



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

Consolidated Financial Statements  
**April 30, 2009 and 2008**

## **Management's Statement of Responsibility**

The consolidated financial statements contained in this annual report have been prepared by management in accordance with generally accepted accounting principles and have been approved by the Company's Board of Directors. The integrity and objectivity of these consolidated financial statements are the responsibility of management. In addition, management is responsible for all other information in the annual report and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. Management maintains a system of internal accounting controls to provide reasonable assurance that the Company's assets are safeguarded and accounted for, and to facilitate the preparation of relevant, reliable, and timely financial information. Where necessary, management uses its best judgment to make estimates required to ensure fair and consistent presentation of this information, fulfills its responsibilities for financial reporting and internal control, and exercises this responsibility principally through the Audit Committee. The functions of the Audit Committee are to review the quarterly and annual consolidated financial statements; review the adequacy of the system of internal controls; review any relevant accounting, financial and security regulatory matters; and recommend the appointment of external auditors. The external auditors, BDO Dunwoody, LLP, conduct an independent examination in accordance with generally accepted auditing standards, and express their opinion on the consolidated financial statements. Their examination includes a review of the Company's system of internal controls and appropriate tests and procedures to provide reasonable assurance that the consolidated financial statements are, in all material respects, presented fairly and in accordance with generally accepted accounting principles in Canada. The external auditors have free and full access to the Audit Committee with respect to their findings concerning the fairness of financial reporting.

*(signed) "Roger A. Kauffman"*

President and CEO

*(signed) "W. Barry Girling"*

Director

August 20, 2009



**BDO Dunwoody LLP**  
Chartered Accountants

600 Cathedral Place  
925 West Georgia Street  
Vancouver, BC, Canada V6C 3L2  
Telephone: (604) 688-5421  
Telefax: (604) 688-5132  
E-mail: [vancouver@bdo.ca](mailto:vancouver@bdo.ca)  
[www.bdo.ca](http://www.bdo.ca)

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## **Auditors' Report**

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### **To the Shareholders of i-minerals inc.**

We have audited the Consolidated Balance Sheets of i-minerals inc. (an exploration stage company) as at April 30, 2009 and 2008 and the Consolidated Statements of Loss and Comprehensive Loss and Deficit and Cash Flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

***(signed) "BDO Dunwoody LLP"***

Chartered Accountants

August 20, 2009  
Vancouver, British Columbia

**i-minerals inc.**  
*(An Exploration Stage Company)*  
**Consolidated Balance Sheets as at April 30, 2009 and 2008**

*(expressed in Canadian dollars)*

	2009	2008
<i>Assets</i>		
<b>CURRENT</b>		
Cash	\$ 40,106	\$ 74,404
Receivables and prepaids	33,717	36,299
Deposits	1,125	1,125
	74,948	111,828
MINERAL PROPERTY ACQUISITION COSTS (Note 4)	117,000	117,000
MINERAL PROPERTY DEFERRED COSTS, schedule	5,832,047	4,741,087
EQUIPMENT (Note 5)	6,261	5,488
	\$ 6,030,256	\$ 4,975,403
<i>Liabilities</i>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 543,830	\$ 148,116
Amounts due to related parties (Note 9)	88,268	105,966
	632,098	254,082
FUTURE INCOME TAX LIABILITY (Note 8)	743,925	743,925
	1,376,023	998,007
NON-CONTROLLING INTEREST (Note 7)	-	1,585,593
<i>Shareholders' Equity</i>		
SHARE CAPITAL (Note 6)	14,307,427	11,579,663
WARRANTS (Note 6)	489,105	277,062
COMMITMENT TO ISSUE SHARES (Note 4)	-	31,500
CONTRIBUTED SURPLUS (Note 6)	486,996	681,353
DEFICIT ACCUMULATED IN THE EXPLORATION STAGE	(10,629,295)	(10,177,775)
	4,654,233	2,391,803
	\$ 6,030,256	\$ 4,975,403

ABILITY TO CONTINUE AS A GOING CONCERN (Note 1)  
CONTINGENCIES (Note 11)  
SUBSEQUENT EVENTS (Note 14)

On behalf of 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, Comprehensive Loss and Deficit**  
**For the years ended April 30, 2009 and 2008**

