ALEXIS MINERALS CORPORATION

2004 ANNUAL REPORT

December 10, 2004

Dear Shareholders,

The past twelve months have marked some important milestones in the development of Alexis Minerals Corporation. Today, our company draws its strength from the many positive attributes that set it apart from its peers, and provides a bright outlook on future prospects. Alexis is undertaking aggressive exploration on numerous high-quality targets across one of the largest and most prospective land packages ever assembled in the prolific Southern Abitibi mining district of Canada, an area famous for world-class base metal and gold deposits.

Our focus is on the Val d'Or and Rouyn-Noranda mining camps which are among the most historic in the world, yet still represent tremendous opportunities for discovery. Our properties in Val d'Or cover approximately 270 square kilometres of the Val d'Or camp. Alexis has a clear route to 100% ownership and maintains an option to purchase the Aurbel mill, which is a fully permitted, 1,400 tonnes-per-day gold-mill currently on care-and-maintenance and located only 1.8 km from Alexis' developing Lac Herbin Gold Resource. In the Rouyn-Noranda area, the Company has entered into an option agreement with Noranda Inc. which allows Alexis to earn into a 50% interest in all of Noranda's properties covering 800 square kilometres of the prospective Rouyn-Noranda camp. The Noranda agreement allows Alexis to benefit from a strategic association with Noranda Inc. which encompasses local infrastructure, advanced exploration technologies and proprietary databases, and allows the Company to benefit from the broad technical strengths of Noranda. Noranda manages base metal exploration while Alexis manages gold exploration across these extensive properties. The companies participate jointly on technical aspects of the programs with supervision through a joint Management Committee.

Financially, Alexis is in a very strong position following the successful completion of over $15 million in equity financings throughout the year. Operating in the province of Quebec also provides us with the ability to leverage the strength of our balance sheet through a variety of powerful tax incentives and significant operational advantages that rank Quebec as one of the best mining environments in the world. Quebec incentives effectively and significantly lower our cost of exploration.

We have assembled an extremely strong, award winning exploration team in Quebec. Some of the top professionals in the field who are intimately familiar with the Abitibi district have chosen to join Team Alexis. Cumulatively our professional team have played key roles in the discovery of many mines across the district and are strongly committed to further discovery with Alexis. The efforts and accomplishments of Team Alexis have also been recognized by our peers in the Mining Industry in Quebec with the "Entrepreneur de l'année" award received from the L'Association de l'exploration minière du Québec (AEMQ) in November 2004. This is a most significant level of recognition for the Corporation and an achievement made possible by the dedication and hard work of our employees and consultants, our Board of Directors, and also in large part by the support of our shareholders. I take great pleasure in thanking everyone for their support and dedication.

With an excellent portfolio of properties covering numerous high quality targets, solid financing, the advanced technological advantage we enjoy as a result of our partnership with Noranda, and a committed and experienced team, we are now well positioned to continue to undertake aggressive exploration throughout this area. The success of this year's exploration program has demonstrated the strength of our assets and our ability to execute our plan. Our strong financial position has allowed us to aggressively explore several of our most promising targets in the Val d'Or and Rouyn-Noranda camps and our team of experts has executed brilliantly with very exciting discoveries at Lac Montbray, Noralex and Lac Herbin.

We are very excited and optimistic about our ability to execute our strategic plan for 2005, to build from the successes of 2004, and to continue along our path of discovery in the Abitibi. In order to maximize returns for our shareholders, our focus will remain on creating new wealth for Alexis through exploration, discovery, and the growth of significant assets.

I thank you for your continued support and look forward to reporting the Company's progress to you in 2005.

Yours sincerely,

David M. Rigg, B.A., M.A., M.Sc., P.Geo
President and C.E.O.

ALEXIS MINERALS CORPORATION

65 Queen Street West, Suite 815
Toronto, Ontario M5H 2M5

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting of the shareholders of Alexis Minerals Corporation (the "Corporation") will be held at Suite 815, 65 Queen Street West, Toronto, Ontario M5H 2M5 on Tuesday, the 11th day of January 2005, at 4:30 p.m. (Toronto time) for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the fiscal year ended July 31, 2004, together with the report of the auditors thereon;

2. to elect directors;

3. to appoint auditors and to authorize the directors to fix their remuneration;

4. to re-approve the Corporation's Stock Option Plan; and

5. to transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

This notice is accompanied by a form of proxy, a management information circular, the audited financial statements of the Corporation for the fiscal year ended July 31, 2004 and a supplemental mailing list form. Shareholders who are unable to attend the meeting in person are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the meeting.

DATED at Toronto, Ontario as of the 8th day of December, 2004.

BY ORDER OF THE BOARD

(Signed)
David Rigg, President, C.E.O. and Director

ALEXIS MINERALS CORPORATION

MANAGEMENT INFORMATION CIRCULAR
AS AT AND DATED DECMBER 8, 2004

Solicitation of Proxies

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF ALEXIS MINERALS CORPORATION (THE "CORPORATION") OF PROXIES TO BE USED AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF THE CORPORATION (THE "MEETING") TO BE HELD AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ENCLOSED NOTICE OF MEETING. It is expected that the solicitation will be primarily by mail but proxies may also be solicited personally by regular employees of the Corporation at nominal cost. The cost of solicitation by management will be borne directly by the Corporation.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are directors and officers of the Corporation. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM AT THE MEETING MAY DO SO** either by inserting such person's name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent indicated on the enclosed envelope not later than 48 hours (excluding Saturdays and holidays) before the time of holding the Meeting, or delivering it to the chairman on the day of the Meeting.

A proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the shareholder or by his attorney authorized in writing, and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used, or with the chairman of such meeting on the day of the Meeting or in any other manner permitted by law.

Voting of Proxies

Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed form of proxy **WILL BE VOTED FOR EACH OF THE MATTERS TO BE VOTED ON BY SHAREHOLDERS AS DESCRIBED IN THIS INFORMATION CIRCULAR OR WITHHELD FROM VOTING OR VOTED AGAINST IF SO INDICATED ON THE FORM OF PROXY**. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting, or other matters which may properly come before the Meeting. At the time of printing this information circular the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

Non-Registered Holders

Only registered shareholders of the common shares of the Corporation (the "Common Shares") or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a holder who is not a registered holder (a "Non-Registered Holder") are registered either: (i) in the name of an intermediary with whom the Non-Registered Holder deals in respect of the Common Shares such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans (an "Intermediary"); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited of which the Intermediary is a participant). In accordance with the requirements of National Instrument 54-101, the Corporation will distribute copies of the Notice of Meeting, form of proxy and this information circular to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are then required to forward the materials to the appropriate Non-Registered Holders. Non-Registered Holders will be given, in substitution for the proxy otherwise contained in proxy-related materials, a request for voting instructions (the "Voting Instructions Form") which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares they beneficially own. Should a Non-Registered Holder who receives the voting instructions form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the Voting Instructions Form and a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the Voting Instructions Form.

Voting Securities and Principal Holders Thereof

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As of December 8, 2004, the Corporation had issued and outstanding 40,706,386 Common Shares.

The Corporation shall make a list of all persons who are registered holders of Common Shares on December 8, 2004 (the "Record Date") and the number of Common Shares registered in the name of each person on that date. Each shareholder is entitled to one vote for each Common Share registered in his name as it appears on the list except to the extent that such shareholder has transferred any of his shares after the Record Date and the transferee of those shares produces properly endorsed share certificates or otherwise establishes that he owns the shares and demands, not later than ten days before the Meeting, that his name be included in the list. In such case the transferee is entitled to vote his Common Shares at the Meeting.

To the knowledge of the directors and officers of the Corporation, as of the date hereof, no person beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to the Common Shares, except as follows:

Name	Number of Shares	Percentage of Outstanding Common Shares
Philip Richards	5,322,300	13.07%[(1)]

(1) Of these shares, 100,000 are held by Mr. Richards personally, 900,000 shares are held by RAB Europe Fund Ltd. and 4,332,300 are held by RAB Special Situations LP. As a director of RAB Europe Fund Ltd. and RAB Special Situations LP, Mr. Richards may be considered to be a joint actor with these entities.

Election of Directors

It is proposed to fix the number of directors for the following year at five. Each director will hold office until the next annual meeting or until his successor is duly elected unless his office is earlier vacated in accordance with the by-laws of the Corporation.

At the Meeting, shareholders will be asked to elect five directors (the "Nominees"). The following table provides the names of the Nominees and information concerning such Nominees. The persons in the enclosed form of proxy intend to vote for the election of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director. Each Nominee elected will hold office until his successor is elected at the next annual meeting of the Corporation, or any adjournment thereof, or until his successor is elected or appointed.

Advance notice of this Meeting was published in the Globe and Mail on November 15, 2004. No nomination for election of directors has been received by the Corporation pursuant thereto.

Name and Municipality of Residence	**Principal Occupation**	**Director Since**	**Number of Shares Beneficially Owned or Over which Control is Exercised**[1]
Stan Bharti[2] Toronto, Ontario	Business Consultant	January 26, 2004	338,333
Robert Bryce[2] Val d'Or, Quebec	Mining Engineer	September 5, 2003.	5,000
Maurice Colson[2] Toronto, Ontario	Investment Banker	September 5, 2003.	56,000
David Rigg Ancaster, Ontario	President and C.E.O. of the Corporation	September 5, 2003.	Nil
Tony Wonnacott Toronto, Ontario	Lawyer	January 26, 2004	40,000

Notes: (1) The information as to Common Shares owned or over which the Nominees exercise control or direction not being within the knowledge of the Corporation has been furnished by the respective Nominee.
(2) Proposed Member of the Audit Committee.

IF ANY OF THE FOREGOING NOMINEES IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

Each of the Nominees has been principally engaged in the occupation set opposite his or her name for the past five years.

Executive Compensation

(a) Compensation of Officers

The following table summarizes the compensation paid during the last three fiscal years ended July 31, 2004, 2003 and 2002 in respect of the individuals who were, at each year-end, carrying out the role of the Chief Executive Officer or Chief Financial Officer of the Corporation and/or those executive officers whose total salary and bonuses exceeded $150,000 during the fiscal year ended July 31, 2004 (the "Named Executive Officers").

