



---

# **Alexandria Minerals Corporation**

**Interim Financial Statements**

**(Unaudited)**

**Three Months Ended July 31, 2008**

**(Expressed in Canadian Dollars)**

**(A Development Stage Entity)**

---

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying unaudited interim financial statements of Alexandria Minerals Corporation (A Development Stage Entity) were prepared by management in accordance with Canadian generally accepted accounting principles. The most significant of these accounting principles have been set out in the April 30, 2008 audited financial statements. Only changes in accounting policies have been disclosed in these unaudited interim financial statements. Management acknowledges responsibility for the preparation and presentation of the unaudited interim 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 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.

The Board of Directors is responsible for reviewing and approving the unaudited interim 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 unaudited interim 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 unaudited interim 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.

### **NOTICE TO READER**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.



**ALEXANDRIA MINERALS CORPORATION**  
**INTERIM BALANCE SHEETS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**

	July 31, 2008	April 30, 2008
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	2,095,034	1,290,204
Quebec sales tax, GST and sundry receivable	188,338	569,912
Prepaid expenses	9,782	2,190
Quebec refundable tax credits and mining duties receivable	2,070,726	2,070,726
Short term investment	-	1,000,000
	4,363,880	4,933,032
<b>Equipment (Note 5)</b>	<b>16,925</b>	<b>22,624</b>
<b>Long-term investment</b>	<b>50,000</b>	<b>-</b>
<b>Mining rights and deferred exploration expenditures (Note 6)</b>	<b>7,969,833</b>	<b>6,672,176</b>
	<b>12,400,638</b>	<b>11,627,832</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	249,685	743,864
<b>Future income tax</b>	<b>723,535</b>	<b>723,535</b>
	<b>973,220</b>	<b>1,467,399</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 7)	9,253,487	8,098,714
Warrants (Note 9)	295,854	1,604,765
Contributed surplus	4,960,233	3,308,113
Accumulated other comprehensive income (Deficit)	4,500 (3,086,656)	- (2,851,159)
	<b>11,427,418</b>	<b>10,160,433</b>
	<b>12,400,638</b>	<b>11,627,832</b>

**See accompanying notes to unaudited interim financial statements**

**Nature of operations and going concern (Note 1)**

**Commitment (Note 13)**

**Subsequent event (Note 14)**



**ALEXANDRIA MINERALS CORPORATION**  
**INTERIM STATEMENTS OF LOSS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**

	Three months ended July 31, 2008	Three months ended July 31, 2007	Cumulative since inception on May 27, 2002
	\$	\$	\$
<b>Expenses</b>			
Stock-option compensation	47,355	7,421	1,138,254
Investor and public relations	46,358	108,714	545,606
Business development	14,374	103,271	403,883
Professional fees	14,165	7,568	651,697
Payroll	56,021	28,038	301,586
Office and general	31,168	29,699	502,032
Seminars and conferences	5,642	3,177	218,836
Management fees	-	-	365,206
Accounting and corporate services	14,109	9,450	173,600
Rent	5,336	4,634	79,944
Amortization	1,212	1,249	15,738
Interest and bank charges	575	287	41,512
General exploration	-	-	123,275
	<b>236,315</b>	<b>303,508</b>	<b>4,561,169</b>
<b>Net operating loss before the following:</b>	<b>(236,315)</b>	<b>(303,508)</b>	<b>(4,561,169)</b>
Interest income	2,535	42,573	217,616
Loss of disposal of mobile equipment	(1,717)	-	(1,717)
<b>Loss for the period before taxes</b>	<b>(235,497)</b>	<b>(260,935)</b>	<b>(4,345,270)</b>
Future income tax recovery	-	-	1,258,614
<b>Net loss for the period</b>	<b>(235,497)</b>	<b>(260,935)</b>	<b>(3,086,656)</b>
<b>Basic and diluted loss per share</b>	<b>(0.00)</b>	<b>(0.00)</b>	
<b>Weighted average number of shares outstanding</b>	<b>64,302,007</b>	<b>54,500,219</b>	

