



ALTIUS MINERALS CORPORATION

Consolidated Financial Statements

(Unaudited)

For the three months ended

July 31, 2008 and 2007



ALTIUS MINERALS CORPORATION

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ALTIUS MINERALS CORPORATION

Consolidated Balance Sheets

(Unaudited)

(In thousands of dollars)

	As at <u>July 31, 2008</u> \$	As at <u>April 30, 2008</u> \$
Assets		
Current assets		
Cash and cash equivalents	167,383	168,172
Accounts receivable and prepaid expenses	1,959	1,613
Income taxes receivable	6,079	6,668
	<u>175,421</u>	<u>176,453</u>
Mineral properties and deferred exploration costs (Note 4)	5,229	3,538
Royalty interest in mineral property	12,325	12,469
Property and equipment	409	165
Fair value of share purchase warrants	-	13
Equity investments and loans (Note 5)	6,954	6,876
Mining and mineral related investments (Note 6)	18,126	20,421
Fair value of equity forward instrument	32,370	30,335
	<u>250,834</u>	<u>250,270</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,470	977
Future income taxes	-	835
	<u>1,470</u>	<u>1,812</u>
Deferred option payments	1,041	1,021
Future income taxes	3,463	3,021
Long-term debt	38,517	38,115
	<u>44,491</u>	<u>43,969</u>
Shareholders' Equity	206,343	206,301
	<u>250,834</u>	<u>250,270</u>

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

(Unaudited)

(In thousands of dollars, except per share amounts)

	Three months ended July 31,	
	<u>2008</u>	<u>2007</u>
	\$	\$
Revenue		
Interest	1,302	1,241
Royalty	797	1,394
Other	36	12
	<u>2,135</u>	<u>2,647</u>
Expenses		
General and administrative	517	592
Royalty tax	159	194
Stock-based compensation (Note 8)	159	141
Amortization	159	104
Mineral properties abandoned or impaired (Note 4)	55	138
	<u>1,049</u>	<u>1,169</u>
Earnings before the following	1,086	1,478
Interest on long-term debt	(402)	(385)
Gain on disposal of mining and mineral related investments	-	16,242
Dilution gain on issuance of shares by equity investment	-	2,369
Share of (loss) in equity investments	(73)	(165)
Change in fair value of share purchase warrants	(14)	(243)
Investment income	-	18
Earnings before income taxes	<u>597</u>	<u>19,314</u>
Income taxes		
current	589	4,555
future	(372)	(939)
	<u>217</u>	<u>3,616</u>
Net earnings	<u>380</u>	<u>15,698</u>
Net earnings per share (Note 7)		
- basic	0.01	0.54
- diluted	0.01	0.53

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,	
	<u>2008</u>	<u>2007</u>
	\$	\$
Operating activities		
Net earnings	380	15,698
Items not affecting cash (Note 10)	490	(18,374)
	870	(2,676)
Change in non-cash operating working capital (Note 10)	703	(15,458)
	1,573	(18,134)
Financing activities		
Proceeds from issuance of share capital	-	195
Repurchase of common shares	(466)	-
	(466)	195
Investing activities		
Proceeds from disposal of investments	-	27,881
Mineral properties and deferred exploration costs, net of recoveries	(1,669)	(476)
Investment in equity - accounted investment	-	(1,198)
Acquisition of property and equipment	(260)	(13)
Increase in accounts receivable - related companies	33	9
	(1,896)	26,203
Net increase (decrease) in cash and cash equivalents	(789)	8,264
Cash and cash equivalents, beginning of period	168,172	114,284
Cash and cash equivalents, end of period	167,383	122,548
Cash and cash equivalents consist of:		
Deposits with banks	703	187
Short-term investments	166,680	122,361
	167,383	122,548

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, 2008:

	<u>Common Shares</u>		<u>Treasury Shares</u>		<u>Contributed Surplus</u>	<u>Accumulated Other Comprehensive Earnings (Note 9)</u>	<u>Retained Earnings</u>	<u>Total Shareholders' equity</u>
	#	\$	#	\$	\$	\$	\$	\$
Balance at 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 (loss)								271
Stock based compensation	-	-	-	-	159	-	-	159
Stock based compensation applied to mineral properties	-	-	-	-	78	-	-	78
Shares repurchased under normal course issuer bid	-	-	(67,600)	(466)	-	-	-	(466)
Balance at 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



ALTIUS MINERALS CORPORATION

Consolidated Statements of Shareholders' Equity (continued)

(Unaudited)

(In thousands of dollars, except share amounts)

Three months ended July 31, 2007:

	<u>Common Shares</u>		<u>Contributed</u>	<u>Accumulated Other</u>	<u>Retained</u>	<u>Total</u>
	<u>#</u>	<u>\$</u>	<u>Surplus</u>	<u>Earnings</u>	<u>Earnings</u>	<u>Shareholders'</u>
			<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>equity</u>
						<u>\$</u>
Balance at beginning of period	28,787,825	25,886	1,312	215	85,779	113,192
Accounting change	-	-	-	94,535	841	95,376
Adjusted balance beginning of period	28,787,825	25,886	1,312	94,750	86,620	208,568
Comprehensive earnings:						
Net earnings	-	-	-	-	15,698	15,698
Currency translation adjustment (net of income taxes of \$25)	-	-	-	(119)	-	(119)
Net unrealized losses on available-for-sale investments (net of income taxes of \$3,121)	-	-	-	(15,144)	-	(15,144)
Reclassification adjustment for disposals of available-for-sale investments included in net earnings (net of income taxes of \$2,604)	-	-	-	(13,237)	-	(13,237)
Unrealized gain on derivative financial instrument designated as a cash flow hedge (net of income taxes of \$1,192)	-	-	-	6,032	-	6,032
Total comprehensive earnings (loss)						<u>(6,770)</u>
Stock based compensation	-	-	141	-	-	141
Stock based compensation applied to mineral properties	-	-	25	-	-	25
Exercise of stock options	59,000	328	(133)	-	-	195
Balance at end of period	28,846,825	26,214	1,345	72,282	102,318	202,159

see accompanying notes to the unaudited consolidated financial statements



ALTIUS MINERALS CORPORATION

Notes to the Consolidated Financial Statements For the three months ended July 31, 2008 and 2007 (Unaudited)

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

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. BASIS OF PRESENTATION

The unaudited interim consolidated financial statements have been prepared following the accounting policies set out in the 2008 annual consolidated financial statements, except as disclosed in note 3.

These unaudited interim consolidated financial statements should be read in conjunction with the April 30, 2008 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 financial statements

3. ADOPTION OF NEW ACCOUNTING POLICIES

Financial Instruments – Disclosures and Financial Instruments – Presentation

Handbook sections entitled "Financial Instruments – Disclosures", (section 3862) and "Financial Instruments – Presentation" (section 3863), replaced "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 new disclosure is included in note 12 to the unaudited consolidated financial statements.

Capital Disclosures

CICA Handbook section 1535; entitled "Capital Disclosures" was adopted by the Corporation effective May 1, 2008. 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. This new disclosure is included in note 13 to the unaudited consolidated financial statements.



ALTIUS MINERALS CORPORATION

Notes to the Consolidated Financial Statements For the three months ended July 31, 2008 and 2007 (Unaudited)

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

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

Location	Primary Metal	Number of Claims	As at April 30, 2008	Net Additions	Abandoned or Impaired	As at July 31, 2008
			\$	\$	\$	\$
Labrador						
	Base metals	2,764	130	99	-	229
	Iron Ore	2,023	391	560	-	951
	Nickel	1,462	331	153	(7)	477
	Other	-	1	(1)	-	-
	Silica	29	1	2	-	3
	Uranium	3,273	296	53	-	349
		9,551	1,150	866	(7)	2,009
Newfoundland						
	Base metals	390	425	-	-	425
	Gold	294	140	5	(1)	144
	Nickel	-	89	8	(8)	89
	Potash	1,814	26	20	-	46
	Uranium	12,144	550	172	(7)	715
		14,642	1,230	205	(16)	1,419
	New Brunswick - Oil shale	-	481	501	-	982
	Nova Scotia - Potash	-	-	14	-	14
	Security deposits	-	677	128	-	805
	General exploration	-	-	32	(32)	-
	Grand total	24,193	3,538	1,746	(55)	5,229



