

**ALEXANDRIA MINERALS CORPORATION**  
**Management Discussion and Analysis**  
For the period ended July 31, 2009

This Management Discussion and Analysis (“MD&A”) of Alexandria Minerals Corporation (“Alexandria” or the “Company”) is dated September 24, 2009 and provides an analysis of the Company’s performance and financial condition for the period ended July 31, 2009 as well as an analysis of future prospects. This MD&A should be read in conjunction with the Company’s unaudited interim financial statements for the three months ended July 31, 2009, as well as the audited financial statements for the year ended April 30, 2009, including the related note disclosure, both of which are prepared in accordance with generally accepted accounting principles in Canada. The Company’s independent auditors have not performed a review of the quarterly financial statements. All amounts are in Canadian dollars unless otherwise specified. The financial statements along with Certifications of Annual and Interim Filings and press releases, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

Forward-looking Statements

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

Qualified Person and Note on Historical Resources

The Company relies principally on Mr. Eddy Canova, P.Geo., and Mr. Eric Owens, P.Geo., as the Qualified Persons (“QP”) for all properties as defined under National Instrument 43-101 (“NI 43-101”). Mr. Canova and Mr. Owens have read and approved the technical and scientific information contained in this MD&A. Disclosure on mineralization on adjacent properties has not been verified by either Mr. Canova or Mr. Owens and is not necessarily indicative of the Company’s anticipated results. As of the date of this MD&A, the Company reported a Current Resource as defined by National Instrument (“NI”) 43-101 on its Orenada property. The remaining properties do not contain NI 43-101 compliant resources, and there is no guarantee that economic deposits exist on them. Where discussed below, potential quantity and grade identified as Historic Resources should not be relied upon as they have not been verified by a QP. It is uncertain if further exploration will result in the target being delineated as a Current Resource.

**OVERALL PERFORMANCE**

**Principle Business**

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

Alexandria has 29 mineral properties in 5 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 km long property package consisting of 20 individual properties, including Orenada, Akasaba, and Sleepy properties, totalling 654 claims. The Company also holds interests in 4 other properties in Quebec, 2 along the Cadillac Break, namely the Siscoe East property (101 claims) and Joannes Township property (39 claims), as well as the

Quevillon Property, about 120 km northeast of Val d'Or, 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.

**Property Activities**

During the period, the Company was active on several fronts, with field exploration activities focused on geological and geophysical studies on its Cadillac Break Property Group, planning for the \$1.1 million 2009-2010 exploration period, as well as advanced resource studies on its Orenada and Sleepy projects. A very important event during the period has been the completion of the Company's first NI 43-101 compliant resource estimate, on its **Orenada** project, in Val d'Or, Quebec. On September 16, 2009, the Company announced the following **Measured and Indicated Resources** at Orenada, from 0 m to 250 m depth:

Cut-off (g/t)	Measured			Indicated			Total Measured and Indicated		
	Tonnes	Grade (g/t Au)	Au (Oz.)	Tonnes	Grade (g/t Au)	Au (Oz.)	Tonnes	Grade (g/t Au)	Au (Oz.)
<b>1.0</b>	<b>2,592,133</b>	<b>1.81</b>	<b>150,478</b>	<b>2,006,202</b>	<b>1.83</b>	<b>118,050</b>	<b>4,598,334</b>	<b>1.82</b>	<b>268,528</b>
0.7	3,463,009	1.57	174,316	3,339,422	1.44	154,088	6,802,431	1.50	328,405
0.5	3,969,955	1.44	184,150	4,551,341	1.21	177,244	8,521,296	1.32	361,395
0.3	4,329,383	1.36	188,844	6,027,277	1.01	196,097	10,356,660	1.16	384,942

In addition to the Measured and Indicated Resources, Alexandria also reported the following **Inferred Resources** at Orenada, also from 0 m to 250 m depth:

Cut-off (g/t)	Inferred Resources		
	Tonnes	Grade (g/t Au)	Au (Oz.)
<b>1.0</b>	<b>2,478,674</b>	<b>1.56</b>	<b>124,248</b>
0.7	3,598,358	1.34	155,089
0.5	4,708,810	1.16	175,596
0.3	5,546,540	1.05	186,447

These resource estimates represent a significant increase over previous Historical Resource estimates, and confirm the potential of this disseminated, near surface gold project. The next stage of this project is completion of a 43-101 compliant Preliminary Economic Assessment during Q2.

