International Nickel Ventures Corporation

(An Exploration Stage Entity)

Consolidated Financial Statements

March 31, 2008

(Expressed in Canadian Dollars, Except Where Otherwise Noted)

These interim consolidated financial statements have not been audited or reviewed by the Corporation's external auditors

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

As At		**March 31, 2008**		December 31, 2007
Assets				
Current				
Cash and cash equivalents	**$**	**24,751,899**	$	24,471,515
Exploration advances and other receivable (note 6)		**250,647**		380,904
		25,002,546		24,852,419
Investment in INVI (note 7)		**16,996,434**		16,691,820
Property, plant and equipment (net of $3,256 accumulated amortization)		**41,768**		16,233
Mineral properties and deferred exploration (note 8)		**7,641,074**		6,350,020
	$	**49,681,822**	$	47,910,492
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**560,949**	$	1,029,052
		560,949		1,029,052
Shareholders' equity				
Common shares (notes 9(a) and (b))		**53,387,870**		50,552,527
Warrants (note 9(c))		**3,713,499**		3,880,839
Contributed surplus (note 10)		**1,844,866**		1,254,794
Deficit		**(9,825,362)**		(8,806,720)
		49,120,873		46,881,440
	$	**49,681,822**	$	47,910,492

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

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

For the three months ended March 31,		**2008**		2007
Expenses				
General and administration				
Shareholder information and regulatory compliance	**$**	**103,213**	$	70,713
Compensation		**274,589**		154,054
Administrative services		**-**		60,639
Travel		**86,529**		27,800
Professional		**56,335**		18,640
Office		**53,751**		20,686
Telecommunications		**10,323**		4,641
Other		**2,292**		1,203
Total general and administration		**587,032**		358,376
General exploration		**323,909**		252,382
Stock-based compensation (note 10)		**369,665**		231,037
Equity (gain) loss from investment (note 7)		**(277)**		32
Foreign currency exchange (gain) loss		**(36,699)**		2,143
Interest income		**(224,988)**		(125,367)
Net loss and comprehensive loss	**$**	**1,018,642**	$	718,603
Basic and diluted loss per share (note 9(d))	**$**	**0.02**	$	0.02

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

For the three months ended March 31,		**2008**		2007
Deficit, beginning of period	**$**	**8,806,720**	$	5,463,511
Loss for the period		**1,018,642**		3,343,209
Deficit, end of period	**$**	**9,825,362**	$	8,806,720

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

International Nickel Ventures Corporation
(An Exploration Stage Entity)
Consolidated Statements of Cash Flows
(unaudited)

For the three months ended March 31,		**2008**		2007
Operating activities				
Net loss and comprehensive loss for the period	**$**	**(1,018,642)**	$	(718,603)
Items not affecting cash:				
Equity (gain) loss from investment (note 7)		**(277)**		32
Depreciation		**2,152**		-
Stock-based compensation (note 10)		**369,665**		231,037
		(647,102)		(487,534)
Change in working capital				
Exploration advances and other receivable (note 6)		**130,257**		(97,891)
Accounts payable and accrued liabilities		**(305,940)**		198,906
		(175,683)		101,015
		(822,785)		(386,519)
Financing activities				
Proceeds from public offerings (net of share issue costs of $327,500)		**2,888,410**		-
Proceeds from exercise of stock options and compensation warrants		**-**		290,000
		2,888,410		290,000
Investing activities				
Investment in INVI		**(304,337)**		(972,000)
Mineral properties and deferred exploration		**(1,453,217)**		(805,397)
Property, plant and equipment additions		**(27,687)**		-
		(1,785,241)		(1,777,397)
Change in cash and cash equivalents for the period		**280,384**		(1,873,916)
Cash and cash equivalents, beginning of period		**24,471,515**		13,798,282
Cash and cash equivalents, end of period	**$**	**24,751,899**	$	11,924,366
Interest income received	**$**	**262,482**	$	131,725
Income tax paid	**$**	**-**	$	-

The accompanying notes are an integral part of these 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 Company as at March 31, 2008 and the results of its operations and comprehensive loss and its cash flows for the three month periods ended March 31, 2008 and 2007.

