

# ALEXANDRIA MINERALS CORPORATION

## Management Discussion and Analysis

October 31, 2006

This Management Discussion and Analysis ("MD&A") of Alexandria Minerals Corporation ("Alexandria" or the "Company") is dated December 18, 2006 and provides an analysis of the Company's performance and financial condition for the six month period ended October 31, 2006 ("Second quarter 2007") as well as an analysis of future prospects. This MD&A should be read in conjunction with the Company's audited financial statements for the year ended April 30, 2006 and unaudited financial statements for the period ended October 31, 2006, including the related note disclosure, which are prepared in accordance with generally accepted accounting principles in Canada. The auditors have not reviewed the interim financial statements for the period ended October 31, 2006. 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 NI43-101 Compliance

The Company relies principally on Mr. Eddy Canova, P.Geo., as the Qualified Person as defined under National Instrument 43-101. Mr. Canova has read and approved the technical and scientific information contained in this MD&A. Disclosure on mineralization on adjacent properties has not been verified by Mr. Canova and is not necessarily indicative of the Company's anticipated results. Where provided, potential quantity and grade is conceptual in nature as the Company has not conducted sufficient exploration to define resources and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

Certain statements below pertaining to mineral deposits on the properties in which the Company has an interest are presented as Historic Resources and are not being treated as Current Resources by the Company as specified in NI43-101. The data behind the results presented below come from internal company reports by the property optionors, and are based upon considerable surface and underground drilling; these data do not satisfy the requirements laid out in NI43-101. The company currently views these as exploration targets, and are not to be relied upon except as relevance for further exploratory work. The Company does not at present have any Current Resources among its assets.

## OVERALL PERFORMANCE

### **Principal Business and Corporate History**

Alexandria Minerals Corporation is a junior gold exploration company, with a current focus on under-explored, high-potential mineral exploration properties in the lucrative, world-class gold mining camps of Ontario and Quebec, 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. To date the Company has not earned revenue from its mineral properties and is considered to be in the development stage.

### **Joint Ventures, Option Agreements and Recent Developments**

The Company's properties are located in the historic Abitibi Belt of northern Ontario and Quebec, an area which has produced in excess of 170 million ounces of gold over the last 90 years. Five of the Company's projects lie on or near the prolific Cadillac Larder Lake Break, a regional gold-bearing fault zone over 300 km long, which has yielded 100 million ounces of gold from mines in its vicinity, and is notable for such historic mining camps as Val d'Or, Kirkland Lake and Noranda.

During the second quarter, 2006, Alexandria signed an option agreement with Aur Resources Inc. for 10 properties consisting of 351 claims in the Val d'Or mining camp, Quebec, and in November 2006, completed an Option/Joint Venture agreement with Niogold Mining corporation for 30 claims, thereby increasing the size of its Siscoe East property. As a result of these agreements, the company now has interests in one of the larger land packages in the Val d'Or camp, with a total of 529 claims as compared to 45 claims after the company's IPO in late March, 2006.

The Aur agreement enables Alexandria to earn 100% interest in the 10 properties by completing exploration or development expenditures of \$8,000,000 on the properties over eight years, by July 31, 2014. The Company will earn its first 50% interest in the properties by expending \$500,000 per year over three years, until July 31, 2009, followed by annual expenditures of \$750,000 over the subsequent two years, until July 31, 2011. The Company will also pay \$500,000 in cash and shares over the same five year period, including \$50,000 and 265,674 shares upon signing. The Company can earn 100% by committing to further expenditures of \$5,000,000 by July 31, 2014. Alexandria Minerals will be Operator.

The Niogold agreement, dated September 29, 2006 gives Alexandria the right to earn a 70% interest in 30 claims in Vassan Township, for which Alexandria has issued 100,000 shares to Niogold upon signing and will require Alexandria to complete exploration expenditures of \$65,000 by September 29, 2007. To date, approximately \$29,000 has been expended. This addition brings the total number of claims on the Siscoe East property to 88 for a total of 2,172 hectares.

In September 2006, Alexandria doubled the size of its Joannes property, 45 km west of Val d'Or, through an agreement with Falconbridge Limited (now Xstrata plc). Alexandria will earn a 50% interest in 20 mineral claims in Joannes Township, Quebec by expending \$500,000 over 4 years, by July 10, 2010, after which the Company will be the operator in the Joint Venture.

In other matters, the Company has issued 100,000 shares (value at \$23,000) to the property optionors of its Coyle-Tremblay claims, which make up a portion of the Joannes property. The issuance of shares allows the Company to extend the time on which it completes its work commitments on the Coyle-Tremblay claims, until July 1, 2007.

In anticipation of the aggressive exploration programme planned for these new property acquisitions, Alexandria has begun the process of strengthening its Val d'Or operations. The Company has established a field office and living accommodations in Val d'Or, and has added to its geological and technical personnel. The Company anticipates further augmentation of its personnel over the coming months in order to help with meeting its exploration goals.

## **Project Development**

A summary of the active projects and their recent progress follows:

### Val d'Or: Siscoe East Property

As of October 31, 2006, the Company held 100% interest in 58 claims on the Siscoe East Property, located in Dubuisson Township near Val d'Or, Quebec. The Niogold agreement, completed subsequent to quarter end, has added 30 claims to this property.

The company completed a diamond drilling programme on the Siscoe East Project at the end of first quarter in 2006. A total of 2545 m in seven diamond drill holes tested 3 principal target zones: the K-Shear Zone from which ore was mined at the Siscoe Mine; the Stabell Mine vein; and the extension of the Sullivan Mine vein. Initial assays were received at the beginning of September 2006; complete assay results have now been received. The drilling was a technical success in that all drill holes intersected their geological and geophysical targets, revealing significant shear zones with associated quartz-sulfide veins and alteration. The results were favorable, indicating the presence of gold. Approximately 1% of the 1,051 drill samples yielded anomalous gold values between 0.5 g/t gold and 1.5 g/t gold up to drilled widths of 1.5m, with the best result being 3.13 g/t over 0.45m from a quartz-pyrite vein. Several geophysical targets on the property remain untested, including a seismic anomaly with coincident historical drill results yielding 28.1 g/t over 1.1 m.

### Val d'Or: Cambior (Iamgold) Property

Alexandria completed an agreement with Cambior Inc. in the first quarter, 2006, to earn 50% interest in four properties along the Cadillac Break in the Val d'Or camp. Comprised of a total of 90 claims, the properties are the Akasaba, the Sleepy, and the Bloc Sud Ouest and Bloc Sud Trivio. These properties straddle the Cadillac Larder Lake Break southeast of the city of Val d'Or, and comprise a variety of gold targets, from structural gold, massive sulfide gold, and Sigma 2-type disseminated gold.

