

# ALEXANDRIA MINERALS CORPORATION

## Management Discussion and Analysis

For the three months ended July 31, 2016

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 audited financial statements of the Company, including the notes thereto, for the three months ended July 31, 2016 (“Q1F2017”). The comparative reporting period is the year ended April 30, 2015 (“Q1F2016”).

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, 2016 (“F2016”), 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 26, 2016. All dollar amounts in this MD&A are in Canadian dollars unless otherwise stated. The financial statements, along with Certifications of Annual and Interim Filings and press releases, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

### Forward-looking Statements

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

### Qualified Persons and Note on Current Resources

In this report, the Company relies principally on Mr. Eric Owens, P.Geo, and Mr. Philippe Berthelot, P.Geo, 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 of 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, and on two of its projects in Manitoba, the WIM and Hudvam properties. The remaining properties do not contain resources compliant with NI 43-101, 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 focus on under-explored, high-potential mineral properties in 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 mineral properties in well-known mining camps of eastern Canada, in the provinces of Quebec, Ontario and Manitoba. Since 2007, the Company has focused its exploration efforts on its flagship property package in Val d'Or, Quebec, the 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).

The Company also has two projects which host Current Resources in the world-class Flin Flon-Snow Lake Mining District of northern Manitoba, 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)

Deposit	Cutoff	Tonnes	Grade				Contained Metal			
			Au (g/t)	Cu (%)	Ag (g/t)	Zn (%)	Gold (oz)	Copper (lbs)	Silver(oz)	Zinc (lbs)
<b><u>Measured Category</u></b>										
Orenada Near Surface	0.5 g/t Au	4,329,383	1.36				188,844			
<b><u>Indicated Category</u></b>										
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
<b><u>Total Indicated</u></b>							<b>750,080</b>	<b>171,209,000</b>	<b>1,233,000</b>	<b>57,830,000</b>
<b><u>Ounces Gold equivalent</u></b>							<b>750,080</b>	<b>428,023</b>	<b>15,413</b>	<b>48,192</b>
<b><u>Inferred category</u></b>										
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
<b><u>Total Inferred</u></b>							<b>859,689</b>	<b>27,065,000</b>	<b>238,000</b>	<b>22,902,000</b>
<b><u>Ounces Gold equivalent</u></b>							<b>859,689</b>	<b>67,663</b>	<b>2,975</b>	<b>19,085</b>

Notes to table:

- 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.
- 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.
- 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.
- 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.

The Company holds other, early stage, exploration properties in northern Ontario and Quebec. In northwestern Ontario, the Gullrock property lies east along strike with Goldcorp's Red Lake Mine in the Red Lake Mining Camp, and its Mishibishu gold project lies further south near the Eagle River Gold Mine. The Company has a large land position in the Matachewan area of northeastern Ontario: its Matachewan and Wydee properties lie east and northwest, respectively, of Alamos Gold's Young Davidson Gold Mine.

In northern Quebec, the company has 100% mineral rights on the Fancamp, Embry, and Gwillim projects, and 30% mineral rights on the Nelligan project, all in the Chibougamau region about a 4 hour drive northeast of Val d'Or. Closer to Val d'Or, Alexandria holds a 50% interest, via a Joint Venture with Osisko Mining, in the Siscoe East property on the northwest side of Val d'Or.

**Project Developments**

During the first quarter of 2017, Alexandria resumed exploration activities on its western Cadillac Break properties in Val d'Or, Quebec, after a late spring hiatus. The Company was active during the period with drilling, geophysics, prospecting, and compilation on the Porphyry project in the following areas: Airport, Orenada, Sabourin, and Oramaque.

On the Airport claims, the Company re-started its first drilling program, named "Triangle Too", testing for high grade gold-quartz veins which are characteristic of the nearby Triangle Zone gold deposit of Integra Gold Mining Corporation. A total of seven holes were completed during this period for a total of 2,873 meters drilled. As of the time of this writing, assays are pending for these.

The Company began a 14-hole, 4,000 meter drilling program at the Orenada gold deposit (Zones 4 and 2). The aim of this program is to better evaluate the role and contribution of high grade gold-quartz veins to the overall grade of the resources there, resources previously looked at as bulk tonnage. As of the time of this writing, the six holes planned for Zone 2 have been completed, and the first holes for Zone 4 have begun. Assays are pending.

