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Management's Discussion and Analysis of Financial Position and Results of Operations ("MD&A")

The following information, prepared as of September 25, 2009, should be read in conjunction with the unaudited consolidated financial statements of i-minerals inc. for the three months ended July 31, 2009, as well as the audited consolidated financial statements for the year ended April 30, 2009 and the related management's discussion and analysis (the "Annual MD&A"). All amounts are expressed in Canadian dollars unless otherwise indicated.

Forward-Looking Statements

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

This MD&A and in particular the "Outlook" section, contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. Information concerning the interpretation of drill results may also be considered a forward-looking statement, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of September 25, 2009.
- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.
- Subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

The material assumptions that were applied in making the forward looking statements in this MD&A include: execution of the Company's existing plans or exploration programs for the Helmer-Bovill property, either of which may change due to changes in the views of the Company or if new information arises which makes it prudent to change such plans or programs; and the accuracy of current interpretation of drill and other exploration results.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and Uncertainties".

General

The Company's principal business is the development of the Helmer-Bovill industrial mineral property. The Helmer-Bovill property is comprised of ten adjacent and non-adjacent mineral leases that cover a border phase of the Thatuna granodiorite ("TG") that hosts potentially economic deposits of feldspar, quartz and kaolinitic clays, primarily kaolinite and halloysite. These minerals of economic interest occur in two related deposit types, both of which contain two or more of the targeted minerals:

- the unweathered Thatuna granodiorite hosts deposits of sodium ("Na") feldspar and quartz;
- the weathered Thatuna granodiorite hosts residual deposits of potassium ("K") feldspar, kaolin (kaolinite / halloysite) and quartz; and

Both of the deposits types are amenable to low strip ratio, low-cost open pit mining techniques. The Helmer-Bovill property is favourably located in Latah County, Idaho where it enjoys very competitive transportation logistics: rail access; deep water port access through the Port of Lewiston about 50 miles away; and proximity to the Interstate highway network. The town of Bovill has readily available electricity and natural gas.

To date, the Company has identified two resources, a measured and indicated Na-feldspar-quartz resource known as the Kelly's Basin deposit; and a K-feldspar-quartz deposit known as the Moose Creek Tailings deposit. The Kelly's Basin deposit is the subject of an ongoing feasibility study by SRK Consulting (US), Inc. ("SRK").

Elsewhere on the property, where portions of the granitoid body have been subjected to intense weathering, residual and sedimentary deposits of kaolinitic clays occur. In these areas, kaolinite and halloysite are the primary minerals of economic interest. Based upon metallurgical work and historic mining and related development efforts, the Helmer-Bovill property has the potential to host significant tonnages of halloysite bearing clays.

Results of Operations

The Company recorded a net loss of \$74,588 (\$0.00 per share) for the first quarter ended July 31, 2009 as compared to a loss of \$102,790 (\$0.01 per share) reported in the first quarter of 2008. Expenses increased to \$119,261 in 2009 compared to \$107,846 in 2008. Professional fees increased to \$45,156 from \$7,553 reflecting increased legal fees associated with the permitting process. This increase was offset by a reduction in non-cash stock-based compensation charges from \$36,453 to \$nil, reflecting the fact that all stock options had previously vested; and there have been no grants in the current period. Promotion and shareholder communication expense was \$24,143 in 2009 and \$24,552 in 2008 as the Company has an ongoing agreement for investor relations and other corporate development services at a cost of \$8,000 per month. Expense items in 2009 also include management fees of \$4,849 (2008 - \$4,562), and consulting fees of \$9,000 (2008 - \$9,000) charged by directors for services rendered.

The 2009 expenses were offset by a foreign exchange gain of \$44,663 (2008 - \$5,000) resulting from a strengthening of the Canadian dollar during the period in relation to U.S. dollar-denominated payables.

Capital Expenditures

The Company incurred deferred exploration expenditures of \$153,124 during the quarter ended July 31, 2009, compared to \$155,251 incurred in the same period of 2008. The 2009 expenditures were incurred on the Helmer-Bovill Property and included engineering and consulting charges of \$67,361 (2008 - \$92,098) and environmental costs of \$47,415 (2008 - \$nil) associated with the ongoing feasibility study being undertaken by SRK.

