

## Management

Eric Owens – President and CEO  
Eddy Canova – Executive Vice President  
John Francis – CFO

## Board Of Directors

Eric Owens – President and CEO  
Eddy Canova – Executive Vice President  
Charles Page – Chair of Audit Committee  
Declan Costelloe  
Ed Stuart  
John Thomas  
John Yarnell – Chair of the Board

## Transfer Agent

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Toronto ON M5H 4H1 Tel: 416-361-0930

## Corporate Lawyers

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The Toronto Venture Exchange (symbol "AZX")

# ALEXANDRIA

Minerals Corporation



## 2008 Annual Report

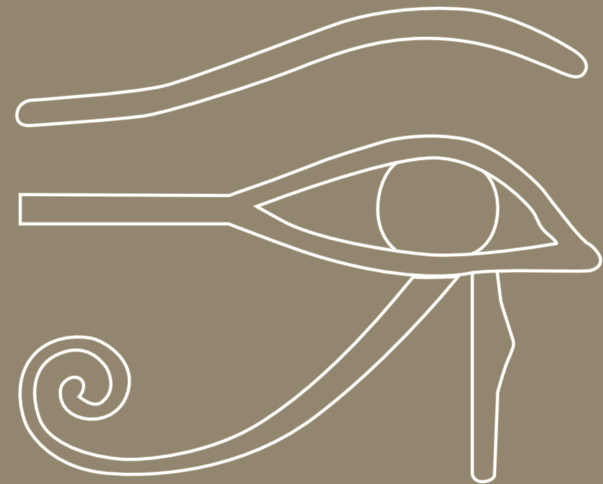


## Alexandria Minerals Corporation

### *Redefining The Abitibi Belt*

Alexandria Minerals is a junior resource company focused on acquiring and developing under-explored, high potential gold properties in the prolific Abitibi greenstone belt of eastern Canada. Intent on bringing a sizeable ore deposit to market, Alexandria is aggressively exploring various advance staged targets in and around the Val d'Or mining camp of northwestern Quebec.

Alexandria's management team has a wide array of industry experience, ranging from exploration to mining, as well as an extensive background in corporate finance. Alexandria Minerals is listed on the TSX Venture Exchange and trades under the symbol AZX.



**Alexandria Minerals Corporation**  
(Incorporated under the laws of Canada)

(A Development Stage Company)

**Financial Statements**

**April 30, 2008 and 2007**

June 26, 2008 except for Note 11 (c) which is as of July 22, 2008

## **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, 2008 and 2007 and the statements of (loss) and comprehensive (loss), cash flows and changes in shareholders' equity 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, 2008 and 2007 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)

(Expressed in Canadian Dollars)

## Balance Sheets

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	April 30,	
	2008	2007
<b>Assets</b>		
Current		
Cash	\$ 1,290,204	\$ 199,686
Quebec sales tax, GST and sundry receivable	569,912	171,094
Prepaid expenses	2,190	-
Quebec refundable tax credits and mining duties receivable (Note 2(b))	2,070,726	612,489
Short term investment (Note 3)	1,000,000	1,300,000
	<hr/>	<hr/>
	4,933,032	2,283,269
	<hr/>	<hr/>
Equipment (Note 4)	22,624	17,034
Mining rights and deferred exploration expenditures (Note 5)	6,672,176	2,374,605
	<hr/>	<hr/>
	\$ 11,627,832	\$ 4,674,908
	<hr/>	<hr/>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 743,864	\$ 662,264
	<hr/>	<hr/>
Future income tax (Note 7)	723,535	-
	<hr/>	<hr/>
	1,467,399	662,264
	<hr/>	<hr/>
<b>Shareholders' Equity</b>		
Share capital (Note 6(b))	8,098,714	2,831,696
Warrants (Note 6(d))	1,604,765	2,317,075
Contributed surplus (Note 6(e))	3,308,113	530,392
(Deficit)	(2,851,159)	(1,666,519)
	<hr/>	<hr/>
	10,160,433	4,012,644
	<hr/>	<hr/>
	\$ 11,627,832	\$ 4,674,908
	<hr/>	<hr/>

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

Approved by the Board "Eric O. Owens" Director "Charles E. Page" Director

# Alexandria Minerals Corporation

(A Development Stage Company)

(Expressed in Canadian Dollars)

## Statements of (loss) and comprehensive (loss)

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	Year ended April 30,		Cumulative
	2008	2007	Since Inception on May 27, 2002
<b>Expenses</b>			
Stock-option compensation (Note 6(c))	\$ 560,507	\$ 496,078	\$ 1,090,899
Investor and public relations	277,823	174,327	499,248
Business development	86,131	152,468	389,509
Professional fees	192,388	132,673	637,532
Payroll	126,486	119,079	245,565
Office and general	211,498	115,813	470,864
Seminars and conferences	96,091	87,240	213,194
Management fees (Note 8)	139,885	61,787	365,206
Accounting and corporate services	74,462	39,992	159,491
Rent	21,104	17,913	74,608
Amortization	6,249	4,527	14,526
Interest and bank charges	26,346	3,803	40,937
General exploration	102,379	-	123,275
	1,921,349	1,405,700	4,324,854
Net operating (loss) before the following:	(1,921,349)	(1,405,700)	(4,324,854)
Interest income	169,340	45,741	215,081
(Loss) for the period before taxes	(1,752,009)	(1,359,959)	(4,109,773)
Future income tax recovery (Note 7)	567,369	598,537	1,258,614
<b>Net (loss) for the period</b>	<b>(1,184,640)</b>	<b>(761,422)</b>	<b>(2,851,159)</b>
Other comprehensive (loss)	-	-	-
Net (loss) and comprehensive (loss) for the period	(1,184,640)	(761,422)	(2,851,159)
<b>Basic and diluted (loss) per share (Note 6(f))</b>	<b>\$ (0.02)</b>	<b>\$ (0.03)</b>	

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

# Alexandria Minerals Corporation

(A Development Stage Company)

(Expressed in Canadian Dollars)

## Statements of Cash Flows

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	Year ended April 30,		Cumulative Since Inception on May 27, 2002
	2008	2007	
<b>Cash flows from operating activities</b>			
Net (loss) for the period	\$ (1,184,640)	\$ (761,422)	\$ (2,851,159)
Adjustment for:			
Stock-option compensation (Note 6(c))	560,507	496,078	1,090,899
Amortization	6,249	4,527	14,526
Future income tax recovery (Note 7)	(567,369)	(598,537)	(1,258,614)
Changes in non-cash working capital items:			
Sundry receivable	(398,818)	(135,602)	(569,912)
Prepaid expenses	(2,190)	-	(2,190)
Quebec refundable tax credit and mining duty receivable	(1,458,237)	(406,526)	(1,864,763)
Accounts payable & accrued liabilities	81,600	388,289	743,865
<b>Cash flows (used in) operating activities</b>	<b>(2,962,898)</b>	<b>(1,013,193)</b>	<b>(4,697,348)</b>
<b>Cash flows from investing activities</b>			
Acquisition of mining rights	(173,600)	(141,530)	(673,003)
Exploration expenditures	(3,450,263)	(1,163,506)	(4,982,679)
Acquisition of equipment	(11,839)	(9,694)	(37,150)
Disposition (purchase) of short term investment	300,000	(600,000)	(1,000,000)
<b>Cash flows (used in) investing activities</b>	<b>(3,335,702)</b>	<b>(1,914,730)</b>	<b>(6,692,832)</b>
<b>Cash flows from financing activities</b>			
Promissory notes	-	(7,593)	100,175
Due to shareholder	-	(78,867)	50,000
Issue of common shares	7,752,905	3,099,690	12,017,789
Exercise of warrants	178,418	68,425	1,609,359
Share issuance costs	(542,205)	(211,893)	(1,096,939)
<b>Cash flows from financing activities</b>	<b>7,389,118</b>	<b>2,869,762</b>	<b>12,680,384</b>
<b>Change in cash during the period</b>	<b>1,090,518</b>	<b>(58,161)</b>	<b>1,290,204</b>
<b>Cash, beginning of period</b>	<b>199,686</b>	<b>257,847</b>	<b>-</b>
<b>Cash, end of period</b>	<b>\$ 1,290,204</b>	<b>\$ 199,686</b>	<b>\$ 1,290,204</b>
<b>Supplement schedule of non-cash transactions</b>			
Share issuance on acquisition of mining rights, (Note 5(ii)(vi))	\$ 673,708	\$ 432,250	\$ 1,222,458
Share issue on conversion of debenture (Note 6(b)(3))	\$ -	\$ 50,000	\$ 100,175
Share issue on repayment of shareholders loan	\$ -	\$ -	\$ 6,257,752

