



ALEXANDRIA

MINERALS CORPORATION

Alexandria Minerals Corporation

Financial Statements

Years ended April 30, 2011 and 2010

(Expressed in Canadian Dollars)

(A Development Stage Company)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Alexandria Minerals Corporation (A Development Stage Company) were prepared by management in accordance with Canadian generally accepted accounting principles. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Independent Auditors' Report

To the Shareholders of
Alexandria Minerals Corporation

Report on the financial statements

We have audited the accompanying financial statements of Alexandria Minerals Corporation (“the Company”) which comprise the balance sheets as at April 30, 2011 and 2010 and the statements of loss, comprehensive loss, shareholders’ equity and cash flows for each of the years then ended and for the period from the date of date of inception of development stage on May 27, 2002 to April 30, 2011, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alexandria Minerals Corporation as at April 30, 2011 and 2010 and its results of operations and its cash flows for each of the years then ended and for the period from the date of inception of development stage on May 27, 2002 to April 30, 2011 in accordance with Canadian generally accepted accounting principles.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements which describes that the Company will require additional financing in order to fund its planned activities. This condition, along with other matters set out in note 1, indicates the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

Toronto, Canada
August 17, 2011

"McCarney Greenwood LLP"

McCarney Greenwood LLP
Chartered Accountants
Licensed Public Accountants

ALEXANDRIA MINERALS CORPORATION
BALANCE SHEETS
(Expressed in Canadian Dollars)
(A Development Stage Company)

As at April 30	2011	2010
	\$	\$
ASSETS		
Current assets		
Cash	910,112	1,036,098
Sales tax and sundry receivable	253,964	118,544
Prepaid expenses	11,901	22,984
Quebec refundable tax credits and mining duties refund receivable	2,212,259	1,428,307
Short-term investments (Note 5)	2,000,000	1,000,000
Investment in available-for-sale securities (Note 4 (b))	1,403,885	454,476
	6,792,121	4,060,409
Equipment (Note 6)	33,405	10,398
Mining rights and deferred exploration expenditures (Note 7)	11,231,002	9,559,363
	18,056,528	13,630,170
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	508,525	245,889
Future income tax (Note 12)	550,837	743,365
	1,059,362	989,254
SHAREHOLDERS' EQUITY		
Share capital (Note 8(b))	12,631,407	9,813,540
Warrants (Note 10)	3,676,154	2,049,667
Contributed surplus	6,032,323	5,125,372
Accumulated other comprehensive (loss) income	(190,632)	164,976
Deficit	(5,152,086)	(4,512,639)
	16,997,166	12,640,916
	18,056,528	13,630,170

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

Nature of business and going concern (Note 1)
Commitments (Note 14)
Subsequent event (Note 15)

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

ALEXANDRIA MINERALS CORPORATION
STATEMENTS OF LOSS
(Expressed in Canadian Dollars)
(A Development Stage Company)

	Year ended April 30, 2011	Year ended April 30, 2010	Cumulative since inception of development stage on May 27, 2002
	\$	\$	\$
Expenses			
Stock-option compensation	604,507	75,035	1,907,900
Investor and public relations	212,805	204,837	1,086,952
Business development	387,138	102,527	948,733
Professional fees	173,928	189,378	1,126,220
Wages	191,659	234,144	869,988
Office and general	256,248	202,506	1,581,895
Seminars and conferences	71,495	58,909	394,003
Accounting and corporate services	44,990	70,412	338,465
Amortization	4,536	3,660	27,572
General exploration	-	1,072	257,218
	1,947,306	1,142,480	8,538,946
Net operating loss before the following	(1,947,306)	(1,142,480)	(8,538,946)
Interest income	19,643	2,055	245,711
Gain on sale of investment in available-for-sale securities	277,103	-	277,103
Gain on disposition of mining rights(Note 7 (b)(v))	1,450,356	-	1,450,356
Write-off of mining rights (Note 7 (b) (vi) and (vii))	(562,616)	-	(562,616)
Loss on disposal of equipment	-	-	(1,717)
Loss for the period before taxes	(762,820)	(1,140,425)	(6,567,493)
Income tax recovery	123,373	634,015	1,978,023
Net loss for the period	(639,447)	(506,410)	(4,589,470)
Basic and diluted loss per share	0.00	(0.01)	
Weighted average number of shares outstanding	112,398,889	80,178,009	

The accompanying notes are integral part of these financial statements.

ALEXANDRIA MINERALS CORPORATION
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(A Development Stage Company)

	Year ended April 30, 2011	Year ended April 30, 2010	Cumulative since inception of development stage on May 27, 2002
	\$	\$	\$
Net loss for the period	(639,447)	(506,410)	(4,589,470)
Other comprehensive loss			
Increase in unrealized (loss) gain on available-for-sale investments	(147,157)	134,700	17,819
Reclassification of realized gain on available-for-sale investments, net of tax	(208,451)	-	(208,451)
Comprehensive loss	(995,055)	(371,710)	(4,780,102)

The accompanying notes are integral part of these financial statements.

ALEXANDRIA MINERALS CORPORATION
STATEMENTS OF SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
(A Development Stage Company)

