

**Altius Minerals Corporation**  
**Interim Consolidated Financial Statements**  
**Unaudited**  
**July 31, 2006**  
  
(Restated)

The July 31, 2006 unaudited interim consolidated financial statements have been restated and replace those previously issued on September 29, 2006 to reflect the changes as described in note # 3 of the restated April 30, 2006 consolidated financial statements. The April 30, 2006 restatement adjusted the gain on disposal and the dilution gains related to the Corporation's investment in Aurora Energy Resources inc. ("Aurora") to reflect an accounting treatment which better represents the transactions. In addition, the contributed surplus related to stock – based compensation of Aurora has been netted against the carrying value of the investment in Aurora on the Corporation's Consolidated Balance Sheets. The resulting changes affected the April 30, 2006 closing balances of retained earnings, contributed surplus, future income taxes and investments and affected those carrying values in subsequent periods. The current period and comparative balance sheets have been adjusted to record these adjustments and there is no impact on current year net earnings.

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the periods ended July 31, 2006 and July 31, 2005.

# Altius Minerals Corporation

## Consolidated Balance Sheets

(Unaudited)

	July 31 2006	April 30 2006
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 24,637,690	\$ 35,331,949
Accounts receivable and prepaid expenses	1,062,792	807,641
Accounts receivable – related companies (note 5)	1,440,753	619,757
	<hr/> 27,141,235	<hr/> 36,759,347
Mineral properties and deferred exploration costs (Schedule)	1,342,108	1,096,322
Royalty interest in mineral property	13,511,205	13,597,930
Property and equipment	107,249	94,846
Investments (note 2)	26,307,675	16,152,694
	<hr/> \$ 68,409,472	<hr/> \$ 67,701,139
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,180,444	\$ 901,862
Income taxes payable	5,448,000	5,308,000
	<hr/> 6,628,444	<hr/> 6,209,862
Future income taxes	1,244,489	1,314,182
	<hr/> 7,872,933	<hr/> 7,524,044
<b>Shareholders' Equity</b>		
Share capital (note 3)	25,500,498	25,123,818
Treasury shares [note 3 (c)]	(87,663)	-
Contributed surplus [note 3 (e)]	626,717	684,447
Retained earnings	34,496,987	34,368,830
	<hr/> 60,536,539	<hr/> 60,177,095
	<hr/> \$ 68,409,472	<hr/> \$ 67,701,139

Approved by the Board,

“Brian F. Dalton” \_\_\_\_\_, Director

“John A. Baker” \_\_\_\_\_, Director



# ALTIUS MINERALS CORPORATION

## Consolidated Statements of Income (Loss) and Retained Earnings

(Unaudited)

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	Three Months Ended July 31	
	2006	2005
<b>Revenue</b>		
Option payments and management fees	\$ 105,598	\$ 70,971
Royalty revenue	315,292	-
Interest income	<u>286,676</u>	<u>8,842</u>
	<u>707,566</u>	<u>79,813</u>
<b>Expenses</b>		
General and administrative	304,211	201,696
Mineral properties abandoned or impaired	17,957	15,628
Royalty tax	32,942	-
Amortization and depreciation	<u>119,193</u>	<u>-</u>
	<u>474,303</u>	<u>226,459</u>
Income (loss) before the following	<u>233,263</u>	<u>(146,646)</u>
Share of (loss) in equity investees [note 2 (c)]	(398,799)	(19,510)
Investment income	<u>364,000</u>	<u>-</u>
	<u>(34,799)</u>	<u>(19,510)</u>
Income (loss) before income taxes	<u>198,464</u>	<u>(166,156)</u>
Income tax expense (recovery)		
- Current	140,000	-
- Future	<u>(69,693)</u>	<u>-</u>
	<u>70,307</u>	<u>-</u>
<b>Net income (loss)</b>	128,157	(166,156)
Retained earnings, beginning of period	<u>34,368,830</u>	<u>840,866</u>
<b>Retained earnings, end of period</b>	<u>\$ 34,496,987</u>	<u>\$ 674,710</u>
<b>Net income (loss) per share (basic and diluted)</b>	<u>\$ 0.01</u>	<u>\$ (0.01)</u>

# ALTIUS MINERALS CORPORATION

## Consolidated Statements of Cash Flows

(Unaudited)

