

Altius Minerals Corporation

Management's Discussion and Analysis

Year Ended April 30, 2006

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Corporation's Restated Audited Consolidated Financial Statements for the year ended April 30, 2006 and related notes. This MD&A has been prepared as of August 17, 2006 with restatements prepared as of April 26, 2007.

Management's discussion and analysis of financial condition and results of operations contains forward-looking statements. By their nature, these statements involve risk 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.

Corporate Overview

The Corporation's principal business activities include the generation and acquisition of projects related to natural resources opportunities in Newfoundland and Labrador. Areas of primary interest include mineral exploration and mine development, oil and gas production and refining and hydro electricity generation, although other natural resource sectors are also considered. In general the Corporation prefers to create partnerships or corporate structures related to the opportunities that it generates which results in the Corporation carrying minority and non-operating project or equity interests and/or royalty interests.

The Corporation holds a 10% interest in the Labrador Nickel Royalty Limited Partnership. This Limited Partnership holds a royalty interest in the Voisey's Bay project in Labrador. First concentrate was shipped from Voisey's Bay on November 16, 2005 and in the fourth quarter for the year ended April 30, 2006 the Corporation reflected its first recording of royalty revenue.

The Corporation holds an approximately 19.90% equity shareholding in Aurora Energy Resources Inc. (AXU-T) as well royalties on Aurora's Central Mineral Belt project. It also holds an approximately 30% equity shareholding in Rambler Metals and Mining plc (RMM-AIM) and a 37.5% equity shareholding in Newfoundland and Labrador Refining Corporation.

The Corporation's current mineral properties are located in the Province of Newfoundland and Labrador, with one project in New Brunswick, Canada; however, it has certain royalty entitlements to projects in Norway, Sweden and Finland as outlined herein.

Financing for the exploration of the Corporation's mineral properties is provided by the Corporation directly and also through earn-in/joint venture agreements with other exploration and mining companies.

Restatements

Subsequent to the release of its audited consolidated financial statements for the year ended April 30, 2006 the Corporation restated the calculation of gain on disposal and the dilution gains related to its investment in Aurora Energy Resources Inc. (Aurora). 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. These restatements are described in Note 3 to the restated consolidated financial statements and in this restated MD&A.

Selected Annual Financial Information

The table below outlines selected financial information related to the Corporation's years ended April 30, 2006, 2005 and 2004. The financial information is extracted from the Corporation's audited financial statements.

	2006 (Restated)	2005	2004
(\$, except shares outstanding)			
Total assets	67,701,139	23,832,179	14,185,310
Total revenue	538,798	209,447	91,923 (1)
Net income (loss)	33,527,964	3,546,240	(826,205)
Net income (loss) per share			
-basic	1.19	0.14	(0.04)
-diluted	1.12	0.13	(0.04)
Shares outstanding, end of year	28,722,725	26,896,097	24,410,930
Total long-term financial liabilities	-	-	-
Cash dividends	-	-	-

(1) includes management fees and option payments previously reflected as a reduction of general and administrative expenses.

The table below outlines the major categories of expenses reflected in the annual April 30 audited consolidated financial statements. Additional detail on the composition of general and administrative expenses, extracted from the internal unaudited financial statements, is provided in the second table.

Expenses

	2006 \$	2005 \$	2004 \$
General and administrative	1,127,821	745,215	635,803
Mineral properties abandoned or impaired	201,630	505,744	222,158
Stock-based compensation costs	299,938	152,798	76,726
Amortization			
- property and equipment	51,650	28,429	38,964
- royalty interest	<u>22,711</u>	<u>-</u>	<u>-</u>
	<u>1,703,750</u>	<u>1,432,186</u>	<u>973,651</u>

General and administrative expenses

Investor relations and marketing	285,560	307,168	231,775
Administrative wages and employee benefits	341,309	167,249	164,861
Office and other	413,609	199,643	189,498
Regulatory and compliance	<u>87,349</u>	<u>71,155</u>	<u>49,669</u>
	<u>1,127,827</u>	<u>745,215</u>	<u>635,803</u>

The table below outlines the major categories of other income (loss) reflected in the annual April 30 audited consolidated financial statements.

	2006 (Restated) \$	2005 \$	2004 \$
Other income (loss)			
Dilution gains on issuance of shares by equity investees	10,516,844	4,650,823	-
Share of income (loss) in equity investees	(2,209,508)	244,662	-
Gain (loss) on disposal of:			
Investment in equity investee	32,479,781	-	-
Marketable securities	-	93,170	22,825
Investments	(3,099)	236,324	34,850
Property and equipment	-	-	(2,152)
Investment income	<u>66,080</u>	<u>-</u>	<u>-</u>
	<u>40,850,098</u>	<u>5,224,979</u>	<u>55,523</u>

Some of the factors affecting the variations in the annual financial information presented in the previous tables include the following:

Investment in Aurora Energy Resources Inc. (Aurora)

The Corporation transferred its 50% beneficial interest in the Central Mineral Belt property in Labrador, with a cost of \$661,739, to Aurora Energy Resources Inc. in June 2005. It retained an interest in the property in the form of a 2% final sales royalty on uranium products produced and a 2% net smelter royalty on base and precious metals produced. In consideration for the transfer the Corporation received 4,800,000 Class A shares representing a 48% interest.