Summary of Quarterly Results (unaudited)

	For the quarter ended			
	July 31 2009	April 30 2009	January 31 2009	October 31 2008
Total revenues	\$nil	\$nil	\$nil	\$nil
Net loss	(\$74,588)	(\$119,379)	(\$112,320)	(\$117,031)
Net loss per share (basic and diluted) ⁽¹⁾	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.01)
Total assets	\$6,153,324	\$6,030,256	\$5,924,557	\$5,852,077

	For the quarter ended			
	July 31 2008	April 30 2008	January 31 2008	October 31 2007
Total revenues	\$nil	\$nil	\$nil	\$nil
Net loss	(\$102,790)	(\$132,885)	(\$177,613)	(\$231,206)
Net loss per share (basic and diluted) ⁽¹⁾	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)
Total assets	\$5,900,366	\$4,975,403	\$4,951,932	\$5,021,413

⁽¹⁾ The basic and diluted calculations result in the same values due to the anti-dilutive effect of outstanding convertible instruments, stock options and warrants.

There were no material factors affecting the comparability of the foregoing financial data except that the net loss for the quarter ended January 31, 2008 and the quarter ended October 31, 2007 included non-cash charges of \$121,485 and \$113,042, respectively, for stock-based compensation expense.

Financing Activities

During the first quarter ended July 31, 2009, the Company completed the first tranche of a non-brokered unsecured convertible debenture financing, raising proceeds of \$290,625 (US\$250,000). The debentures bear interest at 12% per annum, have a term of two years to June 30, 2011 and are convertible into shares of the Company at the rate of one share per \$0.35 of principal outstanding. Accordingly, the first tranche of debentures are convertible into 830,565 shares of the Company. Conversion is at the sole discretion of the debentureholder unless the closing price of the Company's common shares as traded on the TSX Venture Exchange is \$0.75 or greater for a period of ten consecutive trading days subsequent to four months and one day after the issuance of the debentures, in which case the Company may give notice to the debentureholders, forcing conversion of the debentures.

The Company also issued 830,565 share purchase warrants to the debentureholders with each warrant entitling the holder to acquire an additional share at a price of \$0.43 until expiry on June 30, 2010. The warrants are detachable from the debentures and may therefore be exercised prior to conversion of the debentures.

During the comparative quarter ended July 31, 2008, the Company completed a financing in which it raised net proceeds of \$901,466 from a non-brokered private placement of 1,510,032 units at a price of \$0.60 per unit. The Company also received \$218,750 from the exercise of 625,000 stock options at \$0.35 per share.

Liquidity and Capital Resources

The Company's aggregate operating, investing and financing activities during the quarter consumed cash of \$31,590. As at July 31, 2009, the Company had cash of \$8,516 and a working capital deficit of (\$500,564).

The Company has not as yet put into commercial production any of its mineral properties and as such has no operating revenues. Accordingly, the Company is dependent on the equity markets as its sole source of operating working capital. The Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects.

The recent events in the global financial markets have had a profound impact on the global economy. Virtually all industries are impacted by these market conditions, which have included: a sharp contraction in the credit markets resulting in a widening of credit risk spreads and higher costs of funding; a deterioration in the credit ratings of numerous large financial institutions; devaluations and high volatility in global equity, commodity, foreign exchange and metals markets and a corresponding lack of market liquidity; and a slowdown in economic activity that is affecting major global economies. These events could have a significant impact on the Company.

Current financial markets are likely to continue to be volatile, reflecting ongoing concerns about the stability of the global economy and weakening global growth prospects. Unprecedented uncertainty in the credit markets has also led to increased difficulties in raising funds. Junior exploration companies world-wide have been hit particularly hard by these trends. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration and development, particularly without excessively diluting the present shareholders of the Company.

The Company is dependent on raising further funds to fund its obligations as they become due.

Subsequent to July 31, 2009, the Company closed the second and final tranche of a private placement of convertible debentures, raising proceeds of U.S. \$192,880. The debentures have a term of two years and are convertible into shares of the Company at the rate of one share per \$0.35 of principal outstanding. Accordingly the U.S. \$192,880 debentures are convertible into 599,006 shares and the Company has also issued 599,006 common share purchase warrants entitling the holder to acquire an additional common share at a price of \$0.43 per share for a period of one year. The debentures bear interest at 12% per annum, calculated semi-annually and payable semi-annually. Interest is payable in cash or shares at the option of the Company.

Management intends to pursue additional equity financing in fiscal 2010 and has re-priced all of its outstanding share purchase warrants. Management remains confident that equity financing will continue to be available; however, the Company cannot provide any assurance that equity financing will be available on terms and conditions acceptable to the Company or at all.

Based upon the receipt of a favourable feasibility study on the Kelly's basin deposit, further funding will be required. However, attractive State-sponsored debt financing instruments are available, and the Company intends to pursue such financial instruments to cover the bulk of the capital costs associated with placing the Kelly's Basin deposit into production.

