useful life or using the units of production basis over the expected life of the mineral property, which is determined using available estimates of proven and probable reserves. Determination of proven and probable reserves by the operators associated with the royalty interests impact the measurement of the respective assets. These estimates affect amortization and the assessment of the recoverability of the carrying value of the royalty interest in mineral properties.

Goodwill: Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been preliminarily allocated (Note 6). The value in use calculation requires the Corporation to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Risk Factors and Key Success Factors

An investment in securities of the Corporation involves a significant degree of risk that should be considered prior to making an investment decision. In addition to discussions of key success factors and business issues elsewhere in this MD&A, the investor should consider the following risk factors:

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.

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, 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 the 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 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.

Limited Access to Data and Disclosure for Royalty Portfolio

The Corporation neither serves 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 limited access to data and disclosure regarding the operations of the properties in which the Corporation has an interest may restrict the Corporation's ability to assess the value or enhance its performance, which may result in a material and adverse effect on the Corporation's profitability, results of operation and financial condition.

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 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.

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.

Leverage Risk

The Corporation’s degree of leverage, particularly given the drawdown under the Credit Facility that was used to complete the acquisition of the 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.

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 favorable, major resource based projects could be cancelled or delayed, or the expected rate of return to the Corporation may be significantly diminished.

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.

Key Employee Attraction and Retention

The Corporation’s continued success is highly dependent on the retention of key personnel who possess 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 Executive Chairman 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.

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.

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 are 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 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 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, ability to increase our Credit Facility 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 the companies may 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.

Outstanding Share Data

At March 11, 2015, the Corporation had 32,356,826 common shares outstanding and 10,000 stock options outstanding.

Non-IFRS Measures

Attributable royalty and other revenue ("attributable revenue") and attributable EBITDA are intended to provide additional information only and do not have any standardized meaning prescribed under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently. For a reconciliation of these measures to various IFRS measures, please see the Corporation's MD&A disclosure below.

(1) Attributable revenue is defined by the Corporation as total revenue from the consolidated financial statements plus the Corporation's proportionate share of gross revenue in the joint ventures. The Corporation's key decision makers use attributable royalty revenue and related attributable royalty expenses as a basis to evaluate the business performance. The attributable royalty revenue amounts, together with amortization of royalty interests, general and administrative costs and mining tax, are not reported gross in the consolidated statement of earnings (loss) since the royalty revenues are being generated in a joint venture and IFRS 11 Joint Arrangements requires net reporting as an equity pick up. The reconciliation to IFRS reports the elimination of the attributable revenues and reconciles to the revenues recognized in the consolidated statements of earnings (loss).

(2) Attributable EBITDA is defined by the Corporation as net earnings (loss) excluding income tax expense/recovery, interest costs, amortization and depreciation, and amortization of royalty interest included in the earnings from joint venture amounts. The Corporation's key decision makers use attributable EBITDA as a basis to evaluate the underlying operating performance of the Corporation and to assist with the planning and forecasting of future operating results. Management believes that attributable EBITDA allows investors and analysts to better evaluate the results of the underlying business.

ALTIUS MINERALS CORPORATION

Reconciliations to IFRS measures

Attributable revenue

	Three months ended			
	Jan 31, 2015	**Oct 31, 2014**	**July 31, 2014**	**April 30, 2014**
Royalty revenue				
Coal*	4462	4,558	4,958	114
Potash*	1590	1,344	1,074	44
Voisey's Bay	500	683	579	664
CDP*	618	355	504	-
Interest and investment	67	68	81	404
Other	346	19	21	9
Attributable revenue	**7,583**	**7,027**	**7,217**	**1,235**
Adjust: joint venture revenue	(6,552)	(6,585)	(6,611)	(822)
IFRS revenue per consolidated financial statements	1,031	442	606	413

	Three months ended			
$	**Jan 31, 2014**	**Oct 31, 2013**	**July 31, 2013**	**April 30, 2013**
Royalty revenue				
Voisey's Bay	700	706	703	891
Interest and investment	523	608	245	679
Other	1,481	24	11	14
Attributable revenue	**2,704**	**1,338**	**959**	**1,584**
Adjust: joint venture revenue	(700)	(706)	(703)	(891)
IFRS revenue per consolidated financial statements	2,004	632	256	693

*Prairie Royalties and CDP were acquired on April 28, 2014 (and May 13, 2014)

ALTIUS MINERALS CORPORATION

Attributable EBITDA

$	Jan 31, 2015	Oct 31, 2014	July 31, 2014	April 30, 2014
	Three months ended			
Net (loss) earnings	(5,848)	(25,320)	(8,135)	(20,687)
Addback (deduct):				
Income tax recovery	(272)	(2,763)	(480)	(3,600)
Interest on long-term debt	2,378	2,417	2,892	106
Amortization	40	32	55	18
Amortization of royalty interests	1,894	2,291	1,786	265
Attributable EBITDA	**(1,808)**	**(23,343)**	**(3,882)**	**(23,898)**

$	Jan 31, 2014	Oct 31, 2013	July 31, 2013	April 30, 2013
	Three months ended			
Net loss	134	(752)	(1,311)	(3,962)
Addback (deduct):				
Income tax recovery	(298)	(393)	(173)	(526)
Amortization	17	14	14	19
Amortization of royalty interests	276	256	316	354
Attributable EBITDA	**129**	**(875)**	**(1,154)**	**(4,115)**

(1) Amortization of royalty interest is included in the equity pickup for earnings in joint ventures