Alexandria Minerals Corporation

Condensed Interim Financial Statements

Three months ended July 31, 2013

(Expressed in Canadian Dollars)

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim 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 unaudited condensed interim 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 unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements and (ii) the unaudited condensed interim 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 unaudited condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim 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 unaudited condensed interim 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 unaudited condensed interim 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
September 25, 2013

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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

	July 31, 2013	April 30, 2013
	$	$
ASSETS		
Current assets		
Cash	**1,106,741**	697,658
Sales tax and sundry receivable	**133,896**	282,114
Prepaid expenses	**63,680**	58,035
Quebec refundable tax credits and mining duties refund receivable	**500,134**	1,352,831
Investment in available-for-sale securities	**16,966**	21,150
	1,821,417	2,411,788
Property and equipment (Note 3)	**30,035**	32,342
Mining rights and deferred exploration expenditures (Notes 4 and 9)	**18,630,914**	18,428,641
	20,482,366	20,872,771
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 13)	**133,606**	328,953
Flow-through share liability (Note 5(b)(ii))	**326,213**	370,760
	459,819	699,713
Deferred income tax liability	**1,779,101**	1,779,101
	2,238,920	2,478,814
SHAREHOLDERS' EQUITY		
Share capital (Note 5(b))	**18,255,992**	18,255,992
Reserve for warrants (Note 7)	**314,622**	314,622
Reserve for share based payments	**10,566,153**	10,564,830
Accumulated other comprehensive income	**66,798**	70,982
Deficit	**(10,960,119)**	(10,812,469)
	18,243,446	18,393,957
	20,482,366	20,872,771

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

Nature of business and going concern (Note 1)
Commitments (Note 12)
Subsequent event (Note 14)

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

ALEXANDRIA MINERALS CORPORATION

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

	Three months ended July 31, 2013	Three months ended July 31, 2012
	$	$
Expenses		
Accounting and corporate services	**7,001**	7,446
Depreciation	**2,307**	2,674
Business development (Note 9)	**46,111**	64,715
Investor and public relations	**13,921**	37,901
Management fees (Note 9)	**60,125**	71,506
Office and general	**39,008**	61,178
Professional fees	**12,749**	19,428
Seminars and conferences	**-**	18
Share based payments	**1,323**	313
Wages	**9,652**	2,645
	192,197	267,824
Net operating loss before the following	**(192,197)**	(267,824)
Interest income	**-**	1,373
Premium on flow-through shares	**44,547**	46,252
Loss for the year before taxes	**(147,650)**	(220,199)
Income tax expense	**-**	(103,540)
Net loss for the period	**(147,650)**	(323,739)
Weighted average number of shares outstanding	**167,843,877**	141,998,221

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

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

	Three months ended July 31, 2013	Three months ended July 31, 2012
	$	$
Net loss for the period	**(147,650)**	(323,739)
Other comprehensive loss		
Items that will be reclassified subsequently to income:		
Increase in unrealized (loss) on available-for-sale investments, net of tax	**(4,184)**	(4,406)
Comprehensive loss	**(151,834)**	(328,145)

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

ALEXANDRIA MINERALS CORPORATION

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital	Reserve for warrants	Reserve for share based payments	Deficit	Accumulated other comprehensive income (loss)	Total
Balance, April 30, 2012	**$ 16,442,322**	**$ 3,091,110**	**$ 7,769,618**	**$ (9,512,431)**	**$ 79,012**	**$ 17,869,631**
Share based payments	-	-	313	-	-	313
Unrealized loss on available-for-sale investments	-	-	-	-	(4,406)	(4,406)
Net loss for the period	-	-	-	(323,739)	-	(323,739)
Balance, July 31, 2012	**16,442,322**	**3,091,110**	**7,769,931**	**(9,836,170)**	**74,606**	**17,541,799**
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	-	-	113,361	-	-	113,361
Unrealized loss on available-for-sale investments, net of tax	-	-	-	-	(3,624)	(3,624)
Net loss for the period	-	-	-	(976,299)	-	(976,299)
Balance, April 30, 2013	**$ 18,255,992**	**$ 314,622**	**$ 10,564,830**	**$ (10,812,469)**	**$ 70,982**	**$ 18,393,957**
Unrealized loss on available-for-sale investments, net of tax	-	-	-	-	(4,184)	(4,184)
Share based payments	-	-	1,323	-	-	1,323
Net loss for the period	-	-	-	(147,650)	-	(147,650)
Balance, July 31, 2013	**$ 18,255,992**	**$ 314,622**	**$ 10,566,153**	**$ (10,960,119)**	**$ 66,798**	**$ 18,243,446**

