ALEXIS
Minerals Corporation

Management's Discussion and Analysis

For the three and six months ended June 30, 2008

The following Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Alexis Minerals Corporation ("we", "our", "us", "Alexis", or the "Company") for the three and six months ended June 30, 2008 and should be read in conjunction with the Interim Unaudited Consolidated Financial Statements for the three and six months ended June 30, 2008, as well as our Audited Annual Consolidated Financial Statements and related Notes and the MD&A as at and for the year ended December 31, 2007. The financial statements and related notes of Alexis have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Additional information, including our Annual Information Form dated March 31, 2008 and press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online under our profile at www.sedar.com.

This MD&A reports our activities through August 4, 2008. All figures are in Canadian dollars unless otherwise indicated.

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

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

OVERVIEW OF THE COMPANY

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

HIGHLIGHTS

THE COMPANY STRATEGY

Alexis Minerals continues to implement its short to medium term strategy focused on mine development and production from Lac Herbin, in order to generate cash flows to support an ongoing and longer term strategy focused on regional exploration. Potential for exploration, development and additional production from the Lac Pelletier Deposit in Rouyn-Noranda is currently the focus of ongoing pre-feasibility studies. Regional exploration of the two large property packages in the Val d'Or and Rouyn-Noranda mining camps is continuing in the search for world class gold and base metal deposits. Alexis vested into the majority of property option agreements in Val d'Or and Rouyn-Noranda during 2008.

LAC HERBIN

Underground development and exploration continued during the second quarter of 2008 at Lac Herbin. Development led to the production of the first long hole stopes in the HW and LH zones. Alexis achieved a key milestone during the second quarter with the commencement of its first custom milling of gold, starting June 16 and completed by July 9, from its 100% owned Lac Herbin gold project. A total of 5,047 ounces of gold was recovered, with the mill recording higher than anticipated grades. A total of 26,798 (dry) tonnes of stockpiled ore and development muck were processed, well in excess of the originally proposed 20,000 tonne initial program. Very high mill recovery rates of 97.9% were maintained throughout the campaign. Reconciliation of the results from this campaign to ores and ore types separated into six original stockpiles is ongoing. Five of the six stockpiles returned from 10% to 40% higher milled grades than the predicted mine grades. This gold deposit has now created a cash-flow stream for Alexis, as 1,625 ounces of gold were sold on July 11th at C$970.00/oz. Au.

REGIONAL EXPLORATION

During the six month period, Alexis vested into ownership of 17 properties in the Val d'Or Mining District, after meeting all conditions of its 2004 option agreement with Aur Resources ("Aur"). Alexis now owns 212 sq. km of the Val d'Or Camp outright which complements a further 786 sq.km of the Rouyn-Noranda Camp in a 50/50 joint venture with Xstrata Copper. Alexis vested into their 50% interest in the Rouyn-Noranda Properties in Q1-2008. The 17 new Val d'Or properties cover 109 sq. km of the favourable Val d'Or Formation in a swath of ground east of Val d'Or that extends from the eastern limits of the Sigma-Lamaque Mine, for a distance of 25 km to the village of Louvicourt. The properties cover an area of exploration potential for both base metals and gold and are contiguous to the south of the wholly owned Alexis Aurbel gold property, where Alexis is currently advancing the Lac Herbin Gold Deposit into production.

Surface exploration drilling produced encouraging results as Alexis tested the "Deep West" target, a Volcanogenic Massive Sulphide (VMS) target approximately 1,500 metres west of the past-producing Louvicourt Mine. Deep drilling advanced on an 1800-metre long hole. The hole passed 1,000 metres during the quarter and entered into an area of strong footwall chlorite alteration and stringer copper mineralization indicative of the footwall environment of a potential VMS deposit. It is anticipated the current hole should encounter previously untested and prospective mine stratigraphy, in an area of unexplained off-hole geophysical anomalies in subsequent weeks.

Drilling has also been directed at evaluating the near surface potential of the Wolverine deposit, 4 km further to the west and along the Louvicourt – Manitou Barvue Mine trend. Drilling statistics are provided in Table 1. Three surface diamond drills remain active on the properties.

PROJECT UPDATES AND ACTIVITY

Lac Herbin Project, Val d'Or Quebec

The Lac Herbin gold mine is a primary production focus for Alexis and a thorough review and reassessment in June 2008 resulted in the following conclusions:

- Commercial production is expected to be achieved in October, 2008
- Full production is expected during Q4-2008.
- Three additional gold milling campaigns are scheduled during 2008.
- Production targets: 17,000 oz. Au in 2008 with an annual run-rate of 36,000 ounces in 2009 and subsequent years.

The economics and budget have been revised in light of ongoing delineation and exploration drilling, delineation and mining development on levels and sublevels within ore, and due to general industry cost increases.

