ALTIUS MINERALS CORPORATION

Consolidated Financial Statements

For the years ended

April 30, 2008 and 2007

ALTIUS MINERALS CORPORATION

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ALTIUS MINERALS CORPORATION

Auditors' Report

To the Shareholders of
Altius Minerals Corporation

We have audited the consolidated balance sheets of Altius Minerals Corporation as at April 30, 2008 and 2007 and the consolidated statements of earnings and retained earnings, comprehensive earnings (loss) and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at April 30, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
St. John's, Newfoundland and Labrador
July 23, 2008

ALTIUS MINERALS CORPORATION

Consolidated Balance Sheets

(In thousands of dollars)

As at April 30,

	2008 $	2007 $
Assets		
Current assets		
Cash and cash equivalents	**168,172**	114,284
Accounts receivable and prepaid expenses	**1,613**	2,572
Income taxes receivable	**6,668**	-
	176,453	116,856
Mineral properties and deferred exploration costs (Note 5)	**3,538**	1,945
Royalty interest in mineral property (Note 6)	**12,469**	13,176
Property and equipment (Note 7)	**165**	175
Fair value of share purchase warrants (Note 3)	**13**	-
Equity investments and loans (Note 8)	**6,876**	7,714
Mining and mineral related investments (Notes 3 and 9)	**20,421**	30,059
Fair value of equity forward instrument (Notes 3 and 10)	**30,335**	-
	250,270	169,925
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**977**	1,048
Income taxes payable	**-**	16,186
Future income taxes (Note 11)	**835**	1,298
	1,812	18,532
Deferred option payments (Note 12)	**1,021**	580
Future income taxes (Note 11)	**3,021**	1,064
Long-term debt (Note 13)	**38,115**	36,557
	43,969	56,733
Shareholders' Equity		
Share capital (Note 14)	**77,933**	25,886
Contributed surplus (Note 14)	**2,197**	1,312
Accumulated other comprehensive earnings (Notes 3 and 16)	**29,829**	215
Retained earnings	**96,342**	85,779
	206,301	113,192
	250,270	169,925

Commitments (Note 17)

Subsequent Events (Note 22)

Approved by the Board,

"John A. Baker", Director

"Brian F. Dalton", Director

see accompanying notes to the consolidated financial statements

ALTIUS MINERALS CORPORATION

Consolidated Statements of Earnings and Retained Earnings

(In thousands of dollars, except per share amounts)

For the years ended April 30,

	2008	2007
	$	$
Revenue		
Interest	**6,632**	2,530
Royalty	**5,162**	4,297
Other	**368**	301
	12,162	7,128
Expenses		
General and administrative	**2,170**	2,577
Royalty tax	**1,429**	479
Stock-based compensation (Note 15)	**967**	781
Amortization	**781**	521
Mineral properties abandoned or impaired (Note 5)	**549**	261
	5,896	4,619
Earnings before the following	**6,266**	2,509
Interest on long-term debt	**(1,645)**	(246)
Gain on disposal of mining & mineral related investments	**61,637**	62,746
Gain on disposal of mineral properties	**234**	-
Impairment provision on equity investment (Note 8)	**(22,101)**	-
Impairment provision on demand loan receivable (Note 8)	**(30,093)**	-
Dilution gain on issuance of shares by equity investment (Note 8)	**3,541**	-
Share of (loss) in equity investments	**(707)**	(1,599)
Change in fair value of share purchase warrants	**(1,008)**	-
Investment income	**92**	1,252
Earnings before income taxes	**16,216**	64,662
Income taxes (Note 11)		
current	**7,561**	10,887
future	**(3,439)**	1,012
	4,122	11,899
Net earnings	**12,094**	52,763
Retained earnings,		
beginning of year	**85,779**	34,369
adoption of new accounting policies (Note 3)	**841**	-
repurchase of common shares (Note 14)	**(2,372)**	(1,353)
Retained earnings, end of year	**96,342**	85,779
Net earnings per share (Note 14)		
- basic	**0.41**	1.83
- diluted	**0.40**	1.80

see accompanying notes to the consolidated financial statements

ALTIUS MINERALS CORPORATION

Consolidated Statements of Cash Flows

(In thousand of dollars)
For the years ended April 30,

	2008	2007
	$	$
Operating activities		
Net earnings	**12,094**	52,763
Items not affecting cash (Note 18)	**(11,115)**	(58,326)
	979	(5,563)
Change in non-cash operating working capital (Note 18)	**(22,026)**	9,277
	(21,047)	3,714
Financing activities		
Proceeds from issuance of share capital (Note 14)	**50,901**	706
Repurchase of common shares (Note 14)	**(2,598)**	(1,530)
Proceeds from long-term debt	**-**	36,311
	48,303	35,487
Investing activities		
Proceeds from disposal of investments	**77,850**	69,228
Mineral properties and deferred exploration costs, net of recoveries	**(1,991)**	(768)
Acquisition of mining and mineral related investments	**-**	(25,651)
Investment in equity - accounted investment (Note 8)	**(19,113)**	(3,501)
Advances to equity - accounted investment (Note 8)	**(30,093)**	-
Acquisition of property and equipment	**(63)**	(156)
Increase in accounts receivable - related companies	**(29)**	603
Other investing	**71**	(4)
	26,632	39,751
Net increase in cash and cash equivalents	**53,888**	78,952
Cash and cash equivalents, beginning of year	**114,284**	35,332
Cash and cash equivalents, end of year	**168,172**	114,284

Cash and cash equivalents consist of:		
Deposits with banks	**2,317**	2,397
Short-term investments	**165,855**	111,887
	168,172	114,284

see accompanying notes to the consolidated financial statements

Supplemental cash flow information (Note 18)

