

**ALEXANDRIA MINERALS CORPORATION**  
**Management Discussion and Analysis**  
For the year ended April 30, 2011

This Management Discussion and Analysis (“MD&A”) of Alexandria Minerals Corporation (“Alexandria” or the “Company”) is dated August 17, 2011 and provides an analysis of the Company’s performance and financial condition for the year ended April 30, 2011 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, 2011 and 2010, 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. Peter Legein, 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. Legein 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. Legein or Mr. Owens and is not necessarily indicative of the Company’s anticipated results. As of the date of this MD&A, the Company reported a Current Resource as defined by National Instrument (“NI”) 43-101 on two of its gold projects in the Val d’Or area, its Orenada and Sleepy properties. The remaining properties do not contain NI 43-101 compliant resources, and there is no guarantee that economic deposits exist on them. As may be 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 such targets being delineated as a Current Resource.

**OVERALL PERFORMANCE**

**Principle Business**

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 districts 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 24 mineral properties in 3 areas throughout the Abitibi Belt in northern Quebec and Ontario, a mineral-rich geological region with an extensive mining history. The Company’s activities are focused on the Cadillac Break property group in Val d’Or, Quebec, a 35 kilometers (“km”) long property package consisting of 21 individual properties, including the Orenada, Akasaba, and Sleepy properties, covering 12,526 hectares on 675 claims. The Company also holds interests in 2 other properties in Quebec: the Siscoe East property (105 claims) and the Gwillim property, in the Chibougamau mining

District. In Ontario, the Company holds interests in one project near Matachewan, Ontario, with 49 claims, which stretches 11 km along the Cadillac-Larder Lake Break.

**Operations/Activities**

During the period, the Company completed a brokered, \$5,000,000 non flow-through financing, enabling Alexandria to proceed with its exploration activities, especially on its Cadillac Break properties in Val d’Or, Quebec. The financing was important strategically for the Company, because, in addition to Agnico-Eagle Mines Ltd. maintaining its 10% equity position, it brought in new large funds, thereby strengthening its shareholder base.

On the exploration front, Alexandria expended \$4,172,898 on property-related exploration activities, focused principally on its Cadillac Break properties in the Val d’Or district. A total of 75 drill holes, representing 23,409 meters (“m”), were completed during the year ended April 30, 2011.

At *Akasaba*, Alexandria completed 70 holes for a total of 20,858 m of drilling, with one or two drill rigs operating on the project relatively continuously throughout the year. The drilling has enlarged the gold zone 5 fold in the main Mine Horizon around the past-producing Akasaba Mine, from 200 m long by 200 m deep, to 1,000 m long by 500 m deep. The Company continues to intersect encouraging gold zones, with both high grade and broad low grade gold intersections reported from the surface to more than 500 m depth.

Company geologists have shown that the gold mineralization is hosted in sulphide-rich volcanic rocks primarily in three principal anastomosing veins, A, B, and C, and numerous smaller, more discontinuous veinlets, which can form wide zones of gold mineralization when geological conditions are favourable (IAX-10-72 intersected 63.3 m grading 1.97 grams per tonne gold (“g/t Au”) at a depth of 100 m). The underground stope at the Akasaba Mine was constructed on the southern lens only (vein A), producing some 40,000 ounces of gold, at a reported grade of 5.14 g/t Au, and 10,000 ounces of silver between 1961 and 1963.

Selected drill results reported during the period are presented below, and represent the character of gold mineralization at Akasaba: high grade intersections, up to 121.00 g/t Au over 0.80 m, with widespread visible gold, surrounded by haloes of lower grade gold, which collectively form wider zones such as that in IAX-10-119, with 1.69 g/t Au over 26.09 m.

