



Management's Discussion and Analysis

For the three and nine months ended September 30, 2008

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 three and nine months ended September 30, 2008 and should be read in conjunction with the Interim Unaudited Consolidated Financial Statements for the three and nine months ended September 30, 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.

This MD&A reports our activities through November 5, 2008. All figures are in Canadian dollars unless otherwise indicated.

The consolidated financial statements for the three and nine months ended September 30, 2008 are unaudited and have not been reviewed by the Company's auditors.

References to the first, second and third quarters of 2008 or Q1-2008, Q2-2008 and Q3-2008 and the first, second and third quarters of 2007 or Q1-2007, Q2-2007 and Q3-2007 mean the three months ended March 31, June 30 and September 30 2008 and 2007 respectively.

OVERVIEW OF THE COMPANY

Alexis is a mining, exploration and development company listed on the Toronto Stock Exchange ('TSX') under the symbol "AMC". 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 3rd richest gold producing region in the world. The Company has exploration properties as listed and described in the Company's Annual Information Form dated March 31, 2008 and as described in the Annual Audited Consolidated Financial Statements for the year ended December 31, 2007.

HIGHLIGHTS

THE COMPANY

Alexis continued progress at its 100% owned Lac Herbin gold mine with another custom gold milling campaign completed on schedule. This recently concluded milling campaign indicated that grades calculated for the stockpiles during mining again underestimated the actual milled

grades. Commercial Production was achieved at Lac Herbin as planned, on October 1, 2008; an official opening ceremony was held October 2; and Full Production is still expected by the end of 2008. It is expected that the production target of 17,000 oz. Au in 2008 will be met by that time. Alexis Minerals continues to implement its short to medium term strategy focused on mine development and production from Lac Herbin, and it will now generate cash flows to support the ongoing and longer term strategy focused on regional exploration.

In early September Alexis also announced a large off-hole anomaly in the Deep West target area, adjacent to the past-producing Louvicourt deposit. This was followed up in October with news that the Company had discovered a copper-rich massive sulphide zone with a 54.0 metre copper-rich stringer zone 1.5 km from the past producing Louvicourt Mine.

Potential for exploration, development and additional production from the Lac Pelletier Deposit in Rouyn-Noranda is currently the focus of ongoing pre-feasibility studies. Regional exploration of the two large property packages in the Val d'Or and Rouyn-Noranda mining camps is continuing in the search for world class gold and base metal deposits.

PROJECT UPDATES AND ACTIVITY

Lac Herbin Project, Val d'Or Quebec

Underground development and exploration continued during the third quarter of 2008. The work led to the development of production areas for the fourth quarter and year 2009. Production drilling started in September and blasting and mucking of initial stoping areas of the deposit commenced. The second milling campaign of the year began on September 15th and was completed on October 10th. A total of 26,768 tonnes grading 7.05 g/t were milled to produce 5,811 oz.Au. At the end of September, 74 employees were working in the mining operations. During Q3, 2 lost time accidents occurred. The year to date accident frequency is 4.7, below the Quebec average of 5.8.

Current mine development focuses on continuing main ramp development, where the 330-m level was reached. New horizons for mining were reached in the S1 and S3 zones. The main ramp development will remain a priority over the rest of the year. The S3 zone is now developed on 6 levels and S1 zone is accessible on 3 levels. Lateral development was completed in the S1E zone on the up-plunge extension of the zone on the 150-m level. Development advances are presented in Table 3.

During Q3-2008 diamond drilling has concentrated on delineation and infill drilling of areas of the S3, HW2 and S1 zones needing more information prior to development. A total of 6,968 m were drilled for delineation purposes. During Q3-2008, a total of 9,621 m were drilled for exploration purposes. Exploration drilling targeted the deeper extensions of the S3 and S1 zones, as well as the Lac Herbin zone and some limited lateral exploration drilling on the main deposit area.