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 and Canada, through the Corporation, its wholly-owned subsidiary, INV Mineração Ltda. ("IML") and its 27% investment in International Nickel Ventures Inc. ("INVI"). The Corporation may expand its operations to include mineral properties outside of Brazil and Canada and also into other metallic projects. The Corporation's properties in Brazil and Canada 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. and INV Mineração Ltda.

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 and deferred exploration expenditures and investment in INVI, stock-based compensation and the ability to continue as a going concern.

c) Cash and cash equivalents

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

2) Accounting policies and basis of presentation (continued)

d) Investments subject to significant influence

The Corporation uses the equity method for investments where the Corporation has a significant influence on their 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, field exploration and field supervisory 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.

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 development 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.

f) Property, plant and equipment

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

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 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. Forfeitures of stock options 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 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 exchange. Expenses and other income are translated at the average rates of exchange during the period, except for depreciation, which is translated at the same rates as the related assets. Foreign currency exchange gains and losses are included in operations.

2) Accounting policies and basis of presentation (continued)

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, 2008 and 2007, all outstanding options 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) Capital Disclosures

In December 2006, the CICA issued Handbook Section 1535, *Capital Disclosures*, which establishes standards for disclosing information about an entity's capital and how it is managed. The entity's disclosure should include information about its objectives, policies and processes for managing capital and disclose whether or not it has complied and the consequences of non-compliance with any capital requirements to which it is subject. The new standard became effective on January 1, 2008 for the Corporation. The adoption of Section 1535 did not have a significant effect on the consolidated financial statements.

ii) Financial Instruments – Disclosures and Financial Instruments – Presentation

In December 2006, the CICA issued Handbook Section 3862, *Financial Instruments – Disclosures*, and Section 3863, *Financial Instruments – Presentation*. Section 3862 modifies the disclosure requirements of Section 3861, *Financial Instruments – Disclosure and Presentation*, including required disclosure for the assessment of the significance of financial instruments for an entity's financial position and performance and of the extent of risks arising from financial instruments to which the Corporation is exposed and how the Corporation manages those risks, whereas Section 3863 carries forward the presentation related requirements of Section 3861. The new standards became effective on January 1, 2008 for the Corporation. The adoption of Section 3862 and Section 3863 did not have a significant effect on the consolidated financial statements.

3) Changes in accounting policies and future accounting pronouncements (continued)

b) Future accounting pronouncements

i) Goodwill and Intangible Assets

In February 2008, the CICA issued Section 3064, *Goodwill and Intangible Assets*, replacing Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. Concurrent with the introduction of this standard, the CICA withdrew EIC-27, "Revenues and expenses during the pre-operating period." The new pronouncement establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This Section is effective in the first quarter of 2009. Management is currently assessing the impact that the adoption of Section 3064 will have on the consolidated financial statements.

ii) Convergence with International Financial Reporting Standards

On February 13, 2008, Canada's Accounting Standards Board ratified a strategic plan that will result in Canadian GAAP, as used by public companies, being evolved and converged with International Financial Reporting Standards (IFRS) over a transitional period to be complete by 2011. The official changeover date from Canadian GAAP to IFRS is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. As the International Accounting Standards Board currently has projects underway that should result in new pronouncements and, since this Canadian convergence initiative is very much in its infancy as of the date of these consolidated financial statements, the Corporation has not yet assessed the impact of the ultimate adoption of IFRS on the Corporation.

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 months ended March 31, 2008. Neither the Corporation nor its subsidiaries are subject to externally imposed capital requirements.

5) Financial instruments

The Corporation has designated its cash and cash equivalents as held-for trading, which are measured at fair value. Financial instruments included in other receivables are classified 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.

5) Financial instruments (continued)

As at March 31, 2008, 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 concentration with respect to financial instruments included in other receivables is remote.

b) Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2008, the Corporation had a cash balance of $24,751,899 (December 31, 2007 – $24,471,515) to settle current liabilities of $560,949 (December 31, 2007 – $1,029,052). 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 is also committed to spending approximately $3.2 million by December 31, 2009. If the Corporation does not spend these funds in compliance with the government of Canada flow-through regulations, it may be subject to litigation from various counterparties. The Corporation intends to fulfill all flow-through commitments within the given time constraints.

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 cash balances 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 prevalent 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, US dollars and Brazilian reais. The Corporation funds certain operations, exploration and administrative expenses in Brazil on a cash call basis using Canadian dollar currency converted from its Canadian dollar bank accounts held in Canada. 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.