ALTIUS MINERALS CORPORATION

Consolidated Statements of Comprehensive Earnings (Loss)

(In thousands of dollars)
For the years ended April 30,

	2008	2007
	$	$
Net earnings	**12,094**	52,763
Other comprehensive earnings (loss):		
Unrealized gain (loss) on the translation of financial statements of equity investment		
gross amount	**(685)**	260
tax effect	**115**	(45)
net amount	**(570)**	215
Unrealized losses on available-for-sale investments during the year		
gross amount	**(53,776)**	-
tax effect	**9,267**	-
net amount	**(44,509)**	-
Reclassification adjustment for disposals of available-for-sale investments included in net earnings during the year		
gross amount	**(62,250)**	-
tax effect	**10,498**	-
net amount	**(51,752)**	-
Unrealized gain on derivative designated as cash flow hedge during the year		
gross amount	**38,216**	-
tax effect	**(6,306)**	-
net amount	**31,910**	-
Other comprehensive earnings (loss)	**(64,921)**	215
Comprehensive earnings (loss)	**(52,827)**	52,978

see accompanying notes to the consolidated financial statements

1. NATURE OF OPERATIONS

Altius Minerals Corporation's (the "Corporation") principal business activities include the generation and acquisition of projects related to natural resources opportunities. In general, the Corporation prefers to create partnerships or corporate structures related to the opportunities it develops, which results in the Corporation carrying minority and non-operating project or equity interests and/or royalty interests.

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiary, Altius Resources Inc. and 10% of the assets, liabilities, revenue and expenses of Labrador Nickel Royalty Limited Partnership, of which the Corporation owns 10% of the outstanding units. All inter-company transactions have been eliminated upon consolidation.

Cash and cash equivalents

Cash and cash equivalents consists of amounts on deposit with banks and short-term investments in money market instruments that are readily convertible to cash or have original maturities of 90 days or less.

Investments

Investments in companies over which the Corporation exercises significant influence are accounted for using the equity method. Other investments under which the Corporation cannot exert significant influence are recorded initially at cost and adjusted to reflect changes in the fair value. If in the opinion of management there has been a decline in value of the investment considered to be other than temporary, the valuation adjustment is recorded in net earnings in the period of the determination. The fair value adjustment is recorded in other comprehensive earnings for available for sale investments. For held for trading investments, the fair value adjustment directly affects net earnings.

Mineral properties and deferred exploration costs

Mineral properties and deferred exploration costs include the direct costs of acquiring, maintaining, exploring and developing properties, an allocation of management fees, salaries based on time spent, stock-based compensation costs based on time spent, and other costs directly related to specific properties. Mineral properties acquired for share consideration are recorded at the fair value of the shares at the date of acquisition.

Incidental revenue and cost recoveries relating to mineral properties are recorded first as a reduction of the specific mineral property and deferred exploration costs to which the fees and payments relate, and any excess as revenue on the consolidated statement of earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management reviews the carrying values of mineral properties and deferred exploration costs on a quarterly basis. A decision to abandon, reduce or expand activity on a specific project is based upon many factors including general and specific assessments of mineral reserves, anticipated future mineral prices, anticipated costs of developing and operating a producing mine, the expiration date of mineral property leases, and the general likelihood that the Corporation will continue exploration on the project. The Corporation does not set a pre-determined holding period for properties with unproven reserves. However, properties which have not demonstrated suitable prospects at the conclusion of each phase of an exploration program are re-evaluated to determine if further exploration is warranted and the carrying values are appropriate.

If a mineral property is abandoned or it is determined that its carrying value cannot be supported by future production or sale, the related costs are charged against operations in the year of abandonment or impairment of value. The amounts recorded as mineral properties and deferred exploration costs represent unamortized costs to date and do not necessarily reflect present or future values.

The accumulated costs of mineral properties and deferred exploration costs that are developed to the stage of commercial production will be amortized to operations on a units-of-production basis over the life of the economically recoverable reserves.

Royalty interest in mineral property

Royalty interest in mineral property includes the acquired royalty interest in a production stage mineral property. The production stage royalty interest is recorded initially at its cost and is being amortized using the units of production method over the life of the mineral property, which is determined using available estimates of proven and probable reserves.

Asset retirement obligations

The Corporation recognizes a liability for retirement obligations associated with long-lived assets, which includes the abandonment of mineral properties and costs required to return the property to its original condition.

The Corporation recognizes the fair value of the liability for an asset retirement obligation in the period in which it is incurred and records a corresponding increase in the carrying value of the related long-lived asset. Fair value is estimated using the present value of the estimated future cash outflows to abandon the asset at the Corporation's credit adjusted risk-free interest rate. The liability is subsequently adjusted for the passage of time, and is recognized as an accretion expense in the consolidated statement of income. The liability is also adjusted due to revisions in either the timing or the amount of the original estimated cash flows associated with the liability. The increase in the carrying value of the asset is amortized on the same basis as mineral properties and deferred exploration costs.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Corporation has not incurred any asset retirement obligations relating to its activities to April 30, 2008 and 2007.

Property and equipment

Property and equipment is initially recorded at cost and amortized over its estimated useful life. Amortization is provided using the following methods and annual rates:

Computer equipment	30% declining balance
Computer software	100% straight line
Geological equipment	30% declining balance
Office equipment	20% declining balance
Leasehold improvements	5 years straight line

Deferred option payments

The Corporation records the proceeds from option payments on its properties as deferred revenue. Should the third party purchasing the option earn the right to acquire an interest in the Corporation's property, the Corporation will record the option payments as part of the proceeds of disposition from the property in the year that the option is exercised. Should the party purchasing the option not exercise their rights within the agreed upon time frame, the Corporation will record the option payments previously received as a credit against mineral properties to reduce the balance and the remainder of the balance, if any, to other income in the year that the option rights expire.