The properties include advanced-stage exploration targets with reported historic resources, at the Akasaba Mine with 255,000 t at 6.33 g/t gold (Louvem Mines, 1987) and the Sleepy Deposit with 152,471 t at 5.1 g/t gold (Geospex, 1998). Although these resources are historic in nature, not compliant with the standards set out in NI 43-101, and are therefore not to be relied upon, the Company views these as strong exploration targets. In addition, there are a number of early-stage targets, ranging from property-wide glacial till geochemical anomalies and geophysical anomalies to historic drill holes yielding excellent gold values. On the Sleepy Property, for example, 1 km east of the Sleepy Deposit, Cambior reported intersecting 18.5 g/t gold over 1.5m, 9.5 g/t gold over 1.5m and 7.1 g/t gold over 1.5m from recent drill holes. Similarly, on the Akasaba Property, drilling of geophysical anomalies along the western extension of the Akasaba Mine horizon yielded a reported 9.8 g/t Au over 2.0 m, 7.3 g/t Au over 2.1m, and 2.1 g/t Au over 5.2 m.

The work is governed by a management committee comprised of Alexandria and Cambior personnel, and during the quarter, initial work began aimed at delineating drill targets on the properties. This work consisted of 100.5 km of line-cutting, followed by completion of a ground magnetics survey. As of the date of this writing, an Induced Polarization survey, planned over five grids, has been partially completed. Results of these activities are being reviewed in order to define drill targets for a drilling programme that will begin early in the winter 2007. To date the Company has expended \$82,000 on these activities. In a related matter, Cambior Inc. has granted an extension of time to meet the exploration expenditures on these properties, expected to be met during the 3<sup>rd</sup> quarter FY2007.

Val d'Or: Aur Resources Option Properties

The option agreement signed with Aur Resources Inc. comprises 10 properties: Airport, Ducros, Lourmet, Mid-Canada, Orcour, Orenada, Oramaque, Sabourin Creek, Trivio, and Vaumon. Together with the adjacent properties of the Cambior JV, these properties underlie more than 23 km of the Cadillac Tectonic Zone, giving Alexandria an interest in one of the larger property packages in the prolific Val d'Or mining camp.

These properties host a variety of styles of mineralization, including shear zone-hosted gold, porphyry style copper-gold, disseminated gold and massive sulfide-hosted gold and base metals. Recent reinterpretation of the geology in the region also suggests skarn mineralization may be an important style, such as at the Hogge Zone on the Oramaque Property. Included in this package are advanced-stage exploration targets, consisting of historical, non-43-101 compliant, deposits such as Orenada #4, reportedly with 2.1Mt grading 1.47 g/t gold (Aur, 1990), Mid-Canada, with a reported 188,448 t grading 4.79 g/t gold, and Orenada #1 with a reported 113,941 t grading 1.02% copper and 4.01 g/t silver (Geologica, 1989). As with the Akasaba and Sleepy deposits, these data are not treated as Current Resources as they are not compliant with NI 43-101, and are therefore not to be relied upon except as exploration targets and for use as models for exploration.

Earlier-stage targets include property wide geophysical and geochemical targets, which show continuity with similar data on the adjacent Cambior properties. Historic and recent trench and drill holes with favorable gold values are numerous, and provide an excellent starting point for Alexandria's exploration activities on these properties. A short selection from the numerous samples collected over the 70 years of exploration on these properties of the type of drill and trench results the Company will be following up include:

<u>Location</u>	<u>Assay</u>	<u>Length</u>	<u>Type</u>
Oramaque	11.88g/t Au	3.0m	Trench
Incl.	339 g/t Au	1.0m	
Oramaque	16.75 g/t Au	4.3 m	Drill Hole
Trivio	8.4 g/t Au	6.1 m	Drill Hole
Airport	3.43 g/t Au	6.1 m	Drill Hole
Ducros	0.21% Cu	170m	Drill Hole

There are a minimum of 680 drill holes, several trenches, and property-wide geophysical and geochemical surveys which have been completed over these properties over the past 70 years. As a result, there is considerable background exploration data which Alexandria is currently compiling and interpreting, with the goal of initiating a winter drill programme during the 3<sup>rd</sup> quarter, 2006.

Matachewan Property

The Company owns 100% of the mineral rights on its Matachewan Property, which consists of 26 claims covering 1,712 hectares in Cairo Township, Ontario, 35 km SW of Kirkland Lake, and 3 km east of the Young Davidson Mine of Northgate Minerals. The Young-Davidson hosts 1.6 million ounces of gold (non 43-101 compliant) in a geological environment similar to that found on Alexandria's property. The Company completed an initial round of drilling, in Fall of 2005, testing some of the geophysical and geological targets. This drilling successfully discovered wide shear zones with attendant quartz and carbonate alteration, carbonate-quartz veining and pyrite, with anomalous gold (up to 1.05 g/t Au over 1.3 m). A subsequent geochemical study conducted on the drill core indicated potential for base metal massive sulfide deposits. A number of geophysical and geological targets remain to be tested by drilling.

Joannes Property

The property is located in the Joannes Township in the Val d'Or Mining Division in the Province of Quebec. The Joannes Project consists of two option agreements: the Coyle-Tremblay and the Salmasi-Greisbach agreements. Alexandria can earn 100% interest by expending a further \$68,264 on the 13 Coyle-Tremblay claims by July 3, 2007 and \$35,658 on the 6 Salmasi-Greisbach claims by May 27, 2007. The property is located along the Cadillac Break 5 kilometres west of the Bousquet gold mine, which produced about 3 million ounces of gold in the late 1900's, about 18 kilometres east of the Noranda camp, and is adjacent to the Hosco Gold Mine, a past producer. Historic drill results on Alexandria's claims have yielded up to 12g/t gold over 1.5m.

In September 2006, the Company doubled the size of its Joannes project property through an agreement with Falconbridge Limited, acquiring a 50% interest in 20 claims adjacent to those already held. In addition to straddling the Cadillac Larder Lake Break, this acquisition brings new gold targets into the property, including the East Hosco showing, which yielded 28.1g/t over 1.5m in historic drilling.

Geophysical work conducted by Alexandria on the initial claims has delineated at least 10 distinct Induced Polarization anomalies, including one in the vicinity of the Cadillac Tectonic Zone. In addition, the company has recently completed an airborne geophysical survey over the Falconbridge claims. These geophysical results will allow for improved target selection of drill holes.

Quevillon Property

This property is located in Quevillon Township, Quebec about 2 km west of the community of Lebel Sur Quevillon, 100 km NE of Val d'Or. This property is currently Alexandria's only staked property, consisting of 29 claims, covering 858 hectares. Alexandria has completed magnetic surveys on the property in order to quantify targets for future exploration. The next step will be IP and soil geochemistry to delineate drill targets.

Gwillim Property

This property is located in the Barlow Township in the Chibougamou Mining Division in the Province of Quebec. The 11 claims covering 609 hectares are under option agreement with Jack Charlton and Eddy Canova, through which Alexandria may earn 100% interest in the mineral rights. The property is adjacent to the Gwillim Mine owned by Campbell Resources, which produced about 35,000 ounces gold in the early 1970s.

