

**ALEXANDRIA MINERALS CORPORATION**  
**Management Discussion and Analysis**  
For the period ended July 31, 2011

This Management Discussion and Analysis (“MD&A”) is intended to assist the reader in the understanding and assessment of the trends and significant changes in the results of operations and financial conditions of Alexandria Minerals Corporation (“Alexandria” or the “Company”). This MD&A should be read in conjunction with the unaudited interim financial statements of the Company, including the notes thereto, for the three months ended July 31, 2011 (first quarter of “fiscal 2012”) and 2010 (first quarter of fiscal 2011”), which are prepared in accordance with International Financial Reporting Standards (“IFRS”) for interim financial statements, and the annual MD&A for the year ended April 30, 2011. This MD&A has taken into account information available up to and including October 14, 2011. All dollar amounts in this MD&A are in Canadian dollars unless otherwise stated. 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 has reported a Current Resource as defined by 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 40 kilometer (“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

#### *Corporate Developments*

On September 28, 2011, the Company announced the appointment of Mario Miranda as Chief Financial Officer, coincident with the resignation of its former Chief Financial Officer, John Francis.

Also in late September, the Company moved its corporate offices to 1 Toronto St., Ste. 201, Toronto.

#### *Project Developments*

During the period, Alexandria continued its exploration programme, aimed at both in-fill and expansion drilling on its Akasaba project, and expansion drilling of its Sleepy gold project. The Company completed a total of 25 holes for 8,388 m of drilling at Akasaba, and 7 holes for 4,410 m of drilling at Sleepy.

In addition, Niogold Mining Corp., which has the right to earn 50% interest on Alexandria's Siscoe East Project, embarked on a 2,500 m drill programme on the property, which is located on the northwest side of Val d'Or, between the past-producing Siscoe and Sullivan Mines. Results are pending from this work. Other work completed during the period included a Cadillac Break property-wide airborne geophysical survey to aid in interpretation and targeting, surface orientation geochemical surveys, as well as continued compilation and data entry of historical data on the broader Cadillac Break property package.

At the 100%-owned Akasaba Project, the Company continued to build on prior results in the Mine Horizon, which hosts the past-producing Akasaba Mine, through definition and expansion drilling. Shallow in-fill drilling, above 180 m depth, has now been substantially completed (assays pending) over a 1,000 m strike length around the historic mine area, and recent drilling has been focused on the eastern deep high grade zone, which the Company has now extended to below 500 m depth.

Significant results released during this period from the work in the eastern deep high grade zone include the following:

Hole	From (m)	To (m)	True Width (m)	Au (g/t)	Date
IAX-11-144	397.95	401.2	2.09	3.8	15-Jun-11
IAX-11-144	414.35	415.35	0.64	7.06	15-Jun-11
IAX-11-148	541.00	551.50	5.25	6.73	15-Jun-11
including	542.50	544.00	0.75	26.65	15-Jun-11
including	546.50	547.50	0.50	21.51	15-Jun-11
IAX-11-155	604.30	623.35	12.75	3.07	27-Jul-11
including	611.80	614.10	1.54	11.94	27-Jul-11
including	621.00	621.85	0.57	17.34	27-Jul-11

The Company is continuing to test this deep zone, and has plans to expand drilling beyond this zone: Company geologists have identified numerous other near-surface targets along similar zones, both along strike with the Mine Horizon, as well as in separate parallel zones.

On the Sleepy gold project, located 12 km east of the Akasaba project, near the eastern end of the Cadillac Break property package, the Company continued to test three targets: 1) at depth below the Inferred Resource of the Sleepy Deposit, 2) 1 km east along strike with the Sleepy Resource, and 3) follow-up drilling on the newly discovered South Zone.

The Company extended the depth of gold mineralization by 100 m below the Sleepy Resource with strong results from two drill holes:

SAX-11-005: 543.20-547.70 m. 11.95 g/t Au over 2.25 m true width (June 7, 2011)

SAX-11-009: 512.00-534.70 m, 6.66 g/t Au over 15.89 m true width (September 8, 2011)

These two holes, in conjunction with hole SAX -11-001, which assayed 3.88 g/t Au over 9.20 m (February 28, 2011), have aided in significantly expanding the size of the Sleepy deposit to below 500 m. Hole SAX-11-009, was consistently mineralized over the length of the interval, a feature similar to hole SAX-11-001. Drilling continues on this project, testing the down-plunge potential of this deposit.