**Table 1: Diamond Drilling by Project,
Rouyn-Noranda and Val-d'Or Quebec, Q3 - 2008**

Project	No. of holes	Targets	Metres
Val-d'Or	Underground		
Lac Herbin - Gold	110	Delineation & Exploration Drilling	16,589
	Surface		
Central VMS Properties - Base Metals	11	Dunraine property, Deep West target (Louvex-Dunraine-Chimo), and Courageous property	4,990
Val d'Or Sub-total	121	Val d'Or Sub-total Q3 - 2008	21,579
Rouyn-Noranda	Surface		
Alexis-Xstrata JV - Base Metals			
Iamgold/Here	2	Here Property	1226
Iamgold/Pinkos	1	VMS Titan24 MTtargets	696
Rouyn Sub-total	3	Rouyn Sub-total Q3 - 2008	1,922
Total Q3 - 2008	124	Total Q3- 2008	23,501

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)
Val-d'Or	Underground	Q1 -Q3	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4
Lac Herbin-Gold	236	39,783	30,857	37,820	N/A	N/A
	Surface					
Aurbel & other Gold			7,786	1,301	4,028	17,601
Central VMS Properties - Base Metals	24	13,586	13,031	2,279	13,016	20,730
Val d'Or Sub-totals	260	53,369	51,674	41,400	17,044	38,331
Rouyn-Noranda	Surface					
Alexis-Xstrata JV - Base Metals	10	7,619	15,867	17,640	53,741	18,310
Alexis - Gold	0	0	7,610	5,875	3,567	4,044
Rouyn Sub-totals	10	7,619	23,477	23,515	57,308	22,354
Grand Total	270	60,988	75,150	64,916	74,352	60,686

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	120	416	179		1,801
Lateral Headings & Raises	1,572	2,582	839	924	1,021		6,938
Diamond Drilling	37,821	31,777	8,933	14,260	16,589		109,380

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

Resources at the Lac Herbin Mine were calculated at December 31st, 2007 by Alexis technical staff. They are 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/fall 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 2007, 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):

- Alexis uses a Foreign Exchange rate (Fx) of US\$1.0 = C\$1.0 in the Feasibility Study.
- 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 C\$472/oz.Au
- 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 was projected in Q2-2008 and full production reached in Q4-2008. Minor delays in Q2-2008 delayed commercial production to the beginning of 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 has been 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.

Changing Economic Financial Conditions:

The recent volatility in the price of gold, US\$/C\$ exchange rates and financial markets has a positive effect on the US\$ production costs at the Lac Herbin Mine and income in C\$ from gold sales. Since production costs are in C\$, it is management's preference to retain the use of C\$ costs and to use the C\$ gold price in reporting on the mine. The C\$ exchange rate often moves conversely to changes in the US\$ gold price and use of C\$ values has a moderating influence on reporting. Also, the exchange rate and gold price are market determined outside of Alexis' control. Our focus remains on the C\$ production cost and increasing profitability moving forward.

Lac Pelletier Gold Project

The next most advanced initiative for Alexis is at the Lac Pelletier Gold Project, Rouyn-Noranda, Québec. The project pre-feasibility is being completed addressing detailed mine planning and project economics in light of the significant cost increases seen throughout the industry. 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. 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.

In light of market conditions changing since the completion of the scoping study completed by Golder (see *Press Release*: April 19, 2007) and published in April 2007, identifying and managing the risks associated with the project have become the focus of the pre-feasibility study. A new resource calculation was completed using a longitudinal method including the recent drilling and confirmed the independent resource calculation completed in 2006.

Some basic assumptions used in the scoping study have changed and are being incorporated in the pre-feasibility study to be completed in Q4 2008. Other options to maximize value to the property are being reviewed as part of the overall study. A positive outcome to the pre-feasibility with positive gold metal price evolution is expected to keep the project on track to make a production decision in 2009.

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 kilometre 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 – flotation – 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 \$9.2M (consultant's estimates, 2007). 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 has earned 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 Q3-2008 focused on compilation and reinterpretation of the Louvex, Beacon, Dunraine, Colombière, Manitou, Sleepy, Courageous and Abitibi properties, all being part of the Central VMS Camp in Val-d'Or area.