Assay results have been received from a surface prospecting and mapping program completed in August and September on Gwillim Property. This survey, guided by historic exploration data and by magnetic anomalies from an airborne survey completed in June, 2006, resulted in the geologic evaluation of over 715 outcrops and the collection of 257 rock samples.

**SUMMARY OF QUARTERLY INFORMATION**

Three Months Ended	Financings	Mining Rights	Net Income (loss)		Total Assets
			Total	Per Share	
2006-OCT-31	\$ (33,524)	\$ 491,186	\$ (256,693)	\$ (0.01)	\$ 2,199,899
2006-JUL-31	482,778	151,403	(172,866)	(0.01)	2,452,445
2006-APR-30	1,268,762	53,384	(208,480)	(0.01)	1,848,488
2006-JAN-31	8,864	34,268	(6,665)	(0.00)	918,672
2005-OCT-31	195,885	152,543	(17,238)	(0.00)	933,167
2005-JUL-31	216,000	181,776	(161,627)	(0.02)	843,148
2005-APR-30	51,082	20,487	(112,507)	(0.01)	524,695
2005-JAN-31	27,664	57,474	(94,379)	0.01	529,175

**RESULTS OF OPERATIONS**

The Company has no operating revenues and relies on external financings to generate capital. As a result of its activities, Alexandria continues to incur net losses. For the three months ended October 31, 2006, Alexandria's net loss was \$256,693 (October 31, 2005 - \$17,238). The company completed its IPO in March 2006 and subsequently became listed on the TSX Venture Exchange. Consequently, administrative expenses related to filing fees, transfer agent services, accounting and corporate services have increased substantially. Furthermore, since the IPO, the company has increased its promotional activities through the establishment and maintenance of a website, the hiring of Investment Relations (IR) consultants, production of marketing materials, and meetings and travel related to these activities. For the six months ending October 31, 2006, Office and General expenses increased to \$115,000 compared to only \$18,000 in the same period ending October 31, 2005, while promotion-related travel, brokers meetings, conferences and communications amounted to approximately \$120,000 as compared to \$33,000 in 2005.

Also as a result of its increased level of operations since its IPO, the Company now has full time management and has hired personnel, resulting in Management Fees and Wages of approximately \$64,000 for the six months ended October 31, 2006 (2006 -- \$6,000). In 2005, the Company had spent over \$100,000 in Professional Fees as part of its activities leading to its IPO. Subsequent to the IPO, these fees were substantially reduced and amounted to less than \$20,000 in the current period of 2006. During the last six months, stock options were granted to directors, officers and key employees and persons providing ongoing services to the company, resulting in stock option compensation of \$97,067 was expensed during this period (2006-\$0).

**LIQUIDITY AND CAPITAL RESOURCES**

As at October 31, 2006, the Company's working capital amounted to \$317,000, a decrease of \$472,000 from April 30, 2006. During this period financing activities raised approximately \$449,000. Approximately \$643,000 was expended on exploration and mining rights, while operating activities amounted to approximately \$585,000.

In December 2006, Alexandria completed a private placement, raising \$2,589,790. The non-brokered private placement consisted of 4,909,000 non-Flow Through (NFT) common share units at a price of \$0.19 per unit and 6,904,499 Flow Through (FT) units at a price of \$0.24 per unit. Each NFT unit consists of one common

share and ½ warrant, where each whole warrant enables the holder to purchase an additional share at \$0.25 for one year. Each FT unit consists of one Flow Through share and ½ warrant, where each whole warrant enables the holder to purchase one common, non-Flow Through share at a price of \$0.34 for one year. A Finders Fee of 8%, either in cash or units of the financing, was paid to pro-brokers, totalling \$153,269 cash and 125,000 units, the latter distributed as to 115,480 units at a price of \$0.19 and 9,520 units at a price of \$0.24. The units distributed in this regard resulted in the issue of 125,000 shares and 62,500 warrants. This financing, together with the finder's fees, resulted in the addition of 11,938,499 shares and 5,969,250 warrants to the Company's capital structure.

The proceeds will be used for drilling on the Aur Resources and Cambior properties and for general working capital. The Company intends to complete approximately 20,000 m of drilling in 2007 on these target-rich properties.

### Share Capital

As at December 18, 2006, the Company's share position consisted of:

Shares outstanding	34,999,836
Options outstanding <sup>(i)</sup>	1,495,000
Warrants <sup>(ii)</sup>	15,142,316
Fully Diluted	<u>51,637,152</u>

#### (i) Options outstanding

Expiry Date	No. of Options	Exercise Price
December 31, 2007	200,000	\$0.25
December 31, 2007	650,000	\$0.30
December 31, 2007	125,000	\$0.33
April 12, 2011	250,000	\$0.30
September 15, 2011	20,000	\$0.23
October 19, 2011	250,000	\$0.21

#### (ii) Warrants outstanding

	Units	Expiry Date	Exercise Price
Purchase Warrant	2,512,240	Dec. 8, 2007	\$0.25
Purchase Warrant	3,040,343	Dec. 8, 2007	\$0.34
Purchase Warrant	416,667	Dec. 15, 2007	\$0.34
Purchase warrant	1,099,900	Oct. 21, 2007	\$0.30
Purchase warrant	333,333 <sup>(1)</sup>	Nov. 4, 2007	\$0.30
Purchase warrant	5,990,000	Mar. 22, 2008 <sup>(2)</sup>	\$0.30
Broker warrant	900,000 <sup>(3)</sup>	Mar. 22, 2008 <sup>(2)</sup>	\$0.25
Purchase warrant	849,833 <sup>(4)</sup>	May 1, 2007	\$0.40

Notes:

- (1) Warrants issued to a shareholder, along with 333,333 common shares, in payment of a promissory note of \$50,000.
- (2) Warrants issued during the IPO are subject to accelerated expiry if the common shares of the Company trade at a weighed average price of \$0.50 or higher for a period of 20 consecutive trading days.

- (3) The Agent's options were issued as part of fees payable to Bolder Investment Partners Ltd. for their involvement in the IPO.
- (4) These warrants are subject to accelerated expiry if the common shares of the Company trade at a weighed average price of \$0.60 or higher for a period of 20 consecutive trading days.

## **COURSE OF BUSINESS TRANSACTIONS**

### **Related Party Transactions**

Through the normal course of operations, the following related party transactions occurred:

- (i) Management and administrative services totalling \$124,000 (October 31, 2005 - \$54,000) were paid to the President, current and former Chief Financial Officer and Executive Vice President.
- (ii) Included in accounts payable and accrued liabilities is \$36,515 (October 31, 2005 - \$71,897) representing unpaid management fees owing to the President, current Chief Financial and Executive Vice President.

