Alexandria Minerals Corporation

Financial Statements

Years ended April 30, 2013 and 2012

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Alexandria Minerals Corporation were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

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, financial performance and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed)
Eric O. Owens
Chief Executive Officer

(signed)
Mario A. Miranda
Chief Financial Officer

Toronto, Canada
August 19, 2013

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Alexandria Minerals Corporation

We have audited the accompanying financial statements of Alexandria Minerals Corporation, which comprise the statement of financial position as at April 30, 2013, and the statements of loss, comprehensive loss, changes in shareholders' equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alexandria Minerals Corporation as at April 30, 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial statements which describes uncertainty about the Company's ability to continue as a going concern.

Other matters

The financial statements as at April 30, 2012 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their audit report dated August 2, 2012.

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Toronto, Canada

August 19, 2013

MNP LLP

ALEXANDRIA MINERALS CORPORATION
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	April 30, 2013	April 30, 2012
	$	$
ASSETS		
Current assets		
Cash	**697,658**	1,951,766
Sales tax and sundry receivable	**282,114**	242,709
Prepaid expenses	**58,035**	35,566
Quebec refundable tax credits and mining duties refund receivable (Notes 2(f) and 17)	**1,352,831**	1,268,138
Short-term investments (Note 6)	**-**	500,000
Investment in available-for-sale securities (Note 4(b))	**21,150**	30,407
	2,411,788	4,028,586
Property and equipment (Note 5)	**32,342**	43,038
Mining rights and deferred exploration expenditures (Notes 7 and 12)	**18,428,641**	15,146,282
	20,872,771	19,217,906
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 16)	**328,953**	287,230
Flow-through share liability (Note 8(b)(v))	**370,760**	46,252
	699,713	333,482
Deferred income tax liability (Note 13)	**1,779,101**	1,014,793
	2,478,814	1,348,275
SHAREHOLDERS' EQUITY		
Share capital (Note 8(b))	**18,255,992**	16,442,322
Reserve for warrants (Note 10)	**314,622**	3,091,110
Reserve for share based payments	**10,564,830**	7,769,618
Accumulated other comprehensive income	**70,982**	79,012
Deficit	**(10,812,469)**	(9,512,431)
	18,393,957	17,869,631
	20,872,771	19,217,906

The accompanying notes are an integral part of these financial statements.

Nature of business and going concern (Note 1)
Commitments (Note 15)
Subsequent event (Note 17)

Approved by the Board "Eric O. Owens" Director "Charles E. Page" Director

ALEXANDRIA MINERALS CORPORATION

ALEXANDRIA MINERALS CORPORATION
STATEMENTS OF LOSS
(Expressed in Canadian Dollars)

	Year ended April 30, 2013	Year ended April 30, 2012
	$	$
Expenses		
Accounting and corporate services	**64,507**	61,475
Depreciation	**10,696**	9,956
Business development (Note 12)	**237,741**	185,443
Investor and public relations	**173,319**	261,926
Management fees (Note 12)	**302,656**	321,297
Office and general	**179,034**	244,168
Professional fees	**77,312**	131,584
Seminars and conferences	**10,001**	4,781
Share based payments	**113,674**	145,852
Wages	**60,512**	149,913
	1,229,452	1,516,395
Net operating loss before the following	**(1,229,452)**	(1,516,395)
Loss on sale of investment in available-for-sale securities	**-**	(459,363)
Gain on disposition of mining rights	**-**	226,935
Interest income	**4,354**	11,788
Other income	**-**	1,510
Premium on flow-through shares	**445,704**	212,887
Part XII.6 Taxes and penalties on flow-through shares (Note 16)	**(54,598)**	-
Tax indemnity (Note 16)	**(110,000)**	-
Loss for the year before taxes	**(943,992)**	(1,522,638)
Income tax expense (Note 13)	**(356,046)**	(284,787)
Net loss for the year	**(1,300,038)**	(1,807,425)
Basic and diluted loss per share (Note 11)	**(0.01)**	(0.01)
Weighted average number of shares outstanding	**152,633,619**	131,290,514

The accompanying notes are an integral part of these financial statements.

ALEXANDRIA
MINERALS CORPORATION

ALEXANDRIA MINERALS CORPORATION
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Year ended April 30, 2013	Year ended April 30, 2012
	$	$
Net loss for the year	**(1,300,038)**	(1,807,425)
Other comprehensive loss		
Increase in unrealized (loss) on available-for-sale investments, net of tax	**(8,030)**	(98,622)
Reclassification of realized gain on available-for-sale investments, net of tax	**-**	368,266
Comprehensive loss	**(1,308,068)**	(1,537,781)

The accompanying notes are an integral part of these financial statements.

ALEXANDRIA MINERALS CORPORATION
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Share capital	Reserve for warrants	Reserve for share based payments	Deficit	Accumulated other comprehensive income (loss)	Total
Balance, April 30, 2011	**$ 15,184,327**	**$ 3,676,154**	**$ 6,032,323**	**$ (7,705,006)**	**$ (190,632)**	**$ 16,997,166**
Non-flow through shares issued for cash	814,489	-	-	-	-	814,489
Flow through shares issued for cash	2,185,511	-	-	-	-	2,185,511
Share issuance costs	(340,392)	91,880	-	-	-	(248,512)
Premium on flow-through shares	(259,139)	-	-	-	-	(259,139)
Fair value of warrants issued	(221,452)	221,452	-	-	-	-
Warrants extension	(972,222)	972,222	-	-	-	-
Exercise of options	30,000	-	-	-	-	30,000
Fair value of options exercised	21,200	-	(21,200)	-	-	-
Warrants expired	-	(1,870,598)	1,612,643	-	-	(257,955)
Share based payments	-	-	145,852	-	-	145,852
Unrealized loss on available-for-sale investments	-	-	-	-	(98,622)	(98,622)
Reclassification of realized gain on available-for-sale investments, net of tax	-	-	-	-	368,266	368,266
Net loss for the year	-	-	-	(1,807,425)	-	(1,807,425)
Balance, April 30, 2012	**16,442,322**	**3,091,110**	**7,769,618**	**(9,512,431)**	**79,012**	**17,869,631**
Flow through shares issued for cash	3,211,538	-	-	-	-	3,211,538
Share issue costs	(356,304)	43,270	-	-	-	(313,034)
Premium on flow-through shares	(770,212)	-	-	-	-	(770,212)
Fair value of warrants issued	(271,352)	271,352	-	-	-	-
Warrants expired	-	(3,091,110)	2,681,538	-	-	(409,572)
Share based payments	-	-	113,674	-	-	113,674
Unrealized loss on available-for-sale investments, net of tax	-	-	-	-	(8,030)	(8,030)
Net loss for the year	-	-	-	(1,300,038)	-	(1,300,038)
Balance, April 30, 2013	**$ 18,255,992**	**$ 314,622**	**$ 10,564,830**	**$ (10,812,469)**	**$ 70,982**	**$ 18,393,957**

The accompanying notes are an integral part of these financial statements.