Table 1: Diamond Drilling by Project, Rouyn-Noranda and Val-d'Or Quebec, Q2 - 2008

Project	**No. of holes**	**Targets**	**Metres**
Val-d'Or	**Underground**		
Lac Herbin - Gold	80	Delineation & Exploration Drilling	14,260
	Surface		
Central VMS Properties - Base Metals	9	Wolverine showing, Dunraine property, Louvem 4 deep extension and Deep West target	4,974
Val d'Or Sub-total	**89**	**Val d'Or Sub-total Q2 - 2008**	**19,234**
Rouyn-Noranda	**Surface**		
Alexis–Xstrata JV – Base Metals			
Iamgold/Wilco	**0**		
Iamgold/Pinkos	3	**VMS Titan24 MTtargets**	3,191
Rouyn Sub-total	**3**	**Rouyn Sub-total Q2 - 2008**	**3,191**
Total Q2 - 2008	**92**	**Total Q2 - 2008**	**22,425**

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

Project	2008 No. of holes	2008 (m)	2007 (m)	2006 (m)	2005 (m)	2004 (m)
Val-d'Or	**Underground**	Q1 –Q2	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4
Lac Herbin-Gold	129	23,193	30,857	37,820	N/A	N/A
	Surface					
Aurbel & other Gold			7,786	1301	4,028	17,601
Central VMS Properties - Base Metals	14	8,596	13,031	2279	13,016	20,730
Val d'Or Sub-totals	**143**	**31,789**	**51,674**	**41,400**	**17,044**	**38,331**
Rouyn-Noranda	**Surface**					
Alexis–Xstrata JV – Base Metals	7	5,526	15,867	17,640	53,741	18,310
Alexis - Gold	0	0	7,610	5,875	3,567	4,044
Rouyn Sub-totals	7	**5,526**	**23,477**	**23,515**	**57,308**	**22,354**
Grand Total	**150**	**37,315**	**75,150**	**64,916**	**74,352**	**60,686**

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

Development	**2006 (m)**	**2007 (m)**	**Q1 – 2008 (m)**	**Q2- 2008 (m)**	**Q3 – 2008 to date (m)**	**Total** 2006-08 (m)
Ramp Access	**721**	**365**	**120**	**416**	**108**	**1,730**
Lateral Headings & Raises	**1,572**	**2,582**	**839**	**924**	**300**	**6,217**
Diamond Drilling	**37,821**	**31,777**	**8,933**	**14,260**	**5,391**	**98,182**

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

Current mine development focuses on continuing main ramp development, extending the second egress of the mine and accessing ore zones S1 and S3 at different elevations in order to pursue production. The main ramp has been advanced to the 310-m level. The development performance in that heading was highly increased during Q2 where up to 180 m per month were completed. The main ramp development will remain a priority over the rest of the year. The extension of the ventilation raise and the second egress down to the 290-m level were completed in July. The surface ventilation system installation was completed in June and provides for increased ventilation capacity in order to meet development and production needs. Increased pumping capacity has been installed and construction of safety refuge stations completed during Q2-2008. The S3 zone is now developed on 4 levels and S1 zone is accessible on 2 levels. Also, a raise in S1E zone on level 150-m was completed and lateral development in this zone is ongoing. Development advances are presented in Table 3.

In Q2-2008 diamond drilling has concentrated on final delineation of areas in zones S1, S3, HW, HW2 and LH that will be in production in 2008; and started to delineate areas of deeper production in the S3 and S1 zones. A total of 10,745 m were drilled for delineation purposes. Exploration drilling on the deeper extensions of the S1 and S3 zones commenced in April with the addition of a fifth underground drill machine. During Q2-2008, a total of 3515 m were drilled for exploration purposes.

In Q2-2008 an environment coordinator joined the Alexis team; at the end of June, 80 employees were engaged in the mining operations. During Q2, no lost time accident occurred. The year to date accident frequency is 2.3, well below the Quebec average of 7.8.

The most recent resource for the deposit was calculated as of December 31st, 2007 (*see Press Release*: January 30, 2008) and reported:

- **Measured and Indicated Resources** of 894,552 metric tonnes grading 6.98 gAu/T or 200,611 ounces contained gold (oz.Au) using an upper cut-off factor of 34.29 gAu/T (1.0 ozAu/ton). This represents an 80% increase in tonnage from previous estimates.
- **Additional Inferred Resource** of 422,864 tonnes grading 5.85 gAu/T or 79,482 oz.Au;
- Inferred Resources continue to be converted to Indicated Resources at the rate of very close to 100%, underscoring the persistent and identifiable quality of mineralization;
- The new Measured and Indicated Resources provide support for an initial 3-year feasibility study and a 5-year Life of Mine model presented in a revised feasibility study in February 2008, (*see Press Release:* Feb. 20, 2008).
- Reconciliation of the Q4-2007 bulk sample (*see Press Release: January 29, 2008)* potentially supports the application of a higher cut-off grade. Using a 68.57 gAu/T (2.00 oz.Au/t) cut-off increases the grade of the Measured and Indicated Resources to 894,552 tonnes grading 8.42 gAu/T or 242,234 oz. contained gold and Inferred Resource to 422,864 tonnes grading 6.62 gAu/T or 90,035 oz. contained gold. This represents upside potential for up to a >20% increase in contained ounces of gold within the Resource.
- All zones remain wide-open at depth and to the west. Good exploration potential also occurs to the east on several of the zones in the deposit; and,
- Exploration targets on the 100 sq. km Aurbel property have been recognized where repetition of the Lac Herbin environment may occur. Alexis will undertake a summer/fall surface drill program on a 10 sq.km area targeted near the NEF gold showing.