See accompanying notes to unaudited interim financial statements



**ALEXANDRIA MINERALS CORPORATION**  
**INTERIM STATEMENT OF OTHER COMPREHENSIVE LOSS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**

	Three months ended July 31, 2008	Three months ended July 31, 2007	Cumulative since inception on May 27, 2002
	\$	\$	\$
<b>Net loss for the period</b>	<b>(235,497)</b>	(260,935)	(3,086,656)
<b>Other comprehensive income, net of taxes</b>			
Unrealized gain on available-for-sale investment	4,500	-	4,500
<b>Comprehensive loss</b>	<b>(230,997)</b>	(260,935)	(3,082,156)

See accompanying notes to unaudited interim financial statements



**ALEXANDRIA MINERALS CORPORATION**  
**INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**

	Three months ended July 31, 2008	Three months ended July 31, 2007	Cumulative since inception on May 27, 2002
	\$	\$	\$
<b>Share capital</b>			
Balance at beginning of period	8,098,714	2,831,696	1
Shares issued for cash	-	-	574,224
Non-flow through shares issued for cash	125,000	4,090,800	5,841,395
Fair value of warrants issued	(62,500)	(703,106)	(1,286,768)
Flow through shares issued for cash	1,264,000	3,662,105	6,838,185
Fair value of warrants issued	(233,354)	(713,147)	(1,360,771)
Non-flow through IPO	-	-	1,512,500
Warrant valuation	-	-	(1,188,000)
Shares issued to brokers as compensation	-	-	24,226
Shares issued on conversion of debenture	-	-	100,175
Shares issued on repayment of shareholder loan	-	-	50,000
Warrant valuation - repayment of shareholder loan	-	-	(36,667)
Issuance of shares for mining rights	166,667	169,333	1,389,125
Exercise of warrants	-	137,450	251,823
Exercise of warrants - valuation	-	81,437	128,935
Share issuance costs - non-cash	-	(188,512)	(218,968)
Share issuance costs - cash	(105,040)	(542,205)	(1,383,779)
Renunciation of flow through expenditures	-	-	(1,982,149)
Balance at end of period	9,253,487	8,825,851	9,253,487
<b>Warrants</b>			
Balance at beginning of period	1,604,765	2,317,075	-
Warrants issued on private placement	295,854	1,604,765	2,647,539
Warrants issued pursuant to IPO	-	-	1,188,000
Warrants issued as part of debt settlement	-	-	36,667
Broker warrants issued on private placement	-	-	376,542
Warrants exercised	-	(81,437)	(130,915)
Warrants expired	(1,604,765)	(131,138)	(3,821,979)
Balance at end of period	295,854	3,709,265	295,854
<b>Contributed surplus</b>			
Balance at beginning of period	3,308,113	530,392	-
Stock-option compensation	47,355	7,421	1,138,254
Warrants expired	1,604,765	131,138	3,821,979
Balance at end of period	4,960,233	668,951	4,960,233
<b>Accumulated other comprehensive income</b>			
Balance at beginning of period	-	-	-
Unrealized gain on available-for-sale investment	4,500	-	4,500
Balance at end of period	4,500	-	4,500

See accompanying notes to unaudited interim financial statements



**ALEXANDRIA MINERALS CORPORATION**  
**INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**

	<b>Three months ended July 31, 2008</b>	<b>Three months ended July 31, 2007</b>	<b>Cumulative since inception on May 27, 2002</b>
	\$	\$	\$
<b>(Deficit)</b>			
Balance at beginning of period	<b>(2,851,159)</b>	(1,666,519)	-
Net loss	<b>(235,497)</b>	(260,935)	(3,086,656)
Balance at end of period	<b>(3,086,656)</b>	(1,927,454)	(3,086,656)
<b>Total</b>	<b>11,427,418</b>	11,276,613	11,427,418

