International Nickel Ventures Corporation

(An Exploration Stage Entity)

Interim Consolidated Financial Statements

March 31, 2010

(Expressed in Canadian Dollars, Except Where Otherwise Noted)

(Unaudited)

International Nickel Ventures Corporation
(An Exploration Stage Entity)
Interim Consolidated Balance Sheets
(unaudited)

As At	**March 31, 2010**	December 31, 2009
Assets		
Current		
Cash and cash equivalents	**$ 11,984,985**	$ 13,586,446
Exploration advances and other receivable	**44,538**	88,900
	12,029,523	13,675,346
Property, plant and equipment (net of $52,710, 2009 - $46,637 accumulated amortization)	**90,453**	69,557
Mineral properties and deferred exploration (note 6)	**13,683,279**	12,807,827
	$ 25,803,255	$ 26,552,730
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 524,071**	$ 602,520
	524,071	602,520
Shareholders' equity		
Common shares (notes 7(a) and (b))	**53,835,483**	53,744,483
Warrants (note 7(c))	**691,938**	691,938
Contributed surplus (note 8)	**6,246,762**	6,163,350
Deficit	**(35,494,999)**	(34,649,561)
	25,279,184	25,950,210
	$ 25,803,255	$ 26,552,730

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

International Nickel Ventures Corporation
(An Exploration Stage Entity)
Interim Consolidated Statements of Operations and Comprehensive Loss
(unaudited)

For the three months ended March 31,		**2010**		2009
Expenses				
General and administration				
Shareholder information and regulatory compliance	**$**	**23,373**	$	35,131
Compensation		**518,225**		624,728
Travel		**38,497**		51,144
Professional fees		**65,036**		11,639
Office		**55,886**		89,943
Telecommunications		**6,738**		5,291
Other		**8,077**		65,363
Total general and administration		**715,832**		883,239
General exploration		**-**		119,072
Mineral properties and deferred exploration written off (note 6)		**-**		357,300
Stock-based compensation (note 8)		**124,145**		190,075
Equity loss from investment		**-**		(83)
Foreign currency exchange loss		**9,372**		286
Interest income		**(3,911)**		(33,311)
Loss before income taxes		**845,438**		1,516,578
Future income tax recovery		**-**		(980,481)
Net loss and comprehensive loss	**$**	**845,438**	$	536,097
Basic and diluted loss per share (note 7(d))	**$**	**0.01**	$	0.01

International Nickel Ventures Corporation
(An Exploration Stage Entity)
Consolidated Statements of Deficit

For the three months ended March 31,		**2010**		2009
Deficit, beginning of period	**$**	**34,649,561**	$	31,967,105
Loss for the period		**845,438**		536,097
Deficit, end of period	**$**	**35,494,999**	$	32,503,202

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

International Nickel Ventures Corporation
(An Exploration Stage Entity)
Consolidated Statements of Cash Flows
As at March 31, 2010
(unaudited)

For the three months ended March 31,		**2010**		2009
Operating activities				
Net loss for the period	**$**	**(845,438)**	$	(536,097)
Items not affecting cash:				
Mineral properties and deferred exploration written off (note 6)		**-**		357,300
Equity loss from investment		**-**		(83)
Future income tax recovery		**-**		(980,481)
Depreciation		**6,073**		6,331
Loss on disposal of property, plant and equipment		**-**		54,987
Stock-based compensation (note 8)		**174,412**		190,075
		(664,953)		(907,968)
Change in working capital				
Exploration advances and other receivables		**44,362**		68,907
Accounts payable and accrued liabilities		**(104,612)**		194,949
		(60,250)		263,856
		(725,203)		(644,112)
Investing activities				
Mineral properties and deferred exploration		**(849,289)**		(278,278)
Proceeds from the sale of property, plant and equipment		-		6,867
Property, plant and equipment additions		**(26,969)**		-
		(876,258)		(271,411)
Change in cash for the period		**(1,601,461)**		(915,523)
Cash, beginning of period		**13,586,446**		17,814,351
Cash, end of period	**$**	**11,984,985**	$	16,898,828
Interest income received	**$**	**3,783**	$	50,884

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

The unaudited consolidated interim financial statements should be read in conjunction with the Corporation's most recent annual audited consolidated financial statements, as they do not conform in all respects with the requirements of Canadian generally accepted accounting principles ("Canadian GAAP") as pertaining to audited annual financial statements. The consolidated interim unaudited financial statements follow the same accounting policies and procedures as the most recent audited statements, except as noted in note 3(a) below.