The Corporation was diluted to 43.2% with the issuance of additional shares in Aurora and recorded a gain on dilution in the amount of \$1,339,352 in the October 2005 quarter. The Class A common shares were renamed common shares and the shares were split in February, 2006.

In March 2006, Aurora completed an initial public offering and the Corporation's interest was diluted to 38.18%. The Corporation recorded a gain on dilution in the amount of \$8,559,637 (restated).

The Corporation completed a secondary offering at the time of Aurora's initial public offering and sold 10,713,164 common shares, reducing its interest from 38.18% to 20.25%. The sale of the Aurora shares resulted in net cash proceeds of \$36,801,387 and the Corporation reflected a gain on the sale in the amount of \$32,479,781 (restated).

In April 2006, the Corporation was diluted from 20.25% to 19.9% when the underwriters of Aurora's initial public offering exercised their option to purchase an over-allotment of shares. The Corporation recorded a gain on dilution in the amount of \$617,855 (restated).

The Corporation recorded a share of the loss in Aurora for the year ended April 30, 2006 in the amount of \$1,392,140.

The carrying value of the Corporation's interest in Aurora at April 30, 2006 is \$5,497,464 (restated).

A majority of the proceeds from the sale of the Aurora shares is retained in short term interest bearing investments at April 30, 2006 and \$5,400,000 was invested in publicly traded investments.

Investment in Rambler Metals and Mining plc (RMML)

In March 2005, the Corporation transferred its interest in the Rambler property to a newly formed wholly owned subsidiary 51190 Newfoundland and Labrador Inc. (51190). The Corporation then sold its shares in 51190 to Rambler Mines Limited, a company incorporated in the United Kingdom and received shares in RML representing a 50% interest at a stated amount of \$571,200. The Corporation and other shareholders of RML then exchanged their shares in RML for shares in Rambler Metals and Mining plc, a UK public company. RMML then issued additional shares and the Corporation's interest was diluted from 50% to 30%, resulting in a gain on dilution in the amount of \$4,650,823.

In the year ended April 30, 2006, the Corporation reflected a share of loss in RMML in the amount of \$812,637 of which \$587,523 represented a foreign exchange loss on the translation of monetary assets and liabilities. In the year ended April 30, 2005 the Corporation reflected a share of income of RMML in the amount of \$244,662, of which \$243,846 represented a foreign exchange gain on the translation of monetary assets and liabilities.

The carrying value of the Corporation's interest in RMML at April 30, 2006 is \$4,715,798 (April 30, 2005 - \$5,475,185).

Investment in Labrador Nickel Royalty Limited Partnership

On December 8, 2004, the Corporation acquired an additional 2.5% interest in the Voisey's Bay 3% net smelter returns royalty (NSR) in respect of the production from the Voisey's Bay Mine in the province of Newfoundland and Labrador, thereby increasing its interest to 10%. The Corporation paid cash consideration of \$3,016,236 CDN and other costs associated with the transaction totaled \$42,144, resulting in a total acquisition cost of \$3,058,380. (The NSR is held by the Corporation through its interest in the Labrador Nickel Royalty Limited Partnership).

The acquisition of the additional 2.5% royalty interest was funded from the cash generated through the exercise of share purchase warrants.

The initial royalty revenue in the amount of \$78,290 and related operating income of \$35,163 from the Voisey's Bay royalty was reflected in the fourth quarter of the Corporation's April 30, 2006 financial statements.

Investment in Newfoundland and Labrador Refining Corporation

On November 28, 2005, the Corporation subscribed for 37,500 common shares, at a cost amount of \$217,500, representing a 37.5% interest, in Newfoundland and Labrador Refining Corporation (NLRC), a newly incorporated private company, incorporated under the laws of the province of Newfoundland and Labrador. There are three additional European investors that aggregately hold the remaining 62.5%.

NLRC announced in January 2006 that it had commenced a feasibility study concerning the possible development of an approximately 300,000 barrel per day oil refinery on the shore of Placentia Bay, Newfoundland and Labrador. The study has been estimated as requiring 42 weeks and US \$7,000,000 to complete.

Other

General and administrative expenses have increased in accordance with increases in corporate activity.