SUMMARY COMPENSATION TABLE

	Annual Compensation				Long Term Compensation			
					Awards		Payouts	
Name and Principal Position	**Year**	**Salary ($)**	**Bonus ($)**	**Other Annual Compensation ($)**	**Securities Under Options SAR Granted (#)**	**Restricted Shares or Restricted Share Units ($)**	**LTIP Payouts ($)**	**All Other Compensation ($)**
David Rigg President, C.E.O. and Director(1)	2004	Nil	72,000	134,375	700,000	Nil	Nil	Nil
	2003	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2002	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Glen Garratt, Past President(1)	2004	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2003	Nil	Nil	Nil	145,000	Nil	Nil	Nil
	2002	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Deborah Battiston, Chief Financial Officer(2)	2004	Nil	20,000	10,000	250,000	Nil	Nil	Nil
	2003	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2002	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Mr. Rigg replaced Mr. Garratt as President of the Corporation on September 5, 2003

(2) Ms. Battiston was appointed C.F.O. on September 5, 2003. Prior to that date, there was not a C.F.O. of the Corporation.

(b) Long Term Incentive Plan (LTIP Awards)

The Corporation does not have a LTIP, pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance or the price of the Corporation’s securities), was paid or distributed to the Named Executive Officers during the most recently completed fiscal year.

(c) Options and Stock Appreciation Rights (SARs)

OPTION/SAR GRANTS DURING THE MOST RECENTLY COMPLETED FISCAL YEAR

Stock options granted to the Named Executive Officers during the fiscal year ended July 31, 2004 are provided in the table below:

Name	Securities Under Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Fiscal year[1]	Exercise or Base Price (Cdn.$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (Cdn.$/Security)	Expiration Date
David Rigg President, C.E.O. and Director	100,000 100,000 500,000	Total - 20.1%	\$0.255 \$0.83 \$0.50	\$0.255 \$0.83 \$0.50	Sept. 5/08 Dec. 29/08 July 14/09
Glen Garratt, Past President	Nil	N/A	N/A	N/A	N/A
Deborah Battiston, Chief Financial Officer	50,000 200,000	Total - 7.2%	\$0.255 \$0.50	\$0.255 \$0.50	Sept. 5/08 July 14/09

(1) Based on the total number of options granted to directors/officers/consultants of the Corporation pursuant to the stock option plan during the fiscal year ended July 31, 2004.

During the fiscal year ended July 31, 2004, there has been no repricing of stock options held by any Named Executive Officer.

OPTION/SAR EXERCISED DURING THE MOST RECENTLY COMPLETED FISCAL YEAR

The following table provides detailed information regarding options exercised by the Named Executive Officers during the fiscal year ended July 31, 2004 and options held by the Named Executive Officers as at July 31, 2004:

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized ($)	Unexercised Options at July 31, 2004		Value of Unexercised In-the-money Options at July 31, 2004	
			Exercisable (#)	Unexercisable (#)	Exercisable ($)	Unexercisable ($)
David Rigg President, C.E.O. and Director	Nil	N/A	200,000	500,000	14,500[1]	0
Glen Garratt, Past President	48,333	24,000	Nil	Nil	Nil	Nil
Deborah Battiston, Chief Financial Officer	Nil	N/A	50,000	200,000	7,250[2]	0

(1) Based on the closing price on July 31, 2004 of \$0.40 and an exercise price of \$0.255 of 100,000 options and an exercise price of \$0.83 on 100,000 options.

(2) Based on the closing price on July 31, 2004 of \$0.40 and an exercise price of \$0.255.

(d) Termination of Employment, Change in Responsibilities and Employment Contracts

The Corporation has consulting contracts with the current Named Executive Officers as follows: The Corporation entered into a contract with David Rigg effective October 1, 2003 pursuant to which Mr. Rigg agreed to provide management services to the Corporation commencing on that day. Mr. Rigg was entitled to compensation for the provisions of such services of \$12,500 per month. The Corporation entered into a contract with Deborah Battiston effective September 5, 2003, pursuant to which Ms. Battiston was entitled to compensation for the provision of services of $1,000 per month. Effective August 1, 2004, the Corporation amended the contract with Ms. Battiston by increasing the compensation to $2,000 per month. Other management services for the Corporation are not, to any material degree, performed by persons other than the senior officers of the Corporation.

The Corporation has no compensatory plan or arrangement in respect of compensation received or that may be received by the Named Executive Officers in the Corporation's most recently completed or current fiscal year to compensate such executive officers in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change of control.

(e) Compensation of Directors

Directors are not paid any fees in their capacity as directors of the Corporation. Directors are entitled to participate in the Corporation's stock option plan. Directors were granted the following options during the year ended July 31, 2004: Mr. Bharti was granted 100,000 options at $0.255 which expire on September 5, 2008, 200,000 options at $0.83 which expire on December 29, 2008 and 500,000 options at $0.50 which expire on July 14, 2009. Mr. Bryce was granted 50,000 options at $0.255 which expire on September 5, 2008, 50,000 options at $0.83 which expire on December 29, 2008 and 100,000 options at $0.50 which expire on July 14, 2009. Mr. Colson was granted 100,000 options at $0.255 which expire on September 5, 2008, 100,000 options at $0.45 which expire on May 28, 2009 and 100,000 options at $0.50 which expire on July 14, 2009. Mr. Rigg was granted 100,000 options at $0.255 which expire on September 5, 2008, 100,000 options at $0.83 which expire on December 29, 2008 and 500,000 options at $0.50 which expire on July 14, 2009. Mr. Wonnacott was granted 50,000 options at $0.255 which expire on September 5, 2008, 50,000 options at $0.83 which expire on December 29, 2008 and 200,000 options at $0.50 which expire on July 14, 2009

Other Arrangements

None of the directors of the Corporation were compensated in their capacity as a director by the Corporation and its subsidiaries during the fiscal year ended July 31, 2004 pursuant to any other arrangement or in lieu of any standard compensation arrangement.

<u>Securities Authorized for Issuance Under Equity Compensation Plans</u>

The table below sets out the outstanding options under the Corporation's existing Stock Option Plan under which common shares of the Corporation are authorized for issuance as of the end of the Corporation's most recently completed fiscal year.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	**Weighted-average exercise price of outstanding options, warrants and rights**	**Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a))**
Plan Category	**(a)**	**(b)**	**(c)**
Equity compensation plans approved by securityholders	3,480,000	0.525	528,752
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
TOTAL	3,480,000	0.525	528,752

Indebtedness of Directors and Executive Officers

None of the directors or executive officers of the Corporation was indebted to the Corporation or its subsidiaries during the fiscal year ended July 31, 2004, including under any securities purchase or other program.

Interest of Informed Persons in Material Transactions

No informed person of the Corporation has had any interest in any material transactions involving the Corporation since July 31, 2003 other than as may be disclosed herein.

Interest of Persons in Matters To be Acted Upon

No director, executive officer, proposed nominee for election as a director nor their respective associates or affiliates has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at this Meeting other than the election of directors.

Appointment of Auditors

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the re-appointment of McGovern, Hurley, Cunningham, LLP, as auditors of the Corporation for the 2004-05 fiscal year, and to authorize the directors to fix their remuneration. McGovern, Hurley, Cunningham, LLP have been the Corporation's Auditors since July 22, 2004, when they took over from Hay & Watson, Chartered Accountants.

Management Contracts

No management functions of the Corporation are performed to any substantial degree by a person other than the directors or executive officers of the Corporation.

Audit Committee Charter

(Implemented pursuant to Multilateral Instrument 52-110)

Instrument 52-110 (the "Instrument") relating to the composition and function of audit committees was implemented for Alberta reporting companies effective March 30, 2004 and, accordingly, applies to every TSX Venture Exchange listed company, including the Corporation. The Instrument requires all affected issuers to have a written audit committee Charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board.

This Charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

PART I

Purpose: The purpose of the Committee is to:

a) significantly improve the quality of the Corporation's financial reporting;

b) assist the Board to properly and fully discharge its responsibilities;
c) provide an avenue of enhanced communication between the Board and external auditors;
d) enhance the external auditor's independence;
e) increase the credibility and objectivity of financial reports; and
f) strengthen the role of the outside members of the Board by facilitating in depth discussions between Members, management and external auditors.

1.1 Definitions

"accounting principles" has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

“Affiliate” means a company that is a subsidiary of another company or companies that are controlled by the same entity;

"audit services" means the professional services rendered by the Corporation's external auditor for the audit and review of the Corporation's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

“Board” means the board of directors of the Corporation;

“Charter” means this audit committee charter;

“Corporation” means Alexis Minerals Corporation;

"Committee" means the committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

“Control Person” means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation, except where there is evidence showing that the holder of those securities does not materially affect control of the Corporation;

"executive officer" means an individual who is:

a) the chair of the Corporation;
b) the vice-chair of the Corporation;
c) the President of the Corporation;
d) the vice-president in charge of a principal business unit, division or function including sales, finance or production;
e) an officer of the Corporation or any of its subsidiary entities who performs a policy-making function in respect of the Corporation; or
f) any other individual who performs a policy-making function in respect of the Corporation;

“financially literate” has the meaning set forth in Section 1.3;

"immediate family member" means a person’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person’s immediate family member) who shares the individual's home;

“independent” has the meaning set forth in Section 1.2;

“Instrument” means Multilateral Instrument 52-110;

"MD&A" has the meaning ascribed to it in the National Instrument;

“Member” means a member of the Committee;

"National Instrument 51-102" means National Instrument 51-102 *Continuous Disclosure Obligations*;

"non-audit services" means services other than audit services;

1.2 Meaning of Independence

1. A Member is independent if the Member has no direct or indirect material relationship with the Corporation.

2. For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgement.

3. Despite subsection 2 and without limitation, the following individuals are considered to have a material relationship with the Corporation:
   a) a Control Person of the Corporation;
   b) an Affiliate of the Corporation; and
   c) an employee of the Corporation.