In the opinion of management, the accompanying unaudited interim consolidated financial statements contain all adjustments necessary to present fairly, in all material respects, the financial position of the Corporation as at March 31, 2010, and the results of its operations and comprehensive loss and its cash flows for the three month periods ended March 31, 2010 and 2009.

1) Nature of operations

International Nickel Ventures Corporation ("INV" or the "Corporation") was incorporated on October 20, 2005 and is in the business of acquiring, exploring and developing mineral deposits, primarily in Brazil, Namibia and Canada, through the Corporation and its wholly-owned subsidiaries, INV Mineração Ltda. and INV Exploration Namibia (PTY) Ltd. International Nickel Ventures is now operating under the name of INV Metals. The Corporation may expand its operations to include mineral properties outside of Brazil, Namibia and Canada and also into other metallic projects. The Corporation's properties may be subject to sovereign risk, including political and economic instability, government regulations relating to mining, currency fluctuations and local inflation. These risks may adversely affect the Corporation's investment in mineral properties and may result in the impairment or loss of all or part of these properties.

On March 17, 2006, the Corporation completed an initial public offering and was listed for trading on the Toronto Stock Exchange. The Corporation is currently trading under the symbol "INV".

2) Accounting policies and basis of presentation

The consolidated financial statements of INV have been prepared in accordance with Canadian generally accepted accounting principles. Summarized below are the significant accounting policies used in these consolidated financial statements.

a) Basis of consolidation

The consolidated financial statements include the accounts of International Nickel Ventures Corporation and its wholly owned subsidiaries INV São José Inc., INV Exploration Namibia (PTY) Ltd., INV Mineração Ltda. and INV (Barbados) Ltd.

b) Use of estimates

The preparation of the consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect assets and liabilities and the related disclosures at the date of the financial statements and the reported amounts for operations during the reporting period. While management believes that the estimates and assumptions are reasonable, actual results may differ.

Significant estimates and assumptions include those related to the determination as to whether costs are expensed or deferred, the recoverability of mineral property, stock-based compensation, future taxes and the ability to continue as a going concern.

Cash and cash equivalents include cash on deposit, term deposits and other interest-bearing investments that have original maturities of less than 90 days from the date of acquisition.

2) Accounting policies and basis of presentation (continued)

d) Investment subject to significant influence

The Corporation uses the equity method for investments where the Corporation has a significant influence on the entity's operating, investing and financing activities. The investment is initially recorded at cost and adjustments are made to include the Corporation's share of the net earnings and losses, which are recorded in the Corporation's statements of operations and comprehensive loss. Any decline in the fair value of the investment considered by management to be other than temporary in nature is charged to operations.

e) Mineral properties and deferred exploration

The Corporation considers its exploration and evaluation costs to have the characteristics of property, plant and equipment. As such, the Corporation defers all exploration and evaluation costs, including acquisition costs and field exploration costs relating to specific properties until those properties are brought into production, at which time, they will be amortized on a unit-of-production basis or until the properties are abandoned, sold or considered to be impaired in value, at which time, an appropriate charge will be made.

When impairment indicators are identified, long-lived assets including mineral properties and deferred exploration are reviewed for impairment to determine whether a write down of their carrying amount is required. Since the Corporation is in the exploration stage and has not established mineral reserves and, therefore, does not have a basis to prepare cash flow projections to support the carrying amount of these assets, other factors are considered in determining whether a write down is required. Such factors include past exploration work, future planned exploration work and general market conditions.

f) Property, plant and equipment

Property, plant and equipment are recorded at cost and amortized on a declining basis over the useful life of the assets (depreciation rates are 20% for office equipment and 30% for computer equipment and vehicles).

g) Stock-based compensation

The Corporation has a stock-based compensation plan. The Corporation recognizes as an expense the cost of stock-based compensation based on the estimated fair value of new stock options and restricted share units granted to employees, consultants, officers and directors. The fair value of each stock option granted is estimated on the date of the grant using the Black-Scholes and other option-pricing models and is expensed over the vesting period. The fair value of each restricted share unit granted is calculated on the date of the grant using the closing stock price on the date prior to the grant and is expensed over the vesting period. Forfeitures of stock options and restricted share units are recognized as incurred.

h) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities, expenses and other income arising from foreign currency transactions are translated at the exchange rate in effect at the date of the transaction. Exchange gains or losses arising from the translation are included in operations. The accounts of the operations in Brazil and Namibia have been translated using the temporal method for foreign integrated operations. Under the temporal method, monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities, which primarily comprise mineral properties and deferred exploration, are translated using historic rates of

2) Accounting policies and basis of presentation (continued)

h) Foreign currency translation (continued)

exchange. Expenses and other income are translated at the average rates of exchange during the period. Foreign currency exchange gains and losses are included in operations.

i) Future income taxes

The Corporation uses the asset and liability method in accounting for income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the substantively enacted income tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in income tax rates is included in income in the year in which the change is enacted or substantively enacted. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized.

j) Related party transactions

All transactions with related parties are in the normal course of business and are measured at the exchange amounts.

k) Basic and diluted loss per share

Basic loss per share is computed based on the weighted average number of common shares outstanding during the year. The Corporation uses the treasury stock method for calculating diluted loss per share. As the Corporation incurred net losses for each of the periods ended March 31, 2010 and 2009, all outstanding stock options, restricted share units and warrants have been excluded from the calculation of diluted loss per share, since the effect of these would be anti-dilutive.

3) Changes in accounting policies and future accounting pronouncements

a) Changes in accounting policies

i) Financial Instruments – Disclosures

During 2009, the CICA amended Section 3862*, Financial Instruments – Disclosures* to require disclosures regarding the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurements. The amendment of the section had no impact on the Corporation's consolidated financial statements.

b) Future accounting pronouncements

i) Business Combinations, Consolidated Financial Statements and Non-controlling Interests

In January 2009, the CICA issued three new accounting standards: Section 1582, *Business Combinations*; Section 1601, *Consolidated Financial Statements*; and Section 1602, Non-*controlling Interests*. These new standards will be effective for fiscal years beginning on or after January 1, 2011 and earlier adoption is permitted as of the beginning of a fiscal year. The Corporation is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 1581, *Business Combinations* and establishes standards for the

Changes in accounting policies and future accounting pronouncements (continued)

b) Future accounting pronouncements (continued)

i) Business Combinations, Consolidated Financial Statements and Non-controlling Interests (continued)

accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards IFRS 3 – *Business Combinations*.

Section 1601 and 1602 together replace section 1600, *Consolidated Financial Stateme*nts. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

4) Capital disclosures

The Corporation manages its capital structure and makes adjustment to it, based on the funds available to the Corporation, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business.

The properties in which the Corporation currently has an interest are in the exploration stage; as such the Corporation is dependent on external financing to fund its activities. In order to carry out planned exploration and pay for administrative costs, the Corporation will spend its working capital and raise additional amounts as needed. The Corporation will continue to assess new properties and seek to acquire an interest in additional properties if it is deemed there is sufficient geological or economic potential and if adequate financial resources are available.

Management reviews its capital management approach on an ongoing basis and believes this approach, given the size of the Corporation, is reasonable. There were no changes in the Corporation's approach to capital management during the three month period ended March 31, 2010. Neither the Corporation nor its subsidiaries are subject to externally imposed capital requirements.

5) Financial instruments

The Corporation has designated its cash and other receivables as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at March 31, 2010, the carrying and fair value amounts of the Corporation's financial instruments are the same.

Financial risk factors

The Corporation's risk exposures and the impact of the Corporation's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous period.

a) Credit risk

The Corporation's credit risk is primarily attributable to receivables included in other receivables. The Corporation has no significant concentration of credit risk. Financial instruments included in other receivables consist of receivables from unrelated companies. Management believes that the credit risk receivables concentration with respect to financial instruments included in other receivables is remote.

