

Alexandria Minerals Corporation
(Incorporated under the laws of Canada)

(A Development Stage Company)

Financial Statements

April 30, 2007 and 2006

July 16, 2007

Auditors' Report

To the Shareholders of
Alexandria Minerals Corporation

We have audited the balance sheets of Alexandria Minerals Corporation, (A Development Stage Company) as at April 30, 2007 and 2006 and the statements of operations and deficit, and cash flows for each of the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2007 and 2006 and the results of its operations and its cash flows for each of the years then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada

"McCarney Greenwood LLP"

McCarney Greenwood LLP
Chartered Accountants
Licensed Public Accountants

Alexandria Minerals Corporation

(Incorporated under the laws of Canada)

(A Development Stage Company)

Balance Sheets

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	April 30,	
	2007	2006
Assets		
Current		
Cash	\$ 199,686	\$ 257,847
Sundry receivable	171,094	35,492
Quebec refundable tax credits and mining duties refund	612,489	205,963
Short term investment (Note 3)	1,300,000	700,000
	<hr/>	<hr/>
	2,283,269	1,199,302
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Equipment (Note 4)	17,034	11,867
Mining rights and deferred exploration expenditures (Note 5)	2,374,605	637,319
	<hr/>	<hr/>
	\$ 4,674,908	\$ 1,848,488
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Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 662,264	\$ 273,975
Promissory notes (Note 6)	-	57,593
Due to shareholder (Note 7)	-	78,867
	<hr/>	<hr/>
	662,264	410,435
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Shareholders' Equity		
Share capital (Note 8(b))	2,831,696	766,500
Warrants (Note 8(d))	2,317,075	1,542,336
Contributed surplus (Note 8(e))	530,392	34,314
(Deficit)	(1,666,519)	(905,097)
	<hr/>	<hr/>
	4,012,644	1,438,053
	<hr/>	<hr/>
	\$ 4,674,908	\$ 1,848,488
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Approved by the Board "Eric O. Owens" Director "John R. Yarnell" Director

Alexandria Minerals Corporation
(A Development Stage Company)
Statements of Operations and Deficit

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	Year ended April 30,		Cumulative Since Inception on May 27, 2002
	2007	2006	
Expenses			
Stock-option compensation (Note 8(c))	\$ 496,078	\$ 34,314	\$ 530,392
Investor and public relations	174,327	34,459	221,425
Business development	152,468	80,681	303,378
Professional fees	132,673	162,881	445,144
Payroll	119,079	-	119,079
Office and general	115,813	65,438	257,844
Seminars and conferences	87,240	3,325	117,103
Management fees (Note 10)	61,787	56,000	199,787
Accounting and corporate services	39,992	22,208	85,029
Rent	17,913	18,256	53,504
Amortization	4,527	2,828	8,277
Interest and bank charges	3,803	6,328	14,591
Consulting fees	-	-	25,534
Field supplies and general exploration	-	-	20,896
Equipment rental	-	-	1,522
	1,405,700	486,718	2,403,505
Net operating loss before the following:	(1,405,700)	(486,718)	(2,403,505)
Interest income	45,741	-	45,741
(Loss) for the period before taxes	(1,359,959)	(486,718)	(2,357,764)
Future income tax (recovery) (Note 9)	(598,537)	(92,708)	(691,245)
Net (loss) for the period	(761,422)	(394,010)	(1,666,519)
(Deficit), beginning of period	(905,097)	(511,087)	-
(Deficit), end of period	\$ (1,666,519)	\$ (905,097)	\$ (1,666,519)
Basic and diluted (loss) per share (Note 8(f))	\$ (0.03)	\$ (0.03)	

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For the years ended April 30,

Statements of Cash Flows

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	Year ended April 30,		Cumulative
	2007	2006	Since Inception on May 27, 2002
Cash flows from operating activities			
Net (loss) for the period	\$ (761,422)	\$ (394,010)	\$ (1,666,519)
Adjustment for:			
Stock-option compensation (Note 8(c))	496,078	34,314	530,392
Amortization	4,527	2,828	8,277
Future income tax recovery (Note 9)	(598,537)	(92,708)	(691,245)
Changes in non-cash working capital items:			
Sundry receivable	(135,602)	(20,628)	(171,094)
Prepaid initial public offering expenses	-	119,505	-
Quebec refundable tax credit and mining duty refunds	(406,526)	-	(406,526)
Accounts payable & accrued liabilities	388,289	48,186	662,265
Cash flows (used in) operating activities	(1,013,193)	(302,513)	(1,734,450)
Cash flows from investing activities			
Acquisition of mining rights	(141,530)	(8,270)	(499,403)
Exploration expenditures	(1,163,506)	(413,701)	(1,532,416)
Acquisition of equipment	(9,694)	(8,144)	(25,311)
Purchase of short term investment	(600,000)	(700,000)	(1,300,000)
Cash flows (used in) investing activities	(1,914,730)	(1,130,115)	(3,357,130)
Cash flows from financing activities			
Promissory notes (Note 6)	(7,593)	-	100,175
Due to shareholder (Note 7)	(78,867)	78,867	50,000
Issue of common shares	3,099,690	590,969	4,264,884
Exercise of warrants	68,425	1,362,516	1,430,941
Share issuance costs	(211,893)	(342,841)	(554,734)
Cash flows from financing activities	2,869,762	1,689,511	5,291,266
Change in cash during the period	(58,161)	256,883	199,686
Cash, beginning of period	257,847	964	-
Cash, end of period	\$ 199,686	\$ 257,847	\$ 199,686
Supplement schedule of non-cash transactions			
Share issuance included in mineral rights, (Note 5(i)(ii)(iii)(vi)(viii)(x))	\$ 432,250	\$ 38,500	\$ 548,750
Share issue on conversion of debenture (Note 6)	\$ 50,000	\$ 50,175	\$ 100,175
Share issue on repayment of shareholders loan, (Note 7)	\$ -	\$ 50,000	\$ 50,000

Alexandria Minerals Corporation

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Notes to Financial Statements

April 30, 2007 and 2006

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1. Nature of business and going concern

Alexandria Minerals Corporation (the "Company") is engaged in the acquisition, exploration and development of mineral resource properties in Canada. The Company is in the process of exploring, and has not yet determined whether there is an economically viable ore deposit on its properties. As such, there is uncertainty with respect to the Company's ability to continue as a going concern, dependent on such events as financing, discovery, and market conditions.

The Company was incorporated on May 27, 2002.

To date, the Company has not earned revenue from its mineral properties and is considered to be in the development stage.

2. Significant accounting policies

(a) Mineral rights

The Company capitalizes all exploration costs that result in the acquisition and retention of resource properties or an interest therein. The amount shown for resource properties represents costs to date, including acquisition, maintenance, exploration, salaries based on time spent, and management fees. All other costs are expensed as incurred. Mineral properties acquired for share consideration are recorded at the fair value of the shares at the date of acquisition.

(b) Foreign currency translation

Foreign currency amounts denominated in currencies other than Canadian dollars are translated into Canadian dollars on the following basis: monetary assets and liabilities are at year end rates of exchange; non-monetary assets and liabilities at historical exchange rates; revenue and expenses at average exchange rates during the year. Resulting translation gains and losses are included in the determination of earnings.

(c) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

(d) Asset retirement obligations

The Company measures the expected costs required to retire its mining interests at a fair value which approximates the cost a third party would incur in performing the tasks necessary to abandon the field and restore the site. The fair value is recognized in the financial statements at the present value of expected future cash outflows to satisfy the obligation.

Asset retirement costs are depleted using the units-of-production method based on estimated reserves and are included with depletion and amortization expense. The accretion of the liability for the asset retirement obligation would be expensed on the statement of operations.

As at April 30, 2007, the Company has not incurred or committed any asset retirement obligations related to its exploration properties.

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Notes to Financial Statements

April 30, 2007 and 2006

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2. Significant accounting policies (Continued)

(e) Impairment of long-lived asset

On an annual basis, the Company reviews whether there are any indicators of impairment of its long-lived assets. If such indicators are present, the Company assesses the recoverability of the long-lived assets or group of assets by determining whether the carrying value of such assets can be recovered through undiscounted future cash flows. If the sum of undiscounted future cash flows is less than the carrying amount, the excess of the carrying amount over the estimated fair value, based on using discounted future cash flows, is recorded as a charge to net income. The current year's review concluded that no write-down was necessary.

(f) Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is provided using the declining balance method using the following rate:

Computer equipment:	30%
Office equipment	20%

(g) Flow-through shares

The Company has financed a portion of its exploration activities through the issue of flow-through shares, which transfer the tax deductibility of exploration expenditures to the investor. Proceeds received on the issue of such shares have been credited to share capital and the related exploration costs have been charged to mining interests.

Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. When these expenditures are made, temporary taxable differences created by the renunciation will reduce share capital.

(h) Share issue costs and reorganization costs

Share issue costs are recorded as a reduction of share capital. Reorganization costs are charged to deficit.

(i) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method income taxes are recognized for the future income tax consequences attributed to the differences between the financial statement carrying values and their respective income tax bases. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply when the asset is realized or the liability is settled. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period of the rate change. Future income tax assets are evaluated and if realization is not considered "more likely than not", a valuation allowance is provided.

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Notes to Financial Statements

April 30, 2007 and 2006

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2. Significant accounting policies (Continued)

(j) Stock option compensation

The fair value of the stock options granted is determined using the Black-Scholes option pricing model and management's assumptions and recorded as stock-based compensation expense over the vesting period of the stock options, with the offsetting credit recorded as an increase in contributed surplus. If the stock options are exercised, the proceeds are credited to share capital and the fair value at the date of grant is reclassified from contributed surplus to share capital.

(k) Loss per common share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period, including contingently issuable shares which are included when the conditions necessary for the issuance have been met. Diluted earnings per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants.

(l) Short-term investments

Short-term investments are liquid investments with a maturity greater than three months but less than one year.

(m) New Accounting pronouncements

In January 2005, the Canadian Institute of Chartered Accountants issued four new accounting standards: Handbook Section 1530, Comprehensive Income, Handbook Section 3251, Equity, Handbook Section 3855, Financial Instruments - Recognition and Measurement and Handbook Section 3865, Hedges. These standards are effective for interim and annual financial statements for the Company's reporting period beginning on October 31, 2006.