Lac Pelletier Gold Project

The next most advanced initiative for Alexis is at the Lac Pelletier Gold Project, Rouyn-Noranda, Québec. Some delays have been encountered due to problems with construction, weather and access to power, resulting in this project being approximately nine months behind initial schedules. An engineering study and mine plan is currently in preparation for the project in conjunction with a pre-feasibility study. All Certificates of Authorization have been received for dewatering of the exploration ramp, previously developed in 1992, and for an underground exploration and bulk sampling program. The underground contractor has been selected with the contract awarded to Dumas Mining. Alexis intends to complete engineering work prior to pursuing the project in 2008 with completion of site construction, mobilization of the contractor, dewatering of the ramp and a targeted 40,000 tonne bulk sample. Alexis anticipates that the project will advance into production in 2009.

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

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

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

Aurbel Gold Mill

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

During 2006 engineering studies were completed to evaluate the cost of refurbishing the mill into production. Metallurgical studies in 2007, as part of the Lac Herbin feasibility studies and the Lac Pelletier Scoping study, support conversion of the current gravity – floatation – cyanidation circuits, where only a portion of the mill feed passes through cyanidation; to a gravity – total cyanidation circuit. Test work indicated approximately a 5% improvement in overall gold recoveries with this change and a very short payback on the additional capital cost is anticipated. It is currently estimated that the cost of conversion to the gravity- total cyanidation approach, refurbishment of the mill and expansion of the permitted tailings pond, will be $11.2 M. Tailings from both operations will be inert and pose no environmental hazards. It is estimated that the mill refurbishment would take 4 – 5 months.

Alexis monitors the status of the gold projects in development at Lac Herbin and Lac Pelletier and the availability of custom milling through available Custom Gold Mills in the Val d'Or area.

A decision to approve the refurbishment of the Aurbel Mill will be taken as the economics dictate; balancing ore production, Reserves and Resources, capital costs, custom mill availability and Aurbel-operating versus custom milling costs. Alexis plans on custom milling ore in 2008 and will review mill refurbishment again later in 2008. A custom milling contract to meet Alexis needs has been signed.

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

Surface Exploration

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

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

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

Aggressive programs of surface exploration continued throughout 2008 for both gold and base metals. Alexis has completed 8,596 metres of surface drilling in Val d'Or and 5,526 metres in Rouyn-Noranda during 2008. Drilling statistics are shown in tables 1 and 2. This long term focus on exploration through the region will continue through 2008.

Val d'Or

<u>Central VMS Camp</u>

Exploration activities in Q2-2008 focused on compilation and reinterpretation of the Louvex, Beacon, Dunraine, Colombière, Manitou, Auriac, Sleepy, Courageous and Abitibi properties, all being part of the Central VMS Camp in Val-d'Or area.

Drilling was performed on the:

- Manitou property where six holes (1,539 meters) tested the east and west extension of the Wolverine showing;
- Dunraine property where one hole (583 meters) remains in progress and will test the first of four new targets generated by our compilation and reinterpretation program;
- Beacon-Louvex properties where one hole (17318-18A) was completed at a depth of 2,443 m to test the "Deep Louvem" target located under the former Louvem 4 deposit, and one new hole (17314-10) was started to test the "Deep West" target. This later was at 1755 meters at the end of June and is still in progress.

Best results obtained from that drilling are from the deep drilling on the Louvex property (PR – June 10th and 27th, 2008) and from the Wolverine zone on the Manitou property:

- Hole 17318-18A, collared north of the Ezekiel zone and drilled to test at depth the "Deep Louvem" target, intersected the east extension of the Ezekiel zone at a depth of 500m with grade of 0.55% Cu over 22.3m core length (10m true width), including 2.92% Cu over 1.40m and 3.30% Cu over 0.60m. Deeper in the hole a synvolcanic fault, known to be associated with the Louvicourt Mine (the Mine Fault), was intersected returning 0.81% Cu over 3.5m, including 1.85% Cu over 1.00m. The hole was stopped at 2443 m still within footwall geology and without cutting either the Louvicourt horizon or the footwall/hanging wall contact. At depth in this area the stratigraphy appears to be displaced by folds and/or faults. A borehole PEM survey has been partially done and will be completed in Q3-2008.