A listing of the mineral properties abandoned or impaired is outlined in a schedule to the consolidated financial statements. The mineral properties abandoned or impaired in the year ended April 30, 2005 in the amount of \$505,744 includes an impairment amount of \$251,914 with respect to the Rambler property. An impairment amount was provided to reflect the property at a cost amount of \$571,200 prior to the transfer of the property to 51190 Newfoundland and Labrador Inc. (51190) and the subsequent sale of shares in 51190 .

Stock options issued to directors, officers and employees in each of the past three years have graded vesting, with 20% vesting at the time of the stock option grant, and 20% vesting each year for the following four years.

The stock-based compensation costs for the year ended April 30, 2006 in the amount of \$299,938 reflects vesting for a portion of the stock options granted for the current year and the previous two years. The April 30, 2005 stock-based compensation costs of \$152,798 reflects the vesting of a portion of the stock options granted in that year and in 2004. The April 30, 2004 stock-based compensation costs of \$76,726 reflects the first year of vesting for stock options granted in that year.

Mineral Exploration Projects

The Corporation holds several exploration projects that are being advanced with a goal of creating royalty and other non-operating or passive interests in potential mineral developments. The attraction of joint venture partners with strong financial and mine development capabilities to its projects is a common component of this goal; however, the creation of minority equity interests in other companies is an alternate route that is selectively chosen. These projects are summarized below.

South Tally Pond: The property consists of 249 map-staked mineral claims located in south-central Newfoundland, Canada, on which the Corporation is earning a 100% interest from Falconbridge Ltd. (formerly Noranda Mining and Exploration Inc.) subject to an underlying 2% Net Smelter Return royalty in favor of Falconbridge. Altius expects to complete earning this interest in 2006. The exploration targets are gold-rich, volcanogenic massive sulfide (VMS)-type copper-zinc-lead-silver deposits. Previous diamond drilling by Noranda intersected stringer sulfide mineralization that is enriched in gold and silver. Exploration by the Corporation includes diamond drilling, geological mapping of the property and a helicopter-borne time-domain electromagnetic (HTEM) survey. The geological mapping and HTEM survey have identified new targets for future diamond drill evaluation. The Corporation signed an agreement in August 2006 with Paragon Minerals Corporation which gives Paragon the right to acquire the property in exchange for common shares of Paragon.

Rocky Brook: The property comprises 437 map staked mineral claims located in western Newfoundland, Canada. The property contains numerous unsourced boulders containing high-grade uranium, silver and gold. Exploration by the Corporation in concert with a previous joint venture partner included scintillometer prospecting, till sampling, and overburden coring with 96 Sonic drill holes. The project became the subject to an earn-in/joint venture agreement with JNR Resources in December 2004 that allows JNR to earn up to a 70% interest in the property in exchange for exploration expenditures, cash and share payments. A 78-hole diamond-drilling program was conducted in 2005 and completed in December 2005. Dr. Geoffrey Thurlow is the Qualified Person supervising the project. Additional drilling is planned for the summer and fall of 2006.

Taylor Brook: The property comprises 16 map staked mineral claims located in north-central Newfoundland, Canada. The property contains a magmatic nickel sulfide showing. An average of rock chip samples assayed 5.38% Ni, 1.05% Cu, 0.10 % Co and 0.76 g/t precious metals, which included gold, platinum and palladium. Aeroquest Surveys Inc., under contract to Altius, flew an airborne magnetic and electromagnetic survey over the property in February 2006 and the results are being used to guide follow-up on the ground. The Corporation is currently marketing the project to prospective joint venture partners. Dr. Geoffrey Thurlow is the Qualified Person supervising this project.

Lockport: The property consists of 24 map staked mineral claims situated in central Newfoundland, Canada. It hosts a large VMS-style alteration zone with stringer and massive sulfide mineralization, from which a copper mine operated in the late 1800's-early 1900's (production unknown). Exploration by the Corporation includes geological mapping, a time domain EM survey, and eight diamond drill holes, one of which intersected semi-massive pyritic sulfides and another which intersected a narrow zone of zinc-rich massive sulphide at depth. The Corporation is currently marketing the project to prospective joint venture partners. Rod Churchill is the Qualified Person supervising this project.

Mustang Trend: The property consists of 125 map staked mineral claims in central Newfoundland, Canada. It covers rocks prospective for hosting Carlin-style disseminated gold mineralization. Exploration conducted by the Corporation includes prospecting, geological mapping, till, B-horizon soil and stream sediment geochemistry and trenching. This work has resulted in the discovery of several epithermal-style gold showings, and of an area of auriferous jasperoid alteration consistent with the Carlin deposit model. The project is being marketed to prospective joint venture partners. Rod Churchill is the Qualified Person supervising the project.

