

Quarterly Report FORM 51-901F – SCHEDULE A

ISSUER DETAILS

For Quarter Ended: March 31, 2004
Date of Report: May 19, 2004
Name of Issuer: Nevada Geothermal Power Inc.
Issuers Address: #900 – 409 Granville Street, Vancouver, BC V6C 1T2
Issuers Fax Number: 604-688-5926
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CERTIFICATE

The *One/Two* schedules required to complete this Quarterly Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of the Quarterly Report will be provided to any shareholder who requests its.

Director's Name: "Brian Fairbank" Date Signed: May 19, 2004

Brian D. Fairbank

Director's Name: "Jack Milligan" Date Signed: May 19, 2004

Jack Milligan

NEVADA GEOTHERMAL POWER INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2004

NEVADA GEOTHERMAL POWER INC.
CONSOLIDATED BALANCE SHEETS

	March 31 2004	June 30 2003
ASSETS		
Current		
Cash	\$ 1,380,008	\$ 12,755
Accounts receivable	203,600	7,495
Prepaid expenses	7,178	6,581
Exploration advances	—	6,307
	<u>1,590,786</u>	<u>33,138</u>
Mineral Property Costs (Note 3)	2,345,778	477,325
Investment (Note 4)	—	25,000
Capital Assets	8,050	6,201
	<u>\$ 3,944,614</u>	<u>\$ 541,664</u>
LIABILITIES		
Current		
Accounts payable	\$ 435,356	\$ 153,417
SHAREHOLDERS' EQUITY		
Share Capital (Note 5)	5,767,362	3,612,383
Share Subscriptions	1,366,150	129,117
Contributed Surplus	229,049	80,695
Deficit	(3,853,303)	(3,433,948)
	<u>3,509,258</u>	<u>388,247</u>
	<u>\$ 3,944,614</u>	<u>\$ 541,664</u>

Approved by the Directors:

“Brian D. Fairbank”

“Jack W. Milligan”

See accompanying notes to the consolidated financial statements

NEVADA GEOTHERMAL POWER INC.

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

	Three Month Period Ended March 31		Nine Month Period Ended March 31	
	2004	2003	2004	2003
EXPENSES				
Administration fees	\$ 14,892	\$ 14,524	\$ 49,803	\$ 42,615
Amortization	607	406	1,821	1,222
Bank charges and interest	3,185	50	3,436	288
Consulting fees	8,331	21,426	45,948	41,311
Foreign exchange loss	1,895	514	(2,928)	140
Investor relations & shareholder information	25,576	19,405	59,625	84,587
Legal and accounting	13,699	21,134	38,636	45,505
Office and miscellaneous	4,689	5,969	15,026	9,757
Regulatory and transfer agent	8,425	11,183	18,834	22,479
Rent and telephone	5,381	9,083	15,781	16,601
Site investigation	537	—	537	—
Stock based compensation	80,602	—	148,354	—
Travel and business development	5,208	4,427	30,554	5,799
	173,027	108,121	425,427	270,304
OTHER INCOME				
Interest income	(20)	—	(72)	—
Gain on disposal of shares	—	—	(6,000)	—
	(20)	—	(6,072)	—
Loss for the period	\$ 173,007	\$ 108,121	\$ 419,355	\$ 270,304
Deficit, beginning of period	3,680,296	3,105,529	3,433,948	2,943,346
Deficit, end of period	\$ 3,853,303	\$ 3,213,650	\$ 3,853,303	\$ 3,213,650
Loss per share	\$ 0.01	\$ 0.01	\$ 0.03	\$ 0.01

See accompanying notes to the consolidated financial statements

NEVADA GEOTHERMAL POWER INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Month Period Ended March 31		Nine Month Period Ended March 31	
	2004	2003	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	\$ (173,007)	\$ (108,121)	\$ (419,355)	\$ (270,304)
Items not affecting cash:				
Stock-based compensation	80,602	—	148,354	—
Amortization	607	406	1,821	1,221
	<u>(91,798)</u>	<u>(86,169)</u>	<u>(269,180)</u>	<u>(269,083)</u>
Changes in non-working capital items:				
Accounts receivable (Increase) decrease	(193,885)	554	(196,105)	(3,808)
Prepaid expenses/advances	—	27,839	—	71,902
Accounts payable	263,709	71,723	224,688	110,961
	<u>(21,974)</u>	<u>(35,438)</u>	<u>(240,597)</u>	<u>(90,028)</u>
Net cash used in operating activities	(21,974)	(35,438)	(240,597)	(90,028)
INVESTING ACTIVITIES				
Mineral property costs	(32,517)	(1,682)	(75,929)	(197,601)
Capital Assets	—	—	(3,233)	—
	<u>(32,517)</u>	<u>(1,682)</u>	<u>(79,162)</u>	<u>(197,601)</u>
Net cash (used) received from investing activities	(32,517)	(1,682)	(79,162)	(197,601)
CASH FLOWS FROM FINANCING ACTIVITIES				
Shares issued for cash	52,635	76,351	339,978	312,025
Share subscriptions	1,366,150	—	1,366,150	—
Share issue costs	—	—	(19,116)	—
	<u>1,418,785</u>	<u>76,351</u>	<u>1,687,012</u>	<u>312,025</u>
Net cash provided by financing activities	1,418,785	76,351	1,687,012	312,025
Change in cash and equivalents during the period	1,364,294	39,231	1,367,253	24,396
Cash and equivalents, beginning of period	\$ 15,714	\$ 17,968	\$ 12,755	\$ 32,803
Cash and equivalents, end of period	<u>\$ 1,380,008</u>	<u>\$ 57,199</u>	<u>\$ 1,380,008</u>	<u>\$ 57,199</u>

