ALTIUS MINERALS CORPORATION

Consolidated Financial Statements
(Unaudited)
For the three months ended
July 31, 2009 and 2008

ALTIUS MINERALS CORPORATION

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ALTIUS MINERALS CORPORATION

Consolidated Balance Sheets

(Unaudited)

(In thousands of dollars)

	As at July 31,2009 $	As at April 30, 2009 $
Assets		
Current assets		
Cash and cash equivalents	**23,285**	79,331
Marketable securities	**109,371**	78,420
Accounts receivable and prepaid expenses	**1,129**	1,259
Income taxes receivable	**-**	146
	133,785	159,156
Mineral properties and deferred exploration costs (Note 4)	**7,640**	7,014
Royalty interest in mineral property	**11,391**	11,578
Property and equipment	**374**	444
Equity investments and loans (Note 5)	**3,519**	3,600
Mining and mineral related investments (Note 6)	**33,981**	7,086
	190,690	188,878
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**469**	697
Income taxes payable	**204**	-
Future income taxes	**-**	733
	673	1,430
Future income taxes	**1,116**	436
	1,789	1,866
Shareholders' Equity	**188,901**	187,012
	190,690	188,878

Contingent liability (Note 12)

Approved by the Board,

"John A. Baker", Director   "Brian F. Dalton", Director

see accompanying notes to the unaudited consolidated financial statements

ALTIUS MINERALS CORPORATION

Consolidated Statements of Earnings (Loss)

(Unaudited)

(In thousands of dollars, except per share amounts)

	Three months ended July, 31, 2009	2008
	$	$
Revenue		
Royalty	**719**	797
Interest	**265**	1,302
Other	**122**	36
	1,106	2,135
Expenses		
General and administrative	**800**	517
Royalty tax	**144**	159
Amortization	**274**	159
Stock-based compensation (Note 9)	**261**	159
Mineral properties abandoned or impaired (Note 4)	**204**	55
	1,683	1,049
Earnings (loss) before the following	**(577)**	1,086
Interest and financing charges	**-**	(402)
Loss on disposal of mining and mineral related investments	**(22)**	-
Share of loss in equity investments	**(94)**	(73)
Change in fair value of share purchase warrants	**-**	(14)
Earnings (loss) before income taxes	**(693)**	597
Income taxes		
current	**350**	589
future	**(446)**	(372)
	(96)	217
Net earnings (Loss)	**(597)**	380
Net earnings (loss) per share (Note 7)		
- basic	**(0.02)**	0.01
- diluted	**(0.02)**	0.01

see accompanying notes to the unaudited consolidated financial statements

ALTIUS MINERALS CORPORATION

Consolidated Statements of Cash Flows

(unaudited)
(In thousand of dollars)

	For the three months ended July 31,	
	2009	2008
	$	$
Operating activities		
Net earnings (loss)	**(597)**	380
Items not affecting cash (Note 10)	**409**	490
	(188)	870
Change in non-cash operating working capital (Note 10)	**243**	703
	55	1,573
Financing activities		
Proceeds from issuance of share capital	**16**	-
Repurchase of common shares	**(30)**	(466)
	(14)	(466)
Investing activities		
Proceeds from disposal of investments	**130**	-
Mineral properties and deferred exploration costs, net of recoveries	**(858)**	(1,669)
Net change in marketable securities	**(30,951)**	-
Investment in mining and mineral related investments (Note 6)	**(24,399)**	-
Acquisition of property and equipment	**(18)**	(260)
Other investing	**9**	33
	(56,087)	(1,896)
Net decrease in cash and cash equivalents	**(56,046)**	(789)
Cash and cash equivalents, beginning of period	**79,331**	168,172
Cash and cash equivalents, end of period	**23,285**	167,383

Cash and cash equivalents consist of:		
Deposits with banks	**418**	703
Short-term investments	**22,867**	166,680
	23,285	167,383