Labrador Trough: This consists of two individual properties totaling 60 map staked mineral claims situated in northwestern Labrador, Canada. The properties cover a part of a gossan belt containing historic sulfide showings that are anomalous in base and precious metals, and that are associated with fine-grained sedimentary rocks. It is a grassroots exploration project, covered only with first-pass reconnaissance prospecting, targeting polymetallic massive sulfide deposits. The Corporation conducted a prospecting visit in 2005. Rod Churchill is the Qualified Person supervising this project.

Shamrock: The property consists of 8 mineral claims situated in Notre Dame Bay, central Newfoundland, Canada, and hosts a VMS-style alteration zone containing disseminated lead, zinc, copper and gold mineralization. Exploration by the Corporation includes geological mapping, trenching, petrographic and geochemical studies. The Corporation is currently marketing the project to potential joint venture partners. Dr. Geoffrey Thurlow is the Qualified Person supervising this project.

Point Leamington: The property consists of 54 map staked mineral claims located in central Newfoundland, Canada. It covers the projected strike extensions of a volcanic package that hosts the Point Leamington massive sulfide prospect (pre-National Instrument 43-101 resource calculation of 18,000,000 tonnes at 1.9% Zn, 0.5% Cu, 18.1 g/t Ag and 1.0 g/t Au). Exploration by Altius consisted of geological mapping, time domain electromagnetic ground geophysical surveys and two diamond drill holes, resulting in the discovery of two gold showings. The Corporation is currently marketing the project to potential joint venture partners. Rod Churchill is the Qualified Person supervising this project.

Kamistaitusset: The Kamistaitusset property comprises 58 map staked mineral claims located south of the existing iron ore mines in western Labrador, Canada. The property is known to host two iron occurrences, a dolomite occurrence, and may be prospective for base metals and silver. Reconnaissance fieldwork is planned for the upcoming field season. Rod Churchill is the Qualified Person supervising this project.

Baie d'Espoir: The property comprises 70 claims located in south-central Newfoundland, Canada. It contains anomalous gold, arsenic and antimony values in lake bottom sediment samples and till samples. The Corporation has conducted prospecting and additional till geochemistry surveys. The exploration target is epithermal-style gold and silver mineralization. The property was under option to Moydow Mines, and a 400-metre diamond-drilling program was carried out in April of 2005. On October 20, 2005, Moydow gave Altius notice that it terminated its option to earn an interest in the property. The licenses are now owned 100% by Altius. The Qualified Person responsible for this project is Rod Churchill.

Notakwanon River: The property consists of 112 map staked claims in two contiguous blocks that were staked on the basis of prospective geology, and government lake sediment and geophysical data indicating nickel-mineralization potential. Compilation work is ongoing and a reconnaissance visit was made to the property. Rod Churchill is the Qualified Person supervising this project.

Alexis River: The Alexis River property comprises 50 map staked mineral claims located in southeastern Labrador, Canada. The property was staked to cover a highly anomalous uranium lake sediment value reported by the Newfoundland and Labrador geological survey. Reconnaissance fieldwork was conducted in 2005 and a joint venture partner is being sought as prospective geology was confirmed. Rod Churchill is the Qualified Person supervising this project.

Wizard: The property consists of 39 claims in three claim blocks and is located in western Newfoundland southwest of White Bay. Altius signed an agreement with a prospector in February 2006 whereby Altius can earn a 100% interest in the property by making cash payments. Compilation of previous work by other companies has shown several target areas of potential gold mineralization that will require follow-up ground work. Rod Churchill is the Qualified Person supervising this project.

New Brunswick Oil Shale: In response to the Call for Tenders for the Bituminous Shale Rights in Albert County in Southeast New Brunswick (#21-BS-01-06) issued by the New Brunswick Department of Natural Resources, Altius submitted a bid on March 31, 2006 to the New Brunswick Department of Natural Resources (NBDNR) to acquire a 100% interest by conducting a three year program totaling \$2,660,000 with \$60,000 to be spent in year one, followed by \$165,000 in year two and the balance to be spent in year three. The first year expenditure of \$60,000 is a firm obligation. Subsequent expenditures in year two and year three are optional and contingent on the results from the preceding year. Failure to complete expenditures in year two or year three would cause the licence to revert to the province of New Brunswick.

Bituminous shale is a general term applied to a group of fine grained, black to dark brown shales (mudstones), siltstones and marlstones that are rich enough in solid bituminous material, called kerogen, to yield petroleum liquids when the rock is heated. Since 1968, approximately 15 core holes were drilled for the purpose of evaluating bituminous shale in southeast New Brunswick and about 30 petroleum exploration core holes and wells have intersected significant thickness of bituminous shale.

