ALTIUS MINERALS CORPORATION

Management's Discussion and Analysis

of Financial Conditions and Results of Operations

Three and Nine Months Ended January 31, 2013

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, 2013 and related notes. This MD&A has been prepared as of March 18, 2013.

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 ("Altius" or the "Corporation") principal business activities are focused on the generation and acquisition of mineral resource projects, royalties, and investments. The Corporation pursues these objectives through two complementary business segments.

1) Exploration-Project Generation and Royalty Creation:
The Corporation conducts early stage low-cost mineral exploration and prospect generation. Altius utilizes a team of approximately 20 professional geoscientists and prospectors that create mineral exploration initiatives through concept development and field-based research. Concepts of merit are advanced through to mineral rights acquisition and, upon successful early-stage exploration, to the target identification stage. The Corporation's project portfolio currently consists of approximately 20 projects covering prospective targets for iron ore, uranium, nickel, gold, and other base metals.

Project level partnerships with a range of global exploration and mining companies are then sought as the means of further project advancement. The Corporation prefers to create agreements with other companies related to the mineral exploration opportunities it generates, which results in the Corporation carrying minority and non-operating project and/or equity interests and royalty interests. The Corporation currently has ten active exploration agreements with partners on projects located throughout Eastern Canada and is involved with a new, long-term project generation initiative in Chile.

2) Investment and Royalty Acquisition:
Building upon its success in mineral exploration and prospect generation, the Corporation has segregated the majority of its accumulated profits into a separate business segment with two primary objectives: 1) to seek out royalty-based financing opportunities of top tier development stage assets and/or the acquisition of existing royalty interests under third party control on development and production stage mining assets; and 2) the selective investment in natural resource related and early-stage companies with a goal of long-term capital appreciation.

The Corporation currently has one producing royalty interest - an effective 0.3% net smelter return royalty ("NSR") in Vale's Voisey's Bay nickel-copper-cobalt mine. 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 in Western Labrador; a 2% GSR on production from Paladin's Central Mineral Belt uranium project, as well as several other earlier stage royalties. Additional information on the status of non-producing royalty interests is available in ***Table 2: Summary of Exploration and Pre-production Stage Royalties*** of this MD&A.

The Corporation's investments in mining and mineral resource related companies include an approximate 25.3% equity interest in Alderon and a 72.8% interest in a company it co-founded in January, 2010, 2260761 Ontario Inc. ("2260761"). 2260761's business plan is to portfolio invest in predominantly early stage exploration, resource related and technology companies with a goal of long-term capital appreciation. 2260761 is managed independently by Paul van Eeden, who has a successful track record in investment in the minerals industry and has also invested his own funds alongside the Corporation in the venture.

The Corporation has over $281,000,000 in total assets and no debt. Current holdings include $155,000,000 in cash and highly liquid marketable securities and several mining and mineral related investments with a current carrying value of $110,000,000.

Operational and Business Overview

The Corporation's net loss attributable to common shareholders for the three months ended January 31, 2013 was $3,627,000 or $0.13 per share and the net loss attributable to common shareholders for the nine months ended January 31, 2013 was $9,369,000 or $0.33 per share. The loss in both the current period and the year to date was primarily the result of the Corporation's share of loss in equity investments, particularly its founding shares of Alderon Iron Ore Corporation ("Alderon"). In addition, total revenue declined in both the current quarter and the year to date as a result of lower concentrate shipments on royalty revenue and as a result of lower interest income.

During the quarter, the Corporation commenced operations in Chile through its 49% owned alliance. Early stage work included mapping/sampling and prospecting in various regions throughout Chile as well as the evaluation of several mineral properties held by cash constrained junior exploration companies and individuals. No acquisitions have been completed to date, and technical evaluation continues. The Corporation owns 49% of the Chilean business that will contribute a total of $7,100,000 into the new business entity at various milestones over a four-year period (Altius has the option to contribute up to $3,500,000 to maintain its interest). Altius will retain a royalty interest in any acquired projects generated by the venture. In addition to equity financing, $14,000,000 has been made available in the form of a non-recourse loan from the Chilean Economic Development Agency's ("CORFO") Phoenix Mining Exploration Fund that is designed to promote the development of a domestic junior exploration sector in Chile. A Chile-dedicated technical team has been established to operate the business.

