Alexis Minerals Corporation

2009 Management's Discussion and Analysis

ALEXIS
MINERALS CORPORATION

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Management's Discussion and Analysis

For the three and twelve months ended December 31, 2009

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 twelve months ended December 31, 2009 and should be read in conjunction with the Audited Annual Consolidated Financial Statements and related Notes for the year ended December 31, 2009. The financial statements and related notes of Alexis have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Certain non-GAAP measures are discussed in this MD&A which are clearly disclosed as such. Additional information, including our 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 March 22, 2010 unless otherwise indicated. References to the 1st , 2nd, 3rd and 4th quarters of 2009 or Q1-2009, Q2-2009, Q3-2009 and Q4-2009, and the 1st , 2nd, 3rd and 4th quarters of 2008 or Q1-2008, Q2-2008, Q3-2008 and Q4-2008 mean the three months ended March 31, June 30, September 30, and December 31, 2009 and 2008 respectively.

Unless otherwise noted all amounts are recorded in Canadian dollars.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to Alexis Minerals Corporation (the "Company" or "Alexis"), certain information contained herein constitutes ''forward-looking information'' under Canadian securities legislation. 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; future costs of production; future 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 statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of mining at the Lac Herbin and Lac Pelletier Projects are based on assumptions underlying mineral reserve and mineral resource estimates, the results of feasibility and scoping studies on the properties and the realization of such estimates are set out herein. Capital and operating cost estimates are based on extensive research of the Company, costs incurred at the projects to date, purchase orders placed by the Company to date, recent estimates of construction and mining costs and other factors that are set out herein. Production estimates are based on mine plans and production schedules, which have been developed by the Company's personnel and independent consultants. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, 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. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Selected Financial and Other Highlights

Alexis Minerals Corporation	**Three months 31-Dec-09**	**Three months 31-Dec-08**	**Twelve months 31-Dec-09**	**Twelve months 31-Dec-08**
Tonnes of ore mined	47,742	31,823	170,657	80,284
Grade per tonne mined	5.84	6.67	6.01	6.90
Total gold ounces mined	8,960	6,822	32,999	18,115
Tonnes of ore milled	44,327	32,749	156,159	74,799
Grade per tonne milled	6.35	6.67	6.16	6.63
Total gold ounces milled	9,054	7,022	30,925	15,952
Average recovery rate	97.6%	97.5%	97.5%	97.6%
Gold ounces recovered	8,836	6,848	30,150	15,570
Gold ounces sold	11,075	10,600	30,400	15,265
Average realized gold price (per oz CAD)	$1,144	$995	$1,106	$964
Revenue from mining operations (net of Royalties and refining charges CAD 000's)	$12,107	$10,079	$32,027	$10,079
Mine operating expenses (excludes depletion and amortization - CAD 000's)	$8,382	$8,334	$23,539	$8,334
Amortization and depletion (CAD 000's)	$2,475	$1,364	$6,867	$1,364
Gross profit/(loss) (CAD 000's)	$1,250	$381	$1,621	$381
Net earnings (loss) (CAD 000's)	($2,160)	$185	($4,370)	($1,995)
Basic and diluted earnings (loss) per share (CAD)	($0.01)	$0.00	($0.03)	($0.02)
Cash flow from operating activates (CAD 000's)	$716	$4,558	$4,851	$3,314
*Cost of sales per ounces sold (CAD)	$757	$786	$774	$786

*see Non GAAP Measures and comments under "Executive Summary – Fourth Quarter" section below, regarding Cost of Sales at Lac Herbin

About Alexis Minerals

Alexis Minerals Corporation is a Canadian publicly traded mining company concentrating on exploration and development. The Company is listed on the Toronto Stock Exchange ('TSX') under the symbol "AMC", and effective February 16, 2010 commenced trading in the United States on the Over the Counter QX International ("OTCQX") platform under the symbol "AXSMF". The Company's focus is to grow through exploration, development and acquisition of mineral properties directly and indirectly, through joint ventures. Alexis has now completed its first full year as a junior gold-producing company. The Company holds a dominant property position (over 1,050 km^2) in three of Canada's richest mining camps: Val-d'Or and Rouyn-Noranda, in the Abitibi District of Québec, Canada, historically the 3rd richest gold producing region in the world; and Snow Lake, Manitoba, Canada. Alexis undertakes exploration across these properties searching for new world class discoveries, while maintaining a focus on growing Alexis to become a mid-tier gold producer. Recently Alexis entered a binding agreement to acquire all the shares of Garson Gold Corp. and as of this report had over 95% of Garson's shares tendered to the offer to acquire. For more information, please visit alexisminerals.com.

Strategic Goals

Alexis Minerals Corporation is committed to achieving its strategic goals to increase shareholder value. We were continually striving to make progress on these goals, as highlighted below, despite the challenging economic and sector conditions that persisted in 2009.

- **Strategic Goal: Growing to become a mid-tier status mining company - produce more gold:**
    - Mined 34,873 ounces of gold at the Lac Herbin Gold Mine and Lac Pelletier bulk sample program:
        - Expanded Lac Herbin, the Company's first gold mine, to mine 32,999 oz. gold in the first year of full production. This confirms a continued cash flow for the minimum 5 year life of mine plan. Based on gold production from similar geological structures throughout this mining camp, we expect development to last at least 15 years.
        - Completed a Pre-Feasibility study for the Lac Pelletier gold project confirming profitability and potential for commercial production in mid-2010. Started a bulk sample at Lac Pelletier, the Company's second gold mining project, mining 1,874 ounces of gold; advancing this project to a mine production decision in the second quarter, 2010. When in production the expectation is to generate over CDN $20.7 million free cash flow on production of approximately 118,100 oz Au (109,300 ounces recovered) over an estimated minimum 3 year project life.

- **Strategic Goal: Managing for the future and the present:**
    - Successfully acquired Garson Gold Corp., solidifying the next growth phase of Alexis. The Garson properties have produced over 1.4 million ounces of gold and we are encouraged with a recent discovery.

