

ALEXIS MINERALS CORPORATION

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE THREE MONTHS ENDED
MARCH 31, 2009 AND 2008**

RESTATED

- unaudited -

ALEXIS MINERALS CORPORATION

Consolidated Balance Sheets

in Canadian dollars

As at

| | March 31, 2009 unaudited Restated - Note 20 | December 31, 2008 audited |
|---|--|---------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 3,091,963 | \$ 4,529,303 |
| Amounts receivable (Note 14) | 679,743 | 967,753 |
| Tax credits receivable (Notes 5) | 6,789,532 | 6,269,850 |
| Inventory (Note 3) | 3,232,343 | 2,254,258 |
| Prepaid expenses (Note 14) | 195,792 | 177,355 |
| Investments | - | 332,592 |
| Future income tax asset | - | 662,000 |
| | 13,989,373 | 15,193,111 |
| Property, plant and equipment (Note 4) | 7,556,122 | 7,837,745 |
| Exploration properties and deferred exploration expenditures (Note 5) | 57,440,500 | 55,654,869 |
| | \$ 78,985,995 | \$ 78,685,725 |
| Liabilities and Shareholders' Equity | | |
| Current Liabilities: | | |
| Accounts payable and accrued liabilities (Note 14) | \$ 5,065,015 | \$ 4,977,983 |
| Current portion of capital leases (Note 6) | 547,934 | 508,699 |
| Current portion of long-term debt (Note 7) | 166,857 | 165,706 |
| | 5,779,806 | 5,652,388 |
| Capital lease obligations (Note 6) | 341,587 | 337,996 |
| Long-term debt (Note 7) | 108,390 | 150,511 |
| Liability component of convertible debenture (Note 8) | 3,858,935 | 3,698,760 |
| Asset retirement obligation (Note 9) | 692,250 | 541,000 |
| Future income tax liability (Note 15) | 1,221,000 | - |
| | 12,001,968 | 10,380,655 |
| Shareholders' equity: | | |
| Share capital (Note 10) | 61,629,869 | 63,134,869 |
| Warrants (Note 11) | 1,767,343 | 6,679,843 |
| Equity component of convertible debenture (Note 8) | 830,334 | 830,334 |
| Contributed surplus (Note 13) | 12,956,971 | 7,962,377 |
| Deficit | (10,200,490) | (10,302,353) |
| | 66,984,027 | 68,305,070 |
| | \$ 78,985,995 | \$ 78,685,725 |

Commitment and contingencies, Notes 1, 5, and 18

APPROVED ON BEHALF OF THE BOARD:

Signed "David Rigg" _____, Director

Signed "Maurice Colson" _____, Director

- See accompanying Notes to the Consolidated Financial Statements -

ALEXIS MINERALS CORPORATION

Consolidated Statements of Shareholders' Equity

Unaudited

in Canadian dollars

| | Common Shares | | Warrants | Convertible Debenture | Contributed Surplus | Accumulated Deficit | Shareholders' Equity |
|---|--------------------|-------------------|------------------|--------------------------|------------------------|------------------------|-------------------------|
| | No. | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance, December 31, 2007 | 100,382,764 | 48,908,428 | 5,138,113 | 830,334 | 6,936,037 | (8,307,430) | 53,505,482 |
| Private placement | 26,714,286 | 16,700,000 | - | - | - | - | 16,700,000 |
| Value of warrants granted on private placement | - | (1,688,143) | 1,688,143 | - | - | - | - |
| Value of broker warrants granted on private placement | - | (79,200) | 79,200 | - | - | - | - |
| Exercise of stock options | 410,000 | 122,400 | - | - | - | - | 122,400 |
| Valuation allocation on exercise of stock options | - | 91,510 | - | - | (91,510) | - | - |
| Valuation allocation of expired warrants | - | - | (225,613) | - | 225,613 | - | - |
| Shares issued in lieu of interest payment | 577,777 | 253,303 | - | - | - | - | 253,303 |
| Stock-based compensation | - | - | - | - | 892,237 | - | 892,237 |
| Share issue costs | - | (1,777,429) | - | - | - | - | (1,777,429) |
| Tax effect of cost of issue | - | 604,000 | - | - | - | - | 604,000 |
| Loss for the period | - | - | - | - | - | (1,994,923) | (1,994,923) |
| Balance, December 31, 2008 | 128,084,827 | 63,134,869 | 6,679,843 | 830,334 | 7,962,377 | (10,302,353) | 68,305,070 |
| Valuation allocation of expired warrants | - | - | (4,912,500) | - | 4,912,500 | - | - |
| Stock-based compensation | - | - | - | - | 82,094 | - | 82,094 |
| Flow-through share tax effect | - | (1,505,000) | - | - | - | - | (1,505,000) |
| Loss for the period | - | - | - | - | - | 101,863 | 101,863 |
| Balance, March 31, 2009 | 128,084,827 | 61,629,869 | 1,767,343 | 830,334 | 12,956,971 | (10,200,490) | 66,984,027 |

