# ALEXANDRIA MINERALS CORPORATION

## Management Discussion and Analysis

## For the three months ended July 31, 2015

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 financial statements of the Company, including the notes thereto, for the three months ended July 31, 2015 ("Q1 F2016"). The comparative reporting period is the three months ended July 31, 2014 ("Q1 F2015").

The condensed interim financial statements of Alexandria have been prepared in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended April 30, 2015 ("F2015"), which have been prepared in accordance with IFRS as issued by the IASB.

This MD&A has taken into account information available up to and including September 28, 2015. 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.

### 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 Persons and Note on Current Resources

In this report, the Company relies principally on Mr. Eric Owens, P.Geo, and Mr. Philippe Berthelot, PGeo, as the Qualified Persons ("QP's") for all properties as defined under National Instrument 43-101 ("NI 43-101"), with contribution by external QP's as needed. Mr. Owens and Mr. Berthelot 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 the QP's and is not necessarily indicative of the Company's anticipated results. As of the date of this MD&A, the Company has reported Current Resources as defined by NI 43-101 on three of its gold projects in the Val d'Or area, its Orenada, Akasaba, and Sleepy properties. On March 10, 2015, Alexandria completed an acquisition of Murgor Resources Inc., which added two more properties with Current Resources, the WIM and Hudvam projects in Manitoba. The remaining properties do not contain NI 43-101 compliant resources, and there is no guarantee that economic deposits exist on them. It is uncertain if further exploration will result in such targets being delineated as a Current Resource.

### Principal Business

Alexandria is a junior gold exploration company, with a current focus on under-explored, high-potential mineral properties in the world-class gold and base-metal mining districts of Quebec, Ontario, and Manitoba, Canada. The Company was incorporated on May 27, 2002 and completed its initial public offering on March 22, 2006. Alexandria's shares began trading on the TSX Venture Exchange ("TSX-V") under the symbol "AZX" on March 24, 2006. The Company has also received secondary listings on the Frankfurt Stock Exchange (symbol "A9D"), and trades on the pink sheets in the United States (symbol "ALXDF").

Alexandria has strategically-located mineral properties in a number of mining camps in the provinces of Quebec, Ontario and Manitoba, Canada. Since 2007, the Company has focused its exploration efforts on its principal property package in Val d'Or, Quebec, the flagship Cadillac Break Property Group. This property is a 35-km long, continuous group of 645 claims, on which the Company has built 3 gold resources on its **Orenada**, **Akasaba** and **Sleepy** projects (see Current Resources Table below).

On March 10, 2015 Alexandria successfully completed the acquisition of Murgor Resources, which brought Alexandria a number of new property assets in Manitoba, Ontario and Quebec, including 2 properties with Current Resources, the **WIM** and **Hudvam** gold-copper-zinc-silver projects (See Table below).