	Share Capital	Warrants	Contributed Surplus	Accumulated Deficit	Accumulated Other Comprehensive Income (loss)	Total
Balance, April 30, 2009	\$ 9,092,826	\$ 281,072	\$ 5,050,337	\$ (4,006,229)	\$ 30,276	\$ 10,448,282
Non-flow through shares issued for cash	1,820,000	-	-	-	-	1,820,000
Flow through shares issued for cash	629,620	-	-	-	-	629,620
Issuance of shares for mining rights	245,820	-	-	-	-	245,820
Issuance of warrants for mining rights	(16,800)	16,800	-	-	-	-
Share issue costs - cash	(48,726)	-	-	-	-	(48,726)
Fair value of warrants issued	(1,751,795)	1,751,795	-	-	-	-
Renunciation of flow through expenditures	(157,405)	-	-	-	-	(157,405)
Stock-option compensation	-	-	75,035	-	-	75,035
Unrealized gain on available-for-sale investments	-	-	-	-	134,700	134,700
Net loss for the year	-	-	-	(506,410)	-	(506,410)
Balance, April 30, 2010	\$ 9,813,540	\$ 2,049,667	\$ 5,125,372	\$ (4,512,639)	\$ 164,976	\$ 12,640,916
Non-flow through shares issued for cash	5,000,000	-	-	-	-	5,000,000
Share issue costs - cash	(358,824)	-	-	-	-	(358,824)
Fair value of warrants issued	(1,912,388)	1,912,388	-	-	-	-
Exercise of options	55,000	-	-	-	-	55,000
Fair value of options exercised	20,550	-	(20,550)	-	-	-
Exercise of warrants	8,700	-	-	-	-	8,700
Fair value of warrants exercised	4,829	(4,829)	-	-	-	-
Warrants expired	-	(281,072)	322,994	-	-	41,922
Stock option compensation	-	-	604,507	-	-	604,507
Unrealized loss on available-for-sale investments	-	-	-	-	(147,157)	(147,157)
Reclassification of realized gain on available-for-sale investments, net of tax	-	-	-	-	(208,451)	(208,451)
Net loss for the year	-	-	-	(639,447)	-	(639,447)
Balance, April 30, 2011	\$ 12,631,407	\$ 3,676,154	\$ 6,032,323	\$ (5,152,086)	\$ (190,632)	\$ 16,997,166

The accompanying notes are integral part of these financial statements.



ALEXANDRIA MINERALS CORPORATION
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(A Development Stage Company)

	Year ended April 30, 2011	Year ended April 30, 2010	Cumulative since inception of development stage on May 27, 2002
	\$	\$	\$
Cash provided by (used in) operating activities			
Net loss	(639,447)	(506,410)	(4,589,470)
Items not involving cash:			
Stock-option compensation	604,507	75,035	1,907,900
Amortization	4,536	3,660	27,572
Loss on disposal of equipment	-	-	1,717
Gain on sale of investment in available-for-sale securities	(277,103)	-	(277,103)
Gain on disposition of mining rights	(1,450,356)	-	(1,450,356)
Write-off of mineral rights	562,616	-	562,616
Future income tax recovery	(123,373)	(634,015)	(1,978,023)
Changes in non-cash working capital:			
Sale tax and sundry receivable	(135,420)	21,059	(253,964)
Prepaid expenses	11,083	(20,876)	(11,901)
Quebec refundable tax credits and mining duties refund receivable	(783,952)	(367,827)	(2,006,296)
Accounts payable and accrued liabilities	262,638	20,447	508,528
	(1,964,271)	(1,408,927)	(6,671,040)
Cash flows used in investing activities			
Acquisition of mining rights	(20,078)	(69,933)	(843,652)
Exploration expenditures	(4,172,898)	(2,429,357)	(15,730,491)
Quebec refundable tax credits and mining duties	1,739,125	1,890,255	5,700,410
Acquisition of equipment	(27,543)	(602)	(65,652)
Proceeds from disposal of equipment	-	-	2,958
(Purchase) disposition of short-term investment	(1,000,000)	25,376	(2,000,000)
Proceeds from sale of available- for-sale investments	614,803	-	614,803
	(2,866,591)	(584,261)	(12,321,624)

The accompanying notes are integral part of these financial statements.

ALEXANDRIA MINERALS CORPORATION
STATEMENTS OF CASH FLOWS (Continued)
(Expressed in Canadian Dollars)
(A Development Stage Company)

	Year ended April 30, 2011	Year ended April 30, 2010	Cumulative since inception of development stage on May 27, 2002
	\$	\$	\$
Cash flows provided by financing activities			
Promissory notes	-	-	100,175
Due to shareholder	-	-	50,000
Issue of common shares	5,000,000	2,449,620	21,173,309
Exercise of warrants	8,700	-	1,618,059
Exercise of options	55,000	-	55,000
Share issuance costs	(358,824)	(48,726)	(1,643,411)
	4,704,876	2,400,894	21,353,132
Net change in cash during the period	(125,986)	407,706	2,360,468
Cash, beginning of period	1,036,098	628,392	-
Cash, end of period	910,112	1,036,098	2,360,468
Supplement schedule of non-cash transactions			
Share issuance on acquisition of mining rights	-	245,820	1,634,945
Share issue on conversion of debenture	-	-	100,175
Share issue on repayment of shareholders loan	-	-	6,257,752
Option payments received	(1,669,950)	(44,000)	(1,959,450)

The accompanying notes are integral part of these financial statements.

ALEXANDRIA MINERALS CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(A Development Stage Company)

Years ended April 30, 2011 and 2010

1. NATURE OF BUSINESS AND GOING CONCERN

Alexandria Minerals Corporation ("Alexandria" or 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. 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 a development stage entity as defined by the Canadian Institute of Chartered Accountants (the "CICA") Accounting Guideline 11.

In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. The Company has had recurring losses and will require additional financing to fund its continuing exploration efforts. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. These financial statements have been prepared on a going concern basis that assumes the Company will be able to continue to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is not aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

In the event the Company is not able to obtain adequate funding, there is uncertainty as to whether the Company will be able to maintain and complete the acquisition and development of its property interests. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to obtain adequate financing. Changes in future conditions could require material write downs of the carrying values of certain assets.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). A summary of the significant accounting policies is set out below:

Mineral rights and deferred exploration expenditures

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.

ALEXANDRIA MINERALS CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(A Development Stage Company)

Years ended April 30, 2011 and 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Asset retirement obligation

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. The Company has no obligations relating to retirement of its assets as of April 30, 2011 and 2010 and no liability has been recognized.

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.

Equipment

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

Computer equipment:	30%
Office equipment	20%
Computer software	30%

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 7).

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% of qualified expenditures incurred. This tax credit has been applied against the costs incurred (Note 7).

ALEXANDRIA MINERALS CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(A Development Stage Company)

Years ended April 30, 2011 and 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Share issue costs

Share issue costs are recorded as a reduction of share capital.

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.

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.

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.

