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Auditors' Report

To the Shareholders
Altius Minerals Corporation

We have audited the consolidated balance sheets of Altius Minerals Corporation as at April 30, 2000 and 1999 and the consolidated statements of loss and deficit and cash flow for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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 Corporation as at April 30, 2000 and 1999 and the results of its operations and its cash flows for the years then ended in accordance with generally accepted accounting principles.

(Original signed by) "Collins Barrow"

CHARTERED ACCOUNTANTS

Calgary, Alberta
July 24, 2000

Altius Minerals Corporation

(Incorporated under the laws of Alberta)

Consolidated Balance Sheets

April 30, 2000 and 1999

	2000	1999
Assets		
Current assets		
Cash and cash equivalents	$ 466,000	$ 327,286
Accounts receivable	19,045	13,097
Prepaid expenses	26,836	7,536
	511,881	347,919
Mineral properties and deferred exploration costs (Schedule)	379,052	275,579
Capital assets (note 3)	12,453	8,054
	$ 903,386	$ 631,552
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 21,967	$ 26,208
Deferred income taxes	-	15,683
	21,967	41,891
Shareholders' Equity		
Share capital (note 4)	1,532,190	944,363
Deficit	(650,771)	(354,702)
	881,419	589,661
	$ 903,386	$ 631,552

Approved by the Board,

(signed) "Brian F. Dalton" , Director

(signed) "J. Geoffrey Thurlow" , Director

Altius Minerals Corporation

Consolidated Statements of Loss and Deficit

Years Ended April 30, 2000 and 1999

	2000	1999
Interest income	$ 2,927	$ 5,842
Expenses		
General and administrative	214,825	210,787
Mineral properties abandoned or impaired	95,318	110,031
Amortization	4,536	2,783
	314,679	323,601
Loss before income taxes	(311,752)	(317,759)
Income taxes - deferred (recovery) (note 5[b])	-	(49,292)
Net loss	(311,752)	(268,467)
Deficit, beginning of year	(354,702)	(86,235)
Adjustment on future tax conversion (note 7)	15,683	-
Deficit, end of year	$ (650,771)	$ (354,702)
Net loss per share	$ (0.03)	$ (0.03)

Altius Minerals Corporation

Consolidated Statements of Cash Flow

Years Ended April 30, 2000 and 1999

	2000	1999
Operating activities		
Net loss	$ (311,752)	$ (268,467)
Items not affecting cash		
Costs of mineral properties abandoned	95,318	110,031
Amortization	4,536	2,783
Income taxes - deferred (recovery)	-	(49,292)
	(211,898)	(204,945)
Change in non-cash working capital balances related to operating activities	(23,997)	(18,599)
	(235,895)	(223,544)
Financing activities		
Repayment of advances from shareholders	-	(21,114)
Proceeds from issuance of shares, net of issuance costs	571,427	570,331
	571,427	549,217
Investing activities		
Acquisition of mineral properties and deferred exploration costs, net of recoveries	(182,391)	(223,955)
Acquisition of capital assets	(8,935)	(3,857)
Change in non-cash working capital balances related to investing activities	(5,492)	-
	(196,818)	(227,812)
Net increase in cash and cash equivalents	138,714	97,861
Cash and cash equivalents, beginning of year	327,286	229,425
Cash and cash equivalents, end of year	$ 466,000	$ 327,286
Cash and cash equivalents consists of:		
Deposits with bank	$ 34,418	$ 288,447
Term deposits	431,582	38,839
	$ 466,000	$ 327,286

1. Nature of operations

The Corporation's principal business activities include mineral property exploration and development. The Corporation is in the process of exploring and developing its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable.

The recoverability of the amounts shown for mineral properties and deferred exploration costs is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Corporation to obtain necessary financing to complete the development of the properties and the generation of sufficient income through future production from or the disposition of such assets.

2. Significant accounting policies

The consolidated financial statements of the Corporation have been prepared in accordance with generally accepted accounting principles consistently applied. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements for the year necessarily involves the use of estimates and approximations which have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

(a) Principles of consolidation

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiary, Altius Resources Inc.

(b) Cash and cash equivalents

Cash and cash equivalents consists of amounts on deposit with banks and term deposits with a maturity of three months or less when purchased.