- **Strategic Goal: Increasing gold reserves** :
  - Proven and Probable Gold reserves were more than doubled to 264,128 oz. gold
  - Gold Resources more than doubled to Measured & Indicated – 922,595 oz.; and Inferred – 520,627 oz. (see "Mineral Reserves and Resources" section page 10)
  - Our exploration program successfully focused on our wholly owned Aurbel property and the Lac Herbin gold mine; deep base metal targets of the Deep West and Manitou-Barvue; the Lac Pelletier deposit; The Dunraine Anticline; and recently at the newly acquired Snow Lake Mine:
    - Reserves at the Lac Herbin gold mine increased 156% - Proven and Probable Reserves total 617,374 tonnes @ 7.36 g/t of gold (Au) for a total of 146,007 oz. Au.
    - Drilling continued to find more gold extensions to previously established Reserve areas and at least three new discovery areas adjacent to the Lac Herbin mine.
    - Resources were found to replace those mined at Lac Herbin during 2009.
    - The down dip extension of the Manitou Barvue deposit was tested and further exploration is ongoing. Further successful exploration may prove this deposit to be larger than historically mined and it may potentially represent a significant multi-million tonne target.
    - Ongoing research and compilation resulted in a tripling of the known lateral extent of the mine sequence in Val-d'Or, to a projected strike length of up to 30 km. The new extensions significantly increase the potential for discovery.
    - At Lac Pelletier early stage exploration results indicate the possibility of new mineralized structures, with new high grade results.
    - Exploration at the Dunraine Anticline, near the past-producing Louvicourt Mine resulted in significant results in silver which bear similarities to the large East Sullivan deposit.
    - A recent discovery of significant gold mineralization at the Snow Lake mine may represent a major new ore zone similar to one of two principal ore lenses that broadly characterize the Snow Lake deposit, where over 1.4 million ounces of gold have been mined.

- **Strategic Goal: Constantly finding ways to reduce costs**:
  - Implemented industry leading productivity improvements and cost reduction processes.
  - Refurbished our wholly owned Aurbel Mill on schedule and on budget. This is expected to lower annual operating costs for Lac Herbin by 10%, provide a consistent revenue stream from Lac Herbin production and also provide an opportunity for revenue from custom milling.

- **Strategic Goal: Maintaining sustainable, safe environments**:
  - Implemented practices and maintained an industry leading work safety record during 2009, extending a strong record from 2008.
  - Expanded operations while maintaining environmental standards, increasing employment and enhancing business development opportunities. This resulted in being recognized as the "2008 Company of the Year" by the local Chamber of Commerce.

Executive Summary - Fourth Quarter and Year Ended December 31, 2009

During the three and twelve months ended December 31, 2009 the following occurred at Alexis Minerals:

- The Company reported revenue of $12.11 million for the 4th Quarter and $32.03 million for the year ended December 31, 2009

- The Company sold 11,075 ounces of gold at an average realized price of $ 1,144 (USD $1,043/oz.) for the 4th Quarter and 30,400 ounces at an average realized price of $ 1,106 (USD $982) for the year.

- Lac Herbin, in Val-d'Or, Quebec, continued operating at full production producing 32,999 oz. of gold in 2009. This was slightly lower than target as grades achieved were marginally lower than planned.

- Cash cost (see non-GAAP measures) of sales per ounce of the Lac Herbin gold sold was $757 for the quarter and $774 for the full year, 2.2% higher than the Year 1 project estimate of $757 in feasibility. This is on budget to achieve the Life of Mine average cost per ounce of $567, and without considering the expected reduction by milling our own ore (see Aurbel mill, below). Cash cost per tonne for the year was $145/tonne compared to the Year 1 projection of $156/tonne.

- At Lac Herbin, results from delineation and exploration drilling continued to return typical mine gold grades in extensions to previously established Reserve areas and in new discovery areas adjacent to the mine.

- The Company mined a company quarterly record of 8,960 oz. of gold in the fourth quarter; and achieved a company record monthly production of 4,291 oz. gold in October. The grade of gold produced at Lac Herbin was 6.01 g/t for the year compared to the Year 1 project target of 6.56 g/t. The lower grade was due to higher than expected dilution and grade variability in the deposit. Conversely tonnage production at Lac Herbin increased 38 % during 2009, largely due to the introduction of productivity improvements.

- The Company continued the refurbishment of its wholly owned Aurbel Gold Mill, which was mechanically completed in January, 2010 on schedule and on budget; commissioning began in early March, 2010; with an expected reduction in annual operating costs at Lac Herbin by an estimated $50/ozAu (10%).

- The Company commenced a bulk sample at the Lac Pelletier gold project, mining 1,874 ounces of gold, with anticipated commercial production by mid-2010.

- The Company completed a total 8,371 metres of exploration and delineation drilling during the 4th Quarter for an annual total of 63,052 metres drilled.

- The Company raised $10.0 million through a private placement of 20 .0 million flow-through shares at a price of $0.50 per share during the 4th quarter and $10.0 million in the third quarter consisting of 11.66 million shares at $0.50 and 7.45 million flow-through shares at $0.56 for a total of $20.0 during the year.

- Subsequent to the end of the quarter, the Company confirmed it had acquired over 95% of the outstanding shares of Garson Gold Corp. ('Garson') by converting Garson shares submitted to Alexis' take-over offer to acquire Garson Gold Corp. Once concluded, this acquisition has the potential to at least double the gold resources of Alexis, provide the Company with additional mine development programs which will allow Alexis to grow production levels to in excess of 150,000 ounces of gold per year by 2011, and, lead Alexis to an expected share price re-rating as a mid tier status gold producer.

Overview & Outlook:

To enhance shareholder value Alexis is committed to become a mid-tier mining and exploration company. Over the last five years, Alexis has followed two principal strategies: a short to medium term strategy of developing a gold-producing mine; and, a longer term strategy focused on aggressive exploration and new mine discovery in the Abitibi District. In early 2009 we added another key strategic priority – to seek opportunities for accretive growth through acquisition to grow production to mid-tier status. We achieved full production at Lac Herbin in December 2008 and the mine operated throughout 2009. We advanced Underground exploration at Lac Pelletier and refurbished the Aurbel Gold mill in 2009. In completing the acquisition of Garson Gold Corp., Alexis is well on its way to achieving the new objectives, Alexis will have doubled its Resources during 2009 and identified a growth route to achieve a production level to exceed 150,000 ounces of annual gold production by 2011.

Our Competitive Strengths

Large Property Packages in Historically Prolific Mining Camps: Alexis has assembled a historically unique package of properties covering over 1,000 sq. km., upwards of 75% of both the Val-d'Or and Rouyn-Noranda Mining Camps. Alexis vested into all of these properties during 2007 – 2008. As well, Alexis has recently acquired 50 sq. km. in another historically prolific mining camp – Snow Lake, Manitoba. These are renowned as some of the best mining camps in the world.

