

***i-minerals inc.***

Consolidated Financial Statements

For the Nine Months Ended January 31, 2009

*(Prepared without audit)*

***i-minerals inc.***

**NOTICE OF NO AUDITOR REVIEW OF  
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

***i-minerals inc.***  
*(an Exploration Stage Company)*  
Consolidated Balance Sheets  
As at January 31, 2009  
*(expressed in Canadian dollars)*  
*(Prepared without audit)*

	January 31, 2009	April 30, 2008
<b>Assets</b>		
CURRENT		
Cash	\$ 270,637	\$ 74,404
Receivables and prepaids	41,884	36,299
Deposits	1,125	1,125
	313,646	111,828
MINERAL PROPERTY ACQUISITION COSTS (Note 3)	117,000	117,000
MINERAL PROPERTY DEFERRED COSTS, statement	5,487,166	4,741,087
EQUIPMENT	6,745	5,488
	\$ 5,924,557	\$ 4,975,403
<b>Liabilities</b>		
CURRENT		
Accounts payable and accrued liabilities	\$ 293,046	\$ 148,116
Amounts due to related parties	63,197	105,966
	356,243	254,082
FUTURE INCOME TAX LIABILITY	743,925	743,925
	1,100,168	998,007
NON-CONTROLLING INTEREST (Note 5)	-	1,585,593
<b>Shareholders' Equity</b>		
SHARE CAPITAL (Note 4)	14,307,429	11,579,663
WARRANTS (Note 4)	489,105	277,062
COMMITMENT TO ISSUE SHARES (Note 3)	-	31,500
CONTRIBUTED SURPLUS (Note 4)	537,771	681,353
DEFICIT ACCUMULATED IN THE EXPLORATION STAGE	(10,509,916)	(10,177,775)
	4,824,389	2,391,803
	\$ 5,924,557	\$ 4,975,403

ABILITY TO CONTINUE AS A GOING CONCERN (Note 1)  
CONTINGENCIES (Note 8)  
SUBSEQUENT EVENT (Note 11)

APPROVED BY THE BOARD

Signed "Roger A. Kauffman"

Signed "W. Barry Girling"

The accompanying notes are an integral part of these consolidated financial statements.

***i-minerals inc.***  
*(an Exploration Stage Company)*  
Consolidated Statements of Loss and Deficit  
For the Nine Months Ended January 31, 2009  
*(expressed in Canadian dollars)*  
*(Prepared without audit)*

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>January 31, 2009</b>	January 31, 2008	<b>January 31, 2009</b>	January 31, 2008
<b>EXPENSES</b>				
Accounting	\$ 7,891	\$ 6,673	\$ 21,465	20,021
Amortization	564	342	1,449	964
Bank charges and interest	898	583	2,793	1,759
Consulting	9,000	9,000	27,000	34,600
Management fees	5,519	4,517	15,501	13,569
Office, telephone and miscellaneous	15,867	10,981	41,975	29,369
Professional fees	19,083	5,015	48,764	5,598
Promotions and shareholder communication	25,477	27,000	79,745	78,952
Rent	1,380	1,168	3,755	3,503
Stock based compensation	4,921	121,485	58,918	247,977
Transfer and regulatory fees	3,308	(416)	12,236	18,109
Travel	16,514	2,172	28,257	3,312
	<b>(110,422)</b>	(188,520)	<b>(341,858)</b>	(457,733)
Foreign exchange (loss) gain	<b>(1,959)</b>	10,411	<b>8,176</b>	(22,249)
Interest income	61	496	1,541	2,177
Non-controlling interest	-	-	-	6,928
<b>NET LOSS FOR THE PERIOD</b>	<b>(112,320)</b>	(177,613)	<b>(332,141)</b>	(470,877)
<b>DEFICIT, BEGINNING OF PERIOD</b>	<b>(10,397,596)</b>	(9,867,277)	<b>(10,177,775)</b>	(9,574,013)
<b>DEFICIT, END OF PERIOD</b>	<b>\$ (10,509,916)</b>	\$ (10,044,890)	<b>\$ (10,509,916)</b>	\$ (10,044,890)
<b>Loss per share</b>	<b>\$ (0.00)</b>	\$ (0.01)	<b>\$ (0.01)</b>	\$ (0.03)
<b>Weighted average number of shares outstanding</b>	<b>31,160,567</b>	18,547,165	<b>24,574,244</b>	18,028,258

The accompanying notes are an integral part of these consolidated financial statements.