**Total Current Resources on Alexandria's Quebec and Manitoba Properties (as of date of this report)**

| | | | Grade | | | | Contained Metal | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Deposit** | **Cutoff** | **Tonnes** | **Au (g/t)** | **Cu (%)** | **Ag (g/t)** | **Zn (%)** | **Gold (oz)** | **Copper (lbs)** | **Silver(oz)** | **Zinc (lbs)** |
| ***Measured Category*** | | | | | | | | | | |
| **Orenada Near Surface** | 0.5 g/t Au | 4,329,383 | 1.36 | | | | 188,844 | | | |
| ***Indicated Category*** | | | | | | | | | | |
| **Akasaba Underground** | 2.25 g/t Au | **609,274** | 5.93 | | | | 116,158 | | | |
| **Akasaba Near Surface** | 0.5 g/t Au | **3,009,214** | 1.37 | | | | 132,475 | | | |
| **Orenada Near Surface** | 0.5 g/t Au | **6,027,277** | 1.01 | | | | 196,097 | | | |
| **Hudvam** | 1.35% CuEq | **930,397** | 3.62 | 1.17 | 13.23 | 1.71 | 108,350 | 24,053,000 | 396,000 | 35,100,000 |
| **WIM** | 1.3% CuEq | **3,898,000** | 1.57 | 1.71 | 6.68 | 0.27 | 197,000 | 147,156,000 | 837,000 | 22,730,000 |
| ***Total Indicated*** | | | | | | | **750,080** | **171,209,000** | **1,233,000** | **57,830,000** |
| ***Ounces Gold equivalent*** | | | | | | | **750,080** | **428,023** | **15,413** | **48,192** |
| ***Inferred category*** | | | | | | | | | | |
| **Akasaba Underground** | 2.25 g/t Au | **1,475,622** | 5.58 | | | | 264,886 | | | |
| **Akasaba Near Surface** | 0.5 g/t Au | **219,882** | 1.93 | | | | 13,653 | | | |
| **Orenada Near Surface** | 0.5 g/t Au | **4,708,810** | 1.16 | | | | 176,000 | | | |
| **Sleepy** | 3.0 g/t Au | **1,885,500** | 5.10 | | | | 307,350 | | | |
| **Hudvam** | 1.35% CuEq | **612,021** | 2.89 | 0.77 | 6.55 | 1.26 | 56,800 | 10,449,000 | 129,000 | 16,961,000 |
| ***WIM*** | *1.3% CuEq* | ***732,000*** | 1.76 | 1.03 | 4.65 | 0.37 | 41,000 | 16,616,000 | 109,000 | 5,941,000 |
| ***Total Inferred*** | | | | | | | **859,689** | **27,065,000** | **238,000** | **22,902,000** |
| ***Ounces Gold equivalent*** | | | | | | | **859,689** | **67,663** | **2,975** | **19,085** |

Notes to table:

1) Resources for Akasaba (2013) and Sleepy (2014) calculated by Christian d'Amours of Geopointcom; Orenada (2009), Geologica, Inc.; WIM and Hudvam (2015), calculated by Golder Associates.
2) Mineral resources which are not mineral reserves have not demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues, although the Company is not aware of any such issues.
3) The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them.
4) The mineral resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

In addition to the advanced exploration properties listed in the table above, the Company now holds 8 other early stage exploration properties (Gullrock, Mishibishu, Matachewan, Wydee, Gwillim, Fancamp, Embry, and Siscoe East) in the well-known mining camps of Red Lake, Timmins, and Matachewan, Ontario, and Chibougamau and Val d'Or, Quebec.

### Project Developments

On August 19, 2015 the Company released a second updated NI 43-101 Resource Estimate for its Hudvam project in Flin Flon, Manitoba, a project also acquired in the Murgor transaction. This estimate resulted in a 10% increase tonnage of Indicated Resources, with a concomitant 5% increase in metal content, and an 18% increase in the tonnage and a 15% increase in the metal content of Inferred Resources. Field geophysical and geological data have allowed Company geologists to plan next steps for both the WIM and Hudvam projects, including field studies and drill targeting.

Company geologists continue to review and interpret geological data and historical exploration data in order to better evaluate future drill targets.

All drill results and exploration information presented here have been released to the public, and can be found on Alexandria's web site, www.azx.ca, or on www.sedar.com.

### 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 three months ended July 31, 2015, Alexandria realized a net loss of $170,329, compared to a net loss of $218,236 for the same period in fiscal 2015.

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 ended July 31, 2015, Alexandria reported total general and administrative expenses ("G&A") of $356,320 compared with $270,695 for the same period of fiscal 2015.

The following schedule describes the components of G&A for the three months ended July 31, 2015 and 2014:

| **Three months ended July 31,** | **F2016** | F2015 | $ Change | % Change |
|---|---|---|---|---|
| Accounting and corporate services | $ **13,065** | $ 9,566 | $ 3,499 | 36.6 |
| Depreciation | **2,213** | 2,288 | (75) | (3.3) |
| Director fees | **7,625** | 7,625 | - | - |
| Business development | **20,526** | 48,112 | (27,586) | (57.3) |
| Investor and public relations | **81,815** | 51,398 | 30,417 | 59.2 |
| Management fees | **85,625** | 35,400 | 50,225 | 141.9 |
| Office and general | **72,556** | 62,804 | 9,752 | 15.5 |
| Professional fees | **25,593** | 7,425 | 18,168 | 244.7 |
| Share based payment | **4,260** | - | 4,260 | 100.0 |
| Wages | **43,042** | 46,077 | (3,035) | (6.6) |
| | $ **356,320** | $ 270,695 | $ 85,625 | 31.6 |