On Zone 5 (Orenada), located 1 kilometer northwest of Zone 4, a downhole Infinitem survey has been conducted on 13 holes over a copper sulfide-gold bearing magnetite breccia, with the aim of identifying deep drill targets. Modelling of this data is underway as of this writing.

On Oramaque and Sabourin, located 3 kilometers east of Orenada, recent geophysical work includes a 51 line-kilometer ground Induced Polarization survey, and related line cutting (66 kilometers). Data is being processed and interpreted at this time.

Also at Oramaque and Sabourin, a geology and prospecting program has identified a new area of chalcopyrite-pyrite-pyrrhotite mineralization in altered volcanic rocks, near a gold-copper prospect. This is previously unidentified and undrilled target. Samples have been submitted to the lab and assays are pending.

A broad compilation, geological review and field study of the Cadillac Break, currently focused east along strike with the Orenada deposit, is underway in order to identify Orenada type 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](http://www.azx.ca), or on [www.sedar.com](http://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, 2016, Alexandria realized a net loss of \$441,041, compared to a net loss of \$170,329 for the same period in fiscal 2016.

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, 2016, Alexandria reported total general and administrative expenses ("G&A") of \$478,100, compared to \$356,320, for the same periods of fiscal 2016.

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Three months ended July 31, 2016

The following schedule describes the components of G&A for the three months ended July 31, 2016 and 2015:

Three months ended July 31,	F2017	F2016	\$ Change	% Change
Accounting and corporate services	\$ 11,472	\$ 13,065	\$ (1,593)	(12.2)
Depreciation	2,016	2,213	(197)	(8.9)
Director fees	40,333	7,625	32,708	429.0
Business development	64,869	20,526	44,343	216.0
Investor and public relations	115,420	81,815	33,605	41.1
Management fees	75,200	85,625	(10,425)	(12.2)
Office and general	62,608	72,556	(9,948)	(13.7)
Professional fees	41,260	25,593	15,667	61.2
Share based payment	15,101	4,260	10,841	254.5
Wages	49,821	43,042	6,779	15.8
	\$ 478,100	\$ 356,320	\$ 121,780	34.2

For the three months ended July 31, 2016, the principal drivers of general and administration expenses changes, when compared to the same period of last fiscal year were:

- The increase on director fees of \$32,708 correspond to fees paid to directors totaling \$30,000 for extra time dedicated in M&A activities, as well as increases to director fees of \$2,708;
- The increase in business development corresponds to an increase in hotel and accommodations for approximately \$3,400, an increase in meal and entertainment of \$ 6,000 and a decrease in transportation cost of approximately \$6,000, approximately \$10,000 in payments to an investor relations agent and approximately \$28,000 incurred in marketing campaigns during the quarter.
- The increase in investors and public relation expenses is principally explained by investor relations sub-contracts increases of approximately \$47,000 and a reduction in advertising and marketing of approximately \$17,000;
- The decrease in management fees of \$10,425 is related to a decrease in management fees paid to a senior officer;
- The decrease in office and general expenses is related to a decrease in indemnity expenses (paid during Q1 F2015) of approximately \$22,000, a decrease in rent expenses for approximately \$6,000 partially offset by an increase in computer maintenance and repairs of approximately \$8,000 and an increase in other general and office expenses for \$8,000.
- The increase in professional fees of \$15,667 is related to the increase in other professional fees related to office administration contracted during the period

**Option Agreement with Quinto Real Capital Corporation (“Quinto”)**

On May 19, 2016, the Company announced it has signed an Option Agreement with Quinto giving Quinto the right to earn up to a 75% interest in Alexandria’s Gwillim, Fancamp and Embry properties, in the Chibougamau region of Quebec.

The principal elements of the Option Agreement are:

- Upon signing the agreement, Quinto issue to Alexandria 1,000,000 Quinto common shares;
- On or before May 18, 2018, Quinto issued to Alexandria an additional 500,000 common shares;
- In order to earn the first 65% interest, Quinto must expend \$5 million on exploration activities over five years on the 3 properties;

- To earn a further 10%, for a total of 75%, Quinto must complete a pre-feasibility study compliant with National Instrument 43-101, hosting a minimum of 1,000,000 ounces of gold;
- Following Quinto's 75% Earn-In, the relationship switches to a Joint Venture, where both parties contribute a pro-rata share of operating costs;
- Alexandria retains a minimum 10% carried interest in the Joint Venture, notwithstanding the amount that Alexandria contributes to operating costs;
- Additionally, Alexandria will hold a 2% Net Smelter Return royalty in the properties.

