

ALTIUS MINERALS CORPORATION

INTERIM FINANCIAL STATEMENTS

July 31, 2002

ALTIUS MINERALS CORPORATION

Consolidated Balance Sheet

	July 31 2002	April 30 2002
Assets		
Current assets		
Cash and cash equivalents	\$ -	\$ 63,844
Marketable securities, at cost (Market value - \$ 2,024,873; April 30, 2002 – \$1,030,160)	2,024,332	1,030,160
Accounts receivable	255,082	115,699
Government grant receivable	63,233	
Prepaid expenses	<u>1,058</u>	<u>4,184</u>
	2,343,705	1,213,887
Mineral properties and deferred exploration costs	714,807	683,515
Investments (note 2)	42,500	
Capital assets	<u>36,440</u>	<u>31,968</u>
	<u>\$ 3,137,452</u>	<u>\$ 1,929,370</u>
Liabilities		
Current liabilities		
Bank overdraft	\$ 176,266	\$ -
Accounts payable and accrued liabilities	<u>92,150</u>	<u>35,315</u>
	268,416	35,315
Shareholders' Equity		
Share capital (note 4)	4,219,719	3,227,468
Deficit	<u>(1,350,683)</u>	<u>(1,333,413)</u>
	2,869,036	1,894,055
	<u>\$ 3,137,452</u>	<u>\$ 1,929,370</u>

NOTICE TO READER

I have compiled this statement from information provided by management. I have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that this statement may not be appropriate for their purposes.

St. John's, Newfoundland
September 24, 2002

Sharon M. Dunn
Chartered Accountant

ALTIUS MINERALS CORPORATION
Consolidated Statement of Loss and Deficit

	Three Months Ended July 31	
	2002	2001
Interest income	\$ <u>17,706</u>	\$ <u>7,417</u>
Expenses		
General and administrative	32,406	40,306
Mineral properties abandoned or impaired	-	1,096
Amortization	<u>2,570</u>	<u>1,769</u>
	<u>34,976</u>	<u>43,171</u>
Net loss	(17,270)	(35,754)
Deficit, beginning of period	<u>(1,333,413)</u>	<u>(989,736)</u>
Deficit, end of period	<u><u>\$ (1,350,683)</u></u>	<u><u>\$ (1,025,490)</u></u>
Net loss per share (basic and diluted)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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ALTIUS MINERALS CORPORATION

Consolidated Statement of Cash Flow

	Three Months Ended July 31	
	2002	2001
Operating activities		
Net loss	\$ (17,270)	\$ (35,754)
Items not affecting cash		
Costs of mineral properties abandoned or impaired	-	1,096
Amortization	<u>2,570</u>	<u>1,769</u>
	(14,700)	(32,889)
Change in non-cash working capital balances related to operating activities	<u>(25,350)</u>	<u>(1,891)</u>
	<u>(40,050)</u>	<u>(34,780)</u>
Financing activities		
Proceeds from issuance of shares, net of issuance costs	971,001	7,000
Change in non-cash working capital balances related to financing activities	<u>39,034</u>	<u>-</u>
	<u>1,010,035</u>	<u>7,000</u>
Investing activities		
Acquisition of marketable securities	(994,172)	(300,000)
Acquisition of mineral properties and deferred exploration costs, net of recoveries	(52,542)	(96,945)
Acquisition of capital assets	(7,042)	(5,565)
Change in non-cash working capital balances related to investing activities	<u>(156,339)</u>	<u>(21,795)</u>
	<u>(1,210,095)</u>	<u>(424,305)</u>
Net (decrease) in cash and cash equivalents	(240,110)	(452,085)
Cash and cash equivalents, beginning of period	<u>63,844</u>	<u>558,449</u>
Cash and cash equivalents, end of period	<u><u>\$ (176,266)</u></u>	<u><u>\$ 106,364</u></u>
Cash and cash equivalents consists of:		
Deposits with bank (bank overdraft)	\$ (176,266)	\$ 69,343
Term deposits	<u> </u>	<u>37,021</u>
	<u><u>\$ (176,266)</u></u>	<u><u>\$ 106,364</u></u>

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ALTIUS MINERALS CORPORATION

Consolidated Schedule of Mineral Properties and Deferred Exploration Costs Three Months Ended July 31, 2002

	Balance April 30, 2002	Net Additions	Abandoned or impaired	Balance July 31, 2002
Rambler	\$ 87,194	\$ 5,917	\$	\$ 93,111
South Tally	72,916			72,916
Lockport	65,625			65,625
Moosehead	58,252	(6,106)		52,146
Shamrock	39,276			39,276
Rocky Brook	35,983	(5,983)		30,000
Miguel's Trend	35,036	(35,036)		
Butler's Pond	33,921			33,921
Cross Hills	31,771	7,959		39,730
Mustang Trend	27,163			27,163
Point Leamington	26,477			26,477
Taylor Brook	14,002	5,521		19,523
Bay d'Espoir	10,657	11,958		22,615
Flint Cove	4,639			4,639
Victoria River	2,458			2,458
Twilite	1,725	17,152		18,877
Jocko Pond	1,160	163		1,323
Linear	596	(595)		1
Robert's Arm	125	(124)		1
Wild Cove	1			1
Red Bay		1,154		1,154
Security deposits	134,538	29,312		163,850
	\$ 683,515	\$ 31,292	\$	\$ 714,807