Location of Operations: Alexis is operating in highly desirable regions known for mineral potential, political stability, strong government support, extensive infrastructure and long experience in the business of mining. The 2008-2009 Fraser Institute Survey has recognized the Province of Quebec as the #1 mining region in the world, and Manitoba as the # 4 region.

Strong & Experienced Executive Exploration and Process Management Skills: We believe our senior management team has the experience and ability to execute and deliver on our strategy. Our Chief Executive Officer and his first line leaders average more than 25 years of experience in the mining industry. They are supported by a skilled and dedicated management team which has extensive experience exploring in the Abitibi and Snow Lake areas, providing deep understanding of the geology and exploration histories. As well, strong operational skills have been assembled in developing the mining and engineering teams.

Our strategies were followed with the specific objective, in the short to medium term, to develop an operating mine that would support the Company during a downturn in the cyclical mining industry. Such an event has now arisen with the dramatic market changes that started during the latter part of 2008. We believe that the support of cash flows generated from successful production from the Lac

Herbin Mine confirms the success and foresight of this strategy. With the bulk sample now underway at the Lac Pelletier gold project we expect a production decision in Mid - 2010, which will add further gold production and cash flow for the company. Alexis believes that it is well placed to benefit from long term positive trends in gold price, which are expected to result in long term production and long term cash flows.

An independent study has confirmed that the Lac Herbin gold mine will have at least five years of future production providing stable cash flow. Our expectations are high for further significant discovery from focused exploration through 2010 in the immediate vicinity of the Aurbel Gold Mill. Early exploration and compilation in this area is already providing indications of untested extensions to the Herbin Mine to the north and northwest, of new zones between the Ferderber and Herbin mines and of greater depth potential at the Herbin and Dumont mines.

Our first drilling program in Snow Lake has discovered significant gold mineralization in a potential, on-strike extension to the Snow Lake Mine. This may represent the discovery of a major new ore zone and characterizes the potential remaining on the property and in proximity to our Snow Lake Gold Mill, the only gold mill in the region.

Alexis is embarking on an extensive exploration campaign in 2010 for over 80,000 metres of drilling, devoting approximately $5 million to the Abitibi Mining Camp and $5 million to the Snow Lake Mine property. This has been funded through the flow through financings completed in 2009.

Mineral Reserves and Resources

Table 1. Proven and Probable Reserves:

Category / Deposit	Tonnes	Grade (g/t)	Resource (oz Au)
Proven			
Lac Herbin [1]	97,900	9.0	28,400
Lac Pelletier [2]	9,258	8.0	2,381
Probable			
Lac Herbin [1]	519,500	7.0	117,600
Lac Pelletier [2]	474,104	7.6	115,747
Total Proven & Probable	**1,100,762**	**7.5**	**264,128**

Table2. Measured and Indicated Resources:

Category / Deposit	Tonnes	Grade (g/t)	Resource (oz Au)
Measured			
Lac Herbin [(1)]	124,800	9.2	37,100
Lac Pelletier [(2)]	61,000	6.2	12,140
Snow Lake Main Mine [(3)]	7,000	4.8	1,000
Indicated			
Lac Herbin [(1)]	731,500	7.2	169,500
Lac Pelletier [(2)]	856,883	7.2	197,755
Snow Lake Main Mine [(3)]	2,631,000	5.0	420,000
No. 3 Zone Main [(4)]	394,000	6.7	85,100
Total Measured & Indicated	**4,751,283**	**6.0**	**922,595**

Table 3. Inferred Resources:

Category / Deposit	Tonnes	Grade (g/t)	Resource (oz Au)
Inferred			
Lac Herbin [(1)]	420,500	6.0	80,500
Lac Pelletier [(2)]	391,770	6.5	82,127
Snow Lake Main Mine [(3)]	568,000	4.7	85,200
No. 3 Zone Main [(4)]	261,000	7.9	65,900
No. 3 Zone Footwall [(4)]	314,000	5.0	50,900
Birch Zone [(3)]	569,000	4.4	81,000
Squall Margaret Upper [(5)]	100,000	4.9	16,000
Squall Margaret Lower [(5)]	337,000	5.4	59,000
Total Inferred Resources	**2,961,270**	**5.5**	**520,627**

Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability

1. NI 43-101 Technical Report Reserves Calculation on Lac Herbin Mine, Val-d'Or, Quebec. Completed for Alexis Minerals Corporation by François Chabot, M.Sc., Golder Associates Ltd., September 2009.
2. NI 43-101 Technical Report Pre-Feasibility Study on Lac Pelletier Project, Rouyn-Noranda, Quebec. Completed for Alexis Minerals Corporation by François Chabot, M.Sc., Golder Associates Ltd., August 2009.
3. NI 43-101 Technical Report on the Preliminary Assessment of the Snow Lake Mine Property and update of the Mineral Resource Estimate, Snow Lake, Manitoba. The PA is being completed for Alexis Minerals Corporation and Garson Gold by Golder Associates Ltd., Eric Hinton, P.Eng, March 2010 based on the Mineral Resource Estimate completed under the supervision of Jamie Lavigne, P. Geol and Patrick Sevigny, Eng, both of Alexis Minerals Corporation, January 31, 2010.
4. NI 43-101 Technical Report Audit of the No. 3 Zone Mineral Resource Estimate on the New Britannia Mine Property, Snow Lake, Manitoba. Completed for Garson Gold Corp. by William J. Lewis, P. Geo and Charley Murahwi, M.Sc., Micon International Ltd., July 20, 2008.
5. NI 43-101 Technical Report on the Squall Lake Property, The Pas Mining Division Snow Lake Manitoba. Completed for Garson Resources Ltd. By D Beilhartz, P. Geo., April 2006.

Summarized Financial Results

Financial Information:

Liquidity and Capital Resources

As at December 31, 2009, the Company had working capital of $1.88 million compared to working capital of $9.54 million at December 31, 2008. Included in working capital at December 31, 2009 is $6.1 million related to convertible debentures which mature on April 28, and July 30, 2010. At December 31, 2008, the one debenture was included in long term liabilities, while the other was acquired in December 2009 as a result of the acquisition of Garson. (see Non GAAP Measures).