**Expenditures on Resource Properties**

The tables below summarize exploration expenditures for the three months ended July 31, 2016 and 2015 which are included in the \$30,991,674 gross expenditures accumulated by the Company since its inception in May 2002, before general and administration charges related to exploration of \$906,208, recovery of grants of \$7,540,227 and Quebec refundable tax credits and mining duties receivable in the amount of \$442,565.

**Three months ended July 31, 2016**

	Orenada	Akasaba	Sleepy	Siscoe East JV	Other Quebec Properties	Ontario Properties	Manitoba Properties	Total
Balance (May 1, 2016)	\$6,498,090	\$13,159,175	\$5,993,106	\$478,404	\$120,511	\$1,487,814	\$3,068,487	\$30,805,587
Assays & Maps	9,115	-	-	-	-	-	-	9,115
Geophysics	13,253	-	-	-	-	-	-	13,253
Drilling	176,505	-	-	-	-	-	-	176,505
Geology and Geochemistry	3,909	31,583	-	-	-	-	-	35,492
Other exploration	8,473	-	-	-	784	-	-	9,257
Allocated exploration expenses	36,823	5,505	-	-	137	-	-	42,465
Option Payments	-	-	-	-	(100,000)	-	-	(100,000)
Expenditures During period	248,078	37,088	-	-	(99,079)	-	-	186,087
Balance (July 31, 2016)	\$6,746,168	\$13,196,263	\$5,993,106	\$478,404	\$21,432	\$1,487,814	\$3,068,487	\$30,991,674

**Three months ended July 31, 2015**

	Orenada	Akasaba	Sleepy	Siscoe East JV	Other Quebec 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 expenses	28,536	10,493	13,009	-	1,391	1,255	1,185	55,869
Sale of mining rights	-	-	-	-	-	(370,429)	-	(370,429)
Expenditures During period	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

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

**Selected Quarterly Information**

Three months ended	Interest income	Net income (loss)		G&A	Working Capital	Total assets
		Total	Per share			
July 31, 2016	\$ -	\$ (441,041)	\$ (0.00)	\$ 478,100	\$4,277,016	\$28,892,407
April 30, 2016	14	312,046	0.00	385,639	487,003	24,790,260
January 31, 2016	-	(463,010)	(0.00)	462,464	1,004,684	24,998,105
October 31, 2015	-	(1,657,682)	(0.01)	1,659,822	754,757	24,674,107
July 31, 2015	-	(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

**LIQUIDITY AND CAPITAL RESOURCES**

The Company had \$4,277,016 in working capital as at July 31, 2016, (\$487,003 at April 30, 2016) with a cash balance of \$3,767,137 (April 30, 2016 \$39,896).

During the three months ended July 31, 2015 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.

During Q2 F2016, the Company closed an equity financing for total proceeds of \$700,000 by issuing 14,000,000 treasury shares at a price of 5 cents. In addition, Alexandria also sold a Royalty Package for \$300,000 during the period.

During Q3 F2016 the Company closed the second tranche of its financing by issuing 17,510,000 common shares at a price of 5 cents per share for gross proceeds of \$875,500.

On June 13 and June 22, 2016, the Company closed the first and second tranche of a financing where 78,060,758 shares were issued for gross proceeds of \$5,091,258. (See Private Placements here below).

**Share Capital:**

The following schedule describes the capital transactions since April 2015 up to the date of this report, as well as the Company's fully diluted position at the same date:

	<u>Units</u>
Shares issued and outstanding at April 30, 2015	244,821,092
Shares received on sale of mining rights (ii)	(8,231,750)
Common shares issued in private placements	31,510,000
Balance at April 30, 2016	268,099,342
Shares issued on private placement during Q1 F2017	78,060,758
Shares issued and outstanding at July 31, 2016 (i)	346,160,100
Shares issued to Matachewan First Nations	50,000
	<u>346,210,100</u>
Options (iii)	10,800,000
Warrants (iv)	43,103,652
Fully Diluted number of shares at the date of this report	<u>400,113,752</u>

(i) Private Placement:

On June 13, 2016 and June 22, 2016, the Company closed the first and second tranche, respectively, of a non-brokered private placement where the first tranche consisted of 10,898,500 Quebec flow-through units ("Quebec FT Units") at a price of \$0.07 per unit, for gross proceeds of \$762,895; 9,133,000 national flow-through units ("National FT Units") at a price of \$0.06 per unit, for gross proceeds of \$547,980 and 11,388,483 non-flow-through units ("Units") at a price of \$0.06 per unit, for gross proceeds of \$683,309.