Short-term investments

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

ALEXANDRIA MINERALS CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(A Development Stage Company)

Years ended April 30, 2011 and 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments- recognition and measurement

This standard prescribes when a financial asset, financial liability, or non financial derivative is to be recognized on the balance sheet and whether fair value or cost based methods are used to measure the recorded amounts. It also specifies how financial instrument gains and losses are to be presented. All derivatives are recorded on the balance sheet at fair value. Mark to market adjustments on these instruments are included in net income, unless the instruments are designated as part of a cash flow hedge relationship.

All other financial instruments will be recorded at cost or amortized cost, subject to impairment reviews. The criteria for assessing other than temporary impairment remain unchanged. Transaction costs incurred to acquire financial instruments are included in the underlying balance.

Comprehensive income

This standard requires the presentation of a statement of comprehensive income and its components. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income includes holding gains and losses on available for sale investments, which are not included in the calculation of net earnings until the period that the related asset or liability affects income.

Financial Instruments

During 2009, CICA Handbook Section 3862, Financial Instruments - Disclosures ("Section 3862") was amended to require disclosure about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and;
- Level 3 - Inputs that are not based on observable market data.

Future Accounting Changes

Convergence with International Financial Reporting Standards

In February 2008, the CICA announced that Canadian generally accepted accounting principles for profit oriented enterprises will be replaced by International Financial Reporting Standards ("IFRS") for fiscal year beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal year. Accordingly, the conversion from Canadian GAAP to IFRS will be applicable to the Company's reporting for the first quarter of 2011 for which the current and comparative information will be prepared under IFRS. The Company is required to implement all of those IFRS standards which are effective for the fiscal year ending April 30, 2012 and apply them to its opening May 1, 2010 balance sheet.

The Company is prepared to adopt IFRS effective May 1, 2011.

ALEXANDRIA MINERALS CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(A Development Stage Company)

Years ended April 30, 2011 and 2010

3. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, which is comprised of share capital, warrants, contributed surplus, accumulated other comprehensive loss and deficit which at April 30, 2011 totaled \$16,997,166 (April 30, 2010 - \$12,640,916). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on its exploration activities. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended April 30, 2011. The Company is not subject to any capital requirements imposed by a lending institution.

ALEXANDRIA MINERALS CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(A Development Stage Company)

Years ended April 30, 2011 and 2010

4. PROPERTY AND FINANCIAL RISK FACTORS

(a) Property risk

The Company's significant projects are the Orenada, Akasaba, Sleepy and Other Cadillac Break Properties together with the Other Quebec Properties and, in Ontario, the Matachewan Property. Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon these properties. If no additional mineral resource properties are acquired by the Company, any adverse development affecting these properties may have a material adverse effect on the Company's financial condition and results of operations.

(b) Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, sales tax and sundry receivable (includes HST), Quebec refundable tax credits and mining duties receivable and short-term investments. Cash and short-term investments are held with a reputable Canadian chartered bank, from which management believes the risk of loss to be minimal.

Financial instruments included in sales tax and sundry receivable comprise of sales tax receivable from government authorities (includes HST) in Canada and deposits held with service providers. Sales tax and sundry receivable are in good standing as of April 30, 2011. Management believes that the credit risk concentration with respect to financial instruments included in sales tax and sundry receivable is minimal.

Financial instruments included in Quebec refundable tax credits and mining duties receivable comprise of mining expenditure refunds from the Quebec Government (Canada). Quebec refundable tax credits and mining duties receivable are in good standing as of April 30, 2011. Management believes that the credit risk concentration with respect to financial instruments included in Quebec refundable tax credits and mining duties receivable is minimal.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2011, the Company had cash and short-term investments of \$2,910,112 (April 30, 2010 - \$2,036,098) to settle current liabilities of \$508,525 (April 30, 2010 - \$245,889). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

ALEXANDRIA MINERALS CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(A Development Stage Company)

Years ended April 30, 2011 and 2010

4. PROPERTY AND FINANCIAL RISK FACTORS (continued)

(b) Financial risk factors (continued)

Market risk

Interest rate risk

The Company has cash and short-term investments balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by the Company's Canadian chartered bank. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its bank.

Commodity and equity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as it relates to precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company's investments in Aurizon Mines Ltd. ("Aurizon") and Integra Gold Corp. (formerly Kalahari Resources Inc.) ("Integra") are subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets and currently amount to \$1,403,885 (April 30, 2010 - \$454,476).

Sensitivity analysis

The Company has, for accounting purposes, designated its cash and short-term investments as held-for-trading, which is measured at fair value. Sales tax and sundry receivable and Quebec refundable tax credits and mining duties receivable are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair value. Investments are classified for accounting purposes as available-for-sale, which are measured at fair value. Accounts payable and accrued liabilities are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also equals fair value.

As of April 30, 2011, the carrying and fair value amounts of the Company's financial instruments are equivalent.

ALEXANDRIA MINERALS CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(A Development Stage Company)

Years ended April 30, 2011 and 2010

4. PROPERTY AND FINANCIAL RISK FACTORS (continued)

(b) Financial risk factors (continued)

Sensitivity analysis (continued)

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) The Company's other investments amounting to \$1,403,885 are subject to fair value fluctuations. As at April 30, 2011, if the fair value of the Company's other investments had decreased/increased by 50% with all other variables held constant, comprehensive loss for the year ended April 30, 2011 would have been approximately \$702,000 higher/lower. Similarly, as at April 30, 2011, reported shareholders' equity would have been approximately \$702,000 lower/higher as a result of a 50% decrease/increase in the fair value of the Company's other investments.

(c) Other risk factors

(i) Mineral property risk is significant. In particular, if an economic ore body is not found, the Company cannot enter into commercial production and generate sufficient revenues to fund its continuing operations. There can be no assurance that the Company will generate any revenues, achieve profitability or provide a return on investment in the future from any of the properties it may have an interest in.

(ii) Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Precious metal prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of precious metals may be produced in the future, a profitable market will exist for them. A decline in the market price of precious metals also will require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company's value. As of April 30, 2011, the Company was not a precious metals producer. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Fair value hierarchy

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at April 30, 2011.