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

# Alexandria Minerals Corporation

(A Development Stage Company)

(Expressed in Canadian Dollars)

## Statements of Changes in Shareholders' Equity

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	Year ended April 30,		Cumulative
	2008	2007	Since Inception on May 27, 2002
<b>Share Capital</b>			
Balance, beginning of period	\$ 2,831,696	\$ 766,500	\$ 1
Shares issued for cash	-	-	574,224
Non-flow through shares issued for cash	4,090,800	1,442,610	5,716,395
Fair value of warrants issued	(703,106)	(383,313)	(1,224,268)
Flow through shares issued for cash	3,662,105	1,657,080	5,574,185
Fair value of warrants issued	(713,147)	(414,270)	(1,127,417)
Non-flow through IPO	-	-	1,512,500
Warrant valuation	-	-	(1,188,000)
Shares issued to brokers as compensation	-	24,226	24,226
Shares issued on conversion of debenture	-	50,000	100,175
Shares issued on repayment of shareholder loan	-	-	50,000
Warrant valuation - repayment of shareholder loan	-	-	(36,667)
Issuance of shares for mining rights	673,708	432,250	1,222,458
Exercise of warrants	178,418	68,425	251,823
Exercise of warrants - valuation	99,861	29,074	128,935
Share issuance costs - non-cash	(188,512)	(30,456)	(218,968)
Share issuance costs - cash	(542,205)	(211,893)	(1,278,739)
Renunciation of flow through expenditures	(1,290,904)	(598,537)	(1,982,149)
Balance, end of period	\$ 8,098,714	\$ 2,831,696	\$ 8,098,714
<b>Warrants</b>			
Balance, beginning of period	\$ 2,317,075	\$ 1,542,336	\$ -
Warrants issued on private placement	1,416,253	797,583	2,351,685
Warrants issued pursuant to IPO	-	-	1,188,000
Warrants issued as part of debt settlement	-	-	36,667
Broker warrants issued on private placement	188,512	6,230	376,542
Warrants exercised	(99,861)	(29,074)	(130,915)
Warrants expired	(2,217,214)	-	(2,217,214)
Balance, end of period	\$ 1,604,765	\$ 2,317,075	\$ 1,604,765
<b>Contributed Surplus</b>			
Balance, beginning of period	\$ 530,392	\$ 34,314	\$ -
Stock option expensed	560,507	496,078	1,090,899
Fair value of warrants expired	2,217,214	-	2,217,214
Balance, end of period	\$ 3,308,113	\$ 530,392	\$ 3,308,113
<b>Deficit</b>			
Balance, beginning of period	\$ (1,666,519)	\$ (905,097)	\$ -
Net (loss) for period	(1,184,640)	(761,422)	(2,851,159)
Balance, end of period	\$ (2,851,159)	\$ (1,666,519)	\$ (2,851,159)

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

# Alexandria Minerals Corporation

(A Development Stage Company)

(Expressed in Canadian Dollars)

## Notes to Financial Statements

April 30, 2008 and 2007

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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) Quebec refundable tax credits and mining duties receivable

The Company is entitled to a credit on duties refundable for loss under the Mining Duties Act. This credit on duties refundable for loss on exploration costs incurred in the Province of Quebec at the rate of 12% has been applied against the costs incurred (Note 5).

Furthermore, the Company is entitled to a refundable tax credit for resources for mining companies on qualified expenditures incurred. The refundable tax credit for resources may reach 35% or 38.75% of qualified expenditures incurred. This tax credit has been applied against the costs incurred (Note 5).

#### (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.

# Alexandria Minerals Corporation

(A Development Stage Company)

(Expressed in Canadian Dollars)

## Notes to Financial Statements

April 30, 2008 and 2007

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### 2. Significant accounting policies (Continued)

#### (d) Asset retirement obligations (Continued)

As at April 30, 2008, the Company has not incurred or committed any asset retirement obligations related to its exploration properties.

#### (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 rates:

Computer equipment	30%
Office equipment	20%
Mobile equipment	30%

#### (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.

# Alexandria Minerals Corporation

(A Development Stage Company)

(Expressed in Canadian Dollars)

## Notes to Financial Statements

April 30, 2008 and 2007

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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 original maturity greater than three months but less than one year.

#### (m) Financial Instruments, comprehensive income and hedges

The Canadian Institute of Chartered Accountants ("CICA") issued Handbook Sections 1530, "Comprehensive Income", Section 3251 "Equity", Section 3855, "Financial Instruments - Recognition and Measurement", Section 3861, "Financial Instruments - Disclosure and Presentation" and Section 3865, "Hedges." These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis; accordingly, comparative amounts for prior periods have not been restated. The Company has adopted these new standards effective May 1, 2007.

Section 1530 establishes standards for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net income calculated in accordance with GAAP.

Section 3855 prescribes when a financial asset, financial liability or non-financial derivative is to be recognized on the balance sheet and at what amount, requiring fair value or cost-based measures under different circumstances. Under Section 3855, financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings.

# Alexandria Minerals Corporation

(A Development Stage Company)

(Expressed in Canadian Dollars)

## Notes to Financial Statements

April 30, 2008 and 2007

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### 2. Significant accounting policies (Continued)

#### (m) Financial Instruments, comprehensive income and hedges (continued)

Section 3861 establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures have not been restated except for the requirement to restate currency translation adjustments as part of other comprehensive income. Section 3865 describes when and how hedge accounting can be applied as well as the disclosure requirements. Hedge accounting enables the recording of gains, losses, revenues and expenses from derivative financial instruments in the same period as for those related to the hedged item.

Under adoption of these new standards, the Company designated its cash and guaranteed investment certificates as held-for-trading, which are measured at fair value. Sundry receivables and Quebec refundable tax credits and mining duties refund are classified as loans and receivables, which are measured at amortized cost and accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The Company has evaluated the impact of these new standards on its financial statements and determined that no adjustments are currently required.

#### (n) Accounting Policy Choice for Transaction Costs

On June 1, 2007, the Emerging Issues Committee of the CICA issued Abstract No. 166, Accounting Policy Choice for Transaction Costs (EIC-166). This EIC addresses the accounting policy choice of expensing or adding transaction costs related to the acquisition of financial assets and financial liabilities that are classified as other than held-for-trading. Specifically, it requires that the same accounting policy choice be applied to all similar financial instruments classified as other than held-for-trading, but permits a different policy choice for financial instruments that are not similar. The Company has adopted EIC-166 effective October 31, 2007 and requires retroactive application to all transaction costs accounted for in accordance with CICA Handbook Section 3855, Financial Instruments - Recognition and Measurement. The Company has evaluated the impact of EIC-166 and has determined that no adjustments are currently required.

#### (o) Accounting changes

In July 2006, the Accounting Standards Board ("AcSB") issued a replacement of The Canadian Institute of Chartered Accountants' Handbook ("CICA Handbook") Section 1506, Accounting Changes. The new standard allows for voluntary changes in accounting policy only when they result in the financial statements providing reliable and more relevant information, requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively and calls for enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements. The impact that the adoption of Section 1506 will have on the Company's results of operations and financial condition will depend on the nature of future accounting changes.