1.3 Meaning of Financial Literacy -- For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

PART 2

2.1 Audit Committee – The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors – The Corporation will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the Board:
   a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
   b) the compensation of the external auditor.

2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the

Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.

This responsibility shall include:

a) reviewing the audit plan with management and the external auditor;
b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
g) reviewing interim unaudited financial statements before release to the public;
h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management's discussion and analysis;
i) reviewing any evaluation of internal controls by the external auditor, together with management's response;
j) reviewing the terms of reference of the internal auditor, if any;
k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
l) reviewing the appointments of the Chief Financial Officer and any key financial executives involved in the financial reporting process, as applicable.

3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.

4. The Committee shall review the Corporation’s financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information.

5. The Committee shall ensure that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements, and shall periodically assess the adequacy of those procedures.

6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31, and the planned steps for an orderly transition.

7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in the National Instrument, on a routine basis, whether or not there is to be a change of auditor.

8. The Committee shall, as applicable, establish procedures for:

a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

9. As applicable, the Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.

10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

2.4 De Minimis Non-Audit Services – The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;
b) the Corporation or the relevant subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 Delegation of Pre-Approval Function

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).

2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

PART 3

3.1 Composition

1. The Committee shall be composed of a minimum of three Members.

2. Every Member shall be a director of the issuer.

3. The majority of Members shall be independent.

4. Every audit committee member shall be financially literate.

PART 4

4.1 Authority – Until the replacement of this Charter, the Committee shall have the authority to:

a) engage independent counsel and other advisors as it determines necessary to carry out its duties,
b) set and pay the compensation for any advisors employed by the Committee,

c) communicate directly with the internal and external auditors; and
d) recommend the amendment or approval of audited and interim financial statements to the Board.

PART 5

5.1 Disclosure in Information Circular -- If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (*Disclosure by Venture Issuers)*.

PART 6

6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.

2. Opportunities shall be afforded periodically to the external auditor, the internal auditor, if any, and to members of senior management to meet separately with the Members.

3. Minutes shall be kept of all meetings of the Committee.

SPECIAL BUSINESS

Stock Option Plan

Currently, the Corporation has a 10% "rolling" stock option plan as described in TSX Venture Exchange Policy 4.4. Under Exchange Policy 4.4, the Corporation is required to obtain the approval of its members to any stock option plan that is a "rolling" plan yearly at the Corporation's Annual Meeting. Accordingly, the Members will be asked to re-approve the Corporation's existing Stock Option Plan.

OTHER MATTERS

The management does not know of any other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Proxy.

The contents and sending of this information circular have been approved by the directors of the Corporation.

BY ORDER OF THE BOARD OF DIRECTORS

(signed)

David Rigg, President, C.E.O. and Director

McGovern, Hurley, Cunningham, LLP
Chartered Accountants

AUDITORS' REPORT

To the Shareholders of
Alexis Minerals Corporation

We have audited the balance sheet of Alexis Minerals Corporation as at July 31, 2004 and the statement of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements for the year ended July 31, 2003 were audited by another firm of Chartered Accountants who expressed an opinion without reservation dated September 29, 2003.

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern, Hurley, Cunningham, LLP

Chartered Accountants

TORONTO, Canada
October 12, 2004

2005 Sheppard Avenue East, Suite 300, Toronto, Ontario, Canada, M2J 5B4
Telephone: (416) 496-1234 – Fax: (416) 496-0125 – E-Mail: info@mhc-ca.com – Website: www.mhc-ca.com

ALEXIS MINERALS CORPORATION

Balance Sheet

As at July 31, 2004

	2004	2003
Assets		
Current assets:		
Cash and cash equivalents	$ 8,697,534	$ 668,703
Amounts Receivable	243,313	1,039
Prepaid expenses	955,962	448
	9,896,609	670,190
Mineral properties and exploration expenditures (Note 4)	5,523,179	520,403
Equipment, net of accumulated amortization (Note 3)	136,009	-
	$ 15,555,997	$ 1,190,593
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 319,346	$ 532,655
Payable to Eastfield Resources Ltd. (Note 7)	-	47,655
	319,346	580,310
Shareholders' equity:		
Share capital (Note 5(b))	14,753,423	2,154,557
Warrants (Note 5(d))	2,152,271	-
Contributed surplus	1,226,150	-
Deficit	(2,895,193)	(1,544,274)
	15,236,651	610,283
	$ 15,555,997	$ 1,190,593

ALEXIS MINERALS CORPORATION

Statement of Operations and Deficit

For the year ended July 31, 2004

		2004		2003
Expenses:				
Professional and consulting fees	$	619,761	$	12,638
Employee stock option compensation expense (Note 5(c))		708,800		-
Non-employee stock option compensation expense (Note 5(c))		421,750		-
Shareholder communications and investor relations		154,844		4,202
General office expenses		91,853		5,829
Rent		46,394		13,684
Travel and promotion		37,059		-
Transfer agent and filing fees		29,443		17,298
Salaries and benefits		-		8,764
Bad debts expense		-		12,000
Write off of property costs		-		108,411
Amortization		23,214		-
Less: interest income		(29,699)		(332)
		2,103,419		182,494
Loss for the year before income taxes		(2,103,419)		(182,494)
Future income tax recovery		752,500		-
Net income (loss) for the year		(1,350,919)		(182,494)
DEFICIT, beginning of year		(1,544,274)		(1,361,780)
DEFICIT, end of year	$	(2,895,193)	$	(1,544,274)
Basic and Fully Diluted Net Loss Per Share (Note 2(g))	$	(0.08)	$	(0.08)
Weighted Average Number of Shares Outstanding		16,166,272		2,400,882

ALEXIS MINERALS CORPORATION

Statement of Cash Flows

For the year ended July 31, 2004

	2004	2003
Cash provided by (used in):		
Operations:		
Net income (loss) for the year	$ (1,350,919)	$ (182,494)
Items not involving cash:		
Stock option compensation expense (Note 5c))	1,130,550	-
Amortization	23,214	-
Future income tax recovery	(752,500)	-
Changes in non-cash working capital	(1,458,752)	536,414
Write off of property costs	-	108,411
	(2,408,407)	462,331
Financing:		
Exercise of options	89,500	-
Exercise of warrants	448,347	-
Common shares issued through private placements	13,554,068	644,194
Common share purchase warrants issued	1,555,440	-
Share issue costs	(1,475,718)	-
	14,171,637	644,194
Investing:		
Equipment purchase	(159,223)	-
Expenditures on mining interests	(3,575,176)	(489,182)
	(3,734,399)	(489,182)
Change in cash and cash equivalents	8,028,831	617,343
Cash and cash equivalents, beginning of year	668,703	51,360
Cash and cash equivalents, end of year	$ 8,697,534	$ 668,703
Supplemental Disclosure of non-cash investing and financing activities		
Income taxes paid	-	-
Issuance of options for exploration activities (Note 5c))	95,600	-
Issuance of common shares for interest in mineral property	1,144,000	9,000
Issuance of common share purchase warrants for interest in mineral property	188,000	-
Issuance of common share purchase warrants for share issue costs	474,831	-

1. NATURE OF OPERATIONS

Alexis Minerals Corporation (the “Company”) was incorporated in British Columbia on August 8, 1988 under the name First Discovery Holdings Ltd. The Company changed its name to Alexis Resources Ltd. on December 20, 1996 and subsequently changed its name to Alexis Minerals Corporation on June 4, 2003. The Company's business is exploration for precious and base minerals.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mining claims, the ability of the Company to obtain necessary financing from shareholders, investors and lenders to complete the development, and upon future profitable production or proceeds from the disposition thereof.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company are in accordance with Canadian generally accepted accounting principles and their basis of application is consistent with that of the previous year. Outlined below are those policies considered particularly significant.

a) Mineral property expenditures

Mineral properties and deferred exploration expenditures are carried at cost until they are brought into production, at which time they are depleted on a unit-of–production method based on proven and probable reserves. If a property is subsequently determined to be significantly impaired in value, the property and related deferred costs are written down to their net realizable value. Other general exploration expenses are charged to operations as incurred. The cost of mineral properties abandoned or sold and their related deferred exploration costs are charged to operations in the current year.

The Company reviews its mineral properties on an annual basis to determine if events or changes in circumstances have transpired which indicate that the carrying value of its assets may not be recoverable. The recoverability of costs incurred on the mineral properties is dependent upon numerous factors including exploration results, environmental risks, commodity risks, political risks, and the Company’s ability to attain profitable production. In reviewing its mineral properties, the Company estimates the future cash flows expected to result from each asset and its eventual disposition. If the sum of the undiscounted, expected future cash flow is less than the carrying value of the asset, an impairment loss is recognized. It is reasonably possible, based on existing knowledge, that changes in future conditions in the near-term could require a change in the determination of the need for and amount of any write down.

b) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks and short-term investments with original maturities of three months or less. The investments are held in Canadian chartered banks or a financial institution controlled by a Canadian chartered bank.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Equipment

Equipment is recorded at cost less accumulated amortization and is amortized on a straight line basis over its estimated useful life for 2 years to 8 years.

d) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 financial statements and the related reported amounts of revenue and expense during the report period. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

e) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and the income tax bases of assets and liabilities, and are measured using the substantively enacted income tax rates and laws that are expected to be in effect when the temporary differences are expected to reverse. The effect on future income tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of enactment or substantive enactment of the change. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the potential future benefit is taken and no net asset is recognized.

f) Flow through financing

The Company has financed a portion of its exploration activities through the issue of flow-through shares, which transfer the tax deductibility of exploration expenditures to the investor. Proceeds received on the issue of such shares have been credited to capital stock and the related exploration costs have been charged to mining and resource properties.

Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. When these expenditures are renounced, temporary taxable differences created by the renunciation will reduce share capital.

g) Loss per Share

Basic loss per share is calculated using the weighted number of shares outstanding. Diluted loss per share is calculated using the treasury stock method. In order to determine diluted loss per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Stock-based Compensation

Effective August 1, 2002, the Company adopted the recommendations of CICA Handbook Section 3870, Stock-based Compensation and Other Stock-based Payments. This Section establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. These recommendations require that compensation for all awards made to non-employees and certain awards made to employees be measured and recorded in the financial statements at fair value. This Section also sets out a fair value based method of accounting for stock options issued to employees and applies to awards granted on or after August 1, 2002. These financial statements do not reflect the effect of stock options granted before August 1, 2002.