Supplemental cash flow information (Note 10)

see accompanying notes to the unaudited consolidated financial statements

ALTIUS MINERALS CORPORATION

Consolidated Statements of Shareholders' Equity

(Unaudited)

(In thousands of dollars, except share amounts)

Three months ended July 31, 2009:

	Common Shares		Treasury Shares		Contributed Surplus	Accumulated Other Comprehensive Earnings (Note 9)	Retained Earnings	Total Shareholders' Equity
	#	$	#	$	$	$	$	$
Balance, beginning of period	**28,371,195**	**71,814**	**-**	**-**	**3,203**	**(4,348)**	**116,343**	**187,012**
Comprehensive earnings:								
Net loss	**-**	**-**	**-**	**-**	**-**	**-**	**(597)**	**(597)**
Currency translation adjustment (net of income taxes of $2)	**-**	**-**	**-**	**-**	**-**	**11**		**11**
Net unrealized losses on available-for-sale investments (net of income taxes of $391)	**-**	**-**	**-**	**-**	**-**	**2,224**	**-**	**2,224**
Total comprehensive earnings								**1,638**
Shares repurchased under normal course issuer bid	**-**	**-**	**(5,000)**	**(30)**	**-**	**-**	**-**	**(30)**
Stock based compensation	**-**	**-**	**-**	**-**	**261**	**-**	**-**	**261**
Stock based compensation applied to mineral properties			**-**	**-**	**4**	**-**	**-**	**4**
Shares issued under stock option plan	**4,000**	**25**	**-**	**-**	**(9)**	**-**	**-**	**16**
Balance, end of period	**28,375,195**	**71,839**	**(5,000)**	**(30)**	**3,459**	**(2,113)**	**115,746**	**188,901**

see accompanying notes to the unaudited consolidated financial statements

ALTIUS MINERALS CORPORATION

Consolidated Statements of Shareholders' Equity (continued)

(Unaudited)

(In thousands of dollars, except share amounts)

Three months ended July 31, 2008:

	Common Shares		Treasury Shares		Contributed Surplus	Accumulated Other Comprehensive Earnings	Retained Earnings	Total Shareholders' Equity
	#	$	#	$	$	$	$	$
Balance, beginning of period	30,925,725	77,933	-	-	2,197	29,829	96,342	206,301
Comprehensive earnings:								
Net earnings	-	-	-	-	-	-	380	380
Currency translation adjustment (net of income taxes of $25)	-	-	-	-	-	125	-	125
Net unrealized losses on available-for-sale investments (net of income taxes of $382)	-	-	-	-	-	(1,933)	-	(1,933)
Unrealized gain on derivative financial instrument designated as a cash flow hedge (net of income taxes of $336)	-	-	-	-	-	1,699		1,699
Total comprehensive earnings								271
Shares repurchased under normal course issuer bid	-	-	(67,600)	(466)	-	-	-	(466)
Stock based compensation	-	-	-	-	159	-	-	159
Stock based compensation applied to mineral properties	-	-	-	-	78	-	-	78
Balance, end of period	30,925,725	77,933	(67,600)	(466)	2,434	29,720	96,722	206,343

see accompanying notes to the unaudited consolidated financial statements

1. NATURE OF OPERATIONS

Altius Minerals Corporation's (the "Corporation") principal business activities include the generation and acquisition of projects involving natural resources. In general, the Corporation prefers to create partnerships 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.

2. BASIS OF PRESENTATION

These unaudited interim consolidated financial statements have been prepared following the accounting policies set out in the April 30, 2009 annual consolidated financial statements except as indicated in Note 3.

These unaudited interim consolidated financial statements should be read in conjunction with the April 30, 2009 annual consolidated financial statements. The disclosures in the unaudited consolidated financial statements do not conform in all material respects to the requirements of Canadian generally accepted accounting principles for annual consolidated financial statements.

3. NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS

Goodwill and Intangible Assets

Commencing May 1, 2009 the Corporation adopted CICA Handbook Section 3064, "Goodwill and Intangible Assets", which replaced Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This standard did not have a material impact on the Corporation's consolidated financial statements.

International Financial Reporting Standards ("IFRS")

On February 13, 2008, the Canadian Accounting Standards Board confirmed that publicly accountable entities will be required to prepare financial statements in accordance with IFRS for interim and annual financial statements for fiscal years beginning on or after January 1, 2011 with appropriate comparative data from the prior year. Under IFRS, there is significantly more disclosure required, specifically for quarterly reporting. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies that will need to be addressed by management. The Corporation is currently assessing the impacts of the conversion on its consolidated financial statements.

(Unless otherwise indicated, tabular amounts in thousands of dollars, except per share amounts)

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

Project	Note	As at April 30, 2009	Additions, net of recoveries	Abandoned or impaired	As at July 31, 2009
		$	$	$	$
Labrador					
Kamistaitusset - Iron Ore	a	2,241	(97)	-	**2,144**
Labrador Trough - Base metals	b	604	28	-	**632**
Natashquan River - Nickel		241	42	-	**283**
Notakwanon River - Uranium	c	126	-	-	**126**
Nuiklavik - Uranium	d	69	-	-	**69**
Labrador West - Iron Ore	e	14	-	(1)	**13**
Alexis River - Uranium	f	-	-	-	**-**
Wabush - Silica	g	-	2	(2)	**-**
Other		-	224	(2)	**222**
Newfoundland					
Topsails - Uranium	h	835	39	-	**874**
Viking - Gold	i	39	(29)	-	**10**
Rocky Brook - Uranium	j	40	6	-	**46**
Mustang Trend - Gold		37	22	-	**59**
White Bay - Gold		24	11	-	**35**
Boxey - Uranium	k	20	(4)	-	**16**
Moosehead - Gold	l	15	3	-	**18**
St. George's Bay - Potash	m	-	-	-	**-**
Taylor Brook - Nickel	n	-	-	-	**-**
South Tally Pond - Base metals	o	-	-	-	**-**
Other		4	36	-	**40**
New Brunswick and Nova Scotia					
New Brunswick Oil Shale	p	2,287	338	-	**2,625**
Nova Scotia Potash - Potash		86	65	-	**151**
General Exploration					
GENEX - General Exploration		-	174	(174)	**-**
Security Deposit					
Security Deposit	q	332	(30)	(25)	**277**
Grand Total		**7,014**	**830**	**(204)**	**7,640**

(Unless otherwise indicated, tabular amounts in thousands of dollars, except per share amounts)

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (CONTINUED)

Project	Note	As at April 30, 2008	Additions, net of recoveries	Abandoned or impaired	As at April 30, 2009
		$	$	$	$
Labrador					
Kamistaitusset - Iron Ore	a	380	1,861	-	2,241
Labrador Trough - Base metals	b	130	475	(1)	604
Natashquan River - Nickel		131	110	-	241
Notakwanon River - Uranium	c	128	11	(13)	126
Nuiklavik - Uranium	d	74	(5)	-	69
Labrador West - Iron Ore	e	7	7	-	14
Alexis River - Uranium	f	-	-	-	-
Wabush - Silica	g	1	3	(4)	-
Other		131	167	(298)	-
Newfoundland					
Topsails - Uranium	h	175	681	(21)	835
Viking - Gold	i	58	(19)	-	39
Rocky Brook - Uranium	j	40	-	-	40
Mustang Trend - Gold		32	5	-	37
White Bay - Gold		-	24	-	24
Boxey - Uranium	k	-	20	-	20
Moosehead - Gold	l	13	2	-	15
St. George's Bay - Potash	m	26	(26)	-	-
Berry Hills - Uranium		-	2	(2)	-
Taylor Brook - Nickel	n	17	(17)	-	-
South Tally Pond - Base metals	o	-	-	-	-
Other		16	(1)	(11)	4
New Brunswick and Nova Scotia					
New Brunswick Oil Shale	p	481	1,806	-	2,287
Nova Scotia Potash - Potash		-	86	-	86
General Exploration					
GENEX - General Exploration		-	115	(115)	-
Security Deposit					
Security Deposit	q	677	(199)	(146)	332
Grand Total		**2,517**	**5,108**	**(611)**	**7,014**