Transactions with Related Parties

The Company has entered into the following transactions with related parties.

During the first quarter ended July 31, 2009, management fees of \$4,849 (July 31, 2008 - \$4,562) and consulting fees of \$9,000 (July 31, 2008 - \$9,000) were charged by directors or officers or companies controlled by them. A further \$29,790 (July 31, 2008 - \$27,437) in consulting and research fees were charged by directors and are included with mineral property deferred costs. As at July 31, 2009, \$83,535 (April 30, 2009 - \$88,268) is still owed to a director and officer of the Company. The balance is non-interest bearing, unsecured and due on demand. Included in accounts payable as at July 31, 2009 was \$2,625 (April 30, 2009 - \$5,775) payable to related parties.

Transactions with related parties are recorded at the exchange amount, being the price agreed between the parties.

A director of the Company owns a 25% interest in Idaho Industrial Minerals LLC, the property vendor in respect of the agreement to acquire a 100% interest in the Helmer-Bovill property.

Critical Accounting Estimates

The Company's critical accounting estimates are as described in the Annual MD&A.

Recent Accounting Pronouncements

a) Business combinations, consolidated financial statements and non-controlling interest

In January 2009, the CICA issued CICA Handbook Section 1582, "Business Combinations", Section 1601, "Consolidations", and Section 1602, "Non-controlling Interests". These sections replace the former CICA Handbook Section 1581, "Business Combinations" and Section 1600, "Consolidated Financial Statements" and establish a new section for accounting for a non-controlling interest in a subsidiary. CICA Handbook Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent consideration and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. It provides the Canadian equivalent to International Financial Reporting Standard ("IFRS") 3, "Business Combinations" (January 2008). The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

CICA Handbook Section 1601 establishes standards for the preparation of consolidated financial statements.

CICA Handbook Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, "Consolidated and Separate Financial Statements" (January 2008).

CICA Handbook Section 1601 and Section 1602 apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company is currently evaluating the impact of the adoption of these sections.

b) International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles ("GAAP") with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended April 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Changes in Accounting Policies Including Initial Adoption

The Company completed the first tranche of a convertible debenture financing during the current fiscal period and adopted the following accounting policy.

Convertible debt

The Company classifies the proceeds received from convertible loans into their liability and equity components using the relative fair value approach. The carrying amount of the liability component is accreted over the life of the instrument through charges to operations using the effective interest rate method. On conversion into shares, the carrying amount of the equity component and the carrying amount of the liability component are transferred to share capital. In the event that the instrument is settled in cash, this is treated as the extinguishment of the instrument; a gain or loss on extinguishment of the liability component is recognized in the current period operations.

On May 1, 2009, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

a) Goodwill and intangible assets

The CICA issued the new Handbook Section 3064, "Goodwill and Intangible Assets", replacing Section 3062, "Goodwill and Other Intangible Assets". The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. The new standard applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company adopted the new standard for its fiscal year beginning May 1, 2009. This standard did not have a material impact on the Company's consolidated financial statements.

b) Financial Statement Concepts

CICA Handbook Section 1000 has been amended to focus on the capitalization of costs that meet the definition of an asset and de-emphasizes the matching principle. The revised requirements are effective for annual and interim financial statements relating to fiscal year beginning on or after October 1, 2008. Accordingly, the Company adopted the new standard for its fiscal year beginning May 1, 2009. This standard did not have a material impact on the Company's consolidated financial statements.

Off-Balance Sheet Arrangements

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligations under a variable interest equity arrangement.

Financial Instruments

All financial instruments are classified into one of these five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities and are measured on the balance sheet date at fair value upon initial recognition. Subsequent measurement depends on the initial classification of the instrument, as follows: held-for-trading financial assets are measured at fair value, with changes in fair value recognized in net loss; available-for-sale financial instruments are measured at fair value, with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired; and loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost. All derivative instruments, including embedded derivatives, are recorded in the balance sheet at fair value unless they qualify for the normal sales and purchases exemption. Changes in the fair value of derivatives that are not exempt are recorded in net loss.

The Company has designated its cash as held-for-trading. Receivables are designated as loans and receivables. Accounts payable and accrued liabilities, amounts due to related parties and convertible loan – debt component are designated as other liabilities. At July 31, 2009 and April 30, 2009, the Company had neither available-for-sale nor held-to maturity financial instruments.