During the quarter, Alderon announced the results of its feasibility study of the Kami project (North Rose and Rose Central deposits) by BBA Inc. that indicated an internal rate of return of 29.3% and a net present value of $3.2 billion discounted at 8%. The projected mine life is expected to be 30 years producing approximately 8 million tonnes of iron concentrate per annum. Alderon also secured a power source for the operation during the quarter and is currently finalizing the permitting of the project with a goal of commencing construction in late 2013. Alderon continues to seek additional offtake and overall project financing agreements, and is finalizing rail and power purchase agreements. The Corporation continues to hold 25% of the total outstanding shares of Alderon and a 3% GSR on the Kami project.

On March 15, 2013 Alderon announced that Hebei Iron & Steel Group Co. Ltd. ("Hebei") has contributed the remaining $119,900,000 of its initial investment in Alderon and that Alderon has contributed the Kami iron ore project to a limited partnership which is owned 25 percent by Hebei and 75 percent by Alderon. Hebei is China's largest steel producer.

This concludes Hebei's initial strategic investment, first announced on April 13, 2012, into both Alderon and its Kami project for an aggregate amount of $182,200,000, in exchange for 19.9 per cent of the outstanding common shares of Alderon (completion announced on Sept. 4, 2012) and a 25 percent interest in the Kami LP, which was established to own the Kami project. Alderon has the remaining 75-per-cent interest in the Kami LP. Altius owns approximately 25% of the common shares of Alderon and holds a 3% gross sales royalty on the Kami iron ore project.

Hebei will also enter into an offtake agreement to acquire 60% of the first 8 million tonnes of concentrate produced from the mine at near-spot market prices and will contribute its 25% share of the development costs to advance the Kami project to production. Alderon intends to use the proceeds received from the transaction to continue its development of the Kami project and for general corporate purposes.

Alderon's progress is described in greater detail on their website at http://www.alderonironore.com/.

The Corporation holds a 72.8% interest in 2260761, a company co-founded 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 condensed consolidated interim financial statements by virtue of the Corporation's ownership percentage. The total asset values of 2260761 were as follows:

Amounts in thousands of dollars

$	**January 31, 2013**	October 31, 2012	July 31, 2012	April 30, 2012	January 31, 2012
Cash and marketable securities	**9,133**	4,415	5,172	6,303	9,353
Private and public company investments	**20,563**	18,900	17,451	17,580	17,515
Total	**29,696**	23,315	22,623	23,883	26,868
Total cost base of investment	**33,600**	28,000	28,000	28,000	28,000

The value of the portfolio improved slightly during the current quarter as a result of better performance from some specific investment holdings. To take advantage of depressed equity markets in the junior sector, the shareholders of 2260761 invested an additional $5,600,000 during the quarter. The Corporation's share of this investment was $5,000,000 and its percentage ownership did not change as a result of the transaction.

Outlook

The Corporation is encouraged by the ongoing decline in the market based valuations of mineral related assets as this presents an improved opportunity for the Corporation's royalty acquisition goals. Despite the current industry down turn, the Corporation remains encouraged by the potential of certain of Altius' initiated projects in the Labrador west iron ore mining district, and in particular that of Alderon. Alderon is well financed as a result of the recent private placement and the additional investment of $119,900,000 by Hebei to acquire a 25% direct Kami project interest, which closed on March 15, 2013.

In October 2012, the Government of Newfoundland and Labrador requested expressions of interest ("EOI") regarding development of a designated Exempt Mineral Land ("EML") that contains the Julienne Lake iron ore deposit. Altius has demonstrated the extension of the deposit onto its surrounding wholly owned claims. The Corporation, in alliance with undisclosed companies, submitted an EOI in November to acquire the Julienne Lake EML. On March 8, 2013, the Corporation and its partners received an invitation to enter Stage 2 of the process, whereby they will submit a proposal to combine the EML with its surrounding mineral claims to potentially develop the entirety of the deposit as a larger and longer life mining operation.

The Corporation continues its efforts to identify additional mineral properties across the commodity spectrum that will attract new investment from both senior mining companies and junior explorers in the form of earn-in agreements and/or alliances. This effort is largely focused in Newfoundland & Labrador, in Quebec, through an alliance with Virginia Mines, and in Chile via the CORFO supported alliance.