- Hole 17314-10, drilled to test the "Deep West" target located approximately 1500 metres west of the past-producing Louvicourt Mine (Past Production: 15.65 Mt @ 3.42% Cu, 1.59% Zn, 25.8 gpt Ag and 0.92 gpt Au), was collared 150 m NE of the former Louvem 4 Mine. To date the hole has passed under the Louvem 4 Zone and intersected its extension from 325.8 to 476.6 metres (m). Assays have returned:
  - **0.99% Zinc over 29.8 metres** (325.8 to 355.6m), including
  - **6.03% Zinc over 3.4 metres** (325.8 to 329.2m)

  The hole also has encountered strong chlorite alteration and stringer pyrite-chalcopyrite mineralization from 750 to 969.0 metres (assays unavailable). Another stringer zone mineralized with pyrite-chalcopyrite-sphalerite (± pyrrhotite-magnetite) appears at 1706m to 1755m, the hole depth at the end of June. The hole is expected to encounter previously untested and prospective mine stratigraphy, in an area of unexplained off-hole geophysical anomalies, in the coming weeks.

- Shallow drilling has also evaluated the open strike potential for Zinc-Silver-Lead mineralization on the extension to the Wolverine Deposit identified in prior drilling during 2008 [*see press release:* April 9, 2008]. Hole 17420-09, one of the six holes drilled, has intersected a mineralized felsic porphyritic dyke over a 38 meters core length at the targeted depth. A section of the dyke is strongly silicified and mineralized with 10-15% Pyrite, up to 3% Sphalerite and up to 1% Chalcopyrite over a length of 11m. Preliminary assays returned the following section :

- **1.08% Zn + 65.2 gpt Ag +0.64 gpt Au + 0.38% Pb over 4.3 m**

Other assays are pending.

Aurbel property

Compilation and interpretation of the entire Aurbel property covering the Bourlamaque batholith was started during Q1-2008 and pursued during Q2-2008 with the objective of designing an exploration program including drilling at the beginning of Q3-2008. Drilling will begin at the end of August.

Rouyn-Noranda

<u>Lac Pelletier property</u>
The Alexis geologists have completed a compilation of the Lac Pelletier property outside of the Lac Pelletier deposit. An exploration program has been designed and drilling on new targets will be proposed for later this year or 2009.

Xstrata Joint-venture

During Q2-2008 Xstrata, the operator of the joint-venture, has completed three holes (3191m) on the Pinkos property.

Hole PNK-08-09 targeted the top of the Cyprus Rhyolite, 500m south of the Pinkos showing, which has a coincidental IP anomaly as defined from the 2007 Titan 24 survey. The hole was completed to a depth of 756m. A minor tuff with weakly anomalous sulphide mineralization (2-3% Py) over 0.3 m was intersected near the targeted mafic-felsic contact. The bottom portion of the Cyprus Rhyolite included a greenish sericitic alteration followed by a pinkish more hematite alteration. The BHEM survey did not identify any conductors within the survey limits of the hole.

Hole PNK-08-10 targeted the top of the Cyprus Rhyolite, north of the Pinkos showing, with an associated MT source, the hole was completed to a depth of 1,146 metres. The hole intersected a wide section (~450m) of mineralized rhyolite commonly containing 2-5% disseminated to stringer pyrite. Some of the most impressive intervals included 682.2-689.5m with 10% Py, 913.5-919 with 1.2m of 15% Py and 1041.6-1042.7m with 60% Py. Anomalous Zn values (1000 to 2300 ppm) occur locally. The BHEM survey did not identify any conductive sources nearby.

Hole PNK-08-11 tested the Here Rhyolite and coincidental IP (Titan24) anomaly close to a NE trending structure approximately 800m north of hole PKN-08-10. The hole was completed to a depth of 1,288.7 metres having intersected the Here Rhyolite at a depth of 1,013m. The rhyolite contact was brecciated and showed hematitic and siliceous alteration. No significant pyrite mineralization was identified. The BHEM of hole PNK-08-11 did not identify any conductive sources nearby.

Technical Reporting

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

<u>Qualified Person</u>	<u>Project Responsibility</u>
Olivier Grondin, P.Geo.	Lac Herbin, Geology
Patrick Sevigny, P.Eng. Mine Manager	Lac Herbin Engineering and Mining
Keith Boyle, P.Eng.	Lac Pelletier Engineering and Mining
Denys Vermette, M. Sc. P. Geo.	Val-d'Or Central VMS
Louis Martin, P.Geo., Xstrata Copper Canada	Rouyn-Noranda, Base Metals
Claude Gobeil, P.Eng.	Resource Estimates, Aurbel Geology
Jean Girard, P.Eng.	Rouyn-Noranda, Gold and Lac Pelletier
Francois Chabot, P.Eng , Golder	Lac Herbin Feasibility Study

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

Development and Exploration Properties:

Val-d'Or Properties, Quebec:

- Aurbel

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

- Central VMS Properties

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

- Langlade, Quebec

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

<u>Rouyn-Noranda Properties, Quebec</u>

- <u>Lac Pelletier Property</u>

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

- <u>Xstrata Copper Canada – Alexis Joint Venture</u>

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

Financial Information:

<u>Significant Accounting Policies</u>

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

ACCOUNTING CHANGES

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

Inventories

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

Capital Disclosures

Handbook Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such noncompliance. The Company has included disclosures recommended by the new Handbook section in note 3 to the interim unaudited consolidated financial statements for the quarter ended June 30, 2008.

