ALTIUS MINERALS CORPORATION

Management's Discussion and Analysis of Financial Conditions and Results of Operations

Six Months Ended October 31, 2010

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's consolidated financial statements for the period ended October 31, 2010 and related notes. This MD&A has been prepared as of ***December 9, 2010.***

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

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

Description of Business

Altius Minerals Corporation’s (the “Corporation”) principal business activities are focused on the generation and acquisition of natural resource projects, royalties, and investments. The Corporation prefers to create agreements related to the mineral exploration opportunities it generates, which results in the Corporation carrying minority and non-operating project or equity interests and/or royalty interests. It also seeks to acquire royalty interests in third party controlled development and production stage mining assets that are of world class calibre.

The Corporation has no debt and current holdings of approximately $170,000,000, which include highly liquid government guaranteed and investment grade corporate instruments, cash and marketable securities, and an effective 0.3% NSR royalty in Vale’s Voisey’s Bay nickel-copper-cobalt operating mine..

The Corporation’s investments in mining and mineral related companies include an approximately 45% equity interest in Alderon Resources Inc. (“Alderon”) and a 3% gross sales royalty (“GSR”) on its advanced exploration stage iron ore project; 529,297 exchangeable shares in RG Exchange Co Inc (exchangeable 1 for 1 into shares of Royal Gold); 12,000,000 shares or a 12.6% interest in Rambler Metals and Mining plc (“Rambler”), a company that it co-founded that is currently in the advanced stages of re-developing the past-producing Ming copper-gold mine; a 39.6% interest in Newfoundland and Labrador Refining Corporation (“NLRC”), which is seeking to partner or sell its unique approvals and rights to construct a 300,000 barrel per day oil refinery project that is significantly engineered and well optimized for the current large scale crude and product market trend conditions; and a 2% GSR on Aurora Energy’s 133 million pound Central Mineral Belt uranium resource.

Operational and Business Overview

The Corporation’s net earnings for the six months ended October 31, 2010 was $1,802,000 or $0.06 per share.

On December 8, 2010, Alderon earned a 100% interest in the Kamistiatusset (“Kami”) iron ore project by meeting all requirements of an option agreement between the companies. To vest this interest, Alderon issued 32,285,006 of its shares to Altius as per the terms of the agreement. Drill results from the Kami project during the quarter continued to confirm the favorable iron ore resource potential indicated by Altius in earlier drilling. An initial resource estimate is anticipated to be completed by the first quarter of the coming new year. The shares of Alderon received have an approximate market value of $79 million. The Corporation also holds a 3% gross sales royalty relating to any potential future mining operations on the Kami property.

The Corporation’s mineral exploration activity focused on generative exploration work in several regions. Numerous exploration programs for gold, nickel, copper, uranium and iron ore in Newfoundland and Labrador and reconnaissance exploration in Nunavut and Quebec are ongoing. The Corporation’s ongoing goal is to continuously replenish a strong pipeline of exploration projects that can attract third party funding agreements consistent with the Corporation's exploration and royalty creation strategy.

Additional information on the exploration activities of the Corporation and its alliance partners is outlined in the ***Mineral Properties Overview*** section of this MD&A.

Outlook

The Corporation has evaluated several development to production stage investment opportunities over the past several months but has not yet found a target that meets its minimum long term royalty investment objectives in terms of value or underlying asset quality. With the continuing availability of low-cost debt and equity alternatives for development stage companies, the Corporation expects the number of royalty acquisition opportunities to continue to be reduced, at least in the near term. It nevertheless remains in a strong position to act on such opportunities when they inevitably arise.

The Corporation intends to maintain its discipline in using the exploration/prospect generation model by attracting well-suited partners at an early stage to conduct further exploration work on its properties. Acquisition costs for quality self-generated exploration opportunities remain attractive to the Corporation and it spent a significant portion of its efforts doing preliminary research and assembling land positions that will be developed as opportunities to attract partners in future periods. The Corporation has also begun to expand its "prospect generation" model into Quebec and Nunavut, through direct exploration and potentially through exploration alliances.

The Corporation expects revenue to remain low in the near term because of the continuing strike at Voisey's Bay, and continued expected low yields on high quality financial investments.