One kilometer to the east of the Sleepy Zone, the Company intersected anomalous, but encouraging results within the target horizon, an altered tonalite layer within the gabbro sill, from DDH SAX-11-007: 4.92 g/t Au over 2.07 m. The Company has identified geological features at this location which are consistent with those at the Sleepy Deposit, and from which past, pre-Alexandria drilling has also provided some encouragement: 2.95 g/t Au over 6.65 m, and 14.10 g/t Au over 1.46 m. Plans are in place to follow up these results with 2 to 3 targeted holes.

On the newly discovered South Zone, hosted in volcanic rocks, located 100 m south of the Sleepy Deposit, the Company reported 100.40 g/t Au over 2.4 m in hole SAX-11-004 (Press Release May 31, 2011). Three follow-up holes have been completed. Further plans will await assays, which are pending.

The Company has been reviewing its options on its Orenada project, located at the western end of the Cadillac Break group of properties, 12 km west of Akasaba.

## **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 period ended July 31, 2011, Alexandria incurred a net loss of \$610,746 versus a net loss of \$352,729 for the period ended July 31, 2010.

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 three months period ended July 31, 2011, Alexandria reported total general and administrative expenses ("G&A") of \$393,885 compared to \$353,434 for the same period on fiscal 2011. The following schedule describes the main components of G&A for the period:

Three months ended July 31,	2011	2010	%
Business development	\$ 18,019	\$ 56,554	-68.1%
Investor and public relations	77,246	50,913	51.7%
Wages	46,691	38,017	22.8%
Management fees	78,249	32,264	142.5%
Stock-based compensation	37,014	20,707	78.8%
Seminars and conferences	3,028	16,665	-81.8%
Office and general	62,227	49,452	25.8%
Professional fees	59,578	81,781	-27.1%
Accounting and corporate services	9,404	6,256	50.3%
Amortization	2,429	825	194.4%
	\$ 393,885	\$ 353,434	11.4%

The reduction in business development for the first quarter of fiscal 2012, when compared to the same period of the prior fiscal year was due to the reduction of travel expenses by approximately \$24,900.

The increase in investor and public relation charges between the first quarter of fiscal 2011 and 2012 was principally due to new advertising, promotional and marketing campaigns run during the first three months of fiscal 2012. The increase in this line item, when compared to the same period of last fiscal year was approximately \$27,900. Some other items such as shareholders' information and transfer agent fees decreased marginally, partially offsetting the additional advertising fees.

For the first quarter of fiscal 2012 salary related to general and administration increased from \$38,017 to \$46,691. Payroll allocated to exploration projects was \$219,125 and \$253,762 for the first quarter of fiscals 2011 and 2012 respectively.

Management fees represent compensation to senior management of the Company. Differentials between the first quarter of fiscal 2011 and 2012 are due to variances in the percentage allocated of these salaries to exploration expenses and the addition of new management during fiscal 2012. Senior management fees allocated to exploration expenses during the first quarter of fiscals 2011 and 2012 were \$16,005 and \$ 16,250 respectively.

Office and general expenses increased by \$12,775 principally due to web development costs and other general expenses.

The decrease in professional fees was due to a reduction in consulting fees from last year of \$18,250 and other prepaid professional fees charged for \$ 9,904. Accounting and audit fees for the first quarter of fiscal 2012 increased when compared to the same fiscal period last year by \$12,990 corresponding to the estimated charges associated to the review of financial reports under IFRS.

As at July 31, 2011 investments in securities available for sale was composed of:

Description	Number of Shares	Cost	price	Market @ July 31, 2011
Integra Gold Corp (formerly Kalahari)	50,000	21,750	0.270	13,500
Aurizon Mines	102,303	765,437	5.610	573,920
		787,187		587,420

The loss on sale of investments was generated by the disposal of 111,542 shares of Aurizon Mines Ltd. with an original cost of \$834,564.

The Company is further exposed to unrealized gains or losses on its available for sales securities due to the price volatility and other market factors common to this type of investments. For the first quarter of fiscal 2012 the Company recorded unrealized losses on securities for \$100,365. This unrealized loss is included under Other Comprehensive Income.