# Alexandria Minerals Corporation

(A Development Stage Company)

(Expressed in Canadian Dollars)

## Notes to Financial Statements

April 30, 2008 and 2007

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### 2. Significant accounting policies (Continued)

#### (p) Future accounting changes

##### Capital Disclosures and Financial Instruments – Disclosures and Presentation

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. These new standards are effective for interim and annual financial statements for the Company's reporting period beginning on May 1, 2008.

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments — Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

##### International Financial Reporting Standards ("IFRS")

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of IFRS on its financial statements.

# Alexandria Minerals Corporation

(A Development Stage Company)

(Expressed in Canadian Dollars)

## Notes to Financial Statements

April 30, 2008 and 2007

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### 3. Short term investment

2008	Maturity date	Interest rate	Cost
Royal Bank Guaranteed Investment Certificate	May 22, 2008	4.00%	\$ 1,000,000
Carrying value of short term investments as at April 30, 2008			\$ 1,000,000

2007	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

### 4. Equipment

	April 30, 2008		April 30, 2007	
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 22,715	\$ 10,333	\$ 12,382	\$ 11,137
Office equipment	8,935	3,368	5,567	5,897
Mobile equipment	5,500	825	4,675	-
	\$ 37,150	\$ 14,526	\$ 22,624	\$ 17,034

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

# Alexandria Minerals Corporation

(A Development Stage Company)

(Expressed in Canadian Dollars)

## Notes to Financial Statements

April 30, 2008 and 2007

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### 5. Mining rights and deferred exploration expenditures

During the year, the Company paid \$173,600 (2007 - \$141,530) in cash and issued common shares of the Company equivalent to \$673,708 (2007 - \$432,250) to acquire mining rights, and incurred \$3,450,263 (2007 - \$1,163,506) in exploration expenditures. As at April 30, 2008, the Company has acquired, or has acquired options to acquire interests in the following properties:

	<u>2008</u>	<u>2007</u>	<u>Cumulative since inception on May 27, 2002</u>
<b>Siscoe East Property (i)</b>			
Opening balance	\$ 1,113,161	\$ 392,451	\$ -
Staking/claims	2,331	-	5,103
Acquisition costs	10,616	320,971	468,761
Assays	437	55,768	56,205
Consulting	-	30,393	55,518
Drilling	10,168	166,089	176,257
Geophysics	4,950	49,928	253,131
Geology and geochemistry	7,246	11,073	18,319
Research	-	3,783	7,200
General expenses	<u>38,370</u>	<u>82,705</u>	<u>146,785</u>
Closing balance	<u>1,187,279</u>	<u>1,113,161</u>	<u>1,187,279</u>
<b>Matatchewan Property (ii)</b>			
Opening balance	407,550	303,117	-
Staking/claims	14,192	-	14,192
Acquisition costs	74,250	43,787	288,463
Assays	22,391	-	22,391
Consulting	-	-	9,125
Drilling	215,692	880	296,619
Geophysics	87,510	26,005	141,846
Geology and geochemistry	84,026	31,019	125,074
General	<u>92,557</u>	<u>2,742</u>	<u>100,458</u>
Closing balance	<u>998,168</u>	<u>407,550</u>	<u>998,168</u>
<b>Joannes Township Property (iii)</b>			
Opening balance	243,558	87,116	-
Acquisition costs	-	48,500	96,165
Drilling	167	59,877	60,044
Geophysics	1,600	15,079	37,340
Geology and geochemistry	7,861	26,680	34,634
Research	-	1,820	2,568
General	<u>19,517</u>	<u>4,486</u>	<u>41,952</u>
Closing balance	<u>272,703</u>	<u>243,558</u>	<u>272,703</u>

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### 5. Mining rights and deferred exploration expenditures (Continued)

	<u>2008</u>	<u>2007</u>	<u>Cumulative since inception on May 27, 2002</u>
<b>Falconbridge Limited (recently acquired by Xstrata plc) Property (iii)</b>			
Opening balance	32,679	-	-
Geophysics	54,723	31,724	86,447
Geology and geochemistry	43,608	403	44,011
Staking claims	1,036	-	1,036
Assays & maps	4,241	-	4,241
General	<u>34,692</u>	<u>552</u>	<u>35,244</u>
	<u>170,979</u>	<u>32,679</u>	<u>170,979</u>
<b>Quevillon Property (iv)</b>			
Opening balance	82,702	52,566	-
Acquisition costs	-	-	17,701
Staking/claims	315	-	315
Assays	681	-	681
General expenses	4,696	3,550	10,006
Geophysics	-	11,765	44,870
Geology and geochemistry	<u>5,883</u>	<u>14,821</u>	<u>20,704</u>
Closing balance	<u>94,277</u>	<u>82,702</u>	<u>94,277</u>
<b>Gwillim Property (v)</b>			
Opening balance	86,859	35,740	-
Acquisition costs	-	-	23,407
Reports	-	2,714	5,065
Geophysics	\$ -	18,229	26,205
Geology and geochemistry	17,393	18,785	37,270
General	<u>15,178</u>	<u>11,391</u>	<u>27,483</u>
Closing balance	<u>\$ 119,430</u>	<u>86,859</u>	<u>119,430</u>
<b>Cadillac Break Properties (vi)</b>			
Opening balance	1,262,453	-	-
Acquisition costs	762,436	160,522	922,958
Assays and maps	353,140	81,298	434,438
Drilling	2,599,630	491,219	3,090,849
Geophysics	354,296	173,760	528,056
Geology and geochemistry	551,736	179,931	731,667
Research	-	11,761	11,761
Staking claims	7,409	7,915	15,324
Travel	111,533	9,111	120,644
General	<u>621,552</u>	<u>146,936</u>	<u>768,488</u>
Closing balance	<u>6,624,185</u>	<u>1,262,453</u>	<u>6,624,185</u>

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### 5. Mining rights and deferred exploration expenditures (Continued)

	<u>2008</u>	<u>2007</u>	<u>Cumulative since inception on May 27, 2002</u>
Project Generation Research	<u>63,064</u>	<u>26,297</u>	<u>63,064</u>
	<u>9,530,085</u>	<u>3,255,259</u>	<u>9,530,085</u>
Less: Grant	(776,033)	(257,015)	(776,033)
Quebec refundable tax credits and mining duty refunds	<u>(2,081,876)</u>	<u>(623,639)</u>	<u>(2,081,876)</u>
	<u>\$ 6,672,176</u>	<u>\$ 2,374,605</u>	<u>\$ 6,672,176</u>

The Company has retained an interest in, through option agreements or through staking, thirteen 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.

#### (i) Siscoe East Property

The Siscoe East Property is located in Dubuisson Township near Val d'Or, Quebec. The property is comprised of 61 claims owned 100% by the Company, and an additional 37 claims on which the Company can earn a 70% interest from NioGold Mining Corporation. Of the first 61 claims, 48 are subject to a Net Smelter Return ("NSR") of 2% and 13 claims are subject to a sliding NSR payable to Virginia Mines Inc. as follows: 1) 2% NSR if gold price is less than US \$325 per ounce, 2) 2.5% NSR if gold price is between US \$325 and US \$375 per ounce and 3) 3% NSR if gold price is more than US \$375 per ounce.

To earn its 70% interest in the 37 NioGold claims, the Company must complete the following terms: 1) issue to NioGold 100,000 common shares from the Company's treasury stock (completed), 2) expend \$15,000 on exploration by December 10, 2006 (completed), and 3) expend a further \$50,000 on exploration by September 29, 2008.

The Company has numerous geophysical and geological targets on the property, some of which have been tested by a 2,750 metre drill programme completed in the summer of 2006.

In a subsequent event, on June 25, 2008, the company has signed an agreement giving NioGold the right to earn 50% on all claims (See Note 10).