Subsequent to quarter-end, the Corporation co-invested with Cranberry Capital Inc. to form a new company to invest primarily in early stage mineral exploration companies with a goal of capital appreciation. The new company will be managed independently by Paul van Eeden, who has a very successful mining and investment industry track record.

Results of Operations

Analysis of Results of Operations for the three month period ending October 31, 2010 compared with the three month period ending October 31, 2009

The Corporation recorded net earnings of $2,063,000 for the three months ended October 31, 2010 compared to a net loss for the three months ended October 31, 2009 of $486,000. The increase in net earnings from the prior quarter was the result of higher revenue but primarily from gains on the sale of mining and mineral related investments of $1,309,000 (2009 - $7,000) and a gain recorded on derivative financial instruments of $1,618,000 (2009 - $nil).

The Corporation recognized total revenue of $1,453,000 for the three months ended October 31, 2010 compared to $1,097,000 for the same period last year. Royalty revenue from the LNRLP was $648,000 during the quarter ended October 31, 2010 compared to $383,000 for the same period last year. Increased royalty revenue was the result of a higher nickel prices and a slightly higher rate of production at the Voisey's Bay mine site, despite the ongoing strike.

Interest income was $718,000 in the three month period ended October 31, 2010 compared to $445,000 for the three month period ended October 31, 2009. This increase was caused by higher yields on corporate and government guaranteed investments.

General and administrative expenses for the three month period ended October 31, 2010 were $756,000 compared to $739,000 for the same period last year. During the current quarter, the Corporation incurred increased salary related expenses of $160,000 and increased corporate development costs of $8,000 offset by decreased conference attendance and professional development related travel of $74,000 and decreased office related expenses of $77,000.

Generative exploration and mineral properties abandoned or impaired was $492,000 for the three month period ended October 31, 2010 compared to $337,000 for the same period last year. This is reflective of the research and reconnaissance stage exploration work on several prospective areas of interest carried out in the current quarter.

Royalty tax for the three months ended October 31, 2010 was $129,000 compared to $76,000 for the same period last year. The higher royalty tax is a direct result of the increased royalty revenue recorded in the quarter as previously mentioned. The mineral rights tax on the Voisey's Bay royalty is 20% of gross royalty revenue.

Stock-based compensation for the three months ended October 31, 2010 was $363,000 compared to $345,000 for the same period last year. The increase over last year is due to the implementation of a share appreciation rights plan for senior management and the director's deferred share unit ("DSU") plan. The Corporation deferred $nil as part of its mineral exploration and development costs during the current quarter (2009 – $165,000).

Amortization for the three months ended October 31, 2010 was $201,000 which was higher than the $83,000 for the same period last year. The increase in amortization over the prior year reflects the higher production level at the Voisey's Bay nickel-copper-cobalt mine during the three months ended October 31, 2010, as noted previously.

The share of loss in equity investment in Rambler was $44,000 for the three months ended October 31, 2010 compared to $98,000 for the same period last year. Activities on Rambler are described in greater detail in the section entitled ***Equity Investments Overview*** included in this MD&A.

The Corporation recorded an income tax expense of $332,000 for the three months ended October 31, 2010 compared to an expense of $49,000 for the same period last year. The lower than expected tax rate is the result of a higher weighting of gains from investments and derivatives, which is effectively taxed at one-half of the general corporate tax rate.

Analysis of Results of Operations for the six month period ending October 31, 2010 compared with the six month period ending October 31, 2009

The Corporation recorded net earnings of $1,802,000 for the six months ended October 31, 2010 compared to a net loss for the six months ended October 31, 2009 of $1,083,000. The increase in net earnings from the prior six month period was the result of higher revenue but primarily from gains on sale of mining and mineral related investments of $1,394,000 (2009 - $(15,000)) and a gain recorded on derivative financial instruments of $1,618,000 (2009 - $nil).

The Corporation recognized total revenue of $2,740,000 for the six months ended October 31, 2010 compared to $2,203,000 for the same period last year. Royalty revenue from the LNRLP was $1,078,000 during the six months ended October 31, 2010 compared to $1,102,000 for the same period last year. Slightly lower royalty revenue was the result of lower concentrate shipments as a result of the continued strike at the mine site.

Interest income of $1,519,000 was recognized in the six month period ended October 31, 2010 compared to $710,000 for the six month period ended October 31, 2009. This increase was caused by higher yields on corporate and government guaranteed investments.