5) Financial instruments (continued)

Financial risk factors (continued)

b) Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet obligations when due. As at March 31, 2010, the Corporation had a cash balance of $11,984,985 (December 31, 2009 – $13,586,446) to settle current liabilities of $524,071 (December 31, 2009 – $602,520). The majority of the Corporation's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Corporation has various commitments detailed in note 9.

c) Commodity price risk

The ability of the Corporation to develop its properties and the future profitability of the Corporation is directly related to the market price of certain minerals.

d) Market risk

i) Interest rate risk

The Corporation has a cash balance and no interest-bearing debt. The Corporation holds cash and cash equivalents in deposit form in a major Chartered Canadian bank. The Corporation is sensitive to changes in the interest rates through interest income earned on its cash balance.

ii) Foreign currency risk

The Corporation's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars, Brazilian reais and Namibian dollars. The Corporation funds certain operations, exploration and administrative expenses on a cash call basis using Canadian dollar currency converted from its Canadian dollar bank accounts. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk. The Corporation does not hold significant balances in foreign currencies to give rise to exposure to significant foreign exchange risk.

e) Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are "reasonably possible" over the three month period ended March 31, 2010: Cash and cash equivalents are subject to floating interest rates. As at March, 2010, if interest rates had decreased by 0.1% or increased by 0.25%, respectively, with all other variables held constant, the loss for the three month period ended March 31, 2010, would have been approximately $3,000/$8,000 higher/lower, as a result of lower/higher interest income from cash and cash equivalents. Similarly, as at March 31, 2010, shareholders' equity would have been approximately $3,000/$8,000 lower/higher as a result of lower/higher interest income from cash and cash equivalents due to a 0.1% decrease or a 0.25% increase in interest rates.

Financial instruments denominated in Brazilian reais and Namibian dollars are subject to foreign currency risk. As at March 31, 2010, had the Brazilian real and Namibian dollar weakened/strengthened by 10% against the Canadian dollar, with all other variables held constant, the Corporation's loss for the three month period ended March 31, 2010, would have been approximately $29,000 higher/lower as a result of

5) Financial instruments (continued)

Financial risk factors (continued)

e) Sensitivity analysis (continued)

foreign exchange losses/gains on translation of non-Canadian dollar denominated financial instruments. Similarly, as at March 31, 2010, shareholders' equity would have been approximately $29,000 lower/higher had the Brazilian real and Namibian dollar weakened/strengthened by 10% as a result of foreign exchange losses/gains on translation of non-Canadian dollar denominated financial instruments.

6) Mineral properties and deferred exploration

March 31, 2010	Balance December 31, 2009	Additions in the period	Write off	Balance March 31, 2010
Brazil properties				
Itaporã	**$ 659,202**	**$ 30,437**	**$ -**	**$ 689,639**
Rio Novo	**2,593,074**	**610,405**	**-**	**3,203,479**
Namibia property				
Kaoko	**2,666,071**	**234,610**	**-**	**2,900,681**
Ontario properties				
Fishtrap	**2,572,306**	**-**	**-**	**2,572,306**
Lansdowne House	**1,446,360**	**-**	**-**	**1,446,360**
Montcalm	**1,720,922**	**-**	**-**	**1,720,922**
Thorne Lake	**1,149,892**	**-**	**-**	**1,149,892**
	$ 12,807,827	**$ 875,452**	**$ -**	**$ 13,683,279**

December 31, 2009	Balance December 31, 2008	Additions in the period	Write off	Balance December 31, 2009
Brazil properties				
Goiás Region	$ 60,599	$ 2,292	$ (62,891)	$ -
Norte Sul	294,409	-	(294,409)	-
Itaporã	626,815	287,938	(255,551)	659,202
Rio Novo	-	2,593,074	-	2,593,074
Namibia property				
Kaoko	-	2,666,071	-	2,666,071
Ontario properties				
Fishtrap	2,565,978	6,328	-	2,572,306
Lansdowne House	1,445,248	1,112	-	1,446,360
Montcalm	1,430,273	290,649	-	1,720,922
Thorne Lake	-	1,149,892	-	1,149,892
	$ 6,423,322	$ 6,997,356	$ (612,851)	$ 12,807,827

6) Mineral properties and deferred exploration (continued)

a) Brazilian properties

i) Rio Novo property

The Corporation entered into an option agreement with Teck Resources Limited and its local subsidiaries ("Teck") which provides INV the right to acquire an initial 50% interest in the Rio Novo copper-gold property ("Rio Novo") in the Carajás mining district of in the state of Pará, Brazil.

Under the terms of the Rio Novo agreement, INV may earn an initial 50% interest in the Rio Novo property by funding exploration expenditures of $7 million over 3 years with guaranteed expenditures of $4 million over 2 years, after which a joint venture will be formed on a 50% basis.