The second tranche consisted of 29,862,750 Quebec FT Units at a price of \$0.07 per unit, for gross proceeds of \$2,090,393 and 16,778,025 Units at a price of \$0.06 per unit, for gross proceeds of \$1,006,682.

Each Quebec FT Unit is comprised of one flow-through common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each National FT Unit is comprised of one flow-through common share and one-half of one Warrant. Each Unit is comprised of one non-flow-through common share and one-half of one Warrant. Each whole Warrant entitles the holder, on exercise, to acquire one common share at an exercise price of \$0.10 for a period of three years.

All securities issued under the private placement are subject to a four-month hold period in accordance with applicable securities laws.

In addition, finder's fees were paid to Medalist Capital Ltd. in the amount of \$268,853 and finder's warrants totaling 3,907,044 units were issued, with each such warrant exercisable to acquire one common share at a price of \$0.06 for 3 years; the Company also issued as well 166,230 warrants to Canaccord Capital Corp. under the same terms and conditions.

(ii) 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 shares were effectively cancelled on November 9, 2015.

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.

(iii) Options:

## (a) Issued:

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. The Company has also granted 200,000 stock options to FronTier, at an exercise price of \$0.10, expiring in 5 years.

During the third quarter of fiscal 2016, the Company granted to directors, management, employees and consultants a total of 5,870,000 stock options with a fair value of \$112,704 and expire on December 21, 2020. The fair value of these options is amortized over a period of three years, with the first tranche amortized on granting. The amortization of the fair value of these options was \$43,884 for the third quarter of fiscal 2016.

On July 18, 2016 the Company granted 50,000 stock options to the Matachewan First Nation ("MFN"), exercisable at a price of \$0.10 until July 20, 2019 and vesting as follows:

July 18, 2016: 12,500  
 Jan 18, 2017: 12,500  
 July 18, 2017: 12,500  
 Jan 18, 2018: 12,500

## (b) Expired:

During fiscal 2016 the following options expired:

Expiry date	No. of options	price
October 12, 2015	1,885,000	0.17
March 10, 2016	2,773,002	0.12
March 27, 2016	3,540,000	0.10
	8,198,002	0.12

No options expired during the first quarter of fiscal 2017.

The following schedule describes the stock options outstanding as at the date of this report:

Expiry date	No. of options	Exercise price
March 7, 2019	4,430,000	0.10
July 20, 2019	50,000	0.10
August 29, 2019	250,000	0.10
July 20, 2020	200,000	0.10
December 21, 2020	5,870,000	0.05
	10,800,000	0.07

(iv) Warrants:

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

During the fourth quarter of fiscal 2016 a total of 2,500,000 warrants, exercisable at \$0.15 expired unexercised.

Subsequent to year end, as part of the two-tranches financing closed during the first quarter of fiscal 2017, the Company issued a total of 39,230,379 exercisable at \$0.10 for a period of three years.

As part of the Company's financing closed on June 2016 (see (i) above) AZX issued 3,907,044 and 166,230 warrants exercisable at \$0.06 for three years to Medalist Capital Ltd. and Canaccord Capital Corp., respectively, as part of a financing commission on the private placement mentioned under (i) above.