The Corporation recorded a net gain on the sale on mining and mineral related investments of $1,394,000 for the six months ended October 31, 2010 compared to a loss of $15,000 recorded for the same period in the prior year.

A gain on derivative financial instruments of $1,618,000 was recorded for the six months ended October 31, 2010 compared to $nil for the same period last year. The Corporation holds warrants of Millrock Resources Limited which entitles the Corporation to purchase 3,450,000 common shares at a price of 45 cents per share. The warrants expire in June 2015.

General and administrative expenses for the six month period ended October 31, 2010 were $1,514,000 compared to $1,539,000 for the prior year. During the six months ended October 31, 2010, the Corporation incurred increased salary related expenses of $223,000 and increased corporate development costs of $21,000 offset by decreased marketing and professional development related travel of $93,000 and decreased office related expenses of $109,000. The prior year results included a foreign exchange loss on U.S. dollar receivables of $67,000.

Generative exploration and mineral properties abandoned or impaired was $940,000 for the six month period ended October 31, 2010 compared to $541,000 in the same period last year. Royalty tax for the six months ended October 31, 2010 was $215,000 compared to $220,000 for the prior year. The royalty tax is a direct result of the royalty revenue recorded in the year as previously mentioned. The mineral rights tax on the Voisey's Bay royalty is 20% of gross royalty revenue

Stock-based compensation for the six months ended October 31, 2010 was $530,000 compared to $606,000 for the same period last year. The decrease over last year is caused by lower stock options awards in the current year and is partially offset by the implementation of a share appreciation rights plan and the director's DSU plan. The Corporation deferred $nil as part of its mineral exploration and development costs during the current year (2009 – $169,000).

Amortization for the six months ended October 31, 2010 was $328,000 which was slightly lower than the $357,000 for the same period last year. The decrease in amortization over the prior year reflects the slightly lower production level at the Voisey's Bay nickel-copper-cobalt mine for the six months ended October 31, 2010.

The share of loss in equity investment in Rambler was $135,000 for the six months ended October 31, 2010 compared to $192,000 for the same period last year. Activities on Rambler are described in greater detail in the section entitled ***Equity Investments Overview*** included in this MD&A.

The Corporation recorded an income tax expense of $288,000 for the six months ended October 31, 2010 compared to a recovery of $47,000 for the same period last year.

Cash Flows, Liquidity and Capital Resources

Operating Activities

The Corporation used cash in operating activities of $79,000 for the three months ended October 31, 2010 compared to a cash inflow of $739,000 for the same period last year. The change from the prior year is primarily due to an increase in receivables over the prior year as well as lower income taxes payable.

The Corporation generated cash from operating activities of $2,095,000 for the six months ended October 31, 2010 compared to a cash inflow of $794,000 for the same period last year. The change from the prior year is primarily due to a refund of the previous year's tax installments of $2,691,000.

Financing Activities
The Corporation generated cash from financing activities of $346,000 (2009 - $8,000) from proceeds from the exercise of employee stock options for the three months ended October 31, 2010 compared to an outflow of cash of $293,000 for the same period last year. The Corporation repurchased 50,300 common shares under its normal course issuer bid during the prior year at a total cost of $301,000. There has been no share repurchase activity in the current fiscal year.

The Corporation generated cash from financing activities of $372,000 (2009 - $24,000) from proceeds from the exercise of employee stock options for the six months ended October 31, 2010 compared to an outflow of cash of $307,000 for the same period last year. The Corporation repurchased 55,300 common shares under its normal course issuer bid during the prior year at a total cost of $331,000 compared to $nil in the current six month period.

Investing Activities
The Corporation used cash in investing activities of $450,000 for the three months ended October 31, 2010 compared to an inflow of cash of $11,760,000 for the same period last year. The Corporation recorded proceeds from the sale of investments of $2,385,000 for the three months ended October 31, 2010 (2009 - $21,000). A major portion of the investment in the current three month period included the reallocation of cash into marketable securities totaling $2,145,000 compared to a reallocation of cash from marketable securities of $13,231,000 in the prior year's three period ended October 31, 2009. Marketable securities are comprised of highly liquid government guaranteed and investment grade commercial paper with original maturities greater than three months. For the three month period ended October 31, 2009, the Corporation acquired 178,900 shares in International Royalty Corporation ("IRC") at a total cost of $679,000 compared to $nil for the current three month period.