3. Short term investment

	Maturity date	Interest rate	Cost
Royal Bank Guaranteed Investment Certificate	December 27, 2007	4.00%	\$ 1,300,000
Carrying value of short term investments as at April 30, 2007			\$ 1,300,000

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Notes to Financial Statements

April 30, 2007 and 2006

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4. Equipment

	April 30, 2007		April 30, 2006	
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 17,319	\$ 6,182	\$ 11,137	\$ 8,991
Office equipment	7,991	2,094	5,897	2,876
	\$ 25,310	\$ 8,276	\$ 17,034	\$ 11,867

Amortization is at one-half of indicated rates in the year of acquisition.

5. Mining rights and deferred exploration expenditures

During the year, the Company paid \$141,530 (2006 - \$8,270) in cash and issued common shares of the Company equivalent to \$432,250 (2006 - \$38,500) to acquire mining rights, and incurred \$1,163,506 (2006 - \$413,701) in exploration expenditures. As at April 30, 2007, the Company has acquired, or has acquired options to acquire interests in the following properties:

	2007	2006	Cumulative since inception on May 27, 2002
Siscoe East Property (i)			
Opening balance	\$ 376,109	\$ 133,128	\$ -
Staking/claims	-	1,749	2,772
Acquisition costs	20,500	16,000	157,674
Assays	55,768	-	55,768
Consulting	30,393	25,125	55,518
Drilling	166,089	-	166,089
Geophysics	49,928	198,098	248,181
Geology and geochemistry	5,692	-	5,692
Research	3,783	922	7,200
General expenses	82,705	1,087	92,073
Closing balance	<u>790,967</u>	<u>376,109</u>	<u>790,967</u>
Matatchewan Property (ii)			
Opening balance	303,117	142,400	-
Acquisition costs	43,787	30,770	214,213
Consulting	-	9,125	9,125
Drilling	880	80,047	80,927
Geophysics	26,005	28,331	54,336
Geology and geochemistry	31,019	10,029	41,048
General	2,742	2,415	7,901
Closing balance	<u>407,550</u>	<u>303,117</u>	<u>407,550</u>

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Notes to Financial Statements

April 30, 2007 and 2006

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5. Mining rights and deferred exploration expenditures (Continued)

	<u>2007</u>	<u>2006</u>	<u>Cumulative since inception on May 27, 2002</u>
Salmasi-Greisbach Property (iii)			
Opening balance	23,073	21,717	-
Acquisition costs	24,000	-	31,500
Drilling	27,052	-	27,052
Geophysics	15,079	1,086	29,795
Geology and geochemistry	10,339	-	10,339
Research	1,820	-	1,820
General	1,138	270	1,995
Closing balance	<u>102,501</u>	<u>23,073</u>	<u>102,501</u>
Quevillon Property (iv)			
Opening balance	52,566	19,336	-
Acquisition costs	-	-	17,701
General expenses	3,550	125	5,310
Geophysics	11,765	33,105	44,870
Geology and geochemistry	14,821	-	14,821
Closing balance	<u>82,702</u>	<u>52,566</u>	<u>82,702</u>
Gwillim Property (v)			
Opening balance	35,740	35,615	-
Acquisition costs	-	-	23,407
Reports	2,714	-	5,065
Geophysics	18,229	-	26,205
Geology and geochemistry	18,785	-	19,877
General	11,391	125	12,305
Closing balance	<u>86,859</u>	<u>35,740</u>	<u>86,859</u>
Coyle-Tremblay Property (vi)			
Opening balance	64,043	58,323	-
Drilling	32,825	-	32,825
Geophysics	-	5,912	5,945
Geology and geochemistry	16,341	-	16,434
Acquisition costs	24,500	-	64,665
Research	-	-	748
General	3,348	(192)	20,440
Closing balance	<u>141,057</u>	<u>64,043</u>	<u>141,057</u>
Audet Property (vii)			
Opening balance	892	-	-
General	-	892	892
Closing balance	<u>892</u>	<u>892</u>	<u>892</u>
Stabell Property (viii)			
Opening balance	15,450	-	-
Acquisition costs	300,471	-	300,471
Geology and geochemistry	5,381	-	5,381
General	-	15,450	15,450
Closing balance	<u>321,302</u>	<u>15,450</u>	<u>321,302</u>

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Notes to Financial Statements

April 30, 2007 and 2006

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5. Mining rights and deferred exploration expenditures (Continued)

	<u>2007</u>	<u>2006</u>	<u>Cumulative since inception on May 27, 2002</u>
IAMGOLD Properties (ix)			
Opening balance	-	-	-
Acquisition costs	41,350	-	41,350
Drilling	234,601	-	234,601
Geophysics	148,235	-	148,235
Geology and geochemistry	25,985	-	25,985
Research	11,761	-	11,761
General	<u>12,694</u>	<u>-</u>	<u>12,694</u>
Closing balance	<u>474,626</u>	<u>-</u>	<u>474,626</u>
AUR Properties (x)			
Opening balance	-	-	-
Acquisition costs	119,172	-	119,172
Assays & maps	81,298	-	81,298
Drilling	256,618	-	256,618
Geophysics	25,525	-	25,525
Geology and geochemistry	153,946	-	153,946
Research	-	-	-
Staking claims	7,915	-	7,915
Travel	9,111	-	9,111
General	<u>134,242</u>	<u>-</u>	<u>134,242</u>
Closing balance	<u>787,827</u>	<u>-</u>	<u>787,827</u>
Falconbridge Limited (recently acquired by Xstrata plc) Property (xi)			
Opening balance	-	-	-
Geophysics	31,724	-	31,724
Geology and geochemistry	403	-	403
General	<u>552</u>	<u>-</u>	<u>552</u>
	<u>32,679</u>	<u>-</u>	<u>32,679</u>
Project Generation Research	<u>26,297</u>	<u>-</u>	<u>26,297</u>
	<u>3,255,259</u>	<u>870,990</u>	<u>3,255,259</u>
Less: Grant	(257,015)	(27,708)	(257,015)
Quebec refundable tax credits and mining duties refunds	<u>(623,639)</u>	<u>(205,963)</u>	<u>(623,639)</u>
	<u>\$ 2,374,605</u>	<u>\$ 637,319</u>	<u>\$ 2,374,605</u>

The Company has retained an interest in, through option agreement or through staking, eleven gold exploration properties in Ontario and Quebec, Canada. All properties are located in areas adjacent to past or present mines, and all have indications of gold on the surface and in the subsurface. The properties are considered to be early stage exploration properties, and there are uncertainties with regard to the discovery of economically viable ore deposits on them.

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Notes to Financial Statements

April 30, 2007 and 2006

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5. Mining rights and deferred exploration expenditures (Continued)

(i) Siscoe East Property

The Siscoe East Property, located in Dubuissou Township near Val D'Or, Quebec, consists of 34 claims. The claims are under option agreement dated April 25, 2002 between Ressources Nouveau Monde as Optionee and Fred Kiernicki of Kirkland Lake and Mark Fekete of Val D'Or as Optionors. Ressources Nouveau Monde was a General partnership established to acquire mineral properties; its sole property asset being the Siscoe East Property. In an agreement dated October 7, 2002, option rights were transferred from Ressources Nouveau Monde to the Company. The Company may earn 100% interest in the mineral rights by completion of the following: 1) initial cash payment of \$10,000, 2) transfer of 100,000 shares of the Company to owners on first anniversary date, 3) a work commitment to expend \$250,000 on exploration by the third anniversary, and 4) a 2% net smelter return (NSR) to the owners. Exploration to date has consisted of geophysical work, comprised of detailed surface magnetics and surface Induced Polarization surveys covering the bulk of the western claim group. The results of this work has resulted in the delineation of drill targets. The Company was granted an extension to complete its work commitment and as compensation for granting the extension, the Company issued 200,000 treasury shares to the optionors, which was increased to 300,000 shares.

On September 29, 2006, the Company increased its interest in this property by completing an agreement with Niogold Mining Corporation ("Niogold") for 30 mining claims Vassan Township. The agreement gives the Company the right to earn a 70% interest in the 30 claims by completion of the following: 1) issuance of 100,000 shares of the Company to Niogold upon signing, 2) a work commitment to expend \$15,000 on exploration by December 10, 2006, and 3) a work commitment to expend \$50,000 on exploration by the second anniversary.

(ii) Matachewan Property

The Matachewan Property consists of 26 claims covering 1,712 hectares in Cairo Township, Ontario, 35 km SW of Kirkland Lake. The claims are under an option agreement with Fred Kiernicki of Kirkland Lake, through which the Company may earn 100% interest in the mineral rights by completion of the following: 1) initial cash payment of \$6,500, 2) cash payments of \$7,500 on each of the first three anniversary dates, 3) transfer of 100,000 shares of the Company to owner on first anniversary date, 4) transfer of 50,000 shares of the Company on third anniversary date, 5) a work commitment to expend \$200,000 on exploration by the third anniversary, and 6) a 2% net smelter return (NSR) to the owner. The claims will be transferred to the Company upon completion of the first 5 items above. The Company made the final cash payment of \$7,500 and issued the 50,000 common shares on June 20, 2005, however, the Company was granted an extension to November 25, 2005 to complete its spending requirements. Exploration to date has consisted primarily of geophysical work over 2/3 of the property. This work consisted of detailed magnetics and Induced Polarization surveys which, in conjunction with prospecting work, has led to the delineation of numerous drill targets. As compensation for granting the extension, the Company issued 75,000 treasury shares to the vendor.

On January 30, 2007, the Company signed an Option Earn-In Agreement with Carmax Explorations Ltd. ("Carmax") on nine claims (the Whiskeyjack Creek Property) located along the Cadillac-Larder Lake Break adjacent to the Company's Matachewan property. Under the terms of the agreement, the Company has the right to earn a 50% interest in the nine claims by completion of the following: 1) paying Carmax \$10,000 upon signing, 2) completion of annual work expenditures of \$100,000 for an aggregate of \$300,000 by December 31, 2009, 3) paying \$15,000 to Carmax to satisfy prior commitments, and 4) issuing 50,000 common shares of the Company to Carmax. The claims are subject to a 3% Net Smelter Return royalty, of which 2% can be purchased by the Company for \$500,000 per each 0.5%.