Financial Instruments – Disclosures and Presentation

Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Company has included disclosures recommended by the new Handbook section in note 4 to the interim unaudited consolidated financial statements for the quarter ended June 30, 2008.

Liquidity and Capital Resources

As at June 30, 2008, the Company had working capital of $11,848,152 compared to working capital of $14,004,735 at December 31, 2007. Cash appropriated for exploration expenditures of $nil (2007: $530,034) related to exploration has been classified as a long term asset in order to match it with the long term exploration expenditures it would support.

The Company applies for refundable tax credits to certain Quebec government bodies at each taxation year end and records the expected amounts as an amount receivable. An amount of $1,170,503 in assistance is expected to be received in Q3-2008 relating to the year ended December 31, 2006. For the year ended December 31, 2007, the Company has recorded $10,884,123 in assistance. The Company applied for this in Q2-2008 and subsequent to the end of the quarter, the Company received $8,904,208 related to this assistance.

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

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

During the six months ended June 30, 2008, 110,000 options were exercised for gross proceeds of $45,900.

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

Significant Future Obligations

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

Val d'Or

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

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

Val d'Or Office Purchase

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

Rouyn-Noranda

- **Lac Pelletier Property Acquisition**

The Company has invested a total of $3.5 in the Lac Pelletier property to date, in excess of the required $1,000,000 option work commitment required to earn its 100% interest. Alexis can earn its 100% interest by bringing the deposit into production prior to December 2008 or make a small cash payment to extend this timeframe to December 2009.

- **Rouyn-Noranda Properties, Quebec**

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

Results of Operations

For the quarter ended June 30, 2008:
The net loss for the quarter ended June 30, 2008 was $365,322 compared to a loss of $592,411 for the quarter ended June 30, 2007, a variance of $227,089.

Stock based compensation is a non-cash expense included in Professional, consulting and management costs. The Company applies the fair value method of accounting for stock-based compensation. During Q2-2008, no stock options were granted to directors, officers, employees and consultants of the Company compared to 100,000 stock options granted during the second quarter of 2007. Stock options vested during the current quarter resulting in a charge of $25,119 to deferred project costs. During the Q2-2007, $75,800 was charged to Professional, consulting and management fees, while $11,113 was charged to deferred project costs.

The Company also recognized a non cash future income tax recovery of $441,000 during the second quarter of 2008 compared to $nil during Q2-2007.

Professional, consulting and management costs, net of stock based compensation expense, increased by $35,414 compared to Q2-2007. Directors' fees increased by approximately $21,000 ($nil Q2- 2007). The Company is growing and moving towards production. There is a very competitive environment related to attracting and maintaining qualified employees and consultants. The Company aims to remain competitive in its compensation to these groups which has resulted in increased costs.

Shareholder communications increased by approximately $43,000 during Q2-2008 compared to Q2-2007. The Company is incurring higher sustaining fees as a result of being listed on the TSX. The Company is also utilizing a consultant in the United States to raise investor awareness there. As well, the Company has incurred higher filing and printing fees associated with filing the Company's annual reports.

Travel costs decreased by approximately $27,000 during the current quarter compared to Q2 - 2007. During Q2–2007, the Company participated in a European road show whereas the Company did not participate in any such promotional activities during the current quarter.

Interest, accretion and finance costs, long term and current, increased by $83,570 this quarter compared to the second quarter of 2007. The bulk of this increase is attributed to the amortization of loan engagement fees related to the demand loan discussed. The fees charged and being amortized this year are higher than last year as a result of a larger loan.

Interest income decreased by $149,260 during Q2-2008 compared to Q2-2007 as a result of lower average cash balances held throughout the quarter and lower interest rates. The Company invests its excess cash primarily in bankers' acceptances.

For the six months ended June 30, 2008:

The net loss for the six months ended June 30, 2008 was $1,017,832 compared to a loss of $1,588,130 for the six months ended June 30, 2007, a difference of $570,298.

Stock based compensation is a non-cash expense included in Professional, consulting and management costs. The Company applies the fair value method of accounting for stock-based compensation. During the six months ended June 30, 2008, 100,000 (2007: 325,000) stock options were granted to directors, officers, employees and consultants of the Company resulting in $61,100 in stock based compensation expense recorded to the Statement of Operations (2007: $75,800). As well, stock options vested during the current period resulting in a charge of $58,353 to deferred project costs (2007: $66,664).

