

ALEXANDRIA MINERALS CORPORATION

Price (October 29, 2009)	\$0.085
52-Week High-Low	\$0.115-\$0.02
Shares O/S	77.69 million
Market Cap	\$6.6 million
50-day Average Volume	337,000
200-day Average Volume	235,800
Year-End	April 30
Symbol	TSX-V: AZX
Website	www.azx.ca



Source: www.bigcharts.com

Financial Data

(C\$000s)	Year end Apr. 30/08	Year end Apr. 30/09	12 months Jul. 31/09
Revenues	-	-	-
EBITDA	(\$1,328.2)	(\$982.0)	(\$1,019.4)
Net Income	(\$1,184.6)	(\$1,155.1)	(\$1,156.9)
Operating Cash Flow	(\$1,185.3)	(\$973.1)	(\$1,012.3)

Selected Balance Sheet (C\$000s)

	Year end Apr. 30/08	Year end Apr. 30/09	12 months Jul. 31/09
Cash & ST Investments	\$2,290.2	\$1,929.5	\$1,611.0
Shareholders' Equity	\$10,160.4	\$10,448.3	\$10,424.1
Total Assets	\$11,627.8	\$11,893.7	\$11,796.6

Key Ratios

	Year end Apr. 30/08	Year end Apr. 30/09	12 months Jul. 31/09
Monthly Cash Burn (000)	\$102	\$71	\$74
Monthly Capex (000)	\$296	\$184	\$122
Cash/Oprex (months)	22.4	27.3	21.8
Cash/Oprex+Capex (mnths)	5.8	7.6	8.2

Per Share (PS)

	Year end Apr. 30/08	Year end Apr. 30/09	12 months Jul. 31/09
Earnings (Loss) PS	(\$0.02)	(\$0.02)	(\$0.02)
Cash PS	\$0.04	\$0.03	\$0.02
Mineral Property PS	\$0.11	\$0.11	\$0.12
Cash and Property SP	\$0.14	\$0.14	\$0.14
Equity Book Value PS	\$0.16	\$0.14	\$0.13

Multiples (times)

	Year end Apr. 30/08	Year end Apr. 30/09	12 months Jul. 31/09
Price/Cash	4.09x	2.18x	3.13x
Price/Property Book Value	1.40x	0.48x	0.54x
Price/Cash & Properties	1.05x	0.39x	0.46x
Price/Book Equity	0.92x	0.40x	0.48x

(See our ratio analysis on page 3)

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THE COMPANY

Alexandria Minerals Corporation ("Alexandria" or the "Company") owns a portfolio of high-potential properties located in the Abitibi Greenstone Belt (Ontario and Quebec). This belt has produced more than 200 million ounces of gold since the 1900s. Alexandria owns 27 properties in 5 areas. Its holdings include: the Cadillac Break Property Group, Siscoe East, Quevillon, Matechewan, Gwillim, and Joannes properties. Management has extensive experience in mining exploration and development. The Company's liquidity is sufficient to finance its 2010 drill program and keep its properties in good standing over the next 2 years.

SIGNIFICANT DEVELOPMENTS

Since our June 26, 2009 Information Report, the Company has achieved the following:

- Obtained a NI 43-101 resource estimate for the 100%-owned Sleepy gold project with an Inferred Resource of 1.56 million tonnes grading 3.0 g/t Au, for 150,400 oz of gold.
- Obtained a NI 43-101 resource estimate for the 100%-owned Orenada project with: (1) total Measured and Indicated Resources (at Orenada 4 and 2) of 4.6 million tonnes grading 1.82 g/t Au, for 268,528 oz of gold; and (2) an Inferred Resource of 2.5 million tonnes grading 1.56 g/t Au, for 124,248 oz of gold. The Company has begun an NI 43-101 compliant preliminary economic assessment (PEA) of Orenada due to: (1) the positive results from the resource estimate study; and (2) the favourable location of the property within the Val d'Or mining district, which has well-developed infrastructure. The PEA is scheduled to be completed shortly.
- The Company will soon be drilling at the Akasaba project, a major project in the Company's property portfolio. We believe that, with over \$1.6 million in cash and short-term investments, the Company is in a good position to fund its exploration program through calendar 2010.

PROPERTY HIGHLIGHTS

Since our Information Report, there have been significant changes at *the Cadillac Break Property Group* as reported in the previous Significant Developments section. In addition, the Company also has completed the following activities:

- Acquired the remaining 49% interest in the Valdora property, which it did not already own, at Val d'Or, Quebec from Thundermin Resources Inc. The purchase brings Alexandria's total interest in the property to 100% (see our July 23, 2009 Bulletin).