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5. Mining rights and deferred exploration expenditures (Continued)

(iii) Salmasi-Greisbach Property

This property is located in the Joannes Township in the Val-d'Or Mining Division in the Province of Quebec. On May 27, 2004, the Company entered into an agreement with Kamaledin Salmasi and Glenn Greisbach (the "Optionors") to earn a 100% interest in six mineral claims. The agreement requires that the consideration for the claims be paid as follows: (i) \$7,500 to be paid in cash on execution of the agreement; (ii) 75,000 shares to be issued on the first anniversary of signing the agreement; and (iii) a total of \$50,000 in eligible work expenditures incurred on the property (\$10,000 by the first anniversary and \$40,000 by the third anniversary). Pursuant to the agreement, the Optionors will be entitled to a two-part royalty consisting of a 2% net smelter return on smeltable minerals or metals extracted from the claims and a 2% gross overriding receipts royalty on all diamonds extracted from claims on the terms and conditions specified in the agreement.

(iv) Quevillon Property

This property is located in Quevillon Township, Quebec about 2 km west of the community of Lebel Sur Quevillon, 100 km NE of Val d'Or. This property is currently the Company's only staked property, consisting of 29 claims covering 858 Hectares. The financial commitments are related only to filing fees, taxes and assessment requirements, currently standing at \$21,500 per year.

(v) Gwillim Property

This property is located in the Barlow Township in the Chibougamou Mining Division in the Province of Quebec. The 11 claims covering 609 hectares are under option agreement dated May 12, 2003, with Jack Charlton and Eddy Canova, who is the Executive Vice President of the Company, through which the Company may earn 100% interest in the mineral rights by completion of the following: 1) initial cash payment of \$5,500, 2) transfer of 100,000 shares of the Company on the first year anniversary date, 4) a work commitment to expend \$100,000 on exploration by the third year anniversary, and 5) a 2% smelter return (NSR) and a 2% gross overriding receipts royalty on all diamonds extracted from the claims on the terms and conditions specified in the agreement. The Company was granted an extension to complete its work commitment for one additional year.

(vi) Coyle-Tremblay Property

This property is located in Joannes Township in the Province of Quebec, approximately 15 km east of Noranda. The 13 claims covering 555 hectares are under option agreement dated July 3, 2003, with 9093-6725 Quebec Inc. and 3421856 Canada Inc., through which the Company may earn 100% interest in the mineral rights by completion of the following: 1) initial cash payment of \$7,000, 2) transfer of 100,000 shares of the Company to the owner on the 6 month anniversary date, 3) transfer of 100,000 shares of the Company on the first year anniversary date, 4) a work commitment to expend \$100,000 on exploration by the third year anniversary, 5) initial payment of \$18,000 toward assessment filing costs to be applied to work commitment, and 6) a 2% smelter return (NSR) to the owner. The claims were transferred to the Company upon completion of the first 5 items above.

(vii) Audet Property

This property is located in the Vassan Township in the Val d'Or Mining Division in the Province of Quebec. The 11 claims covering 163 hectares are under option agreement with Leo Audet and Jean Robert, through which the Company may earn 100% interest in the mineral rights by granting 50,000 common shares of the Company within the first six months of the agreement dated October 3, 2005. The Company has not conducted any work to-date on this property.

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5. Mining rights and deferred exploration expenditures (Continued)

(viii) Stabell Property

This property is located in the Dubuisson Township in the Val-d'Or area in the Province of Quebec. The 13 claims covering 497 hectares are under sale and purchase agreement dated April 26, 2006, with Virginia Mines Inc., through which the Company may earn 100% interest in the mineral rights by completion of the following: 1) initial cash payment of \$15,000, 2) the issuance of 1,000,000 shares of the Company within ten days of the agreement, and 3) a 2% smelter return (NSR) if less than or equal to US \$325/ounce gold, 2.5% smelter return if between US\$325-\$375/once gold and 3.0% smelter return if greater than US\$375.

(ix) IAMGOLD Properties

On May 29, 2006, the Company entered into an Option and Joint Venture agreement with Cambior Inc. ("Cambior") to earn, through an option, 50% of Cambior's rights, title and interest in 90 mining claims, which are collectively known as the Sleepy, Bloc Sud and Akasba Properties, located in the Province of Quebec. The Company may earn 50% interest in the mineral rights by completion of the following: 1) incur expenditures relating to exploration activities on the property totaling \$2,200,000, and 2) make payments in cash or in shares totaling \$100,000 to Cambior on or before December 31, 2009.

(x) AUR Properties

On July 31, 2006, the Company signed an option agreement with Aur Resources Inc. for 10 properties in the Val d'Or mining camp, Quebec. The signed agreement, which will be formalized as an Option/Joint Venture agreement, will require the Company to complete exploration expenditures of \$3,000,000 on the properties over five years, by July 31, 2011 to earn a 50% interest. The Company will also pay \$200,000 (paid \$50,000) in cash and issue common shares of the Company with an equivalent value of \$300,000 (265,674 shares issued valued at \$50,000) over the same five year period. The Company can earn 100% by committing to further expenditures of \$5,000,000 by July 31, 2014.

(xi) Falconbridge Limited (recently acquired by Xstrata plc) Property

On July 10, 2006, the Company completed an agreement with Falconbridge Limited (recently acquired by Xstrata plc) to earn a 50% interest in 20 mineral claims in Joannes Township, Quebec. The agreement stipulates that the Company will earn a 50% interest by expending \$500,000 on exploration of the property by July 10, 2010. The interest is subject to a 1% Net Smelter Return.

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6. Promissory notes

On December 16, 2004, the Company issued three promissory notes (collectively, the "Promissory Notes") in the aggregate amount of \$107,768. Each Promissory Note is unsecured, non-interest bearing and due on demand by the note holder. Each Promissory Note is convertible at the election of the Company into common shares of the Company at the rate of one common share for every \$0.10 of outstanding principal amount (in respect of \$75,208 of the aggregate amount of the Promissory Notes) and at the rate of one common share for every \$0.15 of outstanding principal amount (in respect of \$32,560 of the aggregate amount of the Promissory Notes). The Promissory Notes were issued by the Company in replacement of all of its outstanding long term debt.

On November 4, 2005, an accredited investor converted two of the promissory notes, and the Company issued 393,213 common shares covering the principal amount of \$50,175.

On March 22, 2007, the Company reimbursed an accredited investor for an amount of \$7,593. On March 28, 2007, an accredited investor converted his promissory note, and the Company issued 500,000 common shares covering the principal amount of \$50,000.

7. Due to shareholder

On February 9, 2005, the Company was loaned, by way of a promissory note \$50,000 by a director who is also an officer and shareholder of the Company. Terms of the promissory note were: 15% interest per annum, calculated monthly in arrears.

On November 4, 2005 the Company repaid the shareholder \$50,000 by issuing 333,333 common shares and 333,333 warrants. Each warrant entitles the warrant holder to acquire an additional common share until November 4, 2007 at a price of \$0.30.

The fair value of the 333,333 warrants was estimated using the Black-Scholes pricing model based on the following assumptions: dividend yield of 0%; risk-free rate of 3.7%; expected life of two years; and volatility of 0%. A fair value of \$36,667 was estimated.

The balance of \$78,867 due as at April 30, 2006 comprised of amounts that have been advanced during the prior years. The amount was non-interest bearing and due on demand. The Company repaid the \$78,867 during the year.

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8. Share capital

(a) Authorized
Unlimited

(b) Issued

	Number of Shares		Stated Value
Balance, May 27, 2002 (Date of incorporation)	1	\$	1
Shares issued for cash	4,922,150		46,260
Balance, April 30, 2003	4,922,151		46,261
Shares issued for cash	3,693,700		508,598
Issuance of shares for mineral rights	400,000		20,000
Balance, April 30, 2004	9,015,851		574,859
Shares issued for cash	103,700		19,366
Issuance of shares for mineral rights	300,000		58,000
Balance, April 30, 2005	9,419,551	\$	652,225
Flow through shares issued for cash (1)	2,000,000		240,000
Issuance of shares for mineral rights (see Note 5(ii))	125,000		22,500
Non-flow through shares issued for cash (2)	1,219,900		182,985
Flow through shares issued for cash (2)	100,000		15,000
Warrant valuation (2)	-		(137,849)
Shares issued on conversion of debenture (see Note 6)	393,213		50,175
Shares issued on repayment of shareholders loan (see Note 7)	333,333		50,000
Warrant valuation (see Note 7)	-		(36,667)
Flow-through renunciation (3)	-		(92,708)
Non-flow through IPO (4)	6,050,000		1,512,500
Warrant valuation (4)	-		(1,188,000)
Exercise of warrants	10,000		4,980
Issued of shares for mineral rights (see Note 5(i))	50,000		16,000
Share issuance costs	-		(524,641)
Balance, April 30, 2006	19,700,997		766,500
Non-flow through shares issued for cash (5)	1,699,666		509,900
Warrant valuation (5)	-		(142,772)
Non-flow through shares issued for cash (6)	4,909,000		932,710
Warrant valuation (6)	-		(240,541)
Shares issued to brokers as compensation (6)	115,480		21,941
Flow through shares issued for cash (6)	6,904,499		1,657,080
Warrant valuation (6)	-		(414,270)
Shares issued to brokers as compensation (6)	9,520		2,285
Flow-through tax effect (6)	-		(598,537)
Issuance of shares for mining rights (Note 5(ii))	50,000		14,750
Issuance of shares for mining rights (Note 5(iii))	75,000		24,000
Issuance of shares for mining rights (Note 5(viii))	1,000,000		300,000
Issuance of shares for mining rights (Note 5(x))	265,674		50,000
Issuance of shares for mining rights (Note 5(vi))	100,000		23,000
Issuance of shares for mining rights (Note 5(i))	100,000		20,500
Shares issued on conversion of debenture (Note 6)	500,000		50,000
Exercise of warrants	238,500		68,425
Exercise of warrants - valuation	-		29,074
Share issuance costs - non-cash	-		(30,456)
Share issuance costs - cash	-		(211,893)
Balance, April 30, 2007	35,668,336	\$	2,831,696

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8. Share capital (Continued)

(1) On June 14, 2005, the Company completed a private placement by issuing 2,000,000 flow-through common shares at a price of \$0.12 for gross proceeds of \$240,000.

(2) On October 21, 2005, the Company completed the following private placements:

Non flow-through

1,219,900 units at a price of \$0.15 per unit for gross proceeds of \$182,985. Each unit consists of one common share and one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of \$0.30 for a period of two years.

The fair value of the 1,219,900 warrants was estimated using the Black-Scholes pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 3.5%; expected life of two years; and volatility of 187%. A fair value of \$137,849 was estimated.

Flow-through

100,000 flow-through common shares at a price of \$0.15 per flow-through common share for gross proceeds of \$15,000. This amount will be renounced subsequent to December 31, 2005.