## **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.

## **OUTLOOK**

Alexandria has enlarged its properties through acquisition, and the Company continues to pursue and research new opportunities with acquisition, staking and the title recognition. During the second quarter of 2006, significant exploration results came out of Alexandria's efforts on Joannes, Matachewan and Siscoe East through geophysics and prospecting. The Company will use these results to plan future activities.

Looking ahead to the remainder of the upcoming year, the Company is intent on building on this base work and building for Alexandria's future. While the Company's focus will remain on the southern Abitibi Belt, it will continue to examine rational and valuable opportunities elsewhere in Canada and the world.

The Company's philosophy of active exploration will continue with aggressive field work including geophysical, geological and drilling activities, with particular focus on its Val d'Or properties.

**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.

**NOTICE TO SHAREHOLDERS  
FOR THE THREE AND SIX  
MONTHS ENDED  
OCTOBER 31, 2006**

**ALEXANDRIA MINERALS  
CORPORATION**

Responsibility for Financial Statements

The accompanying financial statements for Alexandria Minerals Corporation have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles consistently applied. The most significant of these accounting principles have been set out in the April 30, 2006 audited financial statements. Only changes in accounting information have been disclosed in these financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

Auditor involvement

The independent auditor of Alexandria Minerals Corporation has not performed a review of the unaudited financial statements for the three and six months ended October 31, 2006 and October 31, 2005.

**ALEXANDRIA MINERALS CORPORATION**  
**(An Enterprise in the Development Stage)**  
**(Prepared by Management)**  
**Balance Sheets**

(Unaudited)	October 31, 2006	April 30, 2006
<b>Assets</b>		
Current		
Cash	\$ 75,694	\$ 257,847
Sundry receivables and prepaid	107,052	35,492
Quebec refundable tax credits and mining duties refund	400,963	205,963
Short term investment	100,000	700,000
	<b>683,709</b>	1,199,302
Equipment	13,783	11,867
Mining rights (Note 2)	1,502,407	637,319
	<b>\$ 2,199,899</b>	<b>\$ 1,848,488</b>
<b>Liabilities and Shareholders' Equity</b>		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 91,125	\$ 273,975
Convertible debenture (Note 4)	57,593	57,593
Due to shareholder (Note 7)	23,020	78,867
	<b>171,738</b>	410,435
Shareholders' equity		
Share capital (Note 3(b))	1,516,389	766,500
Shares to be issued (Note 2(f) and Note 11(b))	43,500	-
Warrants (Note 10)	1,671,547	1,542,336
Contributed surplus (Note 3(c))	131,381	34,314
Deficit	(1,334,656)	(905,097)
	<b>2,028,161</b>	1,438,053
	<b>\$ 2,199,899</b>	<b>\$ 1,848,488</b>

Going concern (Note 1)

See condensed notes to the financial statements.

# ALEXANDRIA MINERALS CORPORATION

(An Enterprise in the Development Stage)

(Prepared by Management)

## Schedule of Mining Rights

(Unaudited)	Three months ended October 31,		Six months ended October 31,		Year Ended April 30,	Cumulative Since Inception of Project
	2006	2005	2006	2005	2006	
<b>Siscoe East Property (1)</b>						
Beginning balance	\$ 426,090	\$ 270,052	\$ 376,109	\$ 133,128	\$ 133,128	\$ -
Acquisition costs	20,500	-	20,500	-	16,000	<b>99,500</b>
Assays	47,428	-	49,986	-	-	<b>49,986</b>
Camp and equipment	12	-	12	-	-	<b>12</b>
Consulting	12,450	10,000	28,944	15,125	25,125	<b>54,069</b>
Core logging	4,200	-	4,200	-	-	<b>4,200</b>
Drilling	157,920	-	160,488	-	-	<b>160,488</b>
General expenses	25,797	7	39,733	11	1,087	<b>99,757</b>
Geochemistry	157	-	157	-	-	<b>157</b>
Geophysical	28,183	59,643	42,425	189,689	198,098	<b>240,523</b>
Research	3,599	-	3,782	-	922	<b>14,427</b>
Reports	6,917	-	6,917	-	-	<b>6,917</b>
Staking/claims	-	-	-	1,749	1,749	<b>3,217</b>
Expenditures during the period	307,163	69,650	357,144	206,574	242,981	<b>733,253</b>
Ending balance	\$ 733,253	\$ 339,702	\$ 733,253	\$ 339,702	\$ 376,109	\$ <b>733,253</b>
<b>Matachewan Property (1)</b>						
Beginning balance	\$ 346,572	\$ 198,914	\$ 303,117	\$ 142,400	\$ 142,400	\$ -
Acquisition costs	-	-	-	30,000	30,770	<b>52,270</b>
Consulting	-	4,092	-	9,125	9,125	<b>9,125</b>
Drilling	-	73,481	880	73,481	80,047	<b>80,927</b>
General expenses	120	-	120	70	2,415	<b>119,374</b>
Geochemistry	9,482	-	9,482	-	10,029	<b>36,376</b>
Geology	1,715	-	18,580	-	-	<b>1,715</b>
Geophysical	31,723	5,320	57,433	26,731	28,331	<b>85,764</b>
Staking/claims	1,536	-	1,536	-	-	<b>5,597</b>
Expenditures during the period	44,576	82,893	88,031	139,407	160,717	<b>391,148</b>
Ending balance	\$ 391,148	\$ 281,807	\$ 391,148	\$ 281,807	\$ 303,117	\$ <b>391,148</b>

(1) For a description of these properties, refer to Note 6 of the audited financial statements as at April 30, 2006.

See condensed notes to the financial statements.

# ALEXANDRIA MINERALS CORPORATION

(An Enterprise in the Development Stage)

(Prepared by Management)

## Schedule of Mining Rights

(Unaudited)	Three months ended October 31,		Six months ended October 31,		Year Ended April 30,	Cumulative Since Inception of Project
	2006	2005	2006	2005	2006	
<b>Quevillon Property (1)</b>						
Beginning balance	\$ 55,301	\$ 29,511	\$ 52,566	\$ 19,336	\$ 19,336	\$ -
General expenses	-	-	2,735	125	125	20,561
Geology	14,250	-	14,250	-	-	14,250
Geophysical	-	-	-	10,050	33,105	33,105
Staking/claims	-	-	-	-	-	1,635
Expenditures during the period	14,250	-	16,985	10,175	33,230	69,551
Ending balance	\$ 69,551	\$ 29,511	\$ 69,551	\$ 29,511	\$ 52,566	\$ 69,551
<b>Gwillim Property (1)</b>						
Beginning balance	\$ 41,407	\$ 35,740	\$ 35,740	\$ 35,615	\$ 35,615	\$ -
Acquisition costs	-	-	-	-	-	15,500
General expenses	10,120	-	10,120	125	125	16,854
Geology	11,056	-	11,056	-	-	11,056
Geophysical	1,200	-	6,867	-	-	15,935
Reports	1,634	-	1,634	-	-	2,762
Staking/claims	-	-	-	-	-	3,310
Expenditures during the period	24,010	-	29,677	125	125	65,417
Ending balance	\$ 65,417	\$ 35,740	\$ 65,417	\$ 35,740	\$ 35,740	\$ 65,417
<b>Audet Property (1)</b>						
Beginning balance	\$ 892	\$ -	\$ 892	\$ -	\$ -	\$ -
General expenses	13,635	-	13,635	-	892	14,527
Expenditures during the period	13,635	-	13,635	-	892	14,527
Ending balance	\$ 14,527	\$ -	\$ 14,527	\$ -	\$ 892	\$ 14,527

(1) For a description of these properties, refer to Note 6 of the audited financial statements as at April 30, 2006.