See accompanying notes to unaudited interim financial statements



**ALEXANDRIA MINERALS CORPORATION**  
**INTERIM STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**

	Three months ended July 31, 2008	Three months ended July 31, 2007	Cumulative since inception on May 27, 2002
	\$	\$	\$
<b>Cash flows used in operating activities</b>			
Net loss	(235,497)	(260,935)	(3,086,656)
Items not involving cash:			
Stock-option compensation	47,355	7,421	1,138,254
Amortization	1,212	1,249	15,738
Loss on disposal of mobile equipment	1,717	-	1,717
Future income tax recovery	-	-	(1,258,614)
Changes in non-cash working capital:			
Quebec sales tax, GST and sundry receivable	381,574	(157,618)	(188,338)
Prepaid expenses	(7,592)	(10,000)	(9,782)
Quebec refundable tax credits and mining duties receivable	-	-	(1,864,763)
Accounts payable and accrued liabilities	(494,179)	108,475	249,686
	<b>(305,410)</b>	<b>(311,408)</b>	<b>(5,002,758)</b>
<b>Cash flows used in investing activities</b>			
Acquisition of mining rights	(12,697)	(116,553)	(685,700)
Exploration expenditures	(1,163,793)	(1,391,708)	(6,146,472)
Acquisition of equipment	(188)	(4,447)	(37,338)
Proceeds from disposal of equipment	2,958	-	2,958
Disposition (purchase) of short term investment	1,000,000	(3,800,000)	-
	<b>(173,720)</b>	<b>(5,312,708)</b>	<b>(6,866,552)</b>
<b>Cash flows provided by financing activities</b>			
Promissory notes	-	-	100,175
Due to shareholder	-	-	50,000
Issue of common shares	1,389,000	7,752,905	13,406,789
Exercise of warrants	-	137,450	1,609,359
Share issuance costs	(105,040)	(542,205)	(1,201,979)
	<b>1,283,960</b>	<b>7,348,150</b>	<b>13,964,344</b>
<b>Net change in cash during the period</b>	<b>804,830</b>	<b>1,724,034</b>	<b>2,095,034</b>
<b>Cash, beginning of period</b>	<b>1,290,204</b>	<b>199,686</b>	<b>-</b>
<b>Cash, end of period</b>	<b>2,095,034</b>	<b>1,923,720</b>	<b>2,095,034</b>
<b>Supplement schedule of non-cash transactions</b>			
Share issuance on acquisition of mining rights	166,667	169,333	1,389,125
Share issue on conversion of debenture	-	-	100,175
Share issue on repayment of shareholders loan	-	-	6,257,752
<b>See accompanying notes to unaudited interim financial statements</b>			





---

**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**

---

**Three months ended July 31, 2008**

---

**1. NATURE OF OPERATIONS 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.

The unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), as applicable to a going concern which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. 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. The ability of the Company to continue operations is dependent upon obtaining the necessary financing to complete the development of a mineral property. Management is 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, as described in the following paragraph. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying unaudited interim financial statements.

The Company has raised capital by way of a non-brokered private placement (Note 7(b)(i)) in the current period and has approximately \$2.0 million in cash as at July 31, 2008 to fund exploration and meet contractual obligations. The Company's financing efforts to date, while substantial, are not sufficient in and of themselves to enable the Company to fund all aspects of its operations. Management expects that the Company, based upon the underlying value of its exploration projects, will be able to secure the necessary financing to meet the Company's requirements on an ongoing basis. Nevertheless, there is no assurance that these initiatives will be successful.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The unaudited interim financial statements have been prepared by the Company in accordance with GAAP. The preparation of the unaudited interim financial statements is based on accounting policies and practices consistent with those used in the preparation of the audited annual financial statements except as noted below. The accompanying unaudited interim financial statements should be read in conjunction with the notes to the Company's audited financial statements for the year ended April 30, 2008, since they do not contain all disclosures required by GAAP for annual financial statements. These unaudited interim financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the respective unaudited interim periods presented.