Once the joint venture is formed with INV and Teck both holding a 50% interest, Teck may elect, prior to November 30, 2012, to increase its interest in Rio Novo to 60% by funding expenditures of $7 million over the subsequent 2 years. If Teck does not exercise its option to increase its interest in Rio Novo to 60%, INV may elect to increase its interest in Rio Novo to 60% by funding expenditures of $7 million over that same subsequent 2 years. If INV then earns a 60% interest in Rio Novo, Teck has the option to elect to increase its interest to 60%, by making an initial cash payment to INV of $7 million, funding additional expenditures of $14 million over the subsequent 3 years and making an additional cash payment to INV of $3.5 million prior to the expiry of the 3 year period.

As at March 31, 2010, exploration activities at the Rio Novo property consisted of geophysical and geochemical surveys, gridding and drilling.

ii) Itaporã property

The Itaporã gold project is located in Pará State, Brazil. The Corporation acquired the property by staking claims. As at March 31, 2010, activities at the Itaporã property consisted of property maintenance.

b) Namibian property

i) Kaoko property

The Corporation entered into an option agreement with Teck which provides INV the right to acquire an initial 50% interest the Kaoko copper property ("Kaoko") in Northwest Namibia.

Under the terms of the Kaoko agreement, INV may earn an initial 50% interest in the Kaoko property by making an initial $1,064,094 payment to Teck and funding exploration expenditures of $7 million over 4 years, with guaranteed expenditures of $3 million over 2 years, after which a joint venture will be formed on a 50% basis.

Once the joint venture is formed, with INV and Teck both holding a 50% interest, Teck may elect, prior to November 30, 2013, to increase its interest in Kaoko to 60% by funding expenditures equal to $7 million over the subsequent 2 years. If Teck increases its interest in Kaoko to 60% by satisfying the required expenditure commitments, Teck then has the option to elect to earn an additional 5% interest in Kaoko to increase its interest to 65%, by funding $21 million over the subsequent 4 years.

If Teck does not exercise its first option to increase its interest in Kaoko to 60%, INV may elect to increase its interest in Kaoko to 60% by funding expenditures of $7 million over the same subsequent two years as per Teck's option above. If INV then earns a 60% interest in Kaoko, Teck has the option to elect to increase its interest to 60% by making an initial cash payment to INV of $7 million, funding additional expenditures equal to $14 million over the subsequent 3 years and making an additional cash payment to INV of $3.5 million prior to the expiry of the 3 year period.

6) Mineral properties and deferred exploration (continued)

b) Namibian property (continued)

i) Kaoko property (continued)

As at March 31, 2010, exploration activities at the Kaoko property consisted of geochemical survey and sediment soil sampling.

c) Ontario properties

On December 27, 2007, the Corporation purchased a 100% ownership in three northern Ontario mineral properties (Fishtrap, Lansdowne and Montcalm) from FNX Mining Company Inc.'s ("FNX") wholly owned subsidiary, Aurora Platinum Corp. ("Aurora"), in exchange for INV issuing 2.9 million common shares to FNX. In the event that prior to December 27, 2027, INV makes a production decision on any one of the three properties, or if FNX completes a feasibility study approved for implementation by FNX, then FNX shall be entitled to acquire 50% of INV's then beneficial interest in that property by paying to INV two times the aggregate of all expenditures made by INV on that property. The properties are subject to certain net smelter royalties.

i) Fishtrap

The Corporation has a 100% interest in the Fishtrap property.

ii) Lansdowne House

The 100% interest in the Lansdowne House property is subject to (a) a 2.5% net smelter return royalty in favour of PGM Ventures Corporation, which royalty is subject to the right of INV to buy back up to 1.5% thereof by paying $500,000 per 0.5%; and (b) the right of Vale Inco with respect to one claim comprising part of the property to receive a 1.5% net smelter return royalty in respect of such claim, subject to a maximum cap of $2,500,000.

iii) Montcalm

The 100% interest in the Montcalm property is subject to (a) a 2% net smelter return royalty which is subject to the right of INV to buy back up to 1% thereof by paying $500,000 per 0.5%; and (b) a 1.5% net smelter return royalty in favour of Vale Inco, subject to a maximum cap of $2,500,000, after which it is converted into a 0.75% net smelter return royalty for the lifetime of the Montcalm Property.

