

IBC ADVANCED ALLOYS CORP.

(Formerly International Beryllium Corporation)

(Formerly Janina Resources Limited)

CONSOLIDATED FINANCIAL STATEMENTS

Expressed in United States Dollars

Unaudited – Prepared by Management

MARCH 31, 2009

NOTICE TO READER

Our auditors have not reviewed these unaudited consolidated financial statements for the period ended March 31, 2009. IBC Advanced Alloys Corp.'s management prepared these financial statements in accordance with accounting principles generally accepted in Canada, consistent with previous quarters and years except for the adoption of new accounting policies as described in note 3. You should read these unaudited consolidated financial statements in conjunction with IBC Advanced Alloys Corp.'s audited financial statements for the year ended June 30, 2008.

IBC ADVANCED ALLOYS CORP.

(Formerly International Beryllium Corporation)

(Formerly Janina Resources Limited)

Consolidated Balance Sheets

Expressed in United States dollars

Unaudited - Prepared by Management

	March 31 2009	June 30 2008
ASSETS		
Current assets		
Cash and cash equivalents	\$ 432,739	\$ 6,365,904
Receivables	2,051,914	1,308,632
Inventories (note 5)	5,077,075	2,676,116
Prepaid expenses and deposits	123,672	26,406
Total current assets	7,685,400	10,377,058
Property, plant and equipment (note 6)	6,285,095	1,486,006
Deferred acquisition costs	3,104	525,336
Mineral properties (note 8)	1,268,273	1,046,303
Intangible assets (note 9)	2,133,260	2,400,168
Goodwill (note 10)	4,882,386	7,580,121
Note receivable from related party (note 11)	450,000	-
Other assets	76,907	12,795
	\$ 22,784,425	\$ 23,427,787
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Lines of credit (note 12)	\$ 3,455,680	\$ 1,900,000
Accounts payable and accrued liabilities	1,621,045	1,296,749
Current portion of loans payable (note 13)	2,734,500	1,165,249
Interest rate swap (note 17)	72,582	-
Total current liabilities	7,883,807	4,361,998
Notes payable (note 13)	3,000,000	-
Loans payable (note 13)	-	12,253
Future income taxes	2,016,452	1,113,000
	12,900,259	5,487,251
Shareholders' equity		
Preferred shares (note 14)	-	-
Common shares (note 14)	18,732,877	18,191,777
Contributed surplus	3,581,264	2,942,264
Brokers' warrants (note 16)	498,076	498,076
Deficit	(12,928,051)	(3,691,581)
	9,884,166	17,940,536
	\$ 22,784,425	\$ 23,427,787

Ability to continue as a going concern (note 2)**Commitments** (note 19)**Subsequent events** (note 23)**On behalf of the board of directors:***"Dal Brynelsen"*

Director

"Denis Brady"

Director

Dal Brynelsen

Denis Brady

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

IBC ADVANCED ALLOYS CORP.

(Formerly International Beryllium Corporation)

(Formerly Janina Resources Limited)

Consolidated Statements of Operations, Comprehensive Loss and Deficit

Expressed in United States dollars

Unaudited - Prepared by Management

	Three Months Ended		Nine Months Ended	
	March 31		March 31	
	2009	2008	2009	2008
Sales	\$ 3,090,053	\$ -	\$ 9,006,515	\$ -
Cost of goods sold	3,118,726	-	8,186,316	-
Gross profit (loss)	(28,673)	-	820,199	-
Selling, general and administrative expenses				
Amortization	145,061	-	399,939	-
Consulting fees	10,953	44,743	67,348	57,447
Director fees	-	10,500	-	10,500
Doubtful debts	5,000	-	64,000	-
Geological fees	-	69,945	-	94,273
Management and contractor fees	106,741	108,608	360,580	161,119
Meals and entertainment	-	14,383	-	14,383
Office and miscellaneous	262,094	3,323	685,922	8,331
Professional fees	1,391	64,890	159,793	78,301
Public company costs	19,962	70,790	86,419	76,691
Rent	-	8,066	-	8,066
Research	80,879	-	180,842	-
Salaries and wages	219,917	17,500	993,777	17,500
Stock-based compensation	522,000	2,717,530	639,000	2,717,530
Telephone	-	8,271	-	8,687
Travel	26,581	55,083	145,994	64,288
	(1,400,579)	(3,193,632)	(3,783,614)	(3,317,116)
Loss before other items	(1,429,252)	(3,193,632)	(2,963,415)	(3,317,116)
Other income (expense)				
Foreign exchange gain (loss)	(3,302)	(592,305)	(1,033,377)	(559,278)
Write-off of mineral properties (note 8)	-	-	(191,398)	-
Goodwill impairment provision (note 10)	-	-	(5,300,000)	-
Interest expense				
- On debt with an initial term of less than one year	(30,648)	-	(103,266)	-
- On debt with an initial term of more than one year	(112,318)	-	(213,960)	-
Net gain (loss) on financial instruments held for trading	3,066	-	(72,582)	-
Interest income	13,592	115,226	99,132	154,345
Other income	(4,050)	-	(1,787)	-
Loss before income taxes	(1,562,912)	(3,670,711)	(9,780,653)	(3,722,049)
Income tax recovery (expense)	52,348	-	544,183	(475)
Loss and comprehensive loss for the period	(1,510,564)	(3,670,711)	(9,236,470)	(3,722,524)
Retained earnings (deficit), beginning of period	(11,417,487)	(49,968)	(3,691,581)	1,845
Deficit, end of period	\$ (12,928,051)	\$ (3,720,679)	\$ (12,928,051)	\$ (3,720,679)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.04)	\$ (0.09)	\$ (0.05)
Weighted average number of common shares outstanding	107,376,148	89,267,549	106,029,433	68,051,650

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

IBC ADVANCED ALLOYS CORP.
(Formerly International Beryllium Corporation)
(Formerly Janina Resources Limited)
Consolidated Statements of Cash Flows
Expressed in United States dollars
Unaudited - Prepared by Management

	Three Months Ended		Nine Months Ended	
	March 31		March 31	
	2009	2008	2009	2008
Cash flows from (used in) operating activities				
Loss for the period	\$ (1,510,564)	\$ (3,670,711)	\$ (9,236,470)	\$ (3,722,524)
Items not involving cash				
Future income taxes	(26,738)	-	(512,848)	-
Stock-based compensation	522,000	2,717,530	639,000	2,717,530
Exploration property write-off	-	-	191,398	-
Impairment of goodwill	-	-	5,300,000	-
Doubtful debts expense	5,000	-	64,000	-
Inventory write-down	(115,908)	-	-	-
Amortization	242,055	-	633,805	-
Net loss on financial instruments held for trading	(3,066)	-	72,582	-
Foreign exchange loss	2,162	-	1,033,377	-
Changes in non-cash working capital items:				
Receivables	918,250	9,857	1,359,222	28,153
Inventories	843,726	-	1,284,180	-
Prepaid expenses	45,526	(16,410)	19,800	(2,948)
Accounts payable and accrued liabilities	(747,698)	455,067	(1,656,513)	438,674
Income taxes payable	(14,612)	-	(14,612)	475
Net cash proved by (used) in operating activities	160,133	(504,667)	(823,079)	(540,640)
Cash flows from (used in) financing activities				
Issuance of shares	-	7,125,698	-	7,125,698
Loan repayments	(49,641)	-	(143,002)	-
Loan proceeds	-	-	2,500,000	-
Repayment of line of credit (net)	(197,467)	-	(319,795)	-
Repayment of shareholder advances	-	(61,574)	-	(24,879)
Share issue and recapitalization costs	-	(293,499)	-	10,340,025
Net cash provided by financing activities	(247,108)	6,770,625	2,037,203	17,440,844
Cash flows used in investing activities				
Advances to REL	-	(157,338)	-	(157,338)
Deferred acquisition costs	-	(1,048,695)	-	(1,048,695)
Purchase of plant and equipment	(94,791)	-	(147,960)	-
Purchase of subsidiaries, net of cash acquired	(3,104)	-	(5,559,784)	-
Investment in mineral properties	(21,679)	(70,133)	(406,168)	(236,837)
Net cash used in investing activities	(119,574)	(1,276,166)	(6,113,912)	(1,442,870)
Effect of changes in exchange rates on cash	(2,162)	204	(1,033,377)	-
Change in cash and cash equivalents during the period	(208,711)	4,989,996	(5,933,165)	15,457,334
Cash and cash equivalents, beginning of period	641,450	10,616,276	6,365,904	148,938
Cash and cash equivalents, end of period	\$ 432,739	\$ 15,606,272	\$ 432,739	\$ 15,606,272
Supplementary cash flow information – note 20				
Components of cash and equivalents				
Cash			\$ 372,351	\$ 6,927,098
Term deposits			60,388	8,679,174
			\$ 432,739	\$ 15,606,272

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

IBC ADVANCED ALLOYS CORP.

(Formerly International Beryllium Corporation)

(Formerly Janina Resources Limited)

Consolidated Statements of Shareholders' Equity

Expressed in United States dollars

Unaudited – Prepared by Management

	Number of common shares	Common shares	Contributed surplus	Brokers' warrants	Deficit	Total shareholders' equity
At June 30, 2008	104,376,148	\$ 18,191,777	\$ 2,942,264	\$ 498,076	\$ (3,691,581)	\$ 17,940,536
Issued on purchase of Nonferrous	3,000,000	541,100	-	-	-	541,100
Stock-based compensation	-	-	639,000	-	-	639,000
Loss for the period	-	-	-	-	(9,236,470)	(9,236,470)
At March 31, 2009	107,376,148	\$ 18,732,877	\$ 3,581,264	\$ 498,076	\$ (12,928,051)	\$ 9,884,166

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

IBC ADVANCED ALLOYS CORP.

(Formerly International Beryllium Corporation)
(Formerly Janina Resources Limited)
Notes to the Consolidated Financial Statements
Expressed in United States dollars
Unaudited – Prepared by Management
Nine Months Ended March 31, 2009

1. Basis of Presentation

These audited consolidated financial statements include the accounts of IBC Advanced Alloys Corp. (formerly International Beryllium Corporation and before that Janina Resources Limited), (“IBC”) and its subsidiaries. IBC and its subsidiaries are collectively referred to as the “Company”. All intercompany transactions and accounts have been eliminated upon consolidation. Except where indicated all amounts are expressed in United States dollars. The principal subsidiaries of the Company at March 31, 2009 and their geographic locations are listed below:

Entity	Location	Principal Activity	Ownership Interest
International Beryllium Holdings Ltd.	Canada	Holding company	100%
International Beryllium Brazil Ltd.	Canada	Holding company	100%
Mineração Berilo do Brasil Ltda.	Brazil	Exploration	100%*
IBC US Holdings, Inc.	United States	Holding company	100%
Freedom Alloys, Inc. (“Freedom”)	United States	Manufacturing	100%
Nonferrous Products, Inc. (“Nonferrous”)	United States	Manufacturing	100%
NF Industries, Inc.	United States	Holding company	100%
Rare Earths Limited, LLC (“REL”)	United States	Mineral exploration	100%
IBC Mineral Properties, Inc.	United States	Holding company	100%
BeX, LLC	United States	Mineral exploration	100%
Beryllium Exploration Limited	Uganda	Mineral Exploration	90%

The audited consolidated interim financial statements have been prepared in accordance with accounting principles generally accepted in Canada (“Canadian GAAP”). They do not include all information and disclosures required for annual financial statements and therefore should be read in conjunction with the audited consolidated financial statements of the Company for the year ended June 30, 2008.

On November 23, 2007 IBC completed the acquisition of all the outstanding common shares of Horn Rare Metals Ltd. (“HRM”), in exchange for common shares of IBC. The transaction constituted a reverse take-over (“RTO”) of IBC by HRM. Upon completion of the transaction, IBC changed its name from Janina Resources Limited to International Beryllium Corporation.

Further to the RTO transaction described above, these audited consolidated financial statements reflect the assets, liabilities and results of operations of HRM prior to the RTO and the consolidated assets, liabilities and results of operations of the Company and HRM subsequent to the RTO. The consolidated financial statements are issued under the name of the legal parent (IBC), but are considered to be a continuation of HRM.

In February 2009, IBC changed its name to IBC Advanced Alloys Corp. to better reflect the Company’s business.

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Nine Months Ended March 31, 2009

2. Nature of Operations and Going Concern

The Company's principal activity is the production of beryllium copper and specialty alloy products, but is also sourcing and exploring for beryllium resource properties. The Company's mineral property activities are in the exploration stage and it has interests in resource properties located in the United States, Brazil and Uganda, although the Company plans to relinquish its Ugandan property rights.

In October 2008, the Company acquired the issued and outstanding shares of NF Industries, Inc. and its wholly owned subsidiary Nonferrous Products, Inc. (collectively "Nonferrous"), a manufacturer of forged copper, beryllium copper and bronze alloys based in Franklin, Indiana (note 7).