---

**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**

---

**Three months ended July 31, 2008**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Capital Disclosures and Financial Instruments – Disclosures and Presentation**

On December 1, 2006, the CICA issued three new accounting standards: Capital Disclosures (Handbook Section 1535), Financial Instruments – Disclosures (Handbook Section 3862), and Financial Instruments – Presentation (Handbook Section 3863). These new standards became effective for the Company on May 1, 2008.

**Capital Disclosures**

Handbook Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Company has included disclosures recommended by the new Handbook section in Note 3 to these interim financial statements.

**Financial Instruments**

Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Company has included disclosures recommended by the new Handbook section in Note 4 to these interim financial statements.

**Section 1400, General Standard of Financial Statement Presentation**

This section specifies requirements to assess an entity's ability to continue as a going concern and disclose any material uncertainties that cast doubt on its ability to continue as a going concern. The Company disclosure reflects such assessment.

**Future Accounting Changes**

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

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



---

**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**

---

**Three months ended July 31, 2008**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Future Accounting Changes (continued)**

**Goodwill and Intangible Assets**

In November 2007, the CICA approved Handbook Section 3064, "Goodwill and Intangible Assets" which replaces the existing Handbook Sections 3062, "Goodwill and Other Intangible Assets" and 3450 "Research and Development Costs". This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009, with earlier application encouraged. The standard provides guidance on the recognition, measurement and disclosure requirements for goodwill and intangible assets. The Company is currently assessing the impact of this new accounting standard on its financial statements.

**3. CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended July 31, 2008. The Company is not subject to externally imposed capital requirements.

**4. RISK FACTORS**

The Company's significant mineral properties are outlined below:

Siscoe East Property  
Matachewan Property  
Joannes Township Property  
Falconbridge Limited Property  
Quevillon Property  
Gwillim Property  
Cadillac Break Properties

(collectively called the "Properties")



---

**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**

---

**Three months ended July 31, 2008**

---

**4. RISK FACTORS (continued)**

Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon the Properties. If no additional mineral properties are acquired by the Company, any adverse development affecting the Properties would have a material adverse effect on the Company's financial condition and results of operations.

The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

**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, Quebec sales tax, GST and sundry receivable and Quebec refundable tax credits and mining duties receivable. Cash is held with a reputable Canadian chartered bank, from which management believes the risk of loss to be minimal.

Financial instruments included in Quebec sales tax, GST and sundry receivable consist of sales tax receivable from government authorities in Canada and deposits held with service providers. Quebec sales tax, GST and sundry receivable are in good standing as of July 31, 2008. Management believes that the credit risk concentration with respect to financial instruments included in Quebec sales tax, GST and sundry receivable is minimal.

Financial instruments included in Quebec refundable tax credits and mining duties receivable consist of mining expenditure refunds from the Quebec Government (Canada). Quebec refundable tax credits and mining duties receivable are in good standing as of July 31, 2008. 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 July 31, 2008, the Company had a cash balance of \$2,095,034 (April 30, 2008 - \$1,290,204) to settle current liabilities of \$249,685 (April 30, 2008 - \$743,864). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company is also committed to spending approximately \$1,264,000 in flow-through expenditures by December 31, 2009. If the Company does not spend these funds in compliance with the government of Canada flow-through regulations, it may be subject to litigation from various counterparties. The Company intends to fulfill all flow-through commitments within the given time constraints.



---

**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**

---

**Three months ended July 31, 2008**

---

**4. RISK FACTORS (continued)**

**Market risk**

Market risk is the risk of loss that may arise from changes in interest rates, foreign exchange rates, commodity prices and mineral properties.

(a) Interest rate risk

The Company has cash 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.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. 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 to determine the appropriate course of action to be taken by the Company.