	Level 1	Level 2	Level 3	Total
Cash	\$ 910,112	\$ -	\$ -	\$ 910,112
Short term investments	2,000,000	-	-	2,000,000
Investments	1,403,885	-	-	1,403,885
	\$4,313,997	\$ -	\$ -	\$4,313,997

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5. SHORT-TERM INVESTMENTS

	Maturity date	Interest rate	Cost
Royal Bank Guaranteed Investment Certificate	August 19, 2011	0.75%	\$ 2,000,000
Carrying value of short-term investments as at April 30, 2011			\$ 2,000,000
	Maturity date	Interest rate	Cost
Royal Bank Guaranteed Investment Certificate	April 7, 2011	0.25%	\$ 1,000,000
Carrying value of short-term investments as at April 30, 2010			\$ 1,000,000

6. EQUIPMENT

			April 30, 2011	April 30, 2010
	Cost	Accumulated Amortization	Net book Value	Net book Value
	\$	\$	\$	\$
Computer equipment	47,355	20,429	26,926	6,615
Office equipment	9,209	6,182	3,027	3,783
Computer software	3,587	135	3,452	-
	60,151	26,746	33,405	10,398

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7. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES

As at April 30, 2011, the Company has acquired interests, or has acquired options to earn interests, in the following properties:

	2011	2010	Cumulative from May 27, 2002
	\$	\$	\$
Cadillac Break Property Group 7(a)			
Orenada			
Opening balance	3,962,746	3,515,473	-
Acquisition costs	-	(2,501)	-
Assays and maps	4,923	18,569	413,358
Drilling	1,874	3,508	1,972,444
Geophysics	3,000	9,300	183,329
Geology and geochemistry	21,735	149,150	569,696
Research	146,817	115,451	339,313
Staking claims	2,635	3,313	34,983
Travel	7,653	16,672	257,693
General expenses	116,981	133,811	497,548
Closing balance	4,268,364	3,962,746	4,268,364
Akasaba 7(a)			
Opening balance	1,825,541	351,085	-
Acquisition costs	454	-	481
Assays and maps	255,993	237,673	527,828
Drilling	1,950,946	486,632	2,556,335
Geophysics	95,561	80,227	232,621
Geology and geochemistry	285,608	263,851	621,786
Research	8,005	-	8,005
Staking claims	-	7,820	10,425
Travel	24,175	50,283	83,261
Trenching	-	63,018	63,018
General expenses	395,020	284,952	737,543
Closing balance	4,841,303	1,825,541	4,841,303

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7. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES (continued)

	2011	2010	Cumulative from May 27, 2002
	\$	\$	\$
Sleepy 7(a)			
Opening balance	940,830	870,265	-
Assays and maps	336	5,523	114,845
Drilling	301,062	-	840,628
Geophysics	-	395	21,095
Geology and geochemistry	24,609	30,989	153,296
Staking claims	-	775	3,396
Travel	558	7,382	21,148
General expenses	26,167	25,501	139,154
Closing balance	1,293,562	940,830	1,293,562
Other Cadillac Break Properties 7(a)			
Opening balance	4,923,634	4,413,522	-
Acquisition costs	-	225,342	1,312,439
Assays and maps	4,447	45,341	248,168
Drilling	6,900	823	1,226,080
Geophysics	5,375	20,436	386,133
Geology and geochemistry	8,900	83,121	814,548
Research	-	295	12,061
Staking claims	2,652	13,319	38,362
Travel	14,420	30,649	3,887
General expenses	69,957	108,786	1,012,607
Option payments	(28,750)	(18,000)	(46,750)
Closing balance	5,007,535	4,923,634	5,007,535
Total Cadillac Break Properties	15,410,764	11,652,751	15,410,764

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7. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES (continued)

	2011	2010	Cumulative from May 27, 2002
	\$	\$	\$
Other Quebec Properties 7(b)			
Opening balance	1,978,521	1,840,067	-
Acquisition costs	19,624	45,478	700,260
Staking claims	8,172	20,599	39,925
Assays	-	5,965	78,334
Consulting	-	-	55,518
Drilling	45,073	35,577	440,916
Geophysics	3,226	10,540	520,396
Geology and geochemistry	3,957	3,095	247,644
Research	-	908	10,676
Reports	10,915	3,403	19,374
General expenses	352,442	48,889	790,387
Option payments	(1,656,200)	(36,000)	(2,137,700)
Write-off of mining claims	(562,616)	-	(562,616)
Gain on disposition	1,450,356	-	1,450,356
Closing balance	1,653,470	1,978,521	1,653,470
Matachewan Property 7(c)			
Opening balance	1,317,683	1,257,433	-
Acquisition costs	-	-	288,463
Staking claims	-	1,608	21,295
Assays and maps	-	5,429	76,411
Consulting	-	-	9,125
Drilling	-	-	428,058
Geophysics	-	-	141,846
Geology and geochemistry	-	28,170	180,820
General expenses	11,725	25,043	183,390
Closing balance	1,329,408	1,317,683	1,329,408

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7. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES (continued)

	2011	2010	Cumulative from May 27, 2002
	\$	\$	\$
Subtotal	18,393,642	14,948,955	18,393,642
Less: Grants received	(4,950,381)	(3,961,285)	(4,950,381)
Quebec refundable tax credits and mining duties refunds receivable	(2,212,259)	(1,428,307)	(2,212,259)
Total	11,231,002	9,559,363	11,231,002

The Company has retained an interest in, through option agreement or through staking, several 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.

Cadillac Break Property Group (a)

The Cadillac Break Property Group is a group of 21 properties, comprised of 689 claims, located in Bourlamaque, Louvicourt, and Vauquelin Townships, in the Val d'Or Mining District Quebec. The 21 properties are: 1) Airport, Ducros, Lourmet, Mid-Canada, Ormaque, Orenada, Orcour, Sabourin Creek, Trivio, Vaumon (formerly known as the Aur Properties; 2) the Robert, Deckeyser, Orenada Extension, Eddy Blocks, Trivio Extension, Annamaque, and Valdora; and 3) the Akasaba, Bloc Sud West, Bloc Sud Trivio and Sleepy properties formerly known as the Cambior properties. The Company holds 100% interest in all claims within these property groups, subject to a 2% - 2.5% NSR, 40% of which can be purchased for \$1M.

(i) On June 17, 2009, the Company issued 641,026 common shares (valued at \$166,667) of Alexandria to comply with the option agreement to earn 100% in the Akasaba, Bloc Sud West, Sleepy and Bloc Sud Trivio Properties.