Effective August 1, 2003, the Company adopted the revisions to CICA Handbook Section 3870, which require a fair value based method of accounting to be applied to all stock-based compensation arrangements. The fair value of each option is accounted for in operations, over the vesting period of the options, and the related credit is included in contributed surplus.

The Company's stock-based compensation plan is described in Note 5(c).

i) Asset Retirement Obligations

During the course of acquiring and exploring potential mining properties, the Company must comply with government regulated environmental evaluation, updating and reclamation requirements. The costs of complying with these requirements are capitalized as incurred. The carrying value will be amortized over the life of the related assets on a unit-of-production basis and the related liabilities are accreted to the original value estimate. Asset retirement obligations, if any, cannot be determined at this time and no amount has been recorded in these financial statements.

The present value of the reclamation liabilities may be subject to change based on management's current estimates, changes in remediation technology or changes to the applicable laws and regulations by regulatory authorities, which affect the ultimate cost of remediation and reclamation. Such charges will be reflected in the accounts of the Company as they arise.

j) Comparative figures

Certain comparative amounts have been reclassified to conform to the current year's presentation.

3. EQUIPMENT

	COST	ACCUMULATED AMORTIZATION	2004 NET	2003 NET
	$	$	$	$
Computer software	43,342	7,680	35,662	-
Computer hardware	14,210	2,651	11,559	-
Office equipment	11,755	1,469	10,286	-
Furniture and fixtures	15,583	1,006	14,577	-
Field equipment	37,675	5,061	32,614	-
Vehicles	36,657	5,346	31,311	-
	159,222	23,213	136,009	-

ALEXIS MINERALS CORPORATION

Notes to Financial Statements

For the year ended July 31, 2004

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

DESCRIPTION	ROUYN-NORANDA	VMS	AUDET	CADILLAC AND AURBEL	QUEOTISH	TURQUOISE FLATS	Buffalo Hills	TOTAL
Acquisition costs								
Balance, July 31, 2002	-	-	-	-	30,950	-	58,900	89,850
Acquisition and property costs	-	-	-	455,000	9,000	4,553	-	468,553
Writedown	-	-	-	-	-	-	(58,900)	(58,900)
Balance, July 31, 2003	-	-	-	455,000	39,950	4,553	-	499,503
Exploration expenditures								
Balance, July 31, 2002	-	-	-	-	6,331	-	34,451	40,782
Analysis and laboratory	-	-	-	-	-	317	7,600	7,917
Travel and transportation	-	-	-	-	-	2,422	-	2,422
Labour	-	-	-	-	13,124	13,457	7,298	33,879
Field office support	-	-	-	-	6	243	162	411
Writedown	-	-	-	-	-	-	(49,511)	(49,511)
Recovery of costs	-	-	-	-	-	(15,000)	-	(15,000)
Balance, July 31, 2003	-	-	-	-	19,461	1,439	-	20,900
TOTAL DEFERRED COSTS July 31, 2003	-	-	-	455,000	59,411	5,992	-	520,403
Acquisition costs								
Balance, July 31, 2003	-	-	-	455,000	39,950	4,553	-	499,503
Acquisition and property costs	891,950	984,827	99,500	513,151	5,700	-	-	2,495,128
Balance, July 31, 2004	891,950	984,827	99,500	968,151	45,650	4,553	-	2,994,631
Exploration expenditures								
Balance, July 31, 2003	-	-	-	-	19,461	1,439	-	20,900
Drilling	4,407	-	-	1,123,868	-	-	-	1,128,275
Line cutting	-	-	-	8,234	-	-	-	8,234
Analysis and laboratory	-	-	-	170,513	-	-	-	170,513
Geology and geological consulting	72,544	5,716	-	558,570	-	-	-	636,830
Travel and transportation	1,573	102	-	42,640	-	-	-	44,315
Labour	5,107	1,772	-	328,850	-	-	-	335,729
Geophysics	488	-	-	18,527	-	-	-	19,015
Environmental	3,851	-	-	747	-	-	-	4,598
Field office support	10,778	570	-	148,791	-	-	-	160,139
Balance, July 31, 2004	98,748	8,160	-	2,400,740	19,461	1,439	-	2,528,548
TOTAL ACQUISITION AND DEFERRED COSTS July 31, 2004	990,698	992,987	99,500	3,368,891	65,111	5,992	-	5,523,179

Rouyn-Noranda Properties, Quebec

On June 15, 2004, the Company entered into a binding letter of intent with Noranda Inc. ("Noranda") wherein the Company has an option to earn a 50% interest in all of Noranda's properties in the prospective Rouyn-Noranda Base Metal and Gold Camp, Quebec. The Company will spend $16.5M in exploration over a 3-year option period, after which the parties will form a 50/50 joint venture to pursue further exploration and development of the properties.

The Company will have no current or future liabilities from previous work or mining activities. Mineral rights in sensitive environmental areas will be severed from surface rights and obligations. Surface rights, mineral title and past liabilities will remain with Noranda in these areas.

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (continued)

Under the terms of the agreement Noranda will be the operator and the Company shall fund expenditures on the properties as follows:

a) $5,000,000 on or before April 30, 2005
b) $5,000,000 on or before April 30, 2006
c) $5,000,000 on or before April 30, 2007
d) in addition, the Company will pay to Noranda an overhead and administration fee of 10% of the above expenditures.
e) if warranted by a discovery of base metal mineralization of potentially economic grades and widths as specifically defined, on or before April 30, 2007, the Company will incur an additional amount of $3,000,000 in order to outline an inferred resource

All expenditures on the properties will be for the credit of the Company's flow-through expenditure commitments.

The Company issued Noranda a payment of $1,000,000 on June 28, 2004 towards the expenditures. The Company also issued Noranda 1,000,000 common shares of the Company and 1,000,000 share purchase warrants. The warrants expire two years from the date of issue with an exercise price of $0.75. The shares have a deemed value of $450,000 and the warrants have a deemed value of $188,000. This deemed value has been charged to property costs.

The Company also agreed to place a total of $14,000,000 in trust as security for the performance of the expenditures as described above as follows:

i. $5,000,000 by September 13, 2004 ($2,500,000 paid September 7, 2004; $2,500,000 paid September 10, 2004);
ii. $4,000,000 by March 31, 2005;
iii. $5,000,000 by December 31, 2005.

VMS Properties Quebec

On March 17, 2004, the Company entered into an option agreement to acquire all AUR Resources Inc. ("AUR") interests in 18 additional gold and base metal properties in the central area of the Val d'Or Camp, Quebec.

Under the agreement, the Company is required to spend $1,000,000 on exploration on or before March 31, 2005, $1,000,000 on or before March 31, 2006, $2,000,000 on or before March 31, 2008 and make a $1,000,000 cash payment to Aur on or before March 31, 2008. Aur will subsequently retain between a 2% and a 2.5% net smelter return royalty on the properties dependent on pre-existing underlying royalties. The Louvex, Bonnefond and Mainstreet properties are held under existing joint venture agreements. Novicourt Inc. owns a 45% interest in the Louvex and Bonnefond properties and Beaufield Consolidated Resources Ltd. own a 40% interest in the Mainstreet property. The Company's option to acquire Aur's interest in the Mainstreet property remains subject to a right of first refusal held by Beaufield. During the fourth quarter of 2004, Beaufield elected to exercise their right of first refusal.

Forbes & Manhattan, Inc. secured the option to these Aur properties through negotiations with Aur and assigned these rights to the Company for consideration of $200,000 cash and 1,000,000 shares of the Company with a deemed value of $610,000. Forbes & Manhattan, Inc. is a company indirectly controlled by a director of the Company.

Audet Property, Quebec

In December 2003, the Company entered into an agreement to acquire the 20-claim (320 Ha.) Audet Property located to the southeast of and contiguous with, the Standard Gold claims of the Aurbel Property in central Bourlamaque Township, Quebec. The Company made a single cash payment of $15,000 and issued 100,000 common shares of the Company for a deemed value of $84,000 for a 100% interest in the property. The property will be subject to a 2% NSR subject to certain repurchase rights by the Company.

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (continued)

Cadillac Aurbel Properties, Quebec

During the first quarter of 2004, the Company optioned a significant portfolio of exploration and development properties covering 15,749.59 Ha. (approx. 157 sq. km.) in the prolific Val d'Or Camp of Quebec.

The properties were acquired by assumption of two option agreements between Forbes and Manhattan, Inc. and Aur Resources Inc. (the Airport and Aurbel Options) in July 2003. Under the agreements, Forbes had made payments to Aur and completed work on the properties, as required under the agreements. In exchange for the transfer of all of Forbes' rights under the agreements, the Company was required to assume all of Forbes' remaining obligations to Aur and to make payments of $455,000 ($400,000 to Forbes and $55,000 to Aur). Forbes & Manhattan, Inc. is a company indirectly controlled by a director of the Company. The director was not a director of the Company at the time the agreement was entered into.

In order for the Company to complete the acquisition of the 50% interest in the properties the following payments and expenditures are required:

Cadillac Group (formerly named the Airport Property)

Payments:
- $200,000 on February 29, 2004 (paid)
- $200,000 on February 28, 2005

Expenditures:
- $1,000,000 on exploration by June 30, 2004 (completed)
- $2,000,000 by June 30, 2005 and
- $2,000,000 by June 30, 2006.

Aurbel Property

Payments:
- $250,000 on March 24, 2004 (paid)
- $250,000 on March 24, 2005

Expenditures:
- $5,000,000 on exploration by March 31, 2006, with at least $250,000 on claims identified as the "Standard Gold" property.

The Company also has a second option to acquire the remaining 50% interest in both properties, on the completion of the acquisition of the first 50%, by the payment of $5,000,000 on the Cadillac Group (Airport) property and $4,000,000 on the Aurbel property. Aur Resources will retain net smelter royalties in the case of the exercise of the second option. Forbes will retain a 2% net smelter royalty on each property, which can be reduced to 1% on payment of $1,000,000 for each property.