***i-minerals inc.***  
*(an Exploration Stage Company)*  
**Consolidated Statements of Cash Flows**  
**For the Nine Months Ended January 31, 2009**  
*(expressed in Canadian dollars)*  
*(Prepared without audit)*

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>January 31, 2009</b>	January 31, 2008	<b>January 31, 2009</b>	January 31, 2008
<b>OPERATING ACTIVITIES</b>				
Net loss for the period	\$ (112,320)	\$ (177,613)	\$ (332,141)	\$ (470,877)
Items not involving cash				
Amortization	564	342	1,449	964
Stock based compensation	4,921	121,485	58,918	247,977
Foreign exchange loss (gain) on amounts due to related parties	578	3,014	3,247	(3,489)
Non-controlling interest	-	-	-	(6,928)
	<b>(106,257)</b>	<b>(52,772)</b>	<b>(268,527)</b>	<b>(232,353)</b>
Change in non-cash operating working capital items:				
Receivables and prepaids	(9,514)	8,715	(5,585)	(41,687)
Accounts payable and accrued liabilities	(41,122)	(26,907)	(63,492)	(108,484)
Amounts due to related parties	30,924	10,540	46,734	31,921
	<b>(125,969)</b>	<b>(60,424)</b>	<b>(290,870)</b>	<b>(350,603)</b>
<b>FINANCING ACTIVITIES</b>				
Common shares and warrants issued for cash	-	-	1,027,466	952,500
Convertible partnership units issued	-	-	-	212,100
	<b>-</b>	<b>-</b>	<b>1,027,466</b>	<b>1,164,600</b>
<b>INVESTING ACTIVITIES</b>				
Equipment	-	(279)	(2,706)	(3,004)
Mineral property expenditures	(89,627)	(213,309)	(537,657)	(676,282)
	<b>(89,627)</b>	<b>(213,588)</b>	<b>(540,363)</b>	<b>(679,286)</b>
(DECREASE) INCREASE IN CASH	<b>(215,596)</b>	<b>(274,012)</b>	<b>196,233</b>	<b>134,711</b>
CASH, BEGINNING OF PERIOD	<b>486,233</b>	511,067	<b>74,404</b>	102,344
CASH, END OF PERIOD	\$ <b>270,637</b>	\$ 237,055	\$ <b>270,637</b>	\$ 237,055
<b>SUPPLEMENTARY NON-CASH FINANCING AND INVESTING INFORMATION</b>				
Contributed surplus on exercise of stock options	\$ -	\$ -	\$ 202,500	\$ 32,359
Common shares issued for financing fee	-	-	4,800	21,700
Exercise of stock options through reduction of due to related parties	-	-	92,750	-
Mineral property expenditures included in accounts payable and accrued liabilities	(227,345)	-	(282,555)	-
Conversion of partnership units into common shares	-	-	1,585,593	-

The accompanying notes are an integral part of these consolidated financial statements.