The Corporation continues to seek out investment opportunities in the industry with a strong preference for royalty-based financings and/or acquisitions that meet its objectives in terms of value and underlying asset quality.

The Corporation expects royalty revenue from the Voisey's Bay mine in the year ahead to continue at current annualized levels of approximately $3.0 million based on current nickel prices and typical production volumes. Interest revenue is expected to remain low in the near term as a result of continuing low interest rate conditions. Exploration expenditures are expected to remain at $2-3 million per year consistent with the Corporation's low cost project generation efforts.

The Corporation will continue to maintain its financial and technical discipline by employing its proven 'prospect generation' model of attracting funding partners to its projects, which has resulted in nearly 60 JV-earn-in/sales and strategic alliance agreements as well as the co-founding and creation of three special purpose companies ("spin outs") over the Corporation's sixteen year history.

Table 1: Summary of Exploration Projects, including wholly-owned projects and those under JV/Option Agreements

Property	Partner	Agreement type	Status
Alexis River – uranium (Southern Labrador)	Kirrin Resources Inc[a]	Earn in	Notice of withdrawal from the earn-in agreement received during the current quarter; seeking partner.
Julienne Lake – iron ore (Western Labrador)	-	-	Adjacent to an EML held by the Province of Newfoundland and Labrador. The Julienne Lake iron deposit on government land has a reported resource of 867 Mt at 33.7% iron (Measured + Indicated) and 299 Mt at 34.1% iron (Inferred). Recent drilling by the Corporation on its property confirmed the continuation of the iron ore deposit. An Expression of Interest has been submitted on behalf of Altius and its partners to the recent Call for Proposals by the Province on the EML. The Partnership has been invited to submit a detailed proposal.
Labrador West – several iron ore projects (Western Labrador)	Rio Tinto[a]	Earn in (51% to 70%)	Drilling in 2012 resulted in new iron ore discovery (ie. 279 m @29.8% Fe); Awaiting confirmation of Rio Tinto's 2013 program as part of an ongoing second phase earn-in for a 70% interest.
Natashquan – nickel (Central Labrador)	-	-	In discussions with potential partners to conduct more advanced exploration work, including drilling.
Moosehead – gold (Central Newfoundland)	Agnico-Eagle Mines Ltd.	Joint venture (51% Agnico-Eagle)	Seeking a partner to undertake a systematic overburden/stripping and advanced exploration program.
Newfoundland Ferro Alloys - nickel, chromium (Newfoundland & Labrador)	Cliffs Natural Resources	Strategic Alliance	Targets being evaluated and 2013 exploration program under consideration.
Notakwanon – uranium (Northern Labrador)	-	-	Drill-ready project; seeking partner.

Property	Partner	Agreement type	Status
Rocky Brook – uranium (Western Labrador)	Denison Mines[b]	Joint venture (73.4% JNR)	No work planned at present. In discussions with new owner (Denison) about further work.
Saglek – Iron (Northern Labrador)	Cliffs Natural Resources	Strategic Alliance	Proposed *Labrador Inuit Land Use Plan* restricts further work in this area; no further work planned at this time pending finalization of the Land Use Plan.
Snelgrove Lake - iron ore (Western Labrador)	Mamba Minerals	Earn-in (100%)	3,000 metre winter 2013 drill program is underway.
Topsails – copper-molybdenum (Central Newfoundland)	Denison Mines[b]	Alliance	No work planned at present. In discussions with new owner (Denison) about further work.
Trough Iron - iron ore projects (Grenville, Menihek and Schefferville) (Western Labrador)	Century Iron Mines Corporation[a]	Earn-in(100%) and 1% to 4% sliding scale GSR	$4.3 million of exploration work commitments recently completed in 2012 and results pending.
Astray – iron ore (Western Labrador)	North Star	Earn-in(100%) and 1% to 4% sliding scale GSR	Winter drill program in progress.
Grenville Alliance (Quebec North Shore and southern Labrador)	Virginia Mines Inc.	Alliance (50/50)	A regional target generation program including various field surveys and prospecting completed in 2013. Results being assessed and 2013 program will be undertaken.
Wing Pond – gold (Central Newfoundland)	-	-	No recent work; seeking partner.