See accompanying notes to the consolidated financial statements

NEVADA GEOTHERMAL POWER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2004 AND 2003

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain economically recoverable ore reserves. The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the properties, and upon future profitable production.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assume the realization of assets and discharge of liabilities in the normal course of business. As at March 31, 2004, the Company has a working capital of \$1,155,430, and has incurred losses totalling \$3,853,303.

The Company's ability to continue as a going concern is dependent upon successful completion of additional financing, continuing support of creditors and upon its ability to attain profitable operations. These consolidated financial statements do not give effect to any adjustments that would be necessary should the Company not be able to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Consolidation

These financial statements include the accounts of the Company and its wholly-owned subsidiaries, Blue Desert Mining (U.S.) Inc., incorporated in the State of Nevada, U.S.A., Blue Mountain Power Company Inc., incorporated in the Province of British Columbia and Noramex Corp., incorporated in the State of Nevada, U.S.A. All significant inter-company balances and transactions have been eliminated.

b) Mineral Property Costs

Costs of acquisition and exploration of mineral properties are capitalized on an area-of-interest basis. Amortization of these costs will be on a unit-of-production basis, based on estimated proven reserves of minerals of the areas should such reserves be found. If an area of interest is abandoned the costs thereof are charged to income in the year of abandonment.

The Company does not accrue the estimated future costs of maintaining its mineral interests in good standing. The amounts shown for mineral properties and deferred exploration costs represent costs to date and do not necessarily reflect present or future values.

c) Option Payments Received

Option payments received are treated as a reduction of the carrying value of the related mineral properties and deferred exploration costs and the balance, if any, is taken into income.

d) Investments

Investments in which the Company owns up to 20% of the issued common shares are accounted for at cost, unless a permanent impairment in value has been determined, at which time they are written down to market value.

NEVADA GEOTHERMAL POWER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2004 AND 2003

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Capital Assets

Capital assets are recorded at cost and are depreciated over their useful lives by the declining balance method at the following rates:

Computer equipment	30%
Office equipment	20%

f) Stock Based Compensation

Effective July 1, 2002, the Company adopted CICA Handbook Section 3870 – “Stock Based Compensation and Other Stock Based Payments”, which establishes standards for the recognition, measurement and disclosure of stock based compensation and other stock based payments made in exchange for goods and services. Section 3870 sets out a fair value based method of accounting that is required for certain, but not all, stock based transactions. The Company records, as compensation expense, the excess of the exercise price over the share price at the time of grant.

Handbook Section 3870, however, does require additional disclosures for options granted to employees, including disclosure of pro-forma earnings and pro-forma earnings per share as if the fair value based accounting method had been used to account for employee stock options.

Under the new standard, direct awards of stock granted to employees are recorded at fair value on the date of grant and the associated expense is amortized over the vesting period.

g) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management’s best estimates as additional information becomes available in the future.

h) Loss Per Share

Loss per share is calculated on the weighted average number of shares outstanding. Diluted loss per share is not presented as the effect of potentially issuable common shares is anti-dilutive.

i) Income Taxes

Income taxes are calculated using the liability method of accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future tax assets are recognized to the extent that they are considered more likely than not to be realized. Future income tax liabilities or assets are calculated using the tax rates anticipated to apply in the periods that the temporary differences are expected to reverse.

NEVADA GEOTHERMAL POWER INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2004 AND 2003

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Foreign Currency Translation

The financial statements of the 100% owned U.S. subsidiary have been translated using the temporal method whereby the assets and liabilities are translated at the year end exchange rate, capital accounts at the historical exchange rate, and revenues and expenses at the average exchange rate for the period. Foreign exchange gains and losses resulting from these transactions are reflected in the consolidated statement of loss and deficit.