(c) Mineral properties and deferred exploration costs

The amount shown for mineral properties and deferred exploration costs includes the direct costs of acquiring, maintaining, exploring and developing properties, an allocation of management fees and salaries based on time spent and other costs directly related to specific properties. All other costs, including administrative overhead, are expensed as incurred. Mineral properties acquired for share consideration are recorded at the fair value of the shares at the date of acquisition.

Management periodically reviews the carrying values of mineral properties and deferred exploration costs with internal and external mining professionals. A decision to abandon, reduce or expand activity on a specific project is based upon many factors including general and specific assessments of mineral reserves, anticipated future mineral prices, anticipated costs of developing and operating a producing mine, the expiration date of mineral property leases and the general likelihood that the Corporation will continue exploration on the project. The Corporation does not set a pre-determined holding period for properties with unproven reserves. However, properties which have not demonstrated suitable prospects at the conclusion of each phase of an exploration program are re-evaluated to determine if future exploration is warranted and that carrying values are appropriate.

If a mineral property is abandoned or it is determined that its carrying value cannot be supported by future production or sale, the related costs are charged against operations in the year of abandonment or determination of impairment of value. The amounts recorded as mineral properties and deferred exploration costs represent unamortized costs to date and do not necessarily reflect present or future values.

The accumulated costs of mineral properties and deferred exploration costs that are developed to the stage of commercial production will be amortized to operations on a unit-of-production basis over economically recoverable reserves.

(d) Capital assets

Capital assets are recorded at cost. Amortization is provided using the following methods and annual rates:

Office equipment	20% declining balance
Computer equipment	30% declining balance
Computer software	100% straight line

(e) Flow-through shares

Share capital includes flow-through shares issued pursuant to certain provisions of the Income Tax Act (Canada) ("Act"). The Act provides that, where the share issuance proceeds are used for exploration and development expenditures, the related income tax deductions may be renounced to subscribers. Accordingly, these expenditures provide no income tax deduction to the Corporation.

Share capital is reduced with a corresponding credit to future income taxes by the estimated cost of the renounced tax deductions when the expenditures have been incurred and are renounced.

(f) Stock options

The corporation has a stock option plan as described in note 4(g). No compensation expense is recognized when stock options are issued to directors, officers, employees and consultants of the corporation and of its subsidiaries. Any consideration paid on exercise of stock options is credited to share capital.

(g) Income taxes

Income taxes are calculated using the liability method of tax allocation accounting. 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 and assets. Future income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. Temporary differences arising on acquisitions result in future income tax liabilities or assets.

(h) Measurement uncertainty

The valuation of the mineral properties and deferred exploration costs are based on management's best estimate of the future recoverability of these assets. The amount recorded for amortization of capital assets is based on management's best estimate of the remaining useful lives of these assets.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements from changes in such estimates in future periods could be significant.

3. Capital assets

2000	Cost	Accumulated Amortization	Net Book Value
Office equipment	$ 13,342	$ 4,200	$ 9,142
Computer equipment and software	8,486	5,175	3,311
	$ 21,828	$ 9,375	$ 12,453

1999	Cost	Accumulated Amortization	Net Book Value
Office equipment	$ 6,517	$ 1,915	$ 4,602
Computer equipment and software	6,376	2,924	3,452
	$ 12,893	$ 4,839	$ 8,054

4. Share capital

(a) Authorized

Unlimited number of common voting shares without nominal or par value
Unlimited number of First Preferred shares
Unlimited number of Second Preferred shares

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

(b) Issued - Common Shares

	2000		1999	
	Number	**Amount**	**Number**	**Amount**
Balance, beginning of year	9,251,667	$ 944,363	7,215,000	$ 468,147
Pursuant to a private placement (note 4[c])	-	-	700,000	210,000
Pursuant to a private placement (note 4[d])	-	-	1,116,667	333,866
Pursuant to a private placement (note 4[e])	1,605,000	561,750	-	-
Pursuant to exercise of stock options	229,200	54,444	150,000	30,000
Pursuant to acquisition of mineral properties	55,000	16,400	70,000	21,000
	11,140,867	1,576,957	9,251,667	1,063,013
Less: tax benefit forgone on flow-through share renouncements		-		(68,992)
Share issuance costs		(44,767)		(49,658)
		$ 1,532,190		$ 944,363

(c) Pursuant to a private placement, the Corporation issued 700,000 common shares, of which 366,666 are flow-through common shares, for aggregate proceeds of $210,000. In addition, 700,000 common share purchase warrants ("warrants") were issued entitling the holder to purchase one common share per warrant, exercisable at $0.40 per warrant until June 24, 2000.