*(expressed in Canadian dollars)*

	2009	2008
EXPENSES		
Accounting	\$ 29,359	\$ 26,688
Amortization	1,932	1,286
Bank charges and interest	4,372	2,381
Consulting (Note 9)	38,500	43,600
Management fees (Note 9)	20,870	18,101
Office, telephone and miscellaneous	56,340	48,100
Professional fees	144,996	48,984
Promotions and shareholder communication	103,744	102,952
Rent	5,136	4,669
Stock-based compensation (Note 6)	8,143	238,735
Transfer and regulatory fees	20,277	25,407
Travel	40,908	30,837
	<b>(474,577)</b>	<b>(591,740)</b>
Foreign exchange gain (loss)	21,496	(21,297)
Interest income	1,561	2,347
	<b>(451,520)</b>	<b>(610,690)</b>
Non-controlling interest (Note 7)	-	6,928
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	<b>(451,520)</b>	<b>(603,762)</b>
DEFICIT, BEGINNING OF YEAR	<b>(10,177,775)</b>	<b>(9,574,013)</b>
DEFICIT, END OF YEAR	<b>\$ (10,629,295)</b>	<b>\$ (10,177,775)</b>
Loss per share – basic and diluted	<b>\$ (0.02)</b>	<b>\$ (0.03)</b>
Weighted average number of shares outstanding	<b>26,180,224</b>	<b>18,162,006</b>

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 years ended April 30, 2009 and 2008**

*(expressed in Canadian dollars)*

	2009		2008
<b>OPERATING ACTIVITIES</b>			
Net loss for the year	\$ (451,520)	\$	(603,762)
Items not involving cash:			
Amortization	1,932		1,286
Stock-based compensation	8,143		238,735
Foreign exchange (gain) loss on loans	1,522		(3,280)
Non-controlling interest	-		(6,928)
Unrealized foreign exchange (gain) loss	(4,679)		2,033
Change in non-cash operating working capital items:			
Receivables and prepaids	2,582		(26,118)
Accounts payable and accrued liabilities	73,599		(18,653)
Amounts due to related parties	73,530		75,948
<b>Cash flows used in operating activities</b>	<b>(294,891)</b>		<b>(340,739)</b>
<b>FINANCING ACTIVITIES</b>			
Units/Shares issued for cash	1,027,464		979,000
Convertible partnership units issued for cash	-		212,100
<b>Cash flows from financing activities</b>	<b>1,027,464</b>		<b>1,191,100</b>
<b>INVESTING ACTIVITIES</b>			
Equipment	(2,705)		(4,178)
Mineral property expenditures	(768,845)		(872,090)
<b>Cash flows used in investing activities</b>	<b>(771,550)</b>		<b>(876,268)</b>
<b>DECREASE IN CASH</b>	<b>(38,977)</b>		<b>(25,907)</b>
<b>FOREIGN EXCHANGE EFFECT ON CASH</b>	<b>4,679</b>		<b>(2,033)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>74,404</b>		<b>102,344</b>
<b>CASH, END OF YEAR</b>	<b>\$ 40,106</b>	<b>\$</b>	<b>74,404</b>
<b>SUPPLEMENTARY NON-CASH FINANCING AND INVESTING INFORMATION</b>			
Mineral property expenditures included in accounts payable and accrued liabilities	\$ (322,115)	\$	(74,133)
Common shares issued for financing fee	\$ 4,800	\$	21,700
Contributed surplus on exercise of stock options	\$ 202,500	\$	43,222
Exercise of stock options through reduction of due to related parties	\$ 92,750	\$	-
Conversion of partnership units into common shares	\$ 1,585,593	\$	-
Interest paid	\$ -	\$	-
Taxes paid	\$ -	\$	-

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

**i-minerals inc.**  
(An Exploration Stage Company)  
Notes to Consolidated Financial Statements  
April 30, 2009 and 2008

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(expressed in Canadian dollars)

**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 those 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, at April 30, 2009, has a working capital deficit of \$557,150 and an accumulated deficit of \$10,629,295 which has been funded primarily by the issuance of equity. Subsequent to April 30, 2009, the Company raised US\$250,000 under the terms of a private placement of convertible debentures (Note 14(a)).