3. MINERAL PROPERTY COSTS

The acquisition and exploration costs of the Company's mineral properties are as follows:

	March 31	
	2004	2003
Pogo Area Project – Alaska	\$ 101,305	\$ 93,758
Blue Mountain Geothermal Project – Nevada	2,222,064	358,358
PumperNickel Valley Geothermal Project - Nevada	22,409	—
	<u>\$ 2,345,778</u>	<u>\$ 452,116</u>

Pogo Area Project

The Company acquired an interest in a number of claims in the Pogo area of interest, south-east of Fairbanks, Alaska. These claim areas are as follows:

i) Portal/Gobi Claims

The Company has exercised its option to acquire a 100% interest in the Pogo claims by the issue of 66,667 shares, 16,667 on regulatory approval and 16,667 in annual intervals (66,667 issued), by cash payments of \$17,500 (paid) and by the payment of an annual advance royalty of \$10,000. The optionor retains a 2% Net Smelter Royalty of which 1% may be purchased by the Company for \$1,000,000.

In addition, the Company has staked a number of claims adjacent to the Portal/Gobi Claims.

The Company has entered into an agreement on the Portal/Gobi Claims with Anglo Gold USA (“AngloGold”) whereby AngloGold will earn a 60% interest in the Portal/Gobi property. Total expenditures of US\$750,000 (including \$50,000 cash payments due by the Company) are required over a five year earn-in period ending January 1, 2005.

After the earn-in period, the Company will have a 40% participating interest in the joint venture.

ii) Mohave

The Company has acquired, by staking, a 100% interest in the Mohave claims, located in the Pogo area.

NEVADA GEOTHERMAL POWER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2004 AND 2003

3. MINERAL PROPERTY COSTS (Continued)

Pogo Area Project (Continued)

iii) The following costs have been incurred by the Company on the Pogo Area project:

	March 31	
	2004	2003
Acquisition		
Issue of shares	\$ —	\$ —
Deferred exploration		
Property leases, permits and regulatory	—	3,070
Geological and geophysical	7,547	682
Costs incurred during the period	7,547	3,752
Balance, beginning of period	93,758	90,006
Balance, end of period	\$ 101,305	\$ 93,758

Blue Mountain Geothermal Project, Nevada, U.S.A.

As at July 31, 2003, the Company acquired 100% of the issued and outstanding shares of Blue Mountain Power Company, Inc. which through Noramex Corp. holds a 100% interest in the Blue Mountain Geothermal Project. Accordingly, all recorded costs of acquisition and deferred expenditures will be included as part of the cost of acquiring Blue Mountain Power Company, Inc.

The following costs have been incurred on the project:

	March 31	
	2004	2003
Acquisition		
Issue of shares	\$ 2,176,091	—
Option payments	—	15,500
	2,176,091	15,500
Deferred exploration		
Property leases, permits and regulatory	14,171	5,212
Geological and geophysical	21,313	15,788
Drilling	—	155,864
Travel and accommodation	—	—
Well testing	10,489	—
Expenditures for the period	45,973	192,364
Balance, beginning of period	—	165,994
Balance, end of period	\$ 2,222,064	\$ 358,358

NEVADA GEOTHERMAL POWER INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2004 AND 2003

PumperNickel Valley Geothermal Project – Nevada

On February 20, 2004, the Company entered into a geothermal lease agreement with Newmont USA Limited, covering five square miles of geothermal land located in north-central approximately 10 miles from Newmont's Lone Tree Mine. The Company has also filed lease applications on an additional three sections of federal land for total leasehold of eight square miles (5,120 acres).

The Newmont lease grants NGP the exclusive right to drill for, produce, extract, take and remove all products of geothermal processes including steam and other gases, hot water, hot brines, bi-products and heat energy (collectively referred to as "substances") along with surface and water rights, subject to Nevada law. NGP will pay rentals of \$2/acre for the first two years and \$3/acre thereafter, with all rental payments creditable to royalties due upon production. NGP will pay royalties from any geothermal production of:

- 3½% of gross proceeds from electrical power sales (less taxes and transmission costs),
- 5% of the gross proceeds of a sale of any substances in an arm's length transaction
- 2% of the gross proceeds from the sale of or manufacture there-from of bi-products,
- 10% of net profits from the use of substances at a commercial facility other than an electric power generating facility (such as an vegetable drying/processing facility)
- Substances or electrical power used by NGP for operations at an on-site electrical generating plant or other commercial facilities are not subject to royalties.