Revenue recognition

Revenue is recognized when the services are provided and there is reasonable assurance of collection. Interest income is recognized on an accrual basis. Royalty revenue is recognized when management can estimate the amount receivable from mine operations pursuant to the terms of the royalty agreement and when collection is reasonably assured.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of management estimates include the rates for amortization of the royalty interest, future income taxes, assessments of the recoverability of deferred exploration expenditures, the carrying value of the equity investments, the recoverability of accounts receivable and loans, the determination of the provision for future removal and site restoration costs, and the assumptions used in the determination of the fair value of stock-based compensation.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements from changes in such estimates in future periods could be significant.

Income taxes

The Corporation follows the liability method of accounting for income taxes. Under this method, future income taxes are recognized based on the expected future tax consequences of differences between the carrying amount of balance sheet items and their corresponding tax basis, using the enacted and substantively enacted income tax rates for the years in which the differences are expected to reverse. Future income tax assets are recognized to the extent it is more likely than not they will be realized.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect at the balance sheet date for monetary items and at exchange rates prevailing at the transaction date for non-monetary items. Revenue and expenses are translated at the average exchange rates prevailing during the period. Gains and losses on translation of monetary assets and liabilities are included in the determination of net income for the year.

Self – sustaining subsidiaries and equity investments with non - Canadian dollar functional currencies are accounted for using the current rate method, whereby the assets and liabilities are translated at the rate in effect at the balance sheet date and the revenue and expenses are translated using the average exchange rate for the period. The resulting translation adjustment is recorded as a separate component of accumulated other comprehensive earnings until there is a reduction in the net investment.

Stock-based compensation

Stock options granted to employees, directors and non-employees are accounted for using the fair value method. The compensation cost for options granted is determined based on the estimated fair value of the stock options at the time of the grant using the Black-Scholes option pricing model and is amortized over the vesting period with an offset to contributed surplus. When options are exercised, the corresponding contributed surplus and the proceeds received by the Corporation are credited to share capital.

Diluted earnings per share

Diluted earnings per share is calculated using the treasury stock method, whereby it is assumed that proceeds received on the exercise of in-the-money stock options and warrants are used to repurchase the Corporation's shares at the average market price during the period.

3. ADOPTION OF NEW ACCOUNTING POLICIES

Comprehensive Income, Equity, Financial Instruments and Hedges

Effective May 1, 2007, the Corporation adopted Canadian Institute of Chartered Accountants (“CICA”), Section 1530, "Comprehensive Income", Section 3251, "Equity", Section 3855, “Financial Instruments - Recognition and Measurement", Section 3861, “Financial Instruments – Disclosure and Presentation and Section 3865, "Hedges". Under the standards:

Financial assets are classified as loans and receivables, held-to-maturity, held-for-trading or available-for-sale. Loans and receivables include all loans and receivables except debt securities and are accounted for at amortized cost. Held-to-maturity classification is restricted to fixed maturity instruments that the Corporation intends and is able to hold to maturity and are accounted for at amortized cost. Held-for-trading instruments are recorded at fair value with realized and unrealized gains and losses reported in net income. The remaining financial assets are classified as available-for-sale. These are recorded at fair value with unrealized gains and losses reported in a new category of shareholders' equity called accumulated other comprehensive earnings ("AOCE");

Financial liabilities are classified as either held-for-trading or other. Held-for-trading instruments are recorded at fair value with realized and unrealized gains and losses reported in net earnings;

Other instruments are accounted for at amortized cost with gains and losses reported in net earnings in the period that the liability is derecognized; and

Derivative instruments ("derivatives") are classified as held-for-trading unless designated as hedging instruments. All derivatives are recorded at fair value on the consolidated balance sheet. For derivatives that hedge variability in cash flows, the effective portion of the changes in the derivatives' fair value are initially recognized in other comprehensive earnings ("OCE") with any ineffective portion recorded in net earnings. Amounts temporarily recorded in AOCE will subsequently be reclassified to net earnings in the periods when net earnings is affected by the variability in the cash flows of the hedged item.

These standards have been applied in accordance with their transition provisions; accordingly comparative amounts for prior periods have not been restated. The adoption of these standards resulted in the following adjustments and classifications as of May 1, 2007 in accordance with the transition provisions:

Cash and cash equivalents are classified as held for trading. These financial assets are marked-to-market through net earnings in each period. The carrying value of these assets approximates the market value at the transition date and no adjustment was required;

3. ADOPTION OF NEW ACCOUNTING POLICIES (Continued)

Accounts receivable and refundable security deposits are classified as "Loans and Receivables". After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method. For the Corporation, the measured amount generally corresponds to cost and no transition adjustment was required; and

Accounts payable, long - term debt and deferred option payments are classified as "Other Financial Liabilities". After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method. For the Corporation, the measured amount generally corresponds to cost and no transition adjustment was required.

Held for trading investments

The Corporation holds share purchase warrants in various companies which were not recorded on the consolidated balance sheet in prior periods. Under the adoption of the new standard, these warrants are considered derivative financial instruments and have been designated as held for trading and are measured at fair value. The fair value of these instruments is measured using the Black-Scholes option pricing model. The change in accounting policy resulted in an increase of $1,021,000 to the carrying value of held for trading financial assets and an increase to retained earnings of $841,000 (net of future income taxes of $180,000).

