



## Management's Discussion and Analysis

For the quarter ended March 31, 2008

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The following Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Alexis Minerals Corporation ("we", "our", "us", "Alexis", or the "Company") for the quarter ended March 31, 2008 and should be read in conjunction with the Interim Unaudited Consolidated Financial Statements for the quarter ended March 31, 2008, as well as our Audited Annual Consolidated Financial Statements and related Notes and the MD&A as at and for the year ended December 31, 2007. The financial statements and related notes of Alexis have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Additional information, including our Annual Information Form dated March 31, 2008 and press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online under our profile at [www.sedar.com](http://www.sedar.com).

This MD&A reports our activities through May 12, 2008. All figures are in Canadian dollars unless otherwise indicated.

The consolidated financial statements for the three months ended March 31, 2008 are unaudited and have not been reviewed by the Company's auditors.

References to the first quarter of 2008 or Q1-2008 and the first quarter of 2007 or Q1-2007 mean the three months ended March 31, 2008 and March 31 2007 respectively.

### OVERVIEW OF THE COMPANY

Alexis is a mining exploration and development company listed on the Toronto Stock Exchange ('TSX'). The Company's primary focus is in Quebec. The Company is engaged, directly and indirectly through joint ventures, in the acquisition and exploration of mineral properties. Currently we have operations and strategic investments in the Abitibi District of Quebec, Canada, historically the 3<sup>rd</sup> richest gold producing region in the world. The Company has exploration properties as listed and described in the Company's Annual Information Form dated February 19, 2008 and as described in the Annual Audited Consolidated Financial Statements for the year ended December 31, 2007.

#### Highlights:

##### The Company

The main highlight of this quarter for Alexis was its production decision for the Lac Herbin project. The positive production decision meets our short term strategic objectives. Based on the revised feasibility study our new deposit is expected to yield an Internal Rate of Return of

238% by initially producing approximately 27,000 oz. of gold by the end of 2008, targeting 40,000 oz. of gold per year thereafter, and placing Alexis Minerals in a solid position for future growth. Cash flow from Lac Herbin will assist with the continued surface exploration and advancement of the Lac Pelletier Project in Rouyn-Noranda where management believes a second new gold mine can be brought into production. Anticipated production from the Lac Pelletier project targets approximately 45,000 oz. of gold per year commencing in 2009. We expect that the Cash flow from Lac Herbin and Lac Pelletier will support the longer term growth strategy which focuses on new mine discovery through continued aggressive surface exploration on the corporation's extensive exploration properties.

In January 2008, the Royal Canadian Mint completed refining of doré gold bars recovered from the 46,710 tonne bulk sample taken in the 2007 Phase IV program at Lac Herbin. Gold recovered totaled 6,732 troy ounces. Based on the bulk sample results, Alexis concluded that previous Indicated Resources had underestimated the gold content of mineralization recovered from the stopes mined in both the S1 and HW areas. Gold recovered during milling confirmed increases of 69% in the S1 zone and 350% in the HW zone above that expected from drill definition in these areas. This is a very significant conclusion for Alexis and offers strong upside potential in ongoing mine development and future production from the project.

In addition, in January, we internally completed a revised estimate of the Resources at Lac Herbin. Measured and Indicated Resources have increased 80% since 2006 with Measured and Indicated (M&I) Resources now standing at 894,552 metric tonnes grading 6.98 gAu/T or 200,611 ounces contained gold (oz. Au). An upper cutoff factor of 34.29 gAu/T (1.0 oz.Au/ton) was used in these calculations. The increased Resource estimates support an increased mine life at Lac Herbin, with initial, minimum four year outlook now possible. Reconciliation of the bulk sample results and potential for higher recovered ounces from mining also potentially support the application of higher cutoff grades of between 2.00 and 2.60 oz.Au/T. The production decision was based on evaluations of Resources using the lower 1.0 oz.Au/T cut off and higher cutoffs will only be employed after further mine production.

Alexis also achieved two significant milestones in the ownership of regional exploration properties in the region. During the quarter, Alexis vested into a 50% interest in all of the Rouyn-Noranda properties under the Xstrata Copper joint venture agreement and a 100% interest in the remaining 17 properties in an option agreement with Aur Resources in the Val d'Or area. Alexis has now vested in all of the exploration properties in its portfolio. Alexis now owns 212 sq.km of the Val d'Or Camp, and works in a 50/50 joint venture with Xstrata Copper on a further 786 square kilometres of the Rouyn-Noranda Camp. During 2008, Alexis and Xstrata will advance a budgeted C\$1.5M exploration program targeting Base Metal discovery. Xstrata will remain operator of this work with input from the Alexis exploration team, and under the direction of a 50/50 joint venture management committee. Alexis will also advance a separately budgeted C\$1.25M exploration program for gold in selected areas across these properties.

During the quarter, in the absence of suitable debt financing alternatives, a private placement financing for \$11.7 million was successfully completed. Alexis is now well financed and it is expected that we can fully support capital costs and working capital at Lac Herbin; continued advancement of the Lac Pelletier project; and, regional exploration objectives and potential acquisitions in the region.

## Lac Herbin

Underground development and exploration restarted early in the first quarter of 2008 after completion of the 46,710 tonne bulk sample in December 2007 and recovery of 6,732 ounces of gold. The Board of Directors made a positive production decision in February 2008 upon presentation of a revised feasibility study incorporating Phase IV results and the bulk sampling program. Staff positions have been filled and 30 hourly employees were hired in January 2008 to complete the Alexis underground work force. This group, composed of 74 employees, assumed mining operations from the underground contractor in January.

Current mine development focuses on the completion of a second egress from the mine, mine ventilation, further advancement of the main ramp to S1 and S3 zones from 250-m to the 350-m level, additional mine infrastructure and preparing several developed areas for production. The second egress, developed through the mine-ventilation raise, was completed on April 16<sup>th</sup>. The main ramp reached the first level of production of the S3 zone in April. The preparation of the first stopes were completed in March and lateral development and additional stope preparation is continuing. Development advances are presented in Table 3.

In Q1-2008 exploration has concentrated on delineation of areas in zones S1, S3, HW, HW2 and LH that will be in production in 2008. A total of 13,314 m were drilled for delineation purposes. In April, a fifth underground drill machine was mobilized to commence exploration of the S1 and S3 zones with two holes completed to date for 559 m of exploration drilling. Exploration and delineation drilling will continue with five (5) drill machines for the balance of 2008.