- See accompanying Notes to the Consolidated Financial Statements -

ALEXIS MINERALS CORPORATION

Consolidated Statements of Operations, Comprehensive Income (Loss) and Deficit

Unaudited

in Canadian dollars

For the three months ended March 31,

| | 2009 | 2008 |
|--|-----------------|-------------|
| Revenue, net of royalties | \$ 6,819,352 | \$ - |
| Mine operating expenses | (4,307,847) | - |
| Amortization and depletion | (1,410,800) | - |
| | (5,718,647) | - |
| Gross profit | 1,100,705 | - |
| Expenses: | | |
| Professional, consulting and management fees (Note 12) | 481,899 | 292,283 |
| Other general and administrative expenses | 308,154 | 225,476 |
| Long-term interest, accretion and financing costs | 152,559 | 173,085 |
| Other interest, accretion and financing costs | 32,471 | 150,967 |
| Foreign exchange | (1,773) | 5,093 |
| Interest income and gain on investments | (352,468) | (50,394) |
| | 620,842 | 796,510 |
| Income (loss) before taxes | 479,863 | (796,510) |
| Future income taxes (recovery) (Note 15) | (378,000) | 144,000 |
| Net income (loss) and comprehensive income (loss) for the period | 101,863 | (652,510) |
| DEFICIT, beginning of period | (10,302,353) | (8,307,430) |
| DEFICIT, end of period | \$ (10,200,490) | (8,959,940) |
| Net income (loss) per share: basic and diluted | 0.00 | (0.01) |
| Weighted average number of shares outstanding: | | |
| basic | 128,084,827 | 95,976,577 |
| diluted | 128,310,416 | 95,976,577 |

ALEXIS MINERALS CORPORATION

Consolidated Statements of Cash Flows

Unaudited

in Canadian dollars

For the three months ended March 31,

| | 2009 | 2008 |
|---|---------------------|----------------------|
| Cash provided by (used in): | | |
| Operations: | | |
| Net income (loss) for the period | \$ 101,863 | \$ (652,510) |
| Items not involving cash: | | |
| Stock-based compensation (Note 12) | 82,094 | 61,100 |
| Amortization and depletion | 1,410,800 | - |
| Interest, accretion and finance charges | 147,759 | 237,941 |
| Gain on sale of investment | (351,337) | - |
| Future income tax recovery (Note 15) | 378,000 | (144,000) |
| Changes in non-cash working capital | 1,514,205 | 6,199,077 |
| | 3,283,384 | 5,701,608 |
| Financing: | | |
| Private placement, net of share issue costs | - | 10,377,350 |
| Exercise of options | - | 7,900 |
| Long term debt repayments | (44,304) | (46,587) |
| Capital lease payments | (137,810) | (172,104) |
| | (182,114) | 10,166,559 |
| Investing: | | |
| Property, plant and equipment purchases | (24,385) | (674,465) |
| Purchase and sale of investments, net | 683,929 | - |
| Decrease in cash appropriated for exploration expenditure | - | 530,034 |
| (Decrease) in exploration and development accounts payable | (2,135,685) | (1,419,031) |
| Expenditures on mineral interests, net of government assistance | (3,062,469) | (8,222,982) |
| | (4,538,610) | (9,786,444) |
| Change in cash and cash equivalents | (1,437,340) | 6,081,723 |
| Cash and cash equivalents, beginning of period | 4,529,303 | 6,153,297 |
| Cash and cash equivalents, end of period | \$ 3,091,963 | \$ 12,235,020 |
| Cash and cash equivalents consists of: | | |
| Cash | \$ 3,076,963 | \$ 1,598,258 |
| Cash equivalents | 15,000 | 10,636,762 |
| | \$ 3,091,963 | \$ 12,235,020 |

SUPPLEMENTAL INFORMATION

| | | |
|---|----------|-----------|
| Interest and dividend income received | \$ 1,131 | \$ 50,394 |
| Interest paid | 8,034 | 81,767 |
| Stock-based compensation charged to mineral properties | - | 33,234 |
| Amortization of exploration assets charged to exploration | 36,956 | 294,558 |
| Equipment acquired under capital leases | 180,636 | 760,511 |
| Income taxes paid | - | - |

ALEXIS MINERALS CORPORATION

Notes to the Consolidated Financial Statements

Unaudited

For the three months ended March 31, 2009 and 2008

1. NATURE OF OPERATIONS AND GOING CONCERN

Alexis Minerals Corporation (the "Company") currently has interests in mineral exploration and development properties in the province of Québec. During the fourth quarter of 2008, the Company achieved commercial production at the Lac Herbin deposit. Prior to a discovery concerning production, the Company was a development stage entity, as defined by the Canadian Institute of Chartered Accountants (the "CICA") Accounting Guideline 11. The Company is also continuing to focus on the exploration and development of its other gold and base metal projects within this region.