(d) Mineral property risk

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and development programs will result in profitable mining operations. The recoverability of amounts shown for mining rights and deferred exploration expenditures is dependant upon completion of the acquisition of the mineral property interests, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production. Changes in future conditions could require material write downs of the carrying values of a mineral property.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it is acquiring an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, noncompliance with regulatory requirements, the risk of foreign investment, increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and political uncertainty.



---

**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**

---

**Three months ended July 31, 2008**

---

**4. RISK FACTORS (continued)**

**Sensitivity analysis**

The Company has, for accounting purposes, designated its cash as held for trading, which is measured at fair value. Quebec sales tax, GST and sundry receivable are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair market value. 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 market 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 market value.

As of July 31, 2008, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

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

(i) Interest rate risk is minimal since cash does not include any investments in investment-grade short-term deposit certificates.

(ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

(iii) 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 metals 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 may also require the Company to reduce its mining rights and deferred exploration expenditures, which could have a material and adverse effect on the Company's value. As of July 31, 2008, the Company is 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.

(iv) 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 or achieve profitability or provide a return on investment in the future from any of the properties it may have an interest in.



**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**

Three months ended July 31, 2008

**5. EQUIPMENT**

	July 31, 2008		April 30, 2008	
	Cost	Accumulated Amortization	Net book Value	Net book Value
	\$	\$	\$	\$
Computer equipment	22,715	11,261	11,454	12,382
Office equipment	9,123	3,652	5,471	5,567
Mobile equipment	-	-	-	4,675
	<b>31,838</b>	<b>14,913</b>	<b>16,925</b>	<b>22,624</b>

**6. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES**

For the quarter ended July 31, 2008, the Company incurred \$1,150,433 in exploration expenditures on its mineral properties and expended \$166,667 on acquisition of mineral rights. As at July 31, 2008, the Company has acquired, or has acquired options to acquire interests in the following properties:

	Three months ended July 31, 2008	Three months ended July 31, 2007	Cumulative since inception on May 27, 2002
	\$	\$	\$
<b>Siscoe East Property (1)</b>			
Opening balance	1,187,279	1,113,161	-
Staking/claims	527	275	5,630
Acquisition costs	-	10,000	468,761
Assays	-	437	56,205
Consulting	-	-	55,518
Drilling	3,323	3,970	179,580
Geophysics	24,520	4,950	277,651
Geology and geochemistry	4,901	3,601	23,220
Research	-	-	7,200
General expenses	69,611	5,724	216,396
Option payment	(45,500)	-	(45,500)
Closing balance	<b>1,244,661</b>	1,142,118	1,244,661



**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**  
**Three months ended July 31, 2008**

**6. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES (continued)**

	Three months ended July 31, 2008	Three months ended July 31, 2007	Cumulative since inception on May 27, 2002
	\$	\$	\$
<b>Matachewan Property</b>			
Opening balance	998,168	407,550	-
Staking/claims	5,283	-	19,475
Acquisition costs	-	-	288,463
Assays	14,005	-	36,396
Consulting	-	-	9,125
Drilling	-	-	296,619
Geophysics	-	-	141,846
Geology and geochemistry	5,769	3,012	130,843
General	5,561	4,980	106,019
Closing balance	1,028,786	415,542	1,028,786
<b>Joannes Township Property</b>			
Opening balance	272,703	243,558	-
Acquisition costs	-	-	96,165
Drilling	-	167	60,044
Geophysics	-	1,600	37,340
Geology and geochemistry	582	7,861	35,216
Research	-	2,381	2,568
General	6,808	8,454	48,760
Closing balance	280,093	264,021	280,093
<b>Falconbridge Limited Property</b>			
Opening balance	170,979	32,679	-
Drilling	120,412	-	120,412
Geophysics	13,420	43,388	99,867
Geology and geochemistry	24,537	51	68,548
Staking/claims	3,415	-	4,451
Assays and maps	1,896	-	6,137
General	12,070	745	47,314
Closing balance	346,729	76,863	346,729