6) Advances to service provider

Effective October 4, 2004, INVI entered into an agreement with a subsidiary of Terracorp Consultoria Serviços de Mineração ("Terracorp"), formally Amazonia Mineração Ltda., whereby Terracorp was retained to provide INVI with certain mineral exploration, mining, technical and administration services for INVI's mineral exploration efforts in Brazil ((excluding Santa Fé/Iporá properties from June 1, 2005, when Teck Cominco Limited ("Teck Cominco") became the operator (note 7)). The Corporation is currently in negotiations to renew its service agreement with Terracorp. As at March 31, 2008, Terracorp had expended $352,031 in excess of funds advanced by the Corporation (March 31, 2007 – the Corporation had advanced $99,817 of funds in excess of Terracorp's expenditures on behalf of the Corporation). These funds were subsequently reimbursed to Terracorp by INV in April, 2008.

7) Investment in INVI

The Corporation accounts for the investment in INVI (27% interest) under the equity method of accounting and records its share in the income or loss of INVI as an equity gain or loss in the consolidated statements of operations and comprehensive loss.

Balance, January 1, 2006	$	9,890,236
Investment		6,803,099
Share of loss from equity accounted investment		(1,515)
Balance, December 31, 2007	**$**	**16,691,820**
Investment		**304,337**
Share of gain from equity accounted investment		**277**
Balance, March 31, 2008	**$**	**16,996,434**

8) Mineral properties and deferred exploration

	March 31, 2008			
	Balance December 31, 2007	**Additions in the period**	**Write off**	**Balance March 31, 2008**
Brazil properties				
Anápolis	$ **688,005**	$ **34,465**	$ **-**	$ **722,470**
Goiás Region	**120,937**	**8,186**	**-**	**129,123**
Norte Sul	**959,029**	**42,428**	**-**	**1,001,457**
São José	**160,833**	**8,651**	**-**	**169,484**
Damolândia	**539,511**	**435,823**	**-**	**975,334**
Niquelândia	**140,225**	**343,338**	**-**	**483,563**
Taquaral	**-**	**96,644**	**-**	**96,644**
Itapora	**-**	**35,890**	**-**	**35,890**
Ontario properties				
Fishtrap	**1,247,160**	**154,653**	**-**	**1,401,813**
Lansdowne	**1,247,160**	**27,013**	**-**	**1,274,173**
Montcalm	**1,247,160**	**103,963**	**-**	**1,351,123**
	$ **6,350,020**	$ **1,291,054**	$ **-**	$ **7,641,074**

8) Mineral properties and deferred exploration (continued)

December 31, 2007				
	Balance December 31, 2006	Additions in the year	Write off	Balance December 31, 2007
Brazil properties				
Anápolis	$ 78,169	$ 1,481,306	$ (871,470)	$ 688,005
Goiás Region	259,381	234,300	(372,744)	120,937
Norte Sul	680,941	694,416	(416,328)	959,029
São José	52,429	231,128	(122,724)	160,833
Damolândia	-	539,511	-	539,511
Niquelândia	-	140,225	-	140,225
Ontario properties				
Fishtrap	-	1,247,160	-	1,247,160
Lansdowne	-	1,247,160	-	1,247,160
Montcalm	-	1,247,160	-	1,247,160
	$ 1,070,920	$ 7,062,366	$ (1,783,266)	$ 6,350,020

a) Brazilian properties

i) Anápolis properties

The Corporation acquired exploration rights on prospective nickel sulphide properties in Goiás State, Brazil based on aeromagnetic and radiometric maps.

ii) Goiás Region properties

In addition to the Anápolis properties above, the Corporation also holds beneficial title to properties known as the Goiás Region properties. These properties are located in southwest Goiás State, Brazil.

iii) Norte Sul properties

Several exploration properties were staked in Goiás, Para and Tocantins States (collectively the "Norte Sul" properties). Exploration work on the properties as of March 31, 2008, consisted of geological and geochemical reconnaissance.

iv) São José properties

The Corporation acquired, by staking, beneficial title to certain exploration properties known as the São José properties located along the eastern border of Para State and other exploration properties located approximately five kilometres east of the Araguaia River in Tocantins State. As of March 31, 2008, exploration work on the properties consisted of geological and geochemical reconnaissance.