The Company also recognized a non cash future income tax recovery of $585,000 during the first half of 2008 compared to $nil for the comparative period.

Professional, consulting and management costs, net of stock based compensation expense, decreased by $462,349 primarily as a result of performance bonuses awarded to management, employees and consultants during the comparative period in 2007. The Company is growing and moving towards production. There is a very competitive environment related to attracting and maintaining qualified employees and consultants. The Company provides bonuses and stock based compensation to maintain and attract qualified people. The bonuses and options are awarded based on certain milestones and the timing of these awards can cause fluctuations in the expense line item professional, consulting and management fees.

Shareholder communications increased by $99,987 during the first half of 2008 compared to 2007. The Company is incurring higher sustaining fees as a result of being listed on the TSX. The Company is also utilizing a consultant in the United States to raise investor awareness there. As well, charges related to the Company's VP of Investor and Corporate Affairs are reflected here.

Interest, accretion and finance costs, long term and current, increased by $159,379 for the six months ended June 30, 2008 compared to the same period last year.

Interest income decreased by $245,525 during the current six month period compared to the comparative period as a result of lower average cash balances held throughout the quarter and lower interest rates. The Company invests its excess cash primarily in bankers' acceptances.

Quarterly information

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

Summary Financial Information for the Eight Quarters Ended June 30, 2008

Period	**Revenues**	**Total assets**	**Net Income (Loss)**	**Net Income (Loss) per Share**	**Long term financial liabilities**
2nd Quarter 2008	Nil	81,725	(366)	(0.00)	4,771
1st Quarter 2008	Nil	80,621	(652)	(0.01)	4,898
4th Quarter 2007	Nil	71,305	1,945	0.02	4,407
3rd Quarter 2007	Nil	68,475	(2,112)	(0.02)	3,720
2nd Quarter 2007	Nil	68,975	(592)	(0.01)	3,443
1st Quarter 2007	Nil	65,892	(996)	(0.01)	3,355
4th Quarter 2006	Nil	40,565	83	0.00	3,273
3rd Quarter 2006	Nil	37,098	(516)	(0.01)	3,238

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

Future tax recoveries during the periods ending December 31, 2006 and December 31, 2007 relating to the anticipated renunciation of flow through shares primarily contributed to the net income for this period. The sharp increase in net loss during the third quarter of 2007 resulted from stock based compensation expense of $1,666,000 charged to operations.

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

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

Cash Flows

For the quarter ended June 30, 2008

Cash used by operating activities for the quarter ended June 30, 2008 was $5,214,637 compared to the use of $490,016 for the quarter ended June 30, 2007. Administrative expenses and interest income used $565,083 during the second quarter of 2008 compared to $343,516 used during the second quarter of 2007. Non-cash working capital used $4,649,554 during the current quarter compared to the use of $146,500 during Q2-2007 In June 2008, the Company began a milling campaign resulting in gold inventory at June 30, 2008.

Cash used by financing activities was $138,344 during the quarter ended June 30, 2008 compared to providing $2,489,495 during the quarter ended June 30, 2007. The Company incurred $14,006 in cost of issue related to the first quarter's private placement financing. Warrants and options were exercised throughout the quarter generating $38,000 in cash proceeds compared to $2,519,495 during the quarter ended June 30, 2007. The Company made payments during the current quarter of $46,906 related to long term debt compared to $30,000 during Q2-2007. The Company also made payments related to capital leases of $115,432 during Q2-2008 compared to $nil during Q2-2007.

Cash from investing activities used $4,342,726 during the quarter ended June 30, 2008 compared to $7,954,218 during the quarter ended June 30, 2007. Expenditures on exploration interests, net of government assistance, used $5,186,786 during the current quarter compared to $6,262,460 used during Q2-2007. There was no change to cash appropriated for exploration expenditure during the current quarter compared to an increase of $277,379 as the Company funded the trust account during Q2 - 2007. There was no change during the current quarter related to prepaid exploration expenditures and deposits and advances for exploration activities compared to an increase of $201,351 during Q2-2007. Exploration accounts payable increased by $2,033,977 during the current quarter compared to an increase of $1,007,273 during the quarter ended June 30, 2007. Lastly, the Company used $1,189,917 to fund equipment purchases during the quarter ended June 30, 2008 compared to $2,220,301 during the comparative quarter.