In February 2009, the Company signed a letter of intent to acquire Specialloy Copper Alloys, LLC ("Specialloy") a master and specialty alloy manufacturer and processing company based in New Madrid, Missouri, in a non-arm's length, cash-only transaction. The Company closed the acquisition subsequent to quarter-end (note 23).

The recoverability of amounts shown for resource properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, continuation of the Company's interest in the underlying resource claims, the ability of the Company to obtain necessary financing to complete its development and upon future profitable production or proceeds from its disposition.

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

At March 31, 2009, the Company had not yet achieved profitable operations, had accumulated losses of \$12,928,051 since inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate profits from its operations to obtain financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

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Notes to the Consolidated Financial Statements
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Unaudited – Prepared by Management
Nine Months Ended March 31, 2009

3. Adoption of New Accounting Pronouncements and Recent Developments

Accounting pronouncements implemented July 1, 2008

Effective July 1, 2008, the Company adopted CICA Handbook Section 3862, “Financial Instruments – Disclosures” and CICA Handbook Section 3863, “Financial Instruments – Presentation”. Section 3862 requires the disclosure of quantitative and qualitative information in the Company’s financial statements to evaluate (a) the significance of financial instruments for the Company’s financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the Company is exposed to during the period and at the balance sheet date. Management’s objectives, policies and procedures for managing such risks are disclosed in note 4. Section 3863 replaces the existing requirements on presentation of financial instruments.

As at March 31, 2009, the Company’s financial instruments are comprised of cash and cash equivalents, marketable securities, accounts receivable, restricted cash, other investments, accounts payable, accrued liabilities and convertible notes. The fair value of accounts receivable, accounts payable and accrued liabilities approximate their carrying value due to their short-term maturity or capacity of prompt liquidation. Cash equivalents and restricted cash are designated as available-for-sale as they are not acquired for the purpose of trading and have short-term maturity. Marketable securities are reported at their fair market value based on quoted market prices. Non-derivative based marketable securities are designated as available-for-sale financial instruments, as they were not acquired for purpose of trading. Derivative based marketable securities are designated as held-for-trading financial instruments as their default category. Convertible notes are designated as other liabilities as their default category and related transaction costs are expensed as incurred. Interest expense related to expenditures incurred on development projects are capitalized to the project.

Section 1400, “General Standards of Financial Statement Presentation”, has been updated to include requirements for management to assess and disclose an entity’s ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The adoption of this section has not resulted in significant changes to the disclosure within the financial statements.

Section 1535, “Capital Disclosures” establishes disclosure requirements about the Company’s objectives, policies and processes for managing capital, as well as quantitative information about the capital.

Section 3031, “Inventories”, which replaces the previous Section 3030, establishes standards for the measurement and disclosure of inventories. The new standard provides more extensive guidance on the determination of cost, including allocation of overhead, requires impairment testing and expands the disclosure requirements. The adoption of Section 3031 has not had a material impact on the Company’s consolidated financial position and results of operations.

Accounting pronouncements to be implemented July 1, 2009 and later

Section 3064, “Goodwill and Intangible Assets”, replaces Section 3062, “Goodwill and Other Intangible Assets” and Section 3450, “Research and Development Costs”. Various changes have been made to other sections of the CICA Handbook for consistency purposes. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The new Section will be applicable to the Company’s financial statements for its fiscal year beginning July 1, 2009. The Company is currently evaluating the impact of the adoption of this new Section on its consolidated financial statements.

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3. Adoption of New Accounting Pronouncements and Recent Developments (continued)

Section 1582, "Business combinations". This section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at acquisition date fair value. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. This standard is equivalent to the International Financial Reporting Standards ("IFRS") on business combinations. The Company will be required to adopt this standard prospectively for business combinations with acquisition dates on or after July 1, 2011, but may adopt the standard sooner. The Company has not adopted this standard and is currently evaluating the impact of adopting this standard on its consolidated financial statements.

International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five-year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP and the date for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company will begin reporting under IFRS in the year ended June 30, 2012. The transition date of July 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011. While the Company has begun assessing the adoption of IFRS for fiscal 2012, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

4. Capital Management

The Company's primary objectives, when managing its capital, are to maintain adequate levels of funding to support the operations of both Freedom and Nonferrous and to maintain corporate and administrative functions. The Company defines capital as bank loans, other long-term debt and equity, consisting of the issued common shares, stock options, warrants and deficit. The capital structure of the Company is managed to provide sufficient funding for manufacturing, mineral exploration and other operating activities. Funds are primarily secured through a combination of equity capital raised by way of private placements and bank debt. There can be no assurances that the Company will be able to continue raising equity capital and bank debt in this manner.

The Company invests all capital that is surplus to its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term deposits, which are all held with major financial institutions.

The Company's bank agreements require that it maintain a minimum net worth and certain ratios indicating debt coverage and debt-to-tangible net worth. In addition, there are limitations on dividends and capital withdrawals. The Company's subsidiaries were in violation of certain of the above covenants in the period ended March 31, 2009 and accordingly the Company has classified certain obligations as current that would otherwise be considered long-term.

IBC ADVANCED ALLOYS CORP.

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Unaudited – Prepared by Management
Nine Months Ended March 31, 2009

4. Capital Management (continued)

The Company classifies its financial instruments as follows:

Held for trading, measured at fair value	<ul style="list-style-type: none"> • Interest rate swaps • Cash and cash equivalents
Loans and accounts receivable, recorded at amortized cost	<ul style="list-style-type: none"> • Receivables • Note receivable from related party
Financial liabilities, recorded at amortized cost	<ul style="list-style-type: none"> • Lines of credit • Accounts payable and accrued liabilities • Notes payable • Loans payable

5. Inventories

	March 31, 2009			June 30 2008
	Cost	Valuation Provision	Net	
Raw materials	\$ 2,012,216	\$ -	\$ 2,012,216	\$ 702,042
Work in process	1,563,589	(91,778)	1,471,811	22
Finished goods	1,645,277	(52,230)	1,593,047	1,974,052
	\$ 5,221,082	\$ 144,008	\$ 5,077,074	\$ 2,676,116

IBC ADVANCED ALLOYS CORP.

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Notes to the Consolidated Financial Statements

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Unaudited – Prepared by Management

Nine Months Ended March 31, 2009

6. Property, Plant and Equipment

	Land	Machinery and Equipment	Vehicles	Leasehold Improve- ments	Furniture and Fixtures	Total
Cost						
At June 30, 2008	\$ -	\$ 2,200,864	\$ 62,459	\$ 61,033	\$ 61,189	\$ 2,385,545
Purchases	-	-	-	-	-	-
Business acquisition	420,000	6,772,297	33,141	2,633,877	81,641	9,940,956
Additions	-	103,273	-	-	44,687	147,960
Disposals	-	-	-	-	-	-
At March 31, 2009	420,000	9,076,434	95,600	2,694,910	187,517	12,474,461
Accumulated amortization						
At June 30, 2008	-	817,383	32,792	12,749	36,615	899,539
Amortization expense	-	262,032	14,887	39,336	9,365	325,620
Business acquisition	-	3,967,384	22,504	916,858	57,481	4,964,207
At March 31, 2009	-	5,046,779	70,183	968,943	103,461	6,189,366
Net book value						
At June 30, 2008	-	1,383,481	29,667	48,284	24,574	1,486,006
At March 31, 2009	\$ 420,000	\$ 4,029,655	\$ 25,417	\$ 1,725,967	\$ 84,056	\$ 6,285,095

The amortization expense for property plant and equipment and intangible assets (note 9) amounts to \$633,805. The amortization expense reflected in the statement of operations is \$399,939. The difference of \$233,866 is allocated to cost of sales in the statement of operations.

The Company has pledged substantially all of its plant and equipment as security for bank loans (note 13).

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Nine Months Ended March 31, 2009

7. Acquisition of Nonferrous

On October 31, 2008, the Company acquired the issued shares of NF Industries, Inc., which, through its subsidiary Nonferrous Products, Inc., manufactures forged copper, beryllium copper and bronze alloys. The Company paid \$9,541,100 made up of \$6,000,000 in cash, \$3,000,000 in vendor debt bearing interest at 8% with a three-year term and 3,000,000 common shares with an acquisition-date value of \$0.18 (C\$0.19) per share (based on a volume-weighted average price in the period either side of the acquisition date). The Company incurred acquisition-related professional fees and other costs of \$82,016.

The Company accounted for its investment in Nonferrous using the purchase method. The Company allocated the purchase price to estimated fair values of the assets acquired and liabilities assumed as follows:

Current assets	\$	6,035,412
Property, plant and equipment (net of accumulated amortization)		5,008,070
Other assets		3,025,000
Goodwill		2,602,265
Current liabilities		(3,990,520)
Long term liabilities		(1,615,000)
Future income tax liability		(1,442,111)
Purchase price	\$	9,623,116

At June 30, 2008 the Company had recorded \$25,336 of deferred acquisition costs and a \$500,000 non-refundable deposit relating to the purchase of Nonferrous. These amounts have been included in the purchase price above.

The allocation of the purchase price is based upon management's preliminary estimates and certain assumptions with respect to fair value associated with the assets acquired and liabilities assumed. The actual fair values of assets and liabilities is determined as of the date of acquisition and may differ materially from the amounts disclosed below because of changes in the Company's understanding of the fair values of the assets and liabilities at the date of acquisition. Consequently, the allocation of the purchase price may be revised in future periods.

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Notes to the Consolidated Financial Statements

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Nine Months Ended March 31, 2009

8. Mineral Properties

The net book value of the Company's mineral properties is:

	Brazil		Uganda	United States		Total
	Coronel Murta	Santa Maria		Lake George (Boomer)	Spor Mountain	
At June 30, 2007	\$ 148,369	\$ 148,366	\$ 120,877	\$ -	\$ -	\$ 417,612
Acquisition, including staking	30,062	30,062	3,042	148,053	250,321	461,540
Deferred exploration expenditures						
Administration and general	16,460	16,461	21,257	-	-	54,178
Consulting	6,024	6,024	8,787	-	-	20,835
Filing fees	2,908	2,908	4,932	-	-	10,748
Geological and geophysical	23,276	23,275	27,003	-	-	73,554
Legal	2,644	2,644	-	2,548	-	7,836
At June 30, 2008	229,743	229,740	185,898	150,601	250,321	1,046,303
Acquisition, including staking	117,510	117,510	53,042	344,456	250,321	882,839
Deferred exploration expenditures						
Administration and general	25,651	25,651	23,713	-	-	75,015
Consulting	69,957	69,956	21,902	-	-	161,815
Filing fees	3,132	3,132	4,932	-	-	11,196
Geological and geophysical	54,518	54,517	27,003	-	-	136,038
Legal	2,746	2,746	635	2,548	-	8,675
Licenses	-	-	43,410	-	-	43,410
Permits	-	-	-	92,064	22,190	114,254
Travel	4,834	4,834	16,761	-	-	26,429
Written off	-	-	(191,398)	-	-	(191,398)
At March 31, 2009	\$ 278,348	\$ 278,346	\$ -	\$ 439,068	\$ 272,511	\$ 1,268,273

In the nine months ended March 31, 2009, the Company decided to relinquish its property rights in Uganda and accordingly wrote off the value of these properties.

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9. Intangible Assets

	Trade Names	Customer Relationships	Data Library	Total
Cost				
At June 30, 2008	\$ 770,000	\$ 750,000	\$ 923,168	\$ 2,443,168
Business acquisition	-	7,625	-	7,625
At March 31, 2009	<u>770,000</u>	<u>757,625</u>	<u>923,168</u>	<u>2,450,793</u>
Accumulated amortization				
At June 30, 2008	19,250	18,750	5,000	43,000
Amortization expense	115,500	112,875	46,158	274,533
At March 31, 2009	<u>134,750</u>	<u>131,625</u>	<u>51,158</u>	<u>317,533</u>
Net book value				
At June 30, 2008	750,750	731,250	918,168	2,400,168
At March 31, 2009	<u>\$ 635,250</u>	<u>\$ 626,000</u>	<u>\$ 872,010</u>	<u>\$ 2,133,260</u>

10. Goodwill

At June 30, 2008	\$ 7,580,121
Nonferrous goodwill acquired (note 7)	2,602,265
Goodwill impairment provision	(5,300,000)
At March 31, 2009	<u>\$ 4,882,386</u>

In view of weakness in the world economy, the Company undertook a review of its long-lived assets in the period ended March 31, 2009 and concluded that it should record a \$5,300,000 impairment of goodwill related to the acquisition of Freedom.

11. Note Receivable from Related Party

The note receivable is due from Specialloy, a supplier in which a director and shareholder of the Company owns a controlling interest, and is due to Nonferrous. The note has a face value of \$450,000, bears annual interest of 5%, is due in October 2014 and is secured with a first lien on the real estate and equipment of the supplier. The Company did not record interest income on the note in the period.

Nonferrous converted the note receivable to equity in accordance with the terms of the Specialloy transaction subsequent to quarter-end (note 23).