The Company applies for refundable tax credits to certain Quebec government bodies at each taxation year end and records the expected amounts as amounts receivable. The Company has accrued approximately $2.9 million in government assistance related to eligible expenditures in the province of Québec for the twelve months ended December 31, 2009. During the year, $1.1 million in government assistance was received. At December 31, 2009, $7.4 million in Quebec Rebates are recorded on the Consolidated Balance Sheets.

In July 2009, the Company closed a brokered private placement financing raising gross proceeds of $10,000,000 through the issuance of 11,656,000 units of the Company at a price of $0.50 per unit and 7,450,000 flow-through common shares of the Company at a price of $0.56 per share. Each unit comprised of one common share of the Company plus one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share of the Company at a price of $0.70 expiring on July 9, 2011. The underwriters were paid a cash commission of 6% in relation to this financing. As well, 699,360 broker units and 477,000 broker warrants were issued were issued. Each broker unit is exercisable into one common share of the Company and one-half of one common share purchase warrant for an exercise price of $0.50 until July 9, 2011. Each whole warrant will then be exercisable into one common share of the Company at an exercise price of $0.70 until July 9, 2011. Each broker warrant is exercisable into one common share at an exercise price of $0.56 until July 9, 2011.

In December 2009, the Company closed a brokered private placement financing raising gross proceeds of $10,000,000 through the issuance of 20,000,000 flow-through common shares of the Company at a price of $0.50 per share. The underwriters were paid a cash commission of 6% in relation to this financing. As well, 1,000,000 broker warrants were issued. Each broker warrant is exercisable into one common share of the Company at an exercise price of $0.50 until June 23, 2011.

The Company has and expects to utilize its working capital to meet exploration funding obligations as described under the Significant Future Obligations section of this report, to fund its Lac Herbin mine, its Lac Pelletier development and feasibility, its Snow Lake exploration, feasibility and development, and to fund its corporate and operating overheads.

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

Significant Future Obligations

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

Val-d'Or

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

Pursuant to the acquisition of a 100% interest in the Aurbel property from Teck Cominco Ltd. (formerly Aur Resources Inc.) ("Teck"), the Company is required to make its final $500,000 payment upon acceptance of the Aurbel Closure Plan by the Quebec Mining Authorities, which was submitted by Teck to the respective Quebec Mining Authorities in 2006. Production from this property is subject to an aggregate 4.5% NSR.

Val-d'Or Office Purchase

The Company purchased the Val-d'Or office from Aur Resources Inc., now Teck Cominco Ltd., 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%. Payment will be completed by April 2010.

Rouyn-Noranda

- **Lac Pelletier Property Acquisition**

The option is in good standing. The Company has exceeded the required $1,000,000 option work commitment required to earn its 100% interest. Alexis had the option to earn its 100% interest by bringing the deposit into production prior to September 2008 or by making a small cash payment to extend this timeframe to September 2009. The Company made a payment of $75,000 during the third quarter of 2008 to extend the production decision deadline. The Company further amended the agreement whereby, for a payment of $100,000 paid in August 2009, the Company has delayed the production decision until September 1, 2010. Production from the current Lac Pelletier property is subject to a 3.5% NSR. The Lac Pelletier property hosts the past-producing Stadacona mine. Production from potential ore bodies lying outside the current property but mined through the historical Stadacona mine workings are subject to a $1 per tonne toll charge.

In Q1-2009, the Company also entered into a property acquisition agreement to acquire a 100% interest in four mining claims located near Lac Pelletier, subject to a 2% NSR. The Company paid US$40,000 (CDN$52,574) to acquire these claims. The Company has the option to purchase, at any time, 50% of the NSR for US$1,000,000. These claims will be included in the Lac Pelletier property package with Thundermin Resources Ltd.

- **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.

Garson option agreements acquired

Through the Company's newly acquired subsidiary, various cash payments, share issuances and work commitments on Garson's existing option agreements are pending over the next 4 years, as tabled below.

	Cash	No. of Garson shares	Expenditure commitments
BC Gold Properties, British Columbia (100% interest option)	$ 95,000.00	950,000	$ 1,500,000.00
Luciana Gold Property, Quebec (51% interest option)	$ -	-	$ 385,000.00

As well, various Garson properties are subject to certain royalties ranging from 2% to 30%.

Results of Operations

For the quarter ended December 31, 2009

The Company sold 11,075 ounces of gold and generated $12.11 million in revenue from mining operations during the 4th quarter of 2009 Alexis averaged a gold sale price of $1,144 per ounce during Q4-2009. During the comparative quarter of 2008, the Company's first quarter of commercial production, 10,600 ounces of gold were sold generating $10.07 million in revenue. The average sale price realized during the fourth quarter of 2008 was $995. Mine operating expenses were $8.38 million (Q4-2008: $8.33 million) and amortization and depletion amounted to $2.47 million (Q4-2008: $1.36 million). Amortization expense is higher this current quarter as a result of a change in the basis for amortizing deferred exploration costs. The Company was initially using mineral resources of 206,600 ounces as the basis of amortization. During the year, mineral reserves were calculated and confirmed at 146,007 and this became the basis for amortization. Gross profit was $1.25 million during the current quarter compared to $0.38 million during the comparative quarter in 2008, an increase of over 300%. Revenue from mining operations includes $12.67 million from gold sales reduced by $0.56 million in refining and royalty charges. The Company is subject to an NSR of 4.5% on Lac Herbin gold sales. The cost of sales per ounce sold during the current quarter, excluding amortization and depletion, was $757 per ounce compared to $786 per ounce during the comparative quarter (see Non GAAP Measures).

Alexis recorded a net loss for the quarter ended December 31, 2009 of $2.16 million compared to net earnings of $0.18 million for the quarter ended December 31, 2008. The Company incurred general and administrative expenses of $2.30 million during the quarter (Q4-2008: $1.23 million). As well, the Company recorded a future income tax expense of $1.11 million for the three months ended December 31, 2009 (Q4-2008: a recovery of $1.04 million).