For the three months ended July 31, 2015, the principal drivers of general and administration expenses changes, when compared to the same period of last fiscal year were:

- The increase in accounting and secretarial services for $3,499 corresponds to an increase in secretarial services temporarily contracted by the Company during F2016 for approximately $2,600, and an increase in accounting fees of $900.
- The net decrease of $27,586 in business development is the result of a decrease in hotel accommodations for approximately $11,000; a decrease in meals and entertainment of approximately $3,000, and the elimination of some business advisory services fees incurred during Q1 F2015 for approximately $12,000;
- The increase in investor relations of $30,417 is the result of increases in advertising and promotion services subcontracted for approximately $20,000, and increases in fees paid to market-making subcontractor for approximately $15,000, all partially offset by a reduction in regulatory fees of approximately $3,000;
- The increase in management fees is principally related to $50,000 management consulting fees allocated to exploration during Q1 F2015.
- The increase on Office and general expenses of $9,752 is composed by a decrease in computer maintenance and repairs for approximately $6,000; a decrease in net rent for approximately $5,000 resulting for sublease revenues during Q1F2016; an increases in repair and maintenance charges of approximately $2,000; and an increase in office expenses related to Murgor for approximately $22,000 related to accrued office rent in Kingston and an accreted indemnity liability.
- Professional fees increased by $18,168 mainly as a result of increases in legal fees;
- The increase in share base payments is the fair value of 200,000 options granted to Integral Wealth Management during Q1 F2016.

## Expenditures on Resource Properties

The tables below summarize exploration expenditures for the three months ended July 31, 2015 and 2014 which are included in the $31,761,083 gross expenditures accumulated by the Company since its inception since May 2002, before general and administration charges related to exploration of $821,501, recovery of grants of $7,564,732 and Quebec refundable tax credits and mining duties receivable in the amount of $225,220.

### Three months ended July 31, 2015:

| | Orenada | Akasaba | Sleepy | Siscoe East JV | Other Properties | Ontario Properties | Manitoba Properties | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance (May 1, 2015)** | **$5,994,996** | **$13,046,117** | **$6,224,139** | **$478,404** | **$1,323,807** | **$1,781,284** | **$3,044,701** | **$31,893,448** |
| Assays & Maps | - | - | - | - | 124 | - | - | **124** |
| Geophysics | - | - | - | - | 2,550 | - | - | **2,550** |
| Drilling | 46,533 | - | - | - | | 1,202 | | **47,735** |
| Geology and Geochemistry | 23,105 | 25,730 | 2,554 | - | 2,413 | 4,808 | 35,365 | **93,975** |
| Other exploration | 335 | - | 29,344 | - | - | 1,339 | 6,793 | **37,811** |
| Allocated exploration expens | 28,536 | 10,493 | 13,009 | - | 1,391 | 1,255 | 1,185 | **55,869** |
| Sale of mining rights | - | - | - | - | - | (370,429) | - | **(370,429)** |
| **Expenditures During perio** | **98,509** | **36,223** | **44,907** | **-** | **6,478** | **(361,825)** | **43,343** | **(132,365)** |
| **Balance (July 31, 2015)** | **$6,093,505** | **$13,082,340** | **$6,269,046** | **$478,404** | **$1,330,285** | **$1,419,459** | **$3,088,044** | **$31,761,083** |