ALEXANDRIA MINERALS CORPORATION
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended April 30, 2013	Year ended April 30, 2012
	$	$
Cash provided by (used in) operating activities		
Net loss	**(1,300,038)**	(1,807,425)
Items not involving cash:		
Share based payments	**113,674**	145,852
Depreciation	**10,696**	9,956
Loss on sale of investment in available-for-sale securities	**-**	459,363
Gain on disposition of mining rights	**-**	(226,935)
Income tax expense	**356,046**	284,787
Premium on flow-through shares	**(445,704)**	(212,887)
Changes in non-cash working capital:		
Sale tax and sundry receivable	**(39,405)**	11,255
Prepaid expenses	**(22,469)**	(23,665)
Quebec refundable tax credits and mining duties refund receivable	**(84,693)**	944,121
Accounts payable and accrued liabilities	**(83,607)**	(212,687)
	(1,495,500)	(628,265)
Cash flows used in investing activities		
Exploration expenditures	**(3,423,580)**	(4,218,344)
Quebec refundable tax credits and mining duties	**266,468**	529,999
Acquisition of property and equipment	**-**	(28,198)
Redemption of short-term investment	**500,000**	1,500,000
Proceeds from sale of available-for-sale investments	**-**	1,120,413
	(2,657,112)	(1,096,130)
Cash flows provided by financing activities		
Issue of common shares	**3,211,538**	3,000,000
Exercise of options	**-**	30,000
Share issuance costs	**(313,034)**	(263,951)
	2,898,504	2,766,049
Net change in cash during the year	**(1,254,108)**	1,041,654
Cash, beginning of year	**1,951,766**	910,112
Cash, end of year	**697,658**	1,951,766

The accompanying notes are an integral part of these financial statements.

1. NATURE OF BUSINESS AND GOING CONCERN

Alexandria Minerals Corporation (the "Company" or "Alexandria") is engaged in the acquisition, exploration and development of mineral resource properties in Canada. The Company is in the process of exploring, and has not yet determined whether there is an economically viable ore deposit on its properties. The Company was incorporated on May 27, 2002. To date, the Company has not earned revenue from its mineral properties. The Company's common shares are listed on the TSX Ventures Exchange under the symbol AZX, on the Frankfurt Stock Exchange under the symbol A9D and on the Pink Sheets USA under the symbol ALXDF. The primary office is located at 1 Toronto Street, Suite 201, Toronto, Ontario, M5C 2V6.

The audited financial statements were approved by the Board of Directors on August 19, 2013.

In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. The Company has had recurring losses and will require additional financing to fund its continuing exploration efforts. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. These financial statements have been prepared on a going concern basis that assumes the Company will be able to continue to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

In the event the Company is not able to obtain adequate funding, there is uncertainty as to whether the Company will be able to maintain and complete the acquisition and development of its property interests. These circumstances may cast significant doubt as to the Company's ability to continue as a going concern and ultimately the appropriateness of the use of accounting principles applicable to going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to obtain adequate financing. Changes in future conditions could require material write downs of the carrying values of certain assets.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are described below.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). The policies set out below have been consistently applied to all periods presented.

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments to fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial instruments

All financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(i) Financial assets and liabilities at fair value through profit or loss ("FVTPL"): A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges. Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the statement of loss. Gains and losses arising from changes in fair value are presented in the statement of loss within other gains and losses in the period in which they arise. Financial assets and liabilities at FVTPL are classified as current except for the portion expected to be realized or paid beyond twelve months of the reporting date, which is classified as non-current.

(ii) Available-for-sale investments: Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive loss. Available-for-sale investments are classified as non-current, unless the investment matures within twelve months, or management expects to dispose of them within twelve months. Interest on available-for-sale investments, calculated using the effective interest method, is recognized in the statement of loss as part of interest income. Dividends on available-for-sale equity instruments are recognized in the statement of loss as part of other gains and losses when the Company's right to receive payment is established. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive loss to the statement of loss and are included in other gains and losses.

(iii) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial instruments (Continued)

(iv) Other financial liabilities: Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial instrument liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument liability or (where appropriate) a shorter period to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

The Company's financial instruments consist of the following:

Financial assets:	**Classification:**
Cash	FVTPL
Short-term investments	FVTPL
Investment in available-for-sale securities	Available-for-sale investments
Sales tax and sundry receivable	Loans and receivables
Quebec refundable tax credits and mining duties receivable	Loans and receivable

Financial liabilities:	**Classification:**
Accounts payable and accrued liabilities	Other financial liabilities

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss, as follows:

(i) Financial assets carried at amortized cost: The loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

(ii) Available-for-sale financial assets: The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statement of comprehensive loss. This amount represents the cumulative loss in accumulated other comprehensive loss that is reclassified to net loss.

(iii) Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale equity instruments are not reversed.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial instruments (Continued)

Fair value hierarchy

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at April 30, 2013.

	Level 1	Level 2	Level 3	Total
Cash	$ 697,658	$ -	$ -	$ 697,658
Investment in available-for-sale securities	21,150	-	-	21,150
	$ 718,808	**$ -**	**$ -**	**$ 718,808**

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at April 30, 2012.

	Level 1	Level 2	Level 3	Total
Cash	$1,951,766	$ -	$ -	$1,951,766
Short term investments	500,000	-	-	500,000
Investment in available-for-sale securities	30,407	-	-	30,407
	$2,482,173	**$ -**	**$ -**	**$2,482,173**

(d) Cash

Cash comprises cash in banks and on hand.

(e) Short-term investments

Short-term investments are liquid investments with a maturity greater than three months but less than one year.

(f) Quebec refundable tax credits and mining duties receivable

The Company is entitled to a credit on duties refundable for loss under the Mining Duties Act. This credit on duties refundable for loss on exploration costs incurred in the Province of Quebec at tax rates ranging from 12% to 16% has been applied against the costs incurred (Note 7).