These potential resources have been studied in some detail near the village of Albert Mines (Albert Mines Zone), where studies have revealed an area of shale yielding an average of 100 litres per tonne. Considering bituminous shale intervals occur within the Albert Formation along a 20 kilometres-long, northeast trend in southeast New Brunswick, the potential for large resources of bituminous shale amenable to near-surface and at-depth development is apparent.

Investigations into retorting and direct combustion of Albert Mines bituminous shale have been conducted, including some experimental processing in 1988 at the Petrobras plant in Brazil. Also, interest has been shown in the New Brunswick deposits for the potential they might offer to reduce sulphur emissions by co-combustion of carbonate-rich shale residue with high-sulphur coal in power stations.

Altius was notified on April 12, 2006 that it was the successful bidder to the Call for Tenders by the NBDNR and would be issued a "licence to search" under the New Brunswick Bituminous Shales Act, in respect of a 9,702.1 hectares block of land. The Company and the New Brunswick Department of Natural Resources have reviewed a licence to search agreement, which has been signed by Altius and is awaiting signature of the Minister of NBDNR.

Howell's River: The Howell's River property comprises 50 map staked mineral licenses located adjacent to the Quebec-Labrador boundary in northwestern Labrador, Canada. The property was staked because of known gold occurrences coinciding with favourable geology. Reconnaissance fieldwork was conducted in 2005 and anomalous gold values were obtained in rock chip samples. Rod Churchill is the Qualified Person supervising this project.

Victoria River: The property comprises 59 map staked mineral claims situated in central Newfoundland, Canada. BHP-Billiton has terminated their option on the property, and it has reverted 100% to the Corporation. The property hosts VMS style alteration zones with anomalous base and precious metals. Exploration by the Corporation includes airborne EM surveys, soil geochemistry, geological mapping and prospecting, and nine diamond drill holes. The Corporation is currently marketing the project to prospective joint venture partners. Rod Churchill is the Qualified Person supervising this project.

Miguel's Trend: The property consists of 73 map staked mineral claims located in central Newfoundland, Canada. It hosts two low sulfidation-style epithermal quartz zones and an auriferous quartz-arsenopyrite zone. Exploration by the Corporation includes geological mapping, an airborne magnetic survey, and 16 diamond drill holes. The Corporation is currently marketing the project to prospective joint venture partners. Rod Churchill is the Qualified Person supervising this project.

Meshikamau: The property consists of 1771 map staked mineral claims located in west-central Labrador, Canada. It covers a gabbro-anorthosite intrusion that hosts several sulfide showings, and has potential to host magmatic nickel-copper-cobalt mineralization analogous to the Voisey's Bay deposits. Exploration by the Corporation consists of reconnaissance-style prospecting. Teck Cominco signed an earn-in/joint venture agreement with the Corporation in August 2004. An airborne geophysics survey was subsequently completed and a program of geologic mapping and additional geophysical surveying followed by a small diamond-drilling program was conducted in 2005. Teck Cominco gave notice that it terminated its option on December 15, 2005 and a new joint venture partner is being sought. Rod Churchill is the Qualified Person supervising this project.

Merasheen: The property comprises 137 map staked mineral claims situated on Merasheen Island along the south coast of Newfoundland, Canada. It hosts an extensive high sulfidation-style alteration zone containing anomalous gold, silver and base metals. The Qualified Person responsible for this project is Rod Churchill. Prospecting programs are planned for 2006.

Moosehead: The property comprises 90 map staked mineral claims located in central Newfoundland, Canada. It hosts low sulfidation-style epithermal quartz veins that locally contain high gold values. Exploration on the property includes MMI soil geochemistry, an airborne magnetic survey, ground magnetic and VLF-EM surveys, reverse circulation drilling and 111 diamond drill holes. The property is currently a joint venture with Sudbury Contact Mines Ltd. (Sudbury Contact's interest transferred to Agnico Eagle Mines Inc.). The Qualified Person responsible for this project is Rod Churchill.

Lac Joseph: The property consists of 95 map staked claims in west-central Labrador, Canada that have been acquired for the purpose of conducting reconnaissance nickel exploration following a review of literature and a geochemical data release by the Geological Survey of Newfoundland and Labrador. No exploration has been conducted to date. Rod Churchill is the Qualified Person supervising this project.

Robert's Arm: The property comprises 109 claims located in east-central Newfoundland, Canada. It covers several volcanic hosted massive sulfide deposits, including a past producing mine (300,000 tons mined from 1891 to 1899, and pre-National Instrument 43-101 calculated resource of 1,159,000 tonnes of 1.23% Cu, British Newfoundland Exploration Limited), the 3B zone (pre-National Instrument 43-101 resource calculation of approximately 200,000 tonnes of 3-4% Cu, Brinco-Getty), and three large, low-grade massive pyritic deposits discovered by Phelps Dodge Corporation of Canada. The property is currently the subject of an earn-in joint venture with Inmet Mining Corporation. Exploration by the joint venture includes re-logging of historic drill core, 10 new diamond drill holes, borehole pulse EM surveying, litho-geochemistry and geological re-interpretation. Woodruff Capital Inc., which held a sub-option from Inmet, terminated its option on December 13, 2005. Dr. Geoffrey Thurlow is the Qualified Person supervising this project.