(3) The amount from the flow through shares in (2) above has been renounced and has created a future income tax liability of approximately \$5,250 which has been allocated as a cost of issuing the flow-through shares. The amount from flow through shares in (1) above has been renounced and has created a future income tax liability of approximately \$85,000 which has been allocated as a cost of issuing the flow-through shares. On October 28, 2004, the Company raised \$7,000 in flow-through proceeds. This amount has been renounced and has created a future income tax liability of approximately \$2,458 which has been allocated as a cost of issuing the flow-through shares.

(4) On March 22, 2006 the Company completed its initial public offering ("IPO") of 6,000,000 units at \$0.25 per unit for gross proceeds of \$1,500,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.30 for a 24 month period. The agent received a cash commission of 7.5% of the gross proceeds, a work fee of \$10,000, and 50,000 common shares. In addition the agent received 900,000 broker warrants. Each broker warrant entitled them to acquire one common share at an exercise price of \$0.25 for a 24 month period.

The fair value of the 6,000,000 common share purchase warrants was estimated using the Black-Scholes pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 3.93%; expected life of two years; and volatility of 181%. A fair value of \$1,188,000 was estimated. The fair value of the 900,000 broker warrants was estimated the same way with the same assumptions. A fair value of \$181,800 was estimated and this is charged to share issuance costs.

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8. Share capital (Continued)

- (5) On May 1, 2006 the Company completed a private placement by issuing 1,699,666 units at a price of \$0.30 per unit for gross proceeds of \$509,900. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.40 for a 12 month period, subject to accelerated expiry in certain circumstances.

The fair value of the 849,833 common share purchase warrants was estimated using the Black-Scholes pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 4.17%; expected life of one year; and volatility of 172%. A fair value of \$142,722 was estimated.

- (6) On December 2006, the Company completed the following private placements:

Non flow-through

4,909,000 units at a price of \$0.19 per unit for gross proceeds of \$932,710. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable into one non-flow through common share at a price of \$0.25 for a period of one year.

Flow-through

6,904,499 units at a price of \$0.24 per unit for gross proceeds of \$1,657,080. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable into one non-flow through common share at a price of \$0.34 for a period of one year.

Finder's fees

Finder's fees were paid in connection with the private placement, with \$153,260 being paid in cash, \$21,941 being paid by the issuance of 115,480 non-flow through units at a price of \$0.19 and \$2,285 being paid by the issuance of 9,520 non-flow through units at a price of \$0.24.

Fair value

The fair value of the 2,454,500 warrants was estimated using the Black-Scholes pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 3.99%; expected life of one year; and volatility of 157%. A fair value of \$240,541 was estimated.

The fair value of the 57,740 broker warrants was estimated using the Black-Scholes pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 3.99%; expected life of one year; and volatility of 157%. A fair value of \$5,659 was estimated.

The fair value of the 3,452,250 warrants was estimated using the Black-Scholes pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate from 3.99% to 4.03%; expected life of one year; and volatility of 157%. A fair value of \$414,270 was estimated.

The fair value of the 4,760 broker warrants was estimated using the Black-Scholes pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 3.99%; expected life of one year; and volatility of 157%. A fair value of \$571 was estimated.

Flow-through tax effect

The flow-through tax effect on the \$598,537 flow-through private placement in the amount of \$1,657,080 was recognized in share capital as at April 30, 2007.

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8. Share capital (Continued)

(c) Stock option plan

The Company has a stock option plan (the "Plan") which is restricted to directors, officers, key employees, and persons providing ongoing services to the Company. The number of common shares subject to options granted under the Plan (and under all other management options and employee stock purchase plans) is limited to 10% of the issued and outstanding common shares of the Company upon completion of its offering, and with respect to any one optionee, to 5% of the number of issued and outstanding common shares of the Company at the date of the grant of the option. Options issued under the Plan may be exercised during a period determined by the board of directors.

The changes in stock options for each of the years ended April 30, 2007 and 2006 are as follows:

	Number	2007 Weighted average exercise price per share	Number	2006 Weighted average exercise price per share
Outstanding, beginning of year	1,225,000	\$ 0.29	1,075,000	\$ 0.29
Activity in the year:				
Granted	1,900,000	0.26	400,000	0.29
Expired	-	-	(250,000)	0.30
Outstanding, end of the year	3,125,000	\$ 0.27	1,225,000	\$ 0.29
Options exercisable at year end	2,925,000		975,000	

The weighted average fair value of options granted during the year was \$0.23 (2006 - \$0.29).

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8. Share capital (Continued)

(c) Stock option plan (Continued)

As of April 30, 2007, the following stock options were outstanding and exercisable:

<u>Expiry Date</u>	<u>Options outstanding</u>			<u>Options exercisable</u>	
	<u>Number of Options</u>	<u>Weighted average remaining contractual life</u>	<u>Weighted average exercise price</u>	<u>Number of Options</u>	<u>Weighted average exercise price</u>
December 31, 2007	125,000	0.67 years	\$ 0.30	125,000	\$ 0.30
December 31, 2007	125,000	0.67	0.33	125,000	0.33
December 31, 2007	75,000	0.67	0.30	75,000	0.30
December 31, 2007	100,000	0.67	0.25	100,000	0.25
December 31, 2007	250,000	0.67	0.30	250,000	0.30
December 31, 2007	150,000	0.67	0.30	150,000	0.30
December 31, 2007 (i)	50,000	0.67	0.30	50,000	0.30
December 31, 2007 (i)	100,000	0.67	0.25	100,000	0.25
February 1, 2008 (ii)	25,000	0.75	0.25	25,000	0.25
February 1, 2008 (ii)	200,000	0.75	0.25	50,000	0.25
February 1, 2008 (ii)	75,000	0.75	0.35	75,000	0.35
April 12, 2011 (iii)	250,000	3.95	0.30	200,000	0.30
September 15, 2011 (iv)	20,000	4.37	0.23	20,000	0.23
October 19, 2011 (v)	250,000	4.47	0.21	250,000	0.21
January 29, 2012 (vi)	1,330,000	4.74	0.265	1,330,000	0.265
	3,125,000	3.00 years	\$ 0.27	2,925,000	\$ 0.27

During the year, 1,900,000 stock options were granted. These options will be amortized over the vesting period, expensed in the statement of operations and deficit and credited to contributed surplus. For the year ended April 30, 2007, the following options were expensed.

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8. Share capital (Continued)

(c) Stock option plan (Continued)

Option grant date	Number of options expensed	Amount expensed
April 12, 2006 (iii)	237,700	\$ 66,786
September 15, 2006 (iv)	20,000	4,520
October 19, 2006 (v)	250,000	51,750
January 29, 2007 (vi)	1,330,000	345,800
February 1, 2007 (ii)	25,000	3,425
February 1, 2007 (ii)	103,078	14,122
February 1, 2007 (ii)	75,000	9,675
	2,040,778	\$ 496,078

The following table sets out the remaining options to be expensed as they vest:

Option grant date	Number of remaining options to be expensed	Amount to be expensed
February 1, 2007(vi)	96,922	\$ 13,278
	96,922	\$ 13,278

- (i) The fair value of the stock options was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 182%; risk-free interest rate of 3.69% and an expected average life of 26 months.
- (ii) The amount expensed was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 148%; risk-free interest rate of 4.13% and an expected average life of 1 year.
- (iii) The fair value of the stock options was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 217%; risk-free interest rate of 4.26% and an expected average life of 5 years.
- (iv) The fair value of the stock options was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 212%; risk-free interest rate of 3.98% and an expected average life of 5 years.
- (v) The fair value of the stock options was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 212%; risk-free interest rate of 4.01% and an expected average life of 5 years.
- (vi) The fair value of the stock options was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 205%; risk-free interest rate of 4.07% and an expected average life of 5 years.

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8. Share capital (Continued)

(d) Warrants

The following table summarizes warrants that have been issued, exercised or have expired in each of the years:

	<u>Number of Warrants</u>	<u>\$</u>
Balance, May 27, 2002, April 30, 2003, 2004 and 2005	-	-
Issued on private placement (i)	1,219,900	137,849
Issued as part of debt settlement (ii)	333,333	36,667
Issued pursuant to the IPO (iii)	6,000,000	1,188,000
Broker warrants issued pursuant to the IPO (iii)	900,000	181,800
Warrants exercised	<u>(10,000)</u>	<u>(1,980)</u>
Balance, April 30, 2006	8,443,233	1,542,336
Issued on private placement (iv)	849,833	142,772
Issued on private placement (v)	2,454,500	240,541
Broker warrants issued on private placement (v)	57,740	5,659
Issued on private placement (v)	3,452,250	414,270
Broker warrants issued on private placement (v)	4,760	571
Warrants exercised	<u>(238,500)</u>	<u>(29,074)</u>
Balance, April 30, 2007	<u>15,023,816</u>	<u>2,317,075</u>

(i) See Note 8(b)(2) for warrant valuation

(ii) See Note 7 for warrant valuation

(iii) See Note 8(b)(4) for warrant valuation

(iv) See Note 8(b)(5) for warrant valuation

(v) See Note 8(b)(6) for warrant valuation

At April 30, 2007 the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

	<u>Value</u>	<u>Expiry date</u>	<u>Number of warrants</u>	<u>Exercise price</u>
\$	122,029	October 21, 2007	1,079,900	\$ 0.30
	36,667	November 4, 2007	333,333	\$ 0.30
	1,178,891	March 22, 2008 (vi)	5,954,000	\$ 0.30
	181,800	March 22, 2008 (vi)	900,000	\$ 0.25
	142,772	May 1, 2007	849,833	\$ 0.40
	234,416	December 8, 2007	2,392,000	\$ 0.25
	5,659	December 8, 2007	57,740	\$ 0.25
	364,270	December 8, 2007	3,035,583	\$ 0.34
	571	December 8, 2007	4,760	\$ 0.34
	50,000	December 15, 2007	416,667	\$ 0.34
\$	<u>2,317,075</u>		<u>15,023,816</u>	

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8. **Share capital (Continued)**

(d) **Warrants (Continued)**

- (vi) These warrants are subject to an accelerated expiry. If the Company's common shares trade at a weighted average trading price of \$0.50 or higher for a period of 20 consecutive trading days the Company may give notice to the warrant holders that the warrants will expire within thirty days of such notice.