ALTIUS MINERALS CORPORATION

Notes to the Consolidated Financial Statements For the three months ended July 31, 2008 and 2007 (Unaudited)

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

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS (Continued)

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
New Brunswick - 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



ALTIUS MINERALS CORPORATION

Notes to the Consolidated Financial Statements For the three months ended July 31, 2008 and 2007 (Unaudited)

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

5. EQUITY INVESTMENTS AND LOANS

	As at July 31, <u>2008</u> \$	As at April 30, <u>2008</u> \$
Investment in Rambler Metals and Mining plc, (percentage ownership: 20.2%) (market value: July, 2008 - \$9.0 million; April, 2008 - \$11.5 million)	6,954	6,876
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)
	<u>6,954</u>	<u>6,876</u>

Newfoundland and Labrador Refining Corporation

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 two additional periods of 45 days each until October 17, 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.

The estimated recoveries in respect of the investment and the loan cannot be determined with accuracy at this stage in the restructuring process



ALTIUS MINERALS CORPORATION

Notes to the Consolidated Financial Statements For the three months ended July 31, 2008 and 2007 (Unaudited)

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

6. MINING AND MINERAL RELATED INVESTMENTS

	As at July 31, <u>2008</u> \$	As at April 30, <u>2008</u> \$
Aurora Energy Resources Inc. (2,500,000 shares; Cost - \$1.0 million)	7,000	8,700
Other mining related portfolio investments (Cost: \$13.6 million)	<u>11,126</u>	11,721
	<u>18,126</u>	<u>20,421</u>

Aurora Energy Resources Inc.

The Corporation did not dispose of any shares in Aurora during the current period. During the three months ended July 31, 2007, the Corporation sold 834,900 shares in Aurora for net proceeds of \$14,347,000 and realized a gain on disposal of \$13,809,000.

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 annual consolidated financial statements.

Other Mining and Mineral Related Investments.

The Corporation did not dispose of any other mining and mineral related investments during the current period. During the three months ended July 31, 2007 the Corporation sold other mining and mineral related investments for net proceeds of \$13,534,000 and realized a gain on disposal of \$2,433,000.



ALTIUS MINERALS CORPORATION

Notes to the Consolidated Financial Statements For the three months ended July 31, 2008 and 2007 (Unaudited)

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

7. 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.

	Three months ended	
	<u>July 31, 2008</u>	<u>July 31, 2007</u>
Weighted average number of shares:		
Basic	30,925,293	28,814,760
Diluted	31,219,957	29,634,638



ALTIUS MINERALS CORPORATION

Notes to the Consolidated Financial Statements For the three months ended July 31, 2008 and 2007 (Unaudited)

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

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. 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.

There were no stock options awarded or exercised during the current period.

The following table summarizes information about stock options outstanding and exercisable at July 31, 2008:

Range	Total Options Outstanding			Total Exercisable Options		
	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	1.2	3.68	196,000	1.1	3.64
\$4.01 to \$8.00	250,000	2.6	4.88	130,000	2.5	4.71
\$8.01 to \$10.00	266,000	3.3	8.30	98,000	3.3	8.30
\$10.01 to \$15.00	95,000	3.4	11.11	38,000	3.4	11.11
\$15.01 to \$28.00	192,500	4.3	28.00	38,750	4.3	28.00
Total	1,038,500	2.9	10.34	500,750	2.3	7.28



ALTIUS MINERALS CORPORATION

Notes to the Consolidated Financial Statements For the three months ended July 31, 2008 and 2007 (Unaudited)