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### 5. Mining rights and deferred exploration expenditures (Continued)

#### (ii) Matachewan Property

The Matachewan Property is located in Cairo and Flavelle Townships, near Matachewan, Ontario. The property consists of 34 mineral claims on which the Company owns 100% mineral rights, subject to 2% NSR.

On February 19, 2008, the Company expanded its Matachewan Property by signing an agreement with Fred Kiernicki to purchase nine mineral claims adjacent to its Matachewan property along the Cadillac Break. Under the terms of the agreement, the Company has the right to earn a 100% interest in the nine claims by completion of the following: 1) paying \$25,000 upon signing, 2) issuing 125,000 common shares of the Company (valued at \$27,250), and 3) paying an additional \$22,000 by June 21, 2008 (completed).

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 70% interest in the nine claims by completion of the following: 1) paying \$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 satisfy prior commitments (completed), and 4) issuing 50,000 common shares of the Company (valued at \$11,000) (completed). 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%.

#### (iii) Joannes Township Property

The Company owns 100% interest in 19 mineral claims located in the Joannes Township, Quebec approximately 15 km east of Noranda, subject to a 2% NSR. The property straddles about 7 km of Cadillac Break, adjacent to the Joanne gold deposit of Mines Aurizon Ltee.

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

#### (iv) Quevillon Property

The Company owns 100% interest in this property consisting of 29 claims located in Quevillon Township, Quebec about 2 km west of the community of Lebel Sur Quevillon, 100 km NE of Val-d'Or.

#### (v) Gwillim Property

The Gwillim property is comprised of 48 mineral claims, 11 of these claims are subject to 2% NSR, in Barlow Township, Chibougamou Mining District, Quebec, of which the Company owns 100% mineral rights.

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### 5. Mining rights and deferred exploration expenditures (Continued)

#### (vi) Cadillac Break Properties

The Cadillac Break Property Group is a group of 18 properties stretching more than 30 km over Bourlamaque, Louvicourt, and Vauquelin Townships, in the Val d' Or Mining District Quebec. The 18 properties are: 1) Airport, Ducros, Lourmet, Mid-Canada, Oramaque, Orenada, Orcour, Sabourin Creek, Trivio, Vaumon (formerly known as the Aur Properties; 2) Akasaba, Bloc Sud West, Sleepy, Bloc Sud Trivio (formerly the IAMGOLD Properties); and the Robert, Deckeyser, Orenada Extension, and New Claims properties. Except for the Robert property, the Company holds 100% interest in all claims within these property groups, subject to a 2% NSR.

On February 25, 2008, the Company completed a NI 43-101 report on these properties.

Pursuant to a Letter of Intent dated May 1, 2007 and amended May 17, 2007 and a Purchase and Sale Agreement executed on June 22, 2007 between the Company and IAMGOLD, the Company is now purchasing a 100% interest in the four properties. This agreement will supersede all conditions of the prior Earn-In agreement. IAMGOLD will retain a 2% (NSR), but the Company may purchase ½ of the NSR, or 1%, for \$500,000. Consideration is as follows:

- (a) \$83,333 in cash and within 10 days of exchange acceptance of the agreement for filing the issuance of 263,713 common shares valued at \$83,333 (completed).
- (b) \$166,667 in cash and/or common shares upon the first anniversary of signing of which the deemed value per share will be subject to a floor price of not less than \$0.26 (accrued).
- (c) \$166,667 in cash and/or common shares upon the second anniversary of signing of which the deemed value per share will be subject to a floor price of not less than \$0.26 (accrued).

On July 31, 2007, 157,233 common shares of the Company (valued at \$50,000) were issued to Aur Resources Inc. to comply with the option agreement signed on July 31, 2006 for the ten Aur Properties.

On April 8, 2008 the agreement was amended and 3,000,000 Company treasury shares (valued at \$450,000) were issued in exchange for 100% interest in the properties.

The Company can earn 100% in 11 mineral claims by completing the following commitments: 1) Initial cash payment of \$10,000 (paid), 2) issuance of 75,000 common shares of the Company to Deckeyser upon signing (issued and valued at \$16,125), and 3) aggregate of \$25,000 in exploration expenditures on or before September 12, 2010. The Company has also staked an additional 25 claims adjacent to the Deckeyser claims in Louvicourt Township, as well as 18 claims adjacent to its Orenada property in Bourlamaque Township, bringing the number of claims to 529 stretching over 32 km in the Company's Cadillac Break property group.

On May 9, 2007, the Company signed an option agreement to earn 100% in 19 claims in Bourlamaque Township (the "Robert Property"). The terms of the agreement are: 1) Initial cash payment of \$15,000 (paid), and 2) issuance of 200,000 common shares of the Company (100,000 issued and valued at \$36,000) and 50,000 shares issued at each of the first and second anniversary of signing.

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### 6. Share capital

(a) Authorized  
Unlimited

(b) Issued

	Number of Shares	Stated Value
<b>Balance, May 27, 2002 (Date of incorporation)</b>	1	\$ 1
Shares issued for cash	4,922,150	46,260
<b>Balance, April 30, 2003</b>	4,922,151	46,261
Shares issued for cash	3,693,700	508,598
Issuance of shares for mineral rights	400,000	20,000
<b>Balance, April 30, 2004</b>	9,015,851	574,859
Shares issued for cash	103,700	19,366
Issuance of shares for mineral rights	300,000	58,000
<b>Balance, April 30, 2005</b>	9,419,551	652,225
Flow through shares issued for cash	2,000,000	240,000
Issuance of shares for mineral rights	125,000	22,500
Non-flow through shares issued for cash	1,219,900	182,985
Flow through shares issued for cash	100,000	15,000
Warrant valuation	-	(137,849)
Shares issued on conversion of debenture	393,213	50,175
Shares issued on repayment of shareholders loan	333,333	50,000
Warrant valuation	-	(36,667)
Flow-through renunciation	-	(92,708)
Non-flow through IPO	6,050,000	1,512,500
Warrant valuation	-	(1,188,000)
Exercise of warrants	10,000	4,980
Issued of shares for mineral rights	50,000	16,000
Share issuance costs	-	(524,641)
<b>Balance, April 30, 2006</b>	19,700,997	766,500

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## Notes to Financial Statements

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### 6. Share capital (Continued)

#### (b) Issued (continued)

	Number of Shares	Stated Value
<b>Balance, April 30, 2006</b>	19,700,997	766,500
Non-flow through shares issued for cash (1)	1,699,666	509,900
Warrant valuation (1)	-	(142,772)
Non-flow through shares issued for cash (2)	4,909,000	932,710
Warrant valuation (2)	-	(240,541)
Shares issued to brokers as compensation (2)	115,480	21,941
Flow through shares issued for cash (2)	6,904,499	1,657,080
Warrant valuation (2)	-	(414,270)
Shares issued to brokers as compensation (2)	9,520	2,285
Flow-through tax effect (2)	-	(598,537)
Issuance of shares for mining rights (Note 5(ii))	50,000	14,750
Issuance of shares for mining rights	75,000	24,000
Issuance of shares for mining rights	1,000,000	300,000
Issuance of shares for mining rights	265,674	50,000
Issuance of shares for mining rights	100,000	23,000
Issuance of shares for mining rights	100,000	20,500
Shares issued on conversion of debenture	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)
<b>Balance, April 30, 2007</b>	35,668,336	2,831,696
Non-flow through shares issued for cash (3)	12,783,750	4,090,800
Fair value of warrants issued (3)	-	(703,106)
Flow-through shares issued for cash (3)	9,637,119	3,662,105
Fair value of warrants issued (3)	-	(713,147)
Share issuance costs - non-cash (3)	-	(188,512)
Share issuance costs - cash	-	(542,205)
Issuance of shares for mining rights (Note 5(vi))	100,000	36,000
Issuance of shares for mining rights (Note 5(vi))	263,713	83,333
Issuance of shares for mining rights (Note 5(vi))	157,233	50,000
Issuance of shares for mining rights (Note 5(ii))	50,000	11,000
Issuance of shares for mining rights (Note 5(vi))	75,000	16,125
Issuance of shares for mining rights (Note 5(ii))	125,000	27,250
Issuance of shares for mining rights (Note 5(vi))	3,000,000	450,000
Exercise of warrants	639,720	178,418
Fair value of warrants issued	-	99,861
Renunciation of flow-through expenditures (4)	-	(1,290,904)
<b>Balance, April 30, 2008</b>	<b>62,499,871</b>	<b>\$ 8,098,714</b>

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## Notes to Financial Statements

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### 6. Share capital (Continued)

#### (b) Issued (continued)

- (1) 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.

