

## MAUDORE Minerals Ltd.

### Management Discussion and Analysis of Financial Position and Operating Results For the First Quarter ended March 31, 2007

The Management's Discussion and Analysis provides a discussion and analysis of our financial condition and results of operations to enable a reader to assess material changes for the three month period ended March 31, 2007 to those of the comparative period in 2006. This report is intended to complement and supplement financial statements. It should be read in conjunction with our audited annual financial statements for the year ended December 31, 2006 and notes thereto. Our financial statements and this management report are intended to provide investors with reasonable basis for assessing our result of operation and our financial position.

Our financial statements, prepared in accordance with Canadian generally accepted accounting principles, and all dollar amounts in this management report are expressed in Canadian dollars.

#### RESULTS OF OPERATIONS

For the three-month period ended March 31, 2007, the Company has recorded a net loss of \$72,251 (\$ 0.01 per share) as compared to a net loss of \$ 66,942 (\$0.009 per share) for arch 2006. Professional fees have reached \$20,925 (\$4,709 in 2006). The Company has used external consultant to provide for the administrative activities for an amount of \$2,350. Professional fees of \$11,975 were incurred in relation to the audit of year 2006 and the Company has hired consultant to assist in its promotional endeavour for a cost of \$6,000. In 2006, an amount of \$69,120 as stock based compensation was recorded following stock options grants while there was no corresponding amount recorded in 2007. The increase in the Company's activities has caused a slight increase in office expenses in the amount of \$8,886 (\$736 in 2005). The Company has incurred \$22,563 in travelling expenses in 2007, relating to developing relationships with potential investors and including travelling cost in Europe while there was no travelling cost during the same period in 2006. An amount of \$24,749 (\$7,924 in 2006) was incurred for shareholder's information relating to gold conferences and cost relating to the presentation of the Company's position to potential investors. The Company did not record income tax credit in 2007 while there was a reduction of \$20,030 in 2006 which had the impact of reducing the net loss figure for the three-month period ending in 2006.

#### ANNUAL INFORMATION

(audited)

Years ended December 31,	2006	2005	2004
	\$	\$	\$
Revenues	26,018	2,236	600
Net Income (loss)	(284,455)	2,958	(98,079)
Basic and Diluted Net Loss per Share	(0.032)	(0.002)	(0.032)
Total Assets	4,122,540	2,223,120	1,881,908

The recording of future income tax credits varying from \$164,402 in 2006, \$105,011 in 2005 and \$144,433 in 2004, had a corresponding impact on the net incomes (net loss) figures for the years presented. In 2006, the Company earned interest revenues in the amount of \$26,019 on funds invested following the deposit from a private placement. Administrative expenses reached \$471,875 in 2006 up from \$104,289 in 2005. The Company recorded a stock based compensation plan of \$273,470 in 2006 as compared to none in 2005. The Company incurred travelling expenses of \$51,922 (\$11,834 in 2005) while it was seeking private investors. Concurrently, information to shareholders and registration fees have increased, reaching \$48,792 (\$21,780 in 2005). A European road show was undertaken to enhance the Company's profile and present the potential of the Comtois gold property. In year 2005, administrative expenses have decreased to reach \$104,289 as compared to \$243,112 in 2004. This reduction is due to the fact that there was no attribution of share purchase options during the year. In 2004, the stock based compensation was at \$115,200 and a director's compensation of \$11,500 (none in 2005) was recorded. There was no salary paid in 2005 as compared to \$24,553 in 2004. The Company used external consultants to provide for its management activities. Travelling and entertainment expenses slightly increased up from \$5,904 in 2004 to \$11,834 in 2005. These expenses were incurred following the acquisition of the Comtois Property (described in note 5 of the

financial statements) and for the solicitation of additional funds. The Company has recorded future income tax credits of \$105,011 in 2005 and of \$144,433 in 2004.

As at December 31, 2006 total assets amounted to \$4,122,540 as compared to \$2,223,120 as at December 31, 2005. A private financing realized during the last quarter represents the main variation in assets. As at December 31, 2006, working capital was at \$1,434,605, including a cash balance of \$284,409 and temporary investment for \$873,906 as compared to \$311,747 in 2005 with a cash balance of \$394,826.

## QUARTERLY RESULTS (Unaudited)

	2007	2006				2005		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
		\$	\$	\$	\$	\$	\$	\$
Revenues	5,469	20,700	-	-	-		2,161	74
Loss before income taxes	(72,251)	(38,518)	(255,835)	(61,765)	(86,972)	(49,513)	(6,894)	(24,326)
Net loss	(72,251)	26,065	(217,219)	(20,592)	(66,942)	(13,051)	18,503	1,869
Basic and diluted net loss per share	(0.01)	0.01	(0.023)	(0.003)	(0.009)	(0.002)	0.000	0.000

Expenses in the fourth quarter were mainly incurred for travelling and shareholder's information expenses for \$21,763 and \$15,904 respectively to develop potential new investors and present the Company. The loss figure in the third quarter is incremented by the stock based compensation in the amount of \$204,350 (\$0 in 2005) and professionals and contractual fees in the amount of \$24,682 (\$2,868 in 2005). These fees relate to the planning and structure of the private placement. During the second quarter of 2006, travelling expenses for an amount of \$18,389 (\$0 in 2005), shareholder's information expenses for an amount of \$18,452 (\$9,098 in 2005) and subscription fees for an amount of \$5,510 (\$0 in 2005) were recorded relating to the Company's participation to gold conferences and to developing relationships with potential investors in Europe. The recording of an amount of \$69,120 as stock based compensation and a future tax credit of \$20,030 for the first three months of 2006, while other expenses did not experience important fluctuations as compared to the same period in 2005, had an impact on the loss figure. During the fourth quarter of 2005, the net loss has increased by \$42,619. This increase is a result of increasing professional fees of \$20,935 and travelling expenses of \$11,834 incurred for the evaluation and negotiation of the agreement on the Comtois property. The increase in the net loss figure during the fourth quarter of 2004 is partly due to an amount of \$98,040 that was recorded as stock base compensation and director's compensation for \$11,500. The other administrative expenses were reduced considerably, with no salary expenses. In 2005, there was no share purchase options granted. The future income tax credits of \$36,462 (\$101,811 in 2004) also contributed to the reduction of the net loss.