### EXPENDITURES ON RESOURCE PROPERTIES

The following table is a summary of the expenditures during the period ended July 31, 2011 which is included in the \$19,995,649 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 PERIOD ENDED JULY 31, 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	Total
<b>Balance (May 1, 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>	<b>\$18,393,642</b>
Geophysics		36,040		102,745			138,785
Drilling	294	707,049	387,838	73	184		1,095,438
Geology and Geochemistry	4,864	33,986	26,434	300			65,584
General Expenses	4,279	48,609	17,216	64,868	57,425	642	193,039
Travel			361				361
Option Payments					108,800		108,800
<b>Expenditures During Year</b>	<b>9,437</b>	<b>825,684</b>	<b>431,849</b>	<b>167,986</b>	<b>166,409</b>	<b>642</b>	<b>1,602,007</b>
<b>Balance (July 31, 2011)</b>	<b>\$4,277,801</b>	<b>\$5,666,987</b>	<b>\$1,725,411</b>	<b>\$5,175,521</b>	<b>\$1,819,879</b>	<b>\$1,330,050</b>	<b>\$19,995,649</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

### SELECTED QUARTERLY INFORMATION

Three Months Ended	Interest Income	Net Income (loss)		Total Assets
		Total	Per Share	
2011-JUL-31	\$ 6,233	\$(610,746)	\$(0.00)	\$17,492,007
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

**LIQUIDITY AND CAPITAL RESOURCES**

The Company had \$4,158,384 in working capital as at July 31, 2011 (April 30, 2011 - \$6,283,596) with a cash balance of \$880,188 (April 30, 2011- \$910,112), and short term investment of \$500,000 (April 30, 2010- \$2,000,000).

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 October 14, 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 October 14, 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	250,000	\$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 October 14, 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>	

**COMMITMENTS**

- (i) The Company is obligated under an operating lease for rental of an office property in Toronto, Ontario to an amount of \$6,884 per month expiring October 31, 2016.
- (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 July 31, 2011, the Company had drilling commitments of approximately \$650,000

**RELATED PARTY TRANSACTIONS**

Related party transactions reflected below are in the normal course of operations and were made on terms equivalent to those that prevail in arm's length transactions.

The following transactions were carried out with related parties:

a) Purchase of services:

During the three month-period ended July 31, 2011 and 2010 the Company paid director fees to Yarnell Companies Inc., a company controlled by the chairman of the Company.

The following schedule shows expenses incurred during the three month period ended July 31, 2011 and 2010 to these companies.

Three months ended July 31,	2011	2010
Professional services	\$ 6,250	\$ 6,250

b) Key management compensation:

Key management includes directors (executive and non-executive), and senior officers (Chief Executive Officer and Chief Financial Officer). The compensation paid or payable to key management for employee services is shown below:

Three months ended July 31,	2011	2010
Salaries and fees	\$ 47,846	\$ 43,680
Director fees	10,000	4,000
	\$ 57,846	\$ 47,680

c) Period-end Balances arising from purchases of services:

<i>Period End Balances:</i>	July 31,	April 30,
	2011	2010
<i>Payable to related parties:</i>		
Key management	\$ 5,846	\$ -
Entity controlled by a director	6,250	4,000
	\$ 12,096	\$ 4,000

Payables to related parties are due between fifteen and thirty days after reception and bear no interest. All transactions with related parties are on an arm's length basis and recorded at exchange amounts.

## **SUBSEQUENT EVENTS**

On October 6, 2011, the Company announced that it engaged Union Securities Ltd. to act as lead agent along with Stonecap Securities Inc. (collectively, the "Agents") on a commercially reasonable efforts basis for a brokered private placement (the "Private Placement") consisting of an aggregate of \$3,000,000 worth of units ("Units") and flow-through units ("FT Units") of the Company at a price of \$0.13 per Unit and \$0.14 per FT Unit.

Each unit will consist of one common share of the Company and one non-transferable common share purchase warrant (a "Warrant"). Each whole warrant will entitle the holder to purchase one additional common share of the Company (a "Warrant Share") at a price of \$0.22 per Warrant Share for a period of 12 months from the completion of the Private Placement. Each FT Unit will consist of one "flow-through" common share of the Company and one-half of one (1/2) Warrant.

In addition, the Company has granted the lead Agent an option (the "Over-allotment Option") to sell such number of Units and FT Units equal to 15% of the number of Units and FT Units sold under the Private Placement.

The Company will pay the Agents a commission equal to 7% of the gross proceeds raised under the private Placement (including the proceeds raised upon exercise of the Over-allotment Option, if any). The Agent will also receive compensation options entitling the Agents to purchase such number of Units that is equal to 7% of the total number of Units and FT Units sold under the Private Placement (and Over-allotment Option, if any). Each Agent's compensation option will entitle the holder to purchase one Unit at a price of \$0.13 per Unit for a period of 12 months from the completion of the Private Placement.