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12. Lines of Credit

	March 31 2009	June 30 2008
Line of credit with New Century Bank (maximum \$2,000,000) at the 90-day LIBOR plus 2.50% (3.93% at March 31, 2009) that is secured by substantially all of Freedom's assets.	\$ 1,900,000	\$ 1,900,000
Line of credit with M&I Bank (maximum \$2,500,000) at one month LIBOR plus 2.75% (3.19% at March 31, 2009) that is secured by substantially all of Nonferrous' assets.	1,555,680	-
	<u>\$ 3,455,680</u>	<u>\$ 1,900,000</u>

13. Loans Payable

	March 31 2009	June 30 2008
Note payable to New Century Bank in monthly payments of \$15,777 including interest at 8.00% per year to August 2016, collateralized by substantially all assets of Freedom.	\$ 1,055,571	\$ 1,132,266
Loan payable to M&I Bank in monthly principal payments of \$7,083 plus the monthly accrued interest at one-month LIBOR plus 3.25% (3.69% at March 31, 2009) per year to October 15, 2011, collateralized by substantially all the assets of Nonferrous (see interest rate swap, note 17).	1,664,583	-
Notes payable to vendors of Nonferrous due October 31, 2011 bearing interest at an annual rate of 8%, payable monthly.	3,000,000	-
Note payable to Phelps Dodge Industries, Inc. collateralized by the respective equipment acquired. The agreement expired November 2008.	-	24,733
Note payable to a finance company in monthly payments of \$742 including interest at 3.90% per year to November 2010, collateralized by the vehicle acquired.	14,346	20,503
Balance outstanding	<u>\$ 5,734,500</u>	<u>\$ 1,177,502</u>
Financial statement presentation:		
Current portion of loans payable	\$ 2,734,500	1,165,249
Long-term loans payable	-	12,253
Notes payable	3,000,000	-
	<u>\$ 5,734,500</u>	<u>\$ 1,177,502</u>

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13. Loans Payable (continued)

Aggregate maturities required on long-term debt at March 31, 2009 are as follows:

Period ending June 30	
2009	\$ 1,078,915
2010	93,574
2011	88,668
2012	4,473,343
	<hr/>
	\$ 5,734,500

The New Century Bank and M&I bank loan agreements require that the Company maintain a minimum net worth and minimum debt coverage and debt-to-tangible net worth ratios. In addition, there are limitations on dividends and capital withdrawals. The Company was in violation of certain of the above covenants in the period prior to March 31, 2009 (see note 4).

14. Share Capital*Authorized capital*

Unlimited number of preferred shares issuable in series without par value. The board of directors may determine the designations, rights, preferences or other variation of each class or series within the preferred shares.

Unlimited number of common shares without par value.

Issued capital

No preferred shares.

107,376,148 common shares.

Escrow shares

As at March 31, 2008, 33,875,295 common shares were held in escrow to be released as follows:

Date	Number of Shares
May 23, 2009	8,468,824
November 23, 2009	8,468,823
May 23, 2010	8,468,824
November 23, 2010	8,468,824
	<hr/>
	33,875,295

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15. Stock Options

On August 27, 2007, IBC's board of directors adopted a stock option plan, subsequently approved by shareholders and adopted by the Company, under which the Company is authorized to grant options to directors, employees and consultants to acquire up to 10% of the issued and outstanding common stock. The exercise price of each option is based on the market price of the Company's stock for a period preceding the date of grant. The options can be granted for a maximum term of five years and vest as determined by the board of directors. The Company's shares trade in Canadian dollars and options granted to date have been denominated in Canadian funds.

A summary of stock option activity to March 31, 2009 is as follows:

	Stock Options Outstanding	Weighted Average Exercise Price
June 30, 2008	6,549,000	C\$0.59
Granted	4,770,000	C\$0.18
Exercised	-	-
Expired or forfeited	(1,500,000)	C\$0.57
March 31, 2009	9,819,000	C\$0.20

At March 31, 2009, the Company had outstanding and exercisable stock options as follows:

Exercise Price	Outstanding Options			Exercisable Options	
	Number	Weighted Average Remaining Life	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
C\$0.15	8,714,000	4.36 years	C\$0.15	8,200,667	C\$0.15
C\$0.50	125,000	3.66 years	C\$0.50	125,000	C\$0.50
C\$0.51	605,000	4.11 years	C\$0.51	201,667	C\$0.51
C\$0.55	150,000	4.50 years	C\$0.55	150,000	C\$0.55
C\$0.83	225,000	3.94 years	C\$0.83	225,000	C\$0.83
	9,819,000	4.33 years	C\$0.20	8,902,333	C\$0.19

Stock options granted

In July 2008, 400,000 stock options exercisable at C\$0.50 and 600,000 stock options exercisable at C\$0.60 were forfeited due to the previous resignation of a director and officer of the Company.

In November 2008, 250,000 stock options exercisable at C\$0.59 were effectively forfeited due to the split of business partners in the Company's investors' relation firm.

In September 2008, the Company awarded 400,000 stock options to a contractor with an exercise price of C\$0.55 and a grant date fair value of \$0.13.

In February 2009, the Company granted 1,550,000 stock options to directors and officers and 2,570,000 stock options to employees, consultants and advisors at an exercise price of C\$0.15 each until February 12, 2014.

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15. Stock Options (continued)

In February 2009, the Company reduced the exercise price of 4,344,000 of its existing 5,699,000 incentive stock options with exercise prices of between C\$0.50 and C\$0.83. This repricing has been accepted by the TSX Venture Exchange (the “Exchange”) but is still subject to the approval of a majority of disinterested shareholders. The Company intends to seek such disinterested shareholder approval in accordance with Exchange policy at the next annual meeting of shareholders. If approved, each of the subject option holders will have the exercise price of their options reduced to C\$0.15 per share. There will be no change to the expiry date of the options.

In February 2009, the Company granted 250,000 stock options to an investor relations provider at an exercise price of \$0.15 until February 24, 2014. These options will vest in four equal quarterly instalments over 12 months.

The Company employed the Black-Scholes option-pricing model using the following assumptions:

	Nine months ended March 31, 2009
Annualized stock price volatility	110%
Risk-free interest rate	2.35%
Expected option lives	5 years
Dividend yield	0.0%

16. Warrants

	Financing Warrants		Broker Warrants	
	Warrants Outstanding	Weighted Average Exercise Price	Warrants Outstanding	Weighted Average Exercise Price
At June 30, 2008	23,889,832	C\$ 0.62	864,000	C\$ 0.50
Issued	-	-	-	-
Expired	-	-	(160,000)	C\$ 0.50
Exercised	-	-	-	-
At March 31, 2009	23,889,832	C\$ 0.62	704,000	C\$ 0.50

At March 31, 2009, warrants were outstanding enabling holders to acquire common shares as follows:

Number of Financing Warrants	Number of Broker Warrants	Exercise Price	Expiry Date
6,834,832	-	C\$ 0.29	May 29, 2009 (see below)
10,055,000	-	C\$ 0.50	November 23, 2009
7,000,000	-	C\$ 0.75	March 14, 2010
-	704,000	C\$ 0.75	March 28, 2010
23,889,832	704,000		

In the nine months ended March 31, 2009, 160,000 broker warrants expired.

Subsequent to quarter-end, the Company granted 500,000 warrants in connection with a financing and extended the term of warrants otherwise expiring May 29, 2009 to May 29, 2010 (note 23).

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17. Interest Rate Swap

On November 3, 2008, the Company entered into an interest rate swap contract covering the period to October 15, 2011. This had the effect of converting a variable interest rate loan (note 13) to one with a fixed interest rate. The interest rate swap contract provides for monthly settlements from November 15 to October 15, 2011. Pursuant to the interest rate swap agreement, the Company will receive interest at the one-month LIBOR and will pay interest at a rate of 3.30 %. The notional amount of the swap at March 31, 2009 is \$1,664,583.

The Company has not designated the interest rate swap contracts as a hedge in accordance with CICA 3865 – Hedges. Accordingly, the Company accounted for the interest rate swaps as derivative financial instruments and recorded the fair value of the interest rate swaps on its balance sheet at period end, with realized and unrealized gains as losses from the change in fair value being recorded in the consolidated statements of operations.

18. Related Party Transactions

The Company entered into the following transactions with related parties not disclosed elsewhere in these consolidated financial statements as follows:

Nine Months Ended March 31, 2009	Director or Officer Fees	Consulting Fees	Rent	Total
Delu International Ltd. ¹	\$ 83,571	\$ -	\$ -	\$ 83,571
Lindsey Maness, Jr. ²	60,000	-	-	70,000
Lee Rice ³	70,000	-	23,104	93,104
S2 Management Inc. ⁴	66,505	20,037	-	86,542
MCSI Consulting Services Inc. ⁵	-	18,689	-	18,689
Dal Brynelsen ⁶	18,724	-	-	18,724
Total	\$ 298,800	\$ 38,276	\$ 23,104	\$ 360,630

Nine Months Ended March 31, 2008	Director or Officer Fees	Consulting Fees	Rent	Total
Delu International Ltd. ¹	\$ -	\$ 113,310	\$ -	\$ 113,310
Lindsey Maness, Jr. ²	70,000	-	-	70,000
Lee Rice ³	70,000	-	-	70,000
MCSI Consulting Services Inc. ⁵	-	19,809	-	19,809
Total	\$ 140,000	\$ 133,119	\$ -	\$ 273,119

¹ Beneficially owned by the Company's CEO, president and a director.

² Mr. Maness is an officer of the Company.

³ Mr. Rice is a director of the Company.

⁴ Beneficially owned by the Company's CFO who is a former director. Consulting fees related to a contract employee provided at cost.

⁵ The Company's CFO holds a 50% interest.

⁶ Mr. Brynelsen is a director of the Company.

As at March 31, 2009, \$42,488 (June 30, 2008 - \$42,512) is owing to directors and officers for services and \$10,852 (June 30, 2008 - \$22,512) is owing to officers for expenses paid on the Company's behalf.

Related party transactions are in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

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19. Commitments

The Company is contractually committed under lease and research contracts to make payments as follows:

Period ending June 30	
2009	\$ 229,000
2010	458,000
2011	163,000
2012	134,000
2013	76,000
2014	6,000
	<u>\$ 1,066,000</u>

In August 2008, the Company signed a collaborative research agreement with Purdue University. The Company agreed to fund research program with a budget of \$588,980 payable over a 24-month period ending August 31, 2010.

20. Supplemental Cash Flow Information

	Three Months Ended		Nine Months Ended	
	March 31		March 31	
	2009	2008	2009	2008
Cash paid for interest costs	\$ 130,532	\$ -	\$ 317,226	\$ -
Cash paid for income taxes	-	-	-	-
Shares issued on Nonferrous acquisition	-	-	541,100	-
Amortization expense included in cost of sales	200,866	-	233,866	-
Debt assumed by vendors on Nonferrous acquisition	\$ -	\$ -	\$ 3,000,000	\$ -

21. Segment Reporting

Prior to May 2008, the principal activities of the Company were the acquisition, exploration and development of its properties. As at March 31, 2009, the Company had two reportable segments: mineral properties and manufacturing. The mineral properties segment manages the acquisition, exploration and development of beryllium natural resources and analysis of the Company's resource information database; the manufacturing segment produces beryllium copper and other specialty alloy products. In the period ended March 31, 2008, the Company only had one reportable segment, being exploration.

The accounting policies of the segments are the same as described in note 3 of the June 30, 2008 audited financial statements as amended by the adoption of new accounting policies as described in note 3 of these financial statements. IBC's management evaluates performance based on profit or loss from operations before income taxes, not including foreign exchange gains and losses.

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21. Segment Reporting (continued)

Loss by reportable segment for the three and nine months ended March 31, 2009:

	Three Months Ended March 31, 2009			Nine Months Ended March 31, 2009		
	Mineral Properties	Manufacturing	Total	Mineral Properties	Manufacturing	Total
Revenue	\$ -	\$ 3,090,053	\$ 3,090,053	\$ -	\$ 9,006,515	\$ 9,006,515
Cost of sales		3,118,726	3,118,726	-	8,186,316	8,186,316
Gross profit	-	(28,673)	(28,673)	-	820,199	820,199
Operating expenses	(71,147)	(698,094)	(769,241)	(305,184)	(2,236,918)	(2,542,102)
	<u>\$ (71,147)</u>	<u>\$ (726,767)</u>	<u>(797,914)</u>	<u>\$ (305,184)</u>	<u>\$ (1,416,719)</u>	<u>(1,721,903)</u>
Corporate expenses			(631,338)			(1,241,512)
Operating loss			<u>\$(1,429,252)</u>			<u>\$ (2,963,415)</u>

Total assets	March 31, 2009	June 30 2008
Mineral properties	\$ 2,148,500	\$ 2,071,209
Manufacturing	20,412,936	15,123,056
Corporate	222,989	6,233,522
	<u>\$ 22,784,425</u>	<u>\$ 23,427,787</u>

The geographical division of the Company's sales revenues based on the customer's country of origin is as follows:

Sales	March 31, 2009	March 31, 2008
North America	\$ 5,768,348	\$ -
Europe	2,344,579	-
Asia	893,588	-
	<u>\$ 9,006,515</u>	<u>\$ -</u>

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21. Segment Reporting (continued)

Mineral properties, property, plant and equipment, intangible assets and goodwill	March 31, 2009	June 30 2008
Canada	\$ 9,694	\$ 150,601
Brazil	556,694	459,483
Uganda	-	185,898
United States	14,002,626	11,716,616
	<u>\$ 14,569,014</u>	<u>\$ 12,512,598</u>

22. Financial Risk Management

The Company's activities expose it to a variety of financial risks, including foreign exchange risk, interest rate risk, commodity price risk, credit risk and liquidity risk. From time to time, the Company may use foreign exchange contracts, commodity price contracts and interest rate swaps to manage exposure to fluctuations in foreign exchange, metal prices and interest rates. The Company does not have a practice of trading derivatives. In the past, the Company's use of derivatives was limited to specific programs to manage fluctuations in foreign exchange risk, which are subject to the oversight of the board of directors.