(e) **Contributed surplus**

The following is a continuity of contributed surplus for each of the years:

	Amount
Balance, May 27, 2002, April 30, 2003, 2004 and 2005	\$ -
Stock option expense	34,314
Balance, April 30, 2006	34,314
Stock option expense (Note 8(c))	496,078
Balance, April 30, 2007	\$ 530,392

(f) **Basic and diluted (loss) per share**

The following table sets forth the computation of basic and diluted (loss) per share:

	2007	2006
Numerator:		
(Loss) for the year	\$ (761,422)	\$ (394,010)
Numerator for basic and diluted (loss) per share	(761,422)	(394,010)
Denominator:		
Weighted average number of common shares	29,776,988	12,990,540
Denominator for basic (loss) per share	29,776,988	12,990,540
Effect of dilutive securities:		
Stock options (i)	-	-
Warrants (i)	-	-
Denominator for diluted (loss) per share	29,776,988	12,990,540
Basic (loss) per share	\$ (0.03)	\$ (0.03)
Diluted (loss) per share	\$ (0.03)	\$ (0.03)

- (i) The stock options and warrants were not included in the computation of diluted (loss) per share for 2006 and 2007 because their inclusion would be anti-dilutive.

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9. Income taxes

The Company has one future income tax liability which arose as a result of issuing flow-through shares to investors. Since the expenditures generated by the flow-through shares are renounced to the investors this lowers the tax bases of the resource properties and results in a future income tax liability.

	<u>2007</u>	<u>2006</u>
Resource property	\$ (598,537)	\$ (92,708)
Non-capital losses used to reduce the future income tax liability	598,537	92,708
Net future income tax liability	\$ -	\$ -

In accordance with CICA Handbook EIC 146, the benefit of non-capital losses carried forward has been used to reduce the future income tax liability.

The Company has the following future income tax assets:

	<u>2007</u>	<u>2006</u>
Non-capital loss carry-forwards	\$ 124,224	\$ 280,050
Mining rights	30,648	-
Share issuance costs	135,530	99,067
Total future tax assets	290,402	379,117
Valuation allowance	(290,402)	(379,117)
Future income tax assets recognized	\$ -	\$ -

The Company provided a valuation allowance equal to the future tax asset because it is not more likely than not that they will be realized. The Company's income tax recovery for each of the years ended January 31, 2007 and 2006 is as follows:

	<u>2007</u>	<u>2006</u>
Current income tax expense	\$ -	\$ -
Future income tax expense (recovery)	(598,537)	(92,708)
Total income tax expense (recovery)	\$ (598,537)	\$ (92,708)

The Company's actual income tax expense for the year ended is made up as follows:

	<u>2007</u>	<u>2006</u>
(Loss) before income taxes	\$ (1,359,959)	\$ (486,718)
Income tax recovery at the combined federal and provincial rate of 36.12%	(491,217)	(175,803)
Non-deductible stock-option compensation	179,183	12,394
Share issuance costs	(40,074)	(24,767)
Miscellaneous	2,240	(363)
Renunciation of flow-through shares	(598,537)	(92,708)
Potential income tax recovery not recognized	349,868	188,539
Total income tax (recovery)	\$ (598,537)	\$ (92,708)

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9. Income taxes (Continued)

The Company has non-capital loss carryforwards of approximately \$2,001,000, Canadian exploration and development expenditures of approximately \$1,120,000 which can be used to reduce future year's taxable income. The potential tax benefit of these losses and expenditures, has not been recognized in these financial statements. The non-capital losses will expire as follows:

2010	\$	25,000
2014		97,000
2015		388,000
2026		522,000
2027		969,000
		<hr/>
	\$	2,001,000

10. Related party transactions

Management and salaries totaling \$60,000 (2006 - \$56,000) were expensed or accrued to the President, Chief Financial Officer and Executive Vice President.

Included in accounts payable and accrued liabilities is \$9,500 (2006 - \$32,000) representing unpaid management fees owing to the President of the Company. Also included in accounts payable and accrued liabilities is \$Nil (2006 - \$32,000) representing unpaid management fees owing to the Executive Vice President of the Company.

The Executive Vice President of the Company is one of the optionors' in the Gwillim Property. See Note 5(v) for details of this option agreement.

During the year, directors were reimbursed for out of pocket expenses that occurred in the normal course of operations.

These related party transactions were in the normal course of operations and were measured at the exchange amounts which is the amount established and agreed to by the related parties.

11. Financial instruments

Fair value of financial instruments

The Company's financial instruments consist of cash, sundry receivable, short-term investment, accounts payable and accrued liabilities, promissory notes and due to shareholder. The fair value of these financial instruments approximates their carrying value due to their immediate or short-term maturity.

Commodity price risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals. If the Company locates a mineral deposit, it will be subject to commodity price risk.

Other risks

It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments.

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12. Commitments

- (a) The Company is obligated to incur an additional \$300,000 in exploration expenditures and issue 50,000 common shares of the Company before December 31, 2009 pursuant to the agreement of the Matachewan Property (Note 5(ii)).
- (b) The Company is obligated to incur an additional \$50,000 in exploration expenditures before September 29, 2008 pursuant to the agreement of the Siscoe East Property (Note 5(i)).
- (c) The Company is obligated to incur an additional \$13,000 in exploration expenditures before to May 12, 2008 pursuant to the agreement of the Gwillim Property (Note 5(v)).
- (d) The Company is obligated to incur an additional \$467,000 in exploration expenditures before July 10, 2010 pursuant to the agreement of the Falconbridge Limited (recently acquired by Xstrata plc) Property (Note 5(xi)).
- (e) The Company was obligated to incur an additional \$1,425,000 in exploration expenditures and make a payment of \$65,000 before December 31, 2009 pursuant to the agreement of the IAMGOLD Properties (Note 5(ix)). This agreement was superseded by a purchase and sale agreement with Gestion IAMGOLD-Quebec Inc. ("IAMGOLD") signed on June 22, 2007 (Note 13(b)).
- (f) The Company is obligated to incur an additional \$2,212,000 in exploration expenditures, make a payment of \$150,000 and issue common shares of the Company with an equivalent value of \$250,000 before July 31, 2011 pursuant to the agreement of the AUR Properties (Note 5(x)).

13. Subsequent events

- (a) The Company completed a private placement of 12,783,750 non flow-through units in two tranches on May 17, 2007 and May 18, 2007 at \$0.32 per unit, where each non flow-through unit consists of one non flow-through share and one half of common share purchase warrant, and 9,637,119 flow-through units at \$0.38, where each flow-through unit consists of one flow-through share and one half common share purchase warrant. In both cases, each whole warrant entitles the holder to acquire an additional non flow-through common share at a price of \$0.48 for a period of one year. The holding period for the securities is 4 months and one day from date of closing, until September 17, 2007.

The fair value of the 6,391,875 non flow-through warrants was estimated using the Black-Scholes option pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 4.41%; expected life of one year; and expected volatility of 117%. A fair value of \$703,106 was estimated.

The fair value of the 4,818,560 flow-through warrants was estimated using the Black-Scholes option pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 4.41%; expected life of one year; and expected volatility of 117%. A fair value of \$713,147 was estimated.

Alexandria Minerals Corporation

(A Development Stage Company)

Notes to Financial Statements

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13. Subsequent events (Continued)

A finders fee \$72,500 was paid to First Canadian Securities. Also, broker warrants totaling 371,170 were issued as follows: 267,105 broker warrants to Limited Market Dealer Inc. and 104,065 broker warrants to Fraser Mackenzie Limited. Each option allows the holder to buy a unit at \$0.32, where each unit consists of one non flow-through share and one half purchase warrant, and each full warrant allows the holder to buy one non flow-through share at \$0.48 for a period of one year.

The fair value of the 371,170 broker warrants was estimated using the Black-Scholes option pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 4.41%; expected life of one year; and expected volatility of 117%. A fair value of \$53,820 was estimated.

- (b) On June 22, 2007, the Company signed a purchase and sale agreement with IAMGOLD acquiring a 100% interest in two properties in the Val d'Or area on which it was earning a 50% interest. The properties are called Akasaba and Bloc Sud. The Company is obligated to pay IAMGOLD \$500,000 cash and/or issue common shares of the Company in three equal installments: upon signing the agreement, and at the 12 month and 24 month anniversaries of signing. This agreement has superseded all conditions of the prior Earn-In agreement. IAMGOLD retains a 2% Net Smelter Return, but the Company may purchase $\frac{1}{2}$ of the NSR, or 1% for \$500,000.

ALEXANDRIA MINERALS CORPORATION

Management Discussion and Analysis

For the year ended April 30, 2007

This Management Discussion and Analysis ("MD&A") of Alexandria Minerals Corporation ("Alexandria" or the "Company") is dated August 21, 2007 and provides an analysis of the Company's performance and financial condition for the year ended April 30, 2007, as well as an analysis of future prospects. This MD&A should be read in conjunction with the Company's audited financial statements for the years ended April 30, 2007 and 2006, including the related note disclosure, both of which are prepared in accordance with generally accepted accounting principles in Canada. All amounts are in Canadian dollars unless otherwise specified. The financial statements along with Certifications of Annual and Interim Filings and press releases, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Forward-looking Statements

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

Qualified Person and Note on Historical Resources

The Company relies principally on Mr. Eddy Canova, P.Geo., as the Qualified Person ("QP") as defined under National Instrument 43-101 ("43-101"). Mr. Canova has read and approved the technical and scientific information contained in this MD&A. Disclosure on mineralization on adjacent properties has not been verified by Mr. Canova and is not necessarily indicative of the Company's anticipated results. To-date, the Company does not have a Current Resource as defined by 43-101 on any of its properties. Where provided below, potential quantity and grade are considered Historic Resources, as the Company has not conducted sufficient exploration to define economic resources. Historic Resources should not be relied upon as they have not been verified by a QP. It is uncertain if further exploration will result in the target being delineated as a Current Resource.

OVERALL PERFORMANCE

Principal Business and Corporate History

Alexandria is a junior gold exploration company, with a current focus on under-explored, high-potential mineral exploration properties in the world-class gold mining camps of Quebec and Ontario, Canada. The Company was incorporated on May 27, 2002 and completed its initial public offering ("IPO") on March 22, 2006. Alexandria's shares began trading on TSX Venture Exchange ("TSX-V") under the symbol "AZX" on March 24, 2006. Shortly thereafter, on April 12, 2006, the Company received a secondary listing on Frankfurt Stock Exchange under the symbol A9D.