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

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

	Three months ended July 31, 2013	Three months ended July 31, 2012
	$	$
Cash provided by (used in) operating activities		
Net loss	**(147,650)**	(323,739)
Items not involving cash:		
Share based payments	**1,323**	313
Depreciation	**2,307**	2,674
Income tax expense	**-**	103,540
Premium on flow-through shares	**(44,547)**	(46,252)
Changes in non-cash working capital:		
Sale tax and sundry receivable	**148,218**	(27,326)
Prepaid expenses	**(5,645)**	(17,236)
Quebec refundable tax credits and mining duties refund receivable	**852,697**	31,737
Accounts payable and accrued liabilities	**(59,561)**	94,052
	747,142	(182,237)
Cash flows used in investing activities		
Exploration expenditures	**(338,059)**	(983,465)
	(338,059)	(983,465)
Net change in cash during the period	**409,083**	(1,165,702)
Cash, beginning of period	**697,658**	1,951,766
Cash, end of period	**1,106,741**	786,064

The accompanying notes are an integral part of these unaudited condensed interim 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 September 25, 2013.

In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing (see note 14). 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

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of September 25, 2013, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended April 30, 2013, except as noted below. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending April 30, 2014 could result in restatement of these condensed interim financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in accounting policies

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). At May 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim 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. At May 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim 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. At May 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim 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. At May 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim financial statements, however new or enhanced disclosures are required and can be found in note 11.

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. At May 1, 2013, the Company adopted these amendments and there was no material impact on the Company's unaudited condensed interim financial statements.

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. At May 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's unaudited condensed interim financial statements.

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

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent annual statements as at and for the year ended April 30, 2013.

(Expressed in Canadian Dollars)

3. PROPERTY AND EQUIPMENT

Cost	Computer equipment	Office equipment	Computer software	Leasehold improvement	Total
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**
Balance, July 31, 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, 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**
Depreciation	673	97	127	1,410	2,307
Balance, July 31, 2013	**$ 30,444**	**$ 7,368**	**$ 2,023**	**$ 9,870**	**$ 49,705**

Carrying value	Computer equipment	Office equipment	Computer software	Leasehold improvement	Total
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**
Balance, July 31, 2013	**$ 8,302**	**$ 1,841**	**$ 1,564**	**$ 18,328**	**$ 30,035**

4. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES

As at July 31, 2013, the Company has acquired interests, or has acquired options to earn interests, in the following properties:

	July 31, 2013	April 30, 2013
	$	$
Cadillac Break Property Group 7(a)		
Orenada		
Opening balance	**4,495,623**	4,345,281
Assays and maps	**679**	-
Drilling	**-**	22,108
Geology and geochemistry	**5,345**	21,884
Research	**-**	15,305
General expenses	**13,339**	75,136
Allocated exploration expenses (1)	**724**	1,450
Indirect exploration expenses (2)	**12,136**	14,459
Closing balance	**4,527,846**	4,495,623

(Expressed in Canadian Dollars)

4. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES (Continued)

	July 31, 2013	April 30, 2013
	$	$
Akasaba 7(a)		
Opening balance	**9,981,364**	8,028,502
Assays and maps	**2,331**	314,078
Drilling	**8,042**	1,335,948
Geophysics	**-**	2,700
Geology and geochemistry	**18,645**	21,894
Research	**-**	15,305
General expenses	**3,182**	73,673
Allocated exploration expenses (1)	**724**	1,450
Indirect exploration expenses (2)	**19,891**	187,814
Closing balance	**10,034,179**	9,981,364
Sleepy 7(a)		
Opening balance	**2,762,306**	2,341,134
Assays and maps	**-**	16,117
Drilling	**1,874**	306,247
Geology and geochemistry	**4,009**	3,818
Research	**-**	15,305
General expenses	**355**	38,249
Allocated exploration expenses (1)	**464**	930
Indirect exploration expenses (2)	**4,049**	40,506
Closing balance	**2,773,057**	2,762,306
Other Cadillac Break Properties 7(a)		
Opening balance	**6,097,167**	5,302,771
Assays and maps	**2,088**	109,624
Drilling	**-**	488,219
Geophysics	**-**	1,000
Geology and geochemistry	**-**	16,750
General expenses	**30,437**	69,049
Allocated exploration expenses (1)	**16,654**	33,354
Indirect exploration expenses (2)	**29,711**	76,400
Closing balance	**6,176,057**	6,097,167
Total Cadillac Break Properties	**23,511,139**	**23,336,460**
Other Quebec Properties 7(b)		
Opening balance	**1,532,937**	1,485,899
Geology and geochemistry	**-**	1,599
General expenses	**-**	40,915
Indirect exploration expenses (2)	**-**	4,524
Closing balance	**1,532,937**	1,532,937