Foreign Exchange Risk

The Company operates projects in several different countries and therefore, foreign exchange risk exposures arise from transactions denominated in foreign currencies. Foreign exchange risk arises primarily with respect to the US dollar, as the majority of the Company's debt and capital expenses are denominated in US dollars.

Exposure of the US dollar on financial instruments is as follows:

Balance at March 31, 2009	US Dollars	Canadian Dollars	Brazilian Real
Cash and cash equivalents	365,642	83,798	-
Receivables	1,994,500	29,411	-
Note receivable	450,000	-	-
Lines of credit	3,455,680	-	-
Accounts payable	1,565,649	114,457	-
Notes payable	3,000,000	-	-
Loans payable	2,734,500	-	-
Balance at June 30, 2008	US Dollars	Canadian Dollars	Brazilian Real
Cash and cash equivalents	344,387	6,058,117	-
Receivables	1,287,944	19,980	-
Lines of credit	1,900,000	-	-
Accounts payable	1,198,992	83,201	23,950
Loans payable	1,177,502	-	-

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22. Financial Risk Management (continued)

Interest Rate Risk

The Company's interest rate risk mainly arises from the interest rate impact on cash and cash equivalents. Cash and cash equivalents receive interest based on market interest rates. The Company's long-term debt has a fixed interest rate and is not exposed to interest rate risk.

As at March 31, 2009, with other variables unchanged, a 1% increase (decrease) in the interest rate would increase (decrease) net earnings by \$12,558. There would be no significant effect on other comprehensive income.

Commodity Price Risk

The Company's profitability and long-term viability will depend, in large part, on the market price of copper and beryllium. The market prices for these metals are volatile and are affected by numerous factors beyond the Company's control, including: global or regional consumption patterns; the supply of, and demand for, these metals; speculative activities; the availability and costs of metal substitutes; expectations for inflation; and political and economic conditions, including interest rates and currency values. The Company cannot predict the effect of these factors on metal prices.

The market price of these minerals and metals may not remain at current levels. In particular, an increase in worldwide supply and consequent downward pressure on prices may result over the longer term from increased copper and beryllium production from mines developed or expanded as a result of current metal price levels.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's credit risk arises primarily with respect to its money market investments and investment in asset-backed commercial papers.

The Company manages its credit risk by investing only in obligations of any Province of Canada, Canada or the United States of America or their respective agencies, obligations of enterprises sponsored by any of the above governments; banker's acceptances purchased in the secondary market and having received the highest credit rating from a recognized rating agency in Canada or the United States, with a term of less than 180 days; and bank term deposits and bearer deposit notes, with a term of less than 180 days.

The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and cash equivalents, and other receivables.

Liquidity Risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances. If necessary, it may raise funds through the issuance of debt, equity, or monetization of non core assets. To ensure that there is sufficient capital to meet obligations, the Company continuously monitors and reviews actual and forecasted cash flows and matches the maturity profile of financial assets to development, capital and operating needs.

See "note 19 – Commitments" for contractual undiscounted cash flow requirements for financial liabilities as at March 31, 2009.

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23. Subsequent Events

- a) In April 2009, the Company closed the acquisition of Specialloy, a specialty alloy manufacturer and processing company. The Company, through its wholly owned subsidiary Nonferrous, acquired the title in and membership interests of Specialloy held by Denis Brady (a director of the Company) and Billie D. Gray (together the "Vendors"). IBC paid an aggregate cash consideration of \$25,000 to the Vendors in conjunction with the closing of the transaction. In connection with the membership interest and purchase sale agreement, Nonferrous signed an exchange agreement with Specialloy whereby Specialloy converted \$450,000 of debt owed to Nonferrous to equity. The aggregate value ascribed to Specialloy was therefore \$475,000. Denis Brady forgave \$99,150 owed to him by Specialloy. Following these transactions, the Company owned a 100% membership interest in Specialloy.
- b) In April 2009, the Company granted 400,000 incentive stock options to a director at an exercise price of C\$0.15 for a period of five years.
- c) In April 2009, the Company closed a private placement and issued an aggregate of 8,333,333 common shares at a price of C\$0.15 per share for aggregate gross proceeds of C\$1,250,000 pursuant to the placement. The Company paid finders' fees in connection with the financing consisting of C\$60,000 in cash and issued 500,000 warrants which entitle the holder to purchase one common share at C\$0.15 for 24 months. All securities issued pursuant to this financing are subject to a four month and one day hold period.
- d) In April 2009, the Company signed a letter of intent to acquire a specialty alloy manufacturing business in an arm's length transaction. Completion of the proposed transaction is subject to several conditions including customary due diligence; raising sufficient capital to complete the acquisition and certain short-term business objectives; securing raw materials supply; and approval by the boards of directors of the Company and the target company; shareholders of the target company; and the Exchange.
- e) In May 2009, the Company extended, with regulatory approval, the expiry date of 6,834,832 warrants exercisable at C\$0.29 from May 29, 2009 to May 29, 2010.

IBC ADVANCED ALLOYS CORP.

(FORMERLY INTERNATIONAL BERYLLIUM CORPORATION)

(FORMERLY JANINA RESOURCES LIMITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS

(UNAUDITED - PREPARED BY MANAGEMENT)

NINE MONTHS ENDED MARCH 31, 2009

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IBC Advanced Alloys Corp.

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Management's Discussion and Analysis

Nine Months Ended March 31, 2009

The following is a management's discussion and analysis ("MD&A") of IBC Advanced Alloys Corp. and its subsidiaries (collectively "IBC"), prepared as of May 27, 2009. This MD&A should be read together with the unaudited consolidated financial statements for the nine-month period ended March 31, 2009 and related notes, and the audited consolidated financial statements for the year ended June 30, 2008 and related notes, which are prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). All amounts are stated in United States dollars unless otherwise indicated.

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to IBC is available for view on SEDAR at www.sedar.com.

Our Business

We currently operate three plants in the United States that manufacture, heat-treat, machine and market copper-beryllium, copper-based master alloys and similar specialty alloy products. Our manufacturing divisions employ 60 people. Our head office is located in Vancouver, Canada.

We own beryllium properties in Utah and Colorado in the United States and beryllium properties in Brazil. All of our mineral properties are either (1) formerly operating mines or (2) adjacent to sites that are, or have been, mines.

We are currently focused on the exploration, development and manufacturing of advanced alloys, in particular beryllium, beryllium oxides and beryllium master alloys. Beryllium is one of the least dense of all rare metals with one of the highest melting points of all the light metals and retains its physical properties under extreme stress. It is used extensively in the cooling systems for nuclear reactors and as a shield and moderator in nuclear reactors and can be used in its pure form or combined with other metals to form unique alloys for essential applications for the nuclear, aerospace, medical, automotive, electronic and defense industries.

We were incorporated under the laws of British Columbia on December 11, 2002 as 659975 BC Ltd. and, on November 10, 2003, we changed our name to Janina Resources Limited. On November 23, 2007, operating as Janina Resources Limited, we completed a business combination with Horn Rare Metals Ltd. ("HRM"). The transaction was a reverse takeover ("RTO") of us by HRM. In connection with the RTO, we changed our name from Janina Resources Limited to International Beryllium Corporation. On March 2, 2009, we again changed our company name to "IBC Advanced Alloys Corp." The new company name reflects our focus on production of advanced alloys as part of our strategy of becoming a vertically integrated specialty alloy producer.

Financial amounts are expressed in United States dollars unless otherwise indicated.

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(Formerly Janina Resources Limited)

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Corporate Developments

- In May 2009, we extended, with TSX Venture Exchange (the "Exchange") approval, the term of 6,834,832 financing warrants exercisable at C\$0.29 from May 29, 2009 to May 29, 2010.
- In May 2009, we closed a non-brokered private placement, and issued 8,333,333 common shares at a price of C\$0.15 per share for gross proceeds of C\$1,250,000 (approximately \$1,000,000). We paid finder's fees of C\$60,000 in cash and issued 500,000 warrants with an exercise price of C\$0.15.
- In April 2009, we signed a memorandum of understanding with Kazatomprom, the national atomic company of Kazakhstan, and its subsidiary Ulba Metallurgical Plant ("Ulba"), a beryllium and master alloy processing facility. The memorandum outlines a framework to develop a strategic relationship in regards to the beryllium market.
- In April 2009, we acquired, through our wholly owned subsidiary Nonferrous Products, Inc., Specialloy Copper Alloys, LLC ("Specialloy"), a master and specialty alloy manufacturer and processing company in a non-arm's length, cash-only transaction. We previously signed a definitive agreement with Specialloy in March 2009. See *Acquisition of Specialloy* below.
- In April 2009, Ian Slater joined our board of directors as an independent director. Mr. Slater is a Chartered Accountant and has most recently served as the CEO and a director of Fortress Minerals, a TSX-V listed gold exploration and development company. Prior to this, Mr. Slater was the managing partner of Ernst & Young's Canadian mining practice and also served as a partner with Arthur Andersen LLP where he lead their Central Asian mining practice focusing on regions such as Kazakhstan and Russia. Mr. Slater is the CEO and a founding director Slater Mining Corporation, a TSX-V listed mining company.
- In April 2009, our wholly owned subsidiary Freedom Alloys, Inc. ("Freedom") signed a long-term contract to supply a well-known global copper and industrial metals company. We will exclusively supply our customer with an advanced copper alloy for specific use in a variety of aerospace, electronic and automotive applications.
- In February 2009, we engaged IJT Enterprises Ltd. to provide investor relations services and appointed its founder, Ian Tootill, as our director of corporate communications.
- In November 2008, Denis Brady joined our board of directors. Until its recent acquisition by us, Mr. Brady was the president, CEO and majority shareholder of Nonferrous Products, Inc., a wholly owned operation subsidiary of NF Industries, Inc. (collectively "Nonferrous"). Mr. Brady is also the principal owner of an aerospace forge manufacturing complex, Mattco Forge, Inc. ("Mattco"), located in Paramount, California. Mattco employs 55 people and serves the global aircraft engine market with aluminum, inconel and titanium rings and components. Prior to purchasing Nonferrous and Mattco in the 1990s, Mr. Brady was the CFO, and on the board of directors, of an NYSE-listed mining and manufacturing company. Earlier in his career, he was the vice president and treasurer of The Hertz Corporation and has held other senior banking and financial positions. He has an MBA from Columbia University and a BA from Fordham University.

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- In October 2008, we acquired Nonferrous in an arm's length transaction. Nonferrous is a specialty alloy processing company and manufacturer of forged copper, beryllium copper and bronze alloys. We previously signed a definitive agreement with Nonferrous in September 2008.
- In August 2008, we signed a collaborative research agreement with Purdue University ("Purdue") to advance the university's existing nuclear fuels research program and to develop a new type of beryllium oxide nuclear fuel that is longer lasting, more efficient and safer than current nuclear fuels.
- In May 2008, we acquired all of the outstanding shares of Freedom, a beryllium alloy manufacturer, in an arm's length transaction. Freedom is a primary producer-supplier of beryllium copper casting and master alloy ingot products in North America and markets around the world. Freedom also manufactures beryllium nickel and beryllium aluminum alloy products.
- In May 2008, we acquired Rare Earths Limited, LLC ("REL"), a private Colorado-based company owned by Lindsey V. Maness, Jr. and Lee R. Rice, in a non-arm's length transaction. REL owns mineral claims in the United States and extensive geologic, topographical and other data on beryllium mineral resources around the world.

Manufacturing Operations

We currently have three manufacturing operations in the United States that employ a total of 52 people. As stated above, we acquired these operations in May and October 2008 and in April 2009. On a pro-forma basis¹, the operations would have had combined revenues of \$19.7 million in the year ended June 30, 2008. This amount is not indicative of future revenues due to the decline in the price of copper (a significant component of many of our alloys) in the last year and the effects of the global recession.