In addition, the Corporation incurred $688,000 (2009 - $815,000) in net mineral exploration expenditures for the three months ended October 31, 2010. Mineral exploration activities are described in greater detail in the ***Mineral Exploration Overview*** section of this MD&A.

The Corporation used cash in investing activities of $8,254,000 for the six months ended October 31, 2010 compared to an outflow of cash of $44,327,000 for the same period last year. The Corporation recorded proceeds from the sale of investments of $3,080,000 for the three months ended October 31, 2010 (2009 - $151,000). A major portion of the investment in the current three month period included the reallocation of cash into marketable securities totaling $8,621,000 (2009 - $17,720,000). For the six month period ended October 31, 2009, the Corporation acquired 6,751,150 shares in International Royalty Corporation ("IRC") at a total cost of $24,148,000 compared to $nil for the current six month period. The Corporation also acquired 4,227,273 units in Millrock Resources Limited ("MRO") at a total cost of $930,000 in the six months ended October 31, 2009 compared to $nil in the current six month period.

In addition, the Corporation incurred $1,386,000 (2009 - $1,673,000) in net mineral exploration expenditures for the six months ended October 31, 2010. Mineral exploration activities are described in greater detail in the ***Mineral Exploration Overview*** section of this MD&A.

Liquidity

At October 31, 2010, the Corporation had current assets of $171,843,000 and current liabilities of $489,000 for net working capital of $171,354,000, which is sufficient to meet its current requirements for operating and investing activities. The Corporation holds its cash in short-term and medium-term interest bearing government guaranteed and investment grade corporate instruments and does not anticipate any liquidity issues.

The Corporation's major sources of funding are from sales of direct and indirect exploration investments, royalty payments and interest income. In addition, the Corporation partially funds exploration expenditures via third party agreements such as earn-in agreements or joint venture arrangements 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. Given that the current cash level is significantly more than that required for the continuing mineral exploration operations of the Corporation, management will continue to evaluate opportunities to deploy surplus cash in the upcoming periods.

Commitments and Contractual Obligations

The Corporation has obtained mineral exploration licenses by staking claims and paying refundable security deposits. Certain expenditures are required on an annual basis, from the date of license issuance in order to maintain the properties in good standing and for refund of security deposits. If the required assessment expenditures are not met on or before the anniversary date of license issuance, the Corporation has the option of reducing claims on a property, posting a refundable security bond for the deficient amount or electing to allow title of the license to be cancelled. The Corporation is required to spend $408,000 by October 31, 2011 in order to maintain all licenses in good standing, of which exploration partners have agreed to spend approximately $183,000. Exploration expenditures of $247,000 over the next year are required on certain properties to receive a refund of the total of security deposits in the amount of $112,000.

Contingent Liability

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

The Corporation believes this claim is without merit and intends to defend the claim vigorously. No provision has been recognized for this claim. The Corporation's defense of the claim is ongoing and a date has not yet been set for the trial of the matter.

Summary of Quarterly Financial Information

The table below outlines selected financial information related to the Corporation's revenue, net earnings (loss) and net earnings (loss) per share for the most recent eight quarters. The financial information is extracted from the Corporation's interim and audited financial statements.

Amounts in thousands of dollars, except per share amounts

$	October 31, 2010	July 31, 2010	April 30, 2010	January 31, 2010
Revenue	1,453	1,287	56	912
Net earnings (loss)	2,063	(261)	22,148	(102)
Net earnings (loss) per share				
- basic	0.07	(0.01)	0.78	-
- diluted	0.07	(0.01)	0.77	-

$	October 31, 2009	July 31, 2009	April 30, 2009	January 31, 2009
Revenue	1,097	1,106	1,938	2,109
Net earnings (loss)	(486)	(597)	(1,480)	31,624
Net earnings (loss) per share				
- basic	(0.02)	(0.02)	(0.05)	1.11
- diluted	(0.02)	(0.02)	(0.05)	1.11

The Corporation does not experience significant seasonality in operations. Revenue is derived primarily from investment income and from the Voisey's Bay Royalty, which is contingent upon commodity prices, mine production levels, and the timing of concentrate shipments. The decline in revenue over the previous several quarters was caused by a drop in the commodity prices and more recently because of the continuing strike at the Voisey's Bay nickel-copper-cobalt mine. Interest revenue has also declined because of the continued 'flight to safety 'of investment funds, which reduced returns on high-quality liquid investments. 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.