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

Cash expenditures for the period

Description	Rouyn ($)	Lac Pelletier ($)	VMS ($)	Aurbel ($)	Lac Herbin ($)	Other ($)	TOTAL ($)
Acquisition and property maintenance	2,164	66	-	17,544	-	-	19,774
Underground mining	-	-	-	-	2,535,288	-	2,535,288
Underground development	-	-	-	-	2,059,507	-	2,059,507
Underground services	-	32,568	-	-	11,563	-	44,131
Surface development	-	89,473	-	-	368,814	-	458,287
Drilling and assaying	213,453	206	738,479	-	908,564	-	1,860,702
Engineering	-	107,111	-	-	195,783	-	302,894
Geology and geophysics	91,590	45,887	31,646	144	155,683	-	324,950
Environment	728	6,748	-	-	50,180	-	57,656
Other exploration costs	-	-	7,571	-	178,706	-	186,277
Administration	61,286	21,786	196,406	44,005	160,170	-	483,653
Net gold sales from bulk sample	-	-	-	-	(3,146,333)	-	(3,146,333)
Government assistance	-	-	-	-	-	-	-
							-
Q2, June 30, 2008	369,221	303,845	974,102	61,693	3,477,925	-	5,186,786

For the six months ended June 30, 2008

Cash provided by operating activities for the six months ended June 30, 2008 was $486,971 compared to the use of $1,464,397 for the six months ended June 30, 2007. Administrative expenses and interest income used $1,062,552 during the first six months of 2008 compared to $1,167,501 used during the first six months of 2007. Non-cash working capital provided $1,549,523 during the current period under review compared to the use of $296,896 for the comparative period. During the first half of 2008, the Company sold its gold inventory produced from the bulk sample of Q4-2007. In addition, the Company held gold inventory at June 30, 2008 from a milling campaign initiated mid June 2008.

Cash provided by financing activities was $10,028,215 during the six months ended June 30, 2008 compared to $27,077,202 during the six months ended June 30, 2007. The Company participated in a private placement financing during the first quarter of 2008 generating cash proceeds, net of financing costs, of $10,363,344 as discussed in the Liquidity and Capital Resources section of this report (2007: $23,284,177). Warrants and options were exercised throughout the six month period generating $45,900 in cash proceeds compared to $3,296,072 during the six months ended June 30, 2007. As well, during the first half of 2008, the Company drew down $nil from its demand loan facility compared to $556,953 drawn down during the first half of 2007. The Company made payments during the current period of $93,493 against long term debt compared to $60,000 during the same six month period in 2007. The Company also made payments against capital leases of $287,536 during the six months ended 2008 compared to $nil during the comparative period.

Cash from investing activities used $14,129,170 during the six months ended June 30, 2008 compared to $13,162,283 during the six months ended June 30, 2007. Expenditures on exploration interests, net of government assistance, used $13,409,768 during the current period compared to $11,981,830 used during the comparative period. Cash appropriated for exploration expenditures decreased by $530,034 during the current quarter as the Company transferred funds from the trust account held exclusively for Xstrata to fund exploration that enabled the Company to vest in its 50% interest in the properties. In the comparative quarter, cash appropriated for exploration expenditure increased by $480,484 as the Company funded the trust account. There was no change during the current six months related to prepaid exploration expenditures and deposits and advances for exploration activities compared to an increase of $920,661 during the first six months of 2007. Exploration accounts payable increased by $614,946 during the current period compared to an increase of $2,481,345 during the comparative period. Lastly, the Company used $1,864,382 to fund equipment purchases during the six months ended June 30, 2008 compared to $2,260,653 during the comparative six month period.

Cash expenditures on properties for the six months ended June 30, 2008 was as follows:

Cash expenditures for the period

Description	Rouyn ($)	Lac Pelletier ($)	VMS ($)	Aurbel ($)	Lac Herbin ($)	Other ($)	TOTAL ($)
Acquisition and property maintenance	11,776	66	1,000,000	29,535	-	-	1,041,377
Underground mining	-	-	-	-	3,573,794	-	3,573,794
Underground development	-	-	-	-	3,921,917	-	3,921,917
Underground services	-	76,313	-	-	989,013	-	1,065,326
Surface development	-	569,241	-	-	573,599	-	1,142,840
Drilling and assaying	605,013	6,069	1,156,192	-	1,605,364	-	3,372,638
Engineering	-	224,864	-	-	333,624	-	558,488
Geology and geophysics	177,149	104,911	81,310	144	261,628	-	625,142
Environment	856	8,333	-	-	86,497	-	95,686
Other exploration costs	-	34,375	7,571	-	227,415	-	269,361
Administration	186,057	52,756	397,210	52,868	449,915	-	1,138,806
Net gold sales from bulk sample	-	-	-	-	(3,476,857)	-	(3,476,857)
Government assistance	53,658	-	7,662	6,849	13,081	-	81,250
							-
Year to date, June 30, 2008	1,034,509	1,076,928	2,649,945	89,396	8,558,990	-	13,409,768

Transactions with Related Parties

The Company was charged $15,000 and $30,000 during the three and six months ended June 30, 2008 respectively (Q2 2007: $15,000; 2007: $32,100) by companies controlled by directors of the Company for administration and engineering services.