iv) Thorne Lake

On May 28, 2009, the Corporation entered into an option agreement with Northern Superior Resources Inc. ("Northern Superior") on the Thorne Lake, Ontario gold property. Under the terms of the agreement, INV may earn a 50% interest in the property by funding $1.5 million in exploration expenditures over four years, with a first year commitment of $500,000, which has been fulfilled. Upon INV completing its funding obligations, a joint venture will be formed with INV and Northern Superior both holding a 50% interest in the property. INV may elect to sole-fund additional work programs, after earning its 50% interest, through to the completion of a pre-feasibility study to earn a final interest of 60%.

7) Share capital and loss per share

a) Authorized

The authorized capital of INV consists of an unlimited number of common shares.

7) Share capital and loss per share (continued)

b) Issued and outstanding

	Number of Common Shares		Amount
Balance, January 1, 2009	54,011,008	$	53,478,870
Issuance of restricted share units (note 8)	200,000		182,000
Renouncement of exploration expenditures	-		(980,481)
Issuance of shares	2,875,929		1,064,094
Balance, December 31, 2009	**57,086,937**		**53,744,483**
Issuance of restricted share units (note 8)	**100,000**		**91,000**
Balance, March 31, 2010	**57,186,937**	**$**	**53,835,483**

On October 28, 2009, the Corporation entered into two option agreements with Teck to obtain the right to acquire an initial 50% interest in two exploration properties. As part of the transaction, the Corporation issued 2,875,929 common shares to Teck at a price of $0.37 per share for proceeds of $1,064,094.

c) Warrants

The following table summarizes information regarding the Corporation's warrants for the three month period ended March 31, 2010 and the year ended December 31, 2009:

	Number of Warrants		Amount
Balance, January 1, 2009	2,491,886	$	745,005
Compensation warrants issued	(144,000)		(53,067)
Balance, December 31, 2009 and March 31, 2010	**2,347,886**	**$**	**691,938**

As consideration for its services from the sale of flow-through shares in February 2008, the Corporation issued 144,000 compensation warrants, exercisable for 144,000 common shares of INV at an exercise price of $1.00 per share. The broker warrants expired on August 21, 2009. The value ascribed to the warrants was $53,067 determined using the Black-Scholes option pricing model. The assumptions used for compensation warrants issued during the period were as follows: dividend yield of 0.0%; expected volatility of 83%; risk-free interest rate of 3.2% and an expected life of 18 months. This amount was transferred to contributed surplus on expiry.

d) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding for the three month period ended March 31, 2010 of 57,175,826 (2009 – 54,099,897). The conversion of outstanding stock options, restricted share units and warrants was not included in the calculation of fully diluted loss per share in any period as the conversion would be anti-dilutive.

8) Contributed surplus

The following table summarizes information regarding the Corporation's contributed surplus for the three month period ended March 31, 2010 and the year ended December 31, 2009:

		Amount
Balance, January 1, 2009	$	5,635,363
Issuance of restricted share units (note 7(b))		(182,000)
Restricted share unit compensation		135,230
Stock-based compensation		521,690
Expiration of warrants (note 7(c))		53,067
Balance, December 31, 2009	**$**	**6,163,350**
Issuance of restricted share units (note 7(b))		**(91,000)**
Restricted share unit compensation		**16,428**
Stock-based compensation		**157,984**
Balance, March 31, 2010	**$**	**6,246,762**

The Corporation's stock option plan (the "Option Plan") is for directors, officers, employees and certain individuals that provide ongoing services to INV. Under the Option Plan, options are typically granted for a five-year period and in such numbers as reflects the level of responsibility of the particular optionee and his or her contribution to the business and activities of INV. Stock options granted under the Option Plan prior to 2006 vested at the discretion of the Board of Directors. Stock options granted under the Option Plan vest 25% immediately, 25% after six months, 25% after one year and 25% after one and one-half years from the date of grant. Except in specified circumstances, stock options are not assignable and vested options terminate 90 days after the optionee ceases to be employed by or associated with INV. The terms of the Option Plan further provide that the price at which shares may be issued under the Option Plan cannot be less than the market price of the shares when the relevant stock options are granted and common shares available for stock-options issuance would be no more than 10% of the issued and outstanding common shares of the Corporation at any time.