Investments Overview

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

NLRC

The Corporation currently holds a 39.6% equity interest in NLRC, which was formerly under creditor protection under the Bankruptcy and Insolvency Act ("BIA"). NLRC is a private company that has earned certain rights to and proposed the construction of a new 300,000 barrel per day crude oil refinery at Southern Head, Placentia Bay in south eastern Newfoundland and Labrador, Canada. NLRC is currently operating under a three-year creditor standstill period which expires in October 2012; before which it is attempting to sell its assets or complete financing of the project.

Additional information on the historical developments of NLRC is included in the annual MD&A refiled on SEDAR on October 7, 2010.

Rambler

The Corporation holds 12 million shares or a 12.6% interest in Rambler, which is listed on the Alternative Investment Market of the London Stock Exchange ("AIM"), and on the TSX-V. Rambler is carrying out advanced exploration of the past producing Ming copper - gold mine, located near Baie Verte, Newfoundland and Labrador, Canada.

Rambler continued to make progress towards its goal of achieving production at its copper-gold deposits during the quarter. Rambler received its final environmental approval and project release from the Newfoundland and Labrador government for its proposed mining and milling of the Ming copper-gold deposits at the Nugget Pond facility. The project feasibility study was also recently released indicating a pre-tax internal rate of return on the project of 23.7%. Rambler is continuing with construction with an objective of first production in mid 2011.

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

Mineral Exploration Projects Overview

The Corporation incurred $688,000 in net exploration expenditures during the quarter ended October 31, 2010, including $455,000 on early-stage reconnaissance in several areas throughout Newfoundland and Labrador, Quebec and Nunavut with the goal of identifying additional exploration joint venture opportunities for earn-in partners. The Corporation's goal is to develop new exploration concepts and to continue to refresh the Corporation's portfolio of exploration projects for subsequent third party funding agreements. Project generation is supported by early-stage, mostly 'greenfields' exploration and the identification of new exploration targets including gold, nickel, copper, and iron ore.

During the quarter, the Corporation continued its work on several of the seventeen exploration projects planned for this year.

The Corporation currently has eight active earn-in agreements or exploration alliances with various third parties throughout the province of Newfoundland and Labrador in Canada covering a variety of commodities. The most significant developments are discussed below.

Alderon commenced a 25,000 metre drilling program at the Kamistiatusset iron ore project in western Labrador. The program is designed to build upon prior successful drilling by the Corporation and to complete an infill drilling campaign to allow the calculation of a NI 43-101 compliant resource estimate. Subsequent to the end of the quarter, Alderon earned 100% of the Kamistiatusset iron ore project by delivering 32,285,006 shares from treasury to the Corporation. The Corporation also retains a 3% gross sales royalty from any production on the property.

Subsequent to quarter end, Alderon announced a Memorandum of Understanding ("MOU") with the Innu Nation whereby the parties have agreed to an ongoing business relationship with respect to the development of the Kamistiatusset Project. The MOU established that Alderon and the Innu Nation will work together to establish a long term, mutually beneficial, cooperative business relationship.

Alderon has continued to release drill results from the ongoing drill program, including 30% iron over 605 metres, 31% iron over 468 metres, 30% iron over 429 metres, and 28% iron over 691 metres, all from the Rose Lake Zone. Additional information on the Kamistiatusset iron ore project, including full drill results can be found at www.alderonmining.com.

Under an option agreement with the Corporation, Rio Tinto Exploration Canada Inc. ("Rio Tinto") continued to explore eight exploration licenses throughout the western Labrador iron ore mining district. An earn-in exploration and royalty agreement was executed in December 2008 allowing Rio Tinto to earn up to a 70% interest in the licenses in stages by spending up to $7,000,000 in exploration expenditures within five years. The Corporation retains a 3% gross overriding royalty of which 1% may be purchased for $10,000,000 on or before the tenth anniversary of the agreement. Drilling was recently completed on some of the claims and the Corporation awaits the assay results.

The Snelgrove Lake project is wholly owned by the Corporation and located approximately 50 kilometres southeast of the past-producing Schefferville iron ore mining district. Iron formation outcrops over a strike length of 28 kilometres. Iron assays are typical of taconite iron formation in the region and yielded a median value of 32% iron (n=184 samples). Altius is planning the next phase of exploration for this project while seeking a partner.