**Table 1: Diamond Drilling by Project, Rouyn-Noranda and Val-d'Or Quebec, Q1 - 2008**

<b>Project</b>	<b>No. of holes</b>	<b>Targets</b>	<b>Metres</b>
<b>Val-d'Or</b>	<b>Underground</b>		
Lac Herbin - Gold	78	Delineation & Exploration Drilling	13,873
	<b>Surface</b>		
Central VMS Properties - Base Metals	6	Wolverine showing Titan 24 MT anomalies Louvem 4 deep extension	3,622
<b>Val d'Or Sub-total</b>	<b>84</b>	<b>Val d'Or Sub-total Q1 - 2008</b>	<b>17,495</b>
<b>Rouyn-Noranda</b>	<b>Surface</b>		
Alexis-Xstrata JV – Base Metals			
Iamgold/Wilco	<b>3</b>	Off-hole BHEM anomaly from hole WIL-07-04ext	<b>1,423</b>
Iamgold/Pinkos	<b>1</b>	<b>VMS Titan24 MTtargets</b>	<b>912</b>
<b>Rouyn Sub-total</b>	<b>4</b>	<b>Rouyn Sub-total Q1 - 2008</b>	<b>2,335</b>
<b>Total Q1 - 2008</b>	<b>88</b>	<b>Total Q1 - 2008</b>	<b>19,830</b>

**Table 2: Annual Diamond Drill Statistics, Rouyn-Noranda and Val-d'Or, Quebec**

Project	2008 No. of holes	2008 (m)	2007 (m)	2006 (m)	2005 (m)	2004 (m)
<b>Val-d'Or</b>	<b>Underground</b>	Q1	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4
Lac Herbin-Gold	78	13,873	30,857	37,820	N/A	N/A
	<b>Surface</b>					
Aurbel & other Gold			7,786	1301	4,028	17,601
Central VMS Properties - Base Metals	6	3,622	13,031	2279	13,016	20,730
<b>Val d'Or Sub-totals</b>	<b>84</b>	<b>17,495</b>	<b>51,674</b>	<b>41,400</b>	<b>17,044</b>	<b>38,331</b>
<b>Rouyn-Noranda</b>	<b>Surface</b>					
Alexis-Xstrata JV – Base Metals	4	2,335	15,867	17,640	53,741	18,310
Alexis - Gold	0	0	7,610	5,875	3,567	4,044
<b>Rouyn Sub-totals</b>	<b>4</b>	<b>2,335</b>	<b>23,477</b>	<b>23,515</b>	<b>57,308</b>	<b>22,354</b>
<b>Grand Total</b>	<b>88</b>	<b>19,830</b>	<b>75,150</b>	<b>64,916</b>	<b>74,352</b>	<b>60,686</b>

**Table 3: Mine Development and drilling Statistics 2006 – 2008, Lac Herbin Gold Project, Val-d'Or Quebec.**

Development	2006 (m)	2007 (m)	Q1 – 2008 (m)	Q2- 2008 (m)	Q3 – 2008 (m)	Q4- 2008 (m)	Total 2006-08 (m)
Ramp Access	721	365	<b>120</b>	<b>180</b>			<b>1,386</b>
Lateral Headings & Raises	1,572	2,582	<b>839</b>	<b>273</b>			<b>5,266</b>
Diamond Drilling	37,821	31,777	<b>13,873</b>				<b>83,471</b>

An additional 105.4 m of lateral development was completed within the room and pillar stopes on the Flat Swarm during Q4-2007

A new resource calculation as at December 31<sup>st</sup>, 2007 was performed in January by Alexis technical staff. This is summarized as follows (see *Press Release*: January 30, 2008):

- Measured and Indicated Resources of 894,552 metric tonnes grading 6.98 gAu/T or 200,611 ounces contained gold (oz.Au) using an upper cut-off factor of 34.29 gAu/T (1.0 ozAu/ton). This represents an 80% increase in tonnage from previous estimates.
- Additional Inferred Resource of 422,864 tonnes grading 5.85 gAu/T or 79,482 oz.Au;
- Inferred Resources continue to be converted to Indicated Resources at the rate of very close to 100%, underscoring the persistent and identifiable quality of mineralization;

- The new Measured and Indicated Resources provide support for an initial 3-year feasibility study and a 5-year Life of Mine model presented in a revised feasibility study in February 2008, (*see Press Release: Feb. 20, 2008*).
- Reconciliation of the Q4-2007 bulk sample (*see Press Release: January 29, 2008*) potentially supports the application of a higher cut-off grade. Using a 68.57 gAu/T (2.00 oz.Au/t) cut-off increases the grade of the Measured and Indicated Resources to 894,552 tonnes grading 8.42 gAu/T or 242,234 oz. contained gold and Inferred Resource to 422,864 tonnes grading 6.62 gAu/T or 90,035 oz. contained gold. This represents upside potential for up to a >20% increase in contained ounces of gold within the Resource.
- All zones remain wide-open at depth and to the west. Good exploration potential also occurs to the east on several of the zones in the deposit; and,
- Exploration targets on the 100 sq. km Aurbel property have been recognized where repetition of the Lac Herbin environment may occur. Alexis will undertake a summer surface drill program on a 10 sq.km area targeted near the NEF gold showing.

With the Phase IV of the program of test mining and custom milling, the bulk sample program was completed in December, and 46,410 dry metric tonnes were processed, producing 6,732 oz. of gold. The reconciliation of the mill to mine results (*see Press Release: January 28, 2008*) resulted in the following positive results and conclusions:

- Strong ore continuity has been proven in all dimensions of the test stopes in the S1 and HW Zones.
- Indicated Resources significantly underestimate the gold content of subsequently mined and recovered mineralization.
- Gold recovered in milling confirms increases of 69% in S1 zone and 350% in the HW zone, **over and above** the gold content that would be estimated by the Indicated Resource method.
- Indicated Resources currently use a cut-off grade of 34.29 gAu/T (1.0 oz.Au/t), whereby all higher grade assays in the database are reduced to the cut-off grade in the Resource calculation. The Indicated Resource calculation provides a better estimate of gold content if the cut-off limit is raised to over 68.57 grams of gold per metric tonne (gAu/T) (2.00 ounces gold per short ton (oz.Au/t)).
- Indicated Resources form the largest category of Resources used in economic evaluations of the Lac Herbin Deposit. A 68.57 gAu/T cut-off applied to these Resources would have a very positive material impact on estimated deposit economics.
- Measured Resources provide a very good estimate of the gold content of mineralization in both the S1 and HW areas.
- Average Milling recoveries remain very high at 96.9%

This led to a need to revise our feasibility study published in August, 2007. We completed an internal Feasibility Study update with the following positive results, (see *Press Release*: Feb. 20, 2008):