[a] *indicates operator*
[b] *recent takeover of JNR Resources*

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

Property	Explorer/Developer	Royalty	Status
Kamistiatusset - iron ore (Western Labrador)	Alderon Iron Ore Corp [a]	3% GSR	Feasibility Study released January 2013 - $3.2B net present value and 29.3% IRR. Permitting ongoing and additional partner funding expected.
Central Mineral Belt – uranium (Central Labrador)	Paladin Energy Limited[a]	2% GSR	Contained NI-43-101 U_3O_8 resource: 83.8 M lbs Measured and Indicated, and 53.0 million pounds Inferred. Operator completed a 14,000 metre ore delineation drill program in August 2012.
Labrador West - iron ore (Western Labrador)	Rio Tinto Exploration Inc. [a]	3% GSR; 1% buyback	Drilling in 2012 resulted in new iron ore discovery (eg. 279 m @29.8% Fe); Awaiting confirmation of Rio Tinto's 2013 program as part of an ongoing second phase earn-in for a 70% interest.
Topsails - copper-molybdenum (Central Newfoundland)	Denison Mines[b]	2% GSR uranium; 2% NSR other	Trenching program completed in 2012; seeking senior partner.
Viking – gold (Western Newfoundland)	Spruce Ridge Resources Limited [a]	2-4% sliding scale NSR	NI 43-101 Indicated & Inferred resource total of 147,000 ounces of gold; project recently transferred to a new operator with adjacent claims
Saglek – Iron (Northern Labrador)	Cliffs Natural Resources	1% NSR	No further work planned at this time; awaiting final Labrador Inuit Land Use Plan, which may prohibit further work.
Snelgrove Lake - iron ore (Western Labrador)	Mamba Minerals	Earn-in (100%) and 3% GSR	3,000 metre winter 2013 drill program in progress.
Trough Iron - iron ore projects (Grenville, Menihek and Schefferville) (Western Labrador)	Century Iron Mines Corporation[a]	Earn-in (100%) and 1% to 4% sliding scale GSR	Ground gravity and airborne EM surveys completed, $4.3 million in work programs recently completed. Results pending.

Property	Explorer/Developer	Royalty	Status
Astray - iron ore (Western Labrador)	Northern Star Minerals[a]	Earn-in (100%) and 1% to 4% sliding scale GSR	Winter drill program in progress.
Various Copper-gold-moly 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.

[a] *indicates operator*
[b] *recent takeover of JNR Resources*

Results of Operations

Analysis of Results of Operations for the three month period ending January 31, 2013 compared with the three month period ending January 31, 2012

The Corporation recorded a net loss attributable to common shareholders of $3,627,000 for the three months ended January 31, 2013 compared to net earnings attributable to common shareholders of $2,461,000 for the three months ended January 31, 2012. The earnings recorded in the prior year were driven by revenue of $5,805,000, primarily from earn-in partners and royalty revenue.

The Corporation recognized total revenue of $1,366,000 for the three months ended January 31, 2013 compared to $5,805,000 for the same period last year. Royalty revenue from the LNRLP was $794,000 during the three months ended January 31, 2013 compared to $1,192,000 for the same period last year. Higher concentrate shipments were partially offset by lower nickel and copper prices in the prior year.

Interest income of $466,000 was recognized in the three month period ended January 31, 2013 compared to $614,000 for the three month period ended January 31, 2012.

Other income of $106,000 was recognized in the three month period ended January 31, 2013 compared to $3,999,000 for the three month period ended January 31, 2012. This decrease was caused primarily by the receipt of 2,000,000 shares from Century as part of the royalty/earn in agreement signed during the prior year.

General and administrative expenses for the three month period ended January 31, 2013 were $911,000 compared to $995,000 for the prior year. The decrease was primarily the result of lower salary costs of $132,000 offset by increased corporate development and office related costs of $49,000.

Mineral properties abandoned or impaired was $139,000 for the three month period ended January 31, 2013 compared to $91,000 in the same period last year. Generative exploration ("Genex") for the three months ended January 31, 2013 was $73,000 compared to $41,000 in the same period last year. These activities included early stage evaluation of properties not yet acquired.