***i-minerals inc.****(an Exploration Stage Company)*

## Consolidated Statement of Mineral Property Deferred Costs

For the Nine Months Ended January 31, 2009

*(expressed in Canadian dollars)**(Prepared without audit)*

---

	Balance, April 30, 2007	Expenditures incurred during the year	Balance, April 30, 2008	Expenditures incurred during the period	Balance, January 31, 2009
<b>UNITED STATES</b>					
HELMER BOVILL PROPERTY					
Assays	\$ 43,501	\$ -	\$ 43,501	\$ -	\$ 43,501
Drilling	722,852	260,718	983,570	20,497	1,004,067
Engineering and consulting	1,551,313	270,610	1,821,923	372,412	2,194,335
Environmental	65,836	20,717	86,553	50,737	137,290
Field and survey	190,666	15,816	206,482	10,251	216,733
Licenses and fees	49,289	51,117	100,406	88,283	188,689
Marketing and research	552,957	96,805	649,762	78,026	727,788
Mineral analysis and processing	404,651	114,700	519,351	94,149	613,500
Project management	116,584	18,536	135,120	17,945	153,065
Technical reports	44,977	-	44,977	-	44,977
Travel	121,340	28,102	149,442	13,779	163,221
<b>TOTAL</b>	<b>\$ 3,863,966</b>	<b>\$ 877,121</b>	<b>\$ 4,741,087</b>	<b>\$ 746,079</b>	<b>\$ 5,487,166</b>

---

The accompanying notes are an integral part of these consolidated financial statements.

## ***i-minerals inc.***

*(an Exploration Stage Company)*

Notes to Consolidated Financial Statements  
For the Nine Months Ended January 31, 2009  
*(expressed in Canadian dollars)*  
*(Prepared without audit)*

---

### **1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN:**

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain mineral reserves that are economically recoverable.

The recoverability of amounts shown for mineral property acquisition costs and mineral property deferred costs is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from the disposition of the mineral properties.

The Company has incurred losses since inception and had a working capital deficit of \$42,597 and an accumulated deficit of \$10,509,916 at January 31, 2009. The ability of the Company to continue as a going concern is dependent upon its ability to raise sufficient funds to meet its obligations as they become due. Management believes that it will be able to obtain the necessary financing to meet the Company's requirements on an ongoing basis; however, there can be no assurance that the necessary financing will be obtained.

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. They do not reflect adjustments to the carrying values of assets and liabilities which may be necessary should the Company be unable to do so. The Company has incurred losses since inception and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to develop profitable operations in the future.

### **2. SIGNIFICANT ACCOUNTING POLICIES:**

These consolidated interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("GAAP"), using the same accounting policies and methods as per the annual financial statements for the year ended April 30, 2008 with the following additions. These consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements and the accompanying notes included in the Company's latest annual report.

#### **Adoption of new accounting standards**

On May 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"): Section 1535 "Capital Disclosures", Section 3862 "Financial Instruments – Disclosures" and Section 3863 "Financial Instruments – Presentation". These new requirements of Sections 1535, 3862 and 3863 are for disclosure purposes only and have not impacted the financial results of the Company.

#### **a) Capital disclosures – section 1535**

Section 1535 specifies the disclosure of (i) an entity's objectives, policies, and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

#### **b) Financial instruments – sections 3862 and 3863**

The new Sections 3862 and 3863 replace Section 3861, "Financial Instruments – Disclosure and Presentation", revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. The new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how a company manages those risks.

## ***i-minerals inc.***

*(an Exploration Stage Company)*

Notes to Consolidated Financial Statements  
For the Nine Months Ended January 31, 2009  
*(expressed in Canadian dollars)*  
*(Prepared without audit)*

---

### **2. SIGNIFICANT ACCOUNTING POLICIES (Continued):**

#### **Future accounting and reporting changes**

##### **a) Goodwill and intangible assets**

The CICA issued the new Handbook Section 3064, "Goodwill and Intangible Assets", which will replace 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. Management is currently assessing the impact of these new accounting standards on its consolidated financial statements.