See condensed notes to the financial statements.

**ALEXANDRIA MINERALS CORPORATION**  
**(An Enterprise in the Development Stage)**  
**(Prepared by Management)**  
**Schedule of Mining Rights**

(Unaudited)	Three months ended October 31,		Six months ended October 31,		Year Ended April 30,	Cumulative Since Inception of Project
	2006	2005	2006	2005	2006	
<b>Coyle-Tremblay Property (1)(3)</b>						
Beginning balance	\$ 82,127	\$ 58,736	\$ 64,043	\$ 58,323	\$ 58,323	\$ -
Acquisition costs	23,000	-	23,000	-	-	50,000
Assessment and filing costs	-	-	-	-	-	18,000
General expenses	-	-	1,574	413	(192)	5,850
Geology	-	-	13,000	-	-	13,000
Geophysical	30	-	2,040	-	5,912	7,952
Research	-	-	-	-	-	7,715
Reports	852	-	852	-	-	852
Staking/claims	-	-	1,500	-	-	2,640
Expenditures during the period	23,882	-	41,966	413	5,720	106,009
Ending balance	\$ 106,009	\$ 58,736	\$ 106,009	\$ 58,736	\$ 64,043	\$ 106,009
<b>Salmasi-Greisbach Property (1)(2)</b>						
Beginning balance	\$ 61,613	\$ 21,842	\$ 23,073	\$ 21,717	\$ 21,717	\$ -
Acquisition costs	-	-	24,000	-	-	31,500
General expenses	-	-	189	125	270	994
Geology	(438)	-	6,807	-	-	6,807
Geochemistry	2,220	-	2,220	-	-	2,220
Geophysical	30	-	6,886	-	1,086	21,602
Research	1,733	-	1,733	-	-	2,035
Reports	-	-	250	-	-	-
Staking/claims	-	-	-	-	-	-
Expenditures during the period	3,545	-	42,085	125	1,356	65,158
Ending balance	\$ 65,158	\$ 21,842	\$ 65,158	\$ 21,842	\$ 23,073	\$ 65,158

(1) For a description of these properties, refer to Note 6 of the audited financial statements as at April 30, 2006.

(2) Refer to Note 2(b)(d) of the unaudited financial statements as at October 31, 2006.

(3) Refer to Note 2(f) of the unaudited financial statements as at October 31, 2006.

See condensed notes to the financial statements.

**ALEXANDRIA MINERALS CORPORATION**  
**(An Enterprise in the Development Stage)**  
**(Prepared by Management)**  
**Schedule of Mining Rights**

(Unaudited)	Three months ended October 31,		Six months ended October 31,		Year Ended April 30,	Cumulative Since Inception of Project
	2006	2005	2006	2005	2006	
<b>Stabell Property (1)(3)</b>						
Beginning balance	\$ 316,480	\$ -	\$ 15,450	\$ -	\$ -	\$ -
Acquisition costs	-	-	300,470	-	-	315,470
General expenses	-	-	560	-	15,450	1,010
Expenditures during the period	-	-	301,030	-	15,450	316,480
Ending balance	\$ 316,480	\$ -	\$ 316,480	\$ -	\$ 15,450	\$ 316,480
<b>Cambior Property (2)</b>						
Beginning balance	\$ 15,910	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition costs	23,637	-	38,637	-	-	38,637
General expenses	-	-	910	-	-	910
Geophysics	19,076	-	19,076	-	-	19,076
Research	61	-	61	-	-	61
Expenditures during the period	42,774	-	58,684	-	-	58,684
Ending balance	\$ 58,684	\$ -	\$ 58,684	\$ -	\$ -	\$ 58,684

(1) For a description of these properties, refer to Note 6 of the audited financial statements as at April 30, 2006.

(2) Refer to Note 2(a) of the unaudited financial statements as at October 31, 2006.

(3) Refer to Note 2(c) of the unaudited financial statements as at October 31, 2006.

# ALEXANDRIA MINERALS CORPORATION

(An Enterprise in the Development Stage)

(Prepared by Management)

## Schedule of Mining Rights

(Unaudited)	Three months ended October 31,		Six months ended October 31,		Year Ended April 30,	Cumulative Since Inception of Project
	2006	2005	2006	2005	2006	
<b>Aur Properties (1)</b>						
Beginning balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition costs	100,000	-	100,000	-	-	100,000
Filing	1,250	-	1,250	-	-	1,250
General expenses	247	-	247	-	-	247
Geology	6,975	-	6,975	-	-	6,975
Maintenance	2,379	-	2,379	-	-	2,379
Expenditures during the period	110,851	-	110,851	-	-	110,851
Ending balance	\$ 110,851	\$ -	\$ 110,851	\$ -	\$ -	\$ 110,851
Subtotal	<b>\$1,931,078</b>	<b>\$ 767,338</b>	<b>\$1,931,078</b>	<b>\$ 767,338</b>	<b>\$ 870,990</b>	<b>\$1,931,078</b>
<b>Grants received</b>						
Beginning balance	\$ (27,708)	\$ (27,708)	\$ (27,708)	\$ (27,708)	\$ (27,708)	\$ -
Received during the period	-	-	-	-	-	(27,708)
Ending balance	\$ (27,708)	\$ (27,708)	\$ (27,708)	\$ (27,708)	\$ (27,708)	\$ (27,708)
<b>Quebec refundable tax credits and mining duties refunds</b>						
Beginning balance	\$ (205,963)	\$ -	\$ (205,963)	\$ -	\$ (205,963)	\$ -
Estimated recovery during the period	(195,000)	-	(195,000)	-	-	(400,963)
Ending balance	\$ (400,963)	\$ -	\$ (400,963)	\$ -	\$ (205,963)	\$ (400,963)
Total	<b>\$1,502,407</b>	<b>\$ 739,630</b>	<b>\$1,502,407</b>	<b>\$ 739,630</b>	<b>\$ 637,319</b>	<b>\$1,502,407</b>

(1) Refer to Note 2(e) of the unaudited financial statements as at October 31, 2006.

See condensed notes to the financial statements.