Stock-based compensation for the three months ended January 31, 2013 was $862,000 compared to $120,000 for the same period last year. The increase in the current period is the result of the increase in the Corporation's share price. The SARs and DSUs obligation and expense are recalculated quarterly with the share price being a significant factor in the calculation.

Amortization for the three months ended January 31, 2013 was $270,000 compared to $252,000 for the same period last year. The increase over the previous year is the result of higher amortization of the royalty interest, which is amortized over the life of the mine on a units of production basis.

Royalty tax for the three months ended January 31, 2013 was $159,000 compared to $239,000 for the prior year, reflecting the lower gross royalty revenue. The royalty tax is based on 20% of the gross royalty revenue.

The Corporation recorded a loss on the sale of investments of $1,353,000 for the three months ended January 31, 2013 compared to a gain of $112,000 recorded for the same period in the prior year. These disposals in the current year were primarily related to sale of various investments held in 2260761 Ontario Inc.

An unrealized loss on the fair value adjustment of warrants of $90,000 was recorded for the three months ended January 31, 2013 compared to a loss of $117,000 for the same period last year. 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 share of loss in associates was $1,939,000 for the three months ended January 31, 2013 compared to $1,627,000 for the prior year. The Corporation holds an approximate 25.3% equity interest in Alderon and recorded $1,387,000 for its proportionate share of Alderon's net loss for the three months ended January 31, 2013 (2012 - $1,468,000).

The Corporation recorded an income tax recovery of $672,000 for the three months ended January 31, 2013 compared to an income tax expense of $524,000 for the same period last year. Rates are lower than the statutory rates because of the mix of earnings.

Analysis of Results of Operations for the nine month period ending January 31, 2013 compared with the nine month period ending January 31, 2012

The Corporation recorded a net loss attributable to common shareholders of $9,369,000 for the nine months ended January 31, 2013 compared to a net loss of $1,995,000 for the nine months ended January 31, 2012. The increase in net loss from the prior nine month period resulted primarily from higher share of loss in associates and other investment adjustments.

The Corporation recognized total revenue of $4,281,000 for the nine months ended January 31, 2013 compared to $9,596,000 for the same period last year. Royalty revenue from the LNRLP was $2,245,000 during the nine months ended January 31, 2013 compared to $3,004,000 for the same period last year. Royalty revenue was lower because of lower realized nickel and copper prices while the volume of concentrate shipment remained essentially the same.

Interest income of $1,821,000 was recognized in the nine month period ended January 31, 2013 compared to $2,449,000 for the nine month period ended January 31, 2012.

Other income of $215,000 was recognized in the nine month period ended January 31, 2013 compared to $4,143,000 for the nine month period ended January 31, 2012. This decrease was caused primarily by the receipt of 2,000,000 shares from Century as part of the royalty/earn in agreement signed during the prior year.

A gain on derivative financial instruments of $94,000 was recorded for the nine months ended January 31, 2013 compared to an unrealized loss on derivative financial instruments of $1,394,000 for the nine months ended January 31, 2012. 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.

General and administrative expenses for the nine month period ended January 31, 2013 were $2,889,000 compared to $2,809,000 for the prior year. The Corporation incurred higher investor relations costs of $75,000, higher office related expenditures of $55,000, higher corporate development expenses of $47,000 offset by decreased salary related costs of $73,000 and decreased travel related costs of $24,000. The investor relations costs included sponsorship of the Sept Isles Aboriginal Games and an investor road trip to Europe.

Genex was $428,000 for the nine month period ended January 31, 2013 compared to $432,000 in the same period last year. Mineral properties abandoned or impaired was $140,000 for the nine month period ended January 31, 2013 compared to $1,201,000 in the same period last year. The Corporation consolidated some of its mineral claims in Nunavut and the Topsails project due to exploration results during the prior year.

Royalty tax for the nine months ended January 31, 2013 was $449,000 compared to $601,000 for the prior year, reflecting the lower gross royalty revenue. The royalty tax is based on 20% of the gross royalty revenue.

Stock-based compensation for the nine months ended January 31, 2013 was $549,000 compared to $459,000 for the same period last year. The current period recovery is caused by adjustments to share appreciation rights and deferred share unit expenses because of the decline in the Corporation's share price during the period.