	Three Months Ended July 31	
	2006	2005
<b>Operating activities</b>		
Net income (loss)	\$ 128,157	\$ (166,156)
Items not involving cash		
Mineral properties abandoned or impaired	17,957	15,628
Amortization and depreciation	119,193	9,135
Share of loss in equity investees	398,799	19,510
Future income tax (recovery)	<u>(69,693)</u>	<u>-</u>
	594,413	(121,883)
Change in non-cash working capital balances related to operating activities	<u>(657,565)</u>	<u>697,572</u>
	<u>(63,152)</u>	<u>575,689</u>
<b>Financing activities</b>		
Proceeds from issuance of shares, net of issuance costs	318,950	3,069,756
Shares acquired	<u>(87,663)</u>	<u>-</u>
	<u>231,287</u>	<u>3,069,756</u>
<b>Investing activities</b>		
Acquisition of investments	(9,839,840)	-
Advance to equity investee	(713,940)	-
Acquisition of mineral properties and deferred exploration costs, net of recoveries	(263,743)	(88,337)
Acquisition of royalty interest in mineral property	(23,748)	(3,710)
Acquisition of investment in equity investee	-	(11,906)
Acquisition of property and equipment	<u>(21,123)</u>	<u>(1,452)</u>
	<u>(10,862,394)</u>	<u>(105,405)</u>
Net (decrease) increase in cash and cash equivalents	(10,694,259)	3,540,040
Cash and cash equivalents, beginning of period	<u>35,331,949</u>	<u>1,952,673</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 24,637,690</u>	<u>\$ 5,492,713</u>
<b>Cash and cash equivalents consists of:</b>		
Deposits with banks	\$ 3,521,329	\$ 468,122
Short term investments	<u>21,116,361</u>	<u>5,024,591</u>
	<u>\$ 24,637,690</u>	<u>\$ 5,492,713</u>
Supplementary cash flow information (note 4)		

**Altius Minerals Corporation**  
**Consolidated Schedule of Mineral Properties and**  
**Deferred Exploration Costs**  
**Three Months Ended July 31, 2006**  
**(Unaudited)**

	Balance, April 30 2006	Net Additions	Abandoned or Impaired	Balance July 31 2006
South Tally Pond [note 6 (a)] \$	383,024	9,132	-	392,156
Taylor Brook	76,566	2,148	-	78,714
Rocky Brook	92,563	(21,940)	-	70,623
Lockport	70,384	-	-	70,384
White Bay	-	68,460	-	68,460
Mustang Trend	64,919	538	-	65,457
Labrador Trough	46,076	(334)	-	45,742
Shamrock	42,771	-	-	42,771
Kamistaitussett	26,092	10,295	-	36,387
Point Leamington	29,487	-	-	29,487
Newfoundland	-	26,604	-	26,604
Notakwanon	22,866	2,494	-	25,360
Baie d=Espoir	24,031	-	(210)	23,821
Wizard	10,262	14,974	-	25,236
Howell's River	3,420	11,525	-	14,945
Alexis River	12,885	253	-	13,138
Labrador West	-	9,581	-	9,581
Merasheen	1,708	7,422	-	9,130
Lac Joseph	1,087	6,100	(710)	6,477
New Brunswick Oil Shale	3,998	1,935	-	5,933
Duley Lake	380	3,985	-	4,365
Moosehead	1,693	2,058	-	3,751
Victoria River	2,950	-	-	2,950
Meshikamau	2,637	-	-	2,637
Miguel=s Trend	2,575	-	-	2,575
Robert=s Arm	1	1,919	-	1,920
General exploration	-	13,487	(13,487)	-
Security deposits	173,947	93,107	(3,550)	263,504
	\$ 1,096,322	263,743	(17,957)	1,342,108

# Altius Minerals Corporation

## Notes to Consolidated Financial Statements

July 31, 2006

(Unaudited)

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### 1. Basis of presentation

The unaudited interim consolidated financial statements have been prepared following the accounting policies set out in the 2006 annual consolidated financial statements.

The disclosures in the unaudited consolidated financial statements do not conform in all material respects to the requirements of generally accepted accounting principles for annual financial statements. Accordingly, these unaudited interim consolidated financial statements should be read in conjunction with the April 30, 2006 annual consolidated financial statements.

