

# MAUDORE Minerals Ltd

## Interim report

For the six-month period  
ending  
June 30, 2005

### WARNING

THE INTERIM FINANCIAL STATEMENTS DATED JUNE 30, 2005 HAVE  
NOT BEEN AUDITED BY THE AUDITORS

CORPORATE INFORMATION		
<b>Head Office</b> 6499 Newman Montreal Quebec H4E 4L9 Telephone : (514) 761-1415 info@maudore.com	<b>Stock Exchange Listing</b>  TSX Venture Ticker Symbol : MAO	<b>Transfer Agent</b>  CIBC Mellon Trust Company 2001 University Street, 16 <sup>th</sup> floor Montreal Quebec H3A 2A6

**MAUDORE MINERALS LTD**  
**STATEMENTS OF EARNINGS AND DEFICIT**

*(unaudited)*

	Three-month period ending June 30		Six-month period ending June 30	
	2005 \$	2004 \$	2005 \$	2004 \$
<b>REVENUES</b>				
Interests	74	324	74	376
<b>ADMINISTRATIVE EXPENSES</b>				
Salaries and fringe benefits	-	7,414	-	22,835
Professional fees and subcontractors	11,595	21,757	18,138	22,189
Information to shareholders and registration fees	9,098	(1,362)	19,393	6,940
Insurance	1,962	1,870	3,877	4,991
Rent	570		1,710	
Office supplies	226	559	736	1,070
Travelling expenses	-	1,354	-	5,272
Telecommunications	542	1,652	1,066	2,907
Subscriptions and contributions	--	-	-	1,663
Depreciation	357	295	713	589
Interests and bank charges	50	29	88	53
	<b>24,400</b>	<b>33,568</b>	<b>45,721</b>	<b>68,509</b>
<b>OTHER</b>				
Stock based compensation	-	-	-	17,160
	-	-	-	<b>17,160</b>
<b>LOSS BEFORE TAXES</b>	<b>(24,326)</b>	<b>(33,244)</b>	<b>(45,647)</b>	<b>(85,293)</b>
<b>INCOME AND MINING TAXES</b>	<b>(26,194)</b>	<b>(22,843)</b>	<b>(43,152)</b>	<b>(38,638)</b>
<b>NET INCOME (LOSS)</b>	<b>1,868</b>	<b>(10,401)</b>	<b>(2,495)</b>	<b>(46,655)</b>
Deficit, beginning	(3,482,457)	(3,368,429)	(3,478,094)	(3,332,175)
<b>DEFICIT, ENDING</b>	<b>(3,480,589)</b>	<b>(3,378,830)</b>	<b>(3,480,589)</b>	<b>(3,378,830)</b>
<b>BASIC RESULT PER SHARE AND DILUTED</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>	<b>(\$0.002)</b>

**MAUDORE MINERALS LTD**  
**STATEMENTS OF DEFERRED EXPLORATION EXPENDITURES**

*(unaudited)*

	Three-month period ending June 30		Six-month period ending June 30	
	2005 \$	2004 \$	2005 \$	2004 \$
<b>EXPLORATION EXPENDITURES</b>				
Contractual fees	-	10,477	-	30,477
Analyses	-	-	-	-
Salaries and fringe benefits	-	17,268	-	31,945
Equipment and vehicle rental	547	3,095	1,095	3,095
Room and board, travelling expenses	648	4,288	2,600	7,969
Claim renewal and management	-	480	2,104	1,215
General exploration expenses	359	424	726	831
	<b>1,554</b>	<b>36,032</b>	<b>6,525</b>	<b>75,532</b>
Tax credit for resources	(5,570)	(7,861)	(5,570)	(7,861)
Exploration expenditures paid by partner	-	-	-	(736)
<b>Increase (decrease) in deferred exploration expenditures</b>	<b>(4,016)</b>	<b>28,171</b>	<b>955</b>	<b>66,935</b>
<b>Balance beginning</b>	<b>1,479,133</b>	<b>1,439,355</b>	<b>1,474,162</b>	<b>1,400,591</b>
<b>Balance ending</b>	<b>1,475,117</b>	<b>1,467,526</b>	<b>1,475,117</b>	<b>1,467,526</b>

**MAUDORE MINERALS LTD**  
**CASH FLOW STATEMENTS**

*(unaudited)*

	Three-month period ending June 30		Six-month period ending June 30	
	2004 \$	2003 \$	2004 \$	2003 \$
<b>CASH FLOWS PROVIDED BY (USED FOR)</b>				
<b>OPERATIONS</b>				
Net Income (loss)	1,868	(10,401)	(2,495)	(46,655)
Items not requiring cash:				
Future income and mining taxes	(26,194)	(18,665)	(43,152)	(34,460)
Stock based compensation	-	-	-	17,160
Depreciation	357	295	713	589
Net change in non-cash working capital items	7,791	4,247	11,356	15,081
<b>Cash flows from operating activities</b>	<b>(16,178)</b>	<b>(24,524)</b>	<b>(33,578)</b>	<b>(48,285)</b>
<b>INVESTING</b>				
Funds reserved for exploration	-	55,553	-	74,317
Acquisition of fixed assets	-	(2,160)	-	(2,160)
Deferred exploration expenditures	3,867	(28,007)	(954)	(66,771)
<b>Cash flows from investing activities</b>	<b>3,867</b>	<b>25,386</b>	<b>(954)</b>	<b>5,386</b>
<b>FINANCING</b>				
Issue costs of common shares	-	257	(637)	(3,556)
Capital stock	-	14,969	-	14,969
<b>Cash flows from financing activities</b>	<b>-</b>	<b>15,226</b>	<b>(637)</b>	<b>11,413</b>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,311)	16,088	(35,169)	(31,486)
CASH AND CASH EQUIVALENTS, BEGINNING	174,252	9,777	197,110	57,351
CASH AND CASH EQUIVALENTS, ENDING	<b>161,941</b>	<b>25,865</b>	<b>161,941</b>	<b>25,865</b>