These interim consolidated financial statements are unaudited and are not reviewed by the Company's auditors.

Management has prepared these unaudited consolidated financial statements for the three months ended March 31, 2009 in accordance with Canadian generally accepted accounting principles. These statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2008.

The disclosure in these interim unaudited consolidated financial statements may not conform in all respects to generally accepted accounting principles in Canada for annual financial statements.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these unaudited consolidated financial statements. Operating results for the three months ended March 31, 2009 are not indicative of the results that may be expected for the full year ending December 31, 2009.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current operations, including exploration and development programs will result in profitable mining operations. The recoverability of the carrying value of mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to its property interests in accordance with industry standards for the current stage of exploration and development of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying values of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used. Such adjustments may be material.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations.

ALEXIS MINERALS CORPORATION

Notes to the Consolidated Financial Statements

Unaudited

For the three months ended March 31, 2009 and 2008

2. SIGNIFICANT ACCOUNTING POLICIES

Except as disclosed below, these interim unaudited consolidated financial statements are prepared using the same accounting policies and methods of application as those disclosed in note 2 to the Company's annual audited consolidated financial statements for the year ended December 31, 2008.

a) New accounting pronouncements

Goodwill and Intangible Assets

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets," which replaces Section 3062, "Goodwill and Other Intangible Assets." This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets and is effective for the Company commencing January 1, 2009. This standard is effective for years beginning on or after January 1, 2009. The Company is currently in the process of evaluating the impact of this standard.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA approved EIC 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to fiscal periods ending on or after January 12, 2009. The Company is continually evaluating its counterparties and their credit risks.

Mining Exploration Costs

On March 27, 2009 the Emerging Issues Committee ("EIC") issued EIC-174. In this EIC the Committee reached a consensus that an enterprise that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The EIC should be applied to financial statements issued after March 27, 2009. The Company has adopted EIC-174.

b) Future accounting changes

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards. Section 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 - Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

ALEXIS MINERALS CORPORATION

Notes to the Consolidated Financial Statements Unaudited

For the three months ended March 31, 2009 and 2008

3. INVENTORY

| | March 31, 2009 | December 31, 2008 |
|-------------------------|---------------------|----------------------|
| Material and supplies | \$ 301,830 | \$ 338,268 |
| Stockpiled ore | 2,350,552 | 1,651,991 |
| Gold brick or doré bars | 579,961 | 263,999 |
| | \$ 3,232,343 | \$ 2,254,258 |

All inventory is carried at the lower of cost and net realizable value. As at March 31, 2009 and December 31, 2008, all inventory is recorded at cost.

4. PROPERTY, PLANT AND EQUIPMENT

| | March 31, 2009 | | | 2008 |
|--------------------|------------------|----------------------------------|------------------|------------------|
| | Cost (\$) | Accumulated Amortization (\$) | Net (\$) | Net (\$) |
| Computer equipment | 103,775 | (63,891) | 39,884 | 47,859 |
| Computer software | 209,945 | (209,945) | - | 1,086 |
| Office equipment | 24,384 | (18,990) | 5,394 | 6,182 |
| Office furniture | 34,474 | (14,027) | 20,447 | 23,295 |
| Field equipment | 2,244,123 | (574,760) | 1,669,363 | 1,802,248 |
| Mobile equipment | 4,587,395 | (1,385,612) | 3,201,783 | 3,249,947 |
| Buildings | 1,356,822 | (166,708) | 1,190,114 | 1,207,128 |
| Mill | 1,429,137 | - | 1,429,137 | 1,500,000 |
| | 9,990,055 | (2,433,933) | 7,556,122 | 7,837,745 |

5. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

| Description | PRODUCING PROPERTIES | NON-PRODUCING PROPERTIES | | | | TOTAL (\$) |
|---|-------------------------|--------------------------|-----------------------|------------------|------------------|-------------------|
| | Lac Herbin (\$) | Rouyn (\$) | Lac Pelletier (\$) | VMS (\$) | Aurbel (\$) | |
| Balance, December 31, 2008 | 26,630,201 | 13,298,025 | 3,851,288 | 8,151,292 | 3,724,063 | 55,654,869 |
| Acquisition and property maintenance | - | 12,090 | 52,575 | 11,413 | 13,209 | 89,287 |
| Development costs | 886,868 | - | - | - | - | 886,868 |
| Exploration costs | 446,478 | 43,480 | 102,569 | 426,394 | 1,046,924 | 2,065,845 |
| Asset retirement obligations | 171,000 | - | 98,000 | - | - | 269,000 |
| Amortization | 24 | 442 | 28,298 | 3,447 | 4,745 | 36,956 |
| | 28,134,571 | 13,354,037 | 4,132,730 | 8,592,546 | 4,788,941 | 59,002,825 |
| Less: | | | | | | |
| Government assistance | (112,480) | (10,435) | (31,826) | (101,626) | (263,315) | (519,682) |
| Depletion of deferred exploration and development costs | (1,042,643) | - | - | - | - | (1,042,643) |
| Balance, March 31, 2009 | 26,979,448 | 13,343,602 | 4,100,904 | 8,490,920 | 4,525,626 | 57,440,500 |

ALEXIS MINERALS CORPORATION

Notes to the Consolidated Financial Statements

Unaudited

For the three months ended March 31, 2009 and 2008

5. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (continued)

The Company has accrued approximately \$500,000, in government assistance related to eligible expenditures in the province of Québec for the three months ended March 31, 2009. An amount of \$4,300,000 in government assistance is accrued for the year ended December 31, 2008 while approximately \$2,000,000 is accrued for the year ended December 31, 2007. The assistance has been applied to the properties to which it pertains. The Company receives this assistance in the form of refundable tax credits from the Québec Provincial Government and mining duties returns from Québec Ministry of Natural Resources.

Aurbel Property (Including Lac Herbin), Québec

The Company holds a 100% interest in the Aurbel Property (including Lac Herbin), subject to a 4.5% Net Smelter Royalty ("NSR"). A corporation that is controlled by a director of the Company holds 2% of the NSR. See Note 15.

On October 1, 2008, the company declared the commencement of commercial production at Lac Herbin.

Rouyn Noranda Properties, Québec

Pursuant to the June 15, 2004 binding letter of intent with Falconbridge Ltd., now referred to as Xstrata Copper ("Xstrata"), a business unit of Falconbridge Ltd., the Company has a 50% interest in all of Xstrata's properties in the prospective Rouyn-Noranda Base Metal and Gold Camp. See Note 19.

Certain claims that form part of this property are subject to NSR royalties that range from 0.5% to 2% of net proceeds or production royalties that range from 7.5% to 20%.

Lac Pelletier Property, Rouyn-Noranda, Québec

Pursuant to the September 2005 option agreement within Thundermin Resources Inc. ("Thundermin"), the Company can acquire a 100% interest in the Lac Pelletier Property, subject to a 3.5% NSR royalty and \$1 charge per tonne milled, by spending \$1,000,000 in exploration expenditures by September 1, 2008. During 2007, the Company met their expenditure obligations.

Pursuant to the agreement, the Company extended their decision deadline and is now required to make a production decision by September 1, 2009 and reach commercial production by September 1, 2010. If the Company fails to reach commercial production by the specified date, the Company will be required to make annual advance royalty payments of \$75,000.

During the quarter, the Company entered into a property acquisition agreement to acquire a 100% interest in four mining claims located near Lac Pelletier, subject to a 2% NSR. The Company paid US\$40,000 (CDN\$52,574) to acquire these claims. The Company has the option to purchase, at any time, 50% of the NSR for US\$1,000,000.

VMS Properties, Québec

The Company holds a 100% interest in the VMS properties, subject to Teck Cominco Ltd. (formerly Aur Resources Ltd.) retaining between a 2% and a 2.5% NSR on the properties depending on pre-existing underlying royalties. Certain claims forming part of this property are subject to NSR royalties of 1% to 2.5%, net profits royalties of 5% or net proceeds of production royalties of 10% or 25 cents charge per ton milled. Certain of the properties were held under previously existing joint venture agreements. The other party to these agreements has opted to no longer fund the properties.

ALEXIS MINERALS CORPORATION

Notes to the Consolidated Financial Statements Unaudited

For the three months ended March 31, 2009 and 2008

6. CAPITAL LEASE OBLIGATIONS

The Company has entered into capital leasing arrangements for mobile equipment and buildings. These leasing arrangements are for terms of eighteen months to four years and at interest rates between 4.12% and 7.95%.