In other activities, the Company and its property partners were actively conducting surface exploration as well as drilling on Alexandria's properties in Quebec and Ontario, including the Joannes Township property near Noranda, Quebec, the Siscoe East Property and the Cadillac Break properties in Val d'Or, and the Matachewan property in Ontario.

At **Akasaba**, located 12 km east of Orenada on the Company's Cadillac Break Property group, Alexandria announced the final results of its first round of drilling in May, reporting 2.77 g/t Au over 18.90 m, including 57.20 g/t Au over 0.5 m, and, earlier, 4.22 g/t over 10.35 m, including 24.5 g/t over 1.3 m (all widths are core lengths). Akasaba is an historical gold mine, having produced some 45,000 ounces of gold in the early 1960's, at an average grade of 5.4 g/t Au from underground operations down to a depth of 90 m.

Alexandria's holes at Akasaba pierced the mineralized zone 100 m east of known historic drill results at about 250 m depth, successfully expanding the zone of gold mineralization. The results led the Company to a follow-up summer surface geophysical, geological and sampling programme, in which multiple gold-bearing geophysical anomalies were identified on the property, and in which the main mine horizon was

traced for more than 1.5 km. A number of high grade gold, silver, and copper assays were reported from surface rock samples within extensive geophysical anomalies, including 26.90 g/t Au, 55.0 g/t Ag, and 4.50% Cu, and 10.45 g/t Au, 27 g/t Ag, and 2.04% Cu. Upon completion of an ongoing trenching and channel sampling programme and compilation of historic data, a second round of drilling will begin in Fall, 2009.

On August 7, 2009, the Company reported that a 5 hole drill programme was completed by Niogold Mining Corporation on Alexandria's **Siscoe East Property** in Val d'Or. Niogold can earn a 50% interest in the property, by completing exploration work totalling \$750,000, and issuing to Alexandria 650,000 shares of Niogold stock. Significantly, DDH SE-09-004 intersected 43.67 g/t Au over 1.9 m (core length), appearing to represent the northwest continuation of the Sullivan Mine vein, which lies immediately to the southeast of the Company's property. During the 1900's the Sullivan Mine produced approximately 1.2 million ounces at an average grade of 7.8 g/t gold from underground mining operations to a depth of 1.6 km.

On the property acquisition side, the Company also notified Niogold that it has agreed to participate in the joint acquisition of 5 new claims in the area of the **Siscoe East Property**, for \$24,157, payable in cash or shares. In addition, the Company added 2 important properties to its Cadillac Break property group, Annamaque and Valdora, through purchase agreements with Teck Corporation, for which Alexandria paid to Teck a total of 300,000 shares and warrants, the latter exercisable at \$0.15 until June 22, 2011.

#### SELECTED QUARTERLY INFORMATION

Three Months Ended	Interest Income	Net Income (loss)		Total Assets
		Total	Per Share	
2009-JUL-31	\$646	\$(237,298)	\$ 0.00	\$11,796,569
2009-APR-30	3,096	(393,664)	0.01	11,893,699
2009-JAN-31	3,010	(323,788)	(0.00)	12,327,949
2008-OCT-31	291	(202,121)	(0.00)	12,361,979
2008-JUL-31	2,535	(235,497)	(0.01)	12,400,638
2008-APR-30	32,415	199,547	0.00	11,627,832
2008-JAN-31	39,719	(809,178)	(0.01)	11,726,521
2007-OCT-31	54,633	(314,074)	(0.01)	11,454,002

#### RESULTS OF OPERATIONS

The Company has no operating revenues other than interest income and relies on external financings to generate capital. As a result of its activities, Alexandria continues to incur net losses. The Company is taking continuous efforts to reduce its operating costs in consideration of the current economic climate. For the three month period ended July 31, 2009, Alexandria incurred a net loss of \$237,298 compared to a net loss of \$235,497 for the period ended July 31, 2008.