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (CONTINUED)

The Corporation acquires mineral properties through staking and from third party vendors. In addition, the Corporation vends some or a portion of its mineral properties to third parties in exchange for exploration expenditures, royalty interests, and cash and share based payments. The underlying agreement on each of the respective properties is as follows:

a - Kamistaitusset

The Corporation entered into an agreement with Norvista Resources Corp. ("Norvista") in June 2008 regarding the potential creation of a new public company to explore and develop its Kamistaitusset iron ore* project in the Labrador West region. Under the terms of the agreement, the Corporation wass responsible for the first year exploration work and Norvista was responsible for the creation of a new public company under certain valuation parameters and time limits. The agreement expired in June 2009 and the Corporation is currently evaluating alternatives for this project.

b - Labrador Trough

The Corporation has signed an alliance agreement with Cornerstone Capital Resources Inc. ("Cornerstone") in June 2008 to explore for copper and other base metal deposits in the Labrador Trough area of western Labrador and southeastern Quebec. Both companies contributed their respective mineral land holdings and have conjointly staked additional claims and will contribute equally to fund exploration programs. Cornerstone is the project operator. The companies are soliciting expressions of interest from major mining companies to enter into an earn-in/joint venture agreement on this property.

c - Notakwanon River

Golden Cross Resources ("Golden Cross") signed an agreement with the Corporation in August 2007 whereby Golden Cross may earn a 50% interest in the Notakwanon uranium/base metal project in central Labrador. Golden Cross may issue 25,000,000 shares and spend $3,500,000 on exploration expenditures by August 2013 to earn its 50% interest. The project is subject to royalties held by the Corporation, which includes a 2% gross sales royalty on uranium and a 2% net smelter return on other metals. The Corporation has received 3,000,000 shares to date and the agreement remains in good standing.

d - Nuiklavik

In June 2009 Golden Cross withdrew from an agreement to earn a 50% interest in the Nuiklavik

* *The term 'iron ore' is commonly used mining industry terminology for iron oxide-rich rocks and its use in this document only implies the presence of iron mineralization, not necessarily 'ore', which may or may not have economic resource potential.*

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (CONTINUED)

uranium project in central Labrador. The Corporation is reviewing alternatives for this project.

e - Labrador West

Kennecott Exploration Company ("Kennecott") signed an agreement in December 2008 whereby they may earn up to a 51% interest in the Labrador West mineral properties by incurring $3,000,000 in exploration expenditures by December 2011 or may earn a 70% interest in the properties by incurring $7,000,000 in exploration expenditures by December 2013. This project is also subject to 3% gross overriding royalty in favor of the Corporation, subject to a buy-back of 1% for $10,000,000 on or before the tenth anniversary of the agreement. The agreement remains in good standing.

f - Alexis River

Kirrin Resources ("Kirrin") (formerly named Monroe Minerals Inc.) signed an agreement in July 2007 whereby they may earn up to a 60% interest in the Corporation's Alexis River uranium project in southeast Labrador by paying up to 250,000 shares and spending up to $1,250,000 on exploration by July 2011. This project is also subject to royalties in favor of the Corporation. The Corporation has received 150,000 shares to date and the agreement remains in good standing.

g - Wabush

The Corporation acquired the rights to the Wabush silica property in western Labrador in May 2008 from a prospector for a cash payment of $3,000 and an underlying 2% gross sales royalty on any future production on the property. The Corporation may reduce the underlying gross sales royalty to 1% through an additional payment of $1,000,000.