The Corporation holds mineral rights covering the projected extensions of the Julienne Lake deposit under Wabush Lake and Julienne Lake in Labrador West, approximately 15 km northeast of IOCC's Carol Lake operation. The deposit contains a historic and non NI 43-101 compliant resource of 558.8 million tonnes grading 35% iron which is currently the subject of $2.1 million work program initiated by the Newfoundland and Labrador provincial government. The Corporation is planning an exploration program to evaluate the resource potential on its claims.

Northern Abitibi Mining Corp's ("Nothern Abitibi") 2010 drilling program continues to further define the bulk-minable potential of the northern portion of the Thor trend on the Viking gold project. Drilling has primarily focused on infill and resource delineation along the Thor trend. To date Northern Abitibi has drilled 13,922 metres of core in 103 holes at the Viking Project and has collected sufficient drilling information to calculate an initial resource estimate on the Thor Trend gold zone, one of the project's five current exploration targets. The company also tested several large exploration targets within the Viking claim block. The Corporation holds a 2-4 % sliding-scale net smelter royalty on the Viking gold project.

The Corporation also has a 100% interest in numerous gold projects in Newfoundland, including White Bay, Norsemen and Mustang Trend. Trenching and sampling were recently completed at Wing Pond and results are pending. The Corporation is seeking a partner for these projects.

The Topsails property, a 50/50 alliance between the JNR Resources Inc. ("JNR") and the Corporation, is located near the former mining community of Buchans. Results to date include the discovery of several new granite-hosted uranium and porphyry copper-molybdenum-gold-silver prospects. A field program was completed during the quarter and included IP geophysical surveys, soil sampling, trenching and rock sampling to further evaluate these grassroots discoveries and identify drill targets. The Corporation recently added over 200 square kilometers to its Topsails alliance with JNR to cover prospective copper-molybdenum-gold targets. Results are pending. Altius and JNR are seeking a senior partner for this project.

The wholly-owned Taylor Brook project is located in western Newfoundland and hosts high grade nickel-copper-PGE mineralization. Previous drilling by a third party under an option agreement revealed that four of five airborne EM conductors tested were due to occurrences of nickel-bearing massive sulphides, including intercepts such as 4.5% nickel, 0.16% copper, and 0.073% cobalt over a core length of 0.95 meters. The four zones of Ni-Cu-Co mineralization occur within an area exceeding 300 meters by 800 meters, and all four zones remain open for expansion and delineation. The Corporation recently completed a 2,417 km airborne EM-Mag survey to expand the original survey area and will conduct ground follow up of any additional anomalies later this summer. The Corporation now holds title to 219 square kilometers centered on the Taylor Brook nickel property and is seeking a partner to advance this drill-ready project.

The Corporation recently conducted additional prospecting and sampling on its wholly-owned Natashquan nickel-copper-PGE project located in southern Labrador. An airborne EM and magnetics survey in 2008 and subsequent follow up has resulted in the discovery of several high grade nickel-copper-PGE sulphides occurrences associated with coincident magnetic and EM anomalies. Prospecting identified two new zones of semi-massive to massive sulphide mineralization approximately 20 metres and 250 metres north of a mineralized zone discovered in 2009. Assays returned up to 8.35% Cu and 3.479 g/t TPGE's in grab sample and 0.71% Ni over 0.5m (channel sample) in hand dug trenches. Soil sampling also identified anomalous soil geochemistry over other EM conductors The Corporation is seeking a partner to advance these grassroots discoveries.

Summary of Exploration Projects

Property	Partner	Agreement type	Status
Alexis River – Uranium	Kirrin Resources Inc[a]	Earn in	Operator reviewing data.
Snelgrove Lake - iron ore	-	-	Mapping and sampling program in progress; Evaluating alternatives for the next stage of this project.
Kamistiatusset - Iron-ore	Alderon Resources Limited [a]	100% Earn-in	Operator conducting a 30,000 metre drill program to delineate the resource.
Labrador Trough - Copper/Gold	Cornerstone [a]	Alliance	Seeking senior partner.
Labrador West Iron Ore	Rio Tinto (formerly Kennecott Canada Exploration Inc)[a]	Earn in	Field program and drilling recently completed, awaiting results. Additional work is being planned by operator.
Monte Cristo - Gold	Millrock Resources Limited	Royalty	Recently signed option agreement with third party.
St. Eugene – Copper/gold	Millrock Resources Limited	Royalty	Recently signed option agreement with third party.
Moosehead - Gold	Agnico Eagle Mines Ltd.	Joint venture	Designing next exploration program; seeking third party JV partner.
New Brunswick Oil Shale	-	-	Drilling/oil characterization analysis completed; seeking partner.
Notakwanon - Uranium	-	-	Planning 2011 program and seeking a partner.