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 and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements.

**2. SIGNIFICANT ACCOUNTING POLICIES:**

These consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("GAAP") and reflect the following significant accounting policies:

a) Basis of Consolidation:

These consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, i-minerals USA inc. and CKD Ventures Ltd., Inc. (U.S.A.) (inactive), and its interest in the *i-minerals* Helmer Bovill L.L.P. (Note 7). All intercompany transactions are eliminated on consolidation.

b) Mineral Property Costs:

The Company records its interest in mineral properties and areas of geological interest at cost less option payments received and other recoveries. Exploration and development costs relating to these interests and projects are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or allowed to lapse. Acquisition costs and deferred exploration and development costs will be amortized over the useful life of the orebody following attainment of commercial production or will be written-off if the property or project is abandoned.

**i-minerals inc.**  
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April 30, 2009 and 2008

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*(expressed in Canadian dollars)*

**2. SIGNIFICANT ACCOUNTING POLICIES (continued):**

b) Mineral Property Costs: (continued)

The recorded amounts for mineral property deferred costs and mineral property acquisition costs represent costs incurred and are not intended to reflect present or future values. The ultimate recovery of such capitalized costs is dependent upon the discovery and development of economic ore reserves or the sale of mineral rights.

The Company reviews capitalized costs on its mineral properties on a periodic basis and will recognize an impairment in value based upon current exploration or production results, if any, and upon management's assessment of the future probability of profitable revenues from the property or from sale of the property. Management's assessment of the property's estimated current fair market value is also based upon management's review of other property transactions that have occurred in the same geographic area as its properties. The Company does not accrue the estimated future costs of maintaining its mineral properties in good standing.

c) Financing Costs:

Commissions paid to underwriters, professional fees, regulatory fees, and other costs that are directly attributable to the issuance of shares are charged to share capital. Deferred financing costs represent costs incurred on incomplete financings which are expected to be subsequently completed. Financing costs incurred on failed financings are charged to expense.

d) Comprehensive Income:

Comprehensive income includes both net loss and other comprehensive income ("OCI"). OCI is the change in shareholders' equity from non-owner sources which is not included in the calculation of net loss until realized. Cumulative changes in OCI are included in Accumulated Other Comprehensive Income ("AOCI"). The Company had no OCI transactions during the years ended April 30, 2009 and 2008, and neither opening nor closing balances for AOCI.

e) 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 earnings (loss); available-for-sale financial instruments are measured at fair value, with changes in fair value recorded in OCI 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 are designated as other liabilities. At April 30, 2009 and 2008, the Company had neither available-for-sale nor held-to maturity financial instruments.

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April 30, 2009 and 2008

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*(expressed in Canadian dollars)*

**2. SIGNIFICANT ACCOUNTING POLICIES (continued):**

f) Foreign Currency Transactions:

Transactions denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect on the transaction date. At the balance sheet date, monetary items denominated in a foreign currency are adjusted to reflect the exchange rate in effect at that time. Exchange gains and losses arising on the translation or settlement of foreign currency denominated monetary items are included in the determination of net loss for the year.

g) Use of Estimates:

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Significant areas where management judgment is applied include asset valuations, the recoverability of exploration and development expenditures on mineral properties, asset retirement obligations, stock-based compensation, and contingent liabilities. In the opinion of management, all adjustments considered necessary for fair presentation of the results for the periods presented are reflected in these financial statements.

h) Stock-based Compensation:

The Company's stock-based compensation plan is described in Note 6.

The fair value of stock options is charged to operations as appropriate, with an offsetting credit to contributed surplus. The fair value of stock options which vest immediately is recorded at the date of grant; the fair value of options which vest in the future is recognized on a graded basis over the vesting period. Any consideration received on exercise of stock options together with the related portion of contributed surplus is credited to share capital. The fair value of stock options is assessed using the Black-Scholes option pricing model.

i) Loss per Share:

Loss per share is calculated using the weighted average number of shares outstanding during the year. The effect of potential issuances of 4,486,432 (2008 – 13,963,370) shares under option, common share purchase warrants, and convertible partnership units would be anti-dilutive and therefore basic and diluted loss per share are the same.

j) Future Income Taxes:

Income taxes are calculated under the asset and liability method. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using enacted tax rates anticipated to apply in the periods that the temporary differences are expected to reverse.