# ALEXANDRIA MINERALS CORPORATION

(An Enterprise in the Development Stage)

(Prepared by Management)

## Statements of Operations and Deficit

(Unaudited)	Three months ended October 31,		Six months ended October 31,		Cumulative Since Inception On May 27, 2002
	2006	2005	2006	2005	
<b>Expenses</b>					
Travel and entertainment	\$ 55,799	\$ 9,028	\$ 86,099	\$ 32,603	\$ 237,009
Management fees	17,000	(24,000)	40,000	6,000	178,000
Accounting and corporate services	13,131	2,705	21,799	10,193	66,836
Interest and bank charges	718	2,611	1,726	4,655	12,514
Office and general	65,399	4,835	114,509	18,171	303,638
Professional fees	15,366	17,408	17,656	100,190	330,127
Rent	4,502	4,249	9,005	8,707	44,596
Seminars and conferences	14,008	-	33,381	-	63,244
Stock-option compensation (Note 9(5))	63,942	-	97,067	-	131,381
Wages and benefits	12,262	-	23,603	-	23,603
Consulting	-	-	-	-	25,534
Field supplies and general exploration	-	-	-	-	20,896
Equipment rental	-	-	-	-	1,522
Amortization	1,030	402	2,047	804	5,797
	263,157	17,238	446,892	181,323	1,444,697
<b>Other income</b>					
Interest income	(6,464)	-	(17,333)	-	(17,333)
<b>Net loss for the period before taxes</b>					
	(256,693)	(17,238)	(429,559)	(181,323)	(1,427,364)
<b>Future income tax recovery</b>					
	-	-	-	(2,458)	(92,708)
<b>Net loss for the period</b>					
	(256,693)	(17,238)	(429,559)	(178,865)	(1,334,656)
<b>DEFICIT, beginning of period</b>					
	(1,077,963)	(672,714)	(905,097)	(511,087)	-
<b>DEFICIT, end of period</b>					
	\$ (1,334,656)	\$ (689,952)	\$ (1,334,656)	\$ (689,952)	\$ (1,334,656)
<b>Loss per share (Note 5)</b>					
	\$ 0.01	\$ 0.00	\$ 0.02	\$ 0.02	
<b>Weighted average shares outstanding</b>					
	22,688,831	11,689,198	22,535,739	11,106,257	

See condensed notes to the financial statements.

# ALEXANDRIA MINERALS CORPORATION

(An Enterprise in the Development Stage)

(Prepared by Management)

## Statements of Cash Flows

(Unaudited)	Three months ended October 31,		Six months ended October 31,		Cumulative Since Inception On May 27, 2002
	2006	2005	2006	2005	
Cash provided by (used in)					
<b>OPERATING ACTIVITIES</b>					
Net loss for the period	\$ (256,693)	\$ (17,238)	\$ (429,559)	\$ (178,865)	\$ (1,334,656)
Adjusted for:					
Changes in non-cash working capital items					
Stock-option compensation (Note 9(5))	63,942	-	97,067	-	131,381
Future income tax recovery	-	-	-	(2,458)	(92,708)
Amortization	1,030	402	2,047	804	5,797
Sundry receivables and prepaid	(42,230)	(11,511)	(71,560)	(28,552)	(107,052)
Prepaid initial public offering expenses	-	(10,031)	-	56,648	-
Accounts payable and accrued liabilities	(119,771)	(88,628)	(182,850)	155,410	91,126
	(353,722)	(127,006)	(584,855)	2,987	(1,306,112)
<b>INVESTING ACTIVITIES</b>					
Acquisition of mining rights	(491,186)	(152,543)	(642,589)	(334,319)	(1,369,372)
Acquisition of equipment	-	-	(3,963)	-	(19,580)
Redemption of short term investment	950,000	-	600,000	-	(100,000)
	458,814	(152,543)	(46,552)	(334,319)	(1,488,952)
<b>FINANCING ACTIVITIES</b>					
Convertible debenture	-	-	-	-	107,768
Due to shareholder	(33,524)	-	(55,847)	-	73,020
Issuance of share capital, net of issue costs	-	195,885	362,329	411,885	1,184,682
Issue of warrants	-	-	142,772	-	1,505,288
	(33,524)	195,885	449,254	411,885	2,870,758
Change in cash	71,568	(83,664)	(182,153)	80,553	75,694
Cash, beginning of period	4,126	165,181	257,847	964	-
Cash, end of period	\$ 75,694	\$ 81,517	\$ 75,694	\$ 81,517	\$ 75,694

See condensed notes to the financial statements.

# ALEXANDRIA MINERALS CORPORATION

(An Enterprise in the Development Stage)

(Prepared by Management)

Condensed Notes to Financial Statements

Three and Six Months Ended October 31, 2006

(Unaudited)

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## 1. NATURE OF OPERATIONS, GOING CONCERN AND ACCOUNTING POLICIES

Alexandria Minerals Corporation (the "Company" or "Alexandria") is engaged in the acquisition, exploration and development of mineral resource properties in Canada. The Company was incorporated on May 27, 2002. The Company is in the process of exploring, and has not yet determined whether there is an economically viable ore deposit on its properties. As such, there is uncertainty with respect to the Company's ability to continue as a going concern, dependent on such events as financing, discovery and market conditions. To date the Company has not earned revenue from its mineral properties and is considered to be in the development stage.

The unaudited financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles for interim financial information. Accordingly, they do not include all of the information and notes to the financial statements required by Canadian Generally Accepted Accounting Principles for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six months ended October 31, 2006 may not necessarily be indicative of the results that may be expected for the year ending April 30, 2007.

The balance sheet at April 30, 2006 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by Canadian Generally Accepted Accounting Principles for complete financial statements. The interim financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual financial statements for the year ended April 30, 2006. For further information, refer to the financial statements and notes thereto included in the Company's annual financial statements for the year ended April 30, 2006.

### New accounting pronouncements

In January 2005, the Canadian Institute of Chartered Accountants issued four new accounting standards: Handbook Section 1530, Comprehensive Income, Handbook Section 3251, Equity, Handbook Section 3855, Financial Instruments – Recognition and Measurement and Handbook Section 3865, Hedges. These standards are effective for interim and annual financial statements for the Company's fiscal and interim periods beginning May 1, 2007.

## 2. MINING RIGHTS

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 owned by the Company, refer to Note 6 of the audited financial statements as at April 30, 2006. Specific changes to mining rights that occurred from April 30, 2006 to October 31, 2006 are as follows:

(a) On May 29, 2006, the Company entered into an Option and Joint Venture agreement with Cambior Inc. ("Cambior") to earn, through an option, 50% of Cambior's rights, title and interest in 90 mining claims, which are collectively known as the Sleepy, Bloc Sud and Akasba Properties, located in the Province of Quebec. Subject to the following terms: (i) incur expenditures relating to exploration activities on the Property totaling \$2,200,000 and (ii) make payments in cash or in shares totaling \$100,000, to Cambior on or before December 31, 2009.