h - Topsails

The Corporation and JNR Resources Inc. ("JNR") have signed a 50/50 cost shared agreement in September 2007 to explore for volcanic-hosted uranium deposits in a defined area in central Newfoundland. In return for generating the project, the Corporation has retained a 2% gross sales royalty on uranium products and a 2% net smelter return on all other commodities.

i - Viking

The Corporation acquired the rights to the Viking gold property in Western Newfoundland in February 2006 by paying $30,000 to a prospector. As part of the acquisition there is an underlying 1% net smelter return that can be reduced to 0.5% by paying an additional $500,000 to the prospector.

Northern Abitibi Mining Corp. ("Northern Abitibi") signed an agreement in July 2007 whereby they may earn up to a 51% interest in the Corporation's Viking gold project by issuing up to 1,115,000 shares of Northern Abitibi and spending up to $1,200,000 on exploration by July 2011. Upon earn-in, the net smelter return obligation of the initial property purchase will transfer to the joint venture. To date, 450,000 shares have been received and the agreement remains in good standing.

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (CONTINUED)

j - Rocky Brook

The Corporation acquired the rights to the Rocky Brook uranium property in western Newfoundland in April 2001 by making payments of $2,400 and 75,000 common shares over a three year period. The acquisition agreement is also subject to an underlying 2% net smelter return royalty that can be reduced to 1% with an additional $1,000,000 payment.

JNR earned a 70% interest in the Rocky Brook property by spending $2,525,000 on exploration expenditures by December 2008, and making a payment of 125,000 shares and other cash or share payments over the four year period totaling $172,000. Upon earn-in, the net smelter return obligation of the initial property acquisition agreement became part of the obligations of the joint venture.

k - Boxey

The Corporation may acquire a 100% interest in the Boxey property located in the southeastern island portion of Newfoundland and Labrador through an agreement signed in January 2008 for cash payments of $50,000 over a three year period. The Corporation must make one additional payment of $25,000 to the original holder to earn full title to the property. In addition, upon commencement of production on any part of the property, the Corporation agrees to pay an additional $500,000 in cash or equivalent value common shares.

Kirrin Resources Limited (formerly Monroe Minerals) signed an agreement in January 2008 whereby they may earn a 60% interest in the Corporation’s Boxey property by spending $1,000,000 in exploration expenditures by January 2012 and by granting the Corporation 200,000 shares. To date, the Corporation has received 80,000 Kirrin shares under the agreement and the agreement remains in good standing.

l - Moosehead

The Corporation acquired the mineral rights to the Moosehead gold property in western Newfoundland in August 1997 by making payments of $30,000 and 60,000 common shares over a three year period. The acquisition agreement is also subject to an underlying 1.16% net smelter return royalty.

Agnico Eagle Mines Inc. (“Agnico”) has earned an interest in the Moosehead property as part of its agreement dated September 2001. The Corporation’s current ownership on the property is 46% and the Corporation can either maintain this ownership by cost-sharing future exploration and development expenditures or accepting a dilution in ownership to a minimum of 10%, at which point the ownership would convert to a 1% net smelter return royalty on the property. The original 1.16% net smelter return royalty obligation is now an obligation of the joint venture.

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (CONTINUED)

m - St. Georges Bay

Sprott Resources Corporation ("Sprott") signed an agreement in May 2008 whereby they may earn a 50.1% interest in the Corporation's St. Georges Bay Potash project located in western Newfoundland. To earn this interest Sprott must spend $1,500,000 in exploration expenditures by May 2011 and may earn an additional 10% by spending an additional $1,000,000 in exploration expenditures. The project is subject to a 2% gross overriding royalty in favour of the Corporation. The agreement remains in good standing.

n - Taylor Brook

The Corporation acquired the rights to the Taylor Brook nickel property in western Newfoundland in July 1999 by making payments of $35,000 over a three year period. The acquisition agreement is also subject to an underlying 2% net smelter return royalty that can be reduced to 1% with an additional $1,000,000 payment.