The following schedule describes the warrants outstanding at the date of this report:

	Warrants	Exercise Price
Issued on June,2016 PP	39,030,378	\$0.10
Compensation warrants	4,073,274	0.06
<b>TOTAL</b>	<b>43,103,652</b>	<b>\$0.10</b>

**COMMITMENTS & CONTINGENCIES**

- (i) The Company is obligated under an operating lease for rental of office space in Toronto, Ontario in the amount of \$11,323 per month expiring October 31, 2021.
- (ii) The Company is obligated under an operating lease for rental of office space in Val d'or, Quebec, in the amount of \$3,600 per month expiring March 31, 2017.
- (iii) The Company is obligated under an operating lease for rental of one vehicle in the amount of \$650 per month expiring March 17, 2017.
- (iv) As of January 31, 2016 the Company is required to incur, in the event of a change in control, to compensate certain individuals as follows:

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- |    |   |           |
|----|---|-----------|
| a. | Eric Owens/Baker Creek Management (CEO)       | \$400,000 |
| b. | Mario Miranda/ Finterra Consulting Inc. (CFO) | \$270,000 |
| c. | Mary Vorvis ( VP Corporate Development)       | \$330,000 |
- (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 (paid).
- (vi) 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 \$990,000 for the year ended April 30, 2016 and 2015, based on the expenses incurred in the year ended April 30, 2016 and 2015.

Year ended April 30, 2015 receivable (actual)	\$ 889,879
Year ended April 30, 2016 receivable (estimate)	100,209
Estimated liability *	(547,523)
<hr/>	
Quebec refundable tax credits and mining duties refund receivable	\$ 442,565

\*Certain QST (Quebec Sale Taxes) receivable by the Company have been withheld by Revenue Quebec and applied against the original estimated liability.

**RELATED PARTY TRANSACTIONS**

During the three months ended July 31, 2016 and 2015 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, 2016 and 2015 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.

During the three months ended July 31, 2016 and 2015 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.

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The following schedules shows the payments of management fees and other management and director compensations for the three months ended July 31, 2016 and 2015:

Three months ended July 31,	2016	2015
Baker Creek	50,000	50,000
Finterra Consulting	25,200	35,625
Mary Vorvis	41,250	41,250
	75,200	85,625
<i>Other payments:</i>		
Director fees	40,333	7,625
Share-based payment Directors, CEO, CFO	11,467	-

During the year ended April 30, 2016, the Company advanced \$30,500 to Folkstone Capital Corporation, a capital pool company of which certain directors and officers of the Company are shareholders. The advance balance has no terms of repayment.

## OFF-BALANCE SHEET TRANSACTIONS

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

## SUBSEQUENT EVENTS

On September 8, 2016, the Company announced the appointment of Mr. Gary O'Connor to its Board of Directors, subject to the approval of the TSX Venture Exchange.

Mr. O'Connor is the Vice President, Exploration of Dundee Resources Limited where, since 2007, he has been responsible for the technical due diligence and review of resource projects for the corporation.

Subsequent to July 31, 2016 the Company issued 50,000 common shares to Matachewan First Nation as part of a memorandum of understanding signed on its Wydeen Property.

## 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.

IFRS 16, Leases ("IFRS 16") was issued in January 2016, and supersedes IAS 17, Leases. This standard introduces a single lessee accounting model. The new standard will affect the initial present value of unavoidable future lease payments as lease assets and lease liabilities on the statement of financial position, including for most leases which are currently accounted for as operating leases. The Standard is effective for annual periods beginning on or after January 1, 2019. The Company is assessing the impact of IFRS 16 on its condensed interim consolidated 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**

Since the beginning of the first quarter of FY2017, the Company ramped up its exploration activities, having completed some 4,548 meters of drilling on its Cadillac Break Property in Val d'Or, summer field prospecting and mapping, downhole and surface geophysics surveys. Although results are pending, management sees these activities as important steps for future increases in exploration drilling in its efforts to continue to build gold resources on its flagship property package.

The Company has also been busy with marketing and corporate development activities. Management has recently completed recent property transactions, optioning off non-core properties, such as Matachewan and Chibougamau, while retaining an interest in those projects. Such efforts enable Alexandria to continue to focus on its Val d'Or properties, while promoting exploration progress on some of its other property assets.

The Company has been active as well on the marketing side of things, establishing new investor relationships and maintaining long-standing ones. Management has been increasing its efforts throughout the past few months to broaden its exposure via relationships developed via both traditional and modern methods. The net result has been a significant increase in the share price since the beginning of the year.

In July, the Company raised \$5.1 million in equity financing, giving the Company financial resources to complete its budgeted activities through the end of Fiscal Year 2017 and beyond. Management believes that the recent level of interest in the gold sector will allow the Company to proceed with its exploration efforts, perhaps increase those efforts as successful results are obtained, in the coming months.

**Eric Owens**  
**Chief Executive Officer**  
**September 26, 2016**