Drilling was performed on the:

- Courageous-Sleepy Lake properties where two holes were completed to test IP and/or MegaTEM anomalies associated with two mineralized axis oriented WNW and NNE. No significant result came from that drilling.
- Dunraine property where three holes were completed and a fourth one still in progress to test four new targets generated by our compilation and reinterpretation program. Results of this program will be discussed in the fourth quarter;
- Louvex-Dunraine properties where two holes (17314-10 and 17314-10B) were completed to test the "Deep West" target" located south of the border of Louvex property on the Dunraine property.

Best results obtained from that drilling are from the deep drilling on the "Deep West" target on the Louvex-Dunraine properties (PR – September 03rd and October 17th, 2008):

The wedged hole 17314-10B has intersected a **3.45 metre interval of volcanogenic massive to semi-massive sulphides grading 6.81% Copper (Cu) and underlain by a substantial 54.0 metre-wide, alteration and copper-rich stringer sulphide zone**. The hole successfully tested the very western edge of an off-hole geophysical anomaly identified in early September in hole 17314-10 [See *press release*: September 03 2008]. The Deep West intersection is located on the wholly-owned Dunraine property, 1750 metres vertically below surface and 1.5 km west of the past producing Louvicourt Mine in Val d'Or, Quebec [*Past Production: 15.65 Million tonnes (Mt) @ 3.42% Copper (Cu), 1.59% Zinc (Zn), 25.8 gpt silver (gpt Ag) and 0.92 gpt gold (Au)*].

Selected rush assays have been received from a 14.4 metre wide interval from 2008.6 m to 2023.0 m, bracketing the interval hosting the Massive Sulphide zone between 2014.55 m to 2018.0 m. Results to date include:

- **3.60% Cu over 9.40 m in a combined stringer and Massive Sulphide zone** between 2008.6 m and 2018.0 m; including,
- **6.81% Cu over 3.45 m in Massive to Semi-Massive Sulphides** between 2014.55 and 2018.0m.

Assay results from the remainder of the underlying 54.0 m-wide stringer sulphide zone above 2008.6 m, have not yet been reported.

The sulphide zone exhibits several classical styles of sulphide mineralization in a typical Volcanogenic Massive Sulphide (VMS) environment. Sulphide mineralization grades upwards from a Cu-rich stringer and alteration zone into a massive sulphide horizon located within the extension of the productive Louvicourt Mine Sequence and associated with Volcaniclastic Sediments (VSEDS). The sulphides are dominantly chalcopyrite, pyrite and pyrrhotite. Results for the commonly associated Zn, Ag and Au in a VMS system are low, however these are similar to those reported associated with chalcopyrite and pyrrhotite rich areas of the Louvicourt deposit.

Intense chlorite alteration with disseminated sulphide mineralization, surprisingly, persists well above the new VMS discovery. This hanging wall alteration is locally characterized by coarse garnet with magnetite alteration mineralogy more intense than that encountered lower in the stratigraphy. This may suggest potential for a stacked VMS system with additional potential for sulphide occurrences higher in the stratigraphy and in the untested area to the south of the new zone.

Aurbel property

Compilation and interpretation of the entire Aurbel property covering the Bourlamaque batholith was started during Q1-2008 and pursued during Q3-2008 with the objective of designing an exploration program including drilling at the beginning of Q4-2008. Drilling will begin in October.

Rouyn-Noranda

Lac Pelletier property

The Alexis geologists have completed a compilation of the Lac Pelletier property outside of the Lac Pelletier deposit. An exploration program has been designed and drilling on new targets will be proposed for later this year or next year.

Xstrata Joint-venture

During Q3-2008 Xstrata, the operator of the joint-venture has completed one hole (696 m) on the Pinkos property and two holes (1226 m) on the Here property.