Scandinavian Nickel Royalties / Alba Mineral Resources Plc

In September 2005, the Corporation entered into a royalty financing agreement with Alba Mineral Resources Plc (“Alba”). The Corporation is entitled to royalties on nickel projects that might be generated in Norway, Sweden and Finland by Alba using directed proceeds from a private placement subscribed for by the Corporation. The Corporation subscribed for 1,250,000 ordinary shares of Alba at a price of 8 pence per share, for a total cost of \$216,963 CDN, and was granted warrants to acquire an additional 937,500 shares at 9 pence per share until April 4, 2015.

In August 2006 the Corporation agreed to subscribe for an additional 1,250,000 ordinary shares of Alba at a price of 8 pence per share.

Quarterly Financial Information (Unaudited)

The table below outlines selected financial information related to the Corporation’s revenue, net income (loss) and net income (loss) per share for each of the eight quarters ending April 30, 2006. The financial information is extracted from the Corporation’s interim unaudited financial statements.

	April 30 2006 (Restated)	January 31 2006	October 31 2005	July 31 2005
\$				
Revenue	324,306	91,400	43,279	79,813
Net income (loss)	33,531,292	(394,984)	557,812	(166,156)
Net income (loss) per share				
-basic	1.19	(0.01)	0.02	(0.01)
-diluted	1.12	(0.01)	0.02	(0.01)

	April 30 2005	January 31 2005	October 31 2004	July 31 2004
\$				
Revenue	30,775	78,043 ⁽¹⁾	93,311 ⁽¹⁾	7,318
Net income (loss)	4,233,038	(331,097)	(201,559)	(154,142)
Net income (loss) per share				
- basic	0.14	(0.01)	(0.01)	(0.01)
- diluted	0.13	(0.01)	(0.01)	(0.01)

(1) includes management fees and option payments previously reflected as a reduction of general and administrative expenses.

Fourth Quarter

The Corporation's net income of \$33,531,292 for the quarter ended April 30, 2006 reflects the gain on sale of \$32,479,781 (restated) with respect to the sale of a portion of the Corporation's interest in Aurora. Net income also includes gains on dilution in Aurora totaling \$9,177,492 (restated), a share of the losses of equity investees in the amount of \$1,409,357, and future and current income expense for the quarter in the amount of \$6,401,182 (restated).

The Corporation's first royalty revenue from the Voisey's Bay royalty, in the amount of \$78,290, was reflected in the fourth quarter ended April 30, 2006.

Revenue of \$323,856 (2005 - \$30,775) includes interest income of \$140,580 (2005 - \$8,207) reflecting interest earned on the cash generated from the sale of Aurora shares in March 2006.

Net income for the quarter ended April 30, 2005 was \$4,223,038, which included a gain on dilution in the amount of \$4,650,823 with respect to Rambler Metals and Mining plc (RMML). Also included in net income for the fourth quarter of 2005 was a share of income of equity accounted investee, RMML, in the amount of \$244,662 and a gain on disposal of marketable securities and investments in the amount of \$108,745. The net income reflected a future income tax expense of \$456,000.

Other Quarters

Net income for the second quarter ended October 31, 2005 in the amount of \$557,812 (loss of \$201,559 for the quarter ended October 31, 2004) included a gain on dilution in the amount of \$1,339,352 with respect to the Corporation's investment in Aurora. The share of loss in equity accounted investee, RMML, was \$286,146 in the October 2005 quarter with no comparable amount in the October, 2004 quarter. Future income tax expense of \$190,000 was reflected in the October 2005 quarter with no comparable amount for the October 2004 quarter.

Liquidity

Cash Flows

For the year ended April 30, 2006 there was an increase in cash of \$33,379,276, resulting in cash and cash equivalents of \$35,331,949 at April 30, 2006. The disposal of a portion of the Corporation's interest in Aurora resulted in cash of \$36,801,387. Cash of \$3,382,669 was received as a result of the exercise of stock warrants and stock options. The major uses of cash were for purchase of long-term publicly traded investments in the amount of \$5,477,163, acquisition of mineral properties and deferred exploration costs, net of recoveries, in the amount of \$375,275, acquisition of a 37.5% interest in Newfoundland and Labrador Refining Corporation in the amount of \$217,500 and the funding of operating activities in the amount of \$505,081.