**MAUDORE MINERALS LTD**  
**BALANCE SHEETS**

*(unaudited)*

	June 30 2005 \$	December 31 2004 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and short term investments	161,941	197,110
Taxes, mining duties and other receivables	8,139	4,204
	<u>170,080</u>	<u>201,314</u>
<b>Fixed assets</b>		
Fixed assets	4,710	5,424
Mining properties	201,008	201,008
Deferred exploration expenditures	1,475,117	1,474,162
	<u>1,850,915</u>	<u>1,881,908</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued charges	60,576	56,784
	<u>60,576</u>	<u>56,784</u>
Future income and mining taxes	225,082	264,400
Convertible debenture	146,549	
	<u>432,207</u>	<u>321,184</u>
<b>Shareholders' Equity</b>		
Convertible debenture	-	146,549
Contributed surplus: Stock options	263,597	252,097
Capital stock	4,635,700	4,640,172
Deficit	(3,480,589)	(3,478,094)
	<u>1,418,708</u>	<u>1,560,724</u>
	<u>1,850,915</u>	<u>1,881,908</u>
Number of common shares outstanding	5,799,315	5,799,315
Number of warrants outstanding	833,333	833,333
Debentures (see note 7 of the annual financial statements of December 31,2004)		

**MAUDORE MINERALS LTD**  
**Notes to financial statements**

(unaudited)

**1.GENERAL:**

The unaudited interim statements have been prepared in accordance with accounting policies generally accepted in Canada. They are also in accordance with accounting policies of the annual financial statement for December 31, 2004. These statements do not include all required information for generally accepted accounting principles used in annual financial statements and should be read with the accompanying notes on the Company's December 31, 2004 financial statements.

**2.Change in accounting policies**

On January 1st, 2005, the Corporation adopted prospectively the recommendations of CICA Handbook, paragraph 20A, Section 3860, *Financial Instruments - Disclosure and Presentation*. This paragraph defines notably the presentation of a contractual obligation of a fixed amount which has to be settled by delivery of its own equity instruments. Such an obligation is a financial liability. The impact of this change was the classification of the convertible debenture of \$146,549 as a liability instead of an item in Shareholders Equity and the interest is charge to Earnings instead of the Deficit.

**3.Deferred exploration expenses**

	December 31, 2004	Acquisitions	Government assistance	June 30, 2005
	\$			\$
<b>Comtois</b>	106,624			106,624
Comtois,Cameco option	1,163,219	6,525	5,570	1,164,174
Comtois,Newmont option	204,319			204,319
	<b>1,474,162</b>	<b>6,525</b>	<b>5,570</b>	<b>1,475,117</b>

**4.Capital Stock**

	June 30, 2005	
	Common shares	Amount \$
<b>Issued and paid</b>		
Balance as at December 31, 2004	5,799,315	4,640,172
Share issue expenses		(4,472)
Balance as at March 31, 2005	<b>5,799,315</b>	<b>4,635,700</b>

**COMMON SHARE PURCHASE OPTIONS:**

Under the stock-option plan, the Company may grant a maximum of 1,200,000 common share purchase options to its directors, officers, employees and suppliers. The exercise price of each option equals the market price of Maudore's stock on the date of the grant and the term of an option cannot exceed 10 years. The options are exercisable at the date of the grant.

The plan provides that the number of common shares reserved for issuance in favour of insiders may not exceed 10% of the then outstanding common shares and that the number of common shares reserved for issuance to any beneficiary may not exceed 5% of the then outstanding common shares.

A summary of the status of the stock option plan as of June 30, 2005 is presented below:

	Number of options	Weighted average exercise price \$
Outstanding and exercisable, end of year	680,934	0.61

The following table summarizes information about stock options outstanding as at June 30, 2005:

<b>Exercise prices \$</b>	<b>Number of options outstanding</b>	<b>Weighted average remaining life (years)</b>
0.27	292,600	4.42
0.78	86,667	3.72
0.90	301,667	2.26
	<b>680,934</b>	<b>3.37</b>

#### **5. WARRANTS:**

As at June 30, 2005, the following warrants, issued pursuant to financing, were outstanding and exercisable as follows:

- 833,333 warrants exercisable at the price of \$0.60 per share up to August 20, 2006.

#### **6. RELATED PARTIES TRANSACTIONS:**

As at June 30, 2005, legal fees of \$5,000 (\$6,059 as at June 30, 2004) have been incurred from a law firm of which a lawyer was also an officer of the Company until June 2005. An amount of \$5,000 is included in accounts payable and accrued charges following these transactions.

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 .