Hole PNK-08-12 was completed to a depth of 696 metres. The hole is testing an IP anomaly at a rhyolite-andesite contact, 300 metres west of the Hatfield Showing (0.53% Zn, 0.15% Cu over 0.35m), along a horizon parallel and to the east of the Here contact. The IP anomaly was explained by the presence of 10-15% finely disseminated and veins of Py from 639.5 to 646.2. The Pulse EM survey identified a weak large wavelength build up at the end of the hole. The geophysicist interprets that the BHEM profiles could be explained by the combined effect of two weak conductors: an overburden trough along the Kinojevis River and a westerly dipping formational conductor (shear or graphite) as detected by MEGATEM survey along the river.

Drill hole HER-08-01 was completed at a depth of 736 metres while testing a contact between a mafic tuff and andesites, 350m below a semi-massive sulphide intersection that assayed 4.05% Zn, 0.59% Cu, 22 g/t Ag over 0.92m. The start of the hole was marked by hematized and chloritized rhyolites with various mafic dykes. Two sections of mineralized rhyolites were intersected; the first from 377.6 to 384 with locally 4% Py and 1% Cpy over 0.5m. The second rhyolite was intersected from 438.7m to 426.2m, whose lower contact was marked by a small stringer zone with 10% Py, 3-4% Cpy over 0.9m. This corresponds to the targeted zone. Chloritized andesites with local mineralized quartz veins containing Py, Spy and Cpy were intersected from 658 to 731m down the hole. Several of these veins were cut over a core length of 1 metre. The hole was blocked and could not be surveyed with the BHEM instrument. Several samples were anomalous in Cu and Zn, hosted in the rhyolites and andesites. The best intersection corresponded to the target horizon which assayed 1.47% Cu and 18.3 g/t Ag over 0.9 metres.

Drill hole HER-08-02 was completed to a final depth of 490m testing the extension of a mineralized mafic tuff, 300m below the Anglo B showing, close to a N-S diabase dyke. The lower half of the hole included silicified dacites/andesites and rhyolites with locally 0.5 to 1% Sph and Cpy disseminated and along fractures. BHEM survey did not identify any conductive sulphides within the survey range of the hole.

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

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.Eng.
Jean Girard, P.Eng.
Francois Chabot, P.Eng , Golder

Project Responsibility

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

Alexis believes that the drill core widths represented herein closely approximate true widths.

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

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.

Inventories

Handbook Section 3031 replaces the previous inventories standard and requires inventory to be measured at the lower of cost and net realizable value and includes guidance on the determination of cost, including allocation of overheads and other costs to inventory. Further, it requires the reversal of previous write-downs to net realizable value when the economic circumstances have changed to support an increased inventory value.

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 September 30, 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 September 30, 2008.

Recently issued accounting pronouncements:

(i) Goodwill and Intangible Assets

The CICA issued Handbook Section 3064 "Goodwill and Intangible Assets", which will replace the existing Goodwill and Intangible Asset standard. The new standard revises the requirement for recognition, measurement, presentation and disclosure of intangible assets. 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.

(ii) International Financial Reporting Standards

In February 2008, the Accounting Standards Board (AcSB) confirmed that Canadian public companies will have to adopt International Financial Reporting Standards (IFRS) effective for years beginning on or after January 1, 2011. The Company is currently evaluating the impact this new framework.

Liquidity and Capital Resources

As at September 30, 2008, the Company had working capital of \$6,764,790 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 would 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 \$1,139,547 in assistance was received in Q3-2008 relating to the year ended December 31, 2006. For the year ended December 31, 2007, the Company recorded \$10,884,123 in assistance. The Company applied for this in Q2-2008 and received \$8,900,568 related to this assistance. The Company has accrued a further \$3,757,850 in refundable tax credits related to expenditures during the nine months ended September 30, 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 were 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 has been amortized over the term of the loan. The banks had advanced \$5,345,689 at an interest rate of Prime plus 0.75%, and upon receipt of the government assistance applied for the 2007 taxation year, these loans were repaid in full during the current quarter. In accordance with the loan guarantee provided by Investissement Quebec, the bank held back a total of \$150,000 of the loan, which was invested in a Guaranteed Investment Certificate ("GIC") in the name of the Company. At the time the loans were discharged, the GIC was redeemed for cash.