| Selected Shallow Drill Intersections at Akasaba (<200m vertical depth, all lengths true widths) |   |
|---|---|
| IAX-10-72   | 1.97 g/t Au over 63.30 m, including 7.02 g/t Au over 5.40 m |
| IAX-10-75   | 3.70 g/t Au over 4.10 m, incl. 36.40 g/t Au over 0.35 m     |
| IAX-10-78   | 7.41 g/t Au over 2.81 m, incl. 26.65 g/t Au over 0.35 m     |
| IAX-10-86   | 2.36 g/t Au over 14.70 m, incl. 85.89 g/t Au over 0.35 m    |
| IAX-10-87   | 19.33 g/t Au over 4.55 m, incl. 121.00 g/t Au over 0.80 m   |
| IAX-10-88   | 3.65 g/t Au over 3.90 m, incl. 11.65 g/t Au over 0.75 m     |
| IAX-10-89   | 60.11 g/t Au over 0.38 m, north of the main Mine Horizon    |
| IAX-10-95   | 8.27 g/t Au over 4.58 m, incl. 20.93 g/t Au over 1.67 m     |
| IAX-10-95   | 0.73 g/t Au over 25.08 m                                    |
| IAX-10-110  | 1.01 g/t Au over 30.37 m, incl. 4.48 g/t Au over 2.41 m     |
| IAX-10-112  | 1.38 g/t Au over 22.27 m, incl. 14.52 g/t Au over 1.45 m    |
| IAX-10-119  | 1.69 g/t Au over 26.09 m, incl. 7.91 g/t Au over 4.20 m     |
| IAX-11-124  | 18.93 g/t Au over 1.30 m, incl. 38.93 g/t Au over 0.42 m    |
| IAX-11-127  | 2.13 g/t Au over 10.47 m, incl. 45.09 g/t Au over 0.35 m    |
| IAX-11-132  | 7.74 g/t Au over 6.01 m, incl. 21.41 g/t Au over 2.12 m     |
| IAX-11-134  | 7.26 g/t Au over 1.66 m, incl. 48.15 g/t Au over 0.21 m     |
| IAX-11-136  | 1.56 g/t Au over 10.61 m, incl. 8.29 g/t Au over 0.67 m     |
| IAX-11-138  | 1.98 g/t Au over 10.11 m, incl. 3.39 g/t Au over 4.85 m     |

As of the date of this report, the shallow level drilling has been completed at sufficient detail to provide enough data points for a reliable formal resource estimation: the Company has begun a NI 43-101 resource study, anticipated to be complete in the coming months.

Deeper drilling at Akasaba has been focused around the eastern high grade zone, discovered in 2009, located east of the Akasaba Mine, and has been traced from surface to more than 500 m deep. The deepest holes, IAX-11-148 and IAX-11-155 are encouraging as mineralization in them is strong, and they therefore create a wide open potential target zone at depth. Results from two follow-up holes are pending, and further step-out drilling is ongoing.

| Selected Deep Drill Intersections at Akasaba (>200m vertical depth) |  |
|---|--|
| IAX-10-97   | 6.60 g/t Au over 0.88 m                                      |
| IAX-10-96   | 10.35 g/t Au over 0.28 m                                     |
| IAX-10-99   | 1.19 g/t Au over 16.22 m, including 14.81 g/t Au over 0.38 m |
| IAX-10-99   | 4.04 g/t Au over 2.31 m                                      |
| IAX-10-106  | 3.35 g/t Au over 10.40 m, including 19.74 g/t Au over 1.55 m |
| IAX-10-144  | 3.80 g/t Au over 2.09 m and 2.94 g/t Au over 3.02 m          |
| IAX-10-148  | 6.73 g/t Au over 5.25 m, including 26.65 g/t Au over 0.75 m  |
| IAX-10-155  | 3.07 g/t Au over 12.75 m, incl. 11.94 g/t over 1.54 m        |

Akasaba gold mineralization remains open at depth and along strike. The Company intends to continue drilling on the project, in order to expand the existing gold zone, by testing targets along strike and at depth along the main Mine Horizon, as well as testing new similar targets on the property and on adjacent properties.

At the Company's *Sleepy* project, which hosts a NI 43-101 Inferred Resource of 1.5 million tonnes grading 3.0 g/t Au, for 150,000 ounces of gold, 4 drill holes were completed at the end of April, 2011, comprised of 2,551 m. Alexandria began its first drilling programme since 2009 on the project: a 3 hole winter drill programme in which drill hole SAX-11-01 intersected **3.81 g/t Au over 9.00 m** (true width), extending gold mineralization 100 m deeper below the current resource, to 430 m vertical depth. Follow-up drilling to that first programme began in late April, resulting in the completion of hole SAX-11-05, located 100 m east of hole #1, and which intersected **11.28 g/t Au over 2.40 m**. Results from 2 other drill holes offsetting these intersections are pending as at the time of this report.