- NPV (7%) of \$ 14.1 million with pre-production capital expenditures of \$6.7 million and IRR of 238% compared to previous feasibility results of NPV (7%) of \$4.5 million with capital expenditures of \$6.5 million and IRR of 48%. Au price used for the study was US\$850 in 2008-2009 and US\$750 in subsequent years, slightly below long term gold price averages of 10 mining analysts in Canada.
- 43-101 Proven and Probable Reserves increase 52% to 363,665 tonnes grading 7.33 g/t for 83,594 ounces recovered. An additional, large Resource base with good exploration potential will support further increases in Reserves as development and exploration of the deposit advances.
- Production plan supports annualized production of over 40,000 ounces per year at a cash cost of \$472/oz.Au (Foreign Exchange rate (Fx) of 1.0 USD/CAD)
- A revised Long Term Plan indicates NPV (7%) = \$25.9 million and IRR of 164% with pre-production capital expenditures of \$7.1 million and sustaining capital expenditures totaling \$13.4 million. Cash costs in this plan decrease to \$460/oz.Au and total costs are low compared with other deposits in the region, at \$596/oz.Au. The total costs of production benefit from low capital cost depreciation and minimal interest charges against the project.

With the reconciled mill results and the updated feasibility study, a production decision was made for the Lac Herbin Deposit. Commercial Production should be attained in Q2-2008 and full production reached in Q4-2008.

Importantly, the environment of mineralization at the Lac Herbin project is now well understood. The character and controls on the deposit appear to resemble those at several of the larger gold deposits in the Val d'Or Mining Camp. The deposit can be explained using a Riedel Shear Model controlled by the regionally extensive east-west trending Ferdeber Shear, located to the south; and a major northeast shear, located to the west of the deposit. The deposit sits in the acute angled wedge of the Bourlamaque Batholith at the intersection of these regional shears and can be expected to extend to potentially kilometeric depths along with this shear intersection. As such the current extent of exploration, a maximum of 400 to 500 metres in current drilling in the Resource area, may represent a small proportion of the overall system. A program of 40,000 to 50,000 metres of drilling will be undertaken in 2008 to further delineate and explore the deposit. A key aspect of this mine is the generation of long term cash flows to support continued exploration and mine development and other Alexis exploration initiatives.

### **Lac Pelletier Gold Project**

The next most advanced initiative for Alexis is at the Lac Pelletier Gold Project, Rouyn-Noranda, Québec. Some delays have been encountered due to problems with construction, weather and access to power, resulting in this project being approximately nine months behind initial schedules. An engineering study and mine plan is currently in preparation for the project in conjunction with a pre-feasibility study. All Certificates of Authorization have been received for dewatering of the exploration ramp, previously developed in 1992, and for an underground exploration and bulk sampling program. The underground contractor has been selected with the contract awarded to Dumas Mining. Alexis will pursue the project in 2008 with completion of site construction, mobilization of the contractor, dewatering of the ramp and a targeted

40,000 tonne bulk sample by Q4-2008. Alexis anticipates that the project will advance into production in 2009.

Two programs of surface drilling were tendered and bid during Q1-2007 and a drill was mobilized in mid-May. Drilling focused on land based drilling on a near surface/ near ramp location where large scale tonnage potential is recognized in the junction area of zone 3 with zones 4-1 and 4-2. Additional barge based drilling focused on expanding resources. 36 vertical holes (50 to 150 m each) for 3567.5m of drilling were completed. Barge-based drilling completed 14 holes for 4,042.2 metres. All new results are integrated into the data base and reinterpretation of the mineralized zones was completed. A new resource calculation and planning for a bulk sample to be taken in 2008 is advancing.

A scoping study was completed by Golder (*see Press Release: April 19, 2007*) and published in April 2007. The study confirmed that the Lac Pelletier Deposit was potentially economic at the then current gold prices. The Scoping Study demonstrated that the Lac Pelletier Project has the potential to produce in excess of 40,000 ounces per year at a cash cost of US\$423 per ounce.

The report is based on an independent resource estimate prepared by Carl Pelletier, P.Geo., of Innovexplo Inc., Independent Qualified Person as defined under NI 43-101 guidelines (*see Press Release: August 31, 2006*). Measured & Indicated Resources for the project are currently 1,240,800 tonnes grading 5.42 grams gold per tonne (g Au/t) for approximately 217,000 ounces gold with an additional Inferred Resource of 491,000 tonnes grading 4.94 g Au/t for 78,029 ounces gold. Based upon the preliminary investigations of the economies of mining this Resource, Golder has recommended that steps be taken to advance the property towards a commercial production decision.

The study resulted in:

- Daily mining rate of 700 metric tonnes per day (252,000 tonnes/year)
- Capital costs estimated to be \$CDN4.03 million
- Sustaining Capital of \$CDN 4.5 million over a minimum 3-year mine life
- Operating costs estimated to be \$CDN77.55 per tonne
- Pre-production period of 6-months to bring the deposit into full production

### **Aurbel Gold Mill**

Alexis owns a 100% interest in the 1400-TPD Aurbel gold mill. The mill and tailings are fully permitted and have been under care and maintenance since 1996. The mill is located one kilometer east of the portal to the Lac Herbin Mine and approximately 100 km from the Lac Pelletier project. The mill is centrally located on the 100 sq.km Aurbel property, central to the Alexis Val d'Or properties and approximately 8km east of the town of Val d'Or. The mill represents the central facility at which both Herbin and Pelletier ores will be processed. The mill has an independently assessed replacement value of \$36M.

During 2006 engineering studies were completed to evaluate the cost of refurbishing the mill into production. Metallurgical studies in 2007, as part of the Lac Herbin feasibility studies and the Lac Pelletier Scoping study, support conversion of the current gravity – floatation – cyanidation circuits, where only a portion of the mill feed passes through cyanidation; to a gravity – total cyanidation circuit. Test work indicated approximately a 5% improvement in overall gold recoveries with this change and a very short payback on the additional capital cost is anticipated. It is currently estimated that the cost of conversion to the gravity- total cyanidation approach, refurbishment of the mill and expansion of the permitted tailings pond,

will be \$11.2 M. Tailings from both operations will be inert and pose no environmental hazards. It is estimated that the mill refurbishment would take 4 – 5 months.

Alexis monitors the status of the gold projects in development at Lac Herbin and Lac Pelletier and the availability of custom milling through available Custom Gold Mills in the Val d'Or area. A decision to approve the refurbishment of the Aurbel Mill will be taken as the economics dictate; balancing ore production, Reserves and Resources, capital costs, custom mill availability and Aurbel-operating versus custom milling costs. Alexis plans on custom milling ore in 2008 and will review mill refurbishment again later in 2008. A custom milling contract to meet Alexis needs has been signed.