During the year, the Company has increased its market capitalization four-fold and its Val d'Or, Quebec, area property holdings more than 10 fold, from 45 claims to more than 600 claims, through acquisition and staking. The Company completed drilling programmes on its Siscoe East and Cadillac Break properties in Val d'Or, and on its Joannes property west of Malartic. Alexandria has embarked on an aggressive second phase drilling programme on its Cadillac Break Properties, a group of properties acquired from Aur Resources Inc. and IAMGOLD Corp. stretching over 25 kilometers ("km") along the Cadillac Break southeast of Val d'Or. Over the past few months, Alexandria has established a substantial core logging facility in Val d'Or and has ramped up its support personnel to meet the needs of this increased level of activity.

Joint Ventures, Option Agreements and Recent Developments

The Company's properties are located in the historic Abitibi Belt of northern Quebec and Ontario, a geologic region which has produced in excess of 170 million ounces of gold ("Au") over the last 80 years. The Company holds interest in 21 properties in Quebec and Ontario, distributed among 6 projects. Alexandria's current focus is along the prolific Cadillac Larder Lake Break ("Cadillac Break"), a regional gold-bearing fault zone over 300 km long which has produced about 100 million ounces of gold from mines in its vicinity, and is notable for such historic mining districts as Val d'Or, Kirkland Lake and Noranda.

On February 15, 2007 following the Company's third quarter ended January 31, 2007, Alexandria signed an Option Earn-In Agreement with Carmax Explorations Ltd. on 9 claims located along the Cadillac-Larder Lake Break in Matachewan, Ontario, adjacent to the Company's Matachewan property. The claims are subject to a 3% Net Smelter Return ("NSR") royalty, of which 2% can be purchased by Alexandria for \$500,000 per each 1/2%.

On February 16, 2007, the Company entered into an Option Agreement with Jean Robert, Pauline Cherron, and Diane Audet to purchase a 100% interest in 19 mineral claims in Bourlamaque Township, Val d'Or, Quebec. The commitments are a \$15,000 cash payment and issuance of 200,000 treasury shares to the Optionors. The property, located between the Airport and Orenada properties (both optioned from Aur Resources) and therefore part of the Cadillac Break Properties, provides continuity of geological and exploration targets between the two properties.

On June 22, 2007, Alexandria signed a Purchase and sales agreement with Gestion IAMGOLD-Quebec Inc. ("IAMGOLD") to acquire a 100% interest in two properties along the Cadillac Break in the Val d'Or area, on which the Company was previously earning a 50% interest. The properties are the Akasaba and the Bloc Sud (Bloc Sud West, Bloc Sud Trivio, and Sleepy). These properties include advanced-stage exploration targets with reported historic resources as well as early stage geochemical, geophysical and drill hole targets.

In December 2006, Alexandria began a first phase, 10,000 meter ("m") drilling programme on its Cadillac Break properties, of which 15 holes were completed by April 30, 2007. This first phase drilling programme was successful in that it showed potential for enlargement of historical gold resources, it yielded a new gold discovery, and it revealed a sizable gold system along the Cadillac Break in the western portion of the Company's Cadillac Break Claims. Also, in the Spring of 2007, three holes were drilled on its Joannes property, on the Cadillac Break about 60 km west of Val d'Or.

Following a month-long break to allow for weather and ground conditions to improve, the Company began a 20,000 m drilling program with two drill rigs on the Cadillac Break Properties. To date, Alexandria has completed 24 holes on the Airport, Mid-Canada, and Orenada properties, with one drill rig testing the size potential of the Orenada 2 and 4 zones, and one rig testing exploration targets.

Property Overview

A summary of the projects and their recent progress follows:

Siscoe East Property, Val d'Or, Quebec

As of April 30, 2007, the Company held 100% interest in 58 claims located in Dubuisson Township and 70% interest in 30 claims located in Vassan Township near Val d'Or, Quebec on the Siscoe East Property. The Siscoe East claims are situated between the Siscoe Mine and the Sullivan mine.

The Company completed a diamond drilling program on the Siscoe East Project in late 2006. A total of 2,545 m in seven diamond drill holes tested three principal target zones: the K-Shear Zone from which ore was mined at the Siscoe Mine, the Stabell Mine vein and the extension of the Sullivan Mine vein. All drill holes intersected their geological and geophysical targets, revealing significant shear zones with

associated quartz-sulfide veins and alteration. The results were favourable, indicating the presence of gold. Approximately 1% of the 1,051 drill samples yielded anomalous gold values between 0.5 grams/tonne ("g/t") Au and 1.5 g/t Au up to drilled widths of 1.5 m, with the best result being 3.13 g/t Au over 0.45 m from a quartz-pyrite vein. Several geophysical targets on the property remain untested, including a seismic anomaly with coincident historical drill results yielding 28.1 g/t Au over 1.1 m.

Matachewan Property, Matachewan, Ontario

The Matachewan Property, Alexandria's only Ontario property, is located 35 km SW of Kirkland Lake, and 3 km east of the Young Davidson Mine of Northgate Minerals, and straddles the Cadillac Break. On February 15, 2007, Alexandria signed an Option Earn-In Agreement with Carmax Explorations Ltd. on 9 claims adjacent to the Company's Matachewan claims, increasing the property size to 35 claims covering approximately 10 km of the Cadillac-Larder Lake Break. The nearby Young-Davidson has an open pit Measured and Indicated Resource of 6.8 million tonnes ("Mt") hosting 463,960 ounces of Au, and contains an additional open pit and underground Inferred Resource of 8.1 Mt hosting 1.0 million ounces in a geological environment similar to that found on Alexandria's property.

Alexandria completed an initial round of drilling, in fall of 2005, testing some of the geophysical and geological targets. This drilling successfully discovered wide shear zones with attendant quartz and carbonate alteration, carbonate-quartz veining and pyrite, with anomalous gold (up to 1.05 g/t Au over 1.3 m). The Company is currently carrying out a prospecting mapping programme on the property in order to prepare for a follow-up drill programme in late 2007.

Joannes Property (Coyle-Tremblay, Salmasi-Greisbach, and Xstrata Claim Groups), Joannes Township, Quebec

The property is located along the Cadillac Break in Joannes Township, Quebec approximately 20 km east of Noranda, is situated 10 km west of the Bousquet gold mine, which has produced about 3 million ounces of gold since the 1980's. Historic drill results on Alexandria's claims have yielded up to 28 g/t Au over 1.5 m.

Alexandria completed 3 drill holes on the property in late Spring 2007, designed to test geophysical anomalies along the Cadillac Break and along subsidiary zones. These drill holes intersected scattered anomalous gold, including 5.19 g/t Au over 0.7 m in hole JAX-07-01, which intersected the Cadillac Break from 60.4 m to 90.8 m depth with attendant quartz-carbonate veins and 1%-2% pyrite and arsenopyrite.

Quevillon Property, Quevillon Township, Quebec

This property is located about 2 km west of the community of Lebel Sur Quevillon, 100 km NE of Val d'Or. This property is currently Alexandria's only staked property, consisting of 29 claims, covering 858 hectares ("ha"). Alexandria has completed magnetic surveys on the property in order to determine targets for future exploration.

Gwillim Property, Barlow Township, Quebec

This property is located in the Chibougamou Mining Division in the Province of Quebec. The 11 claims covering 609 ha are under option agreement with Jack Charlton and Eddy Canova, through which Alexandria may earn 100% interest in the mineral rights. The property is adjacent to the Gwillim Mine owned by Campbell Resources, which produced about 35,000 ounces gold in the early 1970s.

Assay results were received from a surface prospecting and mapping program completed in August and September, 2006, on the Gwillim Property. This work, guided by historic exploration data and by magnetic anomalies from an airborne survey completed in June, 2006, resulted in the geologic evaluation of over 715 outcrops and the collection of 257 surface rock samples, where 15 samples yielded between 0.036 g/t Au and 27.88 g/t Au.

Cadillac Break Properties: Akasaba and Bloc Sud (IAMGOLD Purchase), Val d'Or, Quebec

On June 22, 2007, Alexandria completed a purchase and sale agreement with IAMGOLD to acquire a 100% interest in two properties along the Cadillac Break in the Val d'Or area on which the Company was earning a 50% interest. The properties are the Akasaba and the Bloc Sud, the latter divided into the Bloc Sud West, Bloc Sud Trivio, and Sleepy properties. These properties straddle the Cadillac Break southeast of the city of Val d'Or, and host a variety of gold targets, from structural gold, massive sulphide, and Sigma 2-type disseminated gold. The properties consist of a total of 90 claims and represent an important part of Alexandria's Cadillac break properties in the area.

The Akasaba Mine produced 255,000 t of ore grading 6.3 g/t Au during the 1960's, and has been reported to contain a pre-NI 43-101 historic resource of 262,500 t grading 6.3 g/t gold (Louvem Mines, 1987). The Sleepy property hosts a pre NI 43-101 historic resource reportedly hosting 152,171 t grading 5.1 g/t gold (estimated in 1990 by Cambior Inc.). Additional exploration targets include historic drill holes, such as on the Sleepy Property, where Cambior reported intersecting 18.7 g/t Au over 1.5 m, 9.5 g/t Au over 1.5 m and 7.1 g/t Au over 1.5 m. Likewise, drilling of geophysical anomalies along the western extension of the Akasaba Mine horizon yielded 9.8 g/t Au over 2.0 m, 7.3 g/t Au over 2.1 m, and 2.1g/t Au over 5.2 m.

Linecutting and geophysical work began in late 2006 and an Induced Polarization ("IP") survey was completed on selected portions of the properties over the winter 2006-2007. The first six holes on the Bloc Sud West property were drilled in late winter, testing the Cadillac Break and subsidiary IP targets. Drill results encountered gold values in three of the six holes drilled on the property, including 4.50 m (drilled width) grading 1.97 g/t Au in diamond drill hole ("DDH") BS-07-37 and 0.85 meters interval (drilled width) grading 1.55 g/t Au in hole BS-07-35. Alexandria also intersected significant gold values in the first of two holes on the Sleepy Zone, yielding 2.39 g/t Au over 16.00 m, including 3.35 g/t Au over 10.80 m. This result indicates potential for growth of the Historic Deposit at Sleepy, and follow-up drilling is intended to commence during the winter of 2007-2008.

