

ALTIUS MINERALS CORPORATION

INTERIM FINANCIAL STATEMENTS

For the quarter ended January 31, 2003

ALTIUS MINERALS CORPORATION

Consolidated Balance Sheets

	January 31 2003	April 30 2002
Assets		
Current assets		
Cash and cash equivalents	\$ 383,798	\$ 63,844
Marketable securities, at cost (Market value - \$1,501,376; April 30, 2002 - \$1,030,160)	1,498,656	1,030,160
Accounts receivable	227,404	115,699
Prepaid expenses	<u>21,189</u>	<u>4,184</u>
	2,131,047	1,213,887
Mineral properties and deferred exploration costs	861,714	683,515
Investments (note 2)	42,500	-
Equipment	<u>38,649</u>	<u>31,968</u>
	<u>\$ 3,073,910</u>	<u>\$ 1,929,370</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	<u>\$ 110,072</u>	<u>\$ 35,315</u>
Shareholders' Equity		
Share capital (note 4)	4,475,126	3,227,468
Contributed surplus (note 4 (d))	85,900	-
Deficit	<u>(1,597,188)</u>	<u>(1,333,413)</u>
	<u>2,963,838</u>	<u>1,894,055</u>
	<u>\$ 3,073,910</u>	<u>\$ 1,929,370</u>

NOTICE TO READER

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St. John's, Newfoundland and Labrador
March 25, 2003

Sharon M. Dunn
Chartered Accountant

ALTIVUS MINERALS CORPORATION

Consolidated Statements of Loss and Deficit

	Three Months Ended January 31		Nine Months Ended January 31	
	2003	2002	2003	2002
Interest income	<u>\$ 21,556</u>	<u>\$ 9,626</u>	<u>\$ 58,675</u>	<u>\$ 25,261</u>
Expenses				
General and administrative (note 4 [d])	128,634	81,723	313,983	168,276
Mineral properties abandoned or impaired	90	480	250	2,416
Amortization	<u>2,768</u>	<u>2,692</u>	<u>8,217</u>	<u>6,914</u>
	<u>131,492</u>	<u>84,895</u>	<u>322,450</u>	<u>177,606</u>
Net loss	(109,936)	(75,269)	(263,775)	(152,345)
Deficit, beginning of period	<u>(1,487,252)</u>	<u>(1,066,812)</u>	<u>(1,333,413)</u>	<u>(989,736)</u>
Deficit, end of period	<u><u>\$(1,597,188)</u></u>	<u><u>\$(1,142,081)</u></u>	<u><u>\$(1,597,188)</u></u>	<u><u>\$(1,142,081)</u></u>
Net loss per share (basic and diluted)	<u><u>\$ (0.01)</u></u>	<u><u>\$ (0.01)</u></u>	<u><u>\$ (0.02)</u></u>	<u><u>\$ (0.01)</u></u>

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ALTIUS MINERALS CORPORATION

Consolidated Statements of Cash Flows

	Three Months Ended		Nine Months Ended	
	January 31		January 31	
	2003	2002	2003	2002
Operating activities				
Net loss	\$(109,936)	\$ (75,269)	\$ (263,775)	\$(152,345)
Items not affecting cash				
Cost of mineral properties abandoned or impaired	90	480	250	2,416
Amortization	2,768	2,692	8,217	6,914
Compensation expense – estimated fair value of stock options issued to a consultant	-	-	55,500	-
	<u>(107,078)</u>	<u>(72,097)</u>	<u>(199,808)</u>	<u>(143,015)</u>
Change in non-cash working capital balances related to operating activities	<u>(64,356)</u>	<u>(4,932)</u>	<u>(66,117)</u>	<u>(8,710)</u>
	<u>(171,434)</u>	<u>(77,029)</u>	<u>(265,925)</u>	<u>(151,725)</u>
Financing activities				
Proceeds from issuance of shares, net of issuance cost	223,917	675,830	1,219,158	682,830
Change in non-cash working capital balances related to financing activities	3,709	-	45,509	-
	<u>227,626</u>	<u>675,830</u>	<u>1,264,667</u>	<u>682,830</u>
Investing activities				
Acquisition of marketable securities	-	-	(468,496)	(300,000)
Proceeds from disposition of marketable securities	533,090	-	-	-
Acquisition of mineral properties and deferred exploration costs, net of recoveries	(90,169)	(40,098)	(162,049)	(229,273)
Acquisition of equipment	(2,138)	(5,126)	(14,898)	(14,663)
Change in non-cash working capital balances related to investing activities	315,738	36,591	(33,345)	(39,204)
	<u>756,521</u>	<u>(8,633)</u>	<u>(678,788)</u>	<u>(583,140)</u>
Net increase (decrease) in cash and cash equivalents	812,713	590,168	319,954	(52,035)
Cash and cash equivalents, beginning of period	<u>(428,915)</u>	<u>(83,754)</u>	<u>63,844</u>	<u>558,449</u>
Cash and cash equivalents, end of period	<u>\$ 383,798</u>	<u>\$ 506,414</u>	<u>\$ 383,798</u>	<u>\$ 506,414</u>
Cash and cash equivalents consists of:				
Deposits with bank (bank overdraft)	\$(106,474)	\$ 506,414	\$(106,474)	\$ 506,414
Term deposits	<u>490,272</u>	<u>-</u>	<u>490,272</u>	<u>-</u>
	<u>\$ 383,798</u>	<u>\$ 506,414</u>	<u>\$ 383,798</u>	<u>\$ 506,414</u>