An Aurbel Gold Mill Closure Plan, a plan required under Quebec Ministry regulations, was resubmitted by Aur Resources in 2007 and is in final review. This plan will form the base case closure plan for a refurbished Aurbel Gold Mill.

### **Surface Exploration**

In early **January, 2008**, Alexis Minerals vested into a 50% interest in properties covering approximately 786 sq.km. of the Rouyn-Noranda Mining District. The property package covers approximately 70% of prospective ground over the prolific Central Mining Camp of the Rouyn-Noranda District and its extension into the surrounding Archean Blake River Group of metavolcanic rocks. The area has a long history of discovery and production for both base metals and gold, with historical production of 2.4 million tonnes (Mt) Copper (Cu), 1.9 Mt Zinc (Zn), 19.5 million ounces (M oz.) gold (Au) and 94.4 M oz. Silver (Ag). The properties cover the former producing Horne, Quemont, Ansil, Corbet, Gallen, Waite, East Waite, Waite Amulet and Newbec Deposits; the West Ansil deposit discovered during the option period; as well as numerous showings and occurrences.

In the Val d'Or area, Alexis owns a 100% interest on the Aurbel property, which covers approximately 100 sq.km of the Bourlamaque Batholith and includes the past-producing Ferdeber and Dumont gold deposits. Alexis vested in an option to acquire all Aur Resources Inc.'s ("AUR") interests in 17 contiguous, gold and base metal properties in the central area of the Val-d'Or Camp, subject to certain NSR royalties, during Q1-2008. These land holdings cover a 25 km strike extension, and 109 sq. km of, the prospective Val-d'Or Formation. Two properties within the package, the Louvex and Bonnefond properties, are operated by Alexis under the terms of the Louvaur Joint Venture. Alexis is earning into AUR's 55% interest in this JV and Xstrata Copper, the joint venture partner in this area is in mandatory dilution, having elected in January 2007 not to fund their proportion of exploration costs within the Louvaur joint venture. The Val d'Or property area is favourable for both gold and base metal exploration and discovery, and hosts eight past-producing gold and base metal mines. Historical production from the Camp is 0.7 million tonnes (Mt) of copper, 0.7 Mt zinc, 18.4 Million ounces of gold and 50.0 M.oz of silver.

Vesting in both the Rouyn-Noranda and Val d'Or properties is a significant step for Alexis. Ownership of these areas now confirms Alexis as a significant long-term influence to mining and exploration in the Abitibi District. It is the first time in the history of the region that one company has held such a large package of strategic properties in these two mining camps.

Aggressive programs of surface exploration continued throughout 2007 for both gold and base metals. Alexis completed 20,641 metres of surface drilling in Val d'Or and 23,769 metres in

Rouyn-Noranda during 2007. Drilling statistics are shown in tables 1 and 2. This long term focus on exploration through the region will continue through 2008.

## **Val d'Or**

### **Central VMS Camp**

Exploration activities in Q1-2008 focused on compilation and reinterpretation of the Louvex, Beacon, Dunraine, Colombière, Manitou, Auriac and Abitibi properties, all being part of the Central VMS Camp in Val-d'Or area.

Drilling was performed on the:

- Manitou property where three holes (450 meters) tested the Wolverine showing, and one hole (946 meters) tested a deep Titan 24 MT anomaly;
- Dunraine property where one hole (753 meters) tested a Titan24 MT anomaly;
- Beacon-Louvex properties where one hole remains in progress to test a target located under the former Louvem 4 deposit. This hole was at 1346 meters at the end of March and is still in progress.

Best results obtained from that drilling are from the Manitou property with the following intercepts on the Wolverine showing (PR – April 9<sup>th</sup>, 2008):

- Hole 17420-03:
  - 0.69% Zn, 24.0 g/t Ag, 0.73 g/t Au over 6.2 m (from 54.9 to 60.2 m)
  - 4.26% Zn, 0.27% Cu, 186 g/t Ag, 1.49 g/t Au, 0.26% Pb over 4.5 m (from 83.2 to 87.7 m)
- Hole 17420-04
  - 1.14% Zn, 78.0 g/t Ag, 0.2 g/t Au and 0.31% Pb over 3.0 m (from 44.5 to 47.5 m)
  - 0.83% Zn, 21.7 g/t Ag, 0.2 g/t Au over 7.0 m (from 67.0 to 74.0 m)
- Hole 17420-05
  - 1.21% Zn, 4.0 g/t Ag, 0.48 g/t Au, 0.26% Pb over 3.4 m (from 59.5 to 62.9 m)
  - 2.12% Zn, 41.1 g/t Ag, 0.75 g/t Au, 0.18% Pb over 6.5 m (from 92.5 to 99.0 m)

An exploration hole drilled on the Titan 24 MT anomaly, MAN-01-01, has identified a possible broad off-hole (PEM) anomaly with very weak amplitude on the Z component. The X and Y components will be performed later in the Q2-2008.

### **Aurbel property**

Compilation and interpretation of the entire Aurbel property covering the Bourlamaque batholith was started during Q1-2008 with the objective of designing an exploration program including drilling.

## **Rouyn-Noranda**

### **Lac Pelletier property**

The Alexis geologists have also undertaken a compilation of the Lac Pelletier property outside of the Lac Pelletier deposit. Drilling on new targets will be proposed later this year.

## Xstrata Joint-venture

During Q1-2008 Xstrata, the operator of the joint-venture has drilled four holes (2335m) on two properties.

On the Wilco property, drill holes WIL-08-05 and -06 were both abandoned due to excessive deviation at the start of the holes. The holes were stopped at 234 and 156 metres in length while testing the offhole anomaly identified 165 metres to the east of hole WIL-07-04ext. The third attempt, WIL-08-07, was successful intersecting the targeted eastern edge zone of modeled BHEM plate (within 10m). Massive black chlorite was intersected between 336.5 and 344m down the hole, near a mafic-felsic volcanic contact. At first, the conductor was explained by the intersection of graphitic sediments, the hole was completed to a depth of 1033 metres.

The BHEM survey showed an inhole anomaly associated with the graphite zone with the bulk of the conductor located towards the original offhole anomaly in hole WIL-07-04. The geophysicist has recently remodeled the offhole signature from WIL-07-04 and the inhole signature from WIL-08-07. It is now concluded that the inhole response (graphite) is too far from the targeted anomaly in WIL-07-04 to be able to explain the offhole anomaly. Their position may be very close stratigraphically and uncertainty remains.

On the Pinkos property, hole PNK-08-08 targeted the top of the Cyprus Rhyolite near the intersection of a NE trending fault, an area also associated with a weak MT source, south of hole PNK-06-02 which showed an intersection of 8.1% Zn over 2.6m. The hole was completed at a depth of 912m within the Cyprus Rhyolite which appears to be overprinted by chlorite alteration. No significant sulphides were intersected at the contact of the Cyprus Rhyolite and the source of the MT anomaly appears to be due a series of faults and shear zones intersected earlier in the hole. The BHEM survey was completed and no conductors were identified.