Property	Partner	Agreement type	Status
Rocky Brook – Uranium	JNR Resources Inc[a]	Joint venture (30%)	2010 exploration program complete – evaluating results.
South Tally Pond – Base Metals	Paragon Minerals Corp[a]	Sale	2010 drilling program recently completed.
Taylor Brook – Nickel	-	-	Staked additional claims; airborne EM-MAG survey underway; seeking partners
Topsails – Uranium & Copper	JNR Resources Inc	Alliance	Staked additional claims to cover prospective copper-gold; 2010 program of mapping, IP geophysics, trenching recently completed – results pending.
Viking – Gold	Northern Abitibi Mining Corp[a]	2-4% sliding scale royalty	Now 100% owned by Northern Abitibi – 9,735m drilling program completed.
White Bay and Norsemen-Gold	-	-	Reconnaissance prospecting recently completed; evaluating data.
Wing Pond - Gold	-	-	Trenching and sampling planned; seeking partner.
Mustang Trend - Gold	-	-	IP and Mag survey recently completed; seeking partner

[a] *indicates operator*

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

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 October 31, 2010 and have concluded that such controls are adequate and effective to ensure accurate and complete financial reporting in public filings. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP") and in accordance with accounting policies set out in the notes to the consolidated financial statements for the year ended April 30, 2010.

There has been no change in the Corporation's internal control over financial reporting during the Corporation's period ended October 31, 2010 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Evaluation and Effectiveness of Disclosure Controls and Procedures

The Corporation has established and maintains disclosure controls and procedures over financial reporting. The certifying officers have evaluated the effectiveness of the issuer's disclosure controls and procedures as of October 31, 2010 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.

New and Future Accounting Pronouncements Update

International Financial Reporting Standards ("IFRS")

On February 13, 2008, the Canadian Accounting Standards Board confirmed that publicly accountable entities will be required to prepare financial statements in accordance with IFRS for interim and annual financial statements for fiscal years beginning on or after January 1, 2011 with appropriate comparative data from the prior year. The Corporation will be required to adopt IFRS commencing May 1, 2011 and will require the restatement, for comparative purposes, of amounts reported on the Corporation's opening IFRS balance sheet as at May 1, 2010.

Under IFRS, there is significantly more disclosure required, specifically for quarterly reporting. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies that will need to be addressed by management. The Corporation has a comprehensive IFRS conversion plan and has completed its initial scoping study to identify key areas that may affect disclosure and financial reporting upon transition to IFRS.

The Corporation has completed its key employee IFRS training. The Corporation is continuing to evaluate the financial reporting impacts of conversion to IFRS. The Corporation anticipates a change to timing of stock based compensation expense but has not yet determined its significance. In addition, the recognition of stock based compensation expense related to the newly implemented share appreciation rights plan is expected to differ under IFRS. The Corporation has not yet determined the significance of any difference.

The Corporation is also evaluating various elections available upon first- time adoption of IFRS with an objective of maintaining the understandability of the Corporation's financial statements. Based on work performed to date, no significant accounting policy changes are expected to financial instruments, exploration expenditures, and other property and equipment.

The Corporation also evaluated and redocumented its information systems, internal controls over financial reporting, and data collection methods to confirm that it can smoothly transition to

IFRS while meeting all financial reporting obligations. Based on the internal review, no significant issues are anticipated.

Critical Accounting Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of management estimates include the rates for amortization of the royalty interest, future income taxes, assessments of the recoverability of deferred exploration expenditures, the carrying value and assessment of other than temporary impairment of investments, the recoverability of accounts receivable and loans, the determination of the provision for future removal and site restoration costs, the assumptions used in the determination of the fair value of stock-based compensation, and the assumptions used in the determination of the fair value of derivatives for which there is no publicly traded market.