**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**  
**Three months ended July 31, 2008**

**6. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES (continued)**

	Three months ended July 31, 2008	Three months ended July 31, 2007	Cumulative since inception on May 27, 2002
	\$	\$	\$
<b>Quevillon Property</b>			
Opening balance	94,277	82,702	-
Acquisition costs	-	-	17,701
Staking/claims	283	-	598
Assays	-	-	681
General expenses	801	1,260	10,807
Geophysics	-	-	44,870
Geology and geochemistry	-	-	20,704
Closing balance	95,361	83,962	95,361
<b>Gwillim Property</b>			
Opening balance	119,430	86,859	-
Acquisition costs	-	-	23,407
Reports	-	-	5,065
Geophysics	-	-	26,205
Geology and geochemistry	-	-	37,270
General	1,348	-	28,831
Closing balance	120,778	86,859	120,778
<b>Cadillac Break Properties (2)</b>			
Opening balance	6,624,185	1,247,453	-
Acquisition costs	166,667	271,311	1,089,625
Assays and maps	76,922	43,165	511,360
Drilling	380,503	758,933	3,471,352
Geophysics	1,995	44,332	530,051
Geology and geochemistry	179,371	158,704	911,038
Research	1,080	10,646	12,841
Staking claims	3,280	4,160	18,604
Travel	30,191	75,122	150,835
General	161,299	218,065	929,787
Closing balance	7,625,493	2,831,891	7,625,493



**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**  
**Three months ended July 31, 2008**

**6. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES (continued)**

	Three months ended July 31, 2008	Three months ended July 31, 2007	Cumulative since inception on May 27, 2002
	\$	\$	\$
<b>Project Generation Research</b>	<b>85,841</b>	31,597	85,841
<b>Subtotal</b>	<b>10,827,742</b>	4,932,853	10,827,742
<b>Less: Grant</b>	<b>(776,033)</b>	(257,015)	(776,033)
Quebec refundable tax credits and mining duties refunds	<b>(2,081,876)</b>	(623,639)	(2,081,876)
<b>Total</b>	<b>7,969,833</b>	4,052,199	7,969,833

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.

On a quarterly basis, management of the Company review exploration costs to ensure deferred expenditures include only costs and projects that are eligible for capitalization. For a description of the mining rights and deferred exploration expenditures owned by the Company, refer to Note 5 of the audited financial statements as at April 30, 2008. Specific changes to mining rights and deferred exploration expenditures that occurred from May 1, 2008 to July 31, 2008 are as follows:

(1) On June 25, 2008, the Company entered into a Joint Venture agreement with NioGold Mining Corporation ("NioGold"), giving NioGold the right to earn 50% interest in the Siscoe East Property. Under the terms of the agreement, NioGold can earn a 50% interest in the 61 claims owned by Alexandria by (a) issuing to Alexandria 650,000 shares (250,000 issued and valued at \$45,500) from NioGold treasury stock in three tranches by June 11, 2010; and (b) completing an aggregate of \$750,000 in exploration expenditures on the property by June 11, 2010. Once these earn-in terms have been completed, Alexandria and NioGold will be deemed to have formed a Joint Venture to explore and develop the Siscoe East Property.

(2) On June 27, 2008, 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 (formerly the IAMGOLD Properties).



**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**  
**Three months ended July 31, 2008**

**7. SHARE CAPITAL**

(a) Authorized capital - unlimited number of common shares

(b) Issued

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



**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**  
**Three months ended July 31, 2008**

**7. SHARE CAPITAL**

(b) Issued (continued)

	<b>Number of Shares</b>	<b>Stated Value \$</b>
<b>Balance, April 30, 2006</b>	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)
<b>Balance, April 30, 2007</b>	<b>35,668,336</b>	<b>2,831,696</b>



**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**  
**Three months ended July 31, 2008**

**7. SHARE CAPITAL**

(b) Issued (continued)