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

9. ACCUMULATED OTHER COMPREHENSIVE EARNINGS

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

	<u>As at</u> <u>July 31, 2008</u>	<u>As at</u> <u>April 30, 2008</u>
	\$	\$
Unrealized (loss) on the translation of financial statements of self-sustaining equity investment	(229)	(355)
Unrealized gains on available-for-sale investments	2,922	4,854
Unrealized gain on derivative designated as cash flow hedge	27,027	25,330
	<u>29,720</u>	<u>29,829</u>



ALTIUS MINERALS CORPORATION

Notes to the Consolidated Financial Statements For the three months ended July 31, 2008 and 2007 (Unaudited)

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

10. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended July 31,	
	<u>2008</u>	<u>2007</u>
	\$	\$
Items not affecting cash:		
Mineral properties abandoned or impaired	55	138
Stock-based compensation	159	141
Amortization	159	104
Gain on disposal of mining and mineral related investments	-	(16,242)
Non - cash interest on long-term debt	402	385
Dilution gain on issuance of shares by equity investment	-	(2,369)
Share of loss in equity investments	73	165
Change in fair value of share purchase warrants	14	243
Future income taxes	(372)	(939)
	<u>490</u>	<u>(18,374)</u>
Change in non-cash operating working capital:		
Accounts receivable and prepaid expenses	(379)	200
Accounts payable and accrued liabilities	493	(592)
Corporate income taxes payable and receivable	589	(15,066)
	<u>703</u>	<u>(15,458)</u>
Income taxes paid	-	19,622
Non-cash items:		
Stock- based compensation capitalized	78	25
Receipt of available-for-sale financial assets in exchange for interests in mineral properties	20	21



ALTIUS MINERALS CORPORATION

Notes to the Consolidated Financial Statements For the three months ended July 31, 2008 and 2007 (Unaudited)

(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,	
	<u>2008</u>	<u>2007</u>
	\$	\$
Revenue from companies subject to significant influence	6	8
Consulting fees and related services and costs paid to a company controlled by a director, and reflected as mineral properties and deferred exploration costs	6	-
<hr/>		
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	14	7
General and administrative expenses	2	8
	16	15

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 \$12,000 (2007 - \$7,000) receivable from the Corporation's equity investment in NLRC. The Corporation has recorded an allowance for \$6,389 for this receivable.

12. 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.



ALTIUS MINERALS CORPORATION

Notes to the Consolidated Financial Statements For the three months ended July 31, 2008 and 2007 (Unaudited)

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

12. 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.

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 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.

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 cannot 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.

Liquidity risk

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

Credit risk

The Corporation is exposed to credit-related losses in the event of non-performance by the counterparty to the equity forward agreement but does not expect the counterparty 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.

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. The Corporation does not expect any credit losses on these marketable securities.



ALTIUS MINERALS CORPORATION

Notes to the Consolidated Financial Statements For the three months ended July 31, 2008 and 2007 (Unaudited)

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

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Sensitivity Analysis

The Corporation has mining and mineral investments that are marked to fair market value at each reporting period, with a corresponding adjustment to other comprehensive earnings. These market value fluctuations are partially offset by the equity forward agreement to sell 2,500,000 Aurora shares in December 2008. The equity forward agreement is also marked to market with the value change going to other comprehensive earnings each period.

Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are "reasonably possible" over a twelve month period:

The Corporation's mining and mineral related investments sensitivity to a +/- 20% movement in quoted market prices would affect comprehensive earnings (loss) by \$1,900,000, net of applicable taxes.

13. CAPITAL MANAGEMENT

The Corporation's objectives when managing capital are to minimize shareholder dilution while maximizing shareholder return. The Corporation also believes it should maintain sufficient capital for potential investment opportunities. The Corporation manages its capital by repurchasing its common shares under its normal course issuer bid to offset the dilutive effect of its stock option plan, or where it believes the current share price does not reflect the true value of the Corporation. In addition, the Corporation may from time to time issue new shares to fund special project initiatives, and may consider dividend distributions to shareholders at a future date.

The Corporation is not subject to any external capital requirements.

14. SUBSEQUENT EVENTS

During August and September 2008 the Corporation repurchased an additional 1,135,030 shares in the Corporation under its normal course issuer bid at an average price of \$6.49 for a total cost of \$7,366,000.