##### **b) 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.

##### **c) 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 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.

***i-minerals inc.****(an Exploration Stage Company)*

Notes to Consolidated Financial Statements  
For the Nine Months Ended January 31, 2009  
*(expressed in Canadian dollars)*  
*(Prepared without audit)*

**3. MINERAL PROPERTY ACQUISITION COSTS:**

	January 31, 2009	April 30, 2008
Helmer Bovill Property – Latah County, Idaho	\$ 117,000	\$ 117,000

The Company has entered into a purchase and sale agreement with Idaho Industrial Minerals LLC (IIM), a company in which one of the Company's directors has a 25% interest, under which the Company has the right to acquire a 100% interest in 10 lease applications that comprise the Helmer Bovill property by issuing to IIM a total of 1,750,000 shares of the Company. These shares will be issued based on certain development-based benchmarks being attained as follows:

- 100,000 shares upon assignment of the mineral lease applications to the Company (issued)
- 350,000 shares upon the State of Idaho issuing mineral leases to the Company (issued)
- 400,000 shares upon the completion of a feasibility study
- 500,000 shares upon completion of the permitting process necessary to construct and operate a mining facility
- 400,000 shares upon completion of a production plant and first delivery of a commercial product

In fiscal 2006, the total consideration of 1,750,000 shares was increased by an additional 50,000 shares in return for an extension of the agreement until August 2008. In fiscal 2007, all approvals were received and the commitment to issue shares was recorded at the trading value on the resolution date of \$0.63 per share. These shares were issued during the nine months ended January 31, 2009.

During the nine months ended January 31, 2009, the Company agreed to issue 50,000 warrants to IIM in return for an extension of the agreement until August 2011.

**4. SHARE CAPITAL:****Common shares**

	Shares	Amount
Balance at April 30, 2008	18,597,165	\$ 11,579,663
Private placement a)	1,510,032	689,423
Issue costs - units	8,000	-
Exercise of stock options	625,000	218,750
Fair value of exercised stock options	-	202,500
Shares issued in respect of previously- recorded commitment to issue shares b)	50,000	31,500
Conversion of partnership units c)	10,370,370	1,585,593
Balance at January 31, 2009	31,160,567	\$ 14,307,429

# ***i-minerals inc.***

*(an Exploration Stage Company)*

Notes to Consolidated Financial Statements  
For the Nine Months Ended January 31, 2009  
*(expressed in Canadian dollars)*  
*(Prepared without audit)*

## **4. SHARE CAPITAL (Continued):**

- a) During the nine months ended January 31, 2009, the Company closed a non-brokered private placement of 1,510,032 units at a price of \$0.60 per unit for proceeds of \$906,019. Each unit is comprised of one common share and one share purchase warrant entitling the holder to acquire an additional share at a price of \$0.70 per until expiry on January 20, 2010. The value of \$210,925 (\$0.14 per warrant) has been attributed to the warrants issued under this private placement based on the Black Scholes pricing model and has been credited to warrants within shareholders' equity. Assumptions used in the pricing model are as follows: average risk-free interest rate – 3.1%; expected life – 1.5 years; expected volatility - 74%; and expected dividends - \$nil. The Company paid 10% finders' fees on a portion of the units subscribed through the issuance of 8,000 units with terms identical to those placed in the offering. The value of \$1,118 (\$0.14 per warrant) has been attributed to the warrants portion of the finders' fees based on the Black Scholes pricing model and has been credited to warrants within shareholders' equity. The Company also incurred share issue costs of \$4,553.
- b) During the nine months ended January 31, 2009, the Company issued 50,000 common shares to satisfy its commitment to issue shares under the Helmer Bovill property acquisition agreement (Note 3).
- c) During the nine months ended January 31, 2009, the Company received partner conversion exercise notices in respect of all the outstanding convertible partnership units, and issued a total of 10,370,370 common shares (Note 5).

### **Stock options**

The Company has granted stock options under the terms of its Stock Option Plan ("Plan"). The Plan provides that the directors of the Company may grant options to purchase common shares to directors, officers, employees and service providers of the Company on terms that the directors of the Company may determine are within the limitations set forth in the Plan. The maximum number of shares available under the Plan is limited to 10% of the issued common shares.