	Number of Shares	Stated Value \$
<b>Balance, April 30, 2007</b>	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)
<b>Balance, April 30, 2008</b>	<b>62,499,871</b>	<b>8,098,714</b>
Non-flow through shares issued for cash (i)	1,250,000	125,000
Warrant valuation (i)	-	(62,500)
Flow-through shares issued for cash (i)	9,723,078	1,264,000
Warrant valuation (i)	-	(233,354)
Share issuance costs - cash	-	(105,040)
Issuance of shares for mining rights (Note 6(2))	641,026	166,667
<b>Balance, July 31, 2008</b>	<b>74,113,975</b>	<b>9,253,487</b>

(i) The Company completed the first tranche of its non-brokered private placement totaling \$1,389,000 on July 18, 2008. The first tranche consists of 1,250,000 non-flow-through units, totaling \$125,000 priced at \$0.10 per unit, and 9,723,078 flow-through units, totaling \$1,264,000 priced at \$0.13 per unit. Each non-flow-through unit consists of one common share plus one full warrant, where each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.23 for a period of two years from closing. Each flow-through unit consists of one flow-through share and one half common share purchase warrant, with each whole warrant entitling the holder to acquire one additional non-flow-through common share of the Company at a price of \$0.25 for a period of two years 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 November 19, 2008.



**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**  
**Three months ended July 31, 2008**

**7. SHARE CAPITAL (continued)**

(i) (continued) The fair value of the 1,250,000 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 3.16%; expected life of two years; and expected volatility of 130.5%. A fair value of \$62,500 was estimated.

The fair value of the 4,861,539 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 3.16%; expected life of two years; and expected volatility of 130.5%. A fair value of \$233,354 was estimated.

A finder's fee of 8% of the proceeds equal to \$101,120 from flow-through units was paid.

**8. STOCK OPTIONS**

The following table reflects the continuity of stock options for the three months ended July 31, 2008:

	Number of Stock options	Weighted average exercise price (\$)
<b>Balance, April 30, 2008</b>	4,625,000	0.23
Granted (1)(2)	580,000	0.19
<b>Balance, July 31, 2008</b>	5,205,000	0.23

(1) On June 4, 2008, the Company granted an aggregate of 380,000 incentive stock options exercisable at a price of \$0.21. Of these 370,000 are exercisable for a period of 5 years, of which 300,000 are to the Company's directors, the remainder issued to employees. The remaining 10,000 stock options, which are exercisable for 3 years, were issued to employees of the Company.

For the purposes of the 300,000 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 121.4%; risk-free interest rate of 3.12% and an expected average life of 5 years. The estimated value of \$30,900 was charged to stock-option compensation and credited to contributed surplus for the three months ended July 31, 2008.

For the purposes of the 70,000 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 121.3%; risk-free interest rate of 3.21% and an expected average life of 5 years. The estimated value of \$7,210 was charged to stock-option compensation and credited to contributed surplus for the three months ended July 31, 2008.



**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**  
**Three months ended July 31, 2008**

**8. STOCK OPTIONS (continued)**

(1) (continued) For the purposes of the 10,000 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 133.9%; risk-free interest rate of 3.02% and an expected average life of 3 years. The estimated value of \$910 was charged to stock-option compensation and credited to contributed surplus for the three months ended July 31, 2008.

(2) On July 17, 2008, the Company issued 200,000 incentive stock options to a consultant of the Company exercisable at a price of \$0.15 for a period of two years.

For the purposes of the 200,000 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 131.2%; risk-free interest rate of 3.16% and an expected average life of 2 years. The estimated value was determined to be \$10,200. The impact on expenses for the three months ended July 31, 2008 was \$406 and was charged to stock-option compensation and credited to contributed surplus. The remaining balance will be expensed as the related options vest.

The weighted average grant date fair value of the total incentive stock options granted was \$0.08.