Our manufacturing operations are dependent on a single supplier (Ulba) for the delivery of beryllium, which is a component of approximately 80% of our sales. As described above, we have signed a letter of intent with Ulba and its parent company to form a strategic relationship regarding beryllium supply.

NONFERROUS DIVISION

In October 2008, we acquired all of the issued and outstanding shares of Nonferrous, a manufacturer of forged copper, beryllium copper, and bronze alloys based in Franklin, Indiana. We paid \$9,541,000 made up of \$6,000,000 in cash, \$3,000,000 in vendor debt bearing interest at 8% and with a three-year term and 3,000,000 common shares with a transaction date value of C\$0.19 per share (based on a volume-weighted average price in the period either side of the acquisition date). We also incurred acquisition-related costs of \$82,000. Our Nonferrous division's manufacturing infrastructure and processes are complementary to Freedom's and suitably integrate into our manufacturing value chain.

Nonferrous sources multiple copper alloys in cast billet, slab or ingot from mills in North America and Asia and converts these into usable industrial products serving the industrial welding, oil and gas, plastic mold, metal melting, marine defense, electronic and industrial equipment

¹ Assuming that the acquisitions had occurred effective July 1, 2007, after eliminating intercompany revenues.

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markets. Nonferrous also provides tooling components for the North American automotive industry, the European and North American consumer plastic tooling producers, the global oil and gas service industry, the prime North American submarine and aircraft carrier producers and repair facilities including the US Navy, electronics industries and general equipment manufacturers. Nonferrous' audited revenues for the year ended October 31, 2008 were \$13.4 million, although this amount is not indicative of future sales due to (1) the declining price of copper (which is a significant component of products sold by Nonferrous) and (2) the general decline in the economy.

Nonferrous operates from a 48,800 square foot manufacturing plant on land that we own. There is room for significant expansion of plant operations at the current site.

FREEDOM DIVISION

Our Freedom division is located in Royersford, Pennsylvania where it was founded in 1994 by its current management team, which had previous senior management and technical experience in the beryllium casting and marketing industry at Brush Engineered Metals, Inc. ("Brush") (NYSE:BW) and NGK USA. Freedom's core expertise is melting and casting beryllium copper and other beryllium containing alloys and serving the end user market. Freedom is a primary producer-supplier of beryllium copper casting and master alloy ingot products in North America and markets around the world. Freedom also manufactures beryllium nickel and beryllium aluminum alloy products.

Freedom's facility has three furnaces that have been adapted to meet the specialized requirements of beryllium alloy manufacturing. Freedom has strong technical and manufacturing engineering resources in the highly specialized beryllium and beryllium containing alloy industry, which has allowed Freedom to develop and integrate proprietary direct chill VLT (Very Low Turbulence) semi-continuous casting technology into a highly autonomous billet manufacturing cell. This effort has resulted in a world class capability to manufacture large 21-inch diameter beryllium copper input billets weighing up to two tonnes. These large scale as-cast billets exhibit consistently fine grained, uniform micro-structures coupled with high purity, low carbide chemical compositions.

Freedom offers its customers a full range of manufacturing and support services including casting and master alloy products, cast and forged billet products, semi-continuous cast input billets and wrought products. Freedom manufactures its beryllium alloys utilizing either pure metallic beryllium or certified beryllium copper master alloy.

ACQUISITION OF SPECIALLOY

In April 2009, we acquired 100% of the membership interests of Specialloy, a specialty alloy manufacturer and processing company. The acquisition was a non-arm's length transaction as Denis Brady, a director of IBC, held a majority membership interest in Specialloy.

We, through Nonferrous, acquired the title in and membership interests of Specialloy held by Denis Brady and Billie D. Gray (the "Vendors"). IBC paid an aggregate cash consideration of \$25,000 to the Vendors in conjunction with the closing of the transaction. In connection with the membership interest and purchase sale agreement, Nonferrous signed an exchange agreement with Specialloy whereby Specialloy converted \$450,000 of debt owed to Nonferrous to membership interests. The aggregate value ascribed to Specialloy is therefore \$475,000. Denis

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Brady forgave \$99,150 owed to him by Specialloy and Nonferrous exchanged its debt due to it for IBC to hold a 100% membership interest in Specialloy.

Specialloy has operated since 1952 and manufactures and processes a range of copper master alloy, used by foundries to produce copper alloy products, and copper-based alloys in billet and slab form, including beryllium copper alloys. Specialloy opened its existing Missouri facility in 1988 to more cost-efficiently produce products from larger furnaces, and in 1992 closed its Chicago plant. At its height of production, Specialloy served customers in North America, Europe and Asia and developed a global reputation for specialty copper alloys. For the last few years, Specialloy's only significant customer has been our Nonferrous division, so the acquisition will not immediately add to our sales.

The Specialloy plant is a manufacturing and warehouse building totalling 26,500 square feet, located on a six-acre site in New Madrid, Missouri, USA, approximately 250 kilometres south of St. Louis and situated on the Mississippi River. It has two furnaces and is capable of producing billets in a range of sizes and compositions. At its peak of operations, Specialloy employed 50 employees and produced 7,000,000 lbs. of alloys annually, including red alloys and non-beryllium alloys. It produced considerably less in the past two years, after financially-driven shutdowns and ownership changes. It currently has seven employees. There is room for significant expansion of plant operations at the current site.

We plan to integrate Specialloy's manufacturing infrastructure and processes with our existing Freedom and Nonferrous manufacturing divisions.

OUTLOOK

The current recession has adversely affected the sales and profitability of our manufacturing divisions. We have reduced operating costs to compensate and intend to improve our operating results through cost savings achieved through the integration of our manufacturing divisions. In recent weeks, we have experienced an increase in order intake but it is too soon to know if this represents a turnaround in market conditions. We expect that our long-term contract to supply a well-known global copper and industrial metals company (see above) will generate incremental sales.

Based on information available to us, revenues for the coming months will be similar to those for the March 2009 quarter. The revenue outlook for the coming year will be materially affected by two factors:

- The current economic malaise is resulting in lower order bookings from the commercial sector, although long-term arrangements and government-related sales are less affected.
- Copper is a significant proportion of many of the alloys that we produce. Copper prices fell from roughly \$4.00 per pound in the summer of 2008 to about \$1.30 per pound in December 2008 before increasing to slightly over \$2.00 per pound in May 2009². The change in copper prices has a significant effect on revenues but does not necessarily affect long-term profitability because there is a corresponding change in cost of sales.

² Source: www.infomine.com

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We signed a memorandum of understanding with Kazatomprom and Ulba, outlining a framework to develop a strategic relationship in regards to the beryllium market, whereby Kazatomprom has provided us with beryllium and master alloy long-term supply assurances. Our manufacturing operations are dependent on Kazatomprom for the delivery of beryllium, which is a component of approximately 80% of our sales and supply assurance is essential to our continuing operations.

Purdue University Research Initiative

In August 2008, we signed a collaborative research agreement with Purdue to advance the university's existing nuclear fuels research program and to develop a new type of beryllium oxide (BeO) nuclear fuel that is longer lasting, more efficient and safer than current nuclear fuels. The objective of the research is to develop, for commercial use, an enhanced uranium oxide - beryllium oxide (UO₂ – BeO) nuclear fuel suitable for both existing and future nuclear power reactors.

Existing work by Purdue nuclear engineers has shown that an advanced UO₂ – BeO nuclear fuel could potentially save billions of dollars annually by lasting longer and burning more efficiently than conventional nuclear fuels while at the same time dramatically impacting the demand for beryllium and beryllium oxide. In addition to the cost savings, an advanced UO₂ – BeO nuclear fuel could also contribute significantly to the operational safety of both current and future nuclear reactors due to its superior thermal conductivity and associated decrease in risks of overheating or meltdown.

Under the terms of our research agreement, Purdue granted us an option at our sole discretion, to enter into either a non-exclusive royalty-free license for commercial application to the intellectual property relating to the development of an advanced beryllium oxide nuclear fuel (the "IP") as developed by Purdue under the agreement, or an exclusive royalty-bearing license to the IP up to a mutually agreed maximum royalty amount. Pursuant to the agreement, Purdue has proposed a maximum 24-month research program with an estimated budget which will be our sole responsibility and which we will pay in quarterly installments.

Purdue led the early research into UO₂ – BeO fuel, which is intended to solve the inherent problem of low thermal conductivity of existing UO₂ fuel. The low thermal conductivity leads to a large temperature gradient across the fuel pellet, which limits the operational performance of nuclear reactors due to thermal stresses that cause pellet cladding interaction and the release of fission product gases. An enhanced thermal conductivity UO₂ – BeO fuel would decrease maximum fuel temperatures and facilitate a reduction in pellet cladding interaction through lessening thermal stresses that result in fuel cracking, relocation and swelling. Additionally, fission gas release would decrease allowing for higher fuel burn-up and reactor safety would be greatly improved with a faster thermal response and less stored energy in the fuel pins. We have been advised by the Purdue professor emeritus who is guiding the research that if UO₂ – BeO nuclear materials are feasible, they would function in existing, unmodified nuclear reactors.

In February 2009, we formed a nuclear fuels research advisory board to assist in developing and implementing a long-term strategic plan to commercialize the nuclear fuel technology currently being developed by Purdue and Texas A&M universities in partnership with IBC. We have appointed Dr. Alvin Solomon to the nuclear fuels research advisory board. Dr. Solomon is a professor emeritus of nuclear engineering at Purdue University and holds a PhD in materials science from Stanford University.

Mineral Properties

We are seeking to accumulate several mineral properties that could serve as a source of raw materials for future production. Through our purchase of REL, we acquired a comprehensive reference library detailing beryllium mines, deposits and occurrences worldwide, which is complemented by extensive geologic, topographic, and bathymetric databases and a comprehensive library of satellite imagery. In view of current market conditions, we intend to slow our mineral exploration activities in order to conserve cash.

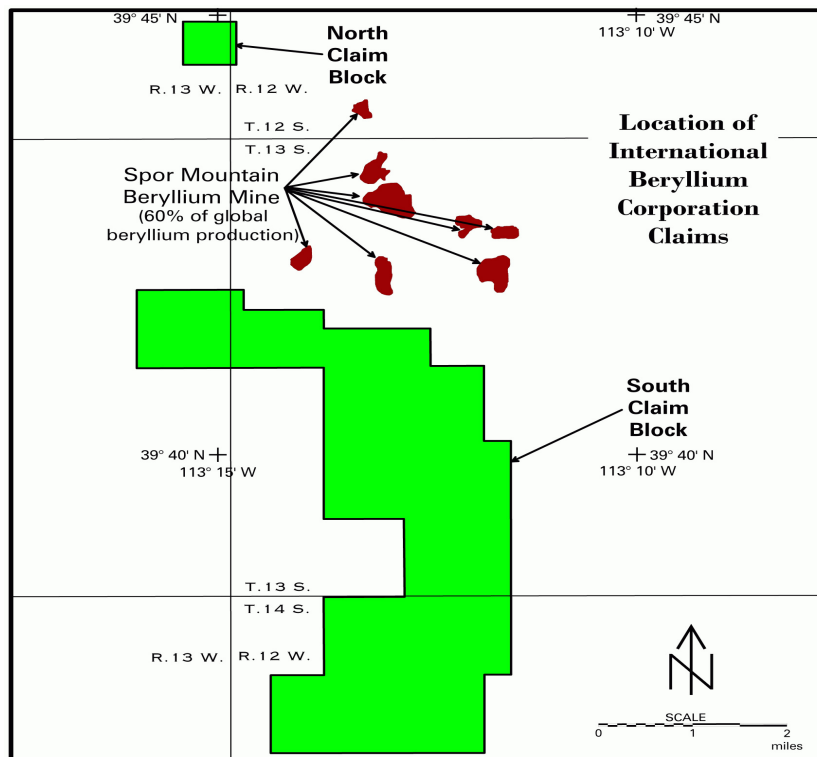
Only two beryllium minerals are of commercial importance for the production of beryllium. Bertrandite is the principal beryllium mineral mined in the United States. Beryl is the principal beryllium mineral mined in the rest of the world.

SPOR MOUNTAIN, JUAB COUNTY, UTAH

Through the purchase of REL, we also acquired 371 mineral claims near Spor Mountain in Juab County, Utah, USA.

Property Description and Location

The 371 claims comprise approximately 7,665 acres (3,102 hectares) proximal to another company's existing beryllium mining operations at Spor Mountain. The property is situated in a very sparsely populated part of Juab County. It is readily accessible along a paved road system but has limited availability of electricity.



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Previous History

This property is situated in an area of known beryllium mineralization described in US Geological Survey ("USGS") Professional Paper 415. Studies conducted by the USGS and by the US Bureau of Mines in the 1960s confirmed the occurrence of beryllium minerals throughout the area and documented the extent and grades of some of the beryllium deposits in this area and their chemical, mineralogical, and physical characteristics.