# ALEXANDRIA MINERALS CORPORATION

(An Enterprise in the Development Stage)

(Prepared by Management)

Condensed Notes to Financial Statements

Three and Six Months Ended October 31, 2006

(Unaudited)

## 2. MINING RIGHTS (Continued)

(b) This property is located in the Joannes Township in the Val-d'Or Mining Division in the Province of Quebec. On May 27, 2004, the Company entered into an agreement with Kamaledin Salmasi and Glenn Greisbach (the "Optionors") to earn a 100% interest in six mineral claims. The agreement requires that the consideration for the claims be paid as follows: (i) \$7,500 to be paid in cash on execution of the agreement (paid); (ii) 75,000 shares to be issued on the first anniversary of signing the agreement (issued - valued at \$24,000); and (iii) a total of \$50,000 in eligible work expenditures incurred on the property (\$10,000 by the first anniversary and \$40,000 by the third anniversary). Pursuant to the agreement, the Optionors will be entitled to a two-part royalty consisting of a 2% net smelter return on smeltable minerals or metals extracted from the claims and a 2% gross overriding receipts royalty on all diamonds extracted from claims on the terms and conditions specified in the agreement.

(c) This property is located in the Dubuisson Township in the Val-d'Or area in the Province of Quebec. The 13 claims covering 497 hectares are under sale and purchase agreement with Virginia Mines Inc., through which Alexandria may earn 100% interest in the mineral rights by completion of the following: 1) initial cash payment of \$15,000 (paid), 2) the issuance of 1,000,000 shares of Alexandria within ten days of the agreement (issued - valued at \$300,000), and 3) a 2% smelter return (NSR) if less than or equal to US \$325/ounce gold, 2.5% smelter return if between US\$325-\$375/once gold and 3.0% smelter return if greater than US\$375.

(d) On September 13, 2006, Alexandria completed an agreement with Falconbridge Limited (recently acquired by Xstrata plc) to earn a 50% interest in 20 mineral claims in Joannes Township, Quebec. The agreement stipulates that Alexandria will earn a 50% interest by expending \$500,000 on exploration by July 10, 2010. The interest is subject to a 1% Net Smelter Return.

(e) On September 29, 2006, Alexandria signed an option agreement with Aur Resources Inc. for 10 properties in the Val d'Or mining camp, Quebec. The signed agreement, which will be formalized as an Option/Joint Venture agreement, will require Alexandria to complete exploration expenditures of \$3,000,000 on the properties over five years, by July 31, 2011 to earn a 50% interest. The Company will also pay \$500,000 in cash and shares over the same five year period, including \$50,000 and 265,674 shares (issued - valued at \$50,000) upon signing. The Company can earn 100% by committing to further expenditures of \$5,000,000 by July 31, 2014.

(f) The Company has authorized the issuance of 100,000 shares (valued at \$23,000) to the property optionors of its Coyle-Tremblay claims, which make up a portion of the Joannes property. The issuance of shares allows the Company to extend the time on which it completes its work commitments on the Coyle-Tremblay claims, until July 1, 2007.

## 3. SHARE CAPITAL

(a) Authorized  
Unlimited number of common shares

(b) Issued

	Shares	Amount
Balance, April 30, 2004	9,015,851	\$ 574,859
Shares issued for cash	103,700	19,366
Shares issued for mining rights	300,000	58,000
Balance, April 30, 2005	9,419,551	\$ 652,225

# ALEXANDRIA MINERALS CORPORATION

(An Enterprise in the Development Stage)

(Prepared by Management)

Condensed Notes to Financial Statements

Three and Six Months Ended October 31, 2006

(Unaudited)

## 3. SHARE CAPITAL (Continued)

### (b) Issued (Continued)

	Shares	Amount
Balance, April 30, 2005	9,419,551	\$ 652,225
Flow through shares issued for cash	2,000,000	240,000
Issuance of shares for mining rights	125,000	22,500
Non-flow through shares issued for cash	1,219,900	182,985
Flow through shares issued for cash	100,000	15,000
Warrant valuation	-	(137,849)
Shares issued on conversion of debenture	393,213	50,175
Shares issued on repayment of shareholders loan	333,333	50,000
Warrant valuation	-	(36,667)
Flow-through renunciation	-	(92,708)
Non-flow through I.P.O.	6,050,000	1,512,500
Warrant valuation	-	(1,188,000)
Exercise of warrants	10,000	4,980
Issued for mineral property	50,000	16,000
Share issuance costs	-	(524,641)
Balance, April 30, 2006	19,700,997	766,500
Private placement (1)	1,699,666	509,900
Warrant valuation (1)	-	(142,772)
Issued for mining rights (Note 2(b)(c)(e))	1,340,674	374,000
Exercise of warrants	120,000	36,000
Exercise of warrants - valuation	-	13,560
Share issuance costs (1)	-	(40,799)
Balance, October 31, 2006	22,861,337	\$ 1,516,389

(1) On May 2, 2006, the Company completed the following private placement:

1,699,666 units at a price of \$0.30 per unit for gross proceeds of \$509,900. Each unit consists of one common share and 1/2 of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of \$0.40 for a period of one year, subject to accelerated expiry in certain circumstances.

The fair value of the 849,833 warrants was estimated using the Black-Scholes pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 4.17%; expected life of one year; and volatility of 172.09%. A fair value of \$142,722 was estimated.

# ALEXANDRIA MINERALS CORPORATION

(An Enterprise in the Development Stage)

(Prepared by Management)

Condensed Notes to Financial Statements

Three and Six Months Ended October 31, 2006

(Unaudited)

## 3. SHARE CAPITAL (Continued)

### (c) Contributed surplus

The following table reflects the continuity of contributed surplus:

	Amount
Balance, April 30, 2006	\$ 34,314
Stock-option compensation (Note 9(5))	97,067
Balance, October 31, 2006	\$ 131,381

## 4. CONVERTIBLE DEBENTURE

On December 16, 2004, the Company issued three convertible promissory notes (collectively, the "Convertible Notes") in the aggregate amount of \$107,768. Each Convertible Note is unsecured, non-interest bearing and due on demand by the note holder. Each Convertible Note is convertible at the election of the Company into Common Shares of the Company at the rate of one Common Share for every \$0.10 of outstanding principal amount (in respect of \$75,208 of the aggregate amount of the Convertible Notes) and at the rate of one Common Share for every \$0.15 of outstanding principal amount (in respect of \$32,560 of the aggregate amount of the Convertible Notes). The Convertible Notes were issued by the Company in replacement of all of its outstanding long term debt.

On November 4, 2005, an accredited investor converted two of the convertible notes, and the Company issued 393,213 common shares covering the principal amount of \$50,175.

## 5. LOSS PER SHARE (LPS)

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period, including contingently issuable shares which are included when the conditions necessary for issuance have been met. Diluted loss per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants. The effect of potential issuances of shares under options and warrants would be anti-dilutive, and accordingly basic and diluted LPS are the same.