Also, drilled during this follow-up programme, are three holes testing the eastern Sleepy Zone, located about 1 km east along strike with the Sleepy resource. These holes tested targets below historic holes that intersected 2.95 g/t Au over 6.65 m and 14.1 g/t Au over 1.46 m. Results are pending.

In the course of drilling deeper targets on the main Sleepy zone during the follow-up programme, the Company's geologists discovered a new high grade zone located 100 m south of the Sleepy deposit. Drill hole SAX-11-04 intersected **28.75 g/t Au over 4.20 m**, including **248.80 g/t Au over 0.25 m**, in this South Zone. This zone has been intersected in other Alexandria holes, all of which have had encouraging, but narrow, results, as in hole SAX-11-01, with 2.74 g/t Au over 0.50 m. Three step-out follow-up holes testing the extent of this high grade discovery are in progress as at the time of this writing.

The Sleepy deposit remains open at depth and along strike, and mineralized drill intersections over 1 km east of the Sleepy deposit attest to the potential size of the deposit. The Company anticipates a renewed drilling effort in the Fall of 2011 in order enlarge the deposit significantly.

The Company completed 1 drill hole on its Gwillim property in the Chibougamau mining district, located 200 km NE of Val d'Or. The Gwillim property is located along strike with, and adjacent to, the Gwillim mine, a small past gold producer, hosted sheared metavolcanic rocks. No positive gold assays were received from this drill hole.

Elsewhere during the year, Alexandria completed the option/sale of its Joannes Township property, with a final payment from Aurizon Mines Ltd. of 213,845 shares valued at \$1,600,000. The Company also wrote down two property assets during this time: \$137,663 was written off for the Company's Quevillon property, located 60 km NE of Val d'Or, and \$424,953 was written off on a group of 20 claims located in Joannes Township after notifying Xstrata that it would not complete the terms of its Earn-In Agreement.

**SELECTED ANNUAL INFORMATION**

|                        | Year Ended<br>Apr. 30, 2011<br>(\$) | Year Ended<br>Apr. 30, 2010<br>(\$) | Year Ended<br>Apr. 30, 2009<br>(\$) |
|------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Interest income        | 19,643                              | 2,055                               | 8,932                               |
| Net Loss               | 639,447                             | 506,410                             | 1,155,070                           |
| Loss Per Share         | 0.00                                | 0.01                                | 0.02                                |
| Cash                   | 910,112                             | 1,036,098                           | 628,392                             |
| Short Term Investments | 2,000,000                           | 1,000,000                           | 1,025,376                           |
| Total Assets           | 18,056,528                          | 13,630,170                          | 11,893,699                          |
| Total Liabilities      | 1,059,362                           | 989,254                             | 1,445,417                           |
| Shareholders' Equity   | 16,997,166                          | 12,640,916                          | 10,448,282                          |

**SELECTED QUARTERLY INFORMATION**

| Three Months Ended | Interest Income | Net Income (loss) |           | Total Assets  |
|--------------------|-----------------|-------------------|-----------|---------------|
|                    |                 | Total             | Per Share |               |
| 2011-APR-30        | \$ 6,336        | \$ 648,202        | \$ 0.01   | \$ 18,056,528 |
| 2011-JAN-31        | 5,696           | (83,026)          | (0.00)    | 17,511,038    |
| 2010-OCT-31        | 6,906           | (851,894)         | (0.01)    | 17,638,727    |
| 2010-JUL-31        | 705             | (352,729)         | 0.00      | 13,457,670    |
| 2010-APR-30        | 531             | 220,788           | 0.01      | 13,630,170    |
| 2010-JAN-31        | 2,946           | (282,670)         | ( 0.01)   | 12,235,741    |
| 2009-OCT-31        | (2,068)         | (207,230)         | (0.01)    | 11,756,708    |
| 2009-JUL-31        | 646             | (237,298)         | ( 0.00)   | 11,796,569    |

**RESULTS OF OPERATIONS**

The Company has no operating revenues other than interest income and relies on external financings to generate capital. Because of its activities, Alexandria incurs net losses. For the year ended April 30, 2011, Alexandria incurred a net loss of \$639,447 versus a net loss of \$506,410 for the year ended April 30, 2010. The future income tax recovery was \$123,373 during the year ended April 30, 2011 [2010 - \$634,015].