(Expressed in Canadian Dollars)

4. MINING RIGHTS AND DEFERRED EXPLORATION EXPENDITURES (Continued)

		July 31, 2013	April 30, 2013
		$	$
Matachewan Property 7(c)			
	Opening balance	**1,338,910**	1,335,334
	General expenses	**1,550**	3,232
	Indirect exploration expenses (2)	**937**	344
	Closing balance	**1,341,397**	1,338,910
Subtotal		**26,385,473**	26,208,307
Plus:	General administration	**204,548**	179,441
Less:	Quebec refundable tax credits and mining duties received	**(6,606,276)**	(6,606,276)
	Quebec refundable tax credits and mining duties refunds receivable	**(1,352,831)**	(1,352,831)
Total		**18,630,914**	18,428,641

(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.

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.

(a) Cadillac Break Property Group

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.

(Expressed in Canadian Dollars)

4. 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. As all 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.

5. SHARE CAPITAL

(a) Authorized capital - unlimited number of common shares

(b) Issued

	Number of Shares	Stated Value ($)
Balance, April 30, 2012 and July 31, 2012	**141,998,221**	**16,442,322**
Flow-through shares issued for cash (i)	25,845,656	3,211,538
Share issuance costs (i)	-	(356,304)
Warrant valuation (i)	-	(271,352)
Premium on flow-through shares (ii)	-	(770,212)
Balance, April 30, 2013 and July 31, 2013	**167,843,877**	**18,255,992**

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (Continued)

(i) 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.

(ii) 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 three months July 31, 2013, the Company satisfied approximately $44,547 of the commitment by incurring eligible expenditures of approximately $177,000 and as a result the flow-through premium has been reduced to $326,213.

6. STOCK OPTIONS

The following table reflects the continuity of stock options for the year ended July 31, 2013:

	Number of stock options	Weighted average exercise price ($)
Balance, April 30, 2012	10,115,000	0.16
Expired	(250,000)	0.30
Balance, July 31, 2012	9,865,000	0.15
Granted (i)(ii)(iii)(iv)	4,110,000	0.11
Expired	(2,604,000)	0.21
Balance, April 30, 2013	**11,371,000**	**0.13**
Expired	(340,000)	0.21
Balance, July 31, 2013	**11,031,000**	**0.12**

6. STOCK OPTIONS (Continued)

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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)

6. STOCK OPTIONS (Continued)

The following table reflects the actual stock options issued and outstanding as of July 31, 2013:

	Options outstanding			Options exercisable	
Expiry Date	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price ($)	Number of options	Weighted average exercise price ($)
January 6, 2014	250,000	0.44	0.195	250,000	0.195
January 20, 2014	2,136,000	0.47	0.095	2,136,000	0.095
April 29, 2014	1,455,000	0.75	0.10	1,455,000	0.10
May 9, 2014	250,000	0.77	0.19	250,000	0.19
May 29, 2014	200,000	0.83	0.10	200,000	0.10
September 1, 2014	150,000	1.09	0.25	75,000	0.25
September 1, 2014	100,000	1.09	0.22	50,000	0.22
November 6, 2014	150,000	1.27	0.10	150,000	0.10
December 31, 2014	150,000	1.42	0.18	75,000	0.18
October 12, 2015	2,630,000	2.20	0.17	2,630,000	0.17
March 27, 2016	3,560,000	2.66	0.10	3,560,000	0.10
	11,031,000	1.68	0.12	10,831,000	0.12

7. 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, 2012 and July 31, 2012	43,379,801	3,091,110
Warrants expired	(43,379,801)	(3,091,110)
Warrants issued on private placement (Note 5(b)(i))	12,922,828	271,352
Broker warrants issued on private placement (Note 5(b)(i))	1,684,109	43,270
Balance, April 30, 2013 and July 31, 2013	**14,606,937**	**314,622**

As at July 31, 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	

(Expressed in Canadian Dollars)

8. BASIC AND DILUTED LOSS PER SHARE

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

	Three months ended July 31, 2013	Three months ended July 31, 2012
Numerator:		
Loss for the year	**$ (147,650)**	$ (323,739)
Numerator for basic and diluted loss per share	**(147,650)**	(323,739)
Denominator:		
Weighted average number of common shares	**167,843,877**	141,998,221
Denominator for basic loss per share	**167,843,877**	141,998,221
Denominator for diluted loss per share	**167,843,877**	141,998,221
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)

The stock options and warrants were not included in the computation of diluted loss per share for three months ended July 31, 2013 and 2012 because their inclusion would be anti-dilutive.