Furthermore, the Company is entitled to a refundable tax credit for resources for mining companies on qualified expenditures incurred. The refundable tax credit for resources may reach 35% of qualified expenditures incurred. This tax credit has been applied against the costs incurred (Note 7).

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Property and equipment

Property and equipment are recorded at cost, less accumulated depreciation and accumulated impairment loss. Depreciation is provided using the following rate:

Computer equipment	30%
Office equipment	20%
Leasehold improvements	Straight-line 5 years

Property and equipment are assessed for future recoverability or impairment on an annual basis by estimating future net discounted cash flows and residual values or by estimating value in use. When the carrying amount of property and equipment exceeds the estimated net recoverable amount, the asset is written down to the extent the estimated net recoverable amount exceeds the carrying amount with a charge to income in the period that such determination is made.

(h) Mineral rights and deferred exploration expenditures

The Company capitalizes all exploration costs that result in the acquisition and retention of resource properties or an interest therein. The amount shown for mineral rights and deferred exploration expenditures represents costs to date, including acquisition, maintenance, exploration, salaries based on time spent, and management fees. All other costs are expensed as incurred.

(i) Share issue costs

Incremental costs directly attributable to the issuance of shares or warrants are recognized as a deduction from the proceeds in equity in the period where the transaction occurs.

(j) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

(k) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The Company has no material provisions at April 30, 2013 and April 30, 2012, except for the provision disclosed in note 16.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

(m) Share based payments

The fair value of the stock options granted is determined using the Black-Scholes option pricing model and management's assumptions and recorded as share based payments expense over the vesting period of the stock options, with the offsetting credit recorded as an increase in reserve for share based payments. If the stock options are exercised, the proceeds are credited to share capital and the fair value at the date of grant is reclassified from reserve for share based payments to share capital.

(n) Flow-through shares

The Company finances some exploration expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The Company recognizes a deferred tax liability for flow-through shares and a deferred tax expense, at the moment the eligible expenditures are incurred. The difference between the quoted price of the common shares or the amount recognized in common shares and the amount the investors pay for the shares is recognized as a flow-through share liability which is reversed as premium on flow-through shares when eligible expenditures have been made.

(o) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or in equity, in which case it is recognized in other comprehensive income or in equity, respectively.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Income taxes (Continued)

Deferred tax is provided using the liability method, providing for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The following temporary differences are not provided for if they arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted for periods that the temporary differences are expected to be recovered or settled.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred income tax assets and liabilities are presented as non-current and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Tax on income in interim periods is accrued using the tax rate that would be applicable to expected annual earnings.

(p) Loss per common share

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

(q) Segment disclosures

The Company currently operates in a single segment - the acquisition, exploration and development of mineral properties. All of the Company's activities are conducted in Canada.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Use of estimates

Many of the amounts included in the financial statements require management to make judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the financial statements.

Areas of significant judgment and estimates affecting the amounts recognized in the financial statements include:

(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 reporting date. 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 reporting date could be impacted.

(s) Interest

The Company classifies interest received and interest paid as an operating cash flow within the statement of cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Future accounting changes

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, 2015. The Company is assessing the impact of IFRS 9 on its financial statements.

IFRS 10, Consolidated Financial Statements ("IFRS 10"), provides a single model to be applied in the control analysis for all investees, including entities that currently are SPEs in the scope of SIC-12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 (2008). The Company intends to adopt IFRS 10 in its financial statements for the annual period beginning on May 1, 2013. The Company does not expect IFRS 10 will have a material impact on its financial statements.

IFRS 11, Joint Arrangements ("IFRS 11"), introduces new accounting requirements for joint arrangements, replacing IAS 31, Interests in Joint Ventures. It eliminates the option of accounting for jointly controlled entities by proportionate consolidation. The Company intends to adopt IFRS 11 in its financial statements for the annual period beginning on May 1, 2013. The Company does not expect IFRS 11 will have a material impact on its financial statements.

IFRS 12, Disclosure of Interest in Other Entities ("IFRS 12"), was issued by the IASB on May 12, 2011. The new standard includes disclosure requirements about subsidiaries, joint ventures and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements. IFRS 12 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company does not expect IFRS 12 will have a material impact on its financial statements.

IFRS 13, Fair Value Measurement ("IFRS 13"), was issued by the IASB on May 12, 2011. The new standard converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company does not expect IFRS 13 will have a material impact on its financial statements.

In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13. The Company does not expect these amendments will have a material impact on its financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Future accounting changes (Continued)

IAS 1, Presentation of Financial Statements, has been amended to require entities to separate items presented in OCI into two groups, based on whether or not items may be classified in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately. The amendment is effective for annual periods beginning on or after July 1, 2012 with earlier application permitted. The Company does not expect IAS 1 will have a material impact on its financial statements.

IAS 32, Financial instruments, presentation ("IAS 32") was effective for annual periods beginning on or after January 1, 2014, with early adoption permitted. IAS 32 was amended to clarify that the right of offset must be available on the current date and cannot be contingent on a future date. The Company is currently assessing the impact of this pronouncement.

3. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, which is comprised of share capital, reserve for warrants, reserve for share based payments, accumulated other comprehensive income and deficit which at April 30, 2013 totaled $18,393,957 (April 30, 2012 - $17,869,631). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on its exploration activities. Selected information is provided to the Board of Directors of the Company. The Company’s capital management objectives, policies and processes have remained unchanged during the year ended April 30, 2013. The Company is not subject to any capital requirements imposed by a lending institution.

4. PROPERTY AND FINANCIAL RISK FACTORS

(a) Property risk

The Company’s significant projects are the Orenada, Akasaba, Sleepy and Other Cadillac Break Properties together with the Other Quebec Properties. Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon these properties. If no additional mineral resource properties are acquired by the Company, any adverse development affecting these properties may have a material adverse effect on the Company’s financial condition and results of operations.

4. PROPERTY AND FINANCIAL RISK FACTORS (Continued)

(b) Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, sales tax and sundry receivable (includes HST), Quebec refundable tax credits and mining duties receivable and short-term investments. Cash and short-term investments are held with a reputable Canadian chartered bank, from which management believes the risk of loss to be minimal.

Financial instruments included in sales tax and sundry receivable comprise of sales tax receivable from government authorities (includes HST) in Canada and deposits held with service providers. Sales tax and sundry receivables are in good standing as of April 30, 2013. Management believes that the credit risk concentration with respect to financial instruments included in sales tax and sundry receivable is minimal.