The Company routinely monitors its operations and costs associated with those operations, in order to better plan and implement its activities, taking into consideration the current economic climate and industry outlook. For the year ended April 30, 2011, Alexandria reported total expenses of \$1,947,306, up from the previous year (2010 - \$1,142,480). This increase of \$804,826 on expenses was principally a result of increased non-cash stock-option compensation, as well as Business Development and Investor and Public Relations as the Company broadened its efforts to increase awareness of its activities. Support for this activity, and for the increased exploration activities resulted in general increases as well in Seminars and Conferences (2011 - \$71,495, 2010 - \$58,909) and Office and General Expenses (2011 - \$256,248, 2010 - \$202,506).

The non-cash stock-option compensation for the year ended April 30, 2011 amounted to \$604,507 (April 30, 2010 - \$75,035). Among other items, the Company had a Gain on the Sale of Investment, amounting to \$277,103, and a Gain on Disposition of Mining Rights totalling \$1,450,356, pertaining to the completion of its agreement with Aurizon Mines Ltd. In addition, the Company wrote-off the expenditures pertaining to two properties, Xstrata and Quevillon, in the amount of \$562,616.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company had \$6,283,596 in working capital as at April 30, 2011 (2010 - \$3,814,520) with a cash balance of \$910,112 (2010- \$1,036,098), and short term investment of \$2,000,000 (2010 - \$1,000,000).

On August 5, 2010, the Company completed a \$5,000,000 non-flow through private placement financing, brokered by Pollitt & Co. Inc. of Toronto. For this transaction, the Company issued 27,777,777 units at a price of \$0.18, where each unit consisted of 1 share plus 1 share purchase warrant. Each warrant allows the owner to purchase a share at \$0.22 for 1 year. These warrants have been extended by another year, to expire in August 2012.

**SHARE CAPITAL**

As at August 17, 2011, the Company's share position consisted of:

|                          |             |
|--------------------------|-------------|
| Shares outstanding       | 120,122,128 |
| Options <sup>(i)</sup>   | 9,934,000   |
| Warrants <sup>(ii)</sup> | 36,877,777  |
|                          | <hr/>       |
| Fully Diluted            | 166,933,905 |

(i) Options outstanding as at August 17, 2011

| Expiry Date        | No. of Options   | Exercise Price |
|--------------------|------------------|----------------|
| September 15, 2011 | 20,000           | \$0.23         |
| October 19, 2011   | 250,000          | \$0.21         |
| January 29, 2012   | 1,330,000        | \$0.265        |
| April 29, 2012     | 30,000           | \$0.10         |
| July 13, 2012      | 250,00           | \$0.30         |
| January 15, 2013   | 2,420,000        | \$0.21         |
| February 11, 2013  | 319,000          | \$0.15         |
| May 28, 2013       | 70,000           | \$0.21         |
| June 4, 2013       | 300,000          | \$0.21         |
| January 6, 2014    | 350,000          | \$0.195        |
| April 29, 2014     | 1,480,000        | \$0.10         |
| May 9, 2014        | 250,000          | \$0.19         |
| May 29, 2014       | 200,000          | \$0.10         |
| October 12, 2015   | 2,665,000        | \$0.17         |
| <b>TOTAL</b>       | <b>9,934,000</b> |                |

(ii) Warrants outstanding as at August 17, 2011

| Expiry Date    | Warrants          | Exercise Price |
|----------------|-------------------|----------------|
| August 5, 2011 | 27,777,777        | \$0.22         |
| March 23, 2012 | 9,100,000         | \$0.21         |
| <b>TOTAL</b>   | <b>36,877,777</b> |                |

**EXPENDITURES ON RESOURCE PROPERTIES**

The following table is a summary of the expenditures during the year ended April 30, 2011 which is included in the \$18,393,642 gross expenditures accumulated by the Company since inception in May 2002, with respect to the Company's mining rights on its properties, before recovery of grants of \$4,950,381 and Quebec refundable tax credits and mining duties receivable in amount of \$2,212,259.