Northern Abitibi signed an agreement in March 2007 whereby they may earn an initial 51% interest in the Taylor Brook property by issuing 500,000 shares, paying $200,000 in cash or equivalent value in shares to the Corporation and by spending $1,200,000 on exploration expenditures by March 2011. Thereafter, the Corporation may elect to form a joint venture with a 49% interest or a sliding scale net smelter return royalty of 1.5% to 3.5% in lieu of a property interest or a 30% property interest with Northern Abitibi spending an additional $4,000,000. Northern Abitibi has made all required share payments and the agreement remains in good standing. Upon earn-in, the net smelter return obligation of the initial property acquisition agreement will become part of the obligations of the joint venture.

o – South Tally Pond

The Corporation signed an agreement in December 2000 and has earned a 100% interest in the property, subject to the retention by the vendor of a 2% royalty, and the right by the vendor to purchase up to 100% of concentrate produced from the property on a commercially competitive basis. In addition, upon commencement of production on any part of the property, the Corporation agrees to either issue to the vendor 1,000,000 common shares or, in the event that the Corporation assigns its interest to a third party, 1,000,000 common shares pro-rated to the participating interests of the Corporation and the third party, or pay the vendor $2,000,000.

As part of an equity financing agreement with Paragon Minerals Corporation ("Paragon") signed in December 2006, 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 Paragon becoming a publicly listed Company on the TSX Venture Exchange, 250,000 common shares

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (CONTINUED)

on or before the first anniversary date thereafter, and 500,000 common shares on or before November 2014 or upon completion of a feasibility study. The obligations of the original acquisition agreement have also been transferred to Paragon. The first 500,000 shares have been received from Paragon and the agreement is in good standing.

p - New Brunswick Oil Shale

The Corporation entered into an agreement in February 2009 with an arm's length third party whereby the third party may select a 400 hectare area within the oil shale project and may undertake field research and test oil shale technologies. The third party will reimburse the Corporation for certain expenditures up to $400,000 and may pay the Corporation $530,000 by February 2013 and may make additional payments annually thereafter while the agreement remains in effect. The agreement does not provide for commercial production and any oil extracted during the research phase is subject to a 5% royalty payable to the Corporation. To date, the Corporation has received $130,000 under the agreement and the agreement is in good standing.

q – Security Deposits

Security deposits are refundable to the Corporation if a minimum level of exploration expenditures is incurred on the subject properties. Over the next twelve months the Corporation must incur exploration expenditures of $615,429 for a refund of security deposits in the amount of $277,000.

(Unless otherwise indicated, tabular amounts in thousands of dollars, except per share amounts)

5. EQUITY INVESTMENTS AND LOANS

	As at July 31, 2009 $	As at April 30, 2009 $
Investment in Rambler Metals and Mining plc, (percentage ownership: 20.2%) (market value: July 2009 - $3.0 million; April 2009 - $3.6 million)	**3,519**	3,600
Investment in Newfoundland and Labrador Refining Corporation ("NLRC"), (percentage ownership: 39.6%)	**-**	-
Non-interest bearing demand loan to NLRC, secured by a first charge on the assets, convertible into 1,440,000 common shares at the option of the Corporation (4.6% increase in ownership if exercised)	**30,093**	30,093
Less provision for demand loan impairment	**(30,093)**	(30,093)
	3,519	3,600

Newfoundland and Labrador Refining Corporation

In December 2007, the Corporation advanced $30,093,000 in the form of a convertible demand loan to NLRC. The non-interest bearing demand loan is secured by the assets of NLRC and is convertible at the Corporation's option into 1,440,000 shares of NLRC. The Corporation is the only secured creditor of NLRC. NLRC used the funds to make a milestone payment to IJK consortium regarding the purchase of steel and manufacture of heavy wall vessels, which are considered long-lead time items required for the proposed oil refinery project.