## **OFF-BALANCE SHEET TRANSACTIONS**

The Company does not have any off-balance sheet arrangements.

## **PROPOSED TRANSACTIONS**

The Company, from time to time, reviews potential mergers, acquisitions, investment and joint ventures opportunities.

## **ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES**

Some of the principal accounting policies applied in the preparation of Alexandria interim financial statements are set out below. For a complete list of the Company's accounting policies please refer to Alexandria July 31, 2011 financial statements.

### *(a) Conversion to International Financial Reporting Standards ("IFRS")*

Effective January 1, 2011, IFRS became Canadian generally accepted accounting principles ("Canadian GAAP") for publicly accountable enterprises, including the Company, effective for fiscal years beginning on or after January 1, 2011.

The unaudited interim financial statements presented as at July 31, 2011 are the Company's first IFRS unaudited interim financial statements for the first quarter of the first IFRS annual financial statements to be presented in accordance with IFRS for the year ending April 30, 2012. IFRS 1 First-Time Adoption of

IFRS ("IFRS 1") has been applied and the impact of the transition from Canadian GAAP to IFRS is explained below.

The unaudited interim financial statements presented as at July 31, 2011 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). They do not include all of the information required for full annual financial statements.

The accounting policies of the Company have been applied consistently to all periods presented in preparing the opening balance sheet at May 1, 2010 for purposes of transition to IFRS.

*(b) Basis of presentation*

The Company's unaudited interim financial statements have been prepared on a historical cost basis. In addition, these unaudited interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these unaudited interim financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included below.

*(c) Significant accounting judgments and estimates*

The preparation of the unaudited interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future event that are believed to be reasonable under the circumstances.

**Critical accounting estimates**

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the estimated fair value of non-financial assets which are included in the unaudited interim statement of financial position which are based on numerous assumptions may differ from actual fair values. These differences may have a material impact in the Company's financial position;
- the estimated useful lives and residual value of equipment which are included in the unaudited interim statement of financial position and the related depreciation included in profit or loss;
- the inputs used in accounting for share based payment transactions in profit or loss;

**Critical accounting judgments**

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

(d) *Future accounting changes*

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2011 or later periods.

Fair value measurement. On 13 May 2011 the IASB issued IFRS 13 *Fair Value Measurement*. IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRSs or address how to present changes in fair value. The new requirements are effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

Financial instruments - classification and measurement. This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. This section was also updated to include guidance on financial liabilities and derecognition of financial instruments. This new requirement will become effective for years beginning on/after January 1, 2013.

Consolidations, Joint arrangements and Disclosure of Interests in Other Entities. On 13 May 2011 the IASB issued IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*. IFRS 10 provides a single consolidation model that identifies control as the basis for consolidation for all types of entities. IFRS 10 replaces IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation— Special Purpose Entities*. IFRS 11 *Joint Arrangements* establishes principles for the financial reporting by parties to a joint arrangement. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13—*Jointly Controlled Entities-Non-monetary Contributions by Venturers*. IFRS 12 combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. As a consequence of these new IFRSs, the IASB also issued amended and retitled IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*. The new requirements are effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

Management anticipates that these standards will be adopted in the Company's financial statements for the relevant period however has not yet considered the potential impact of the adoption.

## Conversion to IFRS

(i) *Overview*

IFRS has replaced Canadian GAAP for publicly accountable enterprises for financial periods beginning on and after January 1, 2011,

The July 31, 2011 interim financial statements are the Company's first unaudited interim financial statements prepared in accordance with IAS 34, using accounting policies consistent with IFRS.

The accounting policies of the Company have been selected to be consistent with IFRS. These policies have been applied in the preparation of Alexandria unaudited interim financial statements, including all comparative information.

(ii) *First-time adoption of IFRS*

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has elected to apply the following optional exemptions in its preparation of an opening IFRS statement of financial position as at May 1, 2010, the Company's "Transition Date".

- To apply IFRS 2 Share based Payments only to equity instruments that were issued after November 7, 2002 and had not vested by the Transition Date.
- To apply IFRS 3 Business Combinations prospectively from the Transition Date, therefore not restating business combinations that took place prior to the Transition Date.
- To apply IFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities prospectively from the Transition Date. IFRIC 1 provides guidance regarding the treatment of changes in decommissioning, restoration and similar liabilities.
- To apply IAS 23 Borrowing Costs prospectively from the transition date. IAS 23 requires the capitalization of borrowing costs directly attributable to the acquisition, production or construction of certain assets.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date are consistent with those that were made under Canadian GAAP.