Outstanding Share Data

Authorized Capital:

100,000,000 common shares, without par value

Issued and outstanding:

31,160,567 common shares as at September 25, 2009

Outstanding options, warrants, and convertible securities as at September 25, 2009:

Security	Number	Exercise price	Expiry date
Stock Options	100,000	\$0.35	September 6, 2010
Stock Options	100,000	\$0.40	September 6, 2010
Stock Options	360,000	\$0.53	March 21, 2011
Stock Options	390,000	\$0.55	July 24, 2012
Stock Options	130,000	\$0.70	October 23, 2012
Warrants	1,510,032	\$0.43	January 20, 2010
Warrants	8,000	\$0.70	January 20, 2010
Warrants	830,565	\$0.43	June 30, 2010
Warrants	599,006	\$0.43	September 15, 2010
Convertible Debentures	830,565	(1)	June 30, 2011
Convertible Debentures	599,006	(1)	September 15, 2011

(1) The convertible debentures are convertible into common shares at the rate of one share per \$0.35 of principal outstanding.

Risks and Uncertainties

The exploration for and development of industrial mineral deposits are highly speculative activities and are subject to significant risks. The Company's ability to realize its investments in exploration projects is dependent upon a number of factors, including its ability to continue to raise the financing necessary to complete the exploration and development of those projects and the existence of economically recoverable reserves within its projects. The Company's operations are subject to a number of risk factors as detailed in the Annual MD&A.

Internal Control over Financial Reporting

In connection with the Exemption Orders issued in November 2007 by each of the British Columbia Securities Commission and Ontario Securities Commission, the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the interim consolidated financial statements for the three months ended July 31, 2009 and this accompanying MD&A.

In contrast to the certificate under Multilateral Instrument 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) ("MI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in MI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company on SEDAR at www.sedar.com.

Outlook

The major focus of the Company continues to be the completion of the ongoing feasibility study on the Kelly's Basin portion of the Helmer-Bovill project by SRK. In this regard:

- the resource calculation, based upon geostatistical resource model is completed in draft form.
- The initial mine plan is complete incorporating overburden; pit and bench design and haul routes.
- Haul routes from the pit to the preferred plan location site have been completed.
- A location for the process facility and tailings storage has been selected and the Company made application to the Idaho Department of Lands for access to this site in December 2008. After months of unforeseen delays a draft lease was provided September 2009. While several amendments to the proposed lease terms are required, management views the initial proposal as a reasonable starting point. Negotiations are ongoing and management expects a favorable outcome.
- A three dimensional water balance model has been completed indicating minimal impact on the water system in the immediate vicinity of the process plan and open pit.
- Marketing and transportation studies indicate that between western North American and Pacific Rim markets, a base load tonnage of feldspar products can be placed. Strong market contacts were generated when management of the Company undertook a trade mission to Asia with the Governor of Idaho and representatives of the Department of Commerce in October, 2008.
- Contacts with some potentially significant customers have been generated both as a result of the trade mission and the Company's domestic marketing efforts. I-minerals has sent several of these customers products samples which have met been tested and met the customer's standards.
- The Company has made strong progress in the permitting process. The Section 404 Wetland Permit Application and was reviewed and accepted August 7, 2008 by the US Army Corp. of Engineers under application number 2006-640-CO1 with the public comment completed September 6, 2008. Significant environmental engineering was required to divert an intermittent creek around the proposed open pit without changing flow rates or impacting defined mineral resources. The majority of all issues identified have been addressed. Once further progress is made with the IDL in negotiating a surface lease for the plant site and tailings storage, the Company will restart the permitting process.
- The feasibility study will resume and detailed engineering commence upon additional progress being made with the IDL and sufficient funding being raised to bring the project to the production financing stage.

The Company has engaged a leading European research firm to undertake detailed analysis of its halloysite products. Halloysite is a unique kaolin which occurs as microscopic tubes often referred to as "halloysite nanotubes". Testing to date shows i-minerals halloysite to have the lowest levels of trace elements of any halloysite tested. Depending how the halloysite reacts to additional treatment, these lowest levels of metals could provide a competitive edge into the life science market applications. In general, halloysite nanotubes are being used in an increasing number of applications in the development of products in the plastic and polymers industry. Where halloysite is added to plastic and polymer compounds not only is the strength improved and weight reduced, but in some instances, the resulting compound is biodegradable.

Based upon recent metallurgical work and historic mining and related development efforts, the Helmer-Bovill property has the potential to host significant tonnages of halloysite bearing clays. In light of this opportunity, and other new kaolin applications, the Company has defined an initial deposit of sufficient size to be of commercial interest and intends to pursue halloysite and kaolin product and market research in parallel with the development of the Kelly's Basin Feldspar – Quartz Deposit.

Other Information

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com and at the Company's website at www.imineralsinc.com.