On June 18, 2008, SNC Lavalin, a contractor providing environmental and engineering services to NLRC, served NLRC with a notice of proceedings in the Supreme Court of Newfoundland and Labrador to have NLRC adjudged bankrupt. In response to this filing, NLRC sought and was granted creditor protection under the Bankruptcy and Insolvency Act ("BIA") on June 24, 2008.

In light of the actions taken by SNC Lavalin, the pending BIA proceedings, the financial condition of NLRC as of April 30, 2008 and the financial turmoil in North American markets, the Corporation reassessed the value of its investment and advance to NLRC as at April 30, 2008. Consequently the Corporation made an impairment provision of $22,101,000 against its investment in the equity of

(Unless otherwise indicated, tabular amounts in thousands of dollars, except per share amounts)

5. EQUITY INVESTMENTS AND LOANS (CONTINUED)

NLRC and a $30,093,000 provision against the value of its loan to NLRC.

On October 17, 2008, NLRC submitted a proposal to its creditors for a maintenance and care plan for up to 36 months. Under the maintenance and care plan, it was proposed that ongoing costs be kept to a minimum and that all refinery permits would be kept in good standing until such time as the project can be sold or financed when economic conditions improve. In addition, it was proposed that all creditors' claims would be deferred until the end of the maintenance and care period or until the project obtains financing. Following the vote by creditors on the proposal on November 6, 2008, the trustee indicated that the outcome of the vote would depend on the legitimacy of claim amounts submitted as part of the voting procedure and, therefore, recessed to evaluate the various claim amounts. The creditors meeting was reconvened on July 15, 2009 and the outcome of the vote indicated that a majority of the votes were in favour of the proposal. The Trustee's application to accept the proposal will be heard by the Newfoundland Supreme Court on October 22, 2009. At that time the Court will also consider an application by a creditor to reduce one of the other creditor's claims, which could affect the outcome of the vote.

The Corporation will reassess the value of its investment and loan in future periods as additional information becomes available.

6. MINING AND MINERAL RELATED INVESTMENTS

	As at July 31, 2009 $	As at April 30, 2009 $
International Royalty Corporation		
(8,746,072 shares; April 2009 -2,050,722 shares)		
(Cost - $34.0 million; April 2009 - $10.6 million)	**32,623**	6,456
Other mining related portfolio investments		
(Cost: $1.3 million; April 2009 $0.5 million)	**1,358**	630
	33,981	7,086

During the current period the Corporation acquired 6,572,250 shares in International Royalty Corporation ("IRC") at a total cost of $23,469,000. The investment in IRC is classified as available-for-sale.

(Unless otherwise indicated, tabular amounts in thousands of dollars, except per share amounts)

6. MINING AND MINERAL RELATED INVESTMENTS (CONTINUED)

In June 2009 the Corporation acquired 4,227,273 units in Millrock Resources Limited at a total cost of $930,000. Each unit consists of one common share and one common share purchase warrant with an exercise price of $0.30 for a period of one year from the purchase date and $0.40 in the second year. The Corporation classified the investment as available-for-sale. No value was ascribed to the warrants upon initial purchase based on the residual value after assigning value to the common shares.

The Corporation sold other mining and mineral related investments for gross proceeds of $130,000 and recognized a loss on disposal of $22,000 during the current period.

7. NET EARNINGS PER SHARE

Basic net earnings per share was calculated using the weighted average number of common shares for the respective periods. The diluted net earnings per share was calculated using the weighted average number of common shares outstanding for the respective periods after giving effect to dilutive stock options.

	July 31	
	2009	2008
Weighted average number of shares:		
Basic	**28,371,945**	30,925,293
Diluted	**28,484,065**	31,219,957

8. STOCK-BASED COMPENSATION

The Corporation has a stock option plan under which directors, officers and employees of the Corporation and of its subsidiaries are eligible to receive stock options.