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(expressed in Canadian dollars)

**2. SIGNIFICANT ACCOUNTING POLICIES (continued):**

j) Future Income Taxes: (continued)

To the extent that the Company does not consider it to be more likely than not that a future income tax asset will be realized, it provides a valuation allowance against the excess.

Future tax benefits which may arise as a result of non-capital losses and resource deductions have not been recognized in these financial statements as it is more likely than not that the Company will be unable to use such benefits before they expire. Accordingly, they are being reduced by a valuation allowance.

*i-minerals* Helmer Bovill L.L.P. has issued partnership units to finance its exploration activities. Such units were issued for cash in exchange for the Company giving up tax benefits arising from an equal dollar amount of exploration expenditures. The Company records such share issuances by crediting non-controlling interest for the full value of cash consideration received. The Company follows the recommendations of Emerging Issues Committee (EIC) Abstract No. 146, "Flow-Through Shares" to account for expenditures related to flow-through issuances. This abstract requires the recognition of a future income tax liability on the date that exploration expenditures are incurred and renounced to investors. This date may be different than the effective date of renunciation. Any offsetting future tax asset would be recognized as a recovery of income tax expense.

During the year ended April 30, 2009, the Company incurred \$nil (2008 – \$273,826) in deferred exploration expenses through the *i-minerals* Helmer Bovill L.L.P, for which the related tax benefit of \$nil (2008 – \$93,101) will be provided to the limited partner pursuant to the Partnership Agreement (Note 7).

k) Asset Retirement Obligations:

The Company recognizes the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development, and/or normal use of the assets. The obligation will be measured initially at fair value using present value methodology and the resulting costs will be capitalized into the carrying amount of the related asset. In subsequent periods, the liability will be adjusted for any changes in the amount or timing of the underlying future cash flows. Capitalized asset retirement costs will be depreciated on the same basis as the related asset and the discounted accretion of the liability is included in determining the results of operations.

At April 30, 2009 and 2008, the Company has only performed preliminary exploratory work on its mineral properties and has not incurred significant reclamation obligations. As such, no asset retirement obligation accrual was made in these financial statements.

l) Equipment:

Equipment is carried at cost and is amortized over the estimated useful economic lives using the declining balance method. Amortization is recorded at one-half the normal rate in the year of acquisition.

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Notes to Consolidated Financial Statements  
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*(expressed in Canadian dollars)*

**3. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION:**

**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" and the revisions to Section 1400 "General Standards of Financial Statement Presentation". These new requirements 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. The disclosure required under this new standard is included in Note 12.

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. The disclosure required under these new standards is included in Note 13.

c) General standards of financial statement presentation – section 1400

Effective for accounting periods beginning on or after January 1, 2008, the revisions to Section 1400, "General standards of financial statement presentation", requires management to assess an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity's ability to continue as a going concern, these uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date. Because of management's assessment, the Company has prepared the financial statements on a going concern basis.

**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 this new accounting standard on its consolidated financial statements.

**i-minerals inc.**  
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Notes to Consolidated Financial Statements  
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*(expressed in Canadian dollars)*

**3. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION (continued):**

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.

d) 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. The Company is currently evaluating the impact of the adoption of this change on its financial statements.

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*(expressed in Canadian dollars)*

**4. MINERAL PROPERTY ACQUISITION COSTS:**

	<b>2009</b>	<b>2008</b>
Helmer-Bovill Property – Latah County, Idaho	<b>\$ 117,000</b>	\$ 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 year ended April 30, 2009.

During the year ended April 30, 2009, the Company agreed, subject to regulatory approval, to issue 50,000 warrants to IIM in return for an extension of the agreement until August 2011.