SUMMARY OF YEAR ENDED APRIL 30, 2011 PROPERTY EXPENDITURES

|                                 | Orenada <sup>1</sup> | Akasaba <sup>1</sup> | Sleepy <sup>1</sup> | Other Cadillac Break Properties <sup>1</sup> | Other Quebec Properties <sup>2</sup> | Matachewan         |
|---------------------------------|----------------------|----------------------|---------------------|--|--------------------------------------|--------------------|
| <b>Balance (April 30, 2010)</b> | <b>\$3,962,746</b>   | <b>\$1,825,541</b>   | <b>\$940,830</b>    | <b>\$4,923,634</b>                           | <b>\$1,978,521</b>                   | <b>\$1,317,683</b> |
| Acquisition cost                | -                    | 454                  | -                   | -  | 19,624                               | -                  |
| Assays & Maps                   | 4,923                | 255,993              | 336                 | 4,447  | -                                    | -                  |
| Geophysics                      | 3,000                | 95,561               | -                   | 5,375  | 3,226                                | -                  |
| Drilling                        | 1,874                | 1,950,946            | 301,062             | 6,900  | 45,073                               | -                  |
| Geology and Geochemistry        | 21,735               | 285,608              | 24,609              | 8,900  | 3,957                                | -                  |
| General Expenses                | 116,981              | 395,020              | 26,167              | 69,957                                       | 352,442                              | 11,725             |
| Staking /Claims                 | 2,635                | -                    | -                   | 2,652  | 8,172                                | -                  |
| Travel                          | 7,653                | 24,175               | 558                 | 14,420                                       | -                                    | -                  |
| Research                        | 146,817              | 8,005                | -                   | -  | -                                    | -                  |
| Option Payments                 | -                    | -                    | -                   | (28,750)                                     | (1,656,200)                          | -                  |
| Reports                         | -                    | -                    | -                   | -  | 10,915                               | -                  |
| Write-Off of Expenditures       | -                    | -                    | -                   | -  | (562,616)                            | -                  |
| Gain on Disposition             | -                    | -                    | -                   | -  | 1,450,356                            | -                  |
| <b>Expenditures During Year</b> | <b>305,618</b>       | <b>3,015,762</b>     | <b>352,732</b>      | <b>83,901</b>                                | <b>(325,051)</b>                     | <b>11,725</b>      |
| <b>Balance (April 30, 2011)</b> | <b>\$4,268,364</b>   | <b>\$4,841,303</b>   | <b>\$1,293,562</b>  | <b>\$5,007,535</b>                           | <b>\$1,653,470</b>                   | <b>\$1,329,408</b> |

Notes:

- (1) The Cadillac Break Property Group consists of 21 properties, including Orenada, Sleepy, and Akasaba, as noted in the Financial Statements, acquired through staking or property acquisition agreements.
- (2) Other Quebec Properties include the Siscoe East, Joannes Township, Quevillon and Gwillim properties

**COMMITMENTS**

- (i) The Company is obligated under an operating lease for rental of an office property in Toronto, Ontario to an amount of \$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 of April 30, 2011, the Company had drilling commitments of approximately \$1,300,000 and expect to complete those commitments by end of 2011.

**ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES**

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the period. Critical accounting estimates used in the preparation of the financial statements include the Company's estimate of recoverable value on its exploration properties as well as the value of stock-based

compensation. Both of these estimates involve considerable judgement and are, or could be, affected by significant factors that are out of the Company's control.