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.

Subsequent to the end of the quarter, the Company completed a brokered private placement financing raising \$5,000,000 through the issuance of 10,000,000 flow-through shares of the Company at a price of \$0.50 per share. The agent received a commission of 6% of gross proceeds raised as well as 600,000 broker warrants, with each broker warrant exercisable into one common share of the Company at a price of \$0.50 per share and expiring two years from the date of issue.

During the nine months ended September 30, 2008, 410,000 options were exercised for gross proceeds of \$122,400.

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, to bring its two gold projects Lac Herbin and Lac Pelletier into production, and to fund its corporate and operating 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 \$3.6 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. The Company made a payment of \$75,000 during the quarter to extend the production decision deadline.

- **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 September 30, 2008:

The net loss for the quarter ended September 30, 2008 was \$1,161,957 compared to a loss of \$2,112,119 for the quarter ended September 30, 2007, a decrease of \$950,162.

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 Q3-2008, 2,296,500 stock options were granted to directors, officers, employees and consultants of the Company compared to 3,677,500 stock options granted during the third quarter of 2007. A total of \$560,280 was charged to Professional, consulting and management fees during the three months ended September 30, 2008 in relation to this option grant, while \$197,109 was charged to deferred project costs. During the comparative quarter, \$1,666,170 was charged to Professional, consulting and management fees, while \$267,412 was charged to deferred project costs.

The Company also recognized a non cash future income tax recovery of \$36,000 during the third quarter of 2008 compared to \$nil during Q3-2007.

Administrative expenses, net of stock based compensation, increased by \$191,728 from \$445,949 during the comparative quarter to \$637,677 during the current quarter. This increase is primarily attributed to decreases in Interest income and increases in Interest, accretion and finance costs.

Interest, accretion and finance costs, long term and current, increased by \$58,685 this quarter compared to the third quarter of 2007. The bulk of this increase is attributed to the amortization of loan engagement fees related to the demand loan discussed. The fees charged and being amortized this year are higher than last year as a result of a larger loan.

Interest income decreased by \$167,428 during Q3-2008 compared to Q3-2007 as a result of lower average cash balances held throughout the quarter. The Company invests its excess cash primarily in bankers' acceptances.

For the nine months ended September 30, 2008:

The net loss for the nine months ended September 30, 2008 was \$2,179,789 compared to a loss of \$3,700,249 for the nine months ended September 30, 2007, a difference of \$1,520,460.

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 the nine months ended September 30, 2008, 2,396,500 (2007: 4,002,500) stock options were granted to directors, officers, employees and consultants of the Company resulting in \$621,380 in stock based compensation expense recorded to the Statement of Operations (2007: \$1,741,970) and \$255,462 (2007: \$334,076) recorded to deferred project costs.

The Company also recognized a non cash future income tax recovery of \$621,000 during the nine months ended September 30, 2008 compared to \$nil for the comparative period.

Administrative expenses, net of stock based compensation, increased by \$221,130 for the current period compared to the comparative nine month period. This increase is attributable to decreased Interest income earned, increases in Interest, accretion and finance costs and

increases in Shareholder communications costs and occupancy costs, offset by decreases in Professional, consulting and management costs.

Interest income decreased by \$412,953 during the current nine month period compared to the comparative period 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.

Interest, accretion and finance costs, long term and current, increased by \$218,064 for the nine months ended September 30, 2008 compared to the same period last year.

Shareholder communications are higher for the nine months ending September 30, 2008 compared to the same period in 2007. The Company is incurring higher sustaining fees as a result of being listed on the TSX, however this is in part offset by listing fees incurred during the comparative period. The Company is also utilizing a consultant in the United States to raise investor awareness there. The Company is incurring higher occupancy costs as a result of leasehold improvements for their shared office space.