### 2. Investments

	July 31 2006	April 30 2006
Investment in companies subject to significant influence:		
Rambler Metals and Mining plc, 12,000,000 ordinary shares representing a 30% interest, at equity (market value - \$12,424,440; April 30, 2006 - \$9,392,976)	\$ 4,659,029	\$ 4,715,798
Aurora Energy Resources Inc. – 12,096,438 common shares representing a 19.9% interest, at equity (market value - \$62,780,513; April 30, 2006 - \$54,554,935) [note 6 (b)]	5,168,607	5,497,464
Newfoundland and Labrador Refining plc, 3,750,000 ordinary shares representing a 37.5% interest, at equity [note 2 (a)]	199,596	-
Newfoundland and Labrador Refining Corporation, 37,500 common shares representing a 37.5% interest, at equity; (note 2 [a])	-	212,769
Newfoundland and Labrador Refining Corporation advance for common share purchase [note 2 (b)]	713,940	-
Investments, at cost (market value \$17,453,425; April 30, 2006 - \$6,169,190)	15,566,503	5,726,663
	<hr/>	<hr/>
	\$ 26,307,675	\$ 16,152,694

# Altius Minerals Corporation

## Notes to Consolidated Financial Statements

July 31, 2006

(Unaudited)

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### 2. Investments

- (a) In May 2006, the shareholders of Newfoundland and Labrador Refining Corporation (NLRC) exchanged their shares in NLRC for shares in a newly incorporated United Kingdom company, Newfoundland and Labrador Refining plc (PLC) on the basis of 100 shares in PLC for each share held in NLRC.
- (b) An advance to Newfoundland and Labrador Refining Corporation in the amount of \$713,940 was made for a subscription for common shares. The shares had not been issued at July 31, 2006.
- (c) The share of loss in equity investees includes a net foreign exchange gain in the amount of \$61,723 (2005 – nil), recognized on the translation of current monetary assets and liabilities.

### 3. Share capital

- (a) Authorized
  - Unlimited number of common voting shares
  - Unlimited number of First Preferred shares
  - Unlimited number of Second Preferred shares

The First and Second Preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series.

- (b) Issued – Common shares

	<b>Number</b>	<b>Stated Value</b>
Balance, April 30, 2006	28,722,725	\$ 25,123,818
Exercise of stock options	<u>110,000</u>	<u>376,680</u>
	<u>28,832,725</u>	<u>\$ 25,500,498</u>

- (c) The Corporation acquired 15,100 shares under a normal course issuer bid for cash consideration of \$87,663.



# Altius Minerals Corporation

## Notes to Consolidated Financial Statements

July 31, 2006

(Unaudited)

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### 3. Share capital

- (d) The Corporation has a stock option plan under which directors, officers, employees and consultants of the Corporation and of its subsidiaries are eligible to receive stock options. The aggregate number of shares to be issued upon the exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Corporation at the time of granting the options. The maximum number of common shares optioned to any one optionee shall not exceed 5% of outstanding common shares of the Corporation. Options granted under the plan generally have a term of five years but may not exceed five years and vest at terms to be determined by the directors at the time of grant. The exercise price of each option shall be determined by the directors at the time of grant but shall not be less than the price permitted by the policy or policies of the stock exchange(s) on which the Corporation's common shares are then listed.

A summary of the status of the Corporation's stock option plan as of July 31, 2006 and changes during the period then ended is as follows:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>
Outstanding, April 30, 2006	1,138,000	\$ 2.93
Exercised	(110,000)	2.90
Expired	<u>(8,000)</u>	4.15
Outstanding, July 31, 2006	<u>1,020,000</u>	\$ 2.92
Excercisable, July 31, 2006	<u>597,000</u>	<u>\$ 2.26</u>

# Altius Minerals Corporation

## Notes to Consolidated Financial Statements

July 31, 2006

(Unaudited)

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### 3. Share capital

The following table summarizes information about stock options outstanding and exercisable at July 31, 2006:

Exercise Prices	Number of Outstanding Options	Weighted Average Remaining Contractual Life of Outstanding Options	Number of Exercisable Options	Weighted Average Remaining Contractual Life of Exercisable Options
\$0.55	20,000	.02	20,000	.02
\$1.35	285,000	1.13	285,000	1.13
\$1.75	50,000	1.50	50,000	1.50
\$3.00	170,000	2.55	98,000	2.55
\$3.50	10,000	2.65	6,000	2.65
\$3.75	100,000	3.75	36,000	3.75
\$4.00	125,000	3.38	50,000	3.38
\$4.15	<u>260,000</u>	4.41	<u>52,000</u>	4.66
	<u>1,020,000</u>	2.75	<u>597,000</u>	2.26

#### (e) Contributed surplus

A summary of contributed surplus as at July 31, 2006 and changes during the period then ended is as follows:

Balance, April 30, 2006	\$ 684,447
Transferred to share capital upon the exercise of: Stock options	<u>(57,730)</u>
Balance, July 31, 2006	<u>\$ 626,717</u>

#### (f) Net income (loss) per share

Basic net income (loss) per share has been calculated using the weighted average number of common shares of 28,729,887 (2005 – 27,335,564) outstanding during the period. Diluted net income per share has been calculated using the weighted average number of common shares of 31,306,991 (2005 – 27,299,229) after giving effect to dilutive stock options and warrants.