Total current expenses are comparable with the previous year: during the period these were \$237,944, \$1,629 more than the equivalent period of 2008 (\$236,315). The non-cash stock option compensation expense decreased by \$35,433 to \$11,922 based on the options granted and vested in the first quarter. Professional fees rose by \$33,913 to \$48,078 as legal expenses were incurred on the proposed shareholder rights plan, annual information circular and property agreements. Management has continued to review its costs in light of the current market conditions, and the Company will continue to seek future cost savings wherever possible.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company had \$2,225,336 in working capital as at July 31, 2009 (April 30, 2009 - \$2,906,293) which includes a cash balance of \$333,986 (April 30, 2009- \$628,392), a GIC investment of \$1,025,376 due in November, 2009 (April 30, 2009 - \$1,025,376), and Quebec mining tax and duty receivables of \$657,483 (April 30, 2009 - \$1,060,480). The decrease of \$680,957 in working capital was used in exploration expenditures of \$420,220 and operating expenses of \$237,298.

**SHARE CAPITAL**

As at September 24, 2009, the Company's share position consisted of:

Shares outstanding	77,833,565
Options <sup>(i)</sup>	7,454,000
Warrants <sup>(ii)</sup>	7,730,386
Fully Diluted	93,017,951

(i) Options outstanding as at September 24, 2009

Expiry Date	No. of Options	Exercise Price
July 25, 2010	200,000	\$0.15
September 6, 2010	20,000	\$0.26
January 15, 2011	210,000	\$0.21
April 12, 2011	250,000	\$0.30
May 29, 2011	250,000	\$0.10
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	54,000	\$0.10
January 15, 2013	2,420,000	\$0.21
May 28, 2013	70,000	\$0.21
June 4, 2013	300,000	\$0.21
April 29, 2014	1,880,000	\$0.10
May 29, 2014	200,000	\$0.10
<b>TOTAL</b>	<b>7,454,000</b>	

(ii) Warrants outstanding as at September 24, 2009

Expiry Date	Warrants	Exercise Price
July 18, 2010	1,250,000	\$0.23
July 18, 2010	4,861,539	\$0.25
August 1, 2010	1,218,847	\$0.25
July 8, 2011	325,000	\$0.15
July 29, 2011	75,000	\$0.15
<b>TOTAL</b>	<b>7,730,386</b>	

**EXPENDITURES ON RESOURCE PROPERTIES**

The following tables are a summary of the expenditures during the 3 month period ending July 31, 2009, as well as the \$12,905,478 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 \$2,427,786 and Quebec refundable tax credits and mining duties in amount of \$1,071,551.

**SUMMARY OF PERIOD ENDED JULY 31, 2009 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
Balance (May 1, 2009)	\$3,515,473	\$351,085	\$870,265	\$4,413,522	\$1,840,067	\$1,257,433
Acquisition cost	(2,501)	0	0	225,342	0	0
Assays & Maps	5,866	24,177	4,648	3,562	0	0
Geophysics	2,650	15,986	150	2,824	0	0
Drilling	0	0	0	2,836	0	0
Geology and Geochemistry	79,416	75,874	4,233	18,923	(710)	7,365
General Expenses	32,122	38,489	3,165	18,436	86	8,951
Staking / Claims	40	7,286	775	4,773	90	1,608
Travel	7,581	13,394	2,236	5,834	0	0
Research	42,126	0	0	0	0	0
<b>Expenditures During Period</b>	<b>\$167,300</b>	<b>\$175,256</b>	<b>\$15,207</b>	<b>\$282,530</b>	<b>\$(534)</b>	<b>\$17,924</b>
Balance (July 31, 2009)	\$3,682,773	\$526,291	\$885,472	\$4,696,052	\$1,839,533	\$1,275,357