The Company's Transition Date IFRS unaudited s t a t e m e n t of financial position is included as comparative information in the unaudited interim statements of financial position in the Company's financial statements.

(iii) *Changes to accounting policies*

The Company has changed certain accounting policies to be consistent with IFRS as is expected to be effective on April 30, 2012, the Company's first annual IFRS reporting date. The changes to its accounting policies have resulted in certain changes to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements.

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

a) Impairment of (non-financial) assets

IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP required a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets have been changed to reflect these differences. There is no impact on the unaudited interim financial statements.

b) Decommissioning Liabilities (Asset Retirement Obligations)

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while prior Canadian GAAP only required the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities have been changed to reflect these differences. There is no impact on the unaudited interim financial statements.

(c) Equipment

IAS 16, Property, Plant and Equipment ("IAS 16") requires the Company to choose, for each class of capital assets, between the cost model or the revaluation model. The Company has selected the cost model in accounting for all of its capital assets.

The Company has changed its accounting policies to reflect the requirements under IAS 16 so when an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment and amortized over their respective useful lives. This change in accounting policy did not have a significant impact on the Company's unaudited interim financial statements.

(d) Flow-Through shares

Under Canadian GAAP, when flow-through shares are issued, they are initially recorded in share capital at their issued price. On the date the expenses are renounced (by filing the prescribed form) to the investors, a future tax liability is recognized as a cost of issuing the shares (a reduction in share capital). Under IFRS, flow-through shares are recognized based on the quoted price of the existing shares on the date of the issue or based on the share price of the last private placement of non-flow-through common shares. The difference between the amounts recognized in common shares and the amount the investor pays for the shares ("premium") is recognized as an other liability which is reversed into earnings as deferred tax recovery when eligible expenditures have been made. The tax effect resulting from the renunciation is recorded - when eligible expenditures have been made - as a deferred tax expense. For a detailed analysis of the impact of this policy in the Company's financial statements please see note 14 of the July 31, 2011 interim unaudited financial statements.

(iv) *Transition date unaudited statement of financial position*

The changes in accounting policies resulting from the Company's adoption of IFRS have impacted the statement of financial position as at the transition date of May 1, 2010 as follows:

	<u>5/1/2010</u>
Adjustment to share capital	\$ 2,552,920
Adjustment to deficit	<u>\$ (2,552,920)</u>

## **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.

## **RISK FACTORS**

Alexandria's business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future.

### ***Capital Requirements***

Alexandria will require significant capital in order to fund its operating costs, to service future indebtedness and to explore and develop any project. Alexandria has no revenues and is wholly reliant upon external financing to fund all of its capital requirements. Alexandria will require additional financing from external sources to meet such requirements. There can be no assurance that such financing will be available to Alexandria or, if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of Alexandria, the interests of shareholders in the net assets of Alexandria may be diluted. Any failure of Alexandria to obtain financing on acceptable terms could have a material adverse effect on Alexandria' financial condition, prospects, results of operations and liquidity and require Alexandria to cancel or postpone planned capital investments.

***Dependence on Mineral Exploration Projects***

Any adverse development affecting the progress of Alexandria's exploration projects such as, but not limited to, obtaining financing on commercially suitable terms, hiring suitable personnel and contractors, or securing supply agreements on commercially suitable terms, may have a material adverse effect on Alexandria and its business or prospects.

***Metal Prices***

The development and success of any project of Alexandria will be primarily dependent on the future price of gold and other metals. Gold and base metal prices are subject to significant fluctuation and are affected by a number of factors, which are beyond the control of Alexandria. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The price of gold and other precious and base metals has fluctuated widely in recent years, and future serious price declines could cause any future development of and commercial production from Alexandria's properties to be impracticable. Depending on the price of gold and other metals, projected cash flow from planned mining operations may not be sufficient and Alexandria could be forced to discontinue any development and may lose its interest in, or may be forced to sell, some of its properties. Future production from Alexandria's mining properties is dependent on gold and base metal prices that are adequate to make these properties economic.