**5. EQUIPMENT:**

Equipment consists of the following:

	<b>2009</b>			<b>2008</b>		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
<b>Computer hardware</b>	\$ 7,071	\$ 3,110	\$ 3,961	\$ 7,071	\$ 1,683	\$ 5,388
<b>Computer software</b>	1,597	1,597	-	1,597	1,497	100
<b>Office and field equipment</b>	2,705	405	2,300	-	-	-
	<b>\$ 11,373</b>	<b>\$ 5,112</b>	<b>\$ 6,261</b>	<b>\$ 8,668</b>	<b>\$ 3,180</b>	<b>\$ 5,488</b>

**i-minerals inc.**  
*(An Exploration Stage Company)*  
**Notes to Consolidated Financial Statements**  
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*(expressed in Canadian dollars)*

**6. SHARE CAPITAL:**

Common Shares	Shares	Amount
Balance at May 1, 2007	16,553,765	\$ 10,825,318
Private placement of units	1,800,000	629,448
Issue costs - units	43,400	(6,510)
Exercise of warrants and stock options	200,000	131,407
Balance at April 30, 2008	18,597,165	11,579,663
Private placement of units	1,510,032	690,539
Issue costs - units	8,000	(1,118)
Exercise of stock options	625,000	421,250
Shares issued in respect of previously- recorded commitment to issue shares	50,000	31,500
Conversion of partnership units	10,370,370	1,585,593
Balance at April 30, 2009	31,160,567	\$ 14,307,427

During the year ended April 30, 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 was 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 share thereafter 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 \$4,555.

During the year ended April 30, 2009, the Company issued 50,000 common shares to satisfy its commitment to issue shares under the Helmer-Bovill property acquisition agreement (Note 4).

During the year ended April 30, 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 7).

During the comparative year ended April 30, 2008, the Company closed a non-brokered private placement of 1,800,000 units at a price of \$0.50 per unit for gross proceeds of \$900,000. Each unit was comprised of one common share and one share purchase warrant entitling the holder to acquire an additional share at a price of \$0.60 per share until July 13, 2008, and \$0.70 per share thereafter until expiry July 12, 2009. The value of \$270,552 (\$0.15 per warrant) was attributed to the warrants issued under this private placement based on the Black-Scholes pricing model and was credited to warrants within shareholders' equity. Assumptions used in the pricing model were as follows: average risk-free interest rate – 4.7%; expected life – 2 years; expected volatility – 75%; and expected dividends – nil. The Company paid 10% finders' fees on a portion of the units subscribed through the issuance of 43,400 units with terms identical to those placed in the offering. The value of \$6,510 (\$0.15 per warrant) was attributed to the warrants portion of the finders' fees based on the Black-Scholes pricing model and was credited to warrants within shareholders' equity.

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**6. SHARE CAPITAL (continued):**

**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.

A summary of the Company's stock options outstanding at April 30, 2009 and April 30, 2008 and the changes for the years ending on those dates was as follows:

	Number Outstanding	Weighted Average Exercise Price
Balance at May 1, 2007	1,380,000	\$ 0.41
Granted	520,000	\$ 0.59
Exercised	(150,000)	\$ 0.41
Balance at April 30, 2008	1,750,000	\$ 0.46
Exercised	(625,000)	\$ 0.35
Balance at April 30, 2009	1,125,000	\$ 0.52
Weighted average fair value of stock options granted during fiscal 2009		n/a
Weighted average fair value of stock options granted during fiscal 2008		\$ 0.45

The Company uses the Black-Scholes option pricing model to estimate the value of the options at each grant date. In fiscal 2009, no options were granted. For options granted during fiscal 2008, the Company used the following weighted average assumptions: dividend yield – nil; annualized volatility – 77% to 107%; risk-free interest rate – 1.9% to 4.6%; expected life – 5 years.

Options granted under the Plan are expensed over the vesting period. During the year ended April 30, 2009, an amount of \$8,143 (2008 - \$238,735) was expensed and credited to contributed surplus.

Of the total options granted, 1,125,000 were exercisable at April 30, 2009 (2008 – 1,425,000) at a weighted average exercise price of \$0.52 (2008 - \$0.43).