Financial instruments included in Quebec refundable tax credits and mining duties receivable comprise of mining expenditure refunds from the Quebec Government (Canada). Quebec refundable tax credits and mining duties receivable are in good standing as of April 30, 2013. Management believes that the credit risk concentration with respect to financial instruments included in Quebec refundable tax credits and mining duties receivable is minimal.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2013, the Company had cash and short-term investments of $697,658 (April 30, 2012 - $2,451,766) to settle current liabilities of $699,713 (April 30, 2012 - $333,482). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company is also committed to spending approximately $1,474,500 in flow-through expenditures by December 31, 2013. If the Company does not spend these funds in compliance with the government of Canada flow-through regulations, it may be subject to litigation from various counterparties. The Company intends to fulfill all flow-through commitments within the given time constraints.

4. PROPERTY AND FINANCIAL RISK FACTORS (Continued)

(b) Financial risk factors (Continued)

Market risk

Interest rate risk

The Company has cash and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by the Company's Canadian chartered bank. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its bank.

Commodity and equity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as it relates to precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company's investments in Aurizon Mines Ltd. ("Aurizon") and Integra Gold Corp. ("Integra") are subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets and as of April 30, 2013 amount to $21,150 (April 30, 2012 - $30,407).

Sensitivity analysis

The Company has, for accounting purposes, designated its cash and short-term investments as held-for-trading, which is measured at fair value. Sales tax and sundry receivable and Quebec refundable tax credits and mining duties receivable are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair value. Investments are classified for accounting purposes as available-for-sale, which are measured at fair value. Accounts payable and accrued liabilities are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also equals fair value.

As of April 30, 2013, the carrying and fair value amounts of the Company's financial instruments are equivalent.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) The Company's other investments amounting to $21,150 are subject to fair value fluctuations. As at April 30, 2013, if the fair value of the Company's other investments had decreased/increased by 50% with all other variables held constant, comprehensive loss for the year ended April 30, 2013 would have been approximately $11,000 higher/lower. Similarly, as at April 30, 2013, reported shareholders' equity would have been approximately $11,000 lower/higher as a result of a 50% decrease/increase in the fair value of the Company's other investments.

(Expressed in Canadian Dollars)

4. PROPERTY AND FINANCIAL RISK FACTORS (Continued)

(c) Other risk factors

(i) Mineral property risk is significant. In particular, if an economic ore body is not found, the Company cannot enter into commercial production and generate sufficient revenues to fund its continuing operations. There can be no assurance that the Company will generate any revenues, achieve profitability or provide a return on investment in the future from any of the properties it may have an interest in.

(ii) Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Precious metal prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious metals may be produced in the future, a profitable market will exist for them. A decline in the market price of precious metals also will require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company's value. As of April 30, 2013, the Company was not a precious metals producer. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

5. PROPERTY AND EQUIPMENT

Cost	Computer equipment	Office equipment	Computer software	Leasehold improvement	Total
Balance, April 30, 2011	**$ 47,355**	**$ 9,209**	**$ 3,587**	**$ -**	**$ 60,151**
Additions	-	-	-	28,198	28,198
Disposals	(8,609)	-	-	-	(8,609)
Balance, April 30, 2012	**38,746**	**9,209**	**3,587**	**28,198**	**79,740**
Balance, April 30, 2013	**$ 38,746**	**$ 9,209**	**$ 3,587**	**$ 28,198**	**$ 79,740**

Accumulated depreciation	Computer equipment	Office equipment	Computer software	Leasehold improvement	Total
Balance, April 30, 2011	**$ 20,429**	**$ 6,182**	**$ 135**	**$ -**	**$ 26,746**
Depreciation	5,495	605	1,036	2,820	9,956
Balance, April 30, 2012	**25,924**	**6,787**	**1,171**	**2,820**	**36,702**
Depreciation	3,847	484	725	5,640	10,696
Balance, April 30, 2013	**$ 29,771**	**$ 7,271**	**$ 1,896**	**$ 8,460**	**$ 47,398**

Carrying value	Computer equipment	Office equipment	Computer software	Leasehold improvement	Total
Balance, April 30, 2011	**$ 26,926**	**$ 3,027**	**$ 3,452**	**$ -**	**$ 33,405**
Balance, April 30, 2012	**$ 12,822**	**$ 2,422**	**$ 2,416**	**$ 25,378**	**$ 43,038**
Balance, April 30, 2013	**$ 8,975**	**$ 1,938**	**$ 1,691**	**$ 19,738**	**$ 32,342**

(Expressed in Canadian Dollars)

6. SHORT-TERM INVESTMENTS

	Maturity date	Interest rate	Cost
Royal Bank Guaranteed Investment Certificate	November 5, 2012	1.00%	$ 500,000
Carrying value of short-term investments as at April 30, 2012			$ 500,000

7. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES

As at April 30, 2013, the Company has acquired interests, or has acquired options to earn interests, in the following properties:

	April 30, 2013	April 30, 2012
	$	$
Cadillac Break Property Group 7(a)		
Orenada		
Opening balance	**4,345,281**	4,302,920
Drilling	**22,108**	5,072
Geology and geochemistry	**21,884**	-
Research	**15,305**	16,964
General expenses	**75,136**	6,647
Allocated exploration expenses (1)	**1,450**	8,695
Indirect exploration expenses (2)	**22,466**	4,983
Closing balance	**4,503,630**	4,345,281
Akasaba 7(a)		
Opening balance	**8,028,502**	5,170,695
Assays and maps	**314,078**	318,711
Drilling	**1,335,948**	1,839,428
Geophysics	**2,700**	75,780
Geology and geochemistry	**21,894**	113,013
Research	**15,305**	-
General expenses	**73,673**	166,011
Allocated exploration expenses (1)	**1,450**	8,695
Indirect exploration expenses (2)	**291,816**	336,169
Closing balance	**10,085,366**	8,028,502
Sleepy 7(a)		
Opening balance	**2,341,134**	1,332,774
Assays and maps	**16,117**	68,353
Drilling	**306,247**	752,234
Geology and geochemistry	**3,818**	26,437
Research	**15,305**	-
General expenses	**38,249**	37,147
Allocated exploration expenses (1)	**930**	5,574
Indirect exploration expenses (2)	**62,936**	118,615
Closing balance	**2,784,736**	2,341,134

(Expressed in Canadian Dollars)

7. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES (Continued)