Exploration

Our Utah mineral claims about the mineral property of Brush at Spor Mountain. Brush operates five open pit mines in this location and produces approximately 48,000 tons of bertrandite ore annually grading 0.35% beryllium. This constitutes approximately 60% of world production, but Brush's lack of additional exploration has led to declining reserves during the past few years.

The beryllium deposits discovered at Spor Mountain in December 1959 have been the major source of this metal in the western world for more than 40 years. The beryllium mineralization at this location occurs in tabular deposits situated along major faults and fractures in an altered water-laid rhyolitic tuff within a valley that once was part of paleo-Lake Bonneville. Our claims are located on extensions of these geologic structures initially described by USGS geologists and are presently being mined on Brush's properties.

Our analysis of topographic data and high resolution aerial photography of the area has revealed the presence of a previously unmapped extinct volcanic caldera that may prove to be the source of structural control, hydrothermal fluids, and beryllium mineralization in this area. The presence of this caldera poses the possibility of more extensive beryllium mineralization on our claims than has been encountered at the Brush mine site.

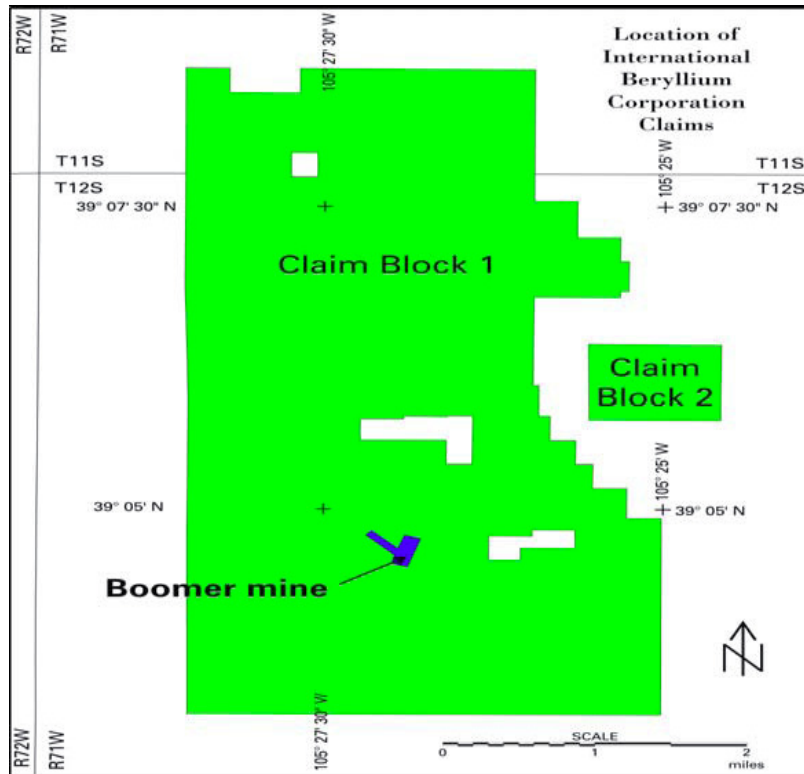
Plan

We are continuing to gather historical data and exploration results from other companies that have worked in the area and are formulating a comprehensive exploration program to delineate the extent of the beryllium mineralization and to quantify the size and grade of the deposits within our claim blocks.

LAKE GEORGE, PARK COUNTY, COLORADO

We exercised our rights under a trust agreement signed on September 1, 2007 and acquired a 100% interest in the Boomer mine located in the Lake George beryllium district, a well known area of beryllium mineralization in Park County, Colorado, USA. The property is comprised of two patented mining claims; the Boomer lode and the East Boomer lode constituting 20.560 acres (8.320 hectares) of land and an undivided one-third interest in the adjacent JS lode, a 9.395-acre (3.802 hectares) patented mining claim. We also staked 517 mining claims (approximately 10,680 acres or 4,320 hectares) on adjacent lands to expand our Colorado interests in the Lake George district.

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Property Description and Location

The Boomer mine is situated in Section 21 of Township 11 South, Range 72 West (T11S, R72W). It lies within the Lake George beryllium area, a prolific beryllium-producing area of South Park, Park County, Colorado. It is well supplied with electricity, water and telephone, and is readily accessible along an established road system.

Previous History

The Boomer mine was historically the second largest producing beryllium mine in the United States from 1948 until 1963 and was the largest beryllium ore producer in 1958. Mining operations were discontinued in the early 1970s due to a legal dispute between the operating partners and there has been no recent exploration activity on the property.

USGS scientists, Dr. Wallace R. Griffiths and Dr. Charles C. Hawley, evaluated the Boomer mine in the 1960s for publication of USGS Professional Paper 608-A and 608-B and USGS Circular 597. They were of the opinion that the Boomer mine retained more than 50% of its mineable reserves. Ore reserves will have to be confirmed by systematic drilling, geochemical sampling, and by geophysical and geological evaluations. We can confirm that the previous reserves are now an historical resource.

Exploration

We have completed the staking of 517 mineral claims in two claim blocks in the Lake George district, which includes the Boomer mine. The staked area is approximately 10,680 acres (4,320

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hectares) and includes the former beryllium producing areas of Badger Flats, China Wall, Redskin Gulch, and numerous former producing claims and workings.

Plan

We are currently analyzing historical data with the objective of undertaking further geochemical, geophysical, and field geological investigations to identify and delineate any additional ore zones that may be suitable for mining. Once this initial work is complete, we will incorporate our findings into a thorough resource estimate for the entire Lake George area.

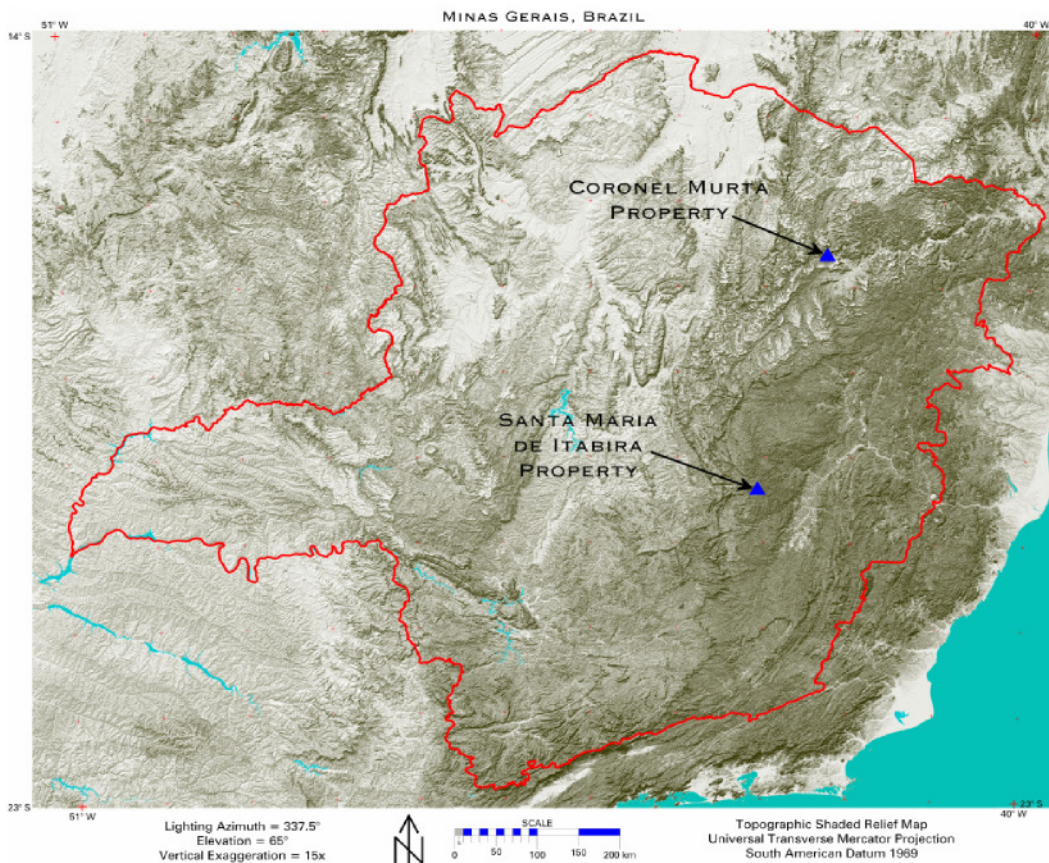
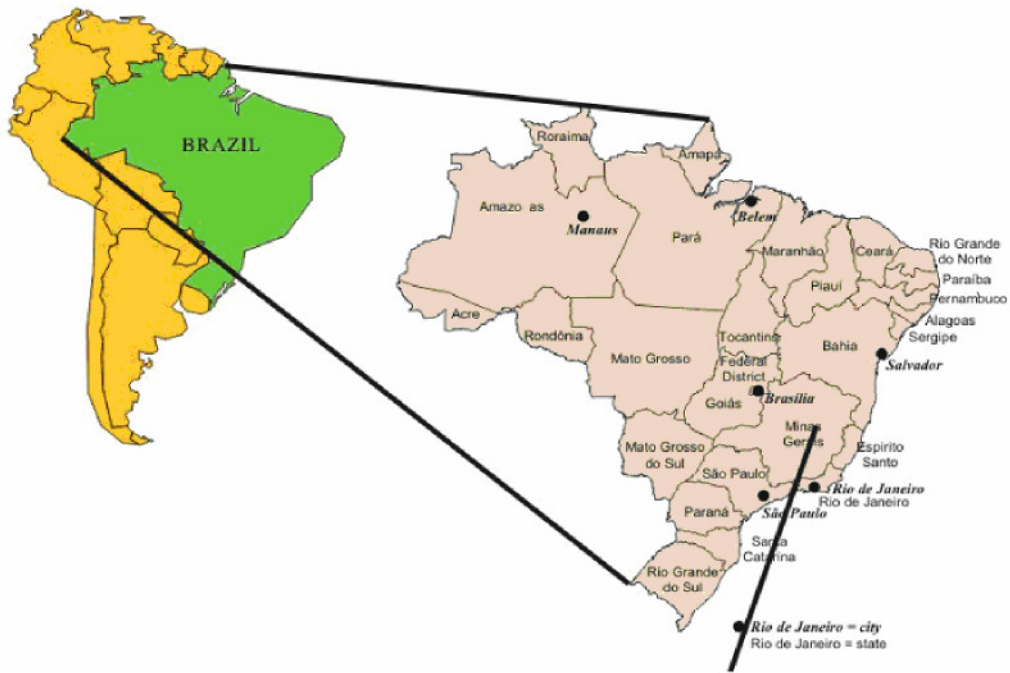
MINAS GERAIS, BRAZIL

Through a trust arrangement, we hold a 100% interest in two beryllium properties in Brazil; the Coronel Murta Property and the Santa Maria de Itabira Property (the "Brazilian Properties"). The two of our Brazilian Properties were the subject of an October 2007, geological report prepared for the properties' previous owner Vangold Resources Ltd. ("Vangold") by Behre Dolbear & Co. ("Behre Dolbear") titled "Technical Report on the Santa Maria de Itabira Property, Santa Maria de Itabira Municipal District, Latitude 19° 21' 43.7" S, Longitude 43° 4' 30.4" W and the Coronel Murta Property, Coronel Murta Municipal District, Latitude 16° 36' 52" S, Longitude 42° 18' 31" W, Minas Gerais State, Brazil" (the "Behre Report"). A full copy of the Behre Report is available for review under our corporate profile on www.sedar.com. In September 2008, we licensed two additional properties at Coronel Murta from the Brazilian government; Corrego Pedra Azul (process no. 833880/2008), and Corrego Biquinha (process no. 833881/2008) constituting 1,556.68 hectares adjacent to the existing Coronel Murta Property. In December 2008, we decided to temporarily suspend exploration operations in Brazil. While we believe that the mineral properties have economic value, our Utah properties are easier to bring to production and given tight capital markets, we have decided to focus on the most promising exploration opportunity first. We expect to recommence exploration activities in Brazil once capital markets improve.

Property Description and Location

Our Brazilian Properties are located in Minas Gerais State, Brazil. One is situated in the Santa Maria de Itabira municipal district and the other three are in the Coronel Murta municipal district as shown in the following illustration. The surface owners have not retained a royalty prior to commencement of mining operations.

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Santa Maria de Itabira

The Santa Maria de Itabira license is located at approximately latitude 19° 21' 43.7" S, longitude 43° 4' 30.4" W in the Santa Maria de Itabira municipal district and comprises 643.74 hectares. The license is recorded as Departamento Nacional de Produção Mineral ("DNPM") Processo 832670/2003 in the name of Raimundo José Martins Coura. On November 11, 2006, Sr. Coura ceded rights to the license to Rafael Hernandes Corrêa Silva and issued a receipt for payment on March 30, 2007. Sr. Silva is the license holder and a principal of Mineração Berilo do Brasil Ltda., our Brazilian subsidiary. The cessation has been submitted to DNPM for approval, but has not yet been published.