- (2) 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.

# Alexandria Minerals Corporation

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### 6. Share capital (Continued)

#### (b) Issued (continued)

- (3) The Corporation completed a private placement of 12,783,750 non flow-through units for gross proceeds of \$4,090,800 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 for gross proceeds of \$3,662,105, 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.

#### Non flow-through

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: expected 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.

#### Flow-through

The fair value of the 4,818,558 flow-through warrants was estimated using the Black-Scholes option pricing model based on the following assumptions: expected 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.

#### Finder's fees

A finders fee of \$72,500 was paid to First Canadian Securities and \$320,827 was paid to Fraser Mackenzie Limited. Also, broker warrants totaling 1,300,088 were issued as follows: 267,105 broker warrants to Limited Market Dealer Inc. and 1,032,983 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.

# Alexandria Minerals Corporation

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## Notes to Financial Statements

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### 6. Share capital (Continued)

#### (b) Issued (continued)

##### Fair value

The fair value of the 1,300,088 broker warrants was estimated using the Black-Scholes option pricing model based on the following assumptions: expected 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 \$188,512 was estimated.

- (4) On February 24, 2008, the Company renounced the flow-through expenses resulting from the exercise of flow-through shares. Pursuant to the terms of the flow-through share agreements, the tax attributes of the related expenditures are renounced to subscribers. As a result, the Company was required to recognize a foregone tax benefit of \$1,290,904 at the time of renouncement.

#### (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, 2008 and 2007 are as follows:

	Number	2008 Weighted average exercise price per share	Number	2007 Weighted average exercise price per share
Outstanding, beginning of year	3,125,000	\$ 0.27	1,225,000	\$ 0.29
Activity in the year:				
Granted	2,805,000	0.21	1,900,000	0.26
Expired	(1,275,000)	0.29	-	-
Cancelled	(30,000)	-	-	-
Outstanding, end of the year	4,625,000	\$ 0.23	3,125,000	\$ 0.27
Options exercisable at year end	4,475,000		2,925,000	

The weighted average fair value of options granted during the year was \$0.20 (2007 - \$0.23).

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### 6. Share capital (Continued)

#### (c) Stock option plan (Continued)

As of April 30, 2008, 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>
April 12, 2011 (ii)	250,000	2.95 years	\$ 0.30	250,000	\$ 0.30
September 15, 2011 (iii)	20,000	3.38	0.23	20,000	0.23
October 19, 2011 (iv)	250,000	3.47	0.21	250,000	0.21
January 29, 2012 (v)	1,330,000	3.75	0.265	1,330,000	0.265
September 6, 2010 (vi)	40,000	2.35	0.26	40,000	0.26
November 2, 2008 (vii)	75,000	0.51	0.29	75,000	0.29
January 15, 2011 (viii)	235,000	2.71	0.21	85,000	0.21
January 15, 2013 (ix)	2,420,000	4.72	0.21	2,420,000	0.21
February 14, 2011 (x)	5,000	2.79	0.235	5,000	0.235
	4,625,000	4.00 years	\$ 0.23	4,475,000	\$ 0.23

During the year, 2,805,000 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, 2008, the following options were expensed.

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### 6. Share capital (Continued)

#### (c) Stock option plan (Continued)

Option grant date	Number of options expensed	Amount expensed
February 1, 2007 (i)	96,922	\$ 13,278
September 6, 2007 (vi)	70,000	9,380
November 2, 2007 (vii)	75,000	8,925
January 15, 2008 (viii)	85,000	27,199
January 15, 2008 (ix)	2,420,000	500,940
February 14, 2008 (x)	5,000	785
	<hr/> 2,751,922	<hr/> \$ 560,507

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
January 15, 2008(viii)	150,000	\$ 13,456

- (i) 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.
- (ii) 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.
- (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 212%; risk-free interest rate of 3.98% 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 4.01% 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 205%; risk-free interest rate of 4.07% and an expected average life of 5 years.
- (vi) The fair value of the stock option was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 74.60%; risk-free interest rate of 4.28% and an expected average life of 3 years.

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### 6. Share capital (Continued)

#### (c) Stock option plan (Continued)

- (vii) The fair value of the stock option was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 103.87%; risk-free interest rate of 4.17% and an expected average life of 1 year.
- (viii) The fair value of the stock option was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 152.27%; risk-free interest rate of 3.45% and an expected average life of 3 years.
- (ix) The fair value of the stock option was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 217.46%; risk-free interest rate of 3.45% and an expected average life of 5 years.
- (x) The fair value of the stock option was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 132%; risk-free interest rate of 3.17% and an expected average life of 3 years.

#### (d) Warrants

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

	<b>Number of Warrants</b>	<b>Stated Value</b>
Balance, May 27, 2002, April 30, 2003, 2004 and 2005	-	\$ -
Issued on private placement	1,219,900	137,849
Issued as part of debt settlement	333,333	36,667
Issued pursuant to the IPO	6,000,000	1,188,000
Broker warrants issued pursuant to the IPO	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 (i)	849,833	142,772
Issued on private placement (ii)	2,454,500	240,541
Broker warrants issued on private placement (ii)	57,740	5,659
Issued on private placement (ii)	3,452,250	414,270
Broker warrants issued on private placement (ii)	4,760	571
Warrants exercised	<u>(238,500)</u>	<u>(29,074)</u>
Balance, April 30, 2007	15,023,816	2,317,075
Issued on private placement (iii)	11,210,433	1,416,253
Broker warrants issued on private placement (iii)	1,300,088	188,512
Warrants exercised	(639,720)	(99,861)
Transfer to contributed surplus on expiry of warrants	<u>(14,384,096)</u>	<u>(2,217,214)</u>
Balance, April 30, 2008	<u>12,510,521</u>	<u>\$ 1,604,765</u>

# Alexandria Minerals Corporation

(A Development Stage Company)

(Expressed in Canadian Dollars)

## Notes to Financial Statements

April 30, 2008 and 2007

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### 6. Share capital (Continued)

#### (d) Warrants (continued)

- (i) See Note 6(b)(1) for warrant valuation
- (ii) See Note 6(b)(2) for warrant valuation
- (iii) See Note 6(b)(3) for warrant valuation

At April 30, 2008, 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:

	Value	Expiry date	Number of warrants	Exercise price
\$	836,506	May 17, 2008	6,635,129	\$ 0.48
	134,693	May 17, 2008	928,918	\$ 0.32
	579,747	May 18, 2008	4,575,304	\$ 0.48
	53,819	May 18, 2008	371,170	\$ 0.32
<hr/>				
\$	1,604,765		12,510,521	

#### (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
<hr/>	
Balance, April 30, 2006	34,314
Stock option expense	496,078
<hr/>	
Balance, April 30, 2007	530,392
Stock option expense (Note 6(c))	560,507
Warrants expired	2,217,214
<hr/>	
Balance, April 30, 2008	\$ 3,308,113

# Alexandria Minerals Corporation

(A Development Stage Company)

(Expressed in Canadian Dollars)

## Notes to Financial Statements

April 30, 2008 and 2007

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### 6. Share capital (Continued)

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

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

	<u>2008</u>	<u>2007</u>
Numerator:		
(Loss) for the year	\$ (1,184,640)	\$ (761,422)
Numerator for basic and diluted (loss) per share	(1,184,640)	(761,422)
Denominator:		
Weighted average number of common shares	58,229,686	29,776,988
Denominator for basic (loss) per share	58,229,686	29,776,988
Denominator for diluted (loss) per share	58,229,686	29,776,988
Basic (loss) per share	\$ (0.02)	\$ (0.03)
Diluted (loss) per share	\$ (0.02)	\$ (0.03)

- (i) The stock options and warrants were not included in the computation of diluted (loss) per share for 2007 and 2008 because their inclusion would be anti-dilutive.