Amortization for the nine months ended January 31, 2013 was $856,000 which was slightly higher than the $803,000 for the same period last year. The increase over the previous year is the result of higher amortization of the royalty interest, which is amortized over the life of the mine on a units of production basis.

The share of loss in associates was $9,699,000 for the nine months ended January 31, 2013 compared to $4,824,000 for the prior year. The share of loss includes the Corporation's share of Alderon's operating loss totaling $8,794,000 for the period.

The Corporation recorded an income tax recovery of $1,433,000 for the nine months ended January 31, 2013 compared to a recovery of $439,000 for the same period last year. The effective tax rate is lower than the statutory rate for both periods because of transactions that are taxed at a lower effective tax rate.

Cash Flows, Liquidity and Capital Resources

Operating Activities

The Corporation received cash from operating activities of $5,922,000 for the nine months ended January 31, 2013 compared to a cash outflow of $3,861,000 for the same period last year. The change from the prior year was primarily due to the net receipt of corporate income taxes of $5,389,000 in the current period compared to the payment of $5,336,000 for the same period last year.

Financing Activities

The Corporation used cash from financing activities of $6,277,000 for the nine months ended January 31, 2013 compared to a use of $1,479,000 for the nine months ended January 31, 2012. The Corporation repurchased 629,728 common shares under its normal course issuer bid during the current period at a total cost of $6,713,000 (2012 – 210,933 shares at a total cost of $2,299,000).

The Corporation received net proceeds from non-controlling interests of $416,000 during the current year, including an additional investment in 2260761 of $600,000. Offsetting this amount, the Corporation's subsidiary paid $183,000 (2012 - $223,000) in dividends to a non-controlling interest during the period. The dividend is payable on class A shares held by the non-controlling interest at a rate of 1% per annum of 2260761's calculated net asset value. The Corporation received $20,000 in proceeds from the exercise of employee stock options for the nine months ended January 31, 2013 compared to proceeds of $1,043,000 for the same period last year.

Investing Activities

The Corporation used cash from investing activities of $11,121,000 for the nine months ended January 31, 2013 compared to a use of $9,735,000 for the same period last year.

A portion of the investment activities in the current period included the reallocation from marketable securities to cash totaling $4,402,000. The Corporation classifies investments as marketable securities if the maturity date at the time of purchase is greater than 3 months. All investments are comprised of highly liquid government guaranteed and investment grade commercial paper and are denominated in Canadian dollars.

The Corporation also used cash of $13,277,000 for the acquisition of investments and warrants for the nine months ended January 31, 2013 compared to $12,241,000 in the prior year. The Corporation also received $6,919,000 in proceeds from the sale of investments compared to $3,720,000 in the prior year.

In addition, the Corporation recovered $75,000 (2012 expenses of $1,051,000) in net mineral exploration expenditures for the nine months ended January 31, 2013. The current year activity included a recovery from CIP of exploration costs incurred in a previous period totaling $735,000 for the Snelgrove Lake project. The Corporation also incurred $428,000 (2012 - $432,000) in generative exploration expenditures for the nine months ended January 31, 2013. Mineral exploration activities are described in greater detail in the ***Mineral Exploration Projects Overview*** section of this MD&A.

Liquidity
At January 31, 2013, the Corporation had current assets of $157,093,000 and current liabilities of $1,805,000 for net working capital of $155,288,000, 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 Canadian 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 revenue 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 investment opportunities in the resource based sector.

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 $256,000 by January 31, 2014 in order to maintain all licenses in good standing, of which exploration partners have agreed to spend approximately $139,000. Exploration expenditures of $60,000 over the next twelve months are required on certain properties to receive a refund of the total of security deposits in the amount of $36,000.

Related Party Transactions
Chairman of the Board and Director John Baker is a Partner of the legal firm Ottenheimer and Baker. This firm provided legal services to the Corporation in the amount of $67,000 for the nine months ended January 31, 2013 (2012 – $40,000).

During the nine months ended January 31, 2013, the Corporation's subsidiary, 2260761, paid dividends of $183,000 (2013 - $223,000) to a non-controlling interest.

Total salaries and benefits paid to key employees and directors during the nine months ended January 31, 2013 was $837,000 (2012 - $793,000).