Link: http://www.eresearch.ca/report/AZX_072309-B.pdf

- Purchased 100% of Teck Resources Limited's interest in 47 mining claims on two properties at Alexandria's Cadillac Break Property Group in Val d'Or, Quebec (see our July 3, 2009 Bulletin).

Link: http://www.eresearch.ca/report/AZX_070309-B.pdf

Note: For a detailed description of the Cadillac Property Group, see our June 26, 2009 Information Report.

Link: http://www.eresearch.ca/report/AZX_062609-F.pdf

Joannes Property: Situated about 20 km east of Noranda and straddles 6 km of the Cadillac Break. The Company has optioned the southern half of its Joannes property to Aurizon Mines Ltd. which has its own Measured and Indicated resource of 630,000 oz Au and which is developing its open pit Joanna deposit about 100m west.

In September 2009, the Company discovered new high-grade gold mineralization at its Joannes Township claims in Quebec. The discovery was made during a summer surface-sampling program. As a follow-up to Aurizon Mines Ltd.'s (the optionee of the property) spring drilling, the program identified an anomalous area (0.75 kilometres long by 0.40 kilometres wide) with grab samples containing up to 11.8 g/t gold (see our September 2, 2009 Perspective).

Link: http://www.eresearch.ca/report/AZX_090209-B.pdf

Note: Other properties (below) remain the same as reported in our June 26, 2009 Information Report.

Siscoe East Property (Val d'Or region, Quebec): Located close to the past-producing Siscoe Mine, which produced 800,000 oz of gold at a grade of 9.22 g/t from 1929 to 1949. Significant work has been done on the property including: a geophysical survey, a magnetic survey, an IP, and a seismic survey. Historical drill activity indicates significant potential for high-grade gold. Drilling has started on high potential targets.

Gwillim Property: Located in the Chibougamau district, adjacent to the Gwillim Mine which produced 35,000 oz of

gold in the 1970s. A surface prospecting and mapping program was completed in 2006.

Quevillon Property: Situated about 120 km northeast of Val d'Or. The region hosts several gold deposits. The nearby Comtois property, owned by Maudore Minerals

Ltd., is estimated to contain 250,000 oz of gold in a similar geophysical environment. A magnetic and IP survey and surface geological mapping were done on the property.

Matachewan Property: Situated about 3 km east of two past-producing gold mines – Matachewan Consolidated and Young Davidson Mines. It is about 60 km southwest of the prolific Kirkland Lake camp. The Company has 40 claims, 2368 ha on the Matachewan property, and 9 claims, 1328 ha under an option agreement. It has already completed a 12-hole drill program.

CORPORATE STRATEGY

- Carry out a cautiously aggressive exploration program over the next 12 months, to be managed in such a way that it can cope with the current difficult economic conditions;
- Continue to adopt a flexible approach to: (a) enlarging known deposits; and (b) discovering new deposits;
- Complete the PEA study on Orenada project, expected in the fall of 2009;
- Achieve another NI 43-101 compliance resource estimate for a third property in the Cadillac Property Group by the end of 2009;
- Start the drilling program at the Akasaba project; and
- Continue to evaluate potential acquisition targets as new growth opportunities.

MANAGEMENT

The Company is led by a strong management team. In our view, experienced and knowledgeable management is a key factor when assessing a company for investment.

- **Eric Owens** (President) co-founded Alexandria. He has 23 years of experience in mineral exploration. Mr. Owens is a professional geologist and was previously with Newmont Mining, BHP Minerals, Phelps Dodge, and Echo Bay. Accomplishments include: initial discovery holes at Intrepid Minerals' El Zapote silver deposit (El Salvador); definition drilling of the American Girl and Madre gold mines (California) and Brookbank gold project (Ontario); and a number of discoveries of precious metals in North and Central America.
- **Eddy Canova** (Executive VP) is also a co-founder who has over 27 years of experience in mineral exploration in Canada, South America, and Africa. He advanced many projects and discoveries such as the Macleod Lake copper-molybdenum-silver-gold deposit in Quebec. He also managed production activities as an Exploration Manager and Mine Manager for Bolivar Goldfields in Venezuela.