### 7. 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>2008</u>	<u>2007</u>
Resource property	\$ (1,618,554)	\$ (598,537)
Mining rights	(87,501)	-
Non-capital losses used to reduce the future income tax liability	982,520	598,537
Net future income tax liability	\$ (723,535)	\$ -

# Alexandria Minerals Corporation

(A Development Stage Company)

(Expressed in Canadian Dollars)

## Notes to Financial Statements

April 30, 2008 and 2007

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### 7. Income taxes (continued)

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>2008</u>	<u>2007</u>
Non-capital loss carry-forwards	\$ -	\$ 124,224
Mining rights	-	30,648
Share issuance costs	202,431	135,530
<hr/>		
Total future tax assets	202,431	290,402
Valuation allowance	(202,431)	(290,402)
<hr/>		
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 April 30, 2008 and 2007 is as follows:

	<u>2008</u>	<u>2007</u>
Current income tax expense	\$ -	\$ -
Future income tax expense (recovery)	(567,369)	(598,537)
<hr/>		
Total income tax expense (recovery)	\$ (567,369)	\$ (598,537)

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

	<u>2008</u>	<u>2007</u>
(Loss) before income taxes	\$ (1,752,009)	\$ (1,359,959)
Income tax recovery at the combined federal and provincial rate of 35.25% (2007 - 36.12%)	(617,583)	(491,217)
Non-deductible stock-option compensation	197,579	179,183
Share issuance costs	(77,334)	(40,074)
Miscellaneous	11,771	2,240
Renunciation of flow-through shares	(1,290,904)	(598,537)
Change in future income tax liability	723,535	-
Potential income tax recovery not recognized	485,567	349,868
<hr/>		
Total income tax (recovery)	\$ (567,369)	\$ (598,537)

# Alexandria Minerals Corporation

(A Development Stage Company)

(Expressed in Canadian Dollars)

## Notes to Financial Statements

April 30, 2008 and 2007

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### 7. Income taxes (Continued)

The Company has non-capital loss carryforwards of approximately \$3,388,000, Canadian exploration and development expenditures of approximately \$2,900,000 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
2028		1,387,000
		<hr/>
		\$ 3,388,000

### 8. Related party transactions

Management fees totaling \$139,885 (2007 - \$60,000) were expensed or accrued to the President, Executive Vice President, Chief Financial Officer and Chairman of the Company.

Included in accounts payable and accrued liabilities is \$Nil (2007 - \$9,500) representing unpaid management fees owing to the President of the Company.

The Executive Vice President of the Company is one of the optionors in the Gwillim Property and charges the Company \$1,400 per month for the rent of premises in Val d'Or.

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.

### 9. Commitments

- (a) The Company is obligated to incur an additional \$15,400 in exploration expenditures before September 12, 2010 pursuant to the agreement of the Deckeyser Property (Note 5(vi)).
- (b) The Company is obligated to issue common shares of the Company with an equivalent value of \$333,334 before June 22, 2009, pursuant to the agreement of the IAMGOLD properties (Note 5(vi)).
- (c) The Company expects to complete its current drilling commitment, estimated to be approximately \$96,000 at the end of the fiscal year.
- (d) The Company is obligated under an operating lease for rental of office properties to an amount of approximately \$24,000 expiring May 31, 2009.

# Alexandria Minerals Corporation

(A Development Stage Company)

(Expressed in Canadian Dollars)

## Notes to Financial Statements

April 30, 2008 and 2007

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### 10. Segmented information

The Company's operations comprise a single reporting operating segment engaged in resource exploration. As the operations comprise a single reporting segment, amounts disclosed in the financial statements for (loss) and comprehensive (loss) for the period and (loss) per share also represent segment amounts.

All of the company's operations and assets are located in Canada.

### 11. Subsequent events

- (a) On June 4, 2008, the Company granted an aggregate of 380,000 incentive stock options exercisable at a price of \$0.21. Of these 370,000 are exercisable for a period of 5 years, of which 300,000 are to the Company's directors, the remainder issued to employees. The remaining 10,000 stock options, which are exercisable for 3 years, are to be issued to employees of the Company.
- (b) On June 25, 2008, the Company entered into a Joint Venture agreement with NioGold Mining Corporation, giving NioGold the right to earn 50% interest in the Siscoe East claims.
- (c) On July 22, 2008 the Company completed the first tranche of a private placement consisting of 9,723,078 Flow-Through ("FT") units, totaling \$1,264,000 priced at \$0.13 per unit, and 1,250,000 non Flow Through ("NFT") units, totaling \$125,000 priced at \$0.10 per unit. Each FT unit was comprised of one FT common share of the Company and one half common share purchase warrant, each warrant entitling the holder to acquire one additional NFT common share at \$0.25 for a period of two years. Each NFT unit was comprised of one NFT common share of the Company and one full common share purchase warrant, each warrant entitling the holder to acquire one additional NFT common share at \$0.23 for a period of two years.

**ALEXANDRIA MINERALS CORPORATION**  
**Management Discussion and Analysis**  
For the year ended April 30, 2008

This Management Discussion and Analysis (“MD&A”) of Alexandria Minerals Corporation (“Alexandria” or the “Company”) is dated July 24, 2008 and provides an analysis of the Company’s performance and financial condition for the year ended April 30, 2008 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, 2008 and 2007, 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](http://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., and Mr. Eric Owens, P.Geo., as the Qualified Persons (“QP”) for all properties as defined under National Instrument 43-101 (“NI 43-101”). Mr. Canova and Mr. Owens have read and approved the technical and scientific information contained in this MD&A. Disclosure on mineralization on adjacent properties has not been verified by either Mr. Canova or Mr. Owens and is not necessarily indicative of the Company’s anticipated results. To-date, the Company does not have a Current Mineral Resource as defined by NI 43-101 on any of its properties, as sufficient work has not been conducted to define a mineral resource. Where discussed below, potential quantity and grade identified as 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**

**Principle 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”.

Alexandria has 25 mineral properties in 5 areas throughout the Abitibi Belt in northern Quebec and Ontario, a mineral-rich geological region with an extensive mining history. In Val d’Or, Quebec, the Company’s holdings include the Siscoe East project and the Cadillac Break project. The Siscoe East project, located northwest of Val d’Or, is comprised of 95 claims on which Alexandria has recently signed an agreement giving NioGold Mining Corporation an option to earn 50%. The Cadillac Break Property Group with 538 claims consists of 18 individual properties located southeast of Val d’Or. The Company’s Joannes project, with 39 claims, located 50 kilometres (“km”) west of Val d’Or in Joannes

Township, consists of 3 properties straddling 7 km of the Cadillac Break. The Quevillon project (29 claims), located 100 km northeast of Val d'Or, and the Gwillim project (48 claims), located near Chibougamau, Quebec, round out the Company's Quebec mineral properties. In Ontario, the Company holds interests in one project near Matachewan, Ontario, with 58 claims, which encompasses 11 km along the Cadillac Break.

### **Financing**

On May 17, 2007 and May 18, 2007, Alexandria completed a private placement of 12,783,750 non-flow-through ("NFT") units at \$0.32 per unit, and 9,637,119 flow-through ("FT") units at \$0.38. Both NFT and FT units consisted of one common share plus ½ warrant, where 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 Company raised a total of \$7,752,905.