	April 30, 2013	April 30, 2012
	$	$
Other Cadillac Break Properties 7(a)		
Opening balance	**5,302,771**	5,013,208
Assays and maps	**109,624**	-
Drilling	**488,219**	-
Geophysics	**1,000**	-
Geology and geochemistry	**16,750**	3,125
Travel	**-**	397
General expenses	**69,049**	52,002
Allocated exploration expenses (1)	**33,354**	199,977
Indirect exploration expenses (2)	**118,707**	34,062
Closing balance	**6,139,474**	5,302,771
Total Cadillac Break Properties	**23,513,206**	**20,017,688**
Other Quebec Properties 7(b)		
Opening balance	**1,485,899**	1,243,362
Geology and geochemistry	**1,599**	-
General expenses	**40,915**	968
Option payments	**-**	226,935
Indirect exploration expenses (2)	**7,029**	14,634
Closing balance	**1,535,442**	1,485,899
Matachewan Property 7(c)		
Opening balance	**1,335,334**	1,330,683
General expenses	**3,232**	4,104
Indirect exploration expenses (2)	**534**	547
Closing balance	**1,339,100**	1,335,334
Subtotal	**26,387,748**	22,838,921
Less: Quebec refundable tax credits and mining duties received (Note 2(f))	**(6,606,276)**	(6,424,501)
Quebec refundable tax credits and mining duties refunds receivable (Note 2(f))	**(1,352,831)**	(1,268,138)
Total	**18,428,641**	15,146,282

(1) Eligible exploration expenditures performed on multiple properties. The allocation is based on the surface area of each property as a percentage of the total surface area of property covered.

(2) The allocation is based on each property's direct exploration expenditure incurred as a percentage of total direct exploration expenditure incurred on all properties.

7. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES (Continued)

The Company has retained an interest in, through option agreement or through staking, several gold exploration properties in Ontario and Quebec, Canada. All properties are located in areas adjacent to past or present mines, and all have indications of gold on the surface and in the subsurface. The properties are considered to be early stage exploration properties, and there are uncertainties with regard to the discovery of economically viable ore deposits on them.

Cadillac Break Property Group (a)

The Cadillac Break Property Group is a group of 21 properties, comprised of 676 claims, located in Bourlamaque, Louvicourt, and Vauquelin Townships, in the Val d'Or Mining District Quebec. The 21 properties are: 1) Airport, Ducros, Lourmet, Mid-Canada, Ormaque, Orenada, Orcour, Sabourin Creek, Trivio, Vaumon (formerly known as the Aur Properties; 2) the Robert, Deckeyser, Orenada Extension, Eddy Blocks, Trivio Extension, Annamaque, and Valdora; and 3) the Akasaba, Bloc Sud West, Bloc Sud Trivio and Sleepy properties formerly known as the Cambior properties. The Company holds 100% interest in all claims within these property groups, some of which are subject to a Net Smelter Return Royalty ("NSR") of between 1% - 2.5%. A portion of these NSRs can be purchased for between $200,000 and $1,000,000.

The Company has optioned one claim from its Airport Property in Val d'Or to Integra Goldcorp. (formerly Kalahari Resources Inc.) ("Integra"). Alexandria retains a 2% NSR, one half of which may be purchased for $1,000,000.

(i) The Company purchased 100% interest in Teck Resources Limited's ("Teck") interest in the Annamaque Property. The terms of the Annamaque Purchase and Sale agreement, signed on June 17, 2009, were that for a 100% interest, Alexandria issued to Teck 250,000 units, consisting of one common share of the Company and one share purchase warrant. The property is subject to a 2% NSR, one-half of which may be purchased by the Company for $800,000.

(ii) The Company purchased 100% of Teck's interest in the Valdora Property (51% of the total interest) by issuing to Teck 75,000 units, each unit consisting of one common share of the Company and one share purchase warrant exercisable at $0.15 for two years. The property is subject to a fractional 2% NSR (2% of Teck's 51%), one half of which can be purchased for $200,000.

(iii) On July 29, 2009, the Company issued 75,000 units (valued $4,800) of Alexandria to acquire the remaining 49% interest in the Valdora Property, bringing the total interest in the property to 100%. Each unit consisted of one common share of Alexandria plus one share-purchase warrant. The interest is subject to a 1% NSR, of which one half may be purchased for $200,000.

(iv) On September 30, 2009, the Company optioned one claim from its Airport Property in Val d'Or to Integra. The terms of the agreement with Integra for the Airport claim included a payment of $25,000 cash ($10,000 received) to the Company and the issuance of 500,000 (250,000 issued and valued at $8,000) Integra common shares to the Company over a period of twelve months, as well as incurring $35,000 in exploration expenditures over a period of 24 months. Alexandria retains a 2% NSR, one half of which may be purchased for $1,000,000.

7. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES (Continued)

(b) Other Quebec Properties

Siscoe East Property

(i) The Siscoe East Property, located in Dubuisson Township near Val D'Or, Quebec, comprises a total of 110 claims governed by an Option/Joint Venture agreements signed on June 25, 2008, between Niogold Mining Corporation ("Niogold") and Alexandria. The agreement gave Niogold the option to earn a 50% interest in the claims. Under the terms of the agreement, in order to earn its 50% interest, Niogold must: 1) issue to Alexandria 650,000 shares from Niogold treasury stock in three tranches by June 11, 2010 (all shares have been issued); and 2) complete an aggregate of $750,000 in exploration expenditures on the property by June 25, 2011 (completed). As these terms have been completed, Alexandria and Niogold are deemed to have formed a Joint Venture to explore and develop the Siscoe East Property.

(ii) All claims are subject to a 2% NSR, except for 13 claims which are subject to a sliding NSR payable to Virginia Mines Inc. as follows: 1) 2% NSR if gold price is less than US $325 per ounce; 2) 2.5% NSR if gold price is between US $325 and US $375 per ounce; and 3) 3% NSR if gold price is more than US $375 per ounce.

Gwillim Property

(iii) The Gwillim property is comprised of 48 mineral claims, 11 of these claims are subject to 2% NSR, located in Barlow Township, Chibougamou Mining District, Quebec, of which the Company owns 100% mineral rights.