(ii) On June 17, 2009, the Company issued 100,000 common shares (valued at \$36,000) of Alexandria to comply with the option agreement to earn 100% in 19 claims in Bourlamaque Township (the "Robert Property").

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7. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES (continued)

Cadillac Break Property Group (a) (continued)

(iii) The Company purchased 100% interest in Teck Resources Limited's ("Teck") interest in the Annamaque Property. The terms of the Annamaque Purchase and Sale agreement, signed on June 17, 2009, are that for a 100%, Alexandria will issue to Teck 250,000 units (issued), consisting of one common share of the Company and one share purchase warrant exercisable at \$0.15 for two years. The property is subject to a 2% Net Smelter Return Royalty ("NSR"), one-half of which may be purchased by the Company for \$800,000.

The Company purchased 100% of Teck's interest in the Valdora Property (51% of the total interest) by issuing to Teck 75,000 units, each unit consisting of one common share of the Company and one share purchase warrant exercisable at \$0.15 for two years. The property is subject to a fractional 2% NSR (2% of Teck's 51%), one half of which can be purchased for \$200,000.

On July 8, 2009, the Company issued 325,000 units (valued at \$17,875) of Alexandria to comply with the Annamaque Purchase and Sale agreement and Valdora Property purchase. The fair value of each share purchase warrant was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 165.53%; risk-free interest rate of 1.16% and an expected average life of 2 years. The estimated value of the share purchase warrants was determined to be \$13,650.

(iv) On July 29, 2009, the Company issued 75,000 units (valued \$4,800) of Alexandria to acquire the remaining 49% interest in the Valdora Property, bringing the total interest in the property to 100%. Each unit consists of one common share of Alexandria plus one share-purchase warrant, where each warrant is exercisable for 2 years at \$0.15. The interest is subject to a 1% Net Smelter Return royalty, of which ½ may be purchased for \$200,000.

The fair value of each share purchase warrant was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 165.77%; risk-free interest rate of 1.45% and an expected average life of 2 years. The estimated value of the share purchase warrants was determined to be \$3,150.

(v) On September 30, 2009, the Company reported that it has optioned one claim from its Airport Property in Val d'Or to Kalahari Resources Inc. ("Kalahari"). The terms of the agreement with Kalahari for the Airport claim include a payment of \$25,000 cash (\$10,000 received) to the Company and the issuance of 500,000 (250,000 issued and valued at \$8,000) Kalahari common shares to the Company over a period of twelve months, as well as incurring \$35,000 in exploration expenditures over a period of 24 months. Alexandria retains a 2% NSR, one half of which may be purchased for \$1,000,000.

(vi) On June 4, 2010, the Company received \$10,000 and 250,000 shares (valued at \$13,750) of Integra Gold Corp. (formerly Kalahari) pursuant to the terms of the agreement with Integra for the Airport Property in Val d'Or signed on September 30, 2009. On December 6, 2010, the Company received an additional \$5,000 of Integra.

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7. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES (continued)

Other Quebec Properties (b)

Siscoe East Property

(i) The Siscoe East Property, located in Dubuisson Township near Val D'Or, Quebec. The property is comprised of a total of 96 claims governed by an Option/Joint Venture agreement, signed on June 25, 2008, between Niogold Mining Corporation and Alexandria, giving Niogold the option to earn 50% interest in the claims. Under the terms of the agreement, in order to earn its 50% interest, Niogold must: 1) issue to Alexandria 650,000 shares from Niogold treasury stock in three tranches by June 11, 2010 (all shares have been issued); and 2) complete an aggregate of \$750,000 in exploration expenditures on the property by June 25, 2011. Once these terms have been completed, Alexandria and Niogold will be deemed to have formed a Joint Venture to explore and develop the Siscoe East Property.

(ii) All claims are subject to a 2% Net Smelter Return ("NSR"), except for 13 claims which 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.

(iii) On August 31, 2009, the Company announced that it has agreed to participate in the joint acquisition, with Niogold, of five new claims being added to the Company's Siscoe East Property in Val d'Or. The Company issued 140,871 common shares (valued at \$9,438) and paid \$15,000 in cash to participate in the joint acquisition. These claims are governed by the Niogold Agreement in (i).

(iv) On October 15, 2009, the Company announced that it has agreed to participate jointly with Niogold on the addition of four claims adjacent to its Siscoe East Property in Val d'Or. The Company paid Niogold \$15,000 in cash and issued 120,000 common shares (valued at \$11,040) to meet its commitment to maintain its 50% interest in these claims.

Joannes Township Properties

(v) The Joannes Township properties, comprised of 39 claims, are governed by two agreements. The first agreement, with Aurizon Mines Ltd., covers 19 claims, was signed on December 18, 2008, giving Aurizon the right to earn 100% interest in the claims by incurring exploration expenditures totalling \$650,000 and paying to Alexandria \$2 million in cash and Aurizon shares. On December 18, 2010, Alexandria received the final payment 213,845 shares from Aurizon (valued at \$1,600,000), completing the transaction. Alexandria retains no interest in the 19 claims and has reported a gain on disposition of mining rights of \$1,450,356 during the year ended April 30, 2011.

(vi) On July 10, 2006, the Company signed an option agreement with Falconbridge Limited (acquired by Xtrata 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 Company has notified Xtrata that it has dropped the option on this property and thereby wrote off mining rights amounting to \$424,953 during the year ended April 30, 2011.

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7. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES (continued)

Other Quebec Properties (b) (continued)

Quevillon Property

(vii) The Company dropped its 100% interest in 29 claims located in Quevillon Township, Quebec during the year ended April 30, 2011 thereby writing off a further \$137,663 in mining rights.

Gwillim Property

(viii) 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.

Matachewan Property (c)

The Matachewan Property is located in Cairo and Flavelle Townships, near Matachewan, Ontario. The property consists of 49 mineral claims, 39 of which the Company owns 100% mineral rights, subject to 2% NSR, and 10 of which are governed by a 50%-50% joint venture agreement with Carmax Explorations Ltd.