Access to the permit area is via paved highways BR381 and BR120 from Belo Horizonte to the municipal district of Santa Maria de Itabira, a distance of about 140 kilometres. From Santa Maria de Itabira to the area of the permit access is via unpaved roads for about 17 kilometres.

Mineralization occurs as discrete beryl crystals within the zoned pegmatite matrix. Pegmatite bodies are somewhat linear, oriented approximately NW-SE, and range in thickness from a few centimetres to several metres. The galleries mapped by Brazilian Rockhounds Comércio e Serviços de Mineraiis Ltda. ("Brazilian Rockhounds") are clustered in an area of approximately 100 metres by 250 metres central to the license area.

No environmental liabilities were apparent during Behre Dolbear's visit. There is no acid mine drainage or hazardous waste or other condition what would require mitigation or remediation.

The license area is traversed by a small stream that would need protection when surface disturbances are begun.

Further work will require approval by DNPM of a plan of operations. We are preparing a phased exploration plan for this property but have slowed this process given the current economic climate.

Coronel Murta

The Coronel Murta concession is situated in the municipal district of Coronel Murta, in the Central Jequitinhonha region, at approximately latitude 16° 36' 52" S, longitude 42° 18' 31" W. The license comprises 328.13 hectares and is recorded as DNPM Processo 833941/2006. The license was issued in the name of Carlos Lauro Oliviera Ursine, who ceded the rights to Rafael Hernandes Corrêa Silva on October 10, 2006, and issued a receipt for payment on March 30, 2007. Sr. Silva is the license holder on our behalf. The cessation was published by DNPM as Processo 833941/2006.

The camp used as the base for the field work was the headquarters of the Jatobá farm, property of the former title-holder. The Jatobá farm comprises about 50% of the authorized area. The headquarters of Jatobá farm lies about 11 kilometres from Coronel Murta city and 21 kilometres from Virgem da Lapa city via poorly maintained unpaved roads. The eastern part of the license, lying north of the Jequitinhonha River, is accessible from Coronel Murta city via primitive, four-wheel drive track for about 15 kilometres in a generally west direction.

Mineralization occurs as discrete beryl crystals in zoned pegmatite bodies. Pegmatites are described by Brazilian Rockhounds in at least five different locations on or adjacent to the license over an area of approximately one kilometre square located in the east central portion of the license. Behre Dolbear was able to visit the portal of one gallery that was collared off the license but, according to Brazilian Rockhounds' mapping, extends up to 50 metres northwesterly

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into the license area. Behre Dolbear found beryl fragments up to 10 centimetres in long dimension on the dump from this gallery.

A gallery adjacent to the Coronel Murta license was actively producing feldspar, lepidolite, and occasional morganite (a gem variety of beryl). Behre Dolbear observed beryl crystals in the gallery walls up to five centimetres in long dimension.

No environmental liabilities were apparent during Behre Dolbear's visit. There is no acid mine drainage or hazardous waste or other conditions that would require mitigation or remediation. The license area is traversed by the Jequitinhonha River that would need protection when surface disturbances are begun.

Further work will require approval by DNPM of a plan of operations.

We have not yet commenced work on the Corrego Pedra Azul or the Corrego Biquinha licenses.

Exploration

Exploration to date has been limited to mapping the accessible workings on the Santa Maria de Itabira license, literature search, aerial photograph interpretation, and compiling references on surrounding properties. There are seven gallery entries located on the Santa Maria de Itabira license and beryl and aquamarine production has been reported from these workings. Behre Dolbear was able to confirm pegmatite bodies in the accessible workings but saw no obvious beryl or aquamarine in place. Geologist Silva has mapped the workings. He has produced a report of activities and findings that include maps of the galleries and location of reported beryl production. Behre Dolbear was able to compare the geologic maps of the galleries with two of the galleries and found the work accurate and credible.

Brazilian Rockhounds reports sampling results from the Santa Maria de Itabira galleries as follows:

Gallery	Sample Length, m	Beryl, Kg
G1	5	30
G2	10	60
G2	5	60
G3	7	50
G5	5	10
G5	12	15
G5	70	150
G6	0.3	5
G7	15	30

These samples are identified on Brazilian Rockhounds' maps. Behre Dolbear did not observe the sampling nor see any of the recovered beryl.

Additional work that previous operators from 2004 to 2006 and Brazilian Rockhounds conducted on the Santa Maria de Itabira license includes follow-up map construction, mine planning, trenching, geologic mapping and sampling, gallery opening and construction, and chemical and petrographic analysis. The work by previous operators also has been reported and detailed to

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DNPM. Behre Dolbear did not witness these tasks being completed but reviewed materials provided by Brazilian Rockhounds to indicate the tasks had been completed on the license.

Our representative in Brazil conducted a reconnaissance of the Coronel Murta license area in an attempt to locate old workings or pegmatite outcrops. He mapped five galleries; one collared outside the Coronel Murta license but entering the license underground and one gallery collared within the Coronel Murta license and passing southerly out of the license.

From 2004 to 2006, Brazilian Rockhounds and previous operators conducted extensive road and gallery construction on the Coronel Murta license. The road improvements to access the site, refurbishing of old galleries, and opening of new longitudinal and transverse galleries cost approximately \$90,900 during that period. In addition, trenching and both surface and underground sampling as well as auger drilling on the license cost approximately \$26,700. Topographic mapping and geologic mapping of the surface and of accessible galleries underground was conducted at a cost of approximately \$22,600. Chemical and petrographic analyses of numerous samples were performed at a cost of \$1,500, and research materials for this property consisting of aerial photography and remotely sensed data were gathered at a cost of approximately \$5,500. This exploration and development work culminated in environmental licensing of the site and a final report on the exploration work to the DNPM.

Behre Dolbear did not witness the work being completed but did review materials provided by Brazilian Rockhounds and allocated a proportion of the listed work to the license. This work also has been reported to DNPM. Behre Dolbear reviewed maps of the located underground galleries, geologic and topographic maps of the claim area, tables of expenditures and submissions to DNPM and a qualifying statement letter by Geologist Silva attesting to completing the above mentioned tasks.

Behre Dolbear concluded that the Coronel Murta concession is an early state exploration project. Significant and extensive exploration work in the form of trenching, alluvial sampling, and general reconnaissance needs to be conducted to locate potential high value areas. Once these areas are identified, diamond drilling and more thorough testing must be performed. Most of the work to date is of an overall development nature and is foundational for our continued program.

Behre Dolbear has attempted to apportion the applicable completed tasks to the Coronel Murta license in categories where they saw some evidence that work was done and benefited the understanding of the license area. In situations where the work likely benefited the entire license before partition, Behre Dolbear credited 85% of the total to the Coronel Murta license based on the relative areas of the Coronel Murta license and the retained portion.

Drilling

There has been no drilling on the Brazilian Properties.

Sampling method and approach

Beryl has been reported from the gallery entries on the Santa Maria de Itabira license. Sampling was crude and consisted of hand sorting beryl specimens from mined rock identified as having high potential for beryl occurrence. A similar technique was applied at the active working south of the Coronel Murta license area. Behre Dolbear was able to see the mining operations and the hand sorting of feldspar and lepidolite. Only the largest pieces were stockpiled for future

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shipment to a buyer. Behre Dolbear did not observe any sampling on the properties during this site inspection.

Recommendations

Further exploration will require approval of the plan of operations by the environmental agency as well as the agriculture department and the department of mines. The Brazilian Properties are all early state exploration projects and therefore extensive reconnaissance and broad based exploration is required. This should consist largely of trenching, alluvial sampling, and tunnelling in located pegmatite bodies.

Because pegmatites have irregular shapes and range from a few decimeters to more than a kilometre in length and from a few millimetres to more than 150 metres in width, exploration must determine the size of any pegmatite body as well as the presence of desirable minerals. To date, exploration has confirmed the presence of beryllium mineralization on both the Santa Maria de Itabira and the Coronel Murta concessions. Additional exploration consisting of alluvial sampling and trenching over the entire license area will serve to delineate the vertical extent, mineral zonation, and grade of mineralization present in the pegmatites.

Behre Dolbear recommends a thorough program of alluvial sampling and trenching of the entire Santa Maria de Itabira and Coronel Murta concessions with bulk rock sampling when appropriate. The exploration should proceed incrementally with line cutting and surveying of lines along the slopes for soil samples. Soil samples should be taken at 25-metre intervals and assayed by ICP for beryllium, chromium, lithium, potassium, sodium, and vanadium. Slight anomalies should identify possible pegmatite bodies. Trenches would be dug to expose the saprolitic rock and tunnels dug into the exposures to sample for beryl.

We planned to spend approximately \$250,000 in 2008 on the recommended exploration program on the Santa Maria de Itabira and the Coronel Murta concessions. Following the acquisition of the US properties and the uncertain outlook for mineral property exploration, we have suspended exploration work on the Brazilian Properties but will continue to gather information and pay holding costs for these properties. We intend to recommence exploration when capital markets improve.

UGANDA

We hold a 90% interest in our subsidiary Beryllium Exploration Ltd., which held seven registered exploration licenses for beryl, located in central and southwestern Uganda. Due to the difficulty in raising capital at the moment, we have decided to focus our exploration activities on our Utah property, which we believe would be the easiest to bring to production and holds the most long-term potential. Given the current uncertain outlook for both capital and resource markets, we have relinquished our Ugandan properties and therefore wrote them off at March 31, 2009.

Financial*SELECTED QUARTERLY INFORMATION*

During our most recent eight quarters, we have not incurred any loss from discontinued operations or extraordinary items. Results for the period prior to the RTO on November 23, 2007 are those of HRM.

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Quarter Ended	Revenue	Income (loss) for the period	Basic and diluted income (loss) per share
June 30, 2007	\$ -	\$ (5,933)	\$ (0.00)
September 30, 2007	-	1,391	0.00
December 31, 2007	-	(52,729)	(0.01)
March 31, 2008	-	(3,670,711)	(0.04)
June 30, 2008	978,056	28,623	0.00
September 30, 2008	2,724,695	(764,238)	(0.01)
December 31, 2008 (restated)	3,191,767	(6,961,668)	(0.07)
March 31, 2009	\$ 3,090,053	\$ (1,510,564)	\$ (0.01)

During the quarters March 2007 to September 2007, there were no significant trends as we were largely inactive. Following the RTO, our operating losses increased as we hired personnel and began executing our business plan. Losses for the quarter ended March 31, 2008 included stock-based compensation of \$2,718,000 and a foreign exchange loss of \$592,000.

In the quarter ended June 30, 2008 we recorded income of \$29,000. The change in our operating results from the quarter ended June 30, 2008 was largely due to (1) Freedom's post-acquisition loss of \$132,000; (3) REL's post-acquisition loss of \$47,000; (4) reduction of stock-based compensation of \$491,000; and (5) a future income tax recovery of \$92,000. Freedom's operating results in the period were adversely affected by materials requiring further processing that were held up at suppliers. Freedom received these materials in the first quarter of fiscal 2009.

Our loss for the quarter ended September 30, 2008 was broadly consistent with the prior period after factoring the full quarter of Freedom and REL operations, prior-period stock-based compensation adjustment and current period foreign exchange loss.

Our revenues for the quarter ended December 31, 2008 increased over the prior period following the purchase of Nonferrous, which added \$1.4 million in sales. Sales in the final quarter of the calendar year are historically lower than the third quarter due to holiday season shutdowns and customers reducing inventory holdings. Our operating loss for the quarter ended December 31, 2008 increased as a result of these seasonal factors and a generally lower level of sales due to the weak economy in the United States. The more significant factor affecting our December 2008 quarter was a \$5,300,000 impairment provision that we took in respect of goodwill associated with our Freedom division.

Our loss for the quarter ended March 31, 2009 decreased to \$1.5 million, largely because the prior period included a large goodwill impairment provision. Partially offsetting this, our loss before other items increased by \$511,000 due to the weak economy, as discussed in further detail below.

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RESULTS OF OPERATIONS

In this discussion of our results of operations and financial condition, amounts, other than per-share amounts, have been rounded to the nearest thousand dollars.

We incurred a loss of \$1,511,000 for the quarter ended March 31, 2009 compared to of \$3,671,000 for the quarter ended March 31, 2008. Our net loss for the nine months ended March 31, 2009 was \$9,236,000 compared to a loss of \$3,723,000 for the nine months ended March 31, 2008.

In the comparative period, we had limited exploration activities and no revenues. Between March 31, 2008 and March 31, 2009 we acquired two manufacturing plants and, consequently, comparison of our operating results with the same period in the prior year is not meaningful. Our discussion of the results of operations therefore focuses on trends in the current period as they relate to changes in our activities and the effect of market conditions.

The following table provides details of our loss before other items (see also note 21 of the unaudited financial statements for the period ended March 31, 2009). Corporate expenses are those not allocated to specific operating segments. In the comparative period, the Company operated in one segment, being mineral properties. This table shows the segments as they are reported to management.