## **Technical Reporting**

Technical programs and information included in this report has been supervised, compiled and/or reviewed and approved by Qualified Persons as defined under NI 43-101:

### Qualified Person (Geology)

Olivier Grondin, P.Geo.  
Patrick Sevigny, P.Eng. Mine Manager  
Keith Boyle, P.Eng.  
Denys Vermette, M. Sc. P. Geo.  
Louis Martin, P.Geo., Xstrata Copper Canada  
Claude Gobeil, P.Geo..  
Jean Girard, P.Eng.  
Francois Chabot, P.Eng , Golder

### Project Responsibility

Lac Herbin and Aurbel, Geology  
Lac Herbin Engineering and Mining  
Lac Pelletier Engineering and Mining  
Val-d'Or Central VMS  
Rouyn-Noranda, Base Metals  
Resource Estimates  
Rouyn-Noranda, Gold and Lac Pelletier  
Lac Herbin Feasibility Study

## Development and Exploration Properties:

### Val-d'Or Properties, Quebec:

- **Aurbel**

The Company owns a vested, 100% interest on the Aurbel property, which covers 431 claims, 4 mining leases and one surface lease in the Bourlamaque, Senneville, and Louvicourt Townships, Quebec. The Aurbel Gold Mill is centrally-located on the property and is capable of processing 1400 metric tonnes per day. The mill has been on care and maintenance since 1996. An application for a Mining Lease over the area of the Lac Herbin Deposit was made in January 2007. The lease application has been advanced and is expected to be received in Q2-2008. All other permitting in support of a production decision was in place in Q1-2008.

- **Central VMS Properties**

With a payment of \$1,000 000 in March 2008, the Company earned into a 100% interest in all Aur Resources Inc.'s ("AUR") interests in 17 gold and base metal properties in the central area of the Val-d'Or Camp, subject to certain NSR royalties. The land holdings cover a 25 km strike extension and 109 sq. km of the prospective Val-d'Or Formation. Two properties within the package, the Louvex and Bonnefond properties, are operated by Alexis under the terms of the Louvaur Joint Venture. Alexis has earned into AUR's 55% interest in the JV. Novicourt's 45% interest in the Louvaur Joint Venture was acquired by Falconbridge and subsequently Xstrata Copper. In January 2007, Xstrata Copper elected not to fund additional exploration expenditures and Xstrata Copper interests will now undergo mandatory dilution.

- **Langlade, Quebec**

In July 2004, the Company entered into an agreement to option 24 claims from Cambior Inc. (20%) and Resource Orient Inc. (80%), in Bourlamaque Township, Val-d'Or Quebec. The Company completed a winter work program during Q1-2007 and has vested in the property.

### Rouyn-Noranda Properties, Quebec

- **Lac Pelletier Property**

The Company is in good standing on an option agreement with Thundermin Resources Inc. [TSX: THR] ("Thundermin") made in September 2005. Alexis can acquire a 100% interest over a 3-year option agreement in the Lac Pelletier property, 35 claims and 2 mining concessions covering 722.6 hectares located 4 km southwest of the town of Rouyn-Noranda. The property is within trucking distance of the Aurbel gold mill in Val-d'Or

- **Xstrata Copper Canada – Alexis Joint Venture**

In January 2008 Alexis vested its option to acquire from Falconbridge Ltd. (now Xstrata Copper Canada) ("Xstrata Copper") a 50% interest in all of Xstrata Copper's properties in the prospective Rouyn-Noranda Base Metal and Gold Camp, Quebec, with the exception of those parts of the Properties containing areas where Xstrata Copper performed prior mining operations ("Restricted Properties"), and subject to underlying agreements with third parties.. The land position covers mineral rights, mining claims and mining concessions over an area of approximately 786 sq. km. within the Blake River Group, Southern Abitibi District, Quebec. Alexis will have no current or future environmental liabilities from previous work or mining activities related to Xstrata Copper's prior work on the Restricted Properties, except to the extent that such environmental liabilities were caused or amplified, in whole or in part, by Xstrata Copper, in its role as operator in the agreement with Alexis or by Alexis during its activities on the properties. A 50% beneficial interest in all minerals located on, or in, Restricted Properties will be subject to the joint venture agreement.

## Financial Information:

### Significant Accounting Policies

The Company's significant accounting policies are subject to estimates and, key judgments about future events, many of which are beyond management's control. A detailed summary of the Company's significant accounting policies is included in note 2 of the Company's Annual Audited Consolidated Financial Statements for the year ended December 31, 2007.

### **ACCOUNTING CHANGES**

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. These standards are effective for interim and annual consolidated financial statements for the Company's reporting period beginning on January 1, 2008.

#### Capital Disclosures

Handbook Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such noncompliance. The Company has included disclosures recommended by the new Handbook section in note 3 to the interim unaudited consolidated financial statements for the quarter ended March 31, 2008.

#### Financial Instruments – Disclosures and Presentation

Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Company has included disclosures recommended by the new Handbook section in note 4 to the interim unaudited consolidated financial statements for the quarter ended March 31, 2008.

### Liquidity and Capital Resources

As at March 31, 2008, the Company had working capital of \$15,017,696 compared to working capital of \$14,004,735 at December 31, 2007. Cash appropriated for exploration expenditures of \$nil (2007: \$530,034) related to exploration has been classified as a long term asset in order to match it with the long term exploration expenditures it will support.

The Company applies for refundable tax credits to certain Quebec government bodies at each taxation year end and records the expected amounts as an amount receivable. An amount of \$1,170,503 in assistance is expected to be received in Q2-2008 relating to the year ended December 31, 2006. For the year ended December 31, 2007, the Company has recorded \$10,884,123 in assistance. The Company has applied for this in Q2-2008.

In December 2007, the Company signed short-term demand loan agreements with two major Canadian chartered banks for non-revolving demand loans of up to \$5.9M. These loans are secured against the anticipated 2007 Quebec government assistance as described above. A loan guarantee was received from Investissement Quebec to support the loans and a fee of 3%, or \$177,600, was charged. This fee was paid in December 2007 and will be amortized over the term of the loan. The banks have advanced \$5,345,689 at an interest rate of Prime plus 0.75%. In accordance with the loan guarantee provided by Investissement Quebec, the bank held back a total of \$150,000 of the loan. This amount is invested in a Guaranteed Investment Certificate ("GIC") in the name of the Company.