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8. SHARE CAPITAL

(a) Authorized capital - unlimited number of common shares

(b) Issued

	Number of Shares	Stated Value \$
Balance, May 27, 2002 (Date of incorporation)	1	1
Shares issued for cash	4,922,150	46,260
Balance, April 30, 2003	4,922,151	46,261
Shares issued for cash	3,693,700	508,598
Issuance of shares for mineral rights	400,000	20,000
Balance, April 30, 2004	9,015,851	574,859
Shares issued for cash	103,700	19,366
Issuance of shares for mineral rights	300,000	58,000
Balance, April 30, 2005	9,419,551	652,225
Balance, April 30, 2005	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
Issuance of shares for mineral rights	50,000	16,000
Share issuance costs	-	(524,641)
Balance, April 30, 2006	19,700,997	766,500

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8. SHARE CAPITAL (continued)

(b) Issued

	Number of Shares	Stated Value \$
Balance, April 30, 2006	19,700,997	766,500
Non-flow through shares issued for cash	1,699,666	509,900
Warrant valuation	-	(142,772)
Non-flow through shares issued for cash	4,909,000	932,710
Warrant valuation	-	(240,541)
Shares issued to brokers as compensation	115,480	21,941
Flow through shares issued for cash	6,904,499	1,657,080
Warrant valuation	-	(414,270)
Shares issued to brokers as compensation	9,520	2,285
Flow-through tax effect	-	(598,537)
Issuance of shares for mining rights	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
Fair value of exercise of warrants	-	29,074
Share issuance costs - non-cash	-	(30,456)
Share issuance costs - cash	-	(211,893)
Balance, April 30, 2007	35,668,336	2,831,696
Balance, April 30, 2007	35,668,336	2,831,696
Non-flow through shares issued for cash	12,783,750	4,090,800
Fair value of warrants issued	-	(703,106)
Flow-through shares issued for cash	9,637,119	3,662,105
Fair value of warrants issued	-	(713,147)
Share issuance costs - non-cash	-	(188,512)
Share issuance costs - cash	-	(542,205)
Issuance of shares for mining rights	100,000	36,000
Issuance of shares for mining rights	263,713	83,333
Issuance of shares for mining rights	157,233	50,000
Issuance of shares for mining rights	50,000	11,000
Issuance of shares for mining rights	75,000	16,125
Issuance of shares for mining rights	125,000	27,250
Issuance of shares for mining rights	3,000,000	450,000
Exercise of warrants	639,720	178,418
Fair value of exercise of warrants	-	99,861
Renunciation of flow-through expenditures	-	(1,290,904)
Balance, April 30, 2008	62,499,871	8,098,714

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8. SHARE CAPITAL (continued)

(b) Issued

	Number of Shares	Stated Value \$
Balance, April 30, 2008	62,499,871	8,098,714
Non-flow through shares issued for cash	1,250,000	125,000
Warrant valuation	-	(51,250)
Flow-through shares issued for cash	12,160,771	1,580,900
Warrant valuation	-	(229,822)
Share issuance costs - cash	-	(138,922)
Issuance of shares for mining rights	641,026	166,667
Renunciation of flow-through expenditures	-	(458,461)
Balance, April 30, 2009	76,551,668	9,092,826
Issuance of shares for mining rights (Note 7(a)(i)(ii)(iii)(iv), 7(b)(iii)(iv))	1,401,897	245,820
Warrant valuation (Note 7(a)(iii)(iv))	-	(16,800)
Non-flow through shares issued for cash (ii)	9,100,000	1,820,000
Flow-through shares issued for cash (i)	4,497,286	629,620
Warrant valuation (Note 10(i)(ii)(iii))	-	(1,751,795)
Renunciation of flow-through expenditures	-	(157,405)
Share issuance costs - cash	-	(48,726)
Balance, April 30, 2010	91,550,851	9,813,540
Brokered private placement (iii)	27,777,777	5,000,000
Warrant valuation (iii)	-	(1,912,388)
Exercise of stock options	550,000	55,000
Fair value of stock options exercised	-	20,550
Exercise of warrants	43,500	8,700
Fair value of warrants exercised	-	4,829
Share issuance costs	-	(358,824)
Balance, April 30, 2011	119,922,128	12,631,407

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8. SHARE CAPITAL (continued)

(i) On December 23, 2009, Alexandria closed its non-brokered private placement ("NBPP") totaling \$629,620. The NBPP consists of 4,497,286 Flow-Through ("FT") units, priced at \$0.14 per unit. Each FT unit consists of one common share of the Company and one-half (1/2) of one purchase warrant, with each whole warrant entitling the holder to acquire one additional non-flow through (NFT) common share of the Company at a price of \$0.20 for a period of 18 months from closing. The securities issued under the private placement will be subject to a hold period of four months and one day from the date of closing, being April 24, 2010.

A finders fee consisting cash and brokers warrants, each 7% of the proceeds, was paid to Canaccord Financial Ltd. (\$490 and 3,500 warrants), Pollit & Co. Ltd (\$980 and 7,000 warrants), First Canadian Capital Corp. (\$2,940 and 21,000 warrants), Union Securities Ltd. (\$4,684 and 33,460 warrants), Haywood Securities ITF Bolder Investment (\$1,372 and 9,800 warrants), Trinity Wood Capital Corporation in Trust (\$7,350 and 52,500 warrants), Anthem Capital Group Inc. (\$8,747 and 62,475 warrants) and Barrington Capital Corporation (\$8,747 and 62,475 warrants). The finders warrants have the same terms as the warrants issued under the private placement. All finders warrants will be subject to a hold period of four months and one day from the date of closing, being April 24, 2010. Other share issuance costs amounted to \$8,890.

(ii) On March 23, 2010, the Company completed a private placement 9,100,000 unit ("Unit") financing with Agnico-Eagle Mines Limited for cash proceeds of \$1,820,000. Each Unit consists of one common share and one warrant exercisable at \$0.21 for a 2 year period.

The fair value of the 9,100,000 flow-through warrants was estimated using the Black-Scholes option pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 1.63%; expected life of two years; and expected volatility of 185.47%. A fair value of \$1,474,200 was estimated.