General and Administrative expenses

(CAD 000's)	Q4-2009 $	Q4-2008 $	increase (decrease) $	change %
Professional, consulting and management fees	684	554	130	23%
Stock based compensation	1,043	15	1,028	6,853%
Other general and administrative expenses	306	284	22	8%
Long-term interest, accretion and financing costs	190	182	8	4%
Other interest, accretion and financing costs	29	-	29	n/a
Equity loss from investments	63	-	63	n/a
Foreign exchange	(0)	58	(58)	n/a
Write off of exploration properties	-	181	(181)	n/a
Interest (income) and (gains) on investment	(13)	(43)	(30)	(70%)
Minority interest	(4)	-	(4)	n/a
Future income tax (recovery)	1,112	(1,036)	2,148	207%

Professional, consulting and management costs increased by $0.13 million or 23% during the quarter ended December 31, 2009 compared to the quarter ended December 31, 2008. The Company has incurred higher consulting and management costs as a result of increased head count and reclassification of certain charges during the current period.

Stock based compensation is a non-cash expense included in Professional, consulting and management costs on the Consolidated Statement of Operations, Comprehensive Income (Loss) and Deficit. The Company applies the fair value method of accounting for stock-based compensation. During the three months ended December 31, 2009, 4,447,500 stock options were granted and previously issued options vested during the quarter resulting in a charge of $1.04 million. During the comparative period of 2008, no options were granted however options vested resulting in a charge of $0.01 million for the quarter.

The Company incurred an equity loss of $0.06 million during the current quarter as a result of its equity investment in Garson up to the point the Company acquired control. The Company did not have any equity interests during the comparative period.

The Company recognized a future income tax expense of $1.11 million during the three months ended December 31, 2009 compared to a recovery of $1.04 million for the quarter ended December 31, 2008. The future income tax recovery results from temporary differences between the tax basis and carrying value of the Company's assets which will reverse over time.

<u>For the twelve months ended December 31, 2009</u>

The Company commenced commercial production during the fourth quarter of 2008. As such, operating results for the year ended 2008 represent only one quarter's worth of operations.

The Company sold 30,400 ounces of gold and generated $32.03 million in revenue from mining operations during the twelve months ended December 31, 2009 (2008: 15,265 ounces of gold sold and $10.0 million in revenue). The Company commenced commercial production during the fourth quarter of 2008 consequently year-to-date figures for the comparative year reflect three months' worth of production. Alexis averaged a sale price of $1,106 per ounce during the twelve months of 2009 (2008: $964 per ounce). Mine operating expenses were $23.54 million (2008: $8.33 million) and the Company recorded amortization and depletion of operating costs of $6.87 million (2008: $1.36 million). Gross profit was $1.62 million for 2009 compared to $0.38 million for 2008. Revenue from mining operations includes $33.60 million from gold sales reduced by $1.58 million in refining and royalty charges. The Company is subject to an NSR of 4.5% on Lac Herbin gold sales. The cost of sales per ounces sold excluding amortization and depletion was $774 per ounce for the current year (see Non GAAP Measures) compared to $786 per ounce for 2008.

Alexis recorded a net loss for the twelve months ended December 31, 2009 of $4.37 million compared to a net loss of $1.99 million for the twelve months ended December 31, 2008. The Company incurred general and administrative expenses of $5.09 million during the year (2008: $4.03 million). As well, the Company recorded a future income tax expense of $0.91 million for the twelve months ended December 31, 2009 (2008: a recovery of $1.66 million).

General and Administrative expenses

(CAD 000's)	2009 $	2008 $	increase (decrease) $	change %
Professional, consulting and management fees	1,923	1,163	760	65%
Stock based compensation	1,287	637	650	102%
Other general and administrative expenses	1,405	1,072	333	31%
Long-term interest, accretion and financing costs	714	709	5	1%
Other interest, accretion and financing costs	92	389	(297)	(76%)
Equity loss from investment	93	-	93	n/a
Foreign exchange	(59)	58	(117)	(202%)
Write off of exploration properties	-	181	(181)	n/a
Interest (income)	(4)	(161)	(157)	(97%)
(Gain) on investments	(363)	-	(363)	n/a
Minority interest	(4)	-	(4)	n/a
Future income tax (recovery)	905	(1657)	2,562	155%

Professional, consulting and management costs increased by $0.76 million or 65% during the twelve months ended December 31, 2009 compared to the twelve months ended December 31, 2008. The Company incurred higher legal and professional fees during the current twelve month period as a result of strategic initiatives. The Company incurred recruiting expenses during the current twelve month period that were not incurred during the comparative period. Audit and tax fees for the current period are higher during the current as a result of the acquisition of Garson. As well, the Company has incurred higher consulting and management costs as a result of increased head count and reclassification of certain charges during the current year.

Stock based compensation is a non-cash expense included in Professional, consulting and management costs on the Consolidated Statement of Operations, Comprehensive Income (Loss) and Deficit. The Company applies the fair value method of accounting for stock-based compensation. During the twelve months ended December 31, 2009, 5,395,000 stock options were granted (2008: 2,446,500). The Company incurred $1.23 million in stock based compensation expense (2008: $0.64 million) as a result of these options and previously issued options that vested during the period.

Other General and Administrative Expenses increased by $0.33 million during the current period compared to the same period of 2008. The bulk of this variances relates to capital taxes in Quebec.

The Company incurred foreign exchange gains as a result of the strengthening of the Canadian dollar against the US dollar during the period. Specifically, royalties are paid in US dollars.

Long term interest, accretion and finance costs, and other interest, accretion and finance costs combined decreased by $0.29 million for the twelve months ended December 31, 2009 compared to the same period last year. During the comparative period, the Company incurred interest and loan engagement fees related to short-term demand loan agreements. These loans were retired during 2008 and consequently no such expense was incurred during 2009.

The Company recognized a future income tax expense of $0.91 million during the twelve months ended December 31, 2009 compared to a recovery of $1.66 million for the twelve months ended December 31, 2008. The future income tax expense results from temporary differences between the tax basis and carrying value of the Company's assets which will reverse over time.

Interest income decreased by $0.16 million during the current period compared to the same period in 2008 as a result of lower average cash balances held throughout the period and lower interest rates. The Company invests its excess cash primarily in bankers' acceptances with major Canadian Chartered Banks.

The Company recognized a gain of $0.35 million on the sale of investments as well as an unrealized gain on investments held for trading of $0.01 million during the twelve months ended December 31, 2009, compared to $nil during the twelve months ended December 31, 2008.