Alexis Minerals also maintains an option to purchase the Aurbel (formerly Belmoral) mill. The fully permitted mill is capable of processing 1400 metric tonnes per day and is currently on care and maintenance.

4. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (continued)

Queotish Property, Quebec

In 2002, the Company acquired diamond exploration properties in the Otish Mountains and Wemindji areas of Quebec. The Queotish Project is 75 kms northeast of the Renard kimberlite cluster discovered by Ashton Mining and is located on NTS sheet 23E/04.

On January 14, 2004, the Company entered into an option agreement with respect to the Queotish and LG Diamond Properties with Dianor Resouces Inc. ("Dianor").

In order to earn a 100% interest in the Queotish Property, Dianor must spend a total of $500,000 in exploration on the property. $50,000 must be spent on or before January 14, 2005 and $100,000 on or before January 14, 2006. Should the $50,000 and $100,000 not be expended in the prescribed time frame then the Queotish property title will not be transferred to Dianor.

Dianor will restake the LG Diamond properties and become the 100% owner. The Company will retain a 2% GOR and NSR and Dianor will have the right to purchase, at any time 0.5% of the GOR and NSR for $500,000 or 1% of the GOR and NSR for $1,000,000 to a maximum of 50% of the GOR and NSR.

Langlade, Quebec

In July 2004, the Company entered into an agreement to option 24 claims from Cambior Inc. (20%) and Orient Resources Inc. (80%) in Bourlamaque Township, Val d'Or Quebec. The Company is required to spend $100,000 in exploration on the properties on or before March 31, 2007. The property is subject to a net smelter return of up to 1.5%

Buffalo Hills Property, Alberta

By agreement dated February 26, 2002, the Company was granted an option to acquire a 100% interest in the Buffalo Hills property, a 23 township mineral exploration property exploration property located in north central Alberta. In order to earn its interest, the Company made a cash payment of $18,400 and issued 400,000 common shares. The Company terminated the option and wrote off all associated costs during the prior year.

Turquoise Flats Property, Nevada

In October 2002, the Company located by staking the Turquoise Flats mineral claims approximately 25 miles from Tonopah, Nevada. The Company is maintaining its claim on this property and seeking a joint venture partner.

5. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value

(b) Issued

Common Shares issued	Number of Shares	Stated Value
Balance, July 31, 2002	6,704,700	$ 1,501,363
Common shares issued on private placement	100,000	10,000
Common shares issued for property	90,000	9,000
3:1 share consolidation March 31, 2003	(4,596,467)	-
Common shares issued on private placement	5,000,000	700,000
Share issue costs	-	(65,806)
Balance, July 31, 2003	7,298,233	$ 2,154,557
Shares issued on private placement (i)	10,910,249	5,482,575
Shares issued on flow-through private placement (i)	17,707,149	9,626,932
Property acquisition	2,100,000	1,144,000
Exercise of stock options	221,665	89,500
Exercise of warrants	1,850,233	514,347
Warrant valuation (i)	-	(1,555,439)
Flow-through renunciation (Note 6(a))	-	(752,500)
Share issue costs	-	(1,950,549)
Balance, July 31, 2004	40,087,529	$ 14,753,423

As at July 31, 2004, no common shares (2003 - 60,699 common shares) are held in escrow.

In October 2003, the Company issued 2,400,000 units at a price of $0.50 per unit for gross proceeds of $1,200,000. Each unit consists of one common share and one half common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of $0.75 for a period of two years.

The Company also issued 3,600,000 flow-through units at a price of $0.50 per unit for gross proceeds of $1,800,000. Each flow-through unit consists of one common share and one half common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of $0.75 for a period of two years.

In December 2003, the Company issued 1,509,879 units at a price of $0.75 per unit for gross proceeds of $1,132,409. Each unit consists of one common share and one half common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of $1.00 for a period of one year.

The Company also issued 339,999 flow-through units at a price of $0.75 per unit for gross proceeds of $254,999. Each flow-through unit consists of one common share and one half common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of $1.00 for a period of one year.

5. SHARE CAPITAL (continued)

In June/July 2004, the Company issued 7,000,370 units at a price of $0.45 for gross proceeds of $3,150,166. Each unit consists of one common share of the Company and one half share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.65 for a period of two years. The Company also issued 13,767,150 flow-through shares at a price of $0.55 for gross proceeds of $7,571,933.

The gross proceeds, have been prorated to common shares and warrants based on the fair value of each component, as follows: shares - $13,554,068; warrants - $1,555,439.

(c) Stock Options

The following table reflects the continuity of stock options for the years ended July 31, 2004 and July 31, 2003:

	2004		2003	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Balance, beginning of year	221,665	0.40	221,665	0.40
Granted	3,480,000	0.53	-	
Exercised	(221,665)	0.40	-	
Cancelled/Expired	-		-	
Balance, end of year	3,480,000	0.53	221,665	0.40

5. SHARE CAPITAL (continued)

c) Stock Options (continued)

As at July 31, 2004, the following stock options were outstanding:

DATE OF EXPIRY	NUMBER OF OPTIONS OUTSTANDING AND EXERCISABLE	EXERCISE PRICE	FAIR VALUE OF OPTIONS GRANTED
September 5, 2008	500,000	$0.255	$ 95,000
October 14, 2008	25,000	$0.750	14,250
November 17, 2008	25,000	$0.700	13,500
December 22, 2008	600,000	$0.830	384,000
March 16, 2009	80,000	$0.600	36,800
April 22, 2009	100,000	$0.550	42,000
May 27, 2009	100,000	$0.430	32,900
May 28, 2009	100,000	$0.450	34,400
July 14, 2009	1,950,000	$0.500	573,300
	3,480,000		$ 1,226,150

In January, 2004, the Shareholders of the Company approved a new stock option plan, "the Plan", to be administered by the Directors of the Company. Upon approval of the Plan, the former stock option plan was cancelled and the stock options granted thereunder became deemed granted under the new Plan. Under the Plan, the Company may grant to directors, officers, employees and consultants options to purchase shares of the Company. The Plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Corporation's issued and outstanding share capital increases. Options granted under the Plan will be for a term not to exceed 5 years. The options currently granted under the plan vest immediately pending any regulatory hold period. The plan provides that, it is solely within the discretion of the Board to determine who should receive stock options and in what amounts. In no case (calculated at the time of grant) shall the plan result in:

Ξ The number of options granted in a 12 month period to any one consultant exceeding 2% of the issued shares of the Corporation;

Ξ The aggregate number of options granted in a 12 month period to any one individual exceeding 5% of the outstanding shares of the Corporation;

Ξ The number of options granted in a any 12 month period to employees or consultants undertaking investor relations activities exceeding in aggregate 2% of the issued shares of the Corporation;

Ξ The aggregate number of common shares reserved for issuance to any one individual upon the exercise of options granted under the Plan or any previously established and outstanding stock option plans or grants exceeding 5% of the issued shares of the Corporation in any 12 month period.

The Company applies the fair value method of accounting for stock-based compensation awards and accordingly, $1,226,150 was credited to contributed surplus relating to 3,480,000 options granted during the year. The weighted average grant-date fair value of options granted during the year ended July 31, 2004, amounted to $0.352 per option. For purposes of these options, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 4.5% and an expected life of 5 years.

5. SHARE CAPITAL (continued)

(d) Warrants

Summary of Warrant Activity

	2004		2003	
	Number of warrants	Average price	Number of warrants	Average price
Balance, beginning of year	5,033,332	$ 0.14	33,332	$ 0.33
Granted, private placements	7,425,122	0.73	5,000,000	0.14/ 0.20
Granted, broker warrants	2,180,588	0.56	-	-
Granted property acquisition	1,000,000	0.75	-	-
Exercised	(1,850,233)	0.24	-	-
Expired or cancelled	(99)	0.33	-	-
Balance, end of year	13,788,710	$ 0.57	5,033,332	$ 0.14

Summary of warrants outstanding at July 31, 2004

NUMBER OF WARRANTS	EXERCISE PRICE $	FAIR VALUE OF WARRANTS	DATE OF EXPIRY
924,937	1.00	$ 212,736 (i)	December 29, 2004
3,483,000	0.20	$ -	July 23, 2005
2,700,000	0.75	$ 594,000 (ii)	October 2, 2005
1,000,000	0.75	$ 188,000 (ii)	June 25, 2006
490,026	0.45	$ 114,573 (ii)	June 28, 2006
963,700	0.55	$ 214,172 (ii)	June 28, 2006
4,227,047	0.65	$ 828,790 (ii)	June 28, 2006
13,788,710		$ 2,152,271	

(i) The fair value of each warrant was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 4.5% and an expected life of 1 year.

(ii) The fair value of each warrant was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 4.5% and an expected life of 2 years.

ALEXIS MINERALS CORPORATION

6. INCOME TAXES

a) Provision for income taxes

The major items causing the Company's income tax expense to differ from the federal statutory rate of 37% were:

	2004	2003
Loss before income taxes	$ (2,103,419)	$ (182,494)
Expected income tax benefit based on statutory rate of 37%	(778,250)	(67,500)
Increase/(decrease) resulting from:		
Write down of mineral properties and deferred exploration costs	-	44,550
Share issue costs	(122,300)	(13,092)
Stock based compensation	418,300	-
Exploration allowance	362,400	-
Other	11,000	-
Future tax assets previously not recognized	(752,500)	-
Valuation allowance	108,850	36,042
Provision for income taxes	$ (752,500)	$ -

The Company renounced $2,054,999 related to proceeds from flow through shares at December 31, 2003 and consequently a non-cash future income tax recovery of $752,500 has been recognized during the year ended July 31, 2004. The future income tax recovery was recorded in accordance with CICA HB 3465.