(iii) On August 5, 2010, the Company completed a brokered private placement of 27,777,777 non flow-through units at \$0.18 per unit for gross proceeds of \$5,000,000. Each unit is comprised of one common share of the Company and one common share purchase warrant ("Warrant"), entitling the holder to acquire one additional common share of the Company at a price of \$0.22 for a period of one year from closing. A commission of \$236,442 and 1,313,567 Warrants, where each Warrant is exercisable at \$0.22 for a period of one year, were paid to Pollitt & Co. Inc., representing 6% of the brokered portion of the financing. Additionally, the Company has paid Pollitt & Co. Inc. a fiscal advisory fee of \$59,400 and 330,000 Warrants, where each Warrant is exercisable at \$0.22 for a period of one year.

The fair value of the 27,777,777 non-flow-through warrants was estimated using the Black-Scholes option pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 1.48%; expected life of one year; and expected volatility of 108%. A fair value of \$1,805,556 was estimated.

The fair value of the 1,643,567 broker warrants was estimated using the Black-Scholes option pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 1.48%; expected life of one year; and expected volatility of 108%. A fair value of \$106,832 was estimated.

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9. STOCK OPTIONS

The following table reflects the continuity of stock options for the year ended April 30, 2011:

	Number of stock options	Weighted average exercise price (\$)
Balance, April 30, 2007	3,125,000	0.27
Granted	2,805,000	0.21
Expired	(1,275,000)	0.29
Cancelled	(30,000)	-
Balance, April 30, 2008	4,625,000	0.23
Granted	2,514,000	0.12
Expired	(75,000)	0.29
Cancelled	(30,000)	0.30
Balance, April 30, 2009	7,034,000	0.19
Granted (1)(2)(3)(4)	1,169,000	0.14
Cancelled	(480,000)	0.26
Balance, April 30, 2010	7,723,000	0.18
Granted (5)(6)	3,050,000	0.17
Exercised	(550,000)	0.08
Expired	(230,000)	0.16
Cancelled	(224,000)	0.18
Balance, April 30, 2011	9,769,000	0.18

The weighted average fair value of the total options granted in fiscal 2011 on the grant date was \$0.17.

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9. STOCK OPTIONS (continued)

(1) The weighted average grant date fair value of the total incentive stock options granted was \$0.097.

(2) On May 29, 2009, the Company granted an aggregate of 450,000 stock options exercisable at a price of \$0.10. 200,000 of these stock options are exercisable for a period of 5 years. The remaining 250,000 stock options are exercisable for 2 years.

For the purposes of the 200,000 stock options, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 144.80%; risk-free interest rate of 2.51% and an expected average life of 5 years. The estimated value was determined to be \$8,600 and was charged to stock-option compensation and credited to contributed surplus.

For the purposes of the 250,000 stock options, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 162.74%; risk-free interest rate of 1.27% and an expected average life of 2 years. The impact on expenses for the year ended April 30, 2010 was \$8,250 and was charged to stock-option compensation and credited to contributed surplus.

(3) On February 11, 2010, the Company granted an aggregate of 519,000 stock options exercisable at a price of \$0.15 to employees and a consultant of the Company. These options expire on February 11, 2013 and vest immediately.

For the purposes of the 519,000 stock options, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 145.58%; risk-free interest rate of 1.67% and an expected average life of 3 years. The estimated value was determined to be \$55,014 and was charged to stock-option compensation and credited to contributed surplus for the year ended April 30, 2010.

(4) On April 15, 2010, the Company granted an aggregate of 200,000 stock options exercisable at a price of \$0.20 to a consultant of the Company. These options expire on April 15, 2012.

For the purposes of the 200,000 stock options, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 166.04%; risk-free interest rate of 1.94% and an expected average life of 2 years. The estimated value was determined to be \$41,200. The impact on expenses for the year ended April 30, 2010 was \$3,511 and was charged to stock-option compensation and credited to contributed surplus. The remaining value will be expensed as the related option vest.

(5) On October 12, 2010, the Company issued 2,700,000 incentive stock options to directors, officers, employees and consultants of the Company exercisable at a price of \$0.17 for a period of five years. The incentive stock options vest immediately.

For the purposes of the 2,700,000 incentive stock options, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 134.76%; risk-free interest rate of 1.90% and an expected average life of 5 years. The estimated value of \$529,200 was charged to stock-option compensation and credited to contributed surplus for the year ended April 30, 2011.

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9. STOCK OPTIONS (continued)

(6) On January 6, 2011, the Company issued 350,000 incentive stock options to consultants of the Company exercisable at a price of \$0.195 for a period of three years. The incentive stock options vest immediately.

For the purposes of the 350,000 incentive stock options, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 146.51%; risk-free interest rate of 1.97% and an expected average life of 3 years. The estimated value of \$54,600 was charged to stock-option compensation and credited to contributed surplus for year ended April 30, 2011.

The following table reflects the actual stock options issued and outstanding as of April 30, 2011:

Expiry Date	Options outstanding			Options exercisable	
	Number of options	Weighted average remaining contractual life	Weighted average exercise price	Number of options	Weighted average exercise price
May 29, 2011	100,000	0.08 years	\$ 0.10	100,000	\$ 0.10
September 15, 2011	20,000	0.38	0.23	20,000	0.23
October 19, 2011	250,000	0.47	0.21	250,000	0.21
January 29, 2012	1,330,000	0.75	0.265	1,330,000	0.265
April 29, 2012	30,000	1.00	0.10	30,000	0.10
January 15, 2013	2,420,000	1.72	0.21	2,420,000	0.21
February 11, 2013	519,000	1.79	0.15	519,000	0.15
May 28, 2013	70,000	2.08	0.21	70,000	0.21
June 4, 2013	300,000	2.10	0.21	300,000	0.21
January 6, 2014	350,000	2.69	0.195	350,000	0.195
April 29, 2014	1,480,000	3.00	0.10	1,480,000	0.10
May 29, 2014	200,000	3.08	0.10	200,000	0.10
October 12, 2015	2,700,000	4.45	0.17	2,700,000	0.17
	9,769,000	2.56 years	\$ 0.18	9,769,000	\$ 0.18