9. 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 three months ended July 31, 2013 and 2012 with these companies.

	Three months ended July 31, 2013	Three months ended July 31, 2012
Baker Creek Management (i)	**$ 42,000**	$ 42,000
Finterra Consulting Inc. (ii)	**28,125**	25,275
Legein Consulting Inc. (iii)	**34,140**	34,140
Mary Vorvis (iv)	**36,000**	27,000
	$ 140,265	$ 128,415

(i) During the three months ended July 31, 2013 and 2012, the Company paid management fees to Baker Creek Management, a company controlled by the Chief Executive Officer ("CEO") of the Company. $28,000 (three months ended July 31, 2012 - $9,269) of these fees are included in deferred exploration expenditures.

(ii) During the three months ended July 31, 2013 and 2012, the Company paid management fees to Finterra Consulting Inc., a company controlled by the Chief Financial Officer ("CFO") of the Company.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (Continued)

(iii) During the three months ended July 31, 2013 and 2012, the Company paid management fees to Legein Consulting Inc., a company controlled by the Vice-President Exploration of the Company. All of these fees are included in deferred exploration expenditures.

(iv) During the three months ended July 31, 2013 and 2012, the Company paid management fees to the Director of Corporate Development. $18,000 (three months ended July 31, 2012 - $16,500) of these fees are included in business development.

b) Period end balances owed to related parties:

	July 31, 2013	April 30, 2013
Finterra Consulting Inc.	**$ 12,119**	$ 8,475
Legein Consulting Inc.	**-**	12,859
	$ 12,119	$ 21,334

10. 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.

11. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

(Expressed in Canadian Dollars)

11. FAIR VALUE MEASUREMENTS (Continued)

(a) Assets and liabilities measured at fair value on a recurring basis:

As at July 31, 2013	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Aggregate fair value**
Cash	$ 1,106,741	$ -	$ -	$ 1,106,741
Investment in available-for-sale securities	$ 16,966	$ -	$ -	$ 16,966

(b) Fair values of financial assets and liabilities

	July 31, 2013		**April 30, 2013**	
	Carrying amount	**Estimated fair value**	**Carrying amount**	**Estimated fair value**
Financial assets				
Cash	**$ 1,106,741**	**$ 1,106,741**	$ 697,658	$ 697,658
Sales tax and sundry receivable	**133,896**	**133,896**	282,114	282,114
Quebec refundable tax credits and mining duties refund receivable	**500,134**	**500,134**	1,352,831	1,352,831
	$ 1,740,771	**$ 1,740,771**	$ 2,332,603	$ 2,332,603
Available-for-sale				
Investment in available-for-sale securities	**$ 16,966**	**$ 16,966**	$ 21,150	$ 21,150
Financial liabilities				
Accounts payable and accrued liabilities	**$ 133,606**	**$ 133,606**	$ 328,953	$ 328,953

The Company does not offset financial assets with financial liabilities.

12. 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, 2014.

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

(iii) The Company is required to incur qualifying expenditures of approximately $1,297,500 (April 30, 2013 - $1,474,500) no later than December 31, 2013 as a result of the flow-through common shares issued (Note 5 (i)).

(Expressed in Canadian Dollars)

12. COMMITMENTS (Continued)

(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)	$216,000

13. 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 which was paid by the Company. As a result of not meeting the CEE expenditure requirement the Company was required to indemnify flow-through shareholders for an amount equal to any tax payable as a result of the reduction of previously renounced CEE. The Company estimated the liability resulting from the indemnification, using the highest marginal tax rate, as $110,000 which was included in accounts payable and accrued liabilities as at July 31, 2013 and April 30, 2013.

14. SUBSEQUENT EVENT

On September 11, 2013, the Company closed the first tranche of non-brokered private placement. The tranche consisted of 3,500,000 common shares at a price of $0.10 per share for gross proceeds of $350,000. The second tranche of $450,000 is anticipated to close in October 2013, resulting in the issuance of 4,500,000 additional common shares at a price of $0.10 per share. The private placement is subject to certain conditions, including receipt by the Company of all necessary regulatory approvals, including the approval of the TSX Venture Exchange. All securities issued as part of the private placement will be subject to a hold period of four months from the date of closing.