As at March 31, 2009, the future minimum lease payments under the capital lease arrangements were:

| <u>Capital lease obligations</u> | |
|-------------------------------------|----------------|
| 2009 | 484,707 |
| 2010 | 376,427 |
| 2011 | 57,010 |
| 2012 | 20,619 |
| | <u>938,763</u> |
| Less: Amounts representing interest | (49,242) |
| | <u>889,521</u> |
| Less: Current portion | 547,934 |
| Long-term portion | <u>341,587</u> |

7. LONG-TERM DEBT

In July 2006, the Company purchased a building, being the Val d'Or office, from Aur. The Company made a payment of \$100,000 towards the purchase price, with the balance payable in 45 monthly instalments of \$10,000 and recorded as a non-interest bearing long-term debt, discounted at a rate of 6.28%. Accretion expense related to this loan for the three months ended March 31, 2009 totalled \$3,333 (2008 - \$3,333).

The Company had entered into a financing contract to purchase equipment at an interest rate of 7.75% and repayable over four years.

Principal repayments are as follows:

| | <u>Building</u> | <u>Equipment</u> | <u>Total</u> |
|-----------------------|-----------------|------------------|--------------|
| 2009 | 80,000 | 44,704 | 124,704 |
| 2010 | 35,555 | 63,781 | 99,336 |
| 2011 | - | 51,207 | 51,207 |
| Total long-term debt | 115,555 | 159,692 | 275,247 |
| Less: current portion | 106,667 | 60,190 | 166,857 |
| Long-term portion | 8,888 | 99,502 | 108,390 |

ALEXIS MINERALS CORPORATION

Notes to the Consolidated Financial Statements Unaudited

For the three months ended March 31, 2009 and 2008

8. CONVERTIBLE DEBENTURE

During 2006, the Company completed a private placement debenture financing with Industrial Alliance Securities Inc. ("Industrial Alliance") raising \$4,210,000 in gross proceeds. Pursuant to the terms of the private placement, the Company issued Units comprised of \$1,000 principal convertible debentures (the "Debentures") maturing April 28, 2010 and 150 common share purchase warrants (the "Warrants"). The \$1,000 face value Debentures are unsecured and subordinated obligations of the Company, have a coupon rate of 6.0% and are convertible at the option of the holder, any time after 12 months from the date of closing, into common shares of the Company at an exercise price of \$0.75 for the second year, \$0.825 for the third year and \$0.9075 for the fourth year (the "Conversion Prices"). Interest on the loan is payable in cash or in common shares of the Company at the option of the Company based on a price equal to 90% of the average closing price of the common shares of the Company on the TSX Exchange for a period of 20 consecutive trading days ending 5 days before the payment date. The Warrants expired unexercised. The Company will have the right to redeem the Debentures in their fourth year provided that the shares of the Company are trading in excess of \$1.13 over the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given. The redemption can be satisfied through the issuance of common shares valued at 90% of the 20 day average trading price ending five days prior to the date of redemption.

The Debentures are classified as a liability, with the exception of the portions relating to the conversion features, resulting in the carrying value of the Debentures being less than its face value. The discount is being accreted over the term of the Debentures, utilizing the effective interest rate method at a 15% discount rate. For the three months ended March 31, 2009, accretion of the discount totalled \$139,400 (Q1 2008 - \$129,132).

Financing charges associated with the Debentures were prorated between the debt and equity components of the Debentures. Those allocated to the debt portion of the Debentures were deferred and are being accreted over the term of the Debentures. For the three months ended March 31, 2009, \$20,777 (Q1 2008 - \$20,775) in deferred financing charges were accreted to operations.

9. ASSET RETIREMENT OBLIGATIONS

The Company's asset retirement obligations ("ARO") are based on management's estimates of costs to abandon and reclaim mineral properties and facilities as well as an estimate of the future timing of the costs to be incurred.

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the ARO associated with the retirement of the Company's plant and exploration properties:

| | March 31, 2009 | December 31, 2008 |
|------------------------------|-------------------|----------------------|
| Balance, beginning of period | \$ 541,000 | \$ 479,000 |
| Liabilities incurred | 269,000 | - |
| Change in estimates | (102,000) | |
| Accretion expense | (15,750) | 62,000 |
| Balance, end of period | \$ 692,250 | \$ 541,000 |

The Company has estimated its total asset retirement obligations to be \$692,250 at March 31, 2009 based on a total future liability of approximately \$3,479,000 and a credit adjusted risk-free rate ranging between 13% and 14.35%. Reclamation is expected to occur between five to fifteen years. During the quarter, the company revised its estimates on the expected life of the mill, generating a decrease in the ARO as well as a credit to accretion expense.