(c) Matachewan Property

The Matachewan Property is located in Cairo and Flavelle Townships, near Matachewan, Ontario. The property consists of 49 mineral claims, 39 of which the Company owns 100% mineral rights, subject to 3% NSR, and 10 of which are governed by a 50%-50% joint venture agreement with Carmax Explorations Ltd.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL

(a) Authorized capital - unlimited number of common shares

(b) Issued

	Number of Shares	Stated Value ($)
Balance, April 30, 2011	**119,922,128**	**15,184,327**
Exercise of stock options	200,000	30,000
Fair value of stock options exercised	-	21,200
Warrants extension (i)	-	(972,222)
Non-flow through shares issued for cash (ii)	6,265,300	814,489
Flow-through shares issued for cash (ii)	15,610,793	2,185,511
Share issuance costs (ii)	-	(340,392)
Warrant valuation (ii)	-	(221,452)
Premium on flow-through shares (iii)	-	(259,139)
Balance, April 30, 2012	**141,998,221**	**16,442,322**
Flow-through shares issued for cash (iv)	25,845,656	3,211,538
Share issuance costs (iv)	-	(356,304)
Warrant valuation (iv)	-	(271,352)
Premium on flow-through shares (v)	-	(770,212)
Balance, April 30, 2013	**167,843,877**	**18,255,992**

(i) The Company made an application to the TSX Venture Exchange (the "Exchange") to amend certain terms of 27,777,777 warrants which were issued by the Company on August 5, 2010. Each warrant was exercisable at a price of $0.22 per share until August 5, 2011. On July 25, 2011, the Exchange agreed that the Company could amend the terms of the warrants as follows: (i) extend the term of the warrants by one year until August 5, 2012. These warrants expired during fiscal year 2013.

The fair value of the amendment terms of the warrants of $972,222 was estimated using the Black-Scholes option pricing model based on the following assumptions: dividend yield of 0%; risk-free interest rate of 1.50%; expected life of one year; and expected volatility of 79.75%. This amount was added to the previously calculated Black-Scholes option pricing model of $1,805,556 for a combined total of $2,777,778.

(ii) On October 26, 2011, the Company completed a $3,000,000 private placement financing (the "Private Placement"). The Private Placement was completed by a syndicate of agents, led by Union Securities Ltd. and including Stonecap Securities Inc. (the "Agents"). The Private Placement consisted of 6,265,300 units ("Units") and 15,610,793 flow-through units ("FT Units") of the Company at a price of $0.13 per Unit and $0.14 per FT Units.

Each Unit consisted of one common share of the Company and one transferable common share purchase warrant (a "Warrant"). Each whole Warrant entitled the holder to purchase one additional common share of the Company (a "Warrant Share") at a price of $0.22 per Warrant Share for a period of 12 months from the completion of the Private Placement. Each FT Unit consisted of one "flow-through" common share of the Company and one-half of one Warrant. The grant date fair value of $221,452 (net of share issue costs) was assigned to the 14,070,697 Warrants issued as part of the Private Placement estimated using a fair value market technique incorporating the Black-Scholes option valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 89.69%, risk-free rate of return of 1.09% and an expected life of 1 year. These warrants expired during fiscal year 2013.

8. SHARE CAPITAL (Continued)

The Company paid the Agents a commission equal to 7% of the gross proceeds raised under the Private Placement and incurred additional transaction costs of $53,951. In addition, the Agents received compensation options ("Broker Warrants") entitling the Agents to purchase such number of Units that is equal to 7% of the total number of Units and FT Units sold under the Private Placement. Each compensation option entitles the holder to purchase one Unit at a price of $0.13 per Unit for a period of 24 months from completion of the Private Placement. The grant date fair value of $91,880 was assigned to the 1,531,327 Broker Warrants estimated using a fair value market technique incorporating the Black-Scholes option valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 92.54%, risk-free rate of return of 1.09% and an expected life of 2 years. These warrants expired during fiscal year 2013.

(iii) The flow-through common shares issued in the Private Placement completed on October 26, 2011 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $259,139.

The flow-through premium is derecognized through income as the eligible expenditures are incurred. For the year ended April 30, 2013, the Company satisfied the entire commitment by incurring eligible expenditures of $2,185,511 and as a result the flow-through premium related to this issuance has been reduced to $nil.

(iv) On November 14, 2012, the Company closed the first tranche of a brokered private placement and on December 18, 2012, the Company closed the second tranche. The first tranche consisted of 13,072,000 Quebec flow-through units at a price of $0.125 per unit for gross proceeds of $1,634,000. The second tranche consisted of 10,856,800 Quebec flow-through units at a price of $0.125 per unit and 1,916,856 National flow-through units at a price of $0.115 for gross proceeds of $1,577,538.

Each unit consists of one flow-through common share and one half of one non-transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.18 for a period of 18 months. The grant date fair value of $271,352 (net of share issue costs) was assigned to the 12,922,828 warrants issued as part of the brokered private placement estimated using a fair value market technique incorporating the Black-Scholes option valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 123.39% to 127.48%, risk-free rate of return of 1.08% to 1.16% and an expected life of 18 months. All securities are subject to a four month hold period expiring March 15, 2013 for the first tranche and April 19, 2013 for the second tranche.

The Company paid a cash commission of $148,623 and issued the Agent 1,189,709 compensation options to purchase common shares with an exercise price of $0.18 for a period of 18 months. In addition, the Company paid certain arm's length finders an aggregate of $61,800 in fees and issued certain arm's length finders an aggregate of 494,400 compensation options.

The grant date fair value of $43,270 was assigned to the 1,684,109 compensation options issued using a fair value market technique incorporating the Black-Scholes option valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 123.39% to 127.48%, risk-free rate of return of 1.08% to 1.16% and an expected life of 18 months.

(v) The flow-through common shares issued in the brokered private placement completed on November 14, 2012 and December 18, 2012 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $770,212.

The flow-through premium is derecognized through income as the eligible expenditures are incurred. For the year ended April 30, 2013, the Company satisfied approximately $399,453 of the commitment by incurring eligible expenditures of approximately $1,737,000 and as a result the flow-through premium has been reduced to $370,760.

(Expressed in Canadian Dollars)

9. STOCK OPTIONS

The following table reflects the continuity of stock options for the year ended April 30, 2013:

	Number of stock options	Weighted average exercise price ($)
Balance, April 30, 2011	9,769,000	0.18
Granted (i)(ii)(iii)	2,636,000	0.12
Exercised	(200,000)	0.15
Expired	(1,730,000)	0.24
Cancelled	(360,000)	0.17
Balance, April 30, 2012	10,115,000	0.16
Granted (iv)(v)(vi)(vii)	4,110,000	0.11
Expired	(2,854,000)	0.21
Balance, April 30, 2013	**11,371,000**	**0.13**

(i) On May 9, 2011, the Company issued 250,000 incentive stock options to consultants of the Company exercisable at a price of $0.19 for a period of 3 years. The incentive stock options vest immediately.