Available-for-sale investments

The Corporation's mining and mineral related investments have been designated as available-for-sale and recorded at market value in the consolidated balance sheet, resulting in an increase in investments of $121,840,000, an increase to AOCE of $101,115,000, and an increase in future income tax liability of $20,725,000.

Derivatives

The Corporation has an equity forward agreement to sell 2,500,000 shares in Aurora Energy Resources Inc. ("Aurora") in December 2011. This derivative instrument qualifies for hedge accounting as a cash flow hedge and was not recorded on the consolidated balance sheet in prior periods. Under the new accounting pronouncements, the equity forward agreement was recorded on the consolidated balance sheet at fair value resulting in an increase in derivative instruments (liability) of $7,880,000, a decrease in future income tax liability of $1,300,000, and a decrease in AOCE of $6,580,000.

Foreign currency translation adjustment

The Corporation previously recorded any changes in value of the self-sustaining foreign equity investment caused by foreign currency fluctuations in a separate component on shareholders' equity entitled "foreign currency translation adjustment". The balance of $215,000 at April 30, 2007 was reclassified to opening AOCE, with no other changes in the accounting treatment or calculation basis.

4. FUTURE ACCOUNTING PRONOUNCEMENTS

Capital Disclosures

In December 2006, the CICA issued a Handbook section entitled, "Capital Disclosures" (section 1535). The new standard requires disclosure of qualitative and quantitative information that enables users of financial statements to evaluate the Corporation's objectives, policies and processes for managing capital. These recommendations are effective for the Corporation's interim and annual reporting periods beginning May 1, 2008. The impact of this new standard has not been determined on the Corporation's consolidated financial statements.

Financial Instruments – Disclosures and Financial Instruments – Presentation

In December 2006, the CICA issued Handbook sections entitled "Financial Instruments – Disclosures", (section 3862) and "Financial Instruments – Presentation" (section 3863), which will replace "Financial Instruments – Disclosure and Presentation (section 3861). The new disclosures standard increases the emphasis on the risk associated with both recognized and unrecognized financial instruments and how those risks are managed. The new presentation standard carries forward the former presentation requirements and is effective for the Corporation's interim and annual reporting periods beginning May 1, 2008. The impact of the new standard has not been determined on the Corporation's consolidated financial statements.

International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the fiscal period ending April 30, 2012. The impact of the transition of IFRS on the Corporation's consolidated financial statements has not yet been determined.

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

Location	Primary Metal	Number of Claims	As at April 30, 2007	Net Additions	Abandoned or Impaired	As at April 30, 2008
			$	$	$	$
Labrador						
	Base metals	1,611	50	80	-	130
	Iron Ore	869	58	333	-	391
	Nickel	1,417	45	325	(39)	331
	Uranium	2,754	232	64	-	296
	Silica	77	-	1	-	1
	Other	-	-	1	-	1
		6,728	385	804	(39)	1,150
Newfoundland						
	Base metals	390	577	(27)	(125)	425
	Gold	431	100	83	(43)	140
	Nickel	112	86	158	(155)	89
	Uranium	11,227	369	273	(92)	550
	Potash	1,453	-	26	-	26
		13,613	1,132	513	(415)	1,230
Oil shale		-	105	376	-	481
Security deposits		-	323	354	-	677
General exploration		-	-	95	(95)	-
Grand total		20,341	1,945	2,142	(549)	3,538

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (Continued)

Location	Primary Metal	Number of Claims	As at April 30, 2006	Net Additions	Abandoned or Impaired	As at April 30, 2007
			$	$	$	$
Labrador						
	Base metals	60	46	4	-	50
	Iron Ore	80	26	32	-	58
	Nickel	1,070	4	45	(4)	45
	Uranium	2,694	36	196	-	232
	Silica	-	-	-	-	-
	Other	-	-	-	-	-
		3,904	112	277	(4)	385
Newfoundland						
	Base metals	503	259	318	-	577
	Gold	451	109	118	(127)	100
	Nickel	45	76	10	-	86
	Uranium	508	362	7	-	369
	Potash	-	-	-	-	-
		1,507	806	453	(127)	1,132
Oil shale		388	4	101	-	105
Security deposits		-	174	149	-	323
General exploration		-	-	130	(130)	-
Grand total		5,799	1,096	1,110	(261)	1,945

6. ROYALTY INTEREST IN MINERAL PROPERTY

Voisey's Bay Royalty

	2008	2007
	$	$
Cost	**13,645**	13,645
Accumulated amortization	**1,176**	469
Net book value	**12,469**	13,176

7. PROPERTY AND EQUIPMENT

		2008	
	Cost	**Accumulated Amortization**	**Net Book Value**
	$	**$**	**$**
Computer equipment and software	**229**	**160**	**69**
Office equipment	**58**	**39**	**19**
Geological equipment	**129**	**65**	**64**
Leasehold improvements	**28**	**15**	**13**
	444	**279**	**165**

		2007	
	Cost	Accumulated Amortization	Net Book Value
	$	$	$
Computer equipment and software	220	143	77
Office equipment	52	36	16
Geological equipment	105	42	63
Leasehold improvements	28	9	19
	405	230	175

8. EQUITY INVESTMENTS AND ADVANCES

	2008	2007
	$	$
Investment in Rambler Metals and Mining plc, (percentage ownership: 2008 - 20.2%; 2007 - 30.0%) (market value: 2008 - $11.5 million; 2007 - $17.4 million)	**6,876**	4,405
Investment in Newfoundland and Labrador Refining Corporation ("NLRC"), (percentage ownership: 2008 - 39.6%; 2007 - 37%)	**-**	3,309
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**	-
Less provision for demand loan impairment	**(30,093)**	-
	6,876	7,714

Rambler Metals and Mining

The Corporation began accounting for Rambler Metals and Mining plc ("Rambler") as a self-sustaining operation in August 2006 after Rambler established its own independent management and geological team. The net investment is now adjusted for any changes in value caused by currency fluctuation, with the adjustment (net of applicable taxes) applied to other comprehensive earnings.