### Three months ended July 31, 2014:

| | Orenada | Akasaba | Sleepy | Siscoe East JV | Other Properties | Ontario Properties | Manitoba Properties | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance (May 1, 2014)** | **$4,627,023** | **$8,774,250** | **$3,321,840** | **$478,404** | **$7,651,724** | **$1,343,428** | **$ -** | **$26,196,669** |
| Assays & Maps | - | 10,284 | 22,778 | - | 5,517 | - | - | **38,579** |
| Geophysics | - | 474 | - | - | 3,995 | - | - | **4,469** |
| Drilling | - | 230,534 | 15,349 | - | 5,375 | - | - | **251,258** |
| Geology and Geochemistry | - | 26,074 | 16,666 | - | 43,163 | - | - | **85,903** |
| Other exploration | 4,036 | 111 | 21,004 | - | 16,380 | 2,571 | - | **44,102** |
| Allocated exploration expenses | 1,849 | 38,380 | 11,337 | - | 39,971 | 357 | - | **91,894** |
| **Expenditures During period** | **5,885** | **305,857** | **87,134** | **-** | **114,401** | **2,928** | **-** | **516,205** |
| **Balance (July 31, 2014)** | **$4,632,908** | **$9,080,107** | **$3,408,974** | **$478,404** | **$7,766,125** | **$1,346,356** | **$ -** | **$26,712,874** |

For detailed information of exploration activities, please see the "*Project Development"* section above.

### Selected Quarterly Information

| | | Net income (loss) | | | | |
|---|---|---|---|---|---|---|
| **Three months ended** | **Interest income (expense)** | **Total** | **Per share** | **G&A** | **Working Capital** | **Total assets** |
| July 31, 2015 | 14 | (170,329) | (0.00) | 356,320 | 115,143 | 25,774,720 |
| April 30, 2015 | - | 257,030 | 0.00 | 406,703 | 587,711 | 26,196,093 |
| January 31, 2015 | 5,634 | (148,471) | (0.00) | 318,405 | 2,093,363 | 23,365,295 |
| October 31, 2014 | 6,136 | (378,200) | (0.00) | 384,336 | 2,395,668 | 23,362,611 |
| July 31, 2014 | 10,771 | (218,236) | (0.00) | 270,695 | 3,855,997 | 23,681,366 |
| April 30, 2014 | - | (755,369) | 0.01 | 472,803 | 4,689,230 | 24,123,971 |
| January 31, 2014 | - | 2,048,414 | 0.01 | 418,677 | 5,477,354 | 23,491,522 |
| October 31, 2013 | 15 | (150,047) | (0.00) | 215,106 | 1,961,139 | 21,321,595 |

## LIQUIDITY AND CAPITAL RESOURCES

The Company had $0.1 million in working capital as at July 31, 2015 (July 31, 2014 - $3.9 million) with a cash balance of $0.1 million (April 30, 2015 - $0.2 million).

During the first quarter of fiscal 2016 the Company disposed of certain investment in marketable securities for cash proceeds of $373,440. AZX realized a net gain on disposition of these securities of $185,977.

**Share Capital:**

The following schedule describes the capital transactions for the fiscal year up to the date of this report:

| | Units |
|---|---|
| Balance at April 30, 2014 | 178,108,297 |
| Shares issued on private placement subsequent to January 31, 2015 | 5,000,000 |
| Shares issued to Murgor shareholders on March 10, 2015 | 61,712,795 |
| Shares received on sale of mining rights (i) | (8,231,750) |
| | 236,589,342 |
| Options (ii) | 13,078,002 |
| Warrants (iii) | 2,500,000 |
| Fully Diluted as of September 28, 2015 | 252,167,344 |

**(i) Shares received on sale of mining rights:**

On June 25, 2015, the Company announced that its 100% controlled subsidiary, Murgor Resources Inc., has disposed of certain mineral rights to acquire up to 70% interest in the Golden Arrow Gold Mine to Victoria Gold Mines in exchange for 8,231,750 Alexandria common shares. At the time of the transaction the Company had earned 40% interest in the property.

The Company retained a 2% NSR royalty on the Golden Arrow claims, one-half of which may be purchased for $750,000 within one year or for $1,000,000 thereafter.