Annual information

		2009		2008		2007
Revenue from mining operations (CAD 000's)	$	32,027	$	10,079	$	-
Mine operating expenses (CAD 000's)	$	23,539	$	8,334	$	-
Net Income (loss) (CAD 000's)	$	(4,370)	$	(1,995)	$	(1,755)
Net income (loss) per share, basic and diluted (CAD)	$	(0.03)	$	(0.02)	$	(0.02)
Cash provided by (used in) operations (CAD 000's)	$	4,851	$	3,314	$	(8,484)
Gold ounces sold post commercial production		30,400		10,600		-
Average realized gold price (per ounce) (CAD)	$	1,106	$	995	$	-
*Mining operating expenses (per ounce) (CAD)	$	774	$	786	$	-
Total Assets (CAD 000's)	$	132,735	$	78,686	$	71,305
Long term financial liabilities (CAD 000's)	$	3,837	$	4,728	$	4,407

** see Non GAAP Measures*

Quarterly information

Summary Financial Information for the Eight Quarters Ended December 31, 2009

	Q4-2009	Q3-2009	Q2-2009	Q1-2009	Q4-2008	Q3-2008	Q2-2008	Q1-2008
Revenue from mining operations (CAD 000's)	$ 12,107	$ 6,564	$ 6,536	$ 6,819	$ 10,079	$ -	$ -	$ -
Mine operating expenses (CAD 000's)	$ 8,382	$ 6,212	$ 3,813	$ 4,308	$ 8,334	$ -	$ -	$ -
Net Income (loss) (CAD 000's)	$ (2,160)	$ (1,714)	$ (597)	$ 102	$ 185	$ (1,162)	$ (366)	$ (652)
Net income (loss) per share, basic and diluted (CAD)	$ (0.01)	$ (0.01)	$ (0.00)	$ 0.00	$ 0.00	$ (0.01)	$ (0.00)	$ (0.01)
Cash provided by (used in) operations (CAD 000's)	$ 716	$ (299)	$ 1,151	$ 3,283	$ 4,558	$ (1,731)	$ (5,215)	$ 5,702
Gold ounces sold post commercial production	11,075	6,575	6,375	6,375	10,600	-	-	-
Average realized gold price (per ounce) (CAD)	$ 1,144	$ 1,048	$ 1,075	$ 1,128	$ 995	$ -	$ -	$ -
*Mining operating expenses (per ounce) (CAD)	$ 757	$ 944	$ 598	$ 676	$ 786	$ -	$ -	$ -
Total Assets (CAD 000's)	$ 132,735	$ 88,111	$ 79,815	$ 78,986	$ 78,686	$ 76,249	$ 81,725	$ 80,621
Long term financial liabilities (CAD 000's)	$ 3,837	$ 1,051	$ 1,037	$ 5,001	$ 4,728	$ 4,843	$ 4,771	$ 4,898

* *see Non GAAP Measures*

The Company commenced commercial production at the beginning of Q4-2008. Prior to this quarter, the Company had no revenue from mining operations; bulk sample revenues were credited to deferred property costs. The net income or loss resulted 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 was 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.

A future tax recovery during Q4-2008 primarily contributed to the net income for this period. The increase in net loss during the third quarter of 2008 is also attributable to stock based compensation expense of $0.56 million during the quarter. Net loss during Q2-2009 is in large part attributable to higher amortization and depletion expense charged during the quarter. The Company incurred a large operating loss during Q3-2009 as a result of low grades generating reduced ounces of gold. During Q4-2009, a large part of the loss is a result of a future income tax expense charged during the quarter. Stock-based compensation during the quarter accounted for the remainder of the loss.

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 resulted from the repayment of the short term debt with proceeds from the tax credit receivable. During Q4-2009, the Company acquired a controlling interest in Garson, resulting in the large increase in assets.

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. During the first quarter of 2009, the Company recognized net additions of $0.15 to their asset retirement obligations. During the second quarter of 2009, the Company's debenture liabilities became current thereby reducing long term liabilities. During Q4-2009, as a result of the acquisition of Garson, the Company increased the asset retirement obligation resulting in an increase in long term liabilities.

Cash Flows for the three months ended December 31, 2009

Cash provided by operating activities for the three months ended December 31, 2009 was $0.72 million compared to $4.56 million for the three months ended December 31, 2008. During Q4-2009, mining operations generated $3.73 million, administrative expenses and interest income used $1.02 million and non-cash working capital used $1.99 million. During the comparative quarter, mining operations generated $1.75 million, administrative expenses and interest income used $0.89 million and non-cash working capital provided $3.71 million. The net change in non-cash working capital reported on the cash flow statement identifies the changes in current assets and current liabilities that occurred during the period. An increase in a liability (or a decrease in an asset) is a source of funds; while a decrease in a liability (or an increase in an asset) account is a use of funds.

Cash provided by financing activities was $8.94 million during the three months ended December 31, 2009 compared to $4.39 million during the three months ended December 31, 2008. The Company closed a private placement financing in December 2009 raising $9.10 million net of share issue costs. During the comparative quarter, in October 2008, the Company raised $4.56 million from a private placement financing. The Company raised $0.04 million from the exercise of options during the current quarter compared to $nil during the comparative quarter. During the Q4-2009, the Company made payments of $0.19 million (Q4-2008: $0.17 million) against their capital leases and other financing arrangements.

Cash from investing activities used $5.94 million during the three months ended December 31, 2009 compared to $6.21 million during the three months ended December 31, 2008. Expenditures on exploration interests used $6.88 million during the current quarter compared to $3.35 million during the comparative quarter as summarized below. Increases in accounts payable provided $5.02 million during Q4-2009 compared to the use of $2.20 million during the comparative quarter. The Company used $3.16 million to refurbish their mill, and purchase property and equipment, compared to $0.36 million during the comparative quarter. The Company used $0.92 million in cash during the current quarter as a result of the acquisition of a controlling 89% interest. During the comparative quarter, the Company purchased securities for $0.30 million.

Cash expenditures on exploration interests for the three months ended December 31, 2009:							
(CAD 000's)	PRODUCING PROPERTIES	NON-PRODUCING PROPERTIES					
Description	Lac Herbin ($)	Rouyn ($)	Lac Pelletier ($)	VMS ($)	Aurbel ($)	Snow Lake ($)	TOTAL ($)
Acquisition and property maintenance	-	2	21	10	8	-	41
Development costs	185	-	-	-	-	-	185
Exploration costs	208	163	5,486	483	305	13	6,658
Total	393	165	5,507	493	313	13	6,884

Cash Flows for the twelve months ended December 31, 2009

Cash generated by operating activities for the twelve months ended December 31, 2009 was $4.85 million compared to $3.31 million for the twelve months ended December 31, 2008. During 2009 year-to-date, mining operations generated $8.49 million, administrative expenses and interest income used $3.38 million and non-cash working capital provided $0.26 million. During the comparative year, mining operations generated $1.75 million, however commercial production commenced during the fourth quarter. Administrative expenses and interest income used $2.36 million and non-cash working capital provided $3.92 million.