The Company's stock options outstanding as at January 31, 2009 and the changes for the nine months then ended are as follows:

	Number of common shares	Weighted average exercise price
Balance – April 30, 2008	1,750,000	\$ 0.46
Options exercised	(625,000)	\$ 0.35
Balance – January 31, 2009	1,125,000	\$ 0.52

There were no options granted during the nine months ended January 31, 2009. All of the outstanding options had vested as at January 31, 2009.

Options granted under the Plan vest over varying periods and are expensed over the vesting period. During the nine months ended January 31, 2009, an amount of \$58,918 (January 31, 2008 - \$247,977) was expensed and credited to contributed surplus in respect of prior years' grants.

## ***i-minerals inc.***

(an Exploration Stage Company)

Notes to Consolidated Financial Statements  
For the Nine Months Ended January 31, 2009  
(expressed in Canadian dollars)  
(Prepared without audit)

#### **4. SHARE CAPITAL (Continued):**

##### **Share purchase warrants**

The Company's warrants outstanding as at January 31, 2009 and the changes for the nine months then ended are as follows:

	Number of common shares	Weighted average exercise price	Amount
Balance – April 30, 2008	1,843,400	\$ 0.70	\$ 277,062
Warrants issued	1,518,032	\$ 0.70	212,043
Balance – January 31, 2009	3,361,432	\$ 0.70	\$ 489,105

Subsequent to January 31, 2009, the warrants were re-priced. See Note 11.

Summary of warrants and stock options outstanding at January 31, 2009:

Security	Number Outstanding	Exercise Price	Expiry Date
Warrants	1,843,400	\$ 0.70	July 12, 2009
Warrants	1,518,032	\$ 0.70	January 20, 2010
Stock options	45,000	\$ 0.35	August 1, 2009
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

##### **Contributed surplus**

	Amount
Balance – April 30, 2008	\$ 681,353
Stock-based compensation	58,918
Contributed surplus on exercise of stock options	(202,500)
Balance – January 31, 2009	\$ 537,771

#### **5. CONVERTIBLE PARTNERSHIP UNITS:**

During fiscal 2005, *i-minerals* Helmer Bovill L.L.P. (the "Limited Partnership") closed a private placement of 2 million convertible partnership units (the "Units"), raising proceeds of U.S. \$2,000,000. All of the Units under the offering were subscribed for by a private company related to a director of the Company at a purchase price of U.S. \$1.00 per Unit. Each Unit was convertible into five common shares of the Company, resulting in an effective conversion price of U.S. \$0.20 per common share.

The Company is the general partner of the Limited Partnership holding a 66.6% interest in partnership capital. As the general partner, the Company has agreed to pass all tax losses back to the Limited Partners in the year in which the expenditures are incurred and in proportion to the Limited Partner's interest in the Limited Partnership. The losses accrue to the Limited Partners until either all funds are expended, or until the Limited Partners convert their Limited Partnership interests into common shares of the Company. In turn, the Limited Partners can apply the losses against certain United States based income for tax purposes.

## ***i-minerals inc.***

*(an Exploration Stage Company)*

Notes to Consolidated Financial Statements  
For the Nine Months Ended January 31, 2009  
*(expressed in Canadian dollars)*  
*(Prepared without audit)*

---

### **5. CONVERTIBLE PARTNERSHIP UNITS (Continued):**

During fiscal 2008, the Company closed a further convertible private placement of partnership units, raising proceeds of U.S. \$200,000. Each Unit was convertible into five common shares of the Company resulting in an effective price of U.S. \$0.54 per common share. All of the Units under the offering were originally subscribed for by a private company related to a director of the Company.

During the nine months ended January 31, 2009, all of the outstanding Units were converted into a total of 10,370,370 common shares of the Company.