Period ended March 31, 2009	Three Months	Nine Months
<i>Segment revenues</i>		
Manufacturing	\$ 3,090,053	\$ 9,006,515
Mineral properties	-	-
Total revenues	<u>\$ 3,090,053</u>	<u>\$ 9,006,515</u>
<i>Segment operating loss</i>		
Manufacturing	\$ (726,767)	\$ (1,416,719)
Mineral properties	(71,147)	(305,184)
Corporate, including research	(631,338)	(1,241,512)
Loss before other items	<u>\$ (1,429,252)</u>	<u>\$ (2,963,415)</u>

Further information about the significant components of the net loss is as follows:

Stock Based Compensation

In February 2009, we reduced the exercise price of 4,344,000 options to the then-market price of C\$0.15. At that time, we took a charge equal to the difference between the fair value of the options immediately before the repricing and the fair value immediately after. The total expense in this regard was \$102,000. The repricing is subject to approval by disinterested shareholders, which will take place at our next shareholders' meeting.

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Manufacturing

- Effective October 31, 2008, we closed the purchase of the Nonferrous division. Of the \$3.1 million in revenues earned in the current quarter, 58% related to the Nonferrous division.
- We generated gross profit of \$820,000 in the nine months ended March 31, 2009 (three month period, gross loss - \$29,000), which comprised:

Period ended March 31, 2009	Three Months	Nine Months
Sales	\$ 3,090,053	\$ 9,006,515
Cost of sales		
Materials	863,539	4,242,630
Labour	1,607,846	2,005,926
Overhead	470,749	1,450,799
Amortization	176,592	310,747
Purchase price allocation adjustment	-	176,214
Total cost of sales	3,118,726	8,186,316
Gross profit (loss)	\$ (28,673)	\$ 820,199

- Our gross profit margin for the first three months of the fiscal year was unusually low, in part due to acquisition-related charges relating to inventory.
- Our gross profit margin in the third quarter was adversely affected by low selling prices due to the weak economy.
- Our operating loss from manufacturing operations includes a \$163,000 (three-month period - \$47,000) write-down of inventory as a result of lower commodity prices.
- Segment expenses for the period includes \$244,000 of stock-based compensation (three-month period - \$177,000) relating to individuals employed in our manufacturing segments and \$537,000 of non-cash acquisition-related charges (three-month period - \$134,000).

Mineral Properties

- The mineral properties loss relates to the cost of maintaining our Denver office where our staff and contractors plan and manage our mineral exploration activities. The direct costs of finding, maintaining and exploring our mineral properties are capitalized. We have significantly reduced expenditures on our exploration properties while we focus on manufacturing operations.
- Geological consulting expenses relate to assessing existing and potential properties and to planning exploration activities.
- Segment expenses include \$46,000 of non-cash acquisition-related charges (three-month period \$15,000) and stock-based compensation of \$36,000 (three-month period - \$36,000).

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Corporate

- Consulting fees consist of payments made for general corporate consulting and advice, market assessment and industry research and non-audit or accounting services.
- Research and development relates to our nuclear fuel research agreement with Purdue under which we make quarterly payments of \$77,000.
- Management fees are paid to management companies for our CEO and CFO's services and for general office administration.
- Professional fees comprise audit, legal and valuation fees, other than legal fees incurred to acquire properties or for financings, which are capitalized. We have capitalized as deferred acquisition costs professional fees associated with the prospective purchase of Specialloy.
- Stock-based compensation represents the fair value of stock options awarded to directors, contractors and employees, less amounts relating to manufacturing employees or individuals working on our mineral properties. Corporate operating results included a \$242,000 charge for stock-based compensation, largely relating to the grant of options in February 2009.
- We earned interest income from cash held in a bank account. Income in the current period is higher than the comparative period as we had more cash invested.

Other Income (Expense)

- As discussed above, we recognized a \$191,000 write-off in respect of our Ugandan properties in the quarter ended December 31, 2008.
- A combination of weaker markets for metals and lower price-earnings ratios in this sector lead us to conclude that there has been an impairment in the value of our Freedom division. Accordingly, we recognized a \$5,300,000 impairment in the value of goodwill in the quarter ended December 31, 2008. The price paid for the Nonferrous division included a smaller proportion of intangible value and we do not believe that we have incurred any impairment in this regard.
- We incurred a foreign exchange loss of \$1,033,000 in the nine months ended March 31, 2008 (three month period - \$3,000) as a result of holding funds in Canadian dollars. Most of this loss occurred in our second fiscal quarter. More stable exchange rates and a lower balance of Canadian dollars meant that this was not a significant item in the current quarter.
- The manufacturing division incurred interest expense primarily on line of credit and term loan facilities.

Income Taxes

- We file a consolidated return for our US companies and are able to offset losses from one entity against profits from others for federal tax purposes. We generated a future income tax recovery of \$544,000 (three-month period \$52,000) relating to differences in the value of assets for tax and accounting purposes. Of this amount, \$336,000 (three-month period - \$nil) related to the ability to reduce our future income tax exposure resulting from the purchase of Nonferrous in October 2008.

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CHANGE IN FINANCIAL POSITION

At March 31, 2009, the Company had total assets of \$22,784,000 as compared to \$23,428,000 at June 30, 2008. The change in total assets is due primarily to acquisition of Nonferrous, impairment of goodwill and cash expenditures on operating activities.

The Company had a cash balance of \$433,000 at March 31, 2009, as compared to a cash balance of \$6,366,000 at June 30, 2008.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2009, we had a working capital deficiency of \$198,000, including cash and equivalents of \$432,000, as compared to a working capital of \$6,015,000 at June 30, 2008. Subsequent to quarter end, we raised net proceeds of approximately \$987,000 in a private placement. Net proceeds of the offering will be used to source and analyze prospective acquisitions, for working capital and for general corporate purposes.

Factors affecting our liquidity include:

- Our manufacturing operations, over the long term, generate enough cash to support their operations. The main limitation on our cash position is the cost of maintaining our corporate office and funding exploration and research, and development initiatives.
- Our Freedom and Nonferrous divisions have entered into bank loan agreements that require them to maintain a specified debt coverage ratio, debt to equity ratio and minimum tangible net worth. Failure to conform to these covenants could result in the banks demanding immediate repayment of the loans. At March 31, 2009, we were offside on our covenants. Freedom was previously in contravention of a loan covenant, as discussed in further detail below. At March 31, 2009, we met one of the terms of the debt covenants in our Nonferrous division but failed to meet the other two terms of debt covenants; tangible net worth was offside by approximately \$100,000 and debt to equity ratio was 3.2 to a maximum allowed of 2. For Freedom, we again met one of the terms of the debt covenants but failed to meet the other two; the debt service coverage ratio was 0.72 to a minimum allowed of 1.50 and debt to equity ratio of 3.9 to a maximum allowed of 3.0
- Resource prices, particularly for copper.
- The current economic downturn could reduce demand for our products or cause customers to defer payments of amounts due to us.
- An improvement in the economy could result in increased working capital required as inventory and receivables increase.
- We subcontract certain manufacturing processes to suppliers. Any delays in the suppliers performing their work can result in us carrying more inventory than is desirable and slow cash collections.

Our working capital position reflects \$2,526,000 of debt that would be considered long-term, but has been classified as a current liability because we have not always been in full compliance with our debt covenants. In addition, our bank was not asked to approve the purchase of Freedom as required by Freedom's banking documents. If our banks do not demand repayment, we project that we have sufficient cash to fund operations until October 2009. We

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have significantly reduced our operating and administrative costs to preserve cash. Steps taken include reducing overtime work, wage and salary reductions and staff layoffs. These changes have not materially affected our production capacity.

We may be able to generate additional cash by taking advantage of unused lines of credit of approximately \$1,000,000, assuming that our banks do not take action over our covenant violations. We will need to raise additional funds to complete our business plan. There can be no assurance that we will be successful in obtaining such funds.

*RELATED PARTY TRANSACTIONS**Transactions*

Particulars of our transactions with related parties are disclosed in note 18 to our March 31, 2009 financial statements. We do not have any contractual relationships with other directors or officers except as follows:

- In April 2009 we acquired Specialloy, as described above. Denis Brady, one of our directors, owned an 85% interest in that company.
- In February 2009, we entered into a premises lease with a company in which Lee Rice, one of our directors, holds an interest. The lease is for a term of 12 months expiring January 31, 2010 at \$800 per month.

*FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**Credit risk*

We do not believe we are subject to any significant credit risk although we hold cash in excess of federally insured limits with major financial institutions.

Currency risk

We are exposed to currency risk by incurring certain expenditures and holding funds in currencies other than the United States dollar. Our head office is located in Canada and we incur many administrative expenses in Canadian dollars, as well we hold properties in Brazil. We do not use derivative instruments to reduce our currency risk but will consider doing so as our overseas business plans develop.

Interest rate risk

We are exposed to the risk that the value of financial instruments will change due to movement in market interest rates. This risk applies mainly to interest-bearing debt with maturities of more than one year. Such long maturities are only of material significance in the case of financial assets and liabilities. Management analyzes and manages risk using a mix of fixed and variable interest rates that are subject to regular review. We do not use derivative instruments to reduce its interest rate risk as our management team believes that the likely financial impact of interest rate changes does not justify using derivatives.

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CHANGES IN ACCOUNTING POLICIES

We are subject to new accounting standards including the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1400 "General Standards of Financial Statement Presentation", Section 1582 "Business Combinations", Section 1535 "Capital Disclosures", Section 3031 "Inventories", Section 3862 "Financial Instruments - Disclosure" and Section 3863 "Financial Instruments - Presentation". These new accounting pronouncements are discussed in note 3 of our March 31, 2009 financial statements. Adoption of these accounting standards has not had a material impact on our financial statements.

In the fiscal year beginning July 1, 2011 the Company will commence reporting under International Financial Reporting Standards ("IFRS"). The Company has begun to evaluate the impact of IFRS on its financial accounting and reporting systems and is making changes so that it can begin to prepare accounting information under IFRS for comparative purposes effective July 1, 2010. In particular, we have completed a preliminary assessment of work required to conform to IFRS and we have revised the financial statement presentation of certain items to more closely align with IFRS norms. We are assessing upgrades to our accounting software to track equipment values in greater detail as required under IFRS.

Shareholders' Equity*PRIVATE PLACEMENT*

In May 2009, we closed its private placement announced on April 14, 2009. We issued an aggregate of 8,333,333 common shares at a price of C\$0.15 per share for aggregate gross proceeds of C\$1,250,000. We paid finders' fees in connection with the financing consisting of C\$60,000 in cash and issued 500,000 warrants which entitle the holder to purchase one common share at C\$0.15 for 24 months. All securities issued pursuant to this second closing are subject to a four month and one day hold period. Net cash proceeds were approximately \$987,000.

The net proceeds of the offering will be used to source and analyze prospective acquisitions, for working capital and for general corporate purposes.

SHARE PURCHASE WARRANT EXTENSION

In May 2009, our board of directors resolved to extend the term of 6,834,832 share purchase warrants exercisable at C\$0.29 by one year. As a result, the warrant expiry date would change from May 29, 2009 to May 29, 2010. Of the warrants to be extended, 3,600,000 are held by a shareholder that owns 31% of our issued shares and 620,689 are beneficially owned by certain of our officers and directors. This warrant extension has been approved by the Exchange.

STOCK OPTIONS GRANTED AND REPRICED

We have a rolling 10% stock option plan that allows for the issuance of options equal to 10% of the number of issued shares. Our stock option plan was last approved by shareholders in December 2008. Since our last fiscal year-end, we have granted or modified stock options pursuant to the terms of our stock option plan as follows:

- In April 2009, we granted 400,000 stock options to a director at an exercise price of C\$0.15 each until April 29, 2014.

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- In February 2009, we granted 250,000 stock options to an investor relations provider at an exercise price of C\$0.15 each until February 24, 2014. These options vest in four equal quarterly instalments with the first instalment vesting three months after the grant date.
- In February 2009, we granted 1,550,000 stock options to directors and officers and 2,570,000 stock options to employees, consultants and advisors at an exercise price of C\$0.15 each until February 12, 2014.
- In February 2009, we reduced the exercise price of 4,344,000 of our existing 5,449,000 incentive stock options with exercise prices of between C\$0.50 and C\$0.83. This repricing is subject to Exchange acceptance, board approval, as well as, in the case of our insiders, the approval of a majority of disinterested shareholders. We intend to seek such disinterested shareholder approval in accordance with Exchange policy at the next annual meeting of shareholders. If approved, each of the subject option holders will have the exercise price of their options reduced to C\$0.15 per share. There will be no change to the expiry date of the options.

OUTSTANDING SHARE DATA

As at the date of this MD&A, we had:

- There are 115,709,481 common shares issued and outstanding. Of these shares, 25,406,468 common shares are held in escrow that will be released over the period ending November 23, 2010.
- Warrants to purchase 23,889,832 common shares.
- Broker warrants to purchase 1,204,000 common shares.
- Stock options to purchase 10,219,000 common shares to directors, officers and consultants.

The maximum number of shares potentially issuable is therefore 151,022,313.