In March 2008, the Company completed a brokered private placement financing. The Company entered into an agreement with Cormark Securities Inc., as lead underwriter on behalf of a syndicate including Canaccord Adams and CIBC World Markets Inc., pursuant to which the underwriters agreed to purchase 16,714,286 units of the Company at a price of \$0.70 per unit for gross proceeds of \$11,700,000. Each unit consists of one common share of the Company and one half of one common share purchase warrant. Each whole warrant shall be exercisable into one common share of the Company at a price of \$1.00 per share for a period of two years following closing. The Company shall have the right, commencing 365 days after closing of the financing, to call the outstanding warrants for expiry upon 30 days notice should the common shares close at or above \$1.50 for 20 consecutive trading days. The underwriters were entitled to a cash commission equal to 6% of the gross proceeds raised.

During the quarter ended March 31, 2008, 10,000 options were exercised for gross proceeds of \$7,900.

The Company has and will utilize its working capital to meet exploration funding obligations as described under the Significant Future Obligations section of this report, and to bring its two gold projects Lac Herbin and Lac Pelletier into development and to fund its corporate overheads.

### Significant Future Obligations

The Company has entered into several agreements to fund exploration on certain properties as follows:

#### **Val d'Or**

- **Aurbel (including Lac Herbin and Aurbel Gold Mill)**

The Company exceeded contractual exploration commitments to complete the acquisition of a 50% interest in the Aurbel properties from Aur Resources Inc. ("AUR") during 2006. Alexis elected to purchase the remaining 50% interest in the Aurbel property with the payment of \$2,000,000 and an additional cash payment of \$1,000,000 to purchase the 1400 tonne-per-day Aurbel Gold Mill. Due diligence environmental assessment reviews and an engineering review for re-commissioning of the plant were completed during 2006. The transaction closed during Q3-2006 and a partial payment of \$500,000 against a \$1,000,000 hold-back was paid upon successful submission by AUR of the Aurbel Closure Plan to the respective Quebec Mining Authorities. The final with-held payment of \$500,000 is expected to be made in 2008 upon acceptance by the authorities of the closure plan.

## **Val d'Or Office Purchase**

The Company purchased the Val d'Or office from Aur Resources Inc. in July 2006 for \$550,000, with a cash payment of \$100,000 and a commitment to pay the balance in monthly installments of \$10,000 over 45 months. The commitment has been recorded as long term debt discounted at a rate of 6.28%.

## **Rouyn-Noranda**

- **Lac Pelletier Property Acquisition**

The Company has invested a total of \$3.2 in the Lac Pelletier property to date, in excess of the required \$1,000,000 option work commitment required to earn its 100% interest. Alexis can earn its 100% interest by bringing the deposit into production prior to December 2008 or make a small cash payment to extend this timeframe to December 2009.

- **Rouyn-Noranda Properties, Quebec**

During the first quarter of 2008, Alexis vested in its option to acquire from Falconbridge Ltd. (now Xstrata Copper Canada) ("Xstrata Copper") a 50% interest in all of Xstrata Copper's properties in the prospective Rouyn-Noranda Base Metal and Gold Camp, Quebec. The Company plans to contribute equally to future expenditures to pursue further exploration and development of the properties in the 50/50 joint venture.

## Results of Operations

### For the quarter ended March 31, 2008:

The net loss for the quarter ended March 31, 2008 was \$652,510 compared to a loss of \$995,719 for the quarter ended March 31, 2007, a decrease of \$343,209.

Stock based compensation is a non-cash expense included in professional, consulting and management costs. The Company applies the fair value method of accounting for stock-based compensation. During Q1-2008, 100,000 stock options were granted to directors, officers, employees and consultants of the Company resulting in \$61,100 in stock based compensation expense recorded to the Statement of Operations (Q1-2007: \$nil). As well, stock options vested during the current period resulting in a charge of \$33,234 to deferred project costs. During the Q1-2007, 225,000 stock options were granted resulting in a charge of \$55,551 to deferred project costs.

The Company also recognized a non cash future income tax recovery of \$144,000 during the first quarter of 2008 compared to \$nil for the comparative quarter.

Professional, consulting and management costs, net of stock based compensation expense, decreased by \$497,764 primarily as a result of performance bonuses awarded to management, employees and consultants during the comparative Q1-2007. The Company is growing and moving towards production. There is a very competitive environment related to attracting and maintaining qualified employees and consultants. The Company provides bonuses and stock based compensation to maintain and attract qualified people. The bonuses and options are

awarded based on certain milestones and the timing of these awards can cause fluctuations in the expense line item professional, consulting and management fees.

Shareholder communications and travel costs combined increased by \$69,190 during Q1-2008 compared to Q1-2007. The Company is incurring higher sustaining fees as a result of being listed on the TSX. The Company is also utilizing a consultant in the United States to raise investor awareness in the American market place. In addition Alexis has undertaken several new marketing strategies using television media to increase investor awareness in North America.

Interest, accretion and finance costs, long term and current, increased by \$75,809 this quarter compared to the first quarter of 2007.

Interest income decreased by \$96,265 during Q1-2008 compared to Q1-2007 as a result of lower average cash balances held throughout the quarter and lower interest rates. The Company invests its excess cash primarily in bankers' acceptances.

### Quarterly information

The quarterly results have been as follows (Tabular amounts in \$000 except for per share amounts):

#### **Summary Financial Information for the Eight Quarters Ended March 31, 2008**

<b>Period</b>	<b>Revenues</b>	<b>Total assets</b>	<b>Net Income (Loss)</b>	<b>Net Income (Loss) per Share</b>	<b>Long term financial liabilities</b>
1 <sup>st</sup> Quarter 2008	Nil	80,621	(652)	(0.01)	4,898
4 <sup>th</sup> Quarter 2007	Nil	71,305	1,945	0.02	4,407
3 <sup>rd</sup> Quarter 2007	Nil	68,475	(2,112)	(0.02)	3,720
2 <sup>nd</sup> Quarter 2007	Nil	68,975	(592)	(0.01)	3,443
1 <sup>st</sup> Quarter 2007	Nil	65,892	(996)	(0.01)	3,355
4 <sup>th</sup> Quarter 2006	Nil	40,565	83	0.00	3,273
3 <sup>rd</sup> Quarter 2006	Nil	37,098	(516)	(0.01)	3,238
2 <sup>nd</sup> Quarter 2006	Nil	33,414	(548)	(0.01)	2,908

As the Company has no revenue at this point in time, the net income or loss results primarily from corporate overheads including stock based compensation, the write-off of exploration properties, and interest expense and other financing charges related to the convertible debentures and short term loans. Income is generated through interest earned on bankers acceptance investments and future income tax recoveries. Stock based compensation is a non-cash expense representing an estimate of the fair value of options granted to directors, officers, employees and consultants of the Company calculated by applying the Black Scholes option pricing model.