ALEXIS MINERALS CORPORATION

Notes to the Consolidated Financial Statements Unaudited

For the three months ended March 31, 2009 and 2008

10. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value

(b) Issued

| Common Shares issued | Number of Shares | Stated Value |
|--|------------------|---------------|
| Balance, December 31, 2007 | 100,382,764 | \$ 48,908,428 |
| Private placement | 26,714,286 | 16,700,000 |
| Warrants valuation | - | (1,688,143) |
| Exercise of stock options | 410,000 | 122,400 |
| Stock option exercise - valuation reallocation | - | 91,510 |
| Shares issued for payment of interest | 577,777 | 253,303 |
| Cost of issue | - | (1,856,629) |
| Tax effect of cost of issue | | 604,000 |
| Balance, December 31, 2008 | 128,084,827 | \$ 63,134,869 |
| Flow-through share tax effect | - | (1,505,000) |
| Balance, March 31, 2009 | 128,084,827 | \$ 61,629,869 |

11. WARRANTS

Summary of warrant activity

| | March 31, 2009 | | December 31, 2008 | |
|-------------------------------|--------------------|------------------------|--------------------|------------------------|
| | Number of warrants | Weighted Average price | Number of warrants | Weighted Average price |
| Balance, beginning of period | 21,457,143 | \$ 1.20 | 13,468,300 | \$ 1.31 |
| Granted, private placements | - | - | 8,957,143 | 0.98 |
| Exercised | - | - | - | - |
| Expired | (12,500,000) | 1.35 | (968,300) | 0.75 |
| Balance, end of period | 8,957,143 | \$ 0.97 | 21,457,143 | \$ 1.20 |

Summary of warrants outstanding at March 31, 2009:

| Number of warrants | Exercise price | Grant date fair value of warrants | Date of expiry |
|--------------------|----------------|-----------------------------------|------------------|
| 8,357,143 | \$1.00 | \$ 1,688,143 | March 18, 2010 |
| 600,000 | \$0.50 | 79,200 | October 15, 2010 |
| 8,957,143 | | \$ 1,767,343 | |

ALEXIS MINERALS CORPORATION

Notes to the Consolidated Financial Statements Unaudited

For the three months ended March 31, 2009 and 2008

12. STOCK-BASED COMPENSATION

Summary of stock option activity

| | March 31, 2009 | | December 31, 2008 | |
|-------------------------------|-------------------|------------------------|-------------------|------------------------|
| | Number of options | Weighted Average price | Number of options | Weighted Average price |
| Balance, beginning of period | 10,186,500 | \$ 0.65 | 8,979,000 | \$ 0.69 |
| Granted | 500,000 | 0.45 | 2,421,500 | 0.50 |
| Exercised | - | - | (410,000) | 0.30 |
| Expired | (17,500) | 0.60 | - | - |
| Forfeited | (3,500) | 0.70 | (804,000) | 0.81 |
| Balance, end of period | 10,665,500 | \$ 0.65 | 10,186,500 | \$ 0.65 |

As at March 31, 2009, the following stock options were outstanding:

| DATE OF EXPIRY | NO. OF OPTIONS EXERCISABLE | NO. OF OPTIONS OUTSTANDING | EXERCISE PRICE | FAIR VALUE OF OPTIONS GRANTED (\$) |
|----------------|----------------------------|----------------------------|----------------|------------------------------------|
| 22-Apr-09 | 50,000 | 50,000 | \$0.55 | 21,000 |
| 28-May-09 | 100,000 | 100,000 | \$0.45 | 34,400 |
| 14-Jul-09 | 1,320,000 | 1,320,000 | \$0.50 | 388,080 |
| 08-Nov-09 | 100,000 | 100,000 | \$0.40 | 29,600 |
| 24-Feb-10 | 100,000 | 100,000 | \$0.47 | 35,700 |
| 20-Apr-10 | 1,550,000 | 1,550,000 | \$0.78 | 917,600 |
| 01-Feb-11 | 485,000 | 485,000 | \$0.42 | 153,260 |
| 01-Nov-11 | 100,000 | 100,000 | \$0.52 | 33,900 |
| 08-Dec-11 | 120,000 | 120,000 | \$0.50 | 39,120 |
| 05-Mar-12 | 25,000 | 25,000 | \$0.91 | 15,075 |
| 09-Apr-12 | 100,000 | 100,000 | \$1.14 | 75,800 |
| 27-Aug-12 | 3,127,500 | 3,127,500 | \$0.79 | 1,754,527 |
| 17-Sep-12 | 350,000 | 400,000 | \$0.84 | 235,296 |
| 11-Oct-12 | 10,000 | 10,000 | \$0.94 | 6,990 |
| 19-Oct-12 | 155,000 | 155,000 | \$0.91 | 104,780 |
| 01-Nov-12 | 2,500 | 2,500 | \$0.89 | 1,650 |
| 30-Jan-13 | 100,000 | 100,000 | \$0.88 | 61,100 |
| 05-Aug-13 | 2,295,500 | 2,295,500 | \$0.49 | 739,151 |
| 06-Dec-13 | 25,000 | 25,000 | \$0.21 | 3,275 |
| 09-Jan-14 | 50,000 | 500,000 | \$0.45 | 74,822 |
| | 10,165,500 | 10,665,500 | | |