In May 2007, Rambler completed a private placement of 9,350,000 units, at a price of $1.50 per unit, for gross proceeds of $14,025,000. Each unit comprises one ordinary share of Rambler and one-half of one ordinary share purchase warrant. Each warrant entitles the holder to purchase one ordinary share at a price of $2.00 until May 23, 2009. Following the transaction the Corporation's ownership interest in Rambler was reduced from 30% to 24% and the Corporation recorded a dilution gain of $2,369,000.

In April 2008, Rambler completed a private placement of 9,660,000 ordinary shares at Great British Pounds (GBP) 0.60 each (CDN - $1.21). Following the transaction the Corporation's ownership interest in Rambler was reduced from 24% to 20.2% and the Corporation recorded a dilution gain of $1,172,000.

8. EQUITY INVESTMENTS AND ADVANCES (Continued)

Newfoundland and Labrador Refining Corporation

In October 2007, the Corporation entered into a standby subscription agreement with NLRC, whereby the Corporation may, at its discretion, invest an additional US$ 100,000,000 in exchange for 4,812,762 common shares of NLRC up to December 31, 2008. At April 30, 2008, the Corporation had subscribed for 750,000 additional shares under this agreement.

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. This protection enables NLRC, under the supervision of a trustee, to formulate a proposal for restructuring and to continue its efforts to attract financing and or partners for the refinery project. The initial period of creditor protection granted was 30 days, and was later extended for an additional 45 days until September 2, 2008. Further extensions may be granted with Court approval if NLRC can demonstrate that it is acting in good faith, that NLRC may make a viable proposal to creditors if the extension is granted, and that none of the current creditors are adversely affected by the extension.

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. While the project fundamentals indicate that the proposed refinery is economically attractive and the restructuring process is progressing, the estimated recoveries in respect of the loan and the advance cannot be estimated with accuracy at this early stage in the restructuring process. Consequently the Corporation made an impairment provision of $22,101,000 against its investment in the equity of NLRC and a $30,093,000 provision against the value of its loan to NLRC. The Corporation will reassess the value of its investment and loan in future periods as additional information becomes available.

9. MINING AND MINERAL RELATED INVESTMENTS

	As at April 30, 2008 (market value) $	As at April 30, 2007 (cost) $
Aurora Energy Resources Inc. (2008 - 2,500,000 shares; 2007 - 6,539,911 shares) (cost: 2008 - $ 1.0 million) (market value: 2007 - $107.4 million)	**8,700**	2,635
Other mining related portfolio investments (cost: 2008 - $ 13.6 million) (market value: 2007 - $ 36.6 million)	**11,721**	27,424
	20,421	30,059

Aurora Energy Resources Inc.

During the year the Corporation sold 4,039,911 (2007– 5,556,527) shares in Aurora for net proceeds of $59,945,000 (2007 – $64,833,000) and realized a gain on disposal of $58,317,000 (2007- $62,595,000).

2,500,000 Aurora shares have been pledged as part of the equity forward agreement, which effectively locks in the economic value of these shares at the contractual price, as described in Note 10 to the consolidated financial statements.

Other Mining and Mineral Related Investments.

During the year the Corporation sold other mining and mineral related investments for net proceeds of $17,905,000 (2007 - $4,395,000) and realized a gain on disposal of $3,320,000 (2007 - $151,000).

10. FINANCIAL INSTRUMENTS

The Corporation has entered into an equity forward agreement to sell 2,500,000 Aurora shares for gross proceeds of $17.72 per share in December 2011. The Corporation maintains all other rights of ownership of the shares, including voting rights, throughout the contractual period. The equity forward has been designated as an effective hedge against the Aurora shares and the fair value adjustments are recorded in other comprehensive earnings.

11. INCOME TAXES

Significant components of the future tax liability at April 30, 2008 and 2007 are as follows:

	2008	2007
	$	$
Temporary differences related to mineral properties and deferred exploration costs	**(508)**	(188)
Tax values of property and equipment in excess of net book values	**193**	85
Carrying value of investments in excess of tax values	**(3,584)**	(1,190)
Deferred partnership income	**(835)**	(1,327)
Non-capital loss carry forwards	**-**	140
Share issue costs	**822**	-
Other	**56**	118
	(3,856)	(2,362)
Distributed as follows:		
Future income taxes - current	**(835)**	(1,298)
Future income taxes - long-term	**(3,021)**	(1,064)
	(3,856)	(2,362)

Income taxes differ from that which would be expected from applying the combined effective Canadian federal and provincial income tax rates of 35.25% (2007 - 36.12%) to earnings before income taxes as follows:

	2008	2007
	$	$
Expected tax expense	**5,716**	23,356
Non-taxable portion of capital gains and impairments	**(1,664)**	(11,376)
Stock-based compensation	**409**	308
Permanent tax rate differences arising from dilution gains, equity earnings and warrant revaluation	**(263)**	19
Effect of changes in the expected future income tax rate	**(76)**	(405)
Other	**-**	(3)
	4,122	11,899

12. DEFERRED OPTION PAYMENTS

Various option payments have been received by the Corporation in exchange for the right to earn interests in certain mineral properties. The deferred option payments received on each of the respective properties are as follows:

	% to be Sold Under Agreement	**As at April 30, 2008**	As at April 30, 2007
		$	$
South Tally Pond	**100%**	**482**	275
Rocky Brook	**70%**	**310**	290
Taylor Brook	**51%**	**72**	15
Viking	**51%**	**22**	-
Alexis River	**60%**	**38**	-
Notakwanon	**50%**	**35**	-
Nuiklavik	**50%**	**35**	-
Berry Hill	**60%**	**5**	-
Boxey	**60%**	**22**	-
		1,021	580

South Tally Pond

As part of an equity financing agreement with Paragon Minerals Corporation (“Paragon”), 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 on or before the first anniversary date thereafter, and 500,000 common shares on or before the eighth anniversary date or upon completion of a feasibility study. The first 500,000 shares have been received from Paragon and the agreement is in good standing.

Rocky Brook

The Rocky Brook project became subject to an earn-in/joint venture agreement with JNR Resources Inc. (“JNR”) in December 2004 that allows JNR to earn up to a 70% interest in the property by spending $2,525,000 on exploration expenditures over a four year period, and making a payment of 125,000 shares and other cash or share payments over the four year period totaling $172,000. JNR has met all share payments and expenditure commitments required under the agreement and further exploration work is planned for the upcoming season.

12. DEFERRED OPTION PAYMENTS (Continued)

Taylor Brook

Northern Abitibi Mining Corporation ("Northern Abitibi") may earn an initial 51% interest in the Taylor Brook property by issuing 500,000 shares, paying $200,000 to the Corporation and by spending $1,200,000 on exploration expenditures over a four year period. 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.

Viking

Northern Abitibi may earn up to a 51% interest in the Corporation's Viking gold project in western Newfoundland by issuing up to 1,115,000 shares of Northern Abitibi and spending up to $1,200,000 on exploration over four years. As at April 30, 2008, 90,000 shares have been received to date and the agreement remains in good standing.

Alexis River

Monroe Minerals Inc. ("Monroe") may earn up to a 60% interest in the Corporation's Alexis River uranium project in southeast Labrador by paying up to 2,500,000 shares and spending up to $1,250,000 on exploration over four years. This project is also subject to royalties in favour of the Corporation. The Corporation has received 500,000 shares to date and the agreement remains in good standing.

Notakwanon and Nuiklavik

Golden Cross Resources ("GCR") has signed an agreement with the Corporation whereby GCR may earn a 50% interest in two separate uranium projects in central Labrador. GCR may issue 25,000,000 shares and spend $3,500,000 on exploration over 5 years at the Notakwanon project and may issue 15,000,000 shares and spend $2,000,000 on exploration over 5 years at the Nuiklavik project. Both projects are 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 2,000,000 shares in GCR and the agreements are in good standing.

Berry Hill

Monroe may earn a 60% interest in the Corporation's Berry Hill project located in the southeastern island portion of Newfoundland and Labrador by granting 500,000 shares to the Corporation and incurring total exploration expenditures of $475,000 over a four year period. The Corporation has received 100,000 shares to date under this agreement and the agreement is in good standing.

12. DEFERRED OPTION PAYMENTS (Continued)

Boxey

Monroe may earn a 60% interest in the Corporation's Boxey property located in the southeastern island portion of Newfoundland and Labrador. To earn this interest Monroe must spend $1,000,000 in exploration expenditures over a four-year period and grant the Corporation 2,000,000 shares. To date, the Corporation has received 400,000 Monroe shares and the agreement remains in good standing.

13. LONG-TERM DEBT

Zero-coupon loan, payable at maturity on December 2011, bearing interest at 4.25% per annum. As security the Corporation has pledged proceeds from the equity forward agreement to sell 2,500,000 Aurora shares in December 2011. The value of the loan owing upon maturity will approximate the expected proceeds from the Aurora equity forward agreement as described in note 10 to the consolidated financial statements.

14. SHARE CAPITAL

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. The Corporation has not issued any First or Second Preferred shares.

Issued and outstanding – Common shares

	2008		2007	
	Number	**Stated Value**	Number	Stated Value
		$		$
Balance, beginning of year	**28,787,825**	**25,886**	28,722,725	25,123
Exercise of stock options	**392,000**	**1,101**	265,000	940
Bought deal financing, net of share issue costs	**1,900,000**	**51,172**	-	-
Cancelled pursuant to normal course issuer bid	**(154,100)**	**(226)**	(199,900)	(177)
Balance, end of year	**30,925,725**	**77,933**	28,787,825	25,886

14. SHARE CAPITAL (Continued)

On November 13, 2007, the Corporation closed a bought deal financing and issued 1,900,000 common shares at a price of $28 per share for gross proceeds of $53,200,000 less issuance costs of $3,126,000 and future income tax recovery of $1,098,000. The offering was done by way of short-form prospectus.

The Corporation repurchased and cancelled 154,100 common shares (2007 – 199,900) for a total cost of $2,598,000 (2007 - $1,530,000) under its normal course issuer bid. Upon cancellation, share capital was reduced by $226,000 (2007 - $177,000), the amount representing the average carrying value of the common shares on the books of the Corporation. The excess amount paid for the treasury shares of $2,372,000 (2007 - $1,353,000) was recorded as a reduction in retained earnings.

Contributed Surplus

	2008	2007
	$	$
Balance, beginning of year	**1,312**	684
Stock based compensation	**1,159**	852
Transferred to share capital upon exercise of stock options	**(274)**	(224)
Balance, end of year	**2,197**	1,312

Net earnings per share

Basic net earnings per share has been calculated using the weighted average number of common shares for the respective periods. Diluted net earnings per share has been calculated using the weighted average number of common shares outstanding for the respective periods after giving effect to dilutive stock options and warrants. There was no change in the numerator in calculating net earnings per share.