Cadillac Break Properties: Aur Resources Option, Val d'Or Quebec

In 2006, Alexandria signed an option agreement with Aur Resources Inc. ("Aur") to acquire up to 100% of ten properties in the Val d'Or Mining District, which comprises Airport, Ducros, Lourmet, Mid-Canada, Orcour, Orenada, Oramaque, Sabourin Creek, Trivio and Vaumon. Alexandria is earning its first 50% interest in these properties by incurring exploration expenditures of \$3 million and paying \$500,000 in cash and shares over a five year period to July 2011. The Company can earn an additional 50% by completing further expenditures of \$5 million by July 2014. Together with the adjacent properties of the IAMGOLD JV, these properties underlie more than 23 km of the Cadillac Break, giving Alexandria an interest in one of the larger property packages in the prolific Val d'Or mining camp.

Included in this package are advanced-stage exploration targets, consisting of Historical Resources at Orenada 4, reportedly with 2.1 Mt grading 1.47 g/t Au and Orenada 1 with a reported 113,941 t grading 1.02% copper and 4.01 g/t silver. In addition to these advanced targets, this property acquisition brought with it more than 70 years worth of data of more than 2,400 historic diamond drill holes, as well as property wide geophysics and geochemistry, all of which is being compiled in order to better model the target potential.

Alexandria completed the first 13 hole programme on the Oramaque and Orenada properties in late March 2007, successfully intersecting positive gold values in more than 75% of its holes. Highlights from this drilling include, at Orenada, 12.55 m grading 7.90 g/t Au (DDH AAX-07-12), 89.10 m grading 1.09 g/t Au (AAX-07-11), 90.28 m grading 0.50 g/t Au (AAX-07-10), and a new discovery on Oramaque of 14.02 m grading 1.47 g/t Au (AAX-07-9). The importance of these results are two-fold: 1) they show that existing Historical Resources have the potential to be enlarged and, 2) they show positive gold concentrations in drill holes over a minimum of 4 km along the Cadillac Break, suggesting a relatively large gold-bearing system.

The Company began its second phase drilling programme in early June 2007, a 20,000 m programme with two drill rigs. To-date, the Company has completed 25 drill holes, with 15 holes completed on Orenada and 10 completed on exploration targets on Airport, Mid-Canada, and Orenada. Highlights of this drilling include new mineralization discovered on Airport, including 9.35 g/t Au over 0.7 m and 0.51 g/t Au over 13.5 m, and extension of the shallow level gold mineralization at Orenada 2 with and intersection of 0.76 g/t Au over 40.4 m (all lengths represent drilled widths).

SELECTED ANNUAL & QUARTERLY INFORMATION

Selected Annual Information

	Year ended Apr. 30, 2007 \$	Year ended Apr. 30, 2006 \$	Year ended Apr. 30, 2005 \$
Net Loss	(761,422)	(394,010)	(388,080)
Loss per share	(0.03)	(0.03)	(0.04)
Cash	199,686	257,847	964
Total Assets	4,674,908	1,848,488	524,695
Total Liabilities	662,264	410,435	383,557
Shareholders' Equity	4,012,644	1,438,053	141,138

Selected Quarterly Information

Three Months Ended	Net Revenues	Net Income (loss)		Total Assets
		Total	Per Share	
2007-APR-30	\$ 17,270	\$ 188,184	\$ 0.01	4,674,908
2007-JAN-31	11,138	(520,047)	(0.02)	4,580,872
2006-OCT-31	6,464	(256,693)	(0.01)	2,199,899
2006-JUL-31	10,869	(172,866)	(0.01)	2,452,445
2006-APR-30	-	(212,480)	(0.01)	1,848,488
2006-JAN-31	-	(6,665)	Nil	918,672
2005-OCT-31	-	(17,238)	Nil	933,167
2005-JUL-31	-	(157,627)	(0.02)	833,148

RESULTS OF OPERATIONS

The Company has no operating revenues other than interest income and relies on external financings to generate capital. As a result of its activities, Alexandria continues to incur net losses. For the year ended April 30, 2007, Alexandria's net loss was \$761,422 compared to a net loss of \$394,010 in the previous year ended April 30, 2006. The increase in net loss by \$367,412 over the year was due to increased activities as a public company following by the Company's completion of initial public offering ("IPO") on March 22, 2006. The net income of \$188,184 (2006 - net loss \$212,480) during the three months ended April 30, 2007 was generated by the Company's income tax recovery of \$598,537 (2006 - \$92,708).

For the year ended April 30, 2007, the Company reported expenses of \$1,405,700 (2006 - \$486,718) which included non-cash stock option compensation expenses of \$496,078 (2006 - \$34,314). Overall expenses were offset by interest income of \$45,741 (2006 - Nil).

The explanation of operations' costs can be broken down as follows:

a) Reporting Issuer

During the fourth quarter ended April 30, 2007, the Company spent \$100,294 versus \$31,428 for the same period last year on professional fees, including business development consulting, legal and audit fees. For the year ended April 30, 2007, Alexandria spent a total of \$132,673 (2006 - \$162,881) on professional fees. The higher professional fees incurred in the previous year were related to the process of the Company's IPO.

b) Management and personnel

In the fourth quarter ended April 30, 2007, the Company paid \$8,787 (2006 - \$26,000) in management fees. For the year ended April 30, 2007, the Company spent total \$61,787 (2006 - \$56,000) on management fees, which expensed or accrued to the President, Chief Financial Officer and Executive Vice President. The Company had a payroll expense, which were previously charged to management fees, of \$119,079 (2006 - nil), paid to full time employees of the Company.

c) Incentive Stock Options

Alexandria has a Stock Option Plan which is restricted to directors, officers, key employees, and persons providing ongoing services to the Company. The amount expensed for options was calculated using Black-Scholes option-pricing model with assumptions to determine the fair value of the stock option based on when they are granted and/or vest. The Company expensed \$141,387 (2006 - \$34,314) during the last quarter ended April 30, 2007. Due to the \$1,900,000 options issued over the year ended April 30, 2007, and additional vesting of historical options, the Company had expensed \$496,078 (2006 - \$34,314).

d) General and administrative Expense

General and administrative expense for the year ended April 30, 2007 can be further broken down as follows:

	April 30, 2007	April 30, 2006
Office expenses	\$ 46,973	\$ 21,013
(Gain) loss on foreign exchange	889	-
Transfer Agent, Stock Exchange and Filing Fees	42,727	33,438
Insurance	25,005	13,545
Govt. Fees and Taxes	219	(2,558)
Total Office and General	115,813	65,438
Investor & Public Relations	174,327	34,459
Business Development	152,468	80,681
Accounting and corporate services	39,992	22,208
Interest and bank charges	3,803	6,328
Rent	17,913	18,256
Seminars and conferences	87,240	3,325
Amortization	4,527	2,828
Total	<u>\$ 596,083</u>	<u>\$ 233,523</u>

During the year ended April 30, 2007, general and administrative expenses were \$596,083 (2006 - \$233,523). The increase in general and administrative cost was principally a result of:

- i) an increase of \$25,960 on office expenses due to general expenses and administrative activities for corporate day-to-day management and development;
- ii) an increase of \$139,868 in transfer agent, stock exchange and filing fees as a reporting issuer;

- iii) an increase of the Company's in investor and public relations activities. Over the past year, the Company made a concerted effort to generate market awareness for Alexandria. This market initiative resulted in notable increase in the expense categories of investor and public relations included shareholder communications, website development as well as travel expenses and seminars and conferences.

Other increases in general and administrative were recorded as a result of general increase in activities as a growing public company.

LIQUIDITY AND CAPITAL RESOURCES

The Company had \$1,621,005 in working capital as at April 30, 2007 (2006 - \$788,867) with a cash balance of \$199,686 (2006 - \$257,847). The increase in working capital was principally due to the financing activities during the fiscal year, which resulted in the additional issuance of 15,967,339 shares for cash proceeds of \$3,099,690 and exercise of warrants for cash proceeds of \$68,425 to the Company's capital structure. The Company made a net investment of \$600,000 in GIC's during the year ended April 30, 2007, resulting in a total balance of \$1,300,000 in short-term investments. Cash paid totalling \$141,530 for the acquisition of mining rights, and \$1,163,506 in exploration expenditures contributed to the decrease in the Company's cash position from the previous year.

In May, 2007, the Company raised gross proceeds of \$7,752,908 by completing a private placement financing, of which \$3,662,108 is dedicated to flow-through units to be expended on exploration.

SHARE CAPITAL

As at August 21, 2007, the Company's share position consisted of:

Shares outstanding ⁽ⁱ⁾	59,190,201
Options outstanding ⁽ⁱⁱ⁾	3,125,000
Warrants ⁽ⁱⁱⁱ⁾	26,823,748
Fully Diluted	89,138,949

(i) Common shares outstanding

During the year ended April 30, 2007,

- the Company issued in total of 1,590,674 common shares for acquiring mining rights on the Company's properties;
- in total of 500,000 common shares were issued on conversion of debenture;
- In total of 238,500 common shares were issued by exercise of warrants;
- the Company completed a private placement by issuing 1,699,666 units at a price of \$0.30 per unit for gross proceeds of \$509,900 on May 1, 2006;
- the Company issued 4,909,000 non flow-through units at a price of \$0.19 per unit and 6,904,499 flow thorough units at a price of \$0.24 per unit through private placement. Finder's fees were paid by the issuance of 115,480 non flow-through units at a price of \$0.19 and 9,520 non flow-through units at a price of \$0.24 on December 11, 2006.

Following the year ended April 30, 2007,

- on July 4, 2007, the Company issued 263,713 common shares for acquiring a 100% interest in the Akasaba and Block Sud properties located near Val d'Or area.
- on May 22, 2007, the Company completed a private placement of 12,783,750 non flow-through units at a price of \$0.32 and 9,637,119 flow-through units at a price of \$0.38.