ALEXIS MINERALS CORPORATION

Notes to the Consolidated Financial Statements *Unaudited*

For the three months ended March 31, 2009 and 2008

12. STOCK-BASED COMPENSATION (continued)

During the three months ended March 31, 2009, 500,000 stock options (2008: 2,421,500) were granted to directors, officers, employees and consultants of the Company with a weighted-average grant date fair value of \$0.29 per option (2008: \$0.33). These options vest 1/8th every quarter from the date of grant. All options granted during 2008 vested immediately. Stock-based compensation expense of \$82,094 (Q1 2008: \$61,100) relating to these options was recorded against professional, consulting and management fees. No stock based compensation expense was recorded to mineral properties and deferred exploration expenditures during the three months ended March 31, 2009, however \$33,234 was recorded here during Q1 2008. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions, quoted at their weighted averages:

| | March 31, <u>2009</u> | December 31, <u>2008</u> |
|-------------------------|--------------------------|-----------------------------|
| Expected dividend yield | 0% | 0% |
| Expected volatility | 79.17% | 80.16% |
| Risk-free interest rate | 1.85% | 3.20% |
| Expected life | 5 years | 5 years |

13. CONTRIBUTED SURPLUS

| | March 31, 2009 | December 31, 2008 |
|---|-------------------|----------------------|
| Balance, beginning of period | \$ 7,962,377 | \$ 6,936,037 |
| Stock options granted and/or vested during the period | | |
| Directors, officers and employees | 7,273 | 831,057 |
| Consultants | 74,821 | 61,180 |
| Exercise of stock options, reallocation of valuation | - | (91,510) |
| Expiry of warrants and broker warrants, reallocation of valuation | 4,912,500 | 225,613 |
| Balance, end of period | \$ 12,956,971 | \$ 7,962,377 |

14. RELATED PARTY TRANSACTIONS

The Company was charged \$15,000 during the three months ended March 31, 2009 (Q1 2008: \$15,000) by companies controlled by directors of the Company for administration services.

The Company shares its premises with other corporations that have common directors and officers, and the Company reimburses the related corporations for their proportional share of the expenses. The Company has advanced \$5,794 to such corporations to cover shared expenses (2008: \$66,428). As well, the Company is owed \$37,991 from such corporations for shared expenses (2008: \$2,990).

A royalty of US\$176,295 (CDN\$220,017) was paid during the first quarter of 2009 to a corporation controlled by a director of the Company, all of which had been accrued at December 31, 2008 (Note 5). An additional US\$127,000 (CDN\$162,000) was accrued at March 31, 2009 for royalties on gold sales during the first quarter of 2009.

All of the above transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties. The amounts owing to and from the related parties are unsecured, non-interest bearing with no fixed terms of repayment.

ALEXIS MINERALS CORPORATION

Notes to the Consolidated Financial Statements

Unaudited

For the three months ended March 31, 2009 and 2008

15. FUTURE INCOME TAX LIABILITIES

In February 2009, the Company renounced \$5,000,000 of Canadian exploration expenditures related to proceeds from flow through shares with an effective date of December 31, 2008. As a result, assuming a statutory tax rate of approximately 30%, an amount of \$1,505,000 was debited to common stock, increasing the future income tax liability by this amount.

The Company also recorded future income taxes of \$378,000 based on differences in the tax basis and carrying values of the Company's assets at March 31, 2009.

16. CAPITAL MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support its operations and the acquisition, exploration and development of mineral properties. The capital of the Company consists of share capital, warrants, options and convertible debentures. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has entered into production and has begun to generate cash flows to support the ongoing and longer term strategy focused on regional exploration. However, the Company may continue to rely on capital markets to support continued growth. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended March 31, 2009.

17. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to cash equivalents, amounts receivable and tax credits receivable. The Company has no significant concentration of credit risk arising from operations. Cash equivalents consist of guaranteed investment certificates and bankers acceptances, which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable and tax credits receivable consist of goods and services tax due from the Federal Government of Canada, tax credits due from the Provincial Government of Québec, and receivables from related and unrelated companies. The Company currently transacts with highly rated counterparties for the sale of gold. Management believes that the credit risk concentration with respect to these financial instruments is remote.