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

Subsequent Events

On February 28, 2013, BAE Newplan Group Limited (“BAE”), a wholly owned subsidiary of SNC-Lavalin Inc., filed a Notice of Discontinuance with the Supreme Court of Newfoundland with respect to proceedings it had brought against the Corporation. The proceedings, which were filed on October 1, 2008, claimed punitive and exemplary damages, interest and costs against the Corporation and others. In particular, BAE claimed $20,594,000, which is the amount of billing alleged as outstanding from Newfoundland and Labrador Refining Corporation to BAE for engineering services.

The notice of discontinuance had no effect on the consolidated financial statements of the Corporation since no provision was recognized for this claim.

On March 15, 2013 Alderon announced that Hebei Iron & Steel Group Co. Ltd. (“Hebei”) has contributed the remaining $119,900,000 of its initial investment in Alderon and that Alderon has contributed the Kami iron ore project to a limited partnership which is owned 25 percent by Hebei and 75 percent by Alderon. Hebei is China's largest steel producer.

This concludes Hebei’s initial strategic investment, first announced on April 13, 2012, into both Alderon and its Kami project for an aggregate amount of $182,200,000, in exchange for 19.9 per cent of the outstanding common shares of Alderon (completion announced on Sept. 4, 2012) and a 25 percent interest in the Kami LP, which was established to own the Kami project. Alderon has the remaining 75-per-cent interest in the Kami LP. Altius owns approximately 25% of the common shares of Alderon and holds a 3% gross sales royalty on the Kami iron ore project.

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.

$	January 31, 2013	October 31, 2012	July 31, 2012	April 30, 2012
Revenue	1,366	1,580	1,335	1,452
Net earnings (loss) attributable to common shareholders	(3,627)	(2,885)	(2,857)	(2,616)
Net earnings (loss) per share				
- basic	(0.13)	(0.08)	(0.10)	(0.09)
- diluted	(0.13)	(0.08)	(0.10)	(0.09)

$	January 31, 2012	October 31, 2011	July 31, 2011	April 30, 2011
Revenue	5,805	1,635	2,156	1,758
Net earnings (loss) attributable to common shareholders	2,461	(2,868)	(1,588)	(953)
Net earnings (loss) per share				
- basic	0.08	(0.10)	(0.06)	(0.03)
- diluted	0.08	(0.10)	(0.06)	(0.03)

The Corporation does not experience significant seasonality in operations. Revenue is derived primarily from investment income and from the producing Voisey's Bay Royalty, which is contingent upon commodity prices, mine production levels, and the timing of concentrate shipments. Revenue grew to $5,805,000 for the quarter ended January 31, 2012 as a result of the receipt of shares from an earn-in partner with a market value of approximately $4,000,000.

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 by a decline in the fair value of investments and the equity accounting of Alderon, whereby the Corporation records its proportionate share of Alderon's operating loss.

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 April 30, 2013 and have concluded that such controls are adequate and effective to ensure accurate and complete financial reporting in public filings. The condensed consolidated financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out in the notes to the consolidated financial statements for the year ended April 30, 2012.

There has been no change in the Corporation's internal control over financial reporting during the Corporation's nine months ended January 31, 2013 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, 2013 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, 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 decommissioning and site restoration costs, 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.

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 issues, 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 the mine operator to close its operations, thereby eliminating such royalty revenue.

Exposure to Mineral Price Fluctuations

Changes in the market price minerals could significantly impact the Corporation's royalty revenue. The Corporation's financial results are sensitive to external economic criteria related to the mineral prices. A substantial risk of lower royalty payments arises when there is a prolonged period of lower minerals prices. Many factors beyond the Corporation's control influence the market prices of minerals, 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 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.

Debt and Equity Financing

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

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.

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.

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 and cash equivalents 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.

Foreign currency risk
The Corporation is exposed to foreign currency fluctuations on a portion of its accounts receivable related to royalty revenue, which is denominated and paid in U.S. Dollars. The Corporation does not enter into any derivative contracts to reduce this exposure since the receivable is short-term in nature and the expected receivable amount cannot be predicted reliably.

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

Other price risk
The value of the Corporation's mining and other 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 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 March 18, 2013, the Corporation had 28,124,153 common shares outstanding and 519,500 stock options outstanding.