## EXPLORATION

For the three-month period ended March 31, 2007, the Company has incurred \$403,748 in exploration work on the Comtois property. A drilling program was initiated for an amount of \$207,796 and geological, geochemical and exploration work, for \$21,475. The Company has continued to use external consultants to provide for exploration work for an amount of \$127,408. Other expenses engaged were claims renewal expenses for \$4,012, equipment rentals for \$22,665, travelling expenses for \$11,052 and general exploration expenses for \$9,340.

## RELATED PARTY TRANSACTIONS

As at March 31, 2007, no fees were incurred (\$2,500 as at March 31, 2006 have been incurred from a law firm of which a lawyer is also an officer of the Company).

The above transactions occurred within 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.

## FINANCING RESOURCES AND DATA ON CAPITAL STOCK

The financial resources available are the issuance of common shares by prospectus or private financings. During the three-month period, the Company has issued 120,666 common shares following the exercise of stock options for an amount of \$123,904 and 25,000 common shares following the exercise of warrants for an amount of \$11,250.

The capital stock of the Company is composed of an unlimited number of common shares of which 10,666,723 were issued and outstanding as at March 31, 2007.

## FINANCIAL POSITION

	March 31, 2007	December 31, 2006
	\$	\$
Cash and cash equivalents	876,516	1,158,315
Mining properties and deferred exploration expenditures	2,702,144	2,439,167
Total assets	4,243,032	4,122,540
Capital stock	7,159,673	7,024,519

As at March 31, 2007, the working capital of the Company was at \$1,193,815 (\$1,435,405 as at December 31, 2006). The Company believes that its current source of funds are sufficient to meet its current obligations and exploration expenses and keep its properties in good condition. The exploration and development of the Comtois property may require additional financing. In the past, the Company was able to rely on its financial capacity to raise public and private financings.

## SUBSEQUENT EVENT

On May 9, 2007, the Company completed an equity financing for an aggregate amount of \$5,500,000. Under this financing, the Company will issue 4,583,333 common shares at \$1.20 per share. These shares are subject to a four-month hold period after the closing date. Finders involved in the financing will be paid \$151,960 and will receive an aggregate amount of 150,000 two-year warrants at the same exercise price (\$1.20). The proceeds of the placement will be used primarily to expand and extend exploration of the Comtois property and for working capital requirement.

## FINANCIAL INSTRUMENTS

Financial instruments comprise cash and short-term investments with original maturity dates of less than 3 months. The carrying amount of short-term financial instruments approximates their fair value due to the relatively short periods to maturity of the financial instruments.

## RISK AND UNCERTAINTIES

The following discussion reviews a number of important risks which management believes could impact the Company's business.

### Financial Risks

Eventually, additional funds will be required for further exploration and development work. The only source of future funds available to the Company is through the sale of additional equity capital or issuance of debt. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Company or provides the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial condition.

### **Risk on the Uncertainty of Mining Titles**

Although the Company has obtained title opinions with respect to certain of its properties and has taken reasonable measure to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interest.

### **Risk relating to the Industry Conditions**

Mineral exploration and development involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Although substantial benefits may be derived from the discovery of a mineralized deposit only a few properties under an exploration program will become later productive mines. A high level of expenses may have to be incurred to establish ore reserve, metallurgical process and to provide for the construction of extraction and ore process installation on a particular site. No assurance can be given that the exploration and development program of the company will conduct to profitable mine operations. Commercial viability of exploiting any deposit encountered depends on a number of factors including infrastructure, governmental regulations, in particular those in relation to price, taxes, royalties, governmental involvement in the project in some cases by way of a carried right, importation and exportation. The impact of these factors cannot be measured with precision but it may restrain the company from providing an adequate return on investment.

### **Risk relating to Government Regulation**

The Company's activities entail compliance with the applicable environmental legislation or review processes and the obtaining of land use and other permits, and similar authorizations of overall mining operations are subject to the constraints contained in such legislation. The Company believes that it is in compliance in all-material respects with such existing laws. Changing government regulations may have an adverse effect on the Company's operations.

### **COMPLIANCE WITH CSA 52-109 AND 52-316**

The CEO of the Company have designed and evaluated the Company's disclosure controls and procedures for effectiveness. These disclosure controls and procedures were judged to be effective as of March 31, 2007. Also, the CEO have designed the internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP.

### **OUTLOOK**

Management will continue to account for the Company's funds very rigorously, its first goal being the optimization of the shareholders' return on investment. Its development strategy aims towards the discovery of economically recoverable ore reserve, and generate revenues out of mineral deposit to ensure the Company's viability. Management, while applying its development strategy, will consider the global environment in which the exploration evolves, the evolution of the stock exchange market as well of the overall gold price.

Montréal  
May 25, 2007