Continuity schedule of non-controlling interest at January 31, 2009:

	<u>Amount</u>
Balance – April 30, 2008	\$ 1,585,593
Partnership units converted to common shares	<u>(1,585,593)</u>
Balance – January 31, 2009	<u>\$ -</u>

### **6. RELATED PARTY TRANSACTIONS:**

Related party transactions not disclosed elsewhere in these financial statements are as follows:

Except as noted below, amounts due to or from related parties are unsecured, non-interest bearing and have no fixed terms for repayment.

During the nine months ended January 31, 2009, management fees of \$15,501 (January 31, 2008 - \$13,569) and consulting fees of \$27,000 (January 31, 2008 - \$27,000) were charged by directors or companies controlled by them. These charges are included in the accompanying statement of loss and deficit. A further \$91,108 (January 31, 2008 - \$82,700) in consulting and research fees were charged by directors and are included with mineral property deferred costs.

Included in accounts payable as at January 31, 2009 was \$18,046 (April 30, 2008 - \$5,511) payable to related parties.

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

### **7. SEGMENT DISCLOSURES:**

The Company considers its business to comprise a single operating segment, being exploration of resource properties, within the geographic area of the United States.

### **8. CONTINGENCIES**

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The outcome of these contingencies is not determinable and such expense, if any, will be recognized in the periods in which they become likely.

## ***i-minerals inc.***

*(an Exploration Stage Company)*

Notes to Consolidated Financial Statements  
For the Nine Months Ended January 31, 2009  
*(expressed in Canadian dollars)*  
*(Prepared without audit)*

---

### **9. MANAGEMENT OF CAPITAL:**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure which optimizes the costs of capital as an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity, as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust capital structure, the Company may attempt to issue new shares or convertible partnership units, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company is dependent on the equity markets as its sole source of operating working capital and 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 Company is dependent on raising further funds to fund its obligations as they come due. In addition, 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 may be 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.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company is not subject to any capital requirements imposed by a regulator, other than continued listing requirements of the TSX Venture Exchange.

The Company's investment policy is to invest its cash in highly liquid short-term interest bearing investments, with maturities 90 days or less from the original date of acquisition.

### **10. FINANCIAL INSTRUMENTS:**

#### a) Fair value of financial instruments

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and amounts due to related parties. The fair values of the financial instruments approximate their amortized cost value due to their short-term nature.

#### b) Currency risk

A portion of the Company's financial assets and liabilities is denominated in foreign currencies giving rise to risks from changes in foreign exchange rates. The Company is exposed to currency exchange rate risks to the extent of its activities in the United States. The Company does not use derivative financial instruments to reduce its foreign exchange exposure.

Future changes in exchange rates could have a material effect on the Company's business, financial condition and results of operations.

## ***i-minerals inc.***

*(an Exploration Stage Company)*

Notes to Consolidated Financial Statements  
For the Nine Months Ended January 31, 2009  
*(expressed in Canadian dollars)*  
*(Prepared without audit)*

---

### **10. FINANCIAL INSTRUMENTS (Continued):**

c) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its commercial obligations.

The Company's cash is held primarily through large Canadian and international banks and accordingly, the Company's exposure to credit risk is considered to be limited.

d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of short term investments is limited because these instruments, although available for sale, are generally held to maturity. The Company manages its cash according to its operational needs and to optimize revenues from interest.

e) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company is dependent on raising further funds to fund its obligations as they come due.

### **11. SUBSEQUENT EVENT:**

Subsequent to January 31, 2009, the Company received the consent of the TSX Venture Exchange to re-price certain outstanding share purchase warrants as follows:

Number of Warrants Outstanding	Original Exercise Price	Amended Exercise Price	Expiry Date
1,843,400	\$0.70	\$0.43	July 12, 2009
1,518,032	\$0.70	\$0.43	January 20, 2010

Pursuant to the provisions of TSX Venture Exchange Policy 4.1, if the closing price of the Company's shares is \$0.54 per share or greater for ten consecutive trading days, then the warrant holders will have 30 days to exercise their warrants, otherwise the warrants will expire on the 31<sup>st</sup> day.