The following table reflects the actual stock options issued and outstanding as of July 31, 2008:

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
April 12, 2011	250,000	2.70 years	\$ 0.30	250,000	\$ 0.30
September 15, 2011	20,000	3.13	0.23	20,000	0.23
October 19, 2011	250,000	3.22	0.21	250,000	0.21
January 29, 2012	1,330,000	3.50	0.265	1,330,000	0.265
September 6, 2010	40,000	2.10	0.26	40,000	0.26
November 2, 2008	75,000	0.26	0.29	75,000	0.29
January 15, 2011	235,000	2.46	0.21	135,000	0.21
January 15, 2013	2,420,000	4.47	0.21	2,420,000	0.21
February 14, 2011	5,000	2.54	0.235	5,000	0.235
May 28, 2011	10,000	2.82	0.21	10,000	0.21
May 28, 2013	70,000	4.83	0.21	70,000	0.21
June 4, 2013	300,000	4.85	0.21	300,000	0.21
July 25, 2010	200,000	1.98	0.15	-	0.15
	5,205,000	2.98 years	\$ 0.23	4,905,000	\$ 0.23



**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**  
**Three months ended July 31, 2008**

**9. 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 (\$)
<b>Balance, May 27, 2002, April 30, 2003, 2004 and 2005</b>	-	-
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)
<b>Balance, April 30, 2006</b>	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)
<b>Balance, April 30, 2007</b>	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)
<b>Balance, April 30, 2008</b>	12,510,521	1,604,765
Issued on non-brokered private placement (Note 7(b)(i))	6,111,539	295,854
Transfer to contributed surplus on expiry of warrants	(12,510,521)	(1,604,765)
<b>Balance, July 31, 2008</b>	6,111,539	295,854

As at July 31, 2008, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

	Fair Value	Expiry date	Number of warrants	Exercise price
(Note 7(b)(i))	\$ 62,500	July 18, 2010	1,250,000	\$ 0.23
(Note 7(b)(i))	233,354	July 18, 2010	4,861,539	0.25
	\$ 295,854		6,111,539	





---

**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**

---

**Three months ended July 31, 2008**

---

**10. RELATED PARTY TRANSACTIONS**

For the three months ended July 31, 2008, management and salaries totaling \$nil (three months ended July 31, 2007 - \$59,754) were expensed or accrued to the President, Chief Financial Officer and Executive Vice President.

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

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

**11. 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 unaudited interim financial statements for statements of loss for the period also represent segment amounts.

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

**12. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with current period presentation.

**13. COMMITMENT**

- (i) The Company is obligated to incur an additional \$15,400 in exploration expenditures before September 12, 2010 pursuant to the agreement of the Deckeyser Property.
- (ii) The Company is obligated to issue common shares of the Company with an equivalent value of \$166,667 before June 22, 2009, pursuant to the agreement of the IAMGOLD properties.
- (iii) As of July 31, 2008, the Company is obligated under an operating lease for rental of office properties to an amount of approximately \$18,000 expiring May 31, 2009.
- (iv) The Company expects to complete its current drilling contractual commitments, estimated to be approximately \$700,000 by the end of 2009.
- (v) The Company is committed to spending \$1,264,000 associated with the flow-through offering that was completed on July 18, 2008 (Note 7(b)(i)). The Company is in the process of complying with its flow-through contractual obligations with subscribers with respect to the requirements of the Income Tax Act (Canada). It is possible that the Company may institute the look-back rule which will require the Company to spend the funds by December 31, 2009.



---

**ALEXANDRIA MINERALS CORPORATION**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**(Expressed in Canadian Dollars)**  
**(A Development Stage Entity)**

---

**Three months ended July 31, 2008**

---

**14. SUBSEQUENT EVENT**

On August 1, 2008, the Company completed the second tranche of its non-brokered private placement totaling \$316,900. The second tranche consists of 2,437,693 flow-through units priced at \$0.13 per unit. Each flow-through unit consists of one flow-through share and one half common share purchase warrant, with each whole warrant entitling the holder to acquire one additional non-flow-through common share of the Company at a price of \$0.25 for a period of two years 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 December 2, 2008.

A finder's fee of 8% of the proceeds equal to \$25,352 was paid.