Subsequent to April 30, 2000, all the warrants have been exercised.

(d) Pursuant to a private placement, the Corporation issued 1,116,667 units for aggregate proceeds of $333,866. Each unit consists of one common share and a warrant to purchase one additional common share at an exercise price of $0.35 per share until March 5, 2001. As at April 30, 2000, no warrants have been exercised.

(e) Pursuant to a private placement, the Corporation issued 1,605,000 units for aggregate proceeds of $561,750. Each unit consists of one common share and a warrant to purchase one additional common share at an exercise price of $0.45 per share expiring March 1, 2002. As of April 30, 2000, no warrants have been exercised.

(f) Under the requirements of the Alberta Securities Commission and the Canadian Venture Exchange, a total of 2,801,204 common shares of the Corporation are held in escrow to be released as follows; subject to written consent of the Executive Director of the Alberta Securities Commission:

Number	Release Date
501,203	- March 3, 2001
2,300,001	- one share for each $0.20 of Deferred Expenditures incurred on the mineral properties acquired during the Corporation's major transaction
2,801,204	

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

A summary of the status of the Corporation's stock option plan as of April 30, 2000 and 1999 and changes during the years ending on those dates is as follows:

	2000		1999	
	Number of Options	**Weighted Average Exercise Price**	**Number of Options**	**Weighted Average Exercise Price**
Outstanding, beginning of year	686,700	$0.26	836,700	$0.25
Granted	310,000	0.35	-	-
Exercised	(229,200)	0.24	(150,000)	0.20
	767,500	$0.31	686,700	$0.26
Options exercisable at year end	767,500	$0.31	686,700	$0.26

Subsequent to April 30, 2000, 97,250 common shares were issued upon the exercise of stock options for aggregate proceeds of $25,450.

5. Income taxes

(a) The consolidated financial statements do not reflect potential tax reductions available through the application of losses carried forward against future years' earnings otherwise subject to income taxes as follows:

Expiry Date	**Amount**
2004	$ 23,721
2005	191,230
2006	185,392
2007	246,438
	$ 646,781

(b) Income taxes differ from that which would be expected from applying the effective Canadian federal and provincial income tax rates of 43.12% (1999 - 43.12%) to the loss before income taxes as follows:

	2000	**1999**
Expected tax recovery	$ (134,427)	$ (137,018)
Decrease resulting from future tax benefits not recognized	134,427	87,726
	$ -	$ (49,292)

(c) The components of the future tax asset at April 30, 2000 are as follows:

	2000
Temporary differences related to capital assets	$ 4,043
Temporary differences related to mineral properties and deferred exploration charges	19,554
Share issuance costs	38,787
Non-capital loss carryforward	278,892
	$ 341,276
As recorded	$ -

At April 30, 2000, the Corporation did not consider it more likely than not that it would be able to realize a future income tax asset and as a result, no future income tax asset was recorded.

6. Commitments

(a) Butler's Pond

Pursuant to an option agreement to purchase an interest in certain Butler's Pond mineral claims, the Corporation can elect to pay $10,000 and issue 20,000 common shares on November 29, 2000 and pay $15,000 and issue 30,000 common shares on November 29, 2001.

Upon completion of the above option payment and issuance of common shares, the Corporation will have earned a 100% interest in the mineral claims subject to a retention by the Vendor of a 1.5% Net Smelter Return Royalty (the "Royalty").

The Corporation has the option and right to purchase 50% of the Royalty at anytime thereafter for $1,000,000.

(b) Taylor's Brook

Pursuant to an option agreement to purchase an interest in certain Taylor's Brook mineral claims, the Corporation can elect to pay $10,000 on July 14, 2000 and $15,000 on July 14, 2001.

Upon completion of the above option payments, the Corporation will have earned a 100% interest in the mineral claims subject to retention by the Vendor or of a 2% Net Smelter Return Royalty (the "Royalty").