Professional, consulting and management costs, net of stock based compensation expense, decreased by \$452,730 primarily as a result of performance bonuses awarded to management, employees and consultants during the comparative period in 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.

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 September 30, 2008

Period	Revenues	Total assets	Net Income (Loss)	Net Income (Loss) per Share	Long term financial liabilities
3 rd Quarter 2008	Nil	76,249	(1,162)	(0.01)	4,843
2 nd Quarter 2008	Nil	81,725	(366)	(0.00)	4,771
1 st Quarter 2008	Nil	80,621	(652)	(0.01)	4,898
4 th Quarter 2007	Nil	71,305	1,945	0.02	4,407
3 rd Quarter 2007	Nil	68,475	(2,112)	(0.02)	3,720
2 nd Quarter 2007	Nil	68,975	(592)	(0.01)	3,443
1 st Quarter 2007	Nil	65,892	(996)	(0.01)	3,355
4 th Quarter 2006	Nil	40,565	83	0.00	3,273

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 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 increase in net loss during the third quarter of 2008 is also attributable to stock based compensation expense of \$560,280 during the quarter.

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 decrease in assets during Q3-2008 results from the repayment of the short term debt with proceeds from the tax credit receivable.

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

For the quarter ended September 30, 2008

Cash used by operating activities for the quarter ended September 30, 2008 was \$1,731,048 compared to the use of \$202,364 for the quarter ended September 30, 2007. Administrative expenses and interest income used \$394,789 during the third quarter of 2008 compared to \$302,271 used during the third quarter of 2007. Non-cash working capital used \$1,336,259 during the current quarter compared to providing \$99,907 during Q3-2007. In September 2008, the Company began a milling campaign resulting in gold inventory at September 30, 2008 resulting in the large non-cash working capital change for the quarter.

Cash used by financing activities was \$5,392,383 during the quarter ended September 30, 2008 compared to providing \$23,250 during the quarter ended September 30, 2007. The Company repaid the demand loan during the quarter resulting in the use of \$5,345,689. Warrants and options were exercised throughout the quarter generating \$76,500 in cash proceeds compared to \$53,250 during the quarter ended September 30, 2007. The Company made payments during the current quarter of \$46,077 related to long term debt compared to \$30,000 during Q3-2007. The Company also made payments related to capital leases of \$77,117 during Q3-2008 compared to \$nil during Q3-2007.

Cash from investing activities provided \$6,377,555 during the quarter ended September 30, 2008 compared to using \$7,191,354 during the quarter ended September 30, 2007. The Company received \$10,040,115 in exploration tax credits during the quarter compared to \$385,291 during the comparative quarter. Restricted cash in the form of a GIC was released and redeemed for cash proceeds of \$150,000 compared to \$nil during the comparative quarter. Expenditures on exploration interests, net of government assistance, used \$4,012,342 during the current quarter compared to \$6,980,781 used during Q3-2007. There was no change to cash appropriated for exploration expenditure during the current quarter compared to a decrease of \$89,608 as the Company drew down on 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 a decrease of \$755,067 during Q3-2007. Exploration accounts payable increased by \$467,181 during the current quarter compared to a decrease of \$833,027 during the quarter ended September 30, 2007. Lastly, the Company used \$267,399 to fund equipment purchases during the quarter ended September 30, 2008 compared to \$557,512 during the comparative quarter.