For the purpose of the 250,000 incentive stock options, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 2.00%; expected average life of three years; and expected volatility of 142.73%. The estimated value of $35,250 was charged to share based payments and credited to reserve for share based payments for the year ended April 30, 2012.

(ii) On July 13, 2011, the Company issued 250,000 incentive stock options to consultants of the Company exercisable at a price of $0.30 for a period of 1 year. Of these 50,000 vest immediately. The remaining 200,000 vest as follow: 25% vest three months from the issuance date, 25% vest six months from the issuance date, 25% vest nine months from the issuance date and 25% vest twelve months from the issuance date.

For the purpose of the 250,000 incentive stock options, the fair value of $6,250 was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 1.43%; expected average life of three years; and expected volatility of 79.71%. For the year ended April 30, 2013, the estimated value of $313 (2012 - $5,938) was charged to share based payments and credited to reserve for share based payments.

(iii) On January 20, 2012, the Company issued 2,136,000 incentive stock options to certain directors, officers, consultants, and employees of the Company exercisable at a price of $0.095 for a period of two years. The incentive stock options vest immediately.

For the purpose of the 2,136,000 incentive stock options, the fair value of $104,664 was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 1.04%; expected average life of two years; and expected volatility of 92.04%. The estimated value of $104,664 was charged to share based payments and credited to reserve for share based payments respectively for the year ended April 30, 2012.

9. STOCK OPTIONS (Continued)

(iv) On September 1, 2012, the Company issued 250,000 incentive stock options to consultants of the Company. 150,000 of the stock options are exercisable at a price of $0.25 for a period of 2 years and 100,000 of the stock options are exercisable at a price of $0.22 for a period of 2 years. The incentive stock options vest 25% three months from the issuance date, 25% six months from the issuance date, 25% nine months from the issuance date and 25% twelve months from the issuance date.

For the purpose of the 250,000 incentive stock options, the fair value of $4,950 was estimated on the date of grant using the Black-Scholes option valuation model with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 1.15%; expected average life of two years; and expected volatility of 101.12%. For the year ended April 30, 2013, $4,400 was charged to share based payments and credited to reserve for share based payments.

(v) On October 30, 2012, the Company issued 150,000 incentive stock options to a consultant of the Company exercisable at a price of $0.18 until December 31, 2014. The incentive stock options vest 25% three months from the issuance date, 25% six months from the issuance date, 25% nine months from the issuance date and 25% twelve months from the issuance date.

For the purpose of the 150,000 incentive stock options, the fair value of $7,050 was estimated on the date of grant using the Black-Scholes option valuation model with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 1.10%; expected average life of 26 months; and expected volatility of 111.34%. For the year ended April 30, 2013, $5,581 was charged to share based payments and credited to reserve for share based payments.

(vi) On November 6, 2012, the Company issued 150,000 incentive stock options to a director of the Company with an exercise price of $0.10 and expiring November 6, 2014. The incentive stock options vest immediately.

For the purpose of the 150,000 incentive stock options, the fair value of $7,050 was estimated on the date of grant using the Black-Scholes option valuation model with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 1.12%; expected average life of two years; and expected volatility of 114.69%. For the year ended April 30, 2013, the estimated value of $7,050 was charged to share based payments and credited to reserve for share based payments.

(vii) On March 27, 2013, the Company issued 3,560,000 incentive stock options to directors, officers and employees of the Company with an exercise price of $0.10 and expiring March 27, 2016. The incentive stock options vest immediately.

For the purpose of the 3,560,000 incentive stock options, the fair value of $96,330 was estimated on the date of grant using the Black-Scholes option valuation model with the following assumptions: expected dividend yield of 0%; risk-free interest rate of 1.10%; expected average life of three years; and expected volatility of 109.48%. For the year ended April 30, 2013, the estimated value of $96,330 was charged to share based payments and credited to reserve for share based payments.

(Expressed in Canadian Dollars)

9. STOCK OPTIONS (Continued)

The following table reflects the actual stock options issued and outstanding as of April 30, 2013:

	Options outstanding			Options exercisable	
Expiry Date	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price ($)	Number of options	Weighted average exercise price ($)
May 28, 2013	40,000	0.08	0.21	40,000	0.21
June 4, 2013	300,000	0.10	0.21	300,000	0.21
January 6, 2014	250,000	0.69	0.195	250,000	0.195
January 20, 2014	2,136,000	0.73	0.095	2,136,000	0.095
April 29, 2014	1,455,000	1.00	0.10	1,455,000	0.10
May 9, 2014	250,000	1.02	0.19	250,000	0.19
May 29, 2014	200,000	1.08	0.10	200,000	0.10
September 1, 2014	150,000	1.34	0.25	75,000	0.25
September 1, 2014	100,000	1.34	0.225	50,000	0.225
November 6, 2014	150,000	1.52	0.10	150,000	0.10
December 31, 2014	150,000	1.67	0.18	75,000	0.18
October 12, 2015	2,630,000	2.45	0.17	2,630,000	0.17
March 27, 2016	3,560,000	2.91	0.10	3,560,000	0.10
	11,371,000	1.87	0.13	11,171,000	0.13

10. WARRANTS

The following table summarizes warrants that have been issued, exercised or have expired in each of the periods presented:

	Number of Warrants	Fair value ($)
Balance, April 30, 2011	**41,378,697**	**3,676,154**
Warrants expired	(13,600,920)	(1,870,598)
Warrants issued on private placement (Note 8(b)(ii))	14,070,697	221,452
Broker warrants issued on private placement (Note 8(b)(ii))	1,531,327	91,880
Warrants extension (Note 8(b)(i))	-	972,222
Balance, April 30, 2012	**43,379,801**	**3,091,110**
Warrants expired	(43,379,801)	(3,091,110)
Warrants issued on private placement (Note 8(b)(iv))	12,922,828	271,352
Broker warrants issued on private placement (Note 8(b)(iv))	1,684,109	43,270
Balance, April 30, 2013	**14,606,937**	**314,622**

(Expressed in Canadian Dollars)

10. WARRANTS (Continued)

As at April 30, 2013, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

Fair Value ($)	Expiry date	Number of warrants	Exercise price ($)
180,493	May 14, 2014	6,536,000	0.18
30,196	May 14, 2014	915,040	0.18
90,859	June 18, 2014	6,386,828	0.18
13,074	June 18, 2014	769,069	0.18
314,622		14,606,937	

11. BASIC AND DILUTED LOSS PER SHARE

The following table sets forth the computation of basic and diluted loss per share:

	2013	2012
Numerator:		
Loss for the year	**$ (1,300,038)**	$ (1,807,425)
Numerator for basic and diluted loss per share	**(1,300,038)**	(1,807,425)
Denominator:		
Weighted average number of common shares	**152,633,619**	131,290,514
Denominator for basic loss per share	**152,633,619**	131,290,514
Denominator for diluted loss per share	**152,633,619**	131,290,514
Basic and diluted loss per share	**$ (0.01)**	$ (0.01)

The stock options and warrants were not included in the computation of diluted loss per share for 2013 and 2012 because their inclusion would be anti-dilutive.