Notes:

- (1) The Cadillac Break Property Group consists of 20 properties, including Orenada, Sleepy, and Akasaba, as noted in the Financial Statements, acquired through staking or property acquisition agreements, including the recently acquired Annamaque and Valdora properties.
- (2) Other Quebec Properties include the Siscoe East, Joannes Township, Quevillon and Gwillim properties

Alexandria expended cash of \$420,220 on property-related activities during the quarter ended July 31, 2009, a 64% decrease from the same period a year earlier, at \$1,163,793. In addition, the Company expended \$225,342 on property acquisition, principally as non-cash, share-issuance transactions.

**RELATED PARTY TRANSACTIONS**

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 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 be the related parties.

**COMMITMENTS**

- (i) As of July 31, 2009, the Company is obligated under an operating lease for rental of office properties to an amount of approximately \$10,736 expiring May 31, 2010.
- (ii) The Company expects to complete its current drilling contractual commitments, estimated to be approximately \$ 210,000 by the end of 2009.

## **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.

## **CHANGES IN ACCOUNTING POLICIES**

### **Mining Exploration Costs**

On March 27, 2009, the Emerging Issues Committee of the CICA approved an abstract EIC-174, "Mining Exploration Costs", which provides guidance on capitalization of exploration costs related to mining properties in particular, and on impairment of long-lived assets in general. The adoption of this abstract had no impact on the Company's presentation of its financial position or results of operations as at July 31, 2009.

## **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.

## **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.

#### **IFRS IMPLEMENTATION PLAN**

The AcSB has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, effective for fiscal years beginning on or after January 1, 2011. Accordingly, the Company will report interim and annual financial statements (with comparatives) in accordance with IFRS beginning with the quarter ended March 31, 2011. The Company has commenced the development of an IFRS implementation plan to prepare for this transition, and is currently in the process of analyzing the key areas where changes to current accounting policies may be required. While an analysis will be required for all current accounting policies, the initial key areas of assessment will include:

- Exploration and development expenditures,
- Property, plant and equipment (measurement and valuation),
- Stock-based compensation,
- Accounting for income taxes, and
- First time adoption of International Financial Reporting Standards (IFRS 1)

As the analysis of each of the key areas progresses, other elements of the Company's IFRS implementation plan will also be addressed, including: the implication of changes to accounting policies and processes; financial statement note disclosures on information technology; internal controls; contractual arrangements; and employee training.

#### **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**

The next several months will continue to be active ones for the company, resulting in the completion of a number of significant events on its three main projects in Val d'Or: Akasaba, Orenada, and Sleepy. At Akasaba, where the Company will focus its field efforts over the coming year, Alexandria's next round of drilling will be aimed toward bringing the historic deposit to an NI 43-101 compliant resource estimate. This 2,500 m drilling programme is expected to begin in late October, 2009, and will fill in gaps in the historic data, as well as enlarge the known gold bearing zones. The Company anticipates completion of its resource estimate in Winter, 2009-2010, and intends follow this up with winter drilling programme.

The release in September of the Company's first formal, NI 43-101 compliant resource estimate on its Orenada project has brought Alexandria another step closer to the development of a resource on its properties. As part of this success at Orenada, the Company is proceeding with an NI 43-101 compliant preliminary economic assessment, expected to be completed in October, 2009, which will set the stage for future permitting activities.

Finally, an NI 43-101 compliant resource estimate is currently underway on its Sleepy project, located 12 km east of Akasaba. The study will provide a basis for future work on the property, which, like Orenada and Akasaba, has considerable potential for growth.

As a junior gold exploration and development company with no current income, Alexandria is dependent on the broader capital markets and the investment community for its operating capital. At its current rate of expenditures, with exploration budgeted at \$1.1 million, the Company currently has enough operating capital to complete its planned programme for the coming 12 months.

Date: September 24, 2009