



## 2010 ANNUAL LETTER TO SHAREHOLDERS

Maudore had an exceptional year of accomplishment in 2010. We substantially grew our gold ounces, as shown by an independent mineral resource estimate. This N.I. 43-101 technical report allowed us to focus for the first time on the potential for a high grade open pit mine. We continued the flow of exceptional drill results and we increased our land position in hopes of uncovering more gold deposits in our immediate area in the northeastern region of the prolific Abitibi greenstone belt of Quebec.

### **New Resource Estimate**

In September of 2010, a new N.I. 43-101 compliant mineral estimate for the Comtois property was filed which more than doubled the property's inferred gold resources to over 1.2 million ounces, including a potential open pit component grading 3.2 g/t gold – a grade much higher than the current industry average for open pit mining of approximately 1 g/t gold. As the resource estimate comprised many high grade intercepts, a capping grade of 65 g/t gold was imposed; an uncut resource would be greater than 1.4 million ounces, indicative of the high grade nature of Comtois' gold mineralization.

### **Drilling is the Key to Rapid Success**

Your Company continues to drill aggressively. A large number of the new intercepts reported assays well in excess of the 65 g/t capping factor, with the highest to date – 1,195 g/t Au over 0.5 metres (34.85 oz/t Au) – reported on April 12, 2011. Post reporting of the N.I. 43-101 resource, we have also intersected over 100 g/t Au in 7 holes, 8 intercepts ranging from 40 to 100 g/t Au and another 20 intercepts assaying from 20 to 40 g/t Au. We have also encountered wide near-surface intersections such as 25.3 g/t Au over 10.7 metres. As our understanding of the nature of Comtois' gold-hosting rock types improves, our drilling success rate appears to be increasing. At this time, it is reasonable to assume that the amount of contained gold in the known resource areas is probably considerably higher.

Maudore operated during all of 2010 with three or four drill rigs and is continuing that same effort through 2011. Last year, we drilled an incredible 82,500 meters-- a number which very few junior exploration companies (and even many of those considered medium-sized or producers) were able to match. We are fortunate to be in a location unhampered by adverse weather, road or living conditions, thus allowing for year-round drilling. Our confidence in Maudore's prospects, especially Comtois, is reflected in our aggressive drilling and exploration activities. As the results of our drilling continue to improve confidence in our prospects for success, we intend to maintain the large investment in drilling necessary to amplify and verify our resource.

In 2011, your Company intends to continue this pace with infill drilling to upgrade the category of known resources, particularly in the near-surface potential open pit areas, and with exploration drilling to potentially extend the 1.8 kilometre strike length of the current resource. In addition, drill-testing of new targets within the large exploration package to the west of the main Comtois resource is planned, where potential for new discoveries is indicated by geological studies completed by Government geologists from the Province of Quebec.

### **Financial Position**

A good exploration effort with the best chances for success must be accompanied by solid financing. In late 2010 and early 2011, Maudore was fortunate enough to raise \$11½ million at \$8.00 per share, an approximate premium of more than 50% above the market price. Our current strong balance sheet,

together with an exploration rebate from the Province of Quebec due later this year, enables us to continue to explore and develop our properties at a rapid pace with minimal share dilution. Continuous efforts to avoid expensive financing have left Maudore with a share count far below the average of our peer group.

#### **Enhanced Board of Directors and Officers**

Maudore Minerals appointed Ron Amstuz, C.A., as Chief Financial Officer in October of 2010. In November, three new Directors were appointed to the Board – Dr. Morris Beattie, P.Eng (metallurgist); Yale Simpson, B.Sc. (geologist) and Robert Pevenstein, CPA, MBA. In March of 2011, Kevin Weston (mining engineer) was appointed Chief Operating Officer. These new additions will provide Maudore's management with a depth of experience that will enable your Company to become more dynamic than ever.

#### **LOOKING AHEAD**

##### **Further Development Work**

We continue our aggressive drilling efforts, recently completing most of the near-surface drilling necessary to upgrade Maudore's resource, and moving to try to expand the 1.8 kilometre strike length. While uncertain, it is hard to believe that without drilling on either side of the mineralization, we just happened to hit the extremes years ago; thus I have high hopes that we can find more gold on either the east or west side of the current Comtois resource.

Our new COO has already taken many preliminary steps to lead us toward pre-production. Maudore has begun metallurgical testing to determine gold recovery rates, to optimize methodologies, and to understand the chemical consumption. Baseline environmental studies will soon be undertaken to enable initiation of permitting. Meetings will be undertaken with local officials and environmental authorities to make them aware of our exploration efforts and safety and environmental precautions, followed by consultation with potentially impacted communities. A considerable amount of work has begun in order to develop general ideas on factors involving a potential open pit, such as slope stability, strip ratios, depth potential, types of circuits needed for concentrating the minerals and costs.

##### **In Conclusion**

Speaking as a former mining analyst, Maudore has all the ingredients I previously looked for in the mining exploration investment spectrum – high grade, viable resource, politically and geologically great location, relentless drilling activity, and superior infrastructure (power, roads, water accessibility and a local trained work force), no debt, and a low number of shares outstanding (and fully-diluted). I have found all of that in Maudore, and Maudore has developed those favourable positions beyond my original expectations. I am proud, delighted, and eager to lead this Company to its objective of proving up a major gold deposit, a goal that now seems within our grasp.

In the past several years Maudore Minerals and our gold property have grown at a rapid and substantial rate. It is a testament to the robust quality and location of our resource and the excellent potential still evident for future growth. I hope and believe it is also a testament to the hard work of our Management, Directors and field personnel. I'd like to thank our Directors for the time and effort they have used to further us into this remarkable position. Thanks also go to shareholders for their foresight and patience, which I hope to see rewarded to an even greater degree by the growing acknowledgment of our major gold discovery. It is not hard for me to believe that in the current year, Maudore's development will be as good or likely better than in 2010, which certainly ranks as our best year ever.

*Ronald Shorr*  
Chairman of the Board/CEO

May 23, 2011