Furthermore, reserve calculations and life-of-mine plans using significantly lower gold and other metal prices could result in material write-downs of Alexandria's investment in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting Alexandria's possible future reserve estimates and its financial condition, declining commodity prices may impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

***Government Regulation, Permits and Licences***

Alexandria's mineral exploration and potential development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Many of the mineral rights and interests of Alexandria are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that Alexandria will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained; Alexandria may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Where required, obtaining necessary permits and licenses can be a complex, time consuming process and Alexandria cannot assure that required permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict Alexandria from proceeding with the development of an exploration project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities. Failure to comply with applicable laws, regulations and

permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of such mining activities, and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on Alexandria and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

### ***Competition***

The mining industry is competitive in all of its phases. Alexandria faces strong competition from other exploration and mining companies in connection with the acquisition of properties producing or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than Alexandria. As a result of this competition, Alexandria may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the financial condition and any future revenues and operations of Alexandria could be materially adversely affected.

### ***Exploration, Development and Operational Risk***

The exploration for, and development of, mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties, which are explored, are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices which are highly cyclical, and government regulations including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Alexandria not receiving an adequate return on invested capital.

Alexandria does not currently operate a mine on any of its properties. There is no certainty that the expenditures made by Alexandria towards the search for, and evaluation of, mineral deposits will result in discoveries of commercial quantities of ore.

Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of gold and other precious or base metals. Such hazards and risks include unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

### ***Joint Venture Strategy***

Alexandria' business strategy includes continuing to seek new joint venture opportunities. In pursuit of such opportunities, Alexandria may fail to select appropriate joint venture partners or negotiate acceptable arrangements, including arrangements to finance such opportunities or, where necessary, integrate the acquired businesses and their personnel into Alexandria's operations. Alexandria cannot assure that it can complete any business arrangement that it pursues on favorable terms, or that any business arrangements completed will ultimately benefit Alexandria' business.

***Reliance on Management and Key Employees***

The success of the operations and activities of Alexandria is dependent to a significant extent on the efforts and abilities of its management, a relatively small number of key employees, outside contractors, experts and other advisors. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of its key employees, outside contractors, experts and other advisors. Alexandria does not have in place formal programs for succession of management and training of management nor does it have key person insurance on its key employees. The loss of one or more of these persons, if not replaced, could adversely affect Alexandria's operations and financial performance.

***No Assurance of Titles, Boundaries or Approvals***

Titles to Alexandria's properties may be challenged or impugned, and title insurance is generally not available. Alexandria's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, Alexandria may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. Alexandria cannot assure that it will receive the necessary approval or permits to exploit any or all of its mineral projects in the future. The failure to obtain such permits could adversely affect Alexandria's operations.

***Environmental Risks and Hazards***

All phases of Alexandria's operations are subject to environmental regulation in the jurisdiction in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Alexandria's operations. Environmental hazards may exist on the properties in which Alexandria holds interests which are unknown to Alexandria at present and which have been caused by previous or existing owners or operators of the properties.

***Uninsured Risks***

Alexandria' business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Alexandria' properties or the properties of others, delays in development or mining, monetary losses and possible legal liability.

Although Alexandria maintains insurance to protect against certain risks in such amounts as it considers commercially reasonable, its insurance will not cover all of the potential risks associated with its operations. Alexandria may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration is not generally available to Alexandria on affordable and acceptable terms. Alexandria might also become subject to liability for pollution or other hazards which may not be insured against or which Alexandria may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Alexandria to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

## **OUTLOOK**

During the period covered by this report, the Company's primary focus was on continued exploration on its Akasaba and Sleepy projects. Having completed 12,798 m of drilling in the quarter, the company has advanced these two projects considerably: principally by expanding Sleepy and Akasaba to depth, and filling in gaps at Akasaba. In addition to the geophysical and geochemical surveys, combined with the additions to operational personnel over the past year, the Company has made important strides in forming a basis for the future advancement and development of its programme and projects.

In the coming months, the Company has made plans to: 1) continue to endeavor to expand both the Akasaba and Sleepy targets through drilling, 2) evaluate business transactions and joint ventures on its projects, and 3) aim to increase its global gold resources through new resource studies and updating past studies. In terms of the latter, the Company intends to evaluate the resource potential at Akasaba which has grown significantly since Alexandria began its work there.

The recent capital market turmoil has created considerable uncertainty in the activities of the junior mining sector. As the Company has no source of income, as is dependent on the financial markets for sources of funding, there is no guarantee that the Company can complete all that it intends for the next twelve months without further infusion of capital. Alexandria reviews its operations in light of the markets, interest and demand, and has enough capital at its disposal to maintain a normal level of activities. On October 2011 the Company announced the engagement of Union Securities Ltd. to act as lead agent with Stonecap Securities Inc. for a brokered private placement consisting of an aggregate of \$3,000,000.

**Eric Owens**  
**Chief Executive Officer**  
**October 14, 2011**