Cash expenditures on properties for the quarter ended September 30, 2008 was as follows:

Cash expenditures for the period							
Description	Rouyn (\$)	Lac Pelletier (\$)	VMS (\$)	Aurbel (\$)	Lac Herbin (\$)	Other (\$)	TOTAL (\$)
Acquisition and property maintenance	11,075	98,597	753	8,175	-	-	118,600
Preproduction costs	-	-	-	-	511,148	-	511,148
Underground development	-	-	-	-	1,281,267	-	1,281,267
Surface development	-	51,493	-	-	-	-	51,493
Drilling and assaying	181,070	-	817,461	774	94,067	-	1,093,372
Engineering	-	33,886	-	-	-	-	33,886
Geology and geophysics	64,438	15,021	73,226	139	583,920	-	736,744
Environment	1,165	-	-	-	-	-	1,165
Other exploration costs	-	(5,758)	120	-	-	-	(5,638)
Site administration	55,238	40,380	262,210	43,902	22,627	-	424,357
Net gold sales from bulk sample	-	-	-	-	(337,423)	-	(337,423)
Government assistance	21,991	-	2,294	7,984	71,102	-	103,371
							-
Balance, September 30, 2008	334,977	233,619	1,156,064	60,974	2,226,708	-	4,012,342

For the nine months ended September 30, 2008

Cash used by operating activities for the nine months ended September 30, 2008 was \$1,244,077 compared to the use of \$1,666,761 for the nine months ended September 30, 2007. Administrative expenses and interest income used \$1,457,341 during the nine months ended September 30, 2008 compared to \$1,469,771 used during the nine months ended September 30, 2007. Non-cash working capital provided \$213,264 during the current period under review compared to the use of \$196,990 for the comparative period.

Cash provided by financing activities was \$4,635,832 during the nine months ended September 30, 2008 compared to \$27,100,452 during the nine months ended September 30, 2007. The Company participated in a private placement financing during the first quarter of 2008 generating cash proceeds, net of financing costs, of \$10,363,344 as discussed in the Liquidity and Capital Resources section of this report (2007: \$23,284,177). Warrants and options were exercised throughout the nine month period generating \$122,400 in cash proceeds compared to \$3,349,322 during the nine months ended September 30, 2007. As well, during the current period, the Company repaid the demand loan facility of \$5,345,689, compared to drawing down \$556,953 during the comparative period. The Company made payments during the current period of \$139,570 against long term debt compared to \$90,000 during the same nine month period in 2007. The Company also made payments against capital leases of \$364,653 during these nine months of 2008 compared to \$nil during the comparative period.

Cash from investing activities used \$7,751,615 during the nine months ended September 30, 2008 compared to \$20,353,637 during the nine months ended September 30, 2007. The Company received \$10,040,115 in exploration tax credits during the current period compared to \$385,291 during the comparative period. Restricted cash in the form of a GIC was released

and redeemed during the period for cash proceeds of \$150,000 compared to \$nil during the comparative period. Expenditures on exploration interests, net of government assistance, used \$17,422,110 during the current period compared to \$18,962,611 used during the comparative period. 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 period, cash appropriated for exploration expenditure increased by \$390,876 as the Company funded the trust account. There was no change during the current nine months related to prepaid exploration expenditures and deposits and advances for exploration activities compared to an increase of \$165,594 during the first nine months of 2007. Exploration accounts payable increased by \$1,082,127 during the current period compared to an increase of \$1,598,318 during the comparative period. Lastly, the Company used \$2,131,781 to fund equipment purchases during the nine months ended September 30, 2008 compared to \$2,818,165 during the comparative nine month period.

Cash expenditures on properties for the nine months ended September 30, 2008 was as follows:

Cash expenditures for the period							
Description	Rouyn (\$)	Lac Pelletier (\$)	VMS (\$)	Aurbel (\$)	Lac Herbin (\$)	Other (\$)	TOTAL (\$)
Acquisition and property maintenance	22,851	98,663	1,000,753	37,710	-	-	1,159,977
Preproduction costs	-	-	-	-	8,397,666	-	8,397,666
Underground development	-	-	-	-	5,203,184	-	5,203,184
Surface development	-	697,047	-	-	-	-	697,047
Drilling and assaying	786,083	6,069	1,973,653	774	103,489	-	2,870,068
Engineering	-	258,750	-	-	-	-	258,750
Geology and geophysics	241,587	119,932	154,536	283	788,226	-	1,304,564
Environment	2,021	8,333	-	-	-	-	10,354
Other exploration costs	-	28,617	7,691	-	-	-	36,308
Site administration	241,295	93,136	659,417	96,770	36,314	-	1,126,932
Net gold sales from bulk sample	-	-	-	-	(3,814,280)	-	(3,814,280)
Government assistance	75,649	-	9,956	14,833	71,102	-	171,540
							-
Balance, September 30, 2008	1,369,486	1,310,547	3,806,006	150,370	10,785,701	-	17,422,110