The Corporation under its restricted share unit plan (the "RSU Plan") may grant up to 1,000,000 shares to employees, officers, directors and consultants through the issuance of restricted share units. Each restricted share unit gives the holder the right to receive, after the restricted period, if applicable, one common share of the Corporation. The fair market value of each restricted share unit granted is calculated on the date of grant using the closing stock price on the date prior to the grant. The restricted share units granted have a restricted period expiring one third on the first anniversary date of the effective date of the employee's employment agreement, one third on the second anniversary, and one third on the third anniversary.

The restricted period is subject to the discretion of the Board of Directors. The aggregate number of common shares issuable to an insider of the Corporation pursuant to all security based compensation, shall not exceed 10% of the total number of common shares outstanding. The aggregate number of common shares reserved for issuance to any one person shall not exceed 5% of the total number of common shares then outstanding.

8) Contributed surplus (continued)

The following table summarizes information regarding the Corporation's outstanding and exercisable stock options as at March 31, 2010:

Exercise Price Range	Number of Stock Options Outstanding	Weighted-Average Remaining Years of Contractual Life		Weighted Average Exercise Price	Number of Stock Options Exercisable		Weighted Average Exercisable Price
$0.35-$0.89	1,495,000	4.2	$	0.56	712,500	$	0.55
$0.90-$1.29	2,942,000	2.6		1.07	2,531,583		1.08
*$1.30-$1.69	825,000	2.1		1.50	741,666		1.50
$1.70-$2.10	365,000	2.0		1.80	365,000		1.80
	5,627,000	2.9	$	1.04	4,350,749	$	1.12

*Includes 250,000 stock options granted to an officer of the Corporation, exercisable when the Corporation's market capitalization reaches $225 million.

The weighted average grant date fair value of $0.50 for the period ended March 31, 2010, was determined using the Black-Scholes option pricing model (except as described further below) with the assumptions used as follows: dividend yield of 0.0%; expected volatility of 120%; risk-free interest rate of 1.19%; and a weighted average expected life of 24 months.

The following table summarizes the stock option transactions for the three month period ended March 31, 2010 and the year ended December 31, 2009 as follows:

	Number of stock options		**Weighted-average exercise price**
Outstanding, January 1, 2009	4,747,000	$	1.25
Granted	955,000		0.44
Expired/Forfeited	(765,000)		1.39
Outstanding, December 31, 2009	**4,937,000**	**$**	**1.07**
Granted	**690,000**		**0.86**
Outstanding, March 31, 2010	**5,627,000**	**$**	**1.04**

8) Contributed surplus (continued)

The following table summarizes the restricted share unit transactions for the three month period ended March 31, 2010 and the year ended December 31, 2009:

	Number of restricted shares		Fair value of restricted shares
Outstanding, January 1, 2009	500,000	$	0.91
Exercised	(200,000)		0.91
Outstanding, December 31, 2009	**300,000**	**$**	**0.91**
Exercised	**(100,000)**		**0.91**
Outstanding, March 31, 2010	**200,000**	**$**	**0.91**

During the period, 100,000 units were issued from treasury with a value of $91,000. The amount was transferred to contributed surplus on issuance.

9) Contractual obligations and commitments

INV entered into a lease arrangement to lease office space effective December 31, 2009. The lease will remain in effect to December 31, 2012.

As per the option agreements with Teck, upon closure of the transaction on October 28, 2009, the Corporation committed to first year aggregate expenditures on the combined properties of $3 million. The Corporation guaranteed expenditures on the Kaoko property of $3 million over two years, and expenditures of $4 million over two years on the Rio Novo property. As at March 31, 2010, $1,224,044 has been spent in aggregate on both properties.

The Corporation is required to make the following cash payments under its office lease agreement and is committed to the following exploration expenditures:

		Total		2010		2011		2012-14
Exploration expenditure commitment at Kaoko property	$	3,000,000	$	-	$	3,000,000	$	-
Exploration expenditure commitment at Rio Novo property	$	4,000,000	$	-	$	4,000,000	$	-
First year aggregate exploration expenditure commitment at Rio Novo and Kaoko properties	$	3,000,000	$	3,000,000	$	-	$	-
Office leases	$	189,600	$	47,400	$	71,100	$	71,100