	2008	2007
Weighted average number of shares:		
Basic	**29,823,483**	28,804,825
Diluted	**30,462,520**	29,335,908

15. 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. 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 typically vest over a five–year period or 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 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 April 30, 2008 and 2007 and changes during the years then ended is as follows:

	2008		2007	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
		$		$
Outstanding, beginning of year	**1,238,000**	**4.87**	1,138,000	2.93
Granted	**212,500**	**26.59**	425,000	8.55
Exercised	**(392,000)**	**2.11**	(265,000)	2.66
Forfeited	**(20,000)**	**5.62**	(60,000)	3.92
	-		-	
Outstanding, end of year	**1,038,500**	**10.34**	1,238,000	4.87
Exercisable, end of year	**496,750**	**7.23**	616,000	3.27

15. STOCK-BASED COMPENSATION (Continued)

The following table summarizes information about stock options outstanding and exercisable at April 30, 2008:

	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	235,000	1.4	3.68	196,000	1.4	3.64
$4.01 to $8.00	250,000	2.8	4.88	130,000	2.8	4.71
$8.01 to $10.00	266,000	3.6	8.30	98,000	3.6	8.30
$10.01 to $15.00	95,000	3.7	11.11	34,000	3.7	10.89
$15.01 to $28.00	192,500	4.5	28.00	38,750	4.5	28.00
Total	1,038,500	3.1	10.34	496,750	2.6	7.23

The weighted-average fair value of stock options granted during 2008 and 2007 was estimated on the dates of grant to be $10.03 (2007 - $4.01) using the Black-Scholes option pricing model with the following assumptions:

	2008	2007
Expected life (years)	**4.25 to 4.36**	5.00
Risk-free interest rate (%)	**4.22 to 4.25**	4.00
Expected volatility (%)	**47.00 to 49.11**	48.00
Expected dividend yield (%)	**-**	-

Stock based compensation costs of $967,000 (2007 - $782,000) have been expensed and stock based compensation of $191,000 (2007 - $72,000) have been capitalized to mineral properties and deferred exploration costs.

16. ACCUMULATED OTHER COMPREHENSIVE EARNINGS (LOSS)

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

	Opening Balance May 1, 2007 $	Transition amount May 1, 2007 $	Net change $	**Ending Balance April 30, 2008 $**
Unrealized gain (loss) on the translation of financial statements of self-sustaining equity investment	215	-	(570)	**(355)**
Unrealized gains (losses) on available-for-sale investments	-	101,115	(96,261)	**4,854**
Unrealized gains (losses) on derivatives designated as cash flow hedges	-	(6,580)	31,910	**25,330**
	215	94,535	(64,921)	**29,829**

17. COMMITMENTS

South Tally Pond

The Corporation 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.

Moosehead

Agnico Eagle Mines Inc. ("Agnico") has earned an ownership 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 in future exploration and development expenditures or accept 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.

17. COMMITMENTS (Continued)

Leases

The Corporation is committed under leases on trucks and office space, including operating costs, for annual future minimum lease payments over the next three years as follows:

	$
2009	**52**
2010	**13**
2011	**6**
	71

Mineral property expenditures

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 licenses in good standing and for refund of security deposits. On or before the anniversary date of license issuance, and if the required expenditures are not met, the Corporation has the option of reducing claims on a property, post a refundable security bond for the deficient amount or elect to allow title of the license be cancelled. The Corporation is required to spend $5,168,549 by April 30, 2009 in order to maintain various licenses in good standing, of which $4,839,913 is required to be spent for a refund of security deposits in the amount of $858,333.

In addition, $2,440,000 of the exploration expenditure commitments are secured by a promissory note from the Corporation payable to the Government of New Brunswick to cover required expenditures on the Albert Oil shale project.

18. SUPPLEMENTAL CASH FLOW INFORMATION

	2008	2007
Items not affecting cash:	**$**	$
Mineral properties abandoned or impaired	**549**	261
Stock-based compensation	**967**	781
Amortization	**781**	521
Impairment provision on equity investment (Note 8)	**22,101**	-
Impairment provision on demand loan receivable (Note 8)	**30,093**	-
Gain on disposal of mining & mineral related investments	**(61,637)**	(62,746)
Gain on disposal of mineral property	**(234)**	-
Non - cash interest on long-term debt	**1,645**	246
Dilution gain on issuance of shares by equity investment	**(3,541)**	-
Share of loss in equity investments	**707**	1,599
Change in fair value of share purchase warrants	**1,008**	-
Receipt of available for sale investments	**(115)**	-
Future income taxes	**(3,439)**	1,012
	(11,115)	(58,326)
Change in non-cash operating working capital:		
Accounts receivable and prepaid expenses	**987**	(1,747)
Accounts payable and accrued liabilities	**(158)**	146
Corporate income taxes payable and receivable	**(22,855)**	10,878
	(22,026)	9,277
Income taxes paid	**30,415**	-
Non-cash items:		
Stock- based compensation capitalized	**191**	72
Receipt of available-for-sale financial assets in exchange for interests in mineral properties	**422**	580

19. RELATED PARTY TRANSACTIONS

The Corporation's related party transactions are as follows:

	2008	2007
	$	$
Revenue from companies subject to significant influence	**83**	235
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**	69
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	**18**	26
General and administrative expenses	**30**	24
	48	50

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 $45,000 (2007 - $16,000) receivable from equity investments. The balances are receivable upon receipt of invoice.