A summary of the status of the Corporation's stock option plan as of July 31, 2009 and changes during the period then ended is as follows:

		$
Outstanding, April 30, 2009	**1,298,500**	**9.57**
Exercised	**(4,000)**	**3.95**
Outstanding, July 31, 2009	**1,294,500**	**9.59**
Exercisable, July 31, 2009	**689,750**	**8.64**

(Unless otherwise indicated, tabular amounts in thousands of dollars, except per share amounts)

8. STOCK-BASED COMPENSATION (CONTINUED)

The following table summarizes information about stock options outstanding and exercisable at July 31, 2009:

	Total Options Outstanding			Total Exercisable Options		
Range	Outstanding Options	Average Remaining Contractual Life	Weighted Average Strike Price	Vested Options	Average Remaining Contractual Life	Weighted Average Strike Price
			$			$
$3.00 to $4.00	143,000	0.5	3.93	143,000	0.5	3.93
$4.01 to $8.00	598,000	3.2	5.33	258,250	2.5	5.08
$8.01 to $10.00	266,000	2.3	8.30	154,000	2.3	8.30
$10.01 to $15.00	95,000	2.5	11.11	57,000	2.5	11.11
$15.01 to $28.00	192,500	3.3	28.00	77,500	3.3	28.00
Total	1,294,500	2.7	9.59	689,750	2.1	8.64

9. ACCUMULATED OTHER COMPREHENSIVE EARNINGS

The balances related to each component of accumulated other comprehensive earnings, net of related income taxes, are as follows:

	2009	2008
	$	$
Unrealized loss on the translation of financial statements of self-sustaining equity investment (net of income taxes: July 2009 - $161 and April 2009 - $163)	**(918)**	(929)
Unrealized gains losses on available-for-sale investments (net of income taxes: July 2009 - $210 and April 2009 - $601)	**(1,195)**	(3,419)
	(2,113)	(4,348)

(Unless otherwise indicated, tabular amounts in thousands of dollars, except per share amounts)

10. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended July, 31	
	2009	2008
	$	$
Items not affecting cash:		
Mineral properties abandoned or impaired	**204**	55
Stock-based compensation	**261**	159
Amortization	**274**	159
Loss on disposal of mining and mineral related investments	**22**	-
Non - cash interest and financing charges	**-**	402
Share of loss in equity investments	**94**	73
Change in fair value of share purchase warrants	**-**	14
Future income taxes	**(446)**	(372)
	409	490
Change in non-cash operating working capital:		
Accounts receivable and prepaid expenses	**121**	(379)
Accounts payable and accrued liabilities	**(228)**	493
Corporate income taxes payable and receivable	**350**	589
	243	703
Income taxes received (paid)	**-**	-
Non-cash items:		
Stock based compensation capitalized	**4**	78
Receipt of available-for-sale financial assets in exchange for interests in mineral properties	**33**	20

(Unless otherwise indicated, tabular amounts in thousands of dollars, except per share amounts)

11. RELATED PARTY TRANSACTIONS

The Corporation's related party transactions are as follows:

	Three months ended July 31	
	2009	2008
	$	$
Revenue from companies subject to significant influence	**6**	6
Consulting fees and related services and costs paid to a company controlled by a director, and reflected as mineral properties and deferred exploration costs	**3**	6
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	**1**	14
General and administrative expenses	**8**	2
	9	16

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 and prepaid expenses include a net receivable from NLRC of $2,300 after adjusting for an allowance for doubtful accounts of $6,400 (April 30, 2009 - $3,000 after adjusting for an allowance for doubtful accounts of $6,400).

12. CONTINGENT LIABILITY

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

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

13. SUBSEQUENT EVENT

In August 2009 the Corporation purchased an additional 178,900 shares in IRC at a total cost of $679,000. The Corporation currently owns 8,924,972 shares in IRC, representing 9.4% of the outstanding common shares.