As a resource company, Alexis Minerals has future income tax assets that it did not recognize in previous years as a result of applying the "more likely than not" test (i.e. the Company has made a 100% valuation allowance). In the period, the Company undertook an issuance of flow-through shares that gave rise to taxable temporary differences. The taxable temporary differences are expected to reverse in the future, so that part of the unrecognized future income tax assets can be applied against the full taxable temporary difference. The Company recognized that portion of its unrecognized future tax assets, by reversing a portion of the previously recorded valuation allowance. The recognition of a portion of previously unrecognized future income tax assets results in a credit to income.

b) Future tax balances

The tax effect of temporary differences that give rise to future income tax assets and liabilities in Canada at July 31, 2004 approximate the following:

Future income tax assets (liabilities)	2004	2003
Non-capital losses	$ 265,800	$ 173,600
Resources properties	(481,100)	382,700
Temporary differences	8,600	
Share issue costs	451,400	27,700
Valuation allowance	(244,700)	(584,000)
	$ -	$ -

6. INCOME TAXES (continued)

b) Future tax balances (continued)

The Company has approximately $718,500 of non capital losses in Canada which under certain circumstances can be used to reduce the taxable income of future years. These losses begin to expire in the year 2005. The potential income tax benefit has not been recognized in the accounts.

The Company has approximately $4,223,000 of development and exploration expenditures as at July 31, 2004 which under certain circumstances may be utilized to reduce the taxable income of future years. The potential income tax benefit of these losses has not been recognized in the accounts.

The Company has approximately $975,000 available in refundable tax credits related to exploration expenditures in the Province of Quebec that that have not been recognized in the accounts.

7. RELATED PARTY TRANSACTIONS

The Company was charged $408,334 by directors and officers or companies controlled by directors and officers of the Company, for professional and consulting fees during the year ended July 31, 2004. The related parties are also reimbursed for out-of-pocket expense. Included in accounts payable and accrued liabilities at July 31, 2004 is $11,503 owing one of these companies.

The Company paid $200,000 in cash and issued 1,000,000 common shares to a company controlled indirectly by a director of the Company for securing the option on the Aur VMS properties (Note 4).

The Company shares its premises with other companies that have common directors, and the Company reimburses the related companies for their proportional share of the expenses. Included in accounts payable and accrued liabilities at July 31, 2004 is $18,744 owing to one of these companies. In the prior year the Company had a similar agreement with Eastfield Resources Ltd (“Eastfield”), a company with two directors and officers in common, to share office costs and rent. The Company owed Eastfield $NIL as at July 31, 2004 (2003 - $47,655).

During the year ended July 31, 2004, a director of the Company subscribed for units as part of a private placement. 40,000 units were issued to this director for gross proceeds of $20,000. Each unit consisted of one flow-through common share and one half common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of $0.75 for a period of two years.

All of the above transactions are in the normal course of operations and are measured at the exchange amount (the amount of consideration established and agreed to by the related parties), which does not exceed the arm’s length equivalent value for these services.

8. COMMITMENTS

Pursuant to the issuance of 13,767,150 flow through shares in June 2004 the company is committed to spending $7,571,933 on qualified expenditures by December 31, 2004. As of July 31, 2004 the company has expended $344,050.

9. FINANCIAL INSTRUMENTS

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities reflected in the balance sheet approximate fair value because of the limited term of these instruments.

10. OTHER

On February 26, 2004, the Company held a special shareholders meeting at which time the articles of the incorporation were amended such that the number of authorized shares were increased to an unlimited number of common shares without nominal or par value and that the board shall consist of a minimum of three and a maximum of fifteen directors.

11. SUBSEQUENT EVENT

Subsequent to the year end, the Company paid $5,000,000 ($2,500,000 paid September 7, 2004; $2,500,000 paid September 10, 2004) pursuant to the agreement with Noranda described in Note 4.

ALEXIS MINERALS CORPORATION

Management Discussion and Analysis of financial condition and results of operations for the year ended July 31, 2004

The following MD&A should be read in conjunction with the Company's Audited Financial Statements for the year ended July 31, 2004.

SIGNIFICANT ACCOUNTING POLICIES

A detailed summary of the Company's significant accounting policies is included in note 2 of the Company's Annual Audited Financial Statements for the year ended July 31, 2004.

OVERVIEW

Alexis is a mining exploration company listed on the TSX Venture exchange. The Company's primary focus is currently in Quebec. The Company has exploration properties as listed below.

EXPLORATION PROPERTIES

Rouyn-Noranda Properties, Quebec

On June 15, 2004, the Company entered into a binding letter of intent with Noranda Inc. wherein Alexis has an option to earn a 50% interest in all of Noranda's properties in the prospective Rouyn-Noranda Base Metal and Gold Camp, Quebec. Alexis will spend C$16.5M in exploration over a 3-year option period, after which the parties will form a 50/50 joint venture to pursue further exploration and development of the properties.

The land position covers mineral rights, mining claims and mining concessions over an area of approximately 800 sq. km. within the Blake River Group, Southern Abitibi District, Quebec. The properties cover the majority of the central area of the Rouyn-Noranda Camp with significant interests in surrounding extensions of prospective Blake River Group stratigraphy. The properties include the past producing Horne and Quemont deposits, the Amulet, Gallen, Ansil, Newbec, East Waite and Old Waite Mines and numerous base metal occurrences and showings. Historical mine production from the Rouyn-Noranda Camp is 2.4 million tonnes (Mt) of copper, 1.9 Mt of zinc and 19.5 million ounces (M.oz.) of gold from over 20 gold and base metal deposits.

Alexis will have no current or future liabilities from previous work or mining activities. Mineral rights in sensitive environmental areas will be severed from surface rights and obligations. Surface rights, mineral title and past liabilities will remain with Noranda in these areas.

Val D'Or Properties, Quebec:

- **Central VMS Properties**

On March 17, 2004, the Company entered into an option agreement to acquire all AUR Resources Inc. ("AUR") interests in 18 additional gold and base metal properties in the central area of the Val d'Or Camp, Quebec.

Under the agreement, the Company is required to spend C$4 million on exploration and make a $1 million cash payment to Aur on or before March 31, 2008. Aur will subsequently retain between a 2% and a 2.5% net smelter return royalty on the properties dependent on pre-existing underlying royalties. The Louvex, Bonnefond and Mainstreet properties are held under existing joint venture agreements. Novicourt Inc. owns a 45% interest in the Louvex and Bonnefond properties and Beaufield Consolidated Resources Ltd. own a 40% interest in the Mainstreet property. Subsequent to the third quarter ended April 30, 2004, Beaufield elected to exercise their right of first refusal on the Mainstreet property, reducing the number of Aur properties in the agreement from 18 to 17.

Forbes & Manhattan Inc. secured the option to these Aur properties through negotiations with Aur and assigned these rights to the Company for consideration of $200,000 cash and 1,000,000 Company shares. Forbes & Manhattan Inc. is a company indirectly controlled by a director of the Company.

- **Cadillac and Aurbel**

During the first quarter of 2004, Alexis optioned a significant portfolio of exploration and development properties covering 15,749.59 Ha. (approx. 157 sq. km.) in the prolific Val d'Or Camp of Quebec.

The properties were acquired by assumption of two option agreements between Forbes and Manhattan Inc. and Aur Resources Inc. (the Airport and Aurbel Options) in July 2003. Under the agreements, Forbes has made payments to Aur and completed work on the properties, as required under the agreements. In exchange for the transfer of all of Forbes' rights under the agreements, the Company was required to assume all of Forbes' remaining obligations to Aur and to make payments of $455,000 ($400,000 to Forbes and $55,000 to Aur). Forbes & Manhattan Inc. is a company indirectly controlled by a director of the Company.

In order for the Company to complete the acquisition of the 50% interest in the properties the following payments and expenditures are required:

Cadillac Group (formerly named the Airport Property)
Payments:
- $200,000 on February 29, 2004 (paid)
- $200,000 on February 28, 2005

Expenditures:
- $1,000,000 on exploration by June 30, 2004 (completed)
- $2,000,000 by June 30, 2005 and
- $2,000,000 by June 30, 2006.

Aurbel Property
Payments:
- $250,000 on March 24, 2004 (paid)
- $250,000 on March 24, 2005

Expenditures:
- $5,000,000 on exploration by March 31, 2006, with at least $250,000 on claims identified as the "Standard Gold" property.

The Company also has a second option to acquire the remaining 50% interest in both properties, on the completion of the acquisition of the first 50%, by the payment of $5,000,000 on the Cadillac Group (Airport) property and $4,000,000 on the Aurbel property. Aur Resources will retain net smelter royalties in the case of the exercise of the second option.
Forbes will retain a 2% net smelter royalty on each property, which can be reduced to 1% on payment of $1,000,000 for each property.

Alexis Minerals also maintains an option to purchase the Aurbel (formerly Belmoral) mill. The fully permitted mill is capable of processing 1400 metric tonnes per day and is currently on care and maintenance.

The Company has completed Phase 1 work programs on the Aurbel and Cadillac properties.

- **Audet**

In December 2003, the Company entered into an agreement to acquire the 20-claim (320 Ha.) Audet Property located to the southeast of and contiguous with, the Standard Gold claims of the Aurbel Property in central Bourlamaque Township, Quebec. The Company made a single cash payment of $15,000 and issued 100,000 common shares of the Company for a deemed value of $84,000 for a 100% interest in the property. The property will be subject to a 2% NSR subject to certain repurchase rights by the Company.

- **Queotish**

In 2002 the Company acquired diamond exploration properties in the Otish Mountains and Wemindji areas of Quebec. The Queotish Project is 75 kms northeast of the Renard kimberlite cluster discovered by Ashton Mining and is located on NTS sheet 23E/04.

On January 14, 2004, the Company entered into an option agreement with respect to the Queotish and LG Diamond Properties with Dianor Resouces Inc ("Dianor").

In order to earn a 100% interest in the Queotish Property, Dianor must spend a total of $500,000 in exploration on the property. $50,000 must be spent within 12 months and $100,000 within 24 months. Should the $50,000 and $100,000 not be expended in the prescribed time frame then the Queotish property title will not be transferred to Dianor.

Should Dianor exercise their option, the Company will retain a 2% GOR and NSR and Dianor will have the right to purchase up to 1% of the GOR and NSR for $1,000,000 to a maximum of 50% of the GOR and NSR. Dianor continue to actively explore these properties and anticipate expenditures of $150,000 in 2004.