The Corporation has the option and right to purchase 50% of the Royalty at anytime thereafter for $1,000,000.

(c) The Corporation is committed under leases on their equipment and office space including operating costs for the following future minimum lease payments over the next two years:

2001	$ 16,187
2002	6,886
	$ 23,073

7. Change in accounting policy

At April 30, 2000, the Corporation changed its method of accounting for income taxes from the deferral method to the liability method. This policy has been adopted retroactively without restatement of April 30, 1999 results. The impact of these changes on the April 30, 2000 consolidated financial statements is a decrease to the opening future income tax liability of $15,683 and a corresponding charge of $15,683 to opening retained earnings. For the year ended April 30, 2000, the application of the new method of accounting for income taxes reduced income tax recoveries and increased net loss by $15,683.

8. Financial instruments

The fair values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are estimated to approximate their carrying values due to the short-term nature of these financial instruments.

Altius Minerals Corporation

Consolidated Schedule of Mineral Properties and Deferred Exploration Costs

Years Ended April 30, 2000 and 1999

	2000			
	Balance, Beginning of Year	**Net Additions**	**Abandoned or impaired**	**Balance, End of Year**
Moosehead	$ 73,702	$ 22,773	$ (5,738)	$ 90,737
Lockport	56,227	15,384	(880)	70,731
Point Leamington	19,716	19,655	-	39,371
Shamrock	14,535	22,445	-	36,980
Butler's Pond (note 6[a])	-	28,287	-	28,287
Paradise Lake	14,917	2,959	(580)	17,296
Wild Cove	8,935	343	-	9,278
Swiss Lake	4,960	3,298	-	8,258
Taylor's Brook (note 6[b])	-	7,514	-	7,514
Mustang	4,894	18	(440)	4,472
Robert's Arm	-	3,827	-	3,827
Seahorse Tadpole	-	3,574	-	3,574
Cross Hills	-	2,678	-	2,678
Chiouk Brook	-	2,038	-	2,038
Kippen's Ridge	-	1,892	-	1,892
Lake Michael	-	1,853	-	1,853
Rolling Pond	1	-	-	1
Victoria River	1	-	-	1
Tom Joe	1	-	(1)	-
Big Arm	6,437	-	(6,437)	-
Little Rattling Brook	1,700	-	(1,700)	-
Great Rattling Brook	2,095	-	(2,095)	-
Aztec	-	3,127	(3,127)	-
Laurencenton	479	-	(479)	-
Miguel Lake South	5,004	2,087	(7,091)	-
White Bay	3,817	1,980	(5,797)	-
Le Pouvoir	920	7,557	(8,477)	-
General Exploration	-	32,226	(32,226)	-
Security deposits	57,238	13,276	(20,250)	50,264
	$ 275,579	$ 198,791	$ (95,318)	$ 379,052

Altius Minerals Corporation

Consolidated Schedule of Mineral Properties and Deferred Exploration Costs (cont'd)

Years Ended April 30, 2000 and 1999

	1999			
	Balance, Beginning of Year	Net Additions	Abandoned or impaired	Balance, End of Year
Moosehead	$ 23,144	$ 50,558	$ -	$ 73,702
Lockport	3,565	52,662	-	56,227
Point Leamington	-	19,716	-	19,716
Paradise Lake	705	14,212	-	14,917
Shamrock	7,932	10,277	(3,674)	14,535
Wild Cove	3,981	4,954	-	8,935
Big Arm	6,245	192	-	6,437
Miguel Lake South	-	5,004	-	5,004
Swiss Lake	-	4,960	-	4,960
Mustang	397	4,497	-	4,894
White Bay	-	3,817	-	3,817
Great Rattling Brook	1,717	378	-	2,095
Little Rattling Brook	1,700	-	-	1,700
Le Pouvoir	-	920	-	920
Laurencenton	-	479	-	479
Rolling Pond	-	1	-	1
Tom Joe	24,852	6,649	(31,500)	1
Victoria River	32,897	(32,896)	-	1
Aztec	17,220	30,008	(47,228)	-
General exploration	-	26,129	(26,129)	-
Security deposits	16,300	42,438	(1,500)	57,238
	$ 140,655	$ 244,955	$ (110,031)	$ 275,579