v) Damolândia property

On July 17, 2007, INV entered into an option agreement with BCV - Consultoria e Projetos ("BCV"), a private Brazilian company, to acquire BCV's 100% interest in the Damolândia nickel sulphide property,

8) Mineral properties and deferred exploration (continued)

v) Damolândia property (continued)

located approximately 60km north of Goiânia City, Goiás State, Brazil in the Anápolis Belt. The Damolândia property is subject to an underlying agreement with BCV, who have a right to retain a 0.75% royalty on the property. To earn its 100% interest, INV must make the following U.S. dollar payments to BCV:

On Signing	$ 20,000
After 12 months	30,000
After 24 months	50,000
After 36 months	150,000
After 48 months	150,000
Application for mining license	500,000
	$ 900,000

As at March 31, 2008, exploration activities at Damolândia were comprised of gridding, geochemical and geophysical surveys and drilling.

vi) Niquelândia property

On November 27, 2007, INV acquired the Niquelândia nickel property situated in Goiás State, Brazil. The property is contiguous with Anglo American's and Votorantim Metais' nickel producing properties to the north and south. The Niquelândia property is subject to an underlying agreement with BCV, who have a right to retain a 0.75% royalty on the property. To maintain its 100% interest, INV must make the following U.S. dollar payments to BCV.

After 6 months	$ 20,000
After 12 months	30,000
After 24 months	50,000
After 36 months	150,000
After 48 months	150,000
Application for mining license	500,000
	$ 900,000

As at March 31, 2008, exploration activities at Niquelândia consisted of gridding, soil geochemical, induced polarization ("IP") and electromagnetic, and geological surveys.

vii) Taquaral property

As at March 31, 2008, exploration activities at the Taquaral property consisted of gridding, soil geochemistry and an IP survey.

viii) Itapora property

As at March 31, 2008, exploration activities at the Itapora property consisted of gridding and a soil geochemical survey.

8) Mineral properties and deferred exploration (continued)

b) 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.

i) Fishtrap

The Corporation has a 100% interest in the Fishtrap Property. As at March 31, 2008, exploration activities at Fishtrap consisted of gridding and a magnetometer survey.

ii) Lansdowne

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 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. As at March 31, 2008, activities at Lansdowne consisted of negotiations with the Neskantaga First Nation, which are ongoing, along with exploration program planning.

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, 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. As at March 31, 2008, exploration activities at Montcalm consisted of gridding, and magnetometer and electromagnetic surveys.

9) Share capital and loss per share

a) Authorized

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

b) Issued and outstanding

	Number of Common Shares		Amount
Balance, January 1, 2006	34,492,300	$	28,105,400
Public offerings, net of share issue costs ($1.381,199)	13,187,434		18,795,575
Exercise of stock options, including transfer of $53,496 from contributed surplus	212,500		238,496
Issued as consideration for the acquisition of the Ontario properties (note 8(b))	2,900,000		2,458,132
Exercise of Compensation warrants	588,500		954,924
Balance, December 31, 2007	**51,380,734**		**50,552,527**
Public offerings, net of share issue costs ($327,500)	**2,530,274**		**2,835,343**
Balance, March 31, 2008	**53,911,008**	**$**	**53,387,870**

On February 21, 2008, the Corporation completed an offering of 2,400,000 common shares on a flow-through basis by way of guaranteed private, at a price of $1.25 per share, for aggregate gross proceeds of $3,000,000. In addition, pursuant to INV's existing agreement with Teck Cominco, Teck Cominco exercised its right to purchase 130,274 flow-through shares to maintain its pro rata interest in INV prior to the offering (approximately 5.1%) resulting in the issue of a total of 2,530,274 flow-through shares for aggregate gross proceeds of $3,162,843 (share issue costs of $327,500). In connection the flow-through offering, certain directors and insiders of the Corporation purchased an aggregate 399,000 flow-through common shares.

c) Warrants

Warrants shown on the consolidated balance sheets are comprised as follows:

	Number of Warrants		Amount
Balance, January 1, 2006	3,615,086	$	1,228,327
Compensation warrants exercised	(588,500)		(248,724)
Public warrants	6,593,717		2,901,236
Balance, December 31, 2007	**9,620,303**		**3,880,839**
Compensation warrants issued	**144,000**		**53,067**
Compensation warrants expired	**(521,500)**		**(220,407)**
Balance, March 31, 2008	**9,242,803**	**$**	**3,713,499**

As consideration for its services from the sale of flow-through shares, the Company issued 144,000 broker warrants, exercisable for 144,000 common shares of INV at an exercise price of $1.00 per share. The warrants are exercisable at any time on or before August 21, 2009.