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10. WARRANTS

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

	Number of Warrants	Fair value (\$)
Balance, April 30, 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	(10,000)	(1,980)
Balance, April 30, 2006	8,443,233	1,542,336
Issued on private placement	849,833	142,772
Issued on private placement	2,454,500	240,541
Broker warrants issued on private placement	57,740	5,659
Issued on private placement	3,452,250	414,270
Broker warrants issued on private placement	4,760	571
Warrants exercised	(238,500)	(29,074)
Balance, April 30, 2007	15,023,816	2,317,075
Balance, April 30, 2007	15,023,816	2,317,075
Issued on private placement	11,210,433	1,416,253
Broker warrants issued on private placement	1,300,088	188,512
Warrants exercised	(639,720)	(99,861)
Transfer to contributed surplus on expiry of warrants	(14,384,096)	(2,217,214)
Balance, April 30, 2008	12,510,521	1,604,765
Issued on non-brokered private placement	7,330,386	281,072
Broker warrants issued on private placement	-	-
Fair value of warrants exercised	-	-
Transfer to contributed surplus on expiry of warrants	(12,510,521)	(1,604,765)
Balance, April 30, 2009	7,330,386	281,072
Issued for mining rights	400,000	16,800
Warrants issued on private placement (i)(iii)	11,348,643	1,723,799
Broker warrants issued on private placement(ii)	252,210	27,996
Balance, April 30, 2010	19,331,239	2,049,667
Warrants expired	(7,330,386)	(281,072)
Warrants issued on private placement (Note 8(b)(iii))	27,777,777	1,805,556
Broker warrants issued on private placement (Note 8(b)(iii))	1,643,567	106,832
Fair value of warrants exercised	(43,500)	(4,829)
Balance, April 30, 2011	41,378,697	3,676,154

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10. WARRANTS (Continued)

(i) The grant date fair value of \$249,599 was assigned to the 2,248,643 warrants issued in the NBPP described in Note 8(b)(i) as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 177%, risk-free rate of return 1.36% and an expected maturity of 1.5 years.

(ii) The grant date fair value of \$27,996 was assigned to the 252,210 finders warrants issued to agents in the NBPP described in Note 8(b)(i) as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 177%, risk-free rate of return 1.36% and an expected maturity of 1.5 years.

(iii) The grant date fair value of \$1,474,200 was assigned to the 9,100,000 warrants issued in the private placement described in Note 8(b)(ii) as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield 0%, expected volatility 185.47%, risk-free rate of return 1.63% and an expected maturity of 2 years.

As at April 30, 2011, 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:

Fair Value	Expiry date	Number of warrants	Exercise price
\$ 13,650	July 8, 2011	325,000	\$ 0.15
3,150	July 29, 2011	75,000	0.15
272,766	June 23, 2011	2,457,353	0.20
1,912,388	August 5, 2011	29,421,344	0.22
1,474,200	March 23, 2012	9,100,000	0.21
\$ 3,676,154		41,378,697	

11. BASIC AND DILUTED (LOSS) PER SHARE

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

	<u>2011</u>	<u>2010</u>
Numerator:		
Income (Loss) for the year	\$ (639,447)	\$ (506,410)
Numerator for basic and diluted (loss) per share	(639,447)	(506,410)
Denominator:		
Weighted average number of common shares	112,398,889	80,178,009
Denominator for basic income (loss) per share	112,398,889	80,178,009
Denominator for diluted (loss) per share	112,398,889	80,178,009
Basic (loss) per share	\$ 0.00	\$ (0.01)
Diluted (loss) per share	\$ 0.00	\$ (0.01)

(i) The stock options and warrants were not included in the computation of diluted (loss) per share for 2011 and 2010 because their inclusion would be anti-dilutive.

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12. 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>2011</u>	<u>2010</u>
Future income tax liabilities		
Mining rights and deferred exploration expenditures	\$ (897,901)	\$ (1,032,903)
Future income tax assets		
Non-capital losses used to reduce the future income tax liability	181,000	180,893
Cumulative eligible capital	13,755	13,247
Share issuance costs and other	152,309	95,398
Net future income tax liability	\$ (550,837)	\$ (743,365)

The Company's income tax provision (recovery) for each of the years ended April 30, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Current income tax expense	\$ -	\$ -
Future income tax provision (recovery)	(123,373)	(634,015)
Total income tax provision (recovery)	\$ (123,373)	\$ (634,015)

The Company's income tax provision (recovery) for the year ended is made up as follows:

	<u>2011</u>	<u>2010</u>
(Loss) before income taxes	\$ (762,820)	\$ (1,140,425)
Income tax recovery at the combined federal and provincial rate of 29.83% (2010- 32.67%)	(227,549)	(372,577)
Non-deductible stock-option compensation	180,324	24,514
Expiry of warrants	41,922	-
Non-taxable portion of capital gain on investment in available for sale securities	(41,330)	-
Non-deductible write-off of mining rights	167,828	-
Change in estimates	-	(102,615)
Canadian development and exploration expenses utilized	(346,431)	-
Other	101,863	(183,337)
Total income tax provision (recovery)	\$ (123,373)	\$ (634,015)

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12. INCOME TAXES (continued)

The Company has non-capital loss carryforwards of approximately \$724,000, Canadian exploration and development expenditures of approximately \$9,850,000 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:

2028	\$	526,000
2030		198,000
		<hr/>
	\$	724,000

13. SEGMENTED INFORMATION

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the financial statements as loss for the period also represent segment amounts. All of the Company's operations and assets are located in Canada.

14. COMMITMENTS

- (i) The Company is obligated under an operating lease for rental of office property in Toronto, Ontario to an amount of approximately \$2,000 per month expiring August 31, 2011.
- (ii) The Company is obligated under an operating lease for rental of office space in Val-d'Or, Quebec, in the amount of \$3,600 per month expiring August 1, 2012.
- (iii) As at April 30, 2011, the Company had drilling commitments of approximately \$1,300,000 and expect to complete those commitments by end of 2011.

15. SUBSEQUENT EVENT

On July 22, 2011 the Company extended the exercise period of 27,777,777 non-compensation warrants issued originally on August 5, 2010 (Note 8 (b)(iii)) and originally expiring on August 5, 2011, by 12 months to August 5, 2012. All remaining terms of these warrants are unchanged.