## 6. INCOME TAXES

The estimated taxable income for the period is \$nil. Based upon the level of historical taxable income, it cannot be reasonably determined if the Company will realize the benefits from future income tax assets or the amounts owing from future income tax liabilities. Consequently, the future recovery or loss arising from differences in tax values and accounting values have been reduced by an equivalent estimated taxable temporary difference valuation allowance. This estimated taxable temporary difference valuation allowance will be adjusted in the period that it can be determined that it is more likely than not that some or all of the future tax assets or future tax liabilities will be realized.

# ALEXANDRIA MINERALS CORPORATION

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Condensed Notes to Financial Statements

Three and Six Months Ended October 31, 2006

(Unaudited)

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## 7. DUE TO SHAREHOLDER

The amount due to shareholder, a related party, is non-interest bearing and due on demand.

## 8. RELATED PARTY TRANSACTIONS

Management and administrative services totaling \$124,000 (2005 - \$54,000) were expensed or accrued to the President, current and former Chief Financial Officer and Executive Vice President.

Included in accounts payable and accrued liabilities is \$36,515 (2005 - \$71,897) representing unpaid management fees owing to the President, current Chief Financial Officer and Executive Vice President.

These related party transactions were in the normal course of operations and were measured at the exchange amounts.

## 9. STOCK OPTIONS

The following table reflects the continuity of stock options granted under the Company's stock option plan.

	Number of Options	Weighted Average Exercise Price \$
Opening Balance	1,225,000	0.29
Options granted	270,000	0.21
Options cancelled/expired	-	-
Options exercised	-	-
Closing Balance	1,495,000	0.28

The following chart outlines the details of the issued stock options:

Number of Options	Exercise Price	Expiry Date
650,000	\$0.30	December 31, 2007
125,000	\$0.33	December 31, 2007
200,000	\$0.25	December 31, 2007
250,000	\$0.30	April 12, 2011
20,000	\$0.23	September 15, 2011
250,000	\$0.21	October 19, 2011
1,495,000		

# ALEXANDRIA MINERALS CORPORATION

(An Enterprise in the Development Stage)

(Prepared by Management)

Condensed Notes to Financial Statements

Three and Six Months Ended October 31, 2006

(Unaudited)

## 9. STOCK OPTIONS (Continued)

(1) On May 15, 2006, the Company entered into an agreement to receive investor relations services in Europe for a twelve-month period from a consultant. In exchange, the Company will issue 100,000 stock options at \$0.26 per share, subject to approval by the Company's Board of Directors and the TSX Venture Exchange.

The fair value of the 100,000 stock options was calculated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; risk-free interest rate of 4.08%; an expected average life of one year; and expected volatility of 172.56%. A fair value of \$16,100 was estimated, none of which was expensed to the statement of operations and deficit as the consultant forfeited the stock options.

(2) \$48,687 was expensed in the current period from stock options issued in fiscal 2006.

(3) On September 15, 2006, the Company granted 20,000 stock options to an employee of the Company at an exercise price of \$0.23 expiring on September 15, 2011. The fair value of the 20,000 stock options was estimated using the Black-Scholes pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 4.17%; expected life of five years; and volatility of 122%. A fair value of \$3,880 was estimated.

(4) On October 19, 2006, the Company granted an aggregate of 250,000 stock options to consultants and a officer of the Company at an exercise price of \$0.21 expiring on October 19, 2011. The fair value of the 250,000 stock options was estimated using the Black-Scholes pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 4.17%; expected life of five years; and volatility of 122%. A fair value of \$44,500 was estimated.

(5) From April 30, 2006 to October 31, 2006, the Company expensed stock-option compensation in the amount of \$97,067. Refer to Note 9(2)(3)(4) for details.

## 10. WARRANTS

As of October 31, 2006, the following warrants were outstanding:

Expiry Date	Exercise Price	April 30, 2006 Balance	Issued	Exercised	Expired	October 31, 2006 Balance	Warrant Value (\$)
October 21, 2007	\$0.30	1,219,900	-	(120,000)	-	1,099,900	124,289
November 4, 2007	\$0.30	333,333	-	-	-	333,333	36,666
March 22, 2008 (2)	\$0.30	5,990,000	-	-	-	5,990,000	1,186,020
March 22, 2008 (2)	\$0.25	900,000	-	-	-	900,000	181,800
May 1, 2007 (1)	\$0.40	-	849,833	-	-	849,833	142,772
		8,443,233	849,833	(120,000)	-	9,173,066	1,671,547

(1) These warrants are subject to an accelerated expiry. If the Company's common shares trade at a weighted average trading price of \$0.60 or higher for a period of 20 consecutive trading days the Company may give notice to the warrant holders that the warrants will expire within thirty days of such notice.

(2) These warrants are subject to an accelerated expiry. If the Company's common shares trade at a weighted average trading price of \$0.50 or higher for a period of 20 consecutive trading days the Company may give notice to the warrant holders that the warrants will expire within thirty days of such notice.

# ALEXANDRIA MINERALS CORPORATION

(An Enterprise in the Development Stage)

(Prepared by Management)

Condensed Notes to Financial Statements

Three and Six Months Ended October 31, 2006

(Unaudited)

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## 11. SUBSEQUENT EVENTS

(a) In December 2006, Alexandria completed a non-brokered private placement of 4,909,000 non-flow-through units at a price of \$0.19 per unit and 6,904,499 flow-through units at a price of \$0.24 per unit, resulting in gross proceeds of \$2,589,790.

Each non-flow through unit will be comprised of one non-flow-through common share of the Company and one-half of one 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 one year from closing.

Each flow-through unit shall be comprised of one flow-through common share and one-half of one warrant, with each whole warrant entitling the holder to acquire one additional non-flow through common share of the Company at a price of \$0.34 for a period of one year from closing.

The closing of the private placement is subject to the receipt of all the required regulatory approvals, including the approval of the TSX Venture Exchange. All the securities issued pursuant to the offering shall be subject to a hold period of four months from the date of closing. A finders fee of up to 8% of the gross proceeds raised was paid by the Company in connection with this offering totalling \$153,269 cash and 125,000 units.

(b) On November 14, 2006, Alexandria enlarged its Siscoe East property in Val d'Or, Quebec, by completing an agreement with Niogold Mining Corporation for 30 mining claims in Vassan Township. The agreement, dated September 29, 2006, gives Alexandria the right to earn a 70% interest in the 30 claims for the following commitments: 1) issuance of 100,000 shares (issued - valued at \$20,500) of Alexandria treasury stock to Niogold upon signing, and 2) complete exploration expenditures of \$65,000 on the claims by September 29, 2007.

(c) On November 8, 2006, Alexandria issued 100,000 shares (issued - valued at \$23,000) to the property optionors of its Coyle-Tremblay claims which allows the Company to extend the time required to complete its work commitments.