The year ended April 30, 2005 generated an increase in cash of \$612,316 resulting in cash and cash equivalents of \$1,952,673 at April 30, 2005. The exercise of share warrants generated cash of \$4,762,272. Proceeds from the disposal of marketable securities and investments totaled \$846,399. The major use of cash was the acquisition of the additional 2.5% interest in the Labrador Nickel Royalty Limited Partnership in the amount of \$3,058,380. Other major uses of cash were the funding of operations in the \$550,359, the acquisition of mineral properties and deferred exploration costs in the amount of \$869,636 and an investment in non-cash working capital balances related to this investment activity of \$448,486.

Liquidity - Other

At April 30, 2006 the Corporation has current assets of \$36,759,347 and current liabilities of \$6,209,862, resulting in working capital of \$30,549,485. Additionally, a total of \$173,947 is posted with the Province of Newfoundland and Labrador as security deposits against completion of adequate exploration work. The security deposits are refundable upon completion of adequate exploration work, should it occur.

The Corporation anticipates working capital of \$30,549,485 is more than sufficient to meet its current requirements for operating and investing activities.

A source of funding for the Corporation's exploration programs are its earn-in/joint venture agreements with several mining industry partners. These partners are funding the exploration of individual properties, or group of properties, in exchange for direct ownership interest in the properties, should all vesting conditions be met. Annual cash and/or share payments to the Corporation are often a component of these agreements.

The Corporation's major sources of funding are the earn-in/joint venture agreements referred to in the previous paragraph, equity financing and investment income from short term investments and long-term publicly traded investments. Royalty income from the Corporation's investment in the Labrador Nickel Royalty Limited Partnership is expected to be a source of cash in 2006/2007.

Capital Resources

The Corporation has obtained various mineral rights 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.

Third parties have entered option agreements to earn interests in certain mineral properties held by the Corporation. These parties are required to make expenditures in order to maintain their rights under the option agreements.

The Corporation has the option of reducing claims on a property, thereby reducing the annual expenditures required to maintain the property in good standing.

The following schedule, as of April 30, 2006, details the specific properties and the required expenditures for each property to April 30, 2007 in order to maintain the properties in good standing or for refund of security deposits.

Property	Required Expenditures by April 30, 2007 to Maintain Property in Good Standing
Meshikamau	\$ 182,233
South Tally Pond	151,999
New Brunswick Oil Shale	60,000
Mustang Trend	43,633
Point Leamington	33,562
Merasheen	27,400
Howell's River	22,500
Notakwanon	20,000
Lac Joseph	18,873
Bay d'Espoir	18,146
Wizard	14,530
Labrador Trough	12,510
Kamistaitusset	8,358
Duley Lake	7,600
Alexis River	6,426
	<hr/> \$ 627,770 <hr/>

The working capital on hand at April 30, 2006 is sufficient to fund the required expenditures to maintain the properties in good standing.

Related Party Transactions

VMS Consultants Inc., controlled by director Geoff Thurlow, invoiced a total of \$101,175 for geological consulting services and reimbursement of expenses associated with exploration of certain of the Corporation's properties for the year ended April 30, 2006 (\$68,384 for the year ended April 30, 2005). Thurlow, through his consulting company, explores and partly administers certain of the Corporation's wholly owned and/or operated exploration programs. Director John Baker is a Partner of the legal firm White Ottenheimer and Baker. This firm provided legal services in the amount of \$65,742 for the year ended April 30, 2006 (\$75,995 for the year ended April 30, 2005).

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. It is management's estimation that these transactions were undertaken under the same terms and conditions as transactions with non-related parties.

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 April 30, 2006 and have concluded that such procedures are adequate and effective to ensure accurate and complete disclosures in annual filings.

The following schedule outlines the major categories of capitalized mineral property and deferred exploration costs by property at April 30, 2006.