9) Share capital and loss per share (continued)

c) Warrants (continued)

The value ascribed to the warrants is $53,067 determined using the Black-Scholes option pricing model. The assumptions used for compensation warrants issued during the quarter 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.

A total of 521,500 compensation warrants issued upon the Corporation's initial public offering, which entitled the holder to purchase one common share at a price of $1.20 per share for a period of two years from the date of issuance, expired on March 17, 2008. The compensation warrants were ascribed a fair value of $220,407 using the Black-Scholes model.

d) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period of 52,477,186 (Q1/2007 – 34,675,633). The conversion of stock options and warrants was not included in the calculation of fully diluted loss per share for either the first quarter 2008 or 2007 as the conversion would be anti-dilutive.

10) Contributed surplus

The following table summarizes information regarding the Corporation's contributed surplus as at and for the period ended March 31, 2008 and year ended December 31, 2007 as follows:

		Amount
Balance, January 1, 2006	$	542,465
Stock-based compensation		765,825
Transfer of exercised options to share capital		(53,496)
Balance, December 31, 2007		**1,254,794**
Stock-based compensation		**369,665**
Expiration of compensation warrants (note 9(c))		**220,407**
Balance, March 31, 2008	**$**	**1,844,866**

The weighted average grant date fair value of $0.55 (2007 – $0.62) 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 81% to 84% (2007 – 69% to 83%); risk-free interest rate of 3.1% - 3.8% (2007 – 4.0%); and a weighted average expected life of 24 months (2007 – 12 to 30 months)

10) Contributed surplus (continued)

The following table summarizes information regarding INV's outstanding and exercisable stock options as at and for the period ended March 31, 2008:

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 Exercise Price
$0.86-$0.89	50,000	4.6	$ 0.86	12,500	$ 0.86
$0.90-$1.29	3,672,000	4.1	1.10	1,888,500	1.16
*$1.30-$1.69	825,000	4.1	1.50	262,500	1.55
$1.70-$2.10	685,000	4.0	1.80	453,750	1.80
	5,232,000	4.1	$ 1.25	2,617,250	$ 1.31

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

The following table summarizes the stock option transactions as at and for the periods ended March 31, 2008 and 2007:

	Number of stock options	**Weighted-average exercise price**
Outstanding January 1, 2006	1,910,000	$ 1.21
Granted	1,827,000	1.53
Exercised	(212,500)	0.87
Cancelled/Expired	(112,500)	1.52
Outstanding, December 31, 2007	**3,412,000**	**$ 1.39**
Granted	**2,030,000**	**0.51**
Exercised	**-**	**-**
Cancelled/Expired	**(210,000)**	**0.83**
Outstanding, March 31, 2008	**5,232,000**	**$ 1.25**

11) Related party transactions

In addition to the related party transactions with Teck Cominco, the Corporation's partner and operator of the Santa Fé/Iporá project and a shareholder of the Corporation (note 7), and a transaction with certain directors and insiders detailed in note 9(b), the following are related party transactions for the three months ended March 31, 2008:

a) The FNX agreement

On December 27, 2007, in connection with the purchase of the three Ontario properties, the Corporation entered into a Technical Assistance Agreement with FNX, under which FNX will provide technical assistance at market rates to INV, if requested, with respect to mineral exploration programs on the acquired properties. No amounts were paid to FNX under this agreement during the period. Also see Subsequent events, note 12.

b) Consulting services

Included in general exploration in the consolidated statements of operations and comprehensive loss is $6,955 (2007 – $19,152) for consulting services provided by a director of the Corporation.

12) Subsequent events

Effective April 19, 2008, INV entered into a sublease arrangement to lease office space as a subtenant of FNX in relation to office premises previously occupied by FNX. The sublease will remain in effect to December 30, 2009, and INV will assume the rent otherwise payable by FNX in the proportion of the office space occupied by INV. No amounts were paid by INV to FNX as of March 30, 2008. The total amount due for rent under the sublease is $110,373.