- **Langlade, Quebec**

In July 2004, the Company entered into an agreement to option 24 claims from Cambior Resources Inc. (20%) and Resource Orient Inc. (80%). In Bourlamaque Township, Val d'Or Quebec. The Company is required to spend $100,000 in exploration on the properties over 3 years

- **Turquoise Flats Property Nevada**

In October 2002, the Company located by staking the Turquoise Flats mineral claims approximately 25 miles from Tonopah, Nevada. The properties are not considered material to the current exploration focus of the Company and the properties will be offered for joint venture.

EXPLORATION ACTIVITIES

Rouyn-Noranda Properties, Quebec

A $3.5M program of exploration for calendar year 2004 was launched in July 2004. The program is managed by Noranda with participation from the Alexis technical team during conduct of the program and supervision by an Alexis-Noranda Management Committee.

The current program of exploration will include in excess of 15,000 meters of surface drilling, advanced geophysical surveys and continued target generation from an advanced digitial database including all prior exploration through the Rouyn-Noranda Mining District.

(See subsequent news to year end).

Val D'Or Properties, Quebec:

- **Central VMS Properties**

(See subsequent news to year end).

- **Cadillac**

On the Cadillac property a work program of 9,970 m of surface diamond drilling in 44 holes was conducted across the properties during the period December 2003 to April 2004. Gold mineralization was intersected in eight new target areas. Five target areaa are identified with potential for Au and Au-Cu skarn-type mineralization – a new and relatively unexplored target environment in the Abitibi District. Of particular interest are the Orenada Zones 3 and 5 showings where strong zones of skarn alteration, stringer sulphide mineralisation bearing gold, copper, silver and locally zinc were encountered. Off-hole geophysical conductors were detected through down hole geophysical surveys adjacent to Alexis drill holes. The program focused on testing forty target areas in three different geological settings typical of the Val d'Or-Malartic region:

1/ Gold and gold-copper in Skarn-hosted mineralization (14 holes, 3,720 m),
2/ Gold with disseminated sulphides in the Cadillac Break (9 holes, 1,819 m), and,
3/ Gold in quartz-tourmaline veins (21 holes, 4,432 m).

Alexis initiated a Phase II program of exploration targeting Skarn-hosted mineralisation in June 2004. The program included mechanical stripping and trenching and surface geophysical Induced Polarization surveys over the Orenada and Trivio Skarn trends during July to September 2004 and leading into a planned surface drill program of 4,500 meters, scheduled in September-October, 2004. Total budgeted costs for Phase II are $500,000.

(See subsequent news to year end)

- **Aurbel**

On the Aurbel property, the work program included compilation and digitalisation of historical exploration records which allowed the development of a three dimensional geological model of the property. In addition, 10,000 meters of drilling was completed between December 2003 and April 2004 focused on the Lac Herbin structure and resource area. Results have extended areas of mineralisation in the Lac Herbin zone and identified new areas of mineralization in parallel Zones to Lac Herbin.

(See subsequent news to year end).

LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2004, the Company had working capital of $ 9,577,263 compared to working capital of $89,880 at July 31, 2003.

During the year the Company raised $15,109,507 through four private placements

During the first quarter the Company completed a private placement of 6,000,000 units at a price of $0.50 for proceeds of $3,000,000. Each unit consisted of one common share of the Company and one half common share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one common share of the Company at a price of $0.75. The warrants expire on October 2, 2005. 3,600,000 of the shares representing $1,800,000 were flow through shares.

During the second quarter, the Company completed a private placement of 1,509,879 units at a price of $0.75 for proceeds of $1,132,409. Each unit consisted of one common share of the Company and one half common share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one common share of the Company at a price of $1.00 for a period of one year. The warrants expire on December 29, 2004. The Company also issued 339,999 at a price of $0.75 for proceeds of $254,999. Each unit consists of one flow through share and one half common share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one common share of the Company at a price of $1.00 for a period of one year. The warrants expire on December 29, 2004.

During the fourth quarter, the Company closed a private placement, for total gross proceeds of $10,722,099. Under the terms of the private placement, the Company issued 13,767,150 Flow-Through Common Shares at a price of $0.55 per Flow-Through Common Share, as well as 7,000,370 units at a price of $0.45 per Unit. Each Unit consists of one Common Share and one half of one Common Share Purchase Warrant. Each whole Common Share Purchase Warrant entitles the holder to purchase one additional Common Share at a price of $0.65 for a period of 24 months following the closing date.

The Company also received $448,347 through the exercise of warrants and $89,500 through the exercise of stock options during the year ended July 31, 2004

The proceeds are being used for exploration and working capital.

The Company has developed a strategic focus in the Southern Abitibi Belt of Quebec, an area that management consider to offer significant mineral potential and supported by excellent infrastructure within a stable and fiscally attractive investment environment. A significant portfolio of properties covering over 1070 square kilometers in two major mining camps has been successfully developed during Q1-Q3 2004. The properties cover very favourable geology and are considered to have potential for additional discoveries of both base metal and gold deposits. The Company has developed a strong technical exploration team to undertake exploration in the Val d'Or area and participate with the experienced Noranda technical team in the Rouyn-Noranda area. With a strong focus on the application of advanced technologies and drill testing high-quality exploration targets, supported by recent financing, the Company looks forward to continued growth and new mine discovery across its Quebec properties.

In November 2004, the Company will make an application to certain Quebec government bodies to capture certain provincial refundable tax credits. The refundable tax credits are expected to total $975,000 which the Company expects to put back into exploration in the Southern Abitibi Belt of Quebec.

RESULTS OF OPERATIONS

Expenses for the year ended July 31, 2004 before income taxes were $2,103,419 compared to $182,494 for the year ended July 31, 2003. Substantially all expense categories have increased related to the repositioning of the Company and activity associated with the newly acquired Quebec properties.

Included in expenses for 2004 are non-cash stock option compensation amounts of $1,130,550. The Company applies the fair value method of accounting for all stock based compensation awards using the Black-Scholes option pricing model. There was no such expense recorded during the comparable periods last year.

The Company renounced $2,054,999 related to proceeds from flow through shares at December 31, 2003 and consequently a non cash future income tax recovery of $752,500 has been recognized during the year ended July 31 2004. As a resource company, Alexis has future income tax assets (loss carry-forwards) that it did not recognize in previous years as a result of applying the "more likely than not" test (i.e. the Company has made a 100% valuation allowance). During the second quarter of 2004, the Company undertook an issuance of flow-through shares that gave rise to taxable temporary differences. The taxable temporary differences are expected to reverse during the loss carry-forward period, so that part of the unrecognized future income tax assets can be applied against the full taxable temporary difference. The Company recognized that portion of its unrecognized future tax assets, by reversing a portion of the previously recorded valuation allowance. The recognition of a portion of previously unrecognized future income tax assets results in a credit to income.

Quarterly information
The quarterly results have been as follows:
Tabular amounts in $000 except for per share amounts

	Q1	Q2	Q3	Q4*
2004 (August 03 to July 04)				
Net Income (loss)	(161)	518	(613)	(1,095)
Income (loss) per share basic	(0.02)	0.04	(0.04)	(0.4)
and fully diluted	(0.02)	0.03	(0.04)	(0.4)
Total assets	3,198	4,504	5,561	15,556
Total Long term liabilities	-	-	-	-
2003 (August 02 to July 03)				
Net Income (loss)	(11)	(14)	(15)	(142)
Income (loss) per share basic	(0.00)	(0.00)	(0.00)	(0.05)
and fully diluted	(0.00)	(0.00)	(0.00)	(0.05)
Total assets	197	192	188	1,191
Total Long term liabilities	-	-	-	-

* during the last quarter of the year ended July 31, 2003, the Company consolidated its authorized common shares on a 3:1 basis
Income (loss) per share amounts are based on the 1/4ly weighted average

Annual information

The annual results have been as follows:

Tabular amounts in $000 except for per share amounts

August 1 to July 31	2003	2002	2001
Net Income (loss)	(182)	(43)	(1,011)
Income (loss) per share basic	(0.08)	(0.01)	(0.22)
and fully diluted	(0.08)	(0.01)	(0.22)
Total assets	1,191	198	110
Total Long term liabilities	0	0	0

* during the last quarter of the year ended July 31, 2003, the Company consolidated its authorized common shares on a 3:1 basis

CASH FLOWS

Cash provided by (used in) operating activities for the year ended July 31, 2004 was ($2,408,407) compared to $462,331 from operating activities for the same period last year. $(455,000) of the $(2,408,407) related to payments to Forbes and Aur as described in the Overview of Exploration Properties section of this report and the balance is due primarily to increased expenses during the period as described in the results of operations section.

Cash from financing activities was $14,171,637 for the year ended July 31, 2004 versus $644,194 during the same period for 2003 (as addressed in the liquidity and capital resource section, net of share issue costs).

Cash (used in) Investing Activities the year ended July 31, 2004 was $(3,734,399) compared to $(489,182) for the same period last year. The increase in investing activities is due to expenditures related to the exploration in the Val d’Or area of Quebec as described in the explorations properties section of this report

TRANSACTIONS WITH RELATED PARTIES

The Company was charged $408,334 by directors and officers or companies controlled by directors and officers of the Company, for professional and consulting fees during the year ended July 31, 2004. The related parties are also reimbursed for out of pocket expense. Included in accounts payable and accrued liabilities at July 31, 2004 is $11,503 owing one of these companies.

The Company paid $200,000 in cash and issued 1,000,000 common shares to a company controlled indirectly by a director of the Company for securing the option on the Aur VMS properties

The Company shares its premises with other companies that have common directors, and the Company reimburses the related companies for their proportional share of the expenses. Included in accounts payable and accrued liabilities at July 31, 2004 is $18,744 owing to one of these companies. In the prior year the Company had a similar agreement with Eastfield Resources Ltd (“Eastfield”), a company with two directors and officers in common, to share office costs and rent. The Company owed Eastfield $NIL as at July 31, 2004 (2003 - $47,655)

During the year ended July 31, 2004, a director of the Company subscribed for units as part of a private placement. 40,000 units were issued to this director for gross proceeds of $20,000. Each unit consisted of one flow-through common share and one half common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of $0.75 for a period of two years.