(in dollars \$)	Acquisitions	Geological and Project Administrative Wages & Benefits	Geophysical and Geochemical	Drilling	Travel and Other	Recovered Property Costs	Accumulated Writedown for Impairment	Total April 30 2006
South Tally Pond	4,750	176,826	96,106	63,344	91,898	(49,900)	-	383,024
Rocky Brook	282,800	72,856	4,219	2,800	14,166	(275,460)	(8,818)	92,563
Taylor Brook	20,287	13,788	38,100	-	12,622	(7,031)	(1,200)	76,566
Lockport	1,200	47,101	2,852	16,562	14,721	(12,002)	(50)	70,384
Mustang Trend	500	55,780	2,172	-	25,087	-	(18,620)	64,919
Labrador Trough	200	16,661	987	-	29,128	-	(900)	46,076
Shamrock	-	33,341	4,464	-	10,797	-	(5,831)	42,771
Point Leamington	19,702	21,155	1,281	-	2,743	(15,394)	-	29,487
Kamistaitusset	200	8,664	-	-	17,228	-	-	26,092
Baie d'Espoir	3,050	23,333	21,718	-	21,699	(43,419)	(2,350)	24,031
Notakwanon	1,000	9,622	-	-	19,244	(7,000)	-	22,866
Alexis River	500	2,876	-	-	9,509	-	-	12,885
Wizard	5,540	1,243	-	-	3,479	-	-	10,262
New Brunswick Oil Shale	-	1,572	-	-	2,426	-	-	3,998
Howell's River	500	-	-	-	2,920	-	-	3,420
Victoria River	3,700	556	-	-	2,983	(4,289)	-	2,950
Meshikamau	17,710	19,714	-	-	31,804	(66,591)	-	2,637
Miguel's Trend	3,100	3,372	3,542	-	1,315	-	(8,754)	2,575
Merasheen	1,880	6,868	1,497	-	5,838	-	(14,375)	1,708
Moosehead	41,427	54,143	16,701	-	39,706	(132,922)	(17,362)	1,693
Lac Joseph	950	137	-	-	-	-	-	1,087
Duley Lake	380	-	-	-	-	-	-	380
Robert's Arm	1	1,400	-	-	-	(1,400)	-	1
Nain	-	28,807	-	-	53,672	(41,867)	(40,612)	-
Wade Lake	6,000	3,972	-	-	8,980	-	(18,952)	-
White Bay	-	-	-	-	3,251	(3,251)	-	-
Wild Cove	1	-	-	-	-	-	(1)	-
Labrador	-	40,211	-	-	52,032	(32,043)	(60,200)	-
Bay du Nord	480	3,398	-	-	4,645	-	(8,523)	-
	415,858	647,396	193,639	82,706	481,893	(692,569)	(206,548)	922,375

The following schedule outlines the major categories of capitalized mineral property and deferred exploration costs by property at April 30, 2005.

(in dollars \$)	Acquisitions	Geological and Project Administrative Wages & Benefits	Geophysical and Geochemical	Drilling	Travel and Other	Recovered Property Costs	Accumulated Writedown for Impairment	Total April 30 2005
Central Mineral Belt – Labrador	12,700	160,400	207,836	-	243,620	-	(9,229)	615,327
South Tally Pond	4,750	161,342	96,106	63,344	80,953	(49,900)	-	356,595
Lockport	1,200	47,101	2,852	16,562	14,721	(12,002)	(50)	70,384
Mustang Trend	500	52,101	2,172	-	24,159	-	(12,583)	66,349
Shamrock	-	33,341	4,464	-	10,797	-	(5,831)	42,771
Taylor Brook Labrador	20,287 -	12,937 21,054	- -	- -	12,622 36,312	(7,031) -	(1,200) (27,142)	37,615 30,224
Baie d’Espoir	3,050	19,322	21,718	-	21,147	(33,000)	(2,350)	29,887
Point Leamington	18,202	20,592	1,281	-	3,306	(15,394)	-	27,987
Kamistaitusset	200	8,664	-	-	16,586	-	-	25,450
Labrador Trough	200	8,005	987	-	14,432	-	-	23,624
Merasheen	510	6,530	1,497	-	5,705	-	(80)	14,162
Rocky Brook	132,800	54,716	4,219	2,800	14,238	(194,145)	(480)	14,148
Moosehead	41,427	50,730	16,701	-	34,713	(131,567)	-	12,004
Wade Lake	6,000	1,738	-	-	3,964	-	-	11,702
Bay du Nord	480	3,398	-	-	4,645	-	(460)	8,063
Victoria River	750	556	-	-	2,983	-	-	4,289
Miguel’s Trend	3,100	3,372	3,542	-	1,315	-	(8,754)	2,575
Howell’s River	500	-	-	-	-	-	-	500
Alexis River	500	-	-	-	-	-	-	500
Robert’s Arm	1	-	-	-	-	-	-	1
Wild Cove	1	-	-	-	-	-	-	1
West Coast	-	1,005	-	-	3,552	(1,841)	(2,716)	-
Labrador West	-	14,782	2,502	-	33,813	(25,842)	(25,255)	-
Twilight	57,750	30,129	35,798	-	13,623	-	(137,300)	-
Meshikamau	17,710	18,827	-	-	30,054	(66,591)	-	-
Flint Cove	-	3,765	299	-	575	-	(4,639)	-
Julienne Lake	-	3,339	-	-	750	(4,089)	-	-
Exploits	-	807	-	-	1,092	-	(1,899)	-
	322,618	738,553	401,974	82,706	629,677	(541,402)	(239,968)	1,394,158