**Altius Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
**July 31, 2006**  
**(Unaudited)**

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**4. Supplementary cash flow information**

	<b>Three Months Ended July 31</b>	
	<b>2006</b>	<b>2005</b>
The acquisition of investment as consideration for the transfer of interest in Central Mineral Belt Mineral property	<u>\$ -</u>	<u>\$ 661,739</u>

**5. Related party transactions**

The Corporation's related party transactions are as follows:

	<b>Three Months Ended July 31</b>	
	<b>2006</b>	<b>2005</b>
Revenue from companies subject to significant influence		
Management fees	<u>\$ 94,591</u>	<u>\$ 65,034</u>
Consulting fees and related services and costs paid to a company controlled by a director, and reflected as:		
Mineral properties and deferred exploration costs	<u>10,852</u>	<u>16,687</u>
Legal services received from a partnership, one of the partners of which is a director of the Corporation and reflected as:		
Mineral properties and deferred exploration costs	750	-
Investments	-	11,906
General and administrative expenses	<u>6,604</u>	<u>1,945</u>
	<u>\$ 7,354</u>	<u>\$ 13,851</u>

These 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.

Accounts receivable – related companies are due from significantly influenced investees and a wholly-owned subsidiary of a significantly influenced investee. The balances are payable upon receipt of invoice; the amounts represent recoverable mineral and other expenditures incurred on behalf of the related companies.



# Altius Minerals Corporation

## Notes to Consolidated Financial Statements

July 31, 2006

(Unaudited)

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### 6. Subsequent events

- (a) In August 2006, the Corporation signed an agreement with Rubicon Minerals Corporation (Rubicon) and Paragon Minerals Corporation (Paragon), whereby the Corporation agreed to purchase, or place with eligible investors, 800,000 non-flow through special warrants in Paragon at \$0.50 per special warrant, for a cost of \$400,000, and 2,500,000 flow-through special warrants at \$0.60 per special warrant, for a cost of \$1,500,000.

On the effective date of Rubicon's Plan of Arrangement (the Arrangement) as it relates to Paragon, which is subject to shareholder, court and regulatory approvals, and subject to Paragon being then listed on the TSX Venture Exchange, each non-flow through special warrant will be automatically converted into one non-flow through common share of Paragon and one non-flow through share purchase warrant of Paragon, whereby one non-flow through share purchase warrant entitles the holder to purchase one non-flow through common share of Paragon at \$1.00 per share for a term of two years; and each flow-through special warrant will be automatically converted into one flow-through common share of Paragon. In the event of non-completion of the Arrangement, all subscription funds, which are required to be held in escrow, will be returned to the Corporation.

Under the terms of the agreement, the Corporation agreed not to increase its ownership of Paragon to 20% or more of all issued and outstanding common shares of Paragon for a period of 18 months from the date of listing of the Paragon common shares on the TSX Venture Exchange or other stock exchange, unless prior approval is given in writing by the Board of Directors of Paragon.

The Corporation has the right to participate in future financings of Paragon up to the percentage of Paragon shares held at the time of financing. This right will lapse if the Corporation does not participate in two subsequent financings.

As part of the agreement, and subject to completion of the Arrangement, Paragon has the right to acquire a 100% undivided ownership interest in the South Tally Pond property by issuing 250,000 common shares to the Corporation upon the effective date of the Arrangement, 250,000 common shares on or before the first anniversary of the Arrangement, and 500,000 common shares on or before the eighth anniversary date of the Arrangement or upon completion of a feasibility study.

- (b) In September 2006, the Corporation sold 3,000,000 common shares of Aurora Energy Resources Inc.(Aurora) for gross cash proceeds of \$31,500,000. The Corporation commenced to account for its investment in Aurora on a cost basis subsequent to July 31, 2006.