Following the year ended April 30, 2008, the Company completed the first tranche of a private placement on July 22, 2008 consisting of 9,723,078 Flow-Through ("FT") units, totaling \$1,264,000 priced at \$0.13 per unit, and 1,250,000 non Flow Through ("NFT") units, totaling \$125,000 priced at \$0.10 per unit. Each FT unit was comprised of one FT common share of the Company and one half common share purchase warrant, each warrant entitling the holder to acquire one additional NFT common share at \$0.25 for a period of two years. Each NFT unit was comprised of one NFT common share of the Company and one full common share purchase warrant, each warrant entitling the holder to acquire one additional NFT common share at \$0.23 for a period of two years.

### **Property Transactions**

On May 9, 2007, signed an agreement to earn 100% in 19 claims in Bourlamaque Township (the "Robert Property), enlarging its Cadillac Break Group of properties. The terms of the agreement are: 1) initial cash payment of \$15,000 (paid) ; and 2) issuance of 200,000 common shares of the Company to Optionors (100,000 issued) and 50,000 shares issued at each of the first (50,000 shares issued) and second anniversary of signing.

On June 22, 2007, Alexandria signed a purchase and sale agreement with IAMGOLD to acquire 100% interest, subject to a 2% NSR, in 4 properties within the Cadillac Break Property Group, on which the Company was previously earning a 50% interest. The properties are the Akasaba and the Bloc Sud West, Bloc Sud Trivio, and Sleepy properties. The terms of the new agreement are: 1) combined payment of cash and treasury shares equivalent to \$166,667 (completed), 2) payment of cash or shares equivalent to \$166,667 by June 22, 2008 (completed), and 3) payment of cash and shares equivalent to \$166,667 by June 22, 2009.

On December 4, 2007, Alexandria purchased 11 mineral claims adjacent to its Cadillac Break property group ("Deckeyser Agreement").

In February, 2008, the Company expanded its Matachewan property by purchasing 9 mineral claims adjacent to its property along the Cadillac Break in Cairo Township, Ontario.

On April 8, 2008, the Company entered into an agreement with Teck-Cominco Limited ("Teck") to earn 100% of 10 properties in the Cadillac Break Property Group by issuing to Teck 3,000,000 shares from Company treasury. This agreement supersedes the prior "Aur" agreement, and is subject to a 2.5% NSR, of which Alexandria may purchase 40% of the NSR for \$1,000,000.

Subsequent to April 30, 2008, Alexandria and NioGold Mining Corporation ("NioGold") signed an Option/Earn-In agreement on July 2, 2008 giving NioGold the right to earn 50% interest on Alexandria's Siscoe East property in Val d'Or. The terms of the agreement, are: 1) issuing to Alexandria 650,000 shares from NioGold treasury stock in three tranches by June 11, 2010; and 2) completing an aggregate of \$750,000 in exploration expenditures on the property by June 11, 2010.

### Exploration Activities

During the year ended April 30, 2008, Alexandria completed 75 diamond drill holes for a total of 28,299 m, principally on its Cadillac Break Property Group. Of these, 23 holes (9,394 m) were exploration holes on seven properties, and 52 holes (18,905 m) were focused in and around the historic gold deposit at Orenada 4 and Orenada 2. This work has identified 5 new targets on the Cadillac Break Property Group and on Matachewan, and the follow-up, detailed drilling at Orenada has enlarged those gold bearing zones substantially.

#### Matachewan Property, Ontario

The Matachewan Property is located in northeastern Ontario 3 km east of the Northgate Minerals Corporation's Young-Davidson gold deposit.

In 2008, Alexandria completed a 4-hole, 2,034 m program on the property, which included a new discovery of 2.25 g/t Au over 6.00 m (true with, 4.09 m) in DDH MAT-08-7, that included an interval assaying 4.39 g/t Au over 1.50 m (true width, 1.09 m). Alexandria is reviewing all drill results and exploration data in order to plan the next round of drilling on the property.

#### Joannes Township Property, Quebec

The Company completed 3 exploratory drill holes testing the Cadillac Break, yielding a number of anomalous intervals in hole JAX-07-01: 1.16 g/t Au over 1.99 m, 5.19 g/t Au over 0.68 m, 1.08 g/t Au over 2.39 m, and 1.69 g/t Au over 1.74 m. The Company is intending to drill test other targets on this property in the coming year.

#### Cadillac Break Properties, Val d'Or, Quebec

The Cadillac Break Property Group consists of 18 properties totalling 529 claims, formerly segregated into the "Aur", "IAMGOLD", "Robert" and "Deckeyser" properties. The property group extends for 32 km along the Cadillac Break southeast of Val d'Or and hosts 4 historic gold deposits (Orenada, Mid-Canada, Akasaba, and Sleepy), as well as numerous geophysical, geological and geochemical targets.

During the year ended April 30, 2008, exploration drilling on the Cadillac Break properties consisted of 4 holes (1,216 m) on the Airport property, 2 holes (776 m) on Mid-Canada, 4 holes (1,797 m) on Orenada, 2 holes (825 m) on Oramaque, 3 holes on Bloc Sud West, 5 holes (2,005 m) on Sleepy, and 2 holes (632 m) on Trivio. Although results are pending for the latter two properties, encouraging results from new areas have been reported on Bloc Sud West (1.97 g/t Au over 2.4 m), Oramaque (1.03 g/t Au over 15.19 m, including 1.97 g/t Au over 8.41 m), Airport (2.14 g/t Au over 2.29 m, including 9.35 g/t Au over 0.7 m), and Sleepy (3.35 g/t Au over 8.27 m and 3.50 g/t Au over 6.97 m). Alexandria has been reviewing and re-interpreting the historic exploration data on the Cadillac Break properties, and will continue a property-wide drilling programme to test selected targets.

At Orenada, where the Company focused much of its drilling, the gold-bearing zone at Orenada 4 has been expanded from an original 350 m long by 300 m depth through discovery of a 250 m long zone between 350 m depth and 480 m depth, with drill assays up to 3.24 g/t over 10.5 m. Gold mineralization remains open at depth and along strike at Orenada 4. At Orenada 2, the Company has identified two encouraging zones: 1) a 360 m long zone, open to the east, from surface to 120 m depth, with drill assays up to 2.19 g/t over 27.80 m (including 11.44 g/t Au over 4.63 m), and 2) a deeper zone, below 240 m depth, with assays of 0.5 g/t over 90.28 m and 4.12 g/t over 2.97 m. The next phase of drilling will target significant offset drill holes to test for size and grade potential at depth (below 500 m) and along strike.

**SELECTED ANNUAL INFORMATION**

	Year Ended Apr. 30, 2008 (\$)	Year Ended Apr. 30, 2007 (\$)	Year Ended Apr. 30, 2006 (\$)
Revenue	169,340	45,741	-
Net Loss	1,184,640	761,422	394,010
Loss Per Share	0.02	0.03	0.03
Cash	1,290,204	199,686	257,847
Cash Equivalents	1,000,000	1,300,000	700,000
Total Assets	11,627,832	4,674,908	1,848,488
Total Liabilities	1,467,399	662,264	410,435
Shareholders' Equity	10,160,433	4,012,644	1,438,053

**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, 2008, Alexandria incurred a net loss of \$1,184,640 versus a net loss of \$761,422 for the year ended April 30, 2007. The beneficial impact of the future income tax recovery of \$567,369 on the loss incurred during the year ended April 30, 2008 compares to a future income tax recovery for the year ended April 30, 2007 of \$598,537.

For the year ended April 30, 2008, Alexandria reported total expenses of \$1,921,349 (2007 - \$1,405,700). The increase of \$515,649 on expenses for the year ended April 30, 2008 was a result of: (1) stock based compensation increased by \$64,429 (2007 - \$496,078); (2) investor, public relations and conferences expenses increased by \$112,347 (2007 - \$261,567), which were for the Company's general business promotion, investor communications, ongoing media coverage and investment shows; (3) professional and management fees increased by \$137,813 (2007 - \$194,460), which include professional services provided by the management, legal counsel and auditor; (4) office and general increased by \$95,685 (2007 - \$115,813); (5) payroll increased by \$7,407 (2007 - \$119,079) paid to the employees of the Company; (6) accounting and corporate services increased by \$34,470 (2007 - \$39,992); and (7) interest and bank charges increased by \$22,543 (2007 - \$3,803).