The Alexandria common shares received are effectively eliminated on consolidation of the subsidiary however not cancelled. Alexandria intents to resell these shares to suitable investors. Any sale of this shares is subject to certain restrictions as if the Company was selling shares from treasury.

**(ii) Options:**

The following schedule describes the stock options outstanding at September 28, 2015 are as follows:

| | Expiry date | No. of options | Exercise price |
|---|---|---|---|
| | October 12, 2015 | 1,885,000 | 0.17 |
| (1) | March 10, 2016 | 2,773,002 | 0.12 |
| | March 27, 2016 | 3,540,000 | 0.10 |
| | March 7, 2019 | 4,430,000 | 0.10 |
| | August 29, 2019 | 250,000 | 0.10 |
| (2) | July 17, 2020 | 200,000 | 0.10 |
| | | 13,078,002 | 0.11 |

(1) Issued on the acquisition of Murgor.

(2) On July 17, 2015, the Company engaged the services of FronTier Merchant Capital Group ("FronTier") for Investor Relations Services. Under the terms of the engagement, FronTier has been retained for a 6 month period at $6,000 per month plus direct expenses. As well, the Company has granted 200,000 stock options to FronTier, at an exercise price of $0.10, expiring in 5 years.

**(iii) Warrants:**

During the first quarter of fiscal 2015, 14,606,937 warrants with an exercise price of $0.18 expired unexercised.

As of September 28, 2015 the Company has 2,500,000 warrants, exercisable at $0.15 per warrant until March 10, 2016, issued as part of a financing closed on January 31, 2015 for gross proceeds of $500,000. The Company issued the shares for this transaction, together with the warrants, on March 10, 2015.

## COMMITMENTS & CONTINGENCIES

(i) The Company is obligated under an operating lease for rental of office space in Toronto, Ontario in the amount of $14,915 per month expiring October 31, 2016.

(ii) The Company is obligated under an operation lease for rental of office space in Val d'or, Quebec, in the amount of $3,600 per month expiring March 31, 2017.

(iii) The Company is obligated under an operation lease for rental of one vehicle in the amount of $650 per month expiring March 17, 2017.

(iv) As of October 31, 2014 the Company is required to incur, in the event of a change in control, to compensate certain individuals as follows:

| | |
|---|---|
| a. Eric Owens – Chief Executive Officer: | $400,000 |
| b. Mary Vorvis – VP Corporate Development | $330,000 |
| c. Mario Miranda – Chief Financial Officer | $268,800 |

(v) As the result of the acquisition of Murgor, the Company is obligated to monthly payments of $19,743 to the former CEO of Murgor until August 2016.

(vi) The Company is obligated under an operating lease for rental of office space in Kingston, Ontario in the amount of $4,286 per month expiring December 31, 2015.

(vii) During the year ended April 30, 2015 the Company received a reassessment of its refundable tax credits claimed for fiscal years 2010, 2011, and 2012. Certain amounts of the reassessment, which totals $848,704 including accrued interest, will be appealed by the Company. The outcome of this appeal is uncertain at this point in time. As of April 30, 2015, the Company has accrued approximately $691,000 as the estimated repayment of the refundable tax credits, based on Management's review of the denied expenses, and an estimated accrued tax credit receivable of approximately $797,000 for the year ended April 30, 2015 based on the expenses incurred in the year ended April 30, 2015.

| | |
|---|---|
| Year ended April 30, 2013 receivable (actual) | $ 63,290 |
| Year ended April 30, 2014 receivable (actual) | 55,863 |
| Year ended April 30, 2015 receivable (estimate) | 797,248 |
| Estimated liability | (576,564) |
| Quebec refundable tax credits and mining duties refund receivable | $ 339,837 |

(viii) The Company did not spend all required Canadian Exploration Expenditures ("CEE") funds prior to December 31, 2008. Amounts which were unspent at the end of 2008 were subject to an additional tax on the unspent amount which was paid by the Company. As a result of not meeting the CEE expenditure requirement the Company was required to indemnify flow-through shareholders for an amount equal to any tax payable as a result of the reduction of previously renounced CEE. The Company estimated the liability resulting from the indemnification, using the highest marginal tax rate, as $110,000 which was included in accounts payable and accrued liabilities as at April 30, 2015 and April 30, 2014.