12. RELATED PARTY TRANSACTIONS

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

The following transactions were carried out with related parties:

a) Purchase of services:

The following schedule shows expenses incurred during the years ended April 30, 2013 and 2012 with these companies.

	2013	2012
Yarnell Companies Inc. (i)	**$ -**	$ 25,000
Baker Creek Management (ii)	**$ 168,000**	$ 126,000
Finterra Consulting Inc. (iii)	**$ 104,925**	$ 70,538
Legein Consulting Inc. (iv)	**$ 136,560**	$ 132,184
Mary Vorvis (v)	**$ 120,000**	$ 124,000

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS (Continued)

(i) During the year ended April 30, 2012, the Company paid director fees to Yarnell Companies Inc., a company controlled by the chairman of the Company.

(ii) During the years ended April 30, 2013 and 2012, the Company paid management fees to Baker Creek Management, a company controlled by the Chief Executive Officer ("CEO") of the Company. $30,269 of these fees are included in deferred exploration expenditures.

(iii) During the years ended April 30, 2013 and 2012, the Company paid management fees to Finterra Consulting Inc., a company controlled by the Chief Financial Officer ("CFO") of the Company.

(iv) During the years ended April 30, 2013 and 2012, the Company paid management fees to Legein Consulting Inc., a company controlled by the Vice-President Exploration the Company. All of these fees are included in deferred exploration expenditures.

(v) During the years ended April 30, 2013 and 2012, the Company paid management fees to the Director of Corporate Development. $60,000 of these fees are included in business development.

b) Key management compensation:

Key management includes directors (executive and non-executive), and senior officers (CEO, CFO, VP Exploration and Director of Corporate Development). The compensation paid or payable to key management for employment services, in addition to the ones described under 12(a), is shown below:

		2013		2012
Salaries and fees	**$**	**-**	$	42,000
Director fees	**$**	**-**	$	10,000
Share-based payments	**$**	**99,390**	$	138,150

c) Period end balances owed to related parties:

		April 30, 2013		April 30, 2012
Finterra Consulting Inc.	**$**	**8,475**	$	5,170
Legein Consulting Inc.		**12,859**		12,859
	$	**21,334**	$	18,029

(Expressed in Canadian Dollars)

13. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate on the net loss for the years ended April 30, 2013 and 2012 is as follows:

		2013		2012
Net loss before recovery of income taxes	**$**	**943,992**	$	1,522,638
Expected income tax recovery	**$**	**(250,158)**	$	(419,944)
Tax rate changes and other adjustments		**(204,796)**		(11,983)
Non-deductible expenses		**35,992**		40,226
Undeducted share issue cost		**(82,954)**		-
Effect of flow-through renunciation		**588,863**		575,023
Expiry of warrants		**409,572**		257,955
Flow-through share premium		**(118,112)**		-
Tax effect of Quebec refundable tax credits and mining duties received		**(22,444)**		-
Non-taxable portion of capital gain on investment in available for sale securities		**-**		63,346
Canadian development and exploration expenses utilized		**-**		(219,836)
Quebec registration fee		**83**		-
Total income tax expense	**$**	**356,046**	$	284,787

The Company's income tax expense is allocated as follows:

		2013		2012
Quebec registration fee	**$**	**83**	$	-
Deferred income tax expense		**355,963**		284,787
Total income tax expense	**$**	**356,046**	$	284,787

The 2013 statutory tax rate of 26.5% differs from the 2012 statutory tax rate of 27.58% because of the reduction in federal and provincial substantively enacted tax rates.

Movement in net deferred tax liabilities:

		2013		2012
Balance, beginning of the year	**$**	**(1,014,793)**	$	(550,837)
Recognized in equity		**(409,572)**		(242,515)
Recognized in OCI		**1,227**		63,646
Utilization of losses in net income		**409,572**		242,515
Recognized in net income (loss)		**(765,535)**		(527,602)
Net deferred income tax liability	**$**	**(1,779,101)**	$	(1,014,793)

(Expressed in Canadian Dollars)

13. INCOME TAXES (Continued)

The following table summarizes the components of deferred income tax:

		2013		2012
Deferred income tax assets				
Canadian exploration and expenditures and other fixed assets	**$**	**20,175**	$	18,884
Share issuance costs and other		**157,008**		132,370
Non-capital losses carried forward		**157,083**		191,747
Deferred income tax liabilities				
Mining rights and deferred exploration expenditures		**(2,113,367)**		(1,357,794)
Net deferred income tax liability	**$**	**(1,779,101)**	$	(1,014,793)

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

The Company has non-capital loss carryforwards of approximately $592,900 which expire as noted in the table below:

2028	$	340,900
2029		700
2030		249,400
2031		1,900
	$	592,900

14. SEGMENTED INFORMATION

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the financial statements as loss for the period also represent segment amounts. All of the Company's operations and assets are located in Canada.

(Expressed in Canadian Dollars)

15. COMMITMENTS

(i) The Company is obligated under an operating lease for rental of office space in Val-d'Or, Quebec, in the amount of $3,600 per month expiring August 1, 2013.

(ii) The Company is obligated under an operating lease for rental of office space in Toronto, Ontario, in the amount of $6,844 per month plus applicable operating costs expiring October 31, 2016.

(iii) The Company is required to incur qualifying expenditures of approximately $1,474,500 no later than December 31, 2013 as a result of the flow-through common shares issued (Note 8 (iv)).

(iv) In the event of a change of control, the Company is committed to compensate certain individuals as follows:

(a) Eric Owens (CEO)	$168,000
(b) Peter Legein (VP Exploration)	$273,120
(c) Mario Miranda (CFO)	$214,500

16. FLOW-THROUGH EXPENDITURES

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. The total tax and penalties assessed were $54,598. These were fully paid by the Company during the year. 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, 2013.

17. SUBSEQUENT EVENT

Subsequent to the year-end, the Company received approximately $850,000 (including interest) from the Government of Quebec in refundable tax credits outstanding at April 30, 2013.