Cash provided by financing activities was $17.23 million during the twelve months ended December 31, 2009 compared to $9.02 million during the twelve months ended December 31, 2008. The Company raised $17.87 million net of issue costs through two private placement financings during the year, as well as $0.14 through the exercise of stock options during the current twelve months. During the comparative year, the Company raised $14.92 million net of issue costs from private placement financings and $0.12 million from the exercise of stock options. Also during the comparative period, the Company repaid its demand loan using $5.34 million in cash. During the twelve months ended December 31, 2009, the Company made payments of $0.78 million (2008: $0.68 million) against their capital leases and other financing arrangements.

Cash from investing activities used $20.50 million during the twelve months ended December 31, 2009 compared to $13.96 million during the twelve months ended December 31, 2008. Expenditures on exploration interests used $18.57 million during the current period compared to $20.77 million during the comparative period as summarized below. Changes in accounts payable provided $3.25 million during 2009 compared to the use of $1.12 million during the comparative year. During the comparative year, a decrease in prepaid exploration provided $0.53 million. During 2009, the Company used $4.53 million to purchase property and equipment and refurbish their mill compared to $2.49 million during the comparative year. The Company received $1.14 million in government assistance during the current year compared to $10.04 million during the comparative period. The Company purchased and sold investments for net cash proceeds of $0.68 during the current year compared to the purchase of investments using $0.03 million during the comparative year. The Company used $2.47 million during 2009 to acquire a controlling interest in Garson. During the comparative year, the release of restricted funds with the repayment of the demand loan provided $0.15 million.

Cash expenditures on exploration interests for the twelve months ended December 31, 2009:							
(CAD 000's)	PRODUCING PROPERTIES	NON-PRODUCING PROPERTIES					
Description	Lac Herbin ($)	Rouyn ($)	Lac Pelletier ($)	VMS ($)	Aurbel ($)	Snow Lake ($)	TOTAL ($)
Acquisition and property maintenance	-	21	177	24	47	-	269
Development costs	1,935	-	-	-	-	-	1,935
Exploration costs	1,741	321	10,398	1,643	2,253	13	16,369
Total	3,676	342	10,575	1,667	2,300	13	18,573

Transactions with Related Parties

The Company was charged $15,000 and $60,000 during the three and twelve months ended December 31, 2009 respectively (Q4 2008: $15,000; YTD 2008: $60,000) by a company controlled by a director of the Company for administration services.

An amount of $80,000 was payable to directors and officers or companies controlled by directors and officers of the Company at December 31, 2009 (December 2008: $19,450).

NSR royalties of US$538,025 (CDN$620,553) were paid during the year ended December 31, 2009 to a corporation controlled by a director of the Company. Of this sum, US$176,295 (CDN$220,017) was accrued at December 31, 2008. An additional US$238,152 (CDN$253,325) has been accrued at December 31, 2009 in Accounts payable and accrued liabilities for royalties on gold sales during the fourth quarter of 2009.

The Company shares its premises with other corporations that have common directors and officers, and the Company reimburses the related corporations for their proportional share of the expenses. The Company has advanced $87,978 to such corporations to cover shared expenses and has included these amounts in Prepaid expenses (2008: $66,428). As well, the Company is owed $3,466 from such corporations for shared expenses (2008: $2,900). These amounts are included in Accounts receivable.

All of the above transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Outstanding Share Data

As at March 22, 2010, 219,013,057 common shares of the Company are outstanding. Of the options to purchase common shares issued under the share option plan of the Company, 14,570,500 remain outstanding with exercise prices ranging from $0.40 to $1.14 and with expiry dates ranging between April 20, 2010 and March 2, 2015. If exercised, 14,570,500 common shares would be issued generating $8,410,195 million in proceeds.

As at March 22, 2010 there were 8,574,360 share purchase warrants outstanding with exercise prices ranging from $0.50 to $0.70, expiring between October 15, 2010 and July 9, 2011. If exercised, 8,574,360 common shares would be issued generating $4,379,600 million in proceeds.

Non GAAP Measures

The Company has included certain Non-GAAP performance measures, namely cash costs per gold ounce sold and working capital, throughout this document. In the gold mining industry, these are common performance measures but do not have any standardized meaning, and are Non-GAAP measures. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. These Non GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The following tables provide a reconciliation of cash costs per gold ounce sold for the three and twelve months ended December 31, 2009 and 2008, and a reconciliation of working capital to the financial statements for the twelve months ended December 31, 2009 and December 31, 2008.

Working Capital

(CAD 000's)		
Current assets:	**December 31, 2009**	December 31, 2008
Cash and cash equivalents	**$6,106**	$4,529
Amounts receivable	**2,083**	968
Tax credits receivable	**7,465**	6,270
Inventory	**6,168**	2,254
Prepaid expenses	**273**	177
Investments	**122**	333
Future income taxes	**-**	662
	22,217	15,193
Current liabilities		
Accounts payable and accrued liabilities	**$13,687**	$4,978
Current portion of capital lease obligations	**412**	508
Current portion of long-term debt	**99**	166
Liability component of convertible debenture	**6,143**	-
	20,341	5,652
Working capital (current assets less current liabilities)	**$1,876**	$9,541

Cash cost per ounces sold

	Q4-2009	Q4-2008	**2009**	2008
Revenue From commercial production ounces (CAD 000's)	**$12,107**	$10,079	**$32,027**	$10,079
Ounces sold	**11,075**	10,600	**30,400**	10,600
Mine operating expenses (CAD 000's)	**$8,382**	$8,334	**$23,539**	$8,334
Cash cost per ounce sold (CAD) (mining operating expenses divided by ounces sold)	**$757**	$786	**$774**	$786

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	40,000	40,000	-	-	-
Equipment financing	114,956	63,781	51,175	-	
Capital lease obligations	529,656	411,648	118,008	-	-
Contractual commitments	627,900	627,900	-	-	-
	1,312,512	1,143,329	169,183	-	-

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to $4.00 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 the audited consolidated financial statements. Additional minimum management contract commitments remaining under the agreements are approximately $600,000.