All of the above transactions are in the normal course of operations and are measured at the exchange amount (the amount of consideration established and agreed to by the related parties), which does not exceed the arm’s length equivalent value for these services.

OUTSTANDING SHARE DATA

As at July 31, 2004, 40,087,529 common shares of the Company are outstanding. Of the options to purchase common shares issued to service providers under the share option plan of the Company, 3,480,000 remain outstanding with exercise prices ranging from $0.255 to $0.83, with expiry dates ranging between September 5, 2008 and May 28, 2009. If exercised, 3,480,000 common shares would be issued generating $1,827,750

As at July 31, 2004 there are 13,788,710 share purchase warrants outstanding with exercise prices ranging from $0.20 to $1.00, expiring between December 29, 2004 and June 28, 2006. If exercised 13,788,710 common shares would be issued generating $7,894,664.

SUBSEQUENT EVENTS

Rouyn-Noranda Properties, Quebec

A $3.5M program of exploration for calendar year 2004 was launched in July 2004. The program will include in excess of 15,000 meters of surface drilling, advanced geophysical surveys and continued target generation from an advanced digitial database that incorporates all available prior exploration information in the Rouyn-Noranda Mining District. The program is in progress and advancing rapidly.

Val D’Or Properties, Quebec:

- **Central VMS Properties**

A 15,000-meter drill program was launched in September 2004 to explore four base metal and gold target areas identified across these properties. Target areas include:

Louvex: Five diamond drill targets on the western extension of the Louvicourt Mine and in favourable geological settings with open-ended alteration zones and mineralized intersections. The targets lie immediately west of the Louvicourt Mine (15.5 Mt @ 3.4% Cu, 1.6% Zn, 26 g/t Ag and 0.9 g/t Au) and below the Louvem Deposits. Significant input to target generation was provided by the Louvicourt Mine technical team of Aur Resources Inc. and Novicourt Inc. will contribute to their 45% joint venture funding of the program.

Manitou: Three targets associated with the Manitou-Barvue Felsic Complex, which hosts the Manitou-Barvue Mine. Previous work confirmed the continuity of alteration and mineralization at depths up to 1000 meters to the east of the Maitou-Barvue Mine.

Auriac: Three targets on geophysical and geological targets considered favourable for Bousquet-type gold mineralization - gold rich massive and disseminated sulphides.

Bloc Sud: Three targets along an alteration trend and geophysical targets considered favourable for base metal mineralization.

The program is in progress and advancing rapidly.

- **Cadillac**

Results from surface trenching were released (September 28, 2004) from channel sampling over newly stripped outcrop areas (5,125m^2) on the Orenada Zone 3 area where three mineralized sulphide lenses were exposed. The structural and geological setting of mineralization confirms the skarn-type model. Channel sample results from the three lenses are:

Hogg Showing – (Oramaque Property)
343.00 g/t Au and 1.68%Cu over 1.0m,
15.55 g/t Au and 0.47%Cu over 1.1m,
23.50 g/t Au and 0.75%Cu over 2.0m (cut at 30 g/t Au)

Including : *97.40 g/t Au and 0.97%Cu over 1.1m,*
15.55 g/t Au and 0.47%Cu over 0.9m,
261.00 g/t Au and 0.43%Cu over 0.9m,

Zone 3 South (150 m SW of Hogg showing)
6.07 g/t Au and 0.29%Cu over 3.8m
8.46 g/t Au and 1.19%Cu over 0.9m,
6.14 g/t Au and 0.30%Cu over 2.6m
3.73 g/t Au and 0.47%Cu over 0.6m,
6.25 g/t Au and 0.20%Cu over 1.1m, and
2.93 g/t Au and 0.26%Cu over 1.1m.

Zone 3 – (70 m SE of Hogg showing)
5.42 g/t Au and 0.86%Cu over 2.0m
Including: 7.08 g/t Au and 1.19%Cu over 1.0m,
10.90 g/t Au and 0.43%Cu over 0.75m, and
17.50 g/t Au and 1.79%Cu over 0.3m.

A 4,500 meter Phase II drill program commenced the first week of October, 2004. The program is in progress and advancing rapidly.

- **Aurbel**

An Inferred Resource of 670,000 tonnes grading 6.38 grams of gold per tonne was reported (August, 2004) for the Lac Herbin Zone and recommendations for a Phase II exploration program were received. The Phase II program recommendations included exploration drilling:
- to test the 1km strike area between the Lac Herbin zone and the Ferdeber Mine,
- to test extensions to the west along the Lac Herbin Structure, and,
- to test additional parallel structures to the south of Lac Herbin.

7,900 meters of drilling was completed from July to October 2004, subsequent to year end in the Phase II program. Significant results (Table 1) were released October 28, 2004 including results from a new Zone, Zone II . The new zone lies within the "S1 shear", 150 meters southwest of the parallel Lac Herbin Zone. The new Zone II is centered approximately 250m below surface and remains open at depth and to the west. Mineralization has a minimum strike length of over 160m and dip length of 160 meters.

Table 1. Diamond Drill Results – Zone 2: S1 and West E Shears
Phase II Program, Lac Herbin

Hole	From (m)	To (m)	Length* (m)	Grade gAu/T	Cut Grade** gAu/T	Host Structure
38	302.8	306.4	3.6	63.6	23.00	S1
38	329	331.8	2.8	20.8	9.71	West E
40	154.1	158.8	4.7	3.85	3.85	S1/West E
41	260.1	263.4	3.4	6.37	6.37	S1
42	324.2	325.6	1.4	3.91	3.91	S1
45	374	375.7	1.7	18.85	18.85	S1

*True Widths are 80 to 100% of Core Length **Gold assays cut to 34.2 gAu/T (1.0 oz.Au/t)

Mineralization was also intersected in the S3 shear and additional, previously unknown structures further to the south, Table 2. The S3 shear lies to the south of S1 and remains virtually unexplored. The discovery of the new Zone II confirms the potential to expand resources in the immediate area. Strong gold-bearing vein systems are now confirmed along several, moderately-dipping (West E, HW) and steeply-dipping Lac Herbin, S1, S2, S3) shear zones. Mineralization is best developed along, or near to, the intersections of these structures. Additional new targets are recognized below Zone II and further south towards the past-producing Dumont mine (Production 1979 to 1994 of 1.2MT grading 6.07 gAu/T). These new targets remain untested.

Table 2. Diamond Drill Results – S3, HW and Other Zones
– Phase II Program, Lac Herbin

Hole	From (m)	To (m)	Length (m)	Grade gAu/T	Host Structure
31	229.9	231.1	1.2	3.13	HW
33	166.6	167.5	0.9	5.20	Unknown Shear
36	177.7	178.5	0.8	4.46	HW
37	318.2	325.0	2.9	3.06	HW
41	106.7	108.2	1.5	3.48	S3 Br
41	128.0	131.9	3.9	3.22	S3
42	178.5	180.0	1.5	9.60	S3
42	367.0	368.5	1.5	20.50	Unknown Shear
44	224.7	231.3	6.6	4.40	S3 Br
Including:	224.7	227.3	2.6	9.89	S3 Br
44	257.8	259.3	1.5	11.25	S3
47	308.0	308.9	0.9	3.26	West E

The Phase II program also tested the eastward and westward extension of the Lac Herbin Shear zone. Five holes were drilled between Lac Herbin and the Ferderber Mine (Production 1979 to 1994 of 1.6MT grading 6.99 gAu/T) confirming the continuation of the Lac Herbin structure over a strike length of more than 1km to the east. The best reported value was 4.46 gAu/T across 0.8m (Hole 36) and is considered demonstration of the potential for future discovery along this trend. The westward continuation of the Lac Herbin shear was also confirmed in three widely spaced holes but no significant mineralization was encountered.

A revised resource estimate is in preparation and will be completed in preparation for an initial scoping study. Additional exploration drilling of Phase II will be undertaken upon completion of the structural study, evaluation of additional targets beneath and south of Zone II and in coordination with programs to further evaluate the Resources.

RISKS AND UNCERTAINTIES

Mining exploration inherently contains a high degree of risk and uncertainty. Solid professional management and experienced personnel with high standards of care can mitigate some of these risks. Risks would include but not be limited to unfavourable drill results including uneconomic grades or costs of recovery, falling copper, nickel or PGM commodity price or gemstone market prices, a strengthening Canadian dollar versus the US dollar, unfavourable costs, falling capital markets and key personnel changes.

OUTLOOK

The Company has developed a strategic focus in the Southern Abitibi Belt of Quebec. A significant portfolio of properties covering over 1070 square kilometers in two major mining camps has been successfully developed during Q1-Q3 2004. The properties cover very favourable geology, as evidenced by significant historical mine production, and are considered to host very good potential for additional discoveries of both base metal and gold deposits. The Company will benefit from detailed compilation and 3D Gocad models developed across the properties that facilitate rapid data integration, review and interrogation. In co-ordination with the application of new, advanced deep-penetrating geophysical methods, and a strong focus on drill testing high quality exploration targets, the Company looks forward to the next year as it endeavours to prove the high degree of development potential in its Quebec properties.

FORWARD-LOOKING STATEMENTS

The annual report, including this MD&A, contains certain forward-looking statements related to, among other things, expected future events, future spending levels and the future financial and operating results of the Company. Forward-looking statements are encouraged to enhance communication but are subject to inherent risks and uncertainties including but not limited to, market and general economic conditions, changes arising as drilling results unfold, changes in regulatory environments affecting the Company and the availability and terms of subsequent financings. Other risks and uncertainties are detailed above. Consequently, actual results and events may differ materially from those included in, contemplated or implied by such forward-looking statements for a wide variety of reasons.

November 2, 2004.

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Annual Meeting
The annual meeting of shareholders will be held at 4:30 p.m., Tuesday January 11th, 2005 at Suite 815, 65 Queen Street West, Toronto, Ontario, M5H 2M5

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