Transactions with Related Parties

The Company was charged \$15,000 and \$45,000 during the three and nine months ended September 30, 2008 respectively (Q3 2007: \$19,200; 2007: \$51,300) by companies controlled by directors of the Company for administration and engineering services.

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 September 30, 2008 is \$nil (2007: \$34,446) owing to such companies. The Company has advanced \$39,304 to such companies to cover shared expenses (2007: \$nil). As well, the Company is owed \$13,909 from related parties for shared expenses (2007: \$2,679).

A royalty of US\$106,124 (CDN\$106,591) was paid during the quarter ended March 31, 2008 to a company controlled by a director of the Company, all of which had been accrued at

December 31, 2007. A further US\$159,000 was accrued at September 30, 2008 related to gold production during the nine months ended September 30, 2008.

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.

Directors and Officers Compensation

During the three and nine months ended September 30, 2008, the Company paid or accrued \$112,500 and \$727,500 in fees and bonuses to directors of the Company (Q3 2007: \$716,896; 2007: \$550,000). During the three and nine months ended September 30, 2008, the Company paid or accrued \$106,020 and \$365,710 in fees and bonuses to officers of the Company (Q3: \$86,000 and \$176,000).

During the three and nine months ended September 30, 2008, 1,700,000 and 1,800,000 options (Q3 2007: 3,075,000 and 2007: 3,175,000) were granted to directors and officers of the company at a weighted average exercise price of \$0.51 per share (2007: \$0.81) expiring five years from the date of grant.

Outstanding Share Data

As November 5, 2008, 128,084,827 common shares of the Company are outstanding. Of the options to purchase common shares issued under the share option plan of the Company, 10,761,500 remain outstanding with exercise prices ranging from \$0.40 to \$1.14 and with expiry dates ranging between November 17, 2008 and August 5, 2013. If exercised, 10,761,500 common shares would be issued generating \$7,159,235 in proceeds.

As at November 5, 2008, there were 21,457,143 share purchase warrants outstanding with exercise prices ranging from \$0.50 to \$1.35, expiring between February 13, 2009 and October 15, 2010. If exercised, 21,657,143 common shares would be issued generating \$25,532,143 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	190,000	120,000	70,000	-	-
Equipment financing	211,367	70,456	140,911	-	-
Capital lease obligations	1,053,487	575,321	453,979	24,187	-
Contractual commitments	384,000	204,000	180,000	-	-
	<u>1,838,854</u>	<u>969,777</u>	<u>844,890</u>	<u>24,187</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:

The Company commenced commercial production on October 1, 2008. The Company completed a custom milling campaign in October 2008 recovering a total of 5,860 ounces of gold from 26,769 dry tonnes of ore processed. In October 2008, the Company sold 5,000 oz of gold at a weighted average price of \$948 per oz.

Also in October, the Company completed a private placement financing raising \$5,000,000 through the issuance of 10,000,000 flow-through common shares of the Company at a price of \$0.50 per share. In connection with this financing, a commission of 6% was paid and 600,000 broker warrants were granted to the agent. Each broker warrant is exercisable into one common share of the company at a price of \$0.50 per share for a period of two years from the date of grant. As a result of the issuance of these flow-through shares, the Company will be required to spend \$5,000,000 in qualified exploration expenditures by December 31, 2009.

The Company issued 364,082 shares at a price of \$0.3479 in lieu of a cash debenture interest due on October 30, 2008.

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

Controls and Procedures

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 September 30, 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 17,000 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.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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, and they 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.

November 5, 2008