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Consolidated Schedule of Mineral Properties and Deferred Exploration Costs

Nine Months Ended January 31, 2003

	Balance April 30 2002	Net Additions	Abandoned or impaired	Balance January 31 2003
Rambler	\$ 87,194	\$ 47,639	\$ -	\$ 134,833
Cross Hills	31,771	52,838	-	84,609
South Tally	72,916	4,905	-	77,821
Bay d'Espoir	10,657	60,336	-	70,993
Lockport	65,625	-	(250)	65,375
Twilite	1,725	58,226	-	59,951
Shamrock	39,276	-	-	39,276
Butler's Pond	33,921	-	-	33,921
Point Leamington	26,477	-	-	26,477
Moosehead	58,252	(32,182)	-	26,070
Rocky Brook	35,983	(13,997)	-	21,986
Taylor Brook	14,002	6,848	-	20,850
Exploit's River	-	19,486	-	19,486
Flint Cove	4,639	-	-	4,639
Victoria River	2,458	-	-	2,458
Merasheen	-	1,483	-	1,483
Jocko Pond	1,160	163	-	1,323
Red Bay	-	1,154	-	1,154
Bay D'Norde	-	758	-	758
Oil Islands	-	400	-	400
Mustang Trend	27,163	(27,162)	-	1
Linear	596	(595)	-	1
Robert's Arm	125	(124)	-	1
Wild Cove	1	-	-	1
Miguel's Trend	35,036	(35,036)	-	-
Security deposits	134,538	33,309	-	167,847
	<u>\$ 683,515</u>	<u>\$ 178,449</u>	<u>\$ (250)</u>	<u>\$ 861,714</u>

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ALTIUS MINERALS CORPORATION

Notes to Consolidated Financial Statements

January 31, 2003

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

	January 31 2003	April 30 2002
Portfolio investments, at cost (market value - \$37,250)	\$ <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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January 31, 2003

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. Stock options granted to non-employees are accounted for using the fair value method under which options granted on or after May 1, 2002 are recorded at their estimated fair value at the grant date. 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.

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.

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ALTIUS MINERALS CORPORATION
Notes to Consolidated Financial Statements
January 31, 2003

4. Share capital

(b) Issued – Common shares

	Number	Stated Value
Balance, April 30, 2002	15,064,284	\$ 3,227,468
Exercise of stock options	125,250	32,550
Exercise of warrants	195,000	237,000
Pursuant to a private placement (note 4 [c])	1,000,000	1,095,600
Pursuant to acquisition of mineral properties	50,000	58,900
	<u>16,434,534</u>	<u>4,651,518</u>
Less: Share issuance costs		<u>176,392</u>
		<u>\$ 4,475,126</u>

(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 consists 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 January 31, 2003, 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 for each warrant, 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
Risk-free interest rate (%)	3.4
Expected volatility (%)	94
Expected dividends (\$/share)	-

This amount has been included in share issuance costs with a corresponding amount reflected as contributed surplus. As of January 31, 2003, 60,000 warrants have been exercised and \$45,600 has been transferred from contributed surplus to share capital upon the exercise of the warrants.

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January 31, 2003

4. Share capital

(d) In September, 2002, the Company issued stock options to employees and directors to purchase 370,000 common shares and stock options to a consultant to purchase 50,000 common shares, at a price of \$1.35 per share. The options vest immediately and have a five year term, expiring on September 19, 2007. The estimated fair value of the 50,000 stock options issued to a consultant has been reflected as compensation expense in general and administrative expense, at an estimated fair value of \$55,500, with a corresponding amount reflected as contributed surplus. On a pro-forma basis, had the compensation expense for the stock options issued to employees and directors also been determined and recorded based on the fair market value method, the Company's net loss and net loss per share would have been as follows:

	Three Months Ended January 31, 2003	Nine Months Ended January 31, 2003
Compensation costs	\$ -	\$ 410,700
Net loss		
As reported	(109,936)	(263,775)
Pro-forma	(109,936)	(674,475)
Net loss per share (basic and diluted)		
As reported	(0.01)	(0.02)
Pro-forma	(0.01)	(0.04)

The fair market value of the stock options granted is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

Fair value options granted (\$/share)	1.39
Expected life (years)	5
Risk-free interest rate (%)	3.98
Expected volatility (%)	106
Expected dividends (\$/share)	-

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January 31, 2003

4. Share capital

- (e) 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.

A summary of the status of the Corporation's stock option plan as of January 31, 2003 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
Granted	420,000	1.35
Exercised	<u>(125,250)</u>	0.26
Outstanding and exercisable, January 31, 2003	<u>1,390,000</u>	\$ 0.72

Range of Exercise Prices	Number Outstanding And Exercisable at January 31, 2003	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
\$0.30 - \$0.39	440,000	.80	\$0.34
\$0.40 - \$0.49	45,000	2.95	\$0.44
\$0.50 - \$0.59	485,000	3.50	\$0.55
\$1.30 - \$1.40	<u>420,000</u>	4.62	\$1.35
	<u>1,390,000</u>	2.96 years	\$0.72

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