The Company has been charged approximately $300,000 in professional fees related to proposed financing ventures. These amounts are in dispute. The Company has recorded $70,000 of these costs, however plans to vigorously argue the remainder of the charges.

Pursuant to the issuance of 10,000,000 flow-through shares in October 2008, the Company renounced $5,000,000 on qualified exploration expenditures with an effective date of December 31, 2008 in February 2009. As of December 31, 2009, the Company has met its expenditure commitment related to these flow-through funds. Pursuant to the issuance of 7,450,000 flow-through shares in July 2009, the Company plans to renounce $4,172,000 on qualified exploration expenditures. The Company has met its expenditure commitment related to these flow-through funds. Pursuant to the issuance of 20,000,000 flow-through shares in December 2009, the Company plans to renounce $10,000,000 on qualified exploration expenditures. The Company has spent approximately $700,000 and will be required to spend the remaining $9,300,000 by December 31, 2010. As well, through its newly acquired subsidiary, the Company is required to spend approximately $380,000 in eligible exploration expenditures by December 31, 2010 as a result of Garson's flow-through shares issued during 2009 which will be renounced in February 2010. The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

Subsequent Events

On January 15, 2010, an additional 13,946,423 common shares of Garson were tendered, resulting in the Company acquiring a total of 95.6% of the issued and outstanding common shares of Garson. The Company has initiated the statutory procedures to acquire the remaining Garson shares at the same exchange rate of the offer.

Subsequent to December 31, 2009, 8,357,143 warrants as described in Note 12 with an expiry date of March 18, 2010 expired unexercised.

Subsequent to December 31, 2009, 100,000 stock options as described in Note 13 with an expiry date of February 24, 2010 expired unexercised. As well, 200,000 stock options were granted on February 23, 2010 at an exercise price of $0.40 expiring five years from the date of issue, and vesting quarterly over a two year period. The Company also granted 532,500 stock options on March 2, 2010 at an exercise price of $0.405 expiring five years from the date of issue.

<u>Significant Accounting Policies</u>

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, 2009.

Accounting Changes

New Accounting Pronouncements

(i) Goodwill and Intangible Assets

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets," which replaces Section 3062, "Goodwill and Other Intangible Assets." This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets and is effective for the Company commencing January 1, 2009. The adoption of this standard had no impact on the financial statements.

(ii) Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA approved EIC 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to fiscal periods ending on or after January 12, 2009. The adoption of this standard had no impact on the financial statements.

(iii) Mining Exploration Costs

On March 27, 2009 the Emerging Issues Committee ("EIC") issued EIC-174. In this EIC the Committee reached a consensus that an enterprise that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The EIC should be applied to financial statements issued after March 27, 2009. The adoption of this standard had no impact on the financial statements.

(iv) Convergence with International Financial Reporting Standards ("IFRS")

In January 2006, the Canadian Accounting Standards Board ("AcSB") announced its decision to replace Canadian GAAP with IFRS. On February 13, 2008 the AcSB confirmed January 1, 2011 as the mandatory changeover date to IFRS for all Canadian publicly accountable enterprises. This means that Alexis will be required to prepare IFRS financial statements for the interim periods and fiscal year ends beginning in 2011. The Company has created an implementation team, which consists of internal resources and external resources. A changeover plan has been established to convert to the new standards within the allotted timeline and consist of the following three key project phases:

1. Raise Awareness and Assess Phase
2. Design Phase
3. Implementation Phase

Phase 1: Raise Awareness and Assess

This first phase of the conversion project has two stages focusing firstly on raising awareness within the Entity and providing an initial assessment of the impact of the IFRS conversion, and secondly on carrying out a detailed assessment of the impact of the conversion to IFRS. Each section has been thoroughly reviewed and analyzed for accounting or disclosure differences between Canadian GAAP and IFRS. They have been reviewed for potential impacts to existing accounting policies, information systems and business processes. An action has been developed for each impact area. This phase has been completed

Phase 2: Design

Following completion of the assessment phase, the focus of the design phase built the tools required for the conversion based on management's decisions about accounting options and the related disclosures. This phase has been completed

Phase 3: Implementation

The implementation stage is about execution. The roll-out of the designed changes takes place during this phase.

This phase will accomplish

- Developing the new accounting policies, accounting manuals, guidelines, processes for reporting packages from business units, and consolidation templates;
- Preparing the IFRS financial statements and related disclosures including facilitating and supporting the dry run financial reporting process;
- Developing revised internal control processes, including updating the key controls for NI 52-109 purposes.
- This phase will continure to be monitored in order to facilitate comparative reporting for the first quarter of 2010

Future Accounting Pronouncements

(i) Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

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

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.

Revenues

The Company has recently commenced commercial production on its Herbin 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 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 sufficient 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 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, 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 cannot 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. 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. 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.

Internal Controls

Alexis has invested resources to document and analyze its system of internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

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

The Company does not have any off balance sheet items

Controls and Procedures

Evaluation of disclosure controls

The Company has evaluated the effectiveness of its 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.

Procedures and Internal control over financial reporting

Internal control over financial reporting has been designed, based on the framework established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

Management, under the supervision of the CEO and CFO, has evaluated the effectiveness of our internal control over financial reporting using the framework designed as described above and based on this evaluation, the CEO and CFO have concluded that internal control over financial reporting was effective as of December 31, 2009.

Because of inherent limitations, internal control over financial reporting and disclosure controls can provide only reasonable assurances and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Audit and Governance Committee's of the Company have reviewed this MD&A, and the consolidated financial statements for the twelve months ended December 31, 2009, and Alexis's board of directors approved these documents prior to their release.

Technical Reporting

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

Qualified Person (Geology)	Project Responsibility
Jean Bastien Eng. Mine Manager	Lac Herbin Engineering and Mining
Keith Boyle, P.Eng., Alexis COO	Lac Pelletier Engineering and Mining
Denys Vermette, M. Sc. P. Geo.	Val-d'Or Central VMS
Louis Martin, P.Geo., Xstrata Copper Canada	Rouyn-Noranda, Base Metals
Claude Gobeil, P.Eng.	Resource Estimates, Aurbel Geology
Jean Girard, P.Eng., Alexis	Rouyn-Noranda Gold and Lac Pelletier

March 22, 2010