The following costs have been incurred on the project:

	March 31	
	2004	2003
Acquisition		
Issue of shares	\$ —	—
Option/lease payments	11,415	—
	<u>11,415</u>	<u>—</u>
Deferred exploration		
Property leases, permits and regulatory	—	—
Geological and geophysical	10,994	—
Project management	—	—
Drilling	—	—
Road maintenance	—	—
Camp supplies	—	—
Travel and accommodation	—	—
Well testing	—	—
	<u>10,994</u>	<u>—</u>
Expenditures for the period	10,994	—
Balance, beginning of period	<u>—</u>	<u>—</u>
Balance, end of period	<u>\$ 22,409</u>	<u>\$ —</u>

NEVADA GEOTHERMAL POWER INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2004 AND 2003

4. INVESTMENT

	March 31	
	2004	2003
100,000 shares in Blue Mountain Power Company Inc., a company with two common directors, at cost	\$ —	\$ 25,000

Due to the acquisition of Blue Mountain Power Company Inc., the Company disposed of its holding. The shares were transferred to a company controlled by a director of NGP as an incentive to settle debt owed by BMP to that company.

5. SHARE CAPITAL

a) Authorized

100,000,000 common shares - no par value
 25,000,000 first preferred shares - no par value
 25,000,000 second preferred shares - no par value

b) Common Shares Issued

	SHARES	AMOUNT
Balance, June 30, 2003	10,273,224	\$ 3,612,383
For cash		
Private placement, net of financing costs	1,228,857	360,983
Options exercised	364,000	83,920
Warrants exercised	14,500	5,750
For Blue Mountain Power Company Inc.	5,500,000	1,705,000
Balance, March 31, 2004	17,380,581	\$ 5,768,036

c) Stock Options

As at March 31, 2004, the following share purchase options were outstanding:

EXERCISE PRICE	NUMBER OUTSTANDING AT MARCH 31 2004	REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE AT MARCH 31 2004
\$ 0.10	250,000	2.27 years	\$ 0.10	250,000
0.25	65,000	3.05 years	0.25	65,000
0.28	233,000	3.80 years	0.28	233,000
0.28	575,000	4.37 years	0.28	575,000
0.28	162,000	4.81 years	0.28	162,000
0.35	350,000	4.92 years	0.35	350,000
	1,635,000	4.08 years	\$ 0.27	1,635,000

NEVADA GEOTHERMAL POWER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2004 AND 2003

5. SHARE CAPITAL (Continued)

A summary of the changes in stock options for the nine months ended March 31, 2004 is presented below:

	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Balance, June 30, 2003	905,000	\$ 0.21
Granted	1,464,000	0.30
Exercised	(364,000)	0.23
Cancelled	(170,000)	0.28
	<hr/>	
Balance, March 31, 2004	<u>1,635,000</u>	<u>\$ 0.24</u>

Supplemental Information for Stock Based Compensation

Effective July 1, 2002, in accordance with CICA Handbook Section 3870 – “Stock Based Compensation and Other Stock Based Payments”, pro-forma information regarding net loss and net loss per share is to be determined as if the Company had accounted for its employee’s stock options under the fair value method. The fair value for these options was estimated at the date of grant date using a Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 3.08%, dividend yield of nil, volatility factor of 84%, and a weighted average expected life of the options of 2 years. The weighted average fair value per share of options granted during 2003 was \$0.28.

d) Share Purchase Warrants

A summary of changes in share purchase warrants for the period ended March 31, 2004 is presented below:

	NUMBER OF WARRANTS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, June 30, 2003	277,277	\$ 0.38
Issued	614,429	0.35
Exercised	(14,500)	0.35
Expired	(97,500)	0.40
	<hr/>	
Balance, March 31, 2004	779,706	0.35

NEVADA GEOTHERMAL POWER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2004 AND 2003

5. SHARE CAPITAL (Continued)

Share purchase warrants outstanding at March 31, 2004:

NUMBER OF SHARES	EXERCISE PRICE	EXPIRY DATE
137,500	\$ 0.35	August 12, 2004
27,777	0.45	September 17, 2004
114,429	0.40	June 23, 2004
500,000	0.40	July 18, 2004
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779,706		

6. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of goods and services tax receivable and accounts payable. It is management's opinion that the company is not exposed to significant interest, currency, or credit risk arising from these financial instruments. The fair value of the financial instruments approximates their carrying value.

7. RELATED PARTY TRANSACTIONS

During the nine month period ended March 31, 2004 the Company incurred \$240,538 to a company controlled by a director for administration, professional services and geological services. Accounts payable include \$274,339 due to the company controlled by the director.

8. SUBSEQUENT EVENTS

Subsequent to March 31, 2004, the Company:

- On April 30, 2004, 5,000 warrants were exercised at a price of \$0.40 per warrant.
- On May 6, 2004, 5,000 warrants were exercised at a price of \$0.40 per warrant.
- The Company completed a financing for 4,520,000 units at \$0.35, each unit is convertible into one common share and one purchase warrant, at no additional cost. One warrant entitles the holder to purchase one additional common share for a period of 24 months at a price of \$0.50. The offering includes an accelerator such that if, after October 15, 2004, the closing price is \$0.80 or higher for twenty consecutive days, then the warrants must be exercised or they expire.