## RELATED PARTY TRANSACTIONS

During the three months ended July 31, 2015 and 2014 the Company made the following payments to companies related to executives and officers of the Company and or to officers and executives of the Company.

During the three months ended July 31, 2015 and 2014 the Company paid management fees to Finterra Consulting Inc., a company controlled by the Chief Financial Officer (“CFO”) of the Company fees as indicated in the tables below.

During the three months ended July 31, 2015 and 2014 the Company paid management fees to Baker Creek Management (formerly Owens & Co. Ltd.) for a company controlled by a related party of the Chief Executive Officer (“CEO”) of the Company fees as indicated in the tables below.

The following schedules shows the payments and allocation of management fees and other management and directors compensation:

**Three months ended July 31, 2015**

| | Management fees | Exploration | Director fees | Salaries |
|---|---|---|---|---|
| Baker Creek | $ 50,000 | $ - | $ - | $ - |
| Finterra Consulting | 35,625 | - | - | - |
| Mary Vorvis | - | - | - | 41,250 |
| Directors | - | - | 7,625 | - |
| | $ 85,625 | $ - | $ 7,625 | $ 41,250 |

**Three months ended July 31, 2014**

| | Management fees | Exploration | Director fees | Salaries |
|---|---|---|---|---|
| Baker Creek | $ - | $ 50,000 | $ - | $ - |
| Finterra Consulting | 35,400 | - | - | - |
| Mary Vorvis | - | - | - | 41,250 |
| Directors | - | - | 7,625 | - |
| | $ 35,400 | $ 50,000 | $ 7,625 | $ 41,250 |

## 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 venture opportunities.

## ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

### Basis of presentation

The financial statements of Alexandria have been prepared on an historical cost basis except for the revaluation of certain financial instruments to fair value. In addition the financial statements of AZX have been prepared using the accrual basis of accounting except for cash flow information. The financial statements of AZX have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretation Committee ("IFRIC"). The policies have been consistently applied to all periods presented.

In the preparation of the Company's 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.

(i) Impairment of non-financial assets
The Company's fair value measurement with respect to the carrying amount of non-financial assets is based on numerous assumptions and may differ significantly from actual fair values. The fair values are based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated fair values of non-financial assets to their carrying values. The Company's fair value estimates are based on numerous assumptions. The fair value estimates may differ from actual fair values and these differences may be significant and could have a material impact on the Company's financial position and result of operations. Assets are reviewed for an indication of impairment at each date of the statement of financial position. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, significant negative industry or economic trends, interruptions in exploration and evaluation activities and significant drop in precious metal prices.

(ii) Recognition of deferred income tax assets and the measurement of income tax expense
Periodically, we evaluate the likelihood of whether some portion of the deferred tax assets will not be realized. Once the evaluation is completed, if we believe that it is probable that some portion of the deferred tax assets will fail to be realized, the Company records only the remaining portion for which it is probable that there will be available future taxable profit against which the temporary differences can be utilized. Assessing the recoverability of deferred income tax assets requires management to make significant judgment. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

*New standards not yet adopted and interpretations issued but not yet effective*

IFRS 9, Financial Instruments ("IFRS 9"), was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is assessing the impact of IFRS 9 on its financial statements.

## 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 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 financial statements, and (ii) the 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 financial statements.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 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 NI 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 NI 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’s 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, labor 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's 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's 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's 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's 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

Gold and Mining Capital and Investment markets continue to be difficult as the industry undergoes further contraction, resulting in one of the most serious sector depressions within the junior mining markets in recent history. Raising operating capital for a junior mining exploration company like Alexandria Minerals, which relies on equity investments, which is challenging in these markets. Until a financing has been the completed, the ability of the Company to remain active and viable is uncertain. As always, Management will assess its activities within the framework of market conditions, but will strive to continue to build for the future.

**Eric Owens**
**Chief Executive Officer**
**September 28, 2015**