20. INVESTMENT IN LABRADOR NICKEL ROYALTY LIMITED PARTNERSHIP ("LNRLP")

The Corporation's 10% share of LNRLP's assets, liabilities, income, expenses and cash flows, which has been proportionately consolidated in these consolidated financial statements, is as follows:

	2008	2007
	$	$
Balance Sheets		
Current assets	**1,161**	1,873
Royalty interest in mineral property	**12,469**	13,176
Current liabilities	**-**	-
Statements of Earnings		
Royalty revenue	**5,162**	4,297
Royalty tax	**(1,429)**	(479)
General and administrative	**(151)**	(71)
Amortization	**(707)**	(446)
Statements of Cash Flow		
Operating activities	**5,874**	2,378
Investing activities	**-**	(24)

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation's financial assets and financial liabilities are exposed to various risk factors that may affect the fair value presentation or the amount ultimately received or paid on settlement of its assets and liabilities. The Corporation manages these risks through prudent investment and business decisions, and, where the exposure is deemed too high, the Corporation may enter into derivative contracts to reduce this exposure. The Corporation does not utilize derivative financial instruments for trading or speculative purposes. Hedge accounting is applied only when appropriate documentation and effectiveness criteria are met.

The Corporation formally documents the relationship between the hedging instrument and the hedged item, as well as its risk management objective and strategy for undertaking the hedge transaction. The Corporation also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivative used in the hedging transaction is highly effective in offsetting changes in the fair value or cash flow of the hedged item.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

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

Market value and commodity price risk
The value of the Corporation's mining and mineral related investments companies is exposed to fluctuations in the quoted market price depending on a number of factors, including general market conditions, company-specific operating performance and the market value of the commodities that the companies may focus on. Except as noted below, the Corporation does not utilize any derivative contracts to reduce this exposure.

The Corporation has entered into an equity forward pricing agreement to hedge the Corporation's exposure to expected future cash flows from the sale of 2,500,000 Aurora shares. This effectively locks in the value of these shares at the contractual rate. The Corporation applies hedge accounting to this relationship under the parameters described above.

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

Interest rate risk
The Corporation's long-term debt has a fixed interest rate and therefore the expected payments are not exposed to interest rate fluctuations. However, the fair value of the debt will fluctuate with changes in the prevailing interest rates. In addition, the fair value of the equity forward agreement and warrants will be affected by any interest rate fluctuations since the fair value is determined using net present value calculations. An increase to the interest rate or discount rate would result in a decrease in the fair value of the long-term debt, and the equity forward contract and an increase in the fair value of the warrants.

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

Credit risk
The Corporation is exposed to credit-related losses in the event of non-performance by the counter-party to the equity forward agreement but does not expect the counter-party to fail to meet its obligation. The Corporation has some credit risk with accounts receivable balances owing from earn-in partners but the amount is not considered significant.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

The Corporation's cash and marketable securities include guaranteed investment certificates, bankers' acceptances and bankers' depository notes with major Canadian chartered banks with various maturity dates not exceeding 90 days. The Corporation does not expect any credit losses on these marketable securities.

22. SUBSEQUENT EVENTS

NLRC Developments

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. This protection enables NLRC, under the supervision of a trustee, to formulate a proposal for restructuring and to continue its efforts to attract financing and or partners for the refinery project. The initial period of creditor protection granted was 30 days, and was later extended for an additional 45 days until September 2, 2008. Further extensions may be granted with Court approval if NLRC can demonstrate that it is acting in good faith, that NLRC may a viable proposal to creditors if the extension is granted, and that none of the current creditors are adversely affected by the extension.

While the project fundamentals still indicate that the proposed refinery is economically attractive and the restructuring process is progressing well, the estimated recoveries in respect of the investment and the loan cannot be estimated with accuracy at this early stage in the restructuring process.

Mineral Exploration Agreements

Subsequent to year end the Corporation entered into two new agreements with Sprott Resources Corporation ("SRC") and Cornerstone Capital Resources Inc. ("Cornerstone") regarding the Bay St. George's potash project and Labrador Trough project, respectively, as well as an agreement with Norvista Resources Corp. ("Norvista") regarding the potential creation of a new public company to explore and develop its Kamistiattusset iron ore project in the Labrador West region.

On May 6, 2008 the Corporation entered into an earn - in agreement with SRC whereby SRC may earn an interest in a large land package that has been assembled by the Corporation to cover several known potash occurrences within the basin. SRC may earn up to a 60% interest in the St. George's Project by spending $2,500,000 over 4 years subject to an underlying 2% gross sales royalty retained by the Corporation. The St. Georges project consists of 1,400 claims (35,000 hectares) to cover four primary target areas for potash deposits. An exploration program to evaluate the area and to identify drill targets commenced in June 2008.

22. SUBSEQUENT EVENTS (Continued)

Mineral Exploration Agreements (Continued)

On June 11, 2008 the Corporation entered into a joint venture agreement with Cornerstone whereby the Corporation and Cornerstone would jointly explore for copper, gold and uranium in a 1,032 square kilometer area in western Labrador and Quebec. The parties have jointly contributed their respective land holdings in the region and will cost-share in any exploration work.

On June 23, 2008 the Corporation entered into an agreement with Norvista Resources Corp. concerning its Kamistiattusset iron ore project in western Labrador, Canada. Norvista and the Corporation agreed to work cooperatively towards the creation of a new public company focused on the western Labrador iron ore mining district. The agreement expires one year from signing date and both companies are assigned specific tasks required for an IPO under the agreement. Failing the IPO process the land holdings will revert to the Corporation.