Summary of stock options outstanding at April 30, 2009:

Security	Number Outstanding	Exercise Price	Expiry Date
Stock options	45,000	\$ 0.35	August 1, 2009 (Note 14(b))
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

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**6. SHARE CAPITAL (continued):**

**Share purchase warrants**

A summary of fully-exercisable share warrant activity during the years ended April 30, 2009 and April 30, 2008 was as follows:

	Number Outstanding	Weighted Average Exercise Price	Amount
Balance at May 1, 2007	50,000	\$ 0.35	\$ 9,185
Issued	1,843,400	\$ 0.60	277,062
Exercised	(50,000)	\$ 0.35	(9,185)
Balance at April 30, 2008	1,843,400	\$ 0.60	277,062
Issued	1,518,032	\$ 0.70	212,043
Balance at April 30, 2009	3,361,432	\$ 0.43	\$ 489,105

During the year ended April 30, 2009, the Company received the consent of the TSX Venture Exchange to re-price certain share purchase warrants from \$0.70 per share to \$0.43 per share. 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. The re-price of outstanding share purchase warrants has no significant accounting impact.

The Company uses the Black-Scholes option pricing model to estimate the value of the warrants at each issue date. For warrants granted during fiscal 2009, the Company used the following weighted average assumptions: dividend yield – nil; annualized volatility – 74%; risk-free interest rate – 3.1%; expected life – 1.5 years. For warrants granted during fiscal 2008, the Company used the following weighted average assumptions: dividend yield – nil; annualized volatility – 69% - 74%; risk-free interest rate – 4.6% - 4.7%; expected life – 2 years.

Summary of warrants outstanding at April 30, 2009:

Security	Number Outstanding	Exercise Price	Expiry Date
Warrants	1,800,000	\$ 0.43	July 12, 2009 (Note 14(b))
Warrants	43,400	\$ 0.70	July 12, 2009 (Note 14(b))
Warrants	1,510,032	\$ 0.43	January 20, 2010
Warrants	8,000	\$ 0.70	January 20, 2010

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(expressed in Canadian dollars)

**6. SHARE CAPITAL (continued):**

**Contributed surplus**

Balance at May 1, 2007	\$	485,840
Stock-based compensation		238,735
Contributed surplus on exercise of stock options		(43,222)
<hr/>		
Balance at April 30, 2008		681,353
Stock-based compensation		8,143
Contributed surplus on exercise of stock options		(202,500)
<hr/>		
Balance at April 30, 2009	\$	486,996

**7. 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 agreed to pass all tax losses back to the Limited Partners in the year in which the expenditures were 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.

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 year ended April 30, 2009, all of the outstanding Units were converted into a total of 10,370,370 common shares of the Company.

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**7. CONVERTIBLE PARTNERSHIP UNITS (continued):**

Continuity schedule of non-controlling interest at April 30, 2009:

	<b>Amount</b>
Balance at May 1, 2007	\$ 1,473,522
Private placement of partnership units	212,100
Increase in future income tax liability	(93,101)
Non-controlling interest included in loss	(6,928)
Balance at April 30, 2008	1,585,593
Partnership interest converted to common shares	(1,585,593)
Balance at April 30, 2009	\$ -

**8. INCOME TAXES:**

A reconciliation of the income tax provision computed at statutory rates to the reported income tax provision is as follows:

	<b>2009</b>	2008
Statutory tax rate	<b>30.50%</b>	33.25%
Loss before income taxes	<b>\$ (451,520)</b>	\$ (603,762)
Expected income tax recovery	<b>\$ 137,700</b>	\$ 200,750
Increase (decrease) in income tax recovery resulting from:		
Non-deductible permanent differences	<b>(3,300)</b>	(87,550)
Effect of change in statutory tax rate	<b>(27,100)</b>	-
Expiry of loss carryforward	<b>(60,900)</b>	-
Other	<b>8,600</b>	-
Change in valuation allowance	<b>(55,000)</b>	(113,200)
Income tax expense	<b>\$ -</b>	\$ -

The significant components of the Company's future income tax assets and liabilities after applying enacted corporate tax rates are as follows:

	<b>2009</b>	2008
Future income tax assets		
Equipment	<b>\$ 1,000</b>	\$ -
Non-capital losses carried forward	<b>1,362,000</b>	1,016,000
Resource property and deferred exploration	<b>(1,874,000)</b>	(1,584,000)
Share issuance costs	<b>3,000</b>	5,000
Less: valuation allowance	<b>(236,000)</b>	(181,000)
Net future income tax liability	<b>\$ (744,000)</b>	\$ (744,000)

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**8. INCOME TAXES (continued):**