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ALTIUS MINERALS CORPORATION
Notes to Consolidated Financial Statements
July 31, 2002

1. Basis of presentation

The unaudited interim consolidated financial statements have been prepared following the accounting policies set out in the fiscal 2002 annual consolidated financial statements, except for the stock based compensation policy disclosed in Note 3, and the policy on long-term investments disclosed herein.

The disclosures in the unaudited consolidated financial statements do not conform in all material respects to the requirements of generally accepted accounting principles for annual financial statements. Accordingly, these unaudited interim consolidated financial statements should be read in conjunction with the fiscal 2002 annual consolidated financial statements.

Long-term portfolio investments

Long-term portfolio investments are recorded at cost. Declines in market values are not reflected in the accounts unless such a decline is considered to be other than temporary. Gains or losses on disposals of investments will be reflected in the statement of income and deficit in the period of disposal.

2. Investments

	July 31 2002	April 30 2002
Portfolio investments, at cost (market value \$27,500)	<u>\$ 42,500</u>	<u>\$ _____</u>

Portfolio investments were received as partial consideration for the grant of options to third parties for the purchase of mineral claims. The decline in market value is considered to be temporary and therefore, a write-down to market value has not occurred.

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ALTIUS MINERALS CORPORATION
Notes to Consolidated Financial Statements
July 31, 2002

3. Stock-based compensation

Effective May 1, 2002, the Corporation adopted the recommendations of the Canadian Institute of Chartered Accountants with respect to accounting for stock-based compensation arrangements. The Corporation has elected to continue to use the intrinsic value-based method of accounting for its stock options issued to employees, officers, and directors, whereby no compensation expense is recorded for stock options that have an exercise price equal to or greater than the fair value of the stock at the date options are granted. The Corporation will disclose the pro-forma results of using the fair value method, under which compensation expense is recorded based on the estimated fair value of the options. The pro-forma results will reflect only the effect of options granted subsequent to May 1, 2002. No options were granted to employees, officers or directors during the first quarter of 2002.

4. Share capital

(a) Authorized

- Unlimited number of common voting shares
- Unlimited number of First Preferred shares
- Unlimited number of Second Preferred shares

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

(b) Issued – Common shares

	Number	Stated Value
Balance, April 30, 2002	15,064,284	\$ 3,227,468
Exercise of stock options	65,800	20,660
Pursuant to a private placement (note 4 [c])	1,000,000	1,126,000
Pursuant to acquisition of mineral properties	<u>15,000</u>	<u>21,250</u>
	<u>16,145,084</u>	4,395,378
Less: Share issuance costs		<u>175,659</u>
		<u>\$ 4,219,719</u>

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ALTIUS MINERALS CORPORATION

Notes to Consolidated Financial Statements

July 31, 2002

4. Share capital

- (c) Pursuant to a private placement, the Corporation issued 1,000,000 units at \$1.05 per unit for aggregate proceeds of \$1,050,000. Each unit consist of one common share and one half of a common share purchase warrant. One whole warrant entitles the holder to purchase one common share at \$1.25 per share until May 16, 2003 and \$1.50 per share thereafter until May 16, 2004. As of July 31, 2002, no warrants have been exercised.

The Corporation paid a cash commission of \$73,500 to an agent for placing the units. The Corporation also issued 100,000 warrants to the agent, entitling the agent to purchase one common share at \$1.25 per share until May 16, 2003. The fair value of the warrants issued to the agent at the date of the closing of the private placement was estimated to be \$76,000, using the Black-Scholes model with the following assumptions:

Expected life (years):	1
Interest rate:	3.4 %
Volatility:	94 %

This amount has been included in share issuance costs. As of July 31, 2002, no warrants have been exercised.

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

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July 31, 2002

4. Share capital

A summary of the status of the Corporation's stock option plan as of July 31, 2002 and changes during the period then ended is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, April 30, 2002	1,095,250	\$ 0.43
Exercised	<u>(65,800)</u>	0.31
Outstanding and exercisable, July 31, 2002	<u><u>1,029,450</u></u>	\$ 0.43

Range of Exercise Prices	Number Outstanding And Exercisable at July 31, 2002	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
\$0.20 - \$0.29	59,450	0.25 years	\$0.20
\$0.30 - \$0.39	440,000	1.30	\$0.34
\$0.40 - \$0.49	45,000	3.45	\$0.44
\$0.50 - \$0.59	<u>485,000</u>	4.0	\$0.55
	<u><u>1,029,450</u></u>	2.61 years	\$0.44

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