(ii) Options outstanding as at August 21, 2007

Expiry Date	No. of Options	Exercise Price
December 31, 2007	200,000	\$0.25
December 31, 2007	650,000	\$0.30
December 31, 2007	125,000	\$0.33
February 1, 2008	225,000	\$0.25
February 1, 2008	75,000	\$0.35
April 12, 2011	250,000	\$0.30
September 15, 2011	20,000	\$0.23
October 19, 2011	250,000	\$0.21
January 29, 2012	1,330,000	\$0.265
TOTAL	3,125,000	

(iii) Warrants outstanding as at August 21, 2007

Expiry Date	Units	Exercise Price
Oct. 21, 2007	1,004,900	\$0.30
Nov. 4, 2007	333,333 ⁽¹⁾	\$0.30
Dec. 8, 2007	2,289,740	\$0.25
Dec. 8, 2007	3,035,583	\$0.34
Dec. 8, 2007	4,760	\$0.34
Dec 15, 2007	416,667	\$0.34
Mar. 22, 2008 ⁽²⁾	5,888,000	\$0.30
Mar. 22, 2008 ⁽²⁾	690,200 ⁽³⁾	\$0.25
May 17, 2008	3,828,750 ⁽⁴⁾	\$0.48
May 17, 2008	2,806,379 ⁽⁵⁾	\$0.48
May 17, 2008	928,918 ⁽⁶⁾	\$0.32
May 17, 2008	464,460 ⁽⁶⁾	\$0.32
May 18, 2008	2,012,179 ⁽⁵⁾	\$0.48
May 18, 2008	2,563,125 ⁽⁴⁾	\$0.48
May 18, 2008	371,170 ⁽⁶⁾	\$0.32
May 18, 2008	185,584 ⁽⁶⁾	\$0.48
Total	26,823,748	

Notes:

- (1) Warrants issued to a shareholder, along with 333,333 common shares, in payment of a promissory note of \$50,000.
- (2) Warrants issued during the IPO are subject to accelerated expiry if the common shares of the Company trade at a weighed average price of \$0.50 or higher for a period of 20 consecutive trading days.
- (3) The Agent's options were issued as part of fees payable to Bolder Investment Partners Ltd. for their involvement in the IPO.
- (4) In May, 2007, the Company completed a private placement of 12,783,750 non flow-through units at \$0.32, where each non-flow through unit consists of one non flow-through share and 1/2 of one common share purchase warrant.
- (5) In May, 2007, the Company completed a private placement of 9,637,119 flow-through units at \$0.38, where each flow-through unit consists of one flow-through share and 1/2 of one common share purchase warrant.

- (6) As a portion of the Company's financing issuing 12,783,750 non flow-through units and 9,637,119 flow-through units closed in May, 2007, compensation option units totalling 1,300,088 at \$0.32, where each option unit consists of one common share and ½ of one common share purchase warrant, were issued to Limited Market Dealer, Inc. and Fraser Mackenzie Limited.

EXPENDITURES ON RESOURCE PROPERTIES

The Company has retained an interest in, through option agreement or through staking, twenty one gold exploration properties distributed in 6 projects in Ontario and Quebec, Canada, inclusive of new acquisitions subsequent to year ended April 30, 2007. Because the properties have been acquired through

The following tables are a summary of the \$3,228,962 of gross expenditures accumulated by the Company with respect to the Company's mining rights on its eleven properties with additional \$26,297 on project generation research before recovery of grants of \$257,015 and Quebec refundable tax credits and mining duties in amount of \$623,639.

SUMMARY OF YEAR ENDED APRIL 30, 2007 PROPERTY EXPENDITURES

	Siscoe East ¹	Matachewan	Joannes ²	Quevillon	Gwillim	IAMGOLD	Aur
Opening Balance (As at May 1, 2006)	\$392,451	\$303,117	\$ 87,116	\$ 52,566	\$ 35,740	\$ -	\$ -
Acquisition cost	320,971	43,787	48,500			41,350	119,172
Assays & Reports	55,768				2,714		81,298
Consulting	30,393	-					
Geophysics	49,928	26,005	46,803	11,765	18,229	148,235	25,525
Research	3,783		1,820			11,761	0
Drilling	166,089	880	59,877			234,601	256,618
Geology and Geochemistry	11,073	31,019	27,083	14,821	18,785	25,985	153,946
General expenses	82,705	2,742	5,038	3,550	11,391	12,694	134,242
Staking Claims							7,915
Travel							9,111
Closing Balance (As at Apr. 30 2007)	\$1,113,161	\$407,550	\$276,237	\$82,702	\$86,859	\$474,626	\$787,827

Notes:

- (1) The Siscoe East Property consists of four separate property agreements as presented in the Financial Statements, Siscoe East, Stabell, Audet, and Niogold.
- (2) The Joannes Property consists of three separate property agreements as presented in the Financial Statements, Coyle-Tremblay, Salmasi-Greisbach, and Falconbridge Ltd. (Xstrata plc).

COURSE OF BUSINESS TRANSACTIONS

Related Party Transactions

During the year ended April 30, 2007, through the normal course of operations, the following related party transactions occurred:

- (i) Management and salaries totaling \$60,000 (2006 - \$56,000) were expensed or accrued to the President, Chief Financial Officer and Executive Vice President.

- (ii) Included in accounts payable and accrued liabilities is \$9,500 (2006 - \$32,000) representing unpaid management fees owing to the President of the Company. Also included in account payable and accrued liabilities is Nil (2006 - \$32,000) representing unpaid management fees owing to the Executive Vice President of the Company.

Contractual Obligations

- (i) The Company is obligated to incur an additional \$300,000 in exploration expenditures and issue 50,000 common shares of the Company before December 31, 2009 pursuant to an Earn-In Agreement with Carmax Explorations Ltd. See note 5(ii) in the Financial Statements.
- (ii) The Company is obligated to incur an additional \$50,000 in exploration expenditures before September 29, 2008 pursuant to an agreement on the Siscoe East property. See note 5(i) in the Financial Statements.
- (iii) The Company is obligated to incur an additional \$13,000 in exploration expenditures before May 12, 2008 pursuant to an agreement of the Gwillim property. See note 5(v) in the Financial Statements.
- (iv) The Company is obligated to incur an additional \$467,000 in exploration expenditures before July 10, 2010 pursuant to an agreement with Falconbridge Ltd. (now Xstrata plc). See note 5(xi) in the Financial Statements.
- (v) The Company was obligated to incur an additional \$1,425,000 in exploration expenditures and make a payment of \$65,000 before December 31, 2009 pursuant to the agreement of the IAMGOLD Properties. See note 5(ix) in the Financial Statements. This contract was superseded by a subsequent event (see below).
- (vi) The Company is obligated to incur an additional \$2,212,000 in exploration expenditures, make a payment of \$150,000 and issue common shares of the Company with an equivalent value of \$250,000 before July 31, 2011 pursuant to the agreement of the Aur Properties. See note 5(x) in the Financial Statements.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the period. Critical accounting estimates used in the preparation of the financial statements include the Company's estimate of recoverable value on its exploration properties as well as the value of stock-based compensation. Both of these estimates involve considerable judgement and are, or could be, affected by significant factors that are out of the Company's control.

The Company's recorded value of its exploration properties is based on historical costs that expect to be recovered in the future. The Company's recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. Risk factors related to property valuation are discussed below.

The factors affecting stock-based compensation include estimates of when stock options might be exercised and the stock price volatility. The timing of exercise of options is out of the Company's control and will depend, among other things, upon a variety of factors including market value of the Company's shares and financial objectives of the holders of the options. The Company has used historical data to determine volatility in accordance with Black-Scholes modeling, however, the future volatility is inherently uncertain and the model has its limitations. While these estimates can have a material impact on the stock-based compensation and hence results of operations, there is no impact on the Company's financial condition.

RISK FACTORS

The principal activity of Alexandria is mineral exploration and it is inherently risky. Exploration is also capital intensive and the Company currently has no source of income. There can be no assurance that any funding required by the Company will become available to it, and if so, that it will be offered on reasonable terms, or that the Company will be able to secure such funding through third party financing or cost sharing arrangements. Furthermore, there is no assurance that the Company will be able to secure new mineral properties or projects, or that they can be secured on competitive terms.

The Company has not determined whether its properties contain reserves that are economically viable. The recovery of expenditures from Alexandria's properties is dependent on a number of factors, many of which are beyond the Company's control. Risks include metal price fluctuations and the low success rate for the discovery of new deposits. Industry competitions and lack of funding may also limit opportunities. Future political, regulatory and environmental changes could affect any aspect of the company's business including property title, taxation, aboriginal issues and environmental protection. Alexandria plans to manage these risks through careful planning, the employment of competent personnel and consultants and by maintaining sufficient insurance and cash resources.

DISCLOSURE CONTROL RISKS

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosure. The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the effectiveness of our disclosure controls and procedures as of the date of this Management's Discussion and Analysis, that disclosure controls and procedures provide reasonable assurance that material information is made known to them by others within the Company. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

INTERNAL CONTROL RISKS

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). The design of our internal control over financial reporting was assessed as of the date of this MD&A. Management and the board of directors work to mitigate the risk of a material misstatement in financial reporting, however, there can be no assurance that this risk can be reduced to less than a remote likelihood of a material misstatement.

Segregation of Duties:

Control deficiencies have been identified within the Company's accounting and finance departments and its financial information systems over segregation of duties and user access respectively. Specifically, as is common for companies of this size, certain duties within the accounting and finance departments were not adequately segregated due to the small number of individuals employed in these areas. As the Company incurs future growth, we plan to expand the number of individuals involved in the accounting function. At the present time, the CEO and CFO oversee all material transactions and related accounting records. In addition, the Audit Committee reviews on a quarterly basis the financial statements and key risks of the Company and queries management about significant transactions, and there is daily oversight by the senior management of the Company.

Complex and Non-routine Transactions:

As required, the Company records complex and non-routine transactions. These sometimes are extremely technical in nature and require an in-depth understanding of GAAP. The Company's accounting staff has a reasonable knowledge of the rules related to GAAP; however, there is a risk that

the reporting and the transactions may not be recorded correctly, potentially resulting in material misstatement of the financial statements of the Company. To mitigate this risk, the Company consults with its third party expert advisors as needed in connection with the recording and reporting of complex and non-routine transactions. In addition, an annual audit is completed and presented to the Audit Committee for its review and approval. As the Company incurs future growth, we plan to expand the technical competence of the individuals involved in the accounting function.

OUTLOOK

Alexandria has enlarged its properties through acquisition, and the Company continues to pursue and research new opportunities with acquisition and staking. During the year ended April 30, 2007, Alexandria received significant exploration results from its properties, and continues to use these results to guide its exploration programs.

Alexandria is currently focused on an extensive drilling programme in the Val d'Or camp, intending to complete 15,000 m of drilling during 2007. In the current phase of drilling, the Company has completed 25 drill holes, and is drilling with two drill rigs operating on or near the Cadillac Break. To date, the exploration results the Company received indicate the presence of a large gold system in the western portion of its Cadillac Break properties. The Company's philosophy of active exploration will continue with aggressive field work including geophysical, geological and drilling activities.

Looking ahead, the Company's intent is to build upon this initial activity and in order to help Alexandria grow. While the Company's focus will remain on the southern Abitibi Belt, it will continue to examine rational and valuable opportunities elsewhere in Canada and the world.

Date: August 21, 2007