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 March 31, 2009, the Company had a cash and cash equivalents balance of \$3,091,963 (December 31, 2008 - \$4,529,303) to settle current liabilities of \$5,779,806 (December 31, 2008 - \$5,652,388). Approximately \$5,000,000 of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

ALEXIS MINERALS CORPORATION

Notes to the Consolidated Financial Statements *Unaudited*

For the three months ended March 31, 2009 and 2008

17. FINANCIAL RISK FACTORS (continued)

Market risk

(a) Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company carries a long-term convertible debenture on which interest is payable semi-annually at a fixed rate of 6% per annum. Management believes that interest rate risk is remote as investments have maturities of three months or less and the Company currently does not carry interest bearing debt at floating rates.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. All gold sales revenues are denominated in US dollars. The Company is exposed to currency risk with fluctuations in the Canadian dollar relative to the US dollar. The Company currently does not use derivatives to mitigate its foreign currency risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices, specifically gold. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future gold mining operations will be significantly affected by changes in the market prices for gold. Gold prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for gold, the level of interest rates, the rate of inflation, investment decisions by large holders of gold including governmental reserves and stability of exchange rates can all cause significant fluctuations in gold prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

Financial instruments

The Company has designated its cash equivalents and investments as held-for-trading, measured at fair value. Amounts receivable and tax credits receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. Liability component of convertible debentures, capital lease obligations and long-term debt is classified as "other financial liabilities" and measured at amortized cost.

The carrying value of cash equivalents, amounts receivable, tax credits receivable and accounts payable and accrued liabilities reflected in the consolidated balance sheet approximate fair value because of the limited term of these instruments. The carrying values of the liability component of convertible debentures, capital lease obligation and long-term debt approximate their fair values as current interest rates have not changed significantly.

Sensitivity analysis

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

- The Company does not hold interest bearing debt at interest rates subject to market fluctuations to give rise to interest rate risk.
- Based on the gold brick and doré inventory held by the Company as at March 31, 2009, 10% fluctuations in the exchange rate from US\$ to CDN\$ will generate increases or decreases in value of approximately \$74,000.
- Based on the gold brick and doré inventory held by the Company at March 31, 2009, an increase or decrease in the market price of gold of US\$100 per ounce would generate a respective increase or decrease in value of approximately \$80,000.
- The Company commenced commercial production during the fourth quarter of 2008. The Company has not currently hedged its future gold sales.

ALEXIS MINERALS CORPORATION

Notes to the Consolidated Financial Statements Unaudited

For the three months ended March 31, 2009 and 2008

18. COMMITMENTS AND CONTINGENCIES

(a) The Company is committed to minimum amounts under long-term capital lease agreements for equipment, which expire in September 2012. Minimum commitments remaining under these leases were approximately \$939,000, including imputed interest of approximately \$49,000, over the following years:

| | |
|------|----------------|
| 2009 | 485,000 |
| 2010 | 376,000 |
| 2011 | 57,000 |
| 2012 | 21,000 |
| | <u>939,000</u> |

(b) The Company has been named as a defendant in a legal action relating to the cancellation of 100,000 options held by a former consultant. These options expired three months after the termination of the contract pursuant to the terms of the stock option plan of the Company. The former consultant is claiming \$750,000 in damages for breach of agreement. Management believes that the claim is without merit and plans to vigorously defend itself.

(c) Pursuant to the issuance of 10,000,000 flow-through shares in October 2008, the Company renounced \$5,000,000 on qualified exploration expenditures with an effective date of December 31, 2008 in February 2009. As of March 31, 2009, the Company has expended approximately \$2,511,883 related to these flow through funds and is required to expend the balance of approximately \$2,488,117 by December 31, 2009. The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

19. INTEREST IN JOINT VENTURE

The Company is party to a 50% joint venture interest in the Rouyn Properties. Xstrata is the operator of this joint venture. The Company's proportionate share of the assets, liabilities and cash flows of this joint venture included in these consolidated financial statements are as follows:

| | <u>March 31,</u> <u>2009</u> | <u>December 31,</u> <u>2008</u> |
|--|---------------------------------|------------------------------------|
| | \$ | \$ |
| Current assets | - | - |
| Mineral properties and deferred exploration expenditures | 746,178 | 709,813 |
| Current liabilities | 17,398 | 88,517 |
| Revenues | - | - |
| Expenses | - | - |
| Cash flows from operating activities | - | - |
| Cash flows from investing activities | 728,778 | 621,296 |

20. RESTATEMENT OF FINANCIAL STATEMENTS

Upon a subsequent review of the financial statements for the quarter ended March 31, 2009, management has determined that there is no minority interest related to the joint venture associated with the VMS properties as previously disclosed. As a result, the Company is restating the financial statements for the quarter ended March 31, 2009. Consequently, as a result of the restatement, Exploration properties and deferred exploration expenditures have decreased by \$1,191,251 and Liabilities and Shareholders' Equity has decreased by \$1,191,251. This adjustment has no impact on the Consolidated Statements of Operations, Comprehensive Income (Loss) and Deficit or the Consolidated Statements of Cash Flows.