An amount of $30,000 is payable to directors and officers or companies controlled by directors and officers of the Company at June 30, 2008 (Q2 2007: $nil).

During the six months ended June 30, 2008, 100,000 options were granted to a newly appointed officer of the Company exercisable at a price of $0.88 per share (Q2 2007: 100,000 at $1.14 per share).

The Company shares its premises with other companies that have common directors and officers, and the Company reimburses the related companies for their proportional share of the expenses. Included in accounts payable and accrued liabilities at June 30, 2008 is $47,588 (Q2 2007: $74,199) owing to such companies. As well, the Company is owed $17,970 from related parties for shared expenses (Q2 2007: $2,679).

A royalty of US$106,124 (CDN$106,591) was paid during the six months ended June 30, 2008 to a company controlled by a director of the Company, all of which had been accrued at December 31, 2007 (Note 6). A further US$93,000 was accrued at June 30, 2008 related to gold production during the period.

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

Outstanding Share Data

As August 4, 2008, 117,420,745 common shares of the Company are outstanding. Of the options to purchase common shares issued under the share option plan of the Company, 8,766,500 remain outstanding with exercise prices ranging from $0.255 to $1.14 and with expiry dates ranging between September 5, 2008 and January 30, 2013. If exercised, 8,766,500 common shares would be issued generating $6,111,200 in proceeds.

As at August 4, 2008, there were 20,857,143 share purchase warrants outstanding with exercise prices ranging from $1.00 to $1.35, expiring between February 13, 2009 and March 18, 2010. If exercised, 20,857,143 common shares would be issued generating $25,232,143 in proceeds.

Contractual Obligations and Contingencies

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

		Payments due by period:			
Contractual Obligation	Total	< 1 year	1 - 3 years	4 - 5 years	> 5 years
Long term debt	220,000	120,000	100,000	-	-
Equipment financing	231,288	72,762	140,911	17,614	
Capital lease obligations	1,094,521	551,133	543,388	-	-
Contractual commitments	405,000	180,000	225,000	-	-
	1,950,809	923,896	1,009,299	17,614	-

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

The Company has been named as a defendant in a legal action relating to the cancellation of 100,000 options held by a former consultant. These options were cancelled three months after the termination of the contract pursuant to the terms of the stock option plan of the Company. The former consultant is claiming $750,000 in damages for breach of agreement. Management believes that the claim is without merit and plans to vigorously defend itself.

Subsequent Events:

The Company completed a custom milling campaign in July 2008 recovering a total of 5,047 ounces of gold from 26,798 dry tonnes of ore processed. In July 2008, the Company sold 1,625 oz of gold at a price of $970 per oz.

In July 2008, the Company received $8,900,000 in 2007 Quebec government assistance, and from that paid off the outstanding demand loans plus accrued interest.

Other:

Risks and Uncertainties

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

Nature of Mining, Mineral Exploration and Development Projects

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

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

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

No Revenues

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

Liquidity Concerns and Future Financings

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

Foreign Exchange

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

Mineral Resource and Mineral Reserve Estimates May be Inaccurate

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

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

Licences and Permits, Laws and Regulations

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

Gold and Base Metal Prices

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

Environmental

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

Title to Properties

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

Uninsured Risks

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

Competition

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

Dependence on Outside Parties

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

Qualified Personnel

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

Availability of Reasonably Priced Raw Materials and Mining Equipment

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

Failure to Meet Production Targets and Cost Estimates

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

Share Price Fluctuations

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

Conflicts of Interest

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

Critical Accounting Estimates

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

Off Balance Sheet items

We do not have any off balance sheet items

Controls and Procedures

Evaluation of disclosure controls and procedures

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

Internal controls over financial reporting

The Chief Executive Officer and Chief Financial Officer, together with other members of management, after having designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reporting in accordance with the issuer's GAAP as of June 30, 2008 have not identified any changes to the Company's internal control over financial reporting which would materially affect, or is reasonably likely to materially affect the Company's internal control over financial reporting.

Outlook

Alexis has an exciting year planned for 2008. We intend to advance to full production at Lac Herbin by the fourth quarter of 2008 producing approximately 17,000 ounces of gold in 2008 utilizing custom milling.

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

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

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to Alexis certain information contained herein constitutes forward-looking information. Forward-looking information includes, but is not limited to, statements with respect to the development potential of the Company's properties; the future price of gold and other minerals; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as ''plans'', ''expects'' or ''does not expect'', ''is expected'', ''budget'', ''scheduled'', ''estimates'', ''forecasts'', ''intends'', ''anticipates'' or ''does not anticipate'', or ''believes'', or variations of such words and phrases or statements that certain actions, events or results ''may'', ''could'', ''would'', ''might'' or ''will be taken'', ''occur'' or ''be achieved''. Forward - looking information is based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Alexis to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during construction, expansion and start-up; variations in mineral grade and recovery rates; delay or failure to receive government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of gold and other minerals; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

August 4, 2008