At April 30, 2009, the Company has accumulated non-capital losses totalling \$1,513,378 in Canada and CDN\$2,891,965 in the USA, which are available to carryforward and offset future years' taxable income. The non-capital losses expire as follows:

Year	USA	Canada	Total
2010	\$ -	\$ 195,846	\$ 195,846
2014	-	214,049	214,049
2015	-	155,101	155,101
2022	131,461	-	131,461
2023	320,236	-	320,236
2024	387,492	-	387,492
2025	240,818	-	240,818
2026	67,868	244,427	312,295
2027	69,936	231,370	301,306
2028	591,775	256,919	848,694
2029	1,082,379	215,666	1,298,045
	<u>\$ 2,891,965</u>	<u>\$ 1,513,378</u>	<u>\$ 4,405,343</u>

**9. 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 year ended April 30, 2009, management fees of \$20,870 (2008 - \$18,101) and consulting fees of \$38,500 (2008 - \$36,000) were charged by directors or officers or companies controlled by them. A further \$124,352 (2008 - \$109,870) in consulting and research fees were charged by directors and are included with mineral property deferred costs. As at April 30, 2009, \$88,268 (2008 - \$105,966) is 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 April 30, 2009 was \$5,775 (2008 - \$5,511) payable to related parties.

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

**10. 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.

**11. 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.

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*(expressed in Canadian dollars)*

**12. 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 shares, 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 of the Helmer-Bovill property, further funding will be required. Management anticipates challenges in raising further equity financing should current economic conditions persist. State-sponsored debt financing instruments may be available and the Company intends to pursue such funding 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.

**13. FINANCIAL INSTRUMENTS:**

a) 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.

b) 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.

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*(expressed in Canadian dollars)*

**13. FINANCIAL INSTRUMENTS (continued):**

c) 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.

d) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at April 30, 2009, the Company had current liabilities of \$632,098 (2008 - \$254,082), and current assets of \$74,948 (2008 - \$111,828). The ability of the Company to eliminate its working capital deficiency is dependent upon its ability to secure additional equity or other financing.

**14. SUBSEQUENT EVENTS:**

- a) Subsequent to April 30, 2009, the Company agreed to terms on a private placement of convertible debentures to raise up to U.S. \$400,000 in two or more tranches. The debentures will have a term of two years. The principal amount of the debentures will be convertible into common shares of the Company at a price of \$0.35 per share. Conversion will be 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 10 consecutive trading days subsequent to 4 months and one day after the issuance of the debentures.

The debentures will bear interest at 12% per annum, calculated and payable semi-annually. Interest will be payable in cash or shares at the option of the Company.

Warrants will be issued to the debentureholders equal to the number of shares the debentureholders will be entitled to on conversion of the debentures into shares of the Company. The warrants will be detachable from the debenture and may therefore be exercised prior to conversion, and will expire one year after the debentures have been issued.

The Company has closed the first tranche of this financing, raising proceeds of U.S. \$250,000.

- b) Subsequent to April 30, 2009, 45,000 stock options and 1,843,400 warrants expired, unexercised.

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**Consolidated Schedule of Mineral Property Deferred Costs**  
**For the years ended April 30, 2009 and 2008**

*(expressed in Canadian dollars)*

	Balance, May 1, 2007	Expenditures incurred during the year	Balance, April 30, 2008	Expenditures incurred during the year	Balance, April 30, 2009
<b>UNITED STATES</b>					
<b>HELMER BOVILL PROPERTY</b>					
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	491,249	2,313,172
Environmental	65,836	20,717	86,553	217,753	304,306
Field and survey	190,666	15,816	206,482	13,998	220,480
Licenses and fees	49,289	51,117	100,406	97,580	197,986
Marketing and research	552,957	96,805	649,762	113,672	763,434
Mineral analysis and processing	404,651	114,700	519,351	97,428	616,779
Project management	116,584	18,536	135,120	21,663	156,783
Technical reports	44,977	-	44,977	-	44,977
Travel	121,340	28,102	149,442	17,120	166,562
<b>TOTAL</b>	<b>\$ 3,863,966</b>	<b>\$ 877,121</b>	<b>\$ 4,741,087</b>	<b>\$ 1,090,960</b>	<b>\$ 5,832,047</b>