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

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

## **RISK FACTORS**

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

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

## **FUTURE CHANGES IN ACCOUNTING POLICIES**

### **Adoption of International Financial Reporting Standards**

In February 2008, the CICA announced that Canadian generally accepted accounting principles for publicly accountable enterprises will be replaced by International Financial Reporting Standards ("IFRS") for fiscal years 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 apply all of those IFRS standards which are effective for fiscal year ending April 30, 2012 and apply them to its opening May 1, 2010 balance sheet.

The Company's IFRS implementation project consists of three primary phases which will be completed by a combination of in-house resources and external consultants.

1. Initial diagnostic phase ("Phase I") - Involves preparing a preliminary impact assessment to identify key areas that may be impacted by the transition to IFRS. Each potential impact identified during this phase is ranked as having a high,

- moderate or low impact on our financial reporting and the overall difficulty of the conversion effort.
2. Impact analysis, evaluation and conversion phase (“Phase II”) - Involves the selection of IFRS accounting policies by senior management and the review by the audit committee, the quantification of the impact of changes on our existing accounting policies on the opening IFRS balance sheet and the development of draft IFRS financial statements.
  3. Implementation and review phase (“Phase III”) - Involves training key finance and other personnel and implementation of the required changes to our information systems and business policies and procedures. It will enable the Company to collect the financial information necessary to prepare IFRS financial statements and obtain audit committee approval of IFRS financial statements.

The Company has substantially completed Phases I and Phase II and is currently engaged in Phase III.

The table below summarizes the expected timing of activities related to the Company’s transition to IFRS.

|   |  |
|---|--|
| Initial analysis of key areas for which changes to accounting policies may be required.   | Completed  |
| Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives. | Completed  |
| Assessment of first-time adoption (IFRS 1) requirements and alternatives.   | Completed  |
| Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives                                     | Completed  |
| Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements                                 | Completed  |
| Management and employee education and training  | Throughout the transition and implementation process |
| Quantification of the Financial Statement impact of changes in accounting policies  | Throughout 2011/2012                                 |

The differences that have been identified in the diagnostic phase are summarized below.

**a) Transitional Impact on Financial statement presentation**

The Company’s financial statements will have a different format upon transition to IFRS.

The components of a complete set of IFRS financial statements are: statement of financial position (balance sheet), statement of comprehensive income, statement of changes in equity, statement of cash flows, and notes including accounting policies. Income statement will be presented as a component of the statement of comprehensive income. Balance sheet may be presented in ascending or descending order of liquidity. Income statement is classified by nature of items or by each major functional area (marketing, distribution, etc). ***Impact on Company:*** *The Company will reformat the financial statements based on nature of income statement items.*

**b) IFRS-1 Transitional policy choices and exceptions for retrospective application**

IFRS-1 contains the following policy choices with respect to first-time adoption that are applicable to the Company.

**Property, plant & equipment:**

IFRS-1 provides a choice between measuring property, plant and equipment at its fair value at the date of transition and using those amounts as deemed cost or using the historical valuation under the prior GAAP. **Impact on Company:** *The Company has decided to elect to use the historical cost carrying values as determined under Canadian GAAP for transitional purposes.*

c) **Mandatorily applicable standards with retrospective application (i.e., not specifically exempt under IFRS - 1)**

**Deferred mineral exploration costs:**

Upon adoption of IFRS the Company will have a choice between retaining its existing policy of capitalizing all pre feasibility evaluation and exploration ("E&E") expenditures and electing to change its policy retrospectively to expense some or all pre feasibility costs. **Impact on Company:** *The Company has decided to retain its policy of capitalizing its E&E expenditures and further determined that the adoption of the provisions of IFRS 6 Exploration for and Evaluation of Mineral Resources will not result in any transitional impact at May 1, 2010.*

**Property, plant and equipment - cost:**

IFRS: IAS 16 contains more extensive guidance with respect to components within PP&E. When an item of property, plant and equipment comprises individual components for which different depreciation methods or rates are appropriate, each component is accounted for separately (component accounting). **Canadian GAAP:** Section 3061 essentially contains similar guidance but is less extensive. **Impact on Company:** *The Company has determined that there is no impact upon transition as at May 1, 2010.*

**Future income taxes recognized in connection with Flow-through shares:**

The Company has periodically financed its exploration activities by the issuance of flow-through shares. Income tax credits associated with these flow-through shares have all been renounced and all qualifying expenditures had been incurred prior to May 1, 2010.