Selected Financials (CAD\$)	Year end	Year end	12 months
	Apr. 30 2008	Apr. 30 2009	Jul. 31 2009
Revenues	-	-	-
Operating Expenses (cash burn)	1,225,868	849,126	885,807
Exploration Expense	102,379	132,871	133,571
Adjusted EBITDA	(1,328,247)	(981,997)	(1,019,378)
Depreciation & Amortization	6,249	4,850	4,531
All non-cash expenses	169,340	8,932	7,043
Stock-based Compensation	(560,507)	(137,459)	(102,026)
Net Income/(Loss)	(1,184,640)	(1,155,070)	(1,156,871)
Total Shares Outstanding	62,449,871	76,551,668	77,692,694
Weighted Avg. Shares O/S	49,059,104	73,453,700	70,096,283
Earnings (Loss) Per Share	(\$0.02)	(\$0.02)	(\$0.02)
Cash Flow From Operations	(1,185,253)	(973,065)	(1,012,335)
Capital Expenditures	(3,450,263)	(2,074,527)	(1,330,954)
Acquisitions/Equipments	(185,439)	(78,037)	(80,181)
Free Cash Flow	(4,520,955)	(3,151,005)	(3,448,846)
Working Capital Changes	(1,777,645)	922,215	1,404,780
Equity Financing	7,931,323	1,705,900	316,900
Change in Cash	1,090,518	(661,812)	(1,761,048)
Cash, Beginning of the Period	199,686	1,290,204	2,095,034
Cash, End of the Period	1,290,204	628,392	333,986
Balance Sheet:	As at	As at	As at
(CAD\$)	Apr. 30 2008	Apr. 30 2009	Jul. 31 2009
Cash	1,290,204	628,392	333,986
Short-term Investments	1,000,000	1,301,152	1,276,969
Other Current Assets	2,642,828	1,202,191	766,910
Mineral Properties	6,672,176	8,748,508	9,406,141
PP&E	22,624	13,456	12,563
Total Assets	11,627,832	11,893,699	11,796,569
Payables	743,864	225,442	152,529
Future Income Tax	723,535	1,219,975	1,219,975
Shareholders' Equity	10,160,433	10,448,282	10,424,065
Total Liabilities & Equity	11,627,832	11,893,699	11,796,569
Book Value (\$E.) Per Share	\$0.16	\$0.14	\$0.13

Source: The Company and eResearch

FINANCIAL REVIEW

- **Cash burn:** The cash burn rate averaged over \$74,000 a month for the 12 months ended July 31, 2009. Even at this monthly rate, which ignores the flexibility that management has to reduce operating expenses, the Company could cover its operating expenses for the next 22 months.
- **Capital expenditures:** Over \$3.4 million was spent in F2008 and \$2.07 million in F2009. We expect that the F2010 exploration program will likely be more cautious (rather than aggressive), given the difficult economic conditions.
- **Liquidity:** The Company is in a solid liquidity position. It had about \$1.6 million in cash and short-term investment at the end of July 2009. It also expects to receive about \$0.4 million from the Quebec government.

FINANCING

Alexandria's record of raising funds is as follows:

- To date, all of its financings have been through equity issuances. A total of over \$14.7 million in cash has been raised since 2006.
- In July 2008, the Company raised \$1.75 million in equity issuances. The success of this financing demonstrates management's ability to raise capital even in difficult credit markets.
- However, future financing remains a challenge for the Company, as the capital market continues to remain tight and commodity prices are still in recovery mode. We expect the Company to continue to finance its future exploration programs and potential acquisitions, if opportunities arise, through equity issuances.

RATIO ANALYSIS

The Company's property and financial fundamentals are strong, showing good upward potential. Currently, Alexandria's stock is trading at:

- 30% below its mineral property per share value of \$0.12;
- 40% below its cash and property value of \$0.14; and
- 37% below its book equity per share value of \$0.13.

UPSIDE POTENTIAL

Looking ahead, there could be a positive impact on Alexandria's stock price should the Company be able to:

- Maintain solid liquidity over the next 12 months;
- Successfully obtain NI 43-101 resource estimates for all three of its major Cadillac properties (two have been successfully achieved);
- Successfully complete a PEA study on the Orenada project; and
- Complete its drill program at the Akasaba project and obtain favorable results.

Analyst Certification

The Research Analyst who was involved in the preparation of this Research Report hereby certifies that:

- (1) the views and opinions expressed herein accurately reflect the Research Analyst's personal views concerning any and all securities and issuers that are either discussed or are the subject matter of this Research Report; and
- (2) the compensation received for the preparation of this report was not related, in any way, to the Research Analyst's views and opinions expressed herein.

eResearch analysts on this report:

Eric Eng, BA (Acct., Econ.), MBA - Eric Eng worked at DBRS as a Analyst/Vice President for 10 years. He obtained a BA in Accounting and Economics and a MBA in Finance at the University of Toronto. He joined eResearch in January 2008.

Bob Weir, B. Comm, B.Sc., CFA. Bob Weir has 43 years of investment research and analytical experience in both the equity and fixed-income sectors, and in the commercial real estate industry. He was at Dominion Bond Rating Service (DBRS) from 1994 to 2001, latterly as Executive Vice-President responsible for supervising the firm's 34 analysts and conducting the day-to-day management affairs of the company. He joined eResearch in 2004 and has been its President, CEO, and Managing Director, Research Services since May 2005.

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