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, 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.

Issues Affecting Royalty Revenue
The level of cash flows from the Voisey's Bay royalty are subject to various economic factors, including the underlying commodity prices and smelting and other operating costs, which are deducted from the net smelter return. Royalty payments are highly dependent on the operating and commercial success of the underlying operating company. Various factors, such as

commodity price, operating costs, financing costs, labour availability, labour stability, environmental and stakeholder relations or any combination thereof could make an underlying operation unprofitable. Although short-term losses are not expected to affect the decision to keep an operation open, prolonged operating losses could induce an operating company to close its operations, thereby eliminating such royalty revenue.

Exposure to Mineral Price Fluctuations

Changes in the market price of nickel and to a lesser extent copper and cobalt significantly impact the Corporation’s revenue from the Voisey’s Bay Royalty. The Corporation’s financial results are sensitive to external economic criteria related to the price of nickel. A substantial risk of lower royalty payments arises there is a prolonged period of lower nickel prices. Many factors beyond the Corporation’s control influence the market price of nickel, including: global supply and demand; availability and costs of metal substitutes; speculative activities; international political and economic conditions; and production levels and costs in other nickel-producing countries.

The Ability to Attract Joint Venture Partners

The probability of successfully progressing early stage projects is dependent on an ability to attract joint venture 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.

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 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 under consideration could be at risk.

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.

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.

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

Market value and commodity price risk
The value of the Corporation’s mining and mineral related investments 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. Except as noted below, the Corporation does not utilize any derivative contracts to reduce this exposure.

Foreign currency risk
The Corporation is exposed to foreign currency fluctuations on a portion of its accounts receivable related to royalty revenue. The Corporation does not enter into any derivative

contracts to reduce this exposure since the receivable is short-term in nature and the expected receivable amount 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.

Given the relative size of some of the Corporation's investments compared to the normal trading volume of the underlying investments, the Corporation may be unable to sell its entire interest in an investment without having an adverse effect on the fair value of the security. The Corporation does not enter into any derivative contracts to reduce this exposure.

Credit risk
The Corporation has some credit risk with accounts receivable balances owing from earn-in partners but the amount is not considered significant.

The Corporation's cash, marketable securities, and fixed income securities are distributed among government guaranteed instruments and investment grade commercial paper. All funds are held in fully segregated accounts and include only Canadian dollar instruments. The Corporation does not expect any liquidity issues or credit losses on these instruments.

Interest rate risk
The Corporation does not have any debt and is therefore not exposed to interest rate risk on liabilities. The Corporation's cash and marketable securities 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 December 9, 2010, the Corporation had 28,710,895 common shares outstanding and 1,105,500 stock options outstanding.

The following schedule outlines the major categories of mineral properties, deferred exploration costs, and security deposits at October 31, 2010.

Amounts in thousands of dollars

Location	Primary Metal	Acquisitions	Wages	Geology / Geophysics	Drilling	Travel & Other	Recovered Property Costs	Write Down	Security Deposits	Grand Total
Labrador										
	Base metals	41	130	166	-	314	(20)	-	-	631
	Iron Ore	30	448	538	1,082	468	(400)	-	-	2,166
	Nickel	4	42	228	-	99	-	-	-	373
	Uranium	12	171	413	-	446	(880)	-	-	162
		87	791	1,345	1,082	1,327	(1,300)	-	-	3,332
Island of Newfoundland										
	Base metals	16	205	100	106	87	(506)	-	-	8
	Copper	2	1	-	-	-	-	-		3
	Gold	81	250	122	-	173	(390)	(7)	-	229
	Nickel	35	43	225	-	25	(100)	(1)	-	227
	Uranium/copper	54	1,332	1,174	832	1,227	(3,281)	-	-	1,338
		188	1,831	1,621	938	1,512	(4,277)	(8)	-	1,805
Other										
New Brunswick	Oil shale	19	207	865	1,577	425	(319)	-	-	2,774
		19	207	865	1,577	425	(319)	-	-	2,774
Security Deposits		-	-	-	-	-	-	-	120	120
General Exploration		-	251	9	-	582	-	(842)	-	-
Grand Total		294	3,080	3,840	3,597	3,846	(5,896)	(850)	120	8,031