Future tax recoveries during the periods ending December 31, 2006 and December 31, 2007 relating to the anticipated renunciation of flow through shares primarily contributed to the net

income for this period. The sharp increase in net loss during the third quarter of 2007 resulted from stock based compensation expense of \$1,666,000 charged to operations.

The general trend in increasing assets has resulted from the Company raising funds through private placements and investing in its exploration properties in Quebec.

The long term liability recognized during the second quarter of 2006 is a result of the liability portion of the convertible debentures issued in May 2006. During the third quarter of 2006, long term liabilities increased as a result of the purchase of the Val d'Or office. During the fourth quarter of 2006, the Company recognized an asset retirement obligation of \$423,000 related to the Aurbel Mill purchased during the year. During the third and fourth quarters of 2007, the Company entered into capital lease agreements for up to 48 months to purchase exploration equipment, resulting in increased long term liabilities for those quarters.

### Cash Flows

Cash provided by operating activities for the quarter ended March 31, 2008 was \$5,701,608 compared to the use of \$974,381 for the quarter ended March 31, 2007. Administrative expenses and interest income used \$497,469 during the first quarter of 2008 compared to \$823,985 used during the first quarter of 2007. Non-cash working capital provided \$6,199,077 during the current quarter under review compared to the use of \$150,396 for the quarter ended March 31, 2007. During the current quarter, the Company sold its gold inventory produced from the bulk sample of Q4-2007.

Cash provided by financing activities was \$10,166,559 during the quarter ended March 31, 2008 compared to \$24,587,707 during the quarter ended March 31, 2007. The Company participated in a private placement financing during the first quarter of 2008 generating cash proceeds, net of financing costs, of \$10,377,350 as discussed in the Liquidity and Capital Resources section of this report (Q1 2007: \$23,284,177). Warrants and options were exercised throughout the current quarter generating \$7,900 in cash proceeds compared to \$776,577 during the quarter ended March 31, 2007. As well, during Q1-2007, the Company drew down \$556,953 from its demand loan facility. The Company made payments during the current quarter of \$46,587 against long term debt compared to \$30,000 during Q1-2007. The Company also made payments against capital leases of \$172,104 during Q1-2008 compared to \$nil during Q1-2007.

Cash from investing activities used \$9,786,444 during the quarter ended March 31, 2008 compared to \$5,208,065 during the quarter ended March 31, 2007. Expenditures on exploration interests, net of government assistance, used \$8,222,982 during the current quarter compared to \$5,719,370 used during Q1-2007. Cash appropriated for exploration expenditures decreased by \$530,034 during the current quarter as the Company transferred funds from the trust account held exclusively for Xstrata to fund exploration that enabled the Company to vest in its 50% interest in the properties. In the comparative quarter, cash appropriated for exploration expenditure increased by \$203,105 as the Company funded the trust account. There was no change during the current quarter related to prepaid exploration expenditures and deposits and advances for exploration activities compared to an increase of \$719,310 during the Q1-2007. Exploration accounts payable decreased by \$1,419,031 during the current quarter compared to an increase of \$1,474,072 during the quarter ended March 31, 2007. Lastly, the Company used \$674,465 to fund equipment purchases during the quarter ended March 31, 2008 compared to \$40,352 during the comparative quarter.

Cash expenditures on properties for the quarter ended March 31, 2008 was as follows:

Cash expenditures for the period

Description	Rouyn (\$)	Lac Pelletier (\$)	VMS (\$)	Aurbel (\$)	Lac Herbin (\$)	Other (\$)	TOTAL (\$)
Acquisition and property maintenance	9,612	-	1,000,000	11,991	-	-	1,021,603
Underground mining	-	-	-	-	1,038,506	-	1,038,506
Underground development	-	-	-	-	1,862,410	-	1,862,410
Underground services	-	43,745	-	-	977,450	-	1,021,195
Surface development	-	479,768	-	-	204,785	-	684,553
Drilling and assaying	391,560	5,863	417,713	-	696,800	-	1,511,936
Engineering	-	117,753	-	-	137,841	-	255,594
Geology and geophysics	85,559	59,024	49,664	-	105,945	-	300,192
Environment	128	1,585	-	-	36,317	-	38,030
Other exploration costs	-	34,375	-	-	48,709	-	83,084
Administration	178,429	30,970	208,466	15,712	302,826	-	736,403
Net gold sales from bulk sample	-	-	-	-	(330,524)	-	(330,524)
							-
Q1 2008	665,288	773,083	1,675,843	27,703	5,081,065	-	8,222,982

Transactions with Related Parties

The Company was charged \$15,000 during the quarter ended March 31, 2008 (Q1 2007: \$17,100) by companies controlled by directors of the Company for administration and engineering services.

An amount of \$455,000 is payable to directors and officers or companies controlled by directors and officers of the Company at March 31, 2008 (Q1 2007: \$30,954).

During the quarter ended March 31, 2008, 100,000 options were granted to a newly appointed officer of the Company exercisable at a price of \$0.88 per share (Q1 2007: nil).

The Company shares its premises with other companies that have common directors and officers, and the Company reimburses the related companies for their proportional share of the expenses. Included in accounts payable and accrued liabilities at March 31, 2008 is \$5,353 (Q1 2007: \$28,036) owing to such companies. As well, the Company is owed \$7,599 from related parties for shared expenses (Q1 2007: \$171).

A royalty of US\$106,124 (CDN\$106,591) was paid to a company controlled by a director of the Company, all of which was accrued at December 31, 2007 (Q1 2007: US\$27,493 (CDN\$32,316)).

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.

## Outstanding Share Data

As May 12, 2008, 117,420,745 common shares of the Company are outstanding. Of the options to purchase common shares issued to service providers under the share option plan of the Company, 8,766,500 remain outstanding with exercise prices ranging from \$0.255 to \$1.14 and with expiry dates ranging between September 5, 2008 and January 30, 2013. If exercised, 8,766,500 common shares would be issued generating \$6,111,200 in proceeds.

As at May 12, 2008, there were 20,857,143 share purchase warrants outstanding with exercise prices ranging from \$1.00 to \$1.35, expiring between February 13, 2009 and March 18, 2010. If exercised, 20,857,143 common shares would be issued generating \$25,232,143 in proceeds.

## Contractual Obligations and Contingencies

The following table summarizes the Company's contractual obligations over the next five years and thereafter.