As a result of the Company's exploration activities, Alexandria had expenses of \$102,379 (2007 - Nil) on general exploration.

**SELECTED QUARTERLY INFORMATION**

Three Months Ended	Interest Income	Net Income (loss)		Total Assets
		Total	Per Share	
2008-APR-30	\$ 32,415	\$ 199,547	\$ 0.00	\$ 11,627,832
2008-JAN-31	39,719	(809,178)	(0.01)	11,726,521
2007-OCT-31	54,633	(314,074)	(0.01)	11,454,002
2007-JUL-31	42,573	(260,935)	(0.00)	12,047,352
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

**LIQUIDITY AND CAPITAL RESOURCES**

The Company had \$4,189,168 in working capital as at April 30, 2008 (April 30, 2007 - \$1,621,005) with a cash balance of \$1,290,204 (April 30, 2007- \$199,686). The increase of \$2,568,163 in working capital was due primarily to financing activities and the increase in refundable tax credits and mining duties in Quebec arising from the exploration expenditures.

The Company's asset base as at April 30, 2008 has improved compared to its asset base as at April 30, 2007, due to the capital raised through private placements. Alexandria raised \$7,752,905 in gross proceeds from private placements, and \$178,418 through the exercise of warrants, during the most recently completed financial year. While Alexandria is dependant on the success of financing activities, the management of the Company intends to strictly control all expenses and focus on creating value for shareholders by exploring and developing high-grade gold properties.

**SHARE CAPITAL**

As at July 24, 2008, the Company's share position consisted of:

Shares outstanding	74,113,975
Options <sup>(i)</sup>	5,005,000
Warrants	6,111,539
	<hr/>
Fully Diluted	85,230,514

(i) Options outstanding as at July 24, 2008

Expiry Date	No. of Options	Exercise Price
November 2, 2008	75,000	\$0.29
September 6, 2010	40,000	\$0.26
April 12, 2011	250,000	\$0.30
September 15, 2011	20,000	\$0.23
October 19, 2011	250,000	\$0.21
January 15, 2011	235,000	\$0.21
February 14, 2011	5,000	\$0.235
June 4, 2011	10,000	\$0.21
January 29, 2012	1,330,000	\$0.265
January 15, 2013	2,420,000	\$0.21
June 4, 2013	370,000	\$0.21
<b>TOTAL</b>	<b>5,005,000</b>	

(ii) Warrants outstanding as at July 24, 2008

Expiry Date	Warrants	Exercise Price
July 18, 2010	1,250,000	\$0.23
July 18, 2010	4,861,539	\$0.25
<b>TOTAL</b>	<b>6,111,539</b>	

**EXPENDITURES ON RESOURCE PROPERTIES**

The Company has retained an interest in, through option agreement or through staking, twenty five gold exploration properties distributed among 6 projects in Ontario and Quebec, Canada. For the year ended April 30, 2008, the Company paid \$173,600 (2007 - \$141,530) in cash and issued common shares of the

Company equivalent to \$673,708 (2007 - \$432,250) to acquire mining rights, and incurred \$3,450,263 (2007 - \$1,163,506) in exploration expenditures.

The following tables are a summary of \$9,530,085 of gross expenditures accumulated by the Company with respect to the Company's mining rights on its properties, including Project Generation Research of \$63,064, before recovery of grants of \$776,033 and Quebec refundable tax credits and mining duties in amount of \$2,081,876.

**SUMMARY OF YEAR ENDED APRIL 30, 2008 PROPERTY EXPENDITURES**

	Siscoe East <sup>1</sup>	Matachewan	Joannes <sup>2</sup>	Quevillon	Gwillim	Cadillac Break <sup>(3)</sup>
Balance (Apr. 30, 2007)	\$ 1,113,161	\$ 407,550	\$ 276,237	\$ 82,702	\$ 86,859	\$1,262,453
Acquisition cost	10,616	74,250				762,436
Assays & Reports	437	22,391	4,241	681		353,140
Geophysics	4,950	87,510	56,323			354,296
Drilling	10,168	215,692	167			2,599,630
Geology and Geochemistry	7,246	84,026	51,469	5,883	17,393	551,736
General expenses	38,370	92557	54,209	4,696	15,178	621,552
Staking /Claims	2,331	14,192	1,036	315		7,409
Travel						111,533
Expenditures During Period	74,118	590,618	167,445	11,575	32,571	5,361,732
Balance (Apr. 30, 2008)	\$ 1,187,279	\$ 998,168	\$ 443,682	\$ 94,277	\$ 119,430	\$6,624,185

Notes:

- (1) The Siscoe East Property consists of four separate property agreements, namely, Siscoe East, Stabell, Audet, and Niogold.
- (2) The Joannes Property consists of three separate property agreements presented in the Financial Statements as the Joannes Township Property (Coyle-Tremblay and Salmasi-Greisbach Option Agreements), and, reported separately, the Falconbridge Limited Option Agreement.
- (3) The Cadillac Break Property Group consists of 18 properties as noted in the Financial Statements acquired through staking or property acquisition agreements.

**COURSE OF BUSINESS TRANSACTIONS**

**Related Party Transactions**

Management and salaries totalling \$139,885(2007 - \$60,000) were expensed or accrued to the President, Executive Vice President, Chief Financial officer and Chairman.

Included in accounts payable and accrued liabilities is \$Nil (2007 - \$9,500) representing unpaid management fees owing to the 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.

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 be the related parties.

## Commitments

- (i) As at April 30, 2008, the Company is obligated to incur an additional \$15,400 in exploration expenditures before September 12, 2010 pursuant to the agreement of the Deckeyser Property (see Note 5(vi) in the Financial Statements).
- (ii) As at July 24, 2008, the Company is obligated to issue common shares of the Company with an equivalent value of \$166,667 before June 22, 2009, pursuant to the agreement of the IAMGOLD properties (see Note 5(vi) in the Financial Statements).
- (iii) The Company is obligated under an operating lease for rental of office properties to an amount of approximately \$24,000 expiring May 31, 2009.
- (iv) The Company expects to complete its current drilling commitments, estimated to be approximately \$96,000 as at the end of the Fiscal Year.

## 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.

## FUTURE ACCOUNTING CHANGES

### Capital Disclosures and Financial Instruments - Disclosures and Presentation

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments - Disclosures, and Handbook Section 3863, Financial Instruments - Presentation. These new standards are effective for interim and annual financial statements for the Company's reporting period beginning on May 1, 2008.

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

#### International Financial Reporting Standards (“IFRS”)

In January 2006, the CICA’s Accounting Standards Board (“AcSB”) formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of IFRS on its financial statements.

#### **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.

#### **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”). 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:

Minor 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**

For the year ended April 30, 2008, Alexandria has considerably enlarged its asset base through financings and exploration, and has added to its properties through acquisition. Through its aggressive drilling and exploration programme, the Company has received significant exploration results from its properties, enlarging known gold zones and discovering new ones. The Company will continue these exploration programmes in order to maximize the potential for a significant discovery and to bring a deposit forward to a resource status.

The Company is currently focused on the Abitibi Belt in northern Quebec and Ontario, a prolific and mining-friendly area for mining and exploration companies. Recent mineral discoveries in the region show that the area continues to yield its mineral wealth to companies that are actively exploring and developing, and Alexandria considers its choice of locations one of the best in the world for success.

While the Company's focus will remain on the southern Abitibi Belt, it will continue to examine rational and valuable mineral opportunities elsewhere in Canada and the world. Alexandria intends to, through a combination of selective property acquisition and intelligent and aggressive exploration activities, continue to build productive and profitable assets.

Date: July 24, 2008