IFRS: There is no specific standard under IFRS that directly deals with flow-through shares. **Canadian GAAP:** The Company reduces the net proceeds of the flow-through share issuance by the future tax liability of the Company resulting from the renunciation of the exploration and development expenditures in favour of the flow-through share subscribers. Future income tax assets (loss carry forwards and/or deductible temporary differences) not previously recognized as a result of applying the "more likely than not" test are recognized as a reduction of the future income tax liability through a credit in the income statement. **Impact on Company:** *The Company intends to apply the United States Financial Accounting Standards Board (FASB) model to determine transitional adjustments as at May 1, 2010. Under the FASB model, the proceeds from issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the existing shares and the amount the investor pays for the shares. A liability is recognized for this difference. The liability is reversed when tax benefits are renounced and a deferred tax liability is recognized at that time. Income tax expense is the difference between the amount of a deferred tax liability and the liability recognized on issuance*

*The Company is aware that its preliminary evaluation may be impacted by additional interpretive guidance in this area that may be issued by mining industry groups and other interested parties.*

**Provision for mine closures/ environmental rehabilitation:**

**IFRS:** IFRS 37 applies to a constructive obligation, where the event creates valid expectations that the entity will discharge the obligation, as well as a legal obligation. The amount recognized should be the best estimate of the expenditure required to settle the obligation at the balance sheet date. Present value should be used where the effect of the time value of money is material. The discount rate (or rates) utilized should be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. Provisions should be reviewed at each balance sheet date and adjusted to reflect the current best estimate. **Impact on the Company:** *The Company has determined that there is no transitional impact.*

**Share based compensation:**

**IFRS:** Under IFRS 2, graded vesting awards must be accounted for as though each installment is a separate award. IFRS does not provide for an election to treat the instruments as a pool and recognize expense on a straight line basis. **Canadian GAAP:** Straight line basis is permissible under Canadian GAAP. **Impact on Company:** *The Company has recognized option expense on a graded basis that is consistent with the IFRS 2 amortization methodology and had no unvested options at May 1, 2010. Accordingly, the Company has determined that there is no transitional impact at May 1, 2010.*

**Impact on information systems and processes and controls:**

Based on work completed so far the Company has determined that adoption of IFRS does not have a pervasive impact on its present systems and processes. The Company expects to implement certain minor changes to the general ledger account descriptions as well as the calculation methodologies currently in use for certain specific financial statement areas such as asset impairment, share based compensation, etc. The certifying officers are currently evaluating the effectiveness of, any significant changes to controls if any, to prepare for certification under IFRS in 2011.

**Subsequent Disclosures:**

The Company's first financial statements prepared in accordance with IFRS will be the interim financial statements for the three months ending July 31, 2011, which will include notes disclosing transitional information and disclosure of new accounting policies under IFRS. The interim financial statements for the three months ending July 31, 2011, will also include 2010 financial statements for the comparative period, adjusted to comply with IFRS, and the Company's transition date IFRS statement of financial position at May 1, 2010.

## **DISCLOSURE OF INTERNAL CONTROLS**

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 unaudited interim 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 unaudited interim financial statements, and (ii) the unaudited interim 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 unaudited interim financial statements.

In contrast to the certificate required under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109), the Company utilizes the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## **OUTLOOK**

In the current strong gold market, Alexandria Minerals, with 3 advanced gold exploration projects located on one of the largest mineral property packages in the Val d'Or mining district, has a valuable asset base. Over the past year, the Company has advanced its projects considerably, as indicated by the successful drill results from both Akasaba and Sleepy. With continued success, the Company anticipates increasing the size of both gold projects considerably during the coming year.

In spite of the strong gold price, and high level of interest in the metal, the current capital market conditions are bearish, as weak economic and financial conditions remain a concern worldwide. The Company will require further funding to continue its exploration and drilling activities, and various options to provide funds exist to Alexandria, the most important being equity financings and business partnerships.

Date: August 17, 2011