Contractual Obligation	Total	Payments due by period:			
		< 1 year	1 - 3 years	4 - 5 years	> 5 years
Long term debt	250,000	120,000	130,000	-	-
Equipment financing	252,362	76,223	140,911	35,228	-
Capital lease obligations	1,227,564	546,392	681,172	-	-
Contractual commitments	509,833	239,833	270,000	-	-
	<u>2,239,759</u>	<u>982,448</u>	<u>1,222,083</u>	<u>35,228</u>	<u>-</u>

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to \$3 million be made upon the occurrence of certain events such as a change of control. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these consolidated financial statements.

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 were cancelled 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.

## Subsequent Events:

In April 2008, 100,000 stock options were exercised for gross proceeds of \$38,000. Also, on May 11, 2008, 968,300 warrants with an exercise price of \$0.75 expired unexercised.

Also subsequent to the end of the quarter, 213,695 common shares were issued in lieu of interest related to the convertible debentures outstanding.

Other:

## Risks and Uncertainties

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration, development and operation of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company.

### *Nature of Mining, Mineral Exploration and Development Projects*

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in the mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Indeed, current market conditions are forcing many mining operations to increase capital and operating cost estimates. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

### *No Revenues*

To date the Company has recorded very limited revenues from operations and the Company has not commenced commercial production on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations.

The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming development. There can be no assurance that the Company will generate any revenues or achieve profitability.

#### *Liquidity Concerns and Future Financings*

The Company will require significant capital and operating expenditures in connection with the development of its properties. There can be no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

#### *Foreign Exchange*

Gold is sold in United States dollars and consequently, the Company is subject to foreign exchange risks relating to the relative value of the Canadian dollar as compared to the US dollar. To the extent Alexis generates revenue upon reaching the production stage on its properties, it will be subject to foreign exchange risks as revenues will be received in US dollars while operating and capital costs will be incurred primarily in Canadian dollars. A decline in the US dollar would result in a decrease in the real value of Alexis's revenues and adversely affect its financial performance.

#### *Mineral Resource and Mineral Reserve Estimates May be Inaccurate*

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, and actual events could have a material adverse effect on the Company's mineral reserve estimates.

#### *Licences and Permits, Laws and Regulations*

The Company's exploration and development activities, including mine, mill, road, rail and port facilities, require permits and approvals from various government authorities, and are subject to extensive federal, provincial and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that Alexis will be able to maintain or obtain all necessary licences, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

### *Gold and Base Metal Prices*

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

### *Environmental*

The Company's activities are subject to extensive federal, provincial and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

### *Title to Properties*

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

### *Uninsured Risks*

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the common shares of the Company.

### *Competition*

Alexis competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

### *Dependence on Outside Parties*

Alexis has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on Alexis.

### *Qualified Personnel*

Recruiting and retaining qualified personnel in the future is critical to the Company's success. As the Company develops the Lac Herbin and Lac Pelletier properties toward commercial production, the need for skilled labour will increase. The number of persons skilled in the exploration and development of mining properties is limited and competition for this workforce is intense. The development of the Company's properties may be significantly delayed or otherwise adversely affected if the Company can not recruit and retain qualified personnel as and when required.

### *Availability of Reasonably Priced Raw Materials and Mining Equipment*

Alexis will require a variety of raw materials in its business as well as a wide variety of mining equipment. To the extent these materials or equipment are unavailable or available only at significantly increased prices, the Company's production and financial performance could be adversely impacted.

### *Failure to Meet Production Targets and Cost Estimates*

The Company prepares future production and capital cost estimates. If commercial production commences, actual production and costs may vary from the estimates for a variety of reasons such as estimates of grade, tonnage, dilution and metallurgical and other characteristics of the ore varying from the actual ore mined, revisions to mine plans, risks and hazards associated with mining, adverse weather conditions, unexpected labour shortages or strikes, equipment failures and other interruptions in production capabilities. If commercial production begins, production costs may also be affected by increased mining costs, variations in predicted grades of the deposits, increases in level of ore impurities, labour costs, raw material costs, inflation and fluctuations in currency exchange rates. Failure to achieve production targets or cost estimates could have a material adverse impact on the Company's sales, profitability, cash flow and overall financial performance. In the event that the Company obtains debt financing, repayment terms associated with such financing will likely be based on production schedule estimates. Any failure to meet such timelines or to produce amounts forecast may constitute defaults under such debt financing, which could result in the Company having to repay loans.

### *Share Price Fluctuations*

The market price of securities of many companies, particularly development stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

### *Conflicts of Interest*

A number of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of Alexis may have a conflict of interest in negotiating and concluding terms respecting such participation. Further, certain of the directors and officers are involved in other gold companies and other companies that are developing mines. As a result, conflicts of interest may arise and officers and directors cannot devote 100% of their time to Alexis.

### Critical Accounting Estimates

The preparation of the Company's Consolidated Financial Statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed, and estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock based compensation and the valuation of income tax accounts. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material

### Off Balance Sheet items

We do not have any off balance sheet items

### Multilateral Instrument 52-109 Disclosure

Evaluation of disclosure controls and procedures

We have evaluated the effectiveness of our disclosure controls and procedures and have concluded, based on our evaluation that they are sufficiently effective to provide reasonable assurance that material information relating to the Company is made known to management and disclosed in accordance with applicable securities regulations.

Internal controls over financial reporting

The Chief Executive Officer and Chief Financial Officer, together with other members of management, after having designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reporting in accordance with the issuer's GAAP as of March 31, 2008 have not identified any changes to the Company's internal control over financial reporting which would materially affect, or is reasonably likely to materially affect the Company's internal control over financial reporting.

## Outlook

Alexis has an exciting year planned for 2008. We intend to advance to full production at Lac Herbin by the fourth quarter of 2008 producing approximately 27,200 ounces of gold in 2008 utilizing custom milling.

At Lac Pelletier we intend to advance with the pre-feasibility, dewater and complete a 40,000 tonne bulk sample.

Surface exploration will continue in the Val D'or and Rouyn Noranda camps and we intend to complete a further 32,000 meters of Diamond drilling.

In the latter part of the year we intend to make a decision regarding the potential refurbishment of the Aurbel Mill.

## AUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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Except for statements of historical fact relating to Alexis certain information contained herein constitutes forward-looking information. Forward-looking information includes, but is not limited to, statements with respect to the development potential of the Company's properties; the future price of gold and other minerals; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward - looking information is based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of mining at the Company's projects are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates are set out herein. Capital and operating cost estimates are based on extensive research of the Company, purchase orders placed by the Company to date, recent estimates of construction and mining costs and other factors that are set out herein. Production estimates are based on mine plans and production schedules, which have been developed by the Company's personnel and independent consultants. These estimates are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Alexis to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during construction, expansion and start-up; variations in mineral grade and recovery rates; delay or failure to receive government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of gold and other minerals; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There

can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

May 12, 2008