

# MAUDORE Minerals Ltd

## Interim report

For the six-month period  
ended  
June 30, 2006

### WARNING

THE INTERIM FINANCIAL STATEMENTS DATED JUNE 30, 2006 HAVE  
NOT BEEN AUDITED BY THE AUDITORS

CORPORATE INFORMATION		
<b>Mailing Address</b> 1000 de la Gauchetiere West., 24 <sup>th</sup> Fl. Montreal Quebec H3B 4W5 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	
	2006 \$	2005 \$	2006 \$	2005 \$
<b>REVENUES</b>				
Interests	461	74	461	74
<b>ADMINISTRATIVE EXPENSES</b>				
Stock based compensation		-	69,120	-
Professional fees and subcontractors	12,460	11,595	17,169	18,138
Information to shareholders and registration fees	18,452	9,098	26,376	19,393
Insurance	2,081	1,962	4,159	3,877
Rent	974	570	2,193	1,710
Office supplies	1,729	226	2,377	736
Subscription fees	5,410		5,410	
Travelling expenses	18,389	-	18,389	-
Telecommunications	2,040	542	2,617	1,066
Depreciation	643	357	1,285	713
Interests and bank charges	48	50	103	88
	<b>62,226</b>	<b>24,400</b>	<b>149,198</b>	<b>45,721</b>
LOSS BEFORE TAXES	<b>(61,765)</b>	<b>(24,326)</b>	<b>(148,737)</b>	<b>(45,647)</b>
INCOME AND MINING TAXES	(41,173)	(26,194)	(61,203)	(43,152)
NET INCOME (LOSS)	<b>(20,592)</b>	<b>1,868</b>	<b>(87,534)</b>	<b>(2,495)</b>
Deficit, beginning	(3,554,829)	(3,482,457)	(3,487,887)	(3,478,094)
DEFICIT, ENDING	<b>(3,575,421)</b>	<b>(3,480,589)</b>	<b>(3,575,421)</b>	<b>(3,480,589)</b>
BASIC RESULT PER SHARE AND DILUTED	<b>(0.003 \$)</b>	<b>(\$0.000)</b>	<b>(0.012\$)</b>	<b>(\$0.000)</b>

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

*(unaudited)*

	Three-month period ending June 30		Six-month period ending June 30	
	2006 \$	2005 \$	2006 \$	2005 \$
<b>EXPLORATION EXPENDITURES</b>				
Drilling	60,604		60,604	
Analyses	5,662		5,662	
Subcontractors	21,086		22,586	
Equipment and vehicle rental	1,257	547	2,230	1,095
Room and board, travelling expenses	1,050	648	1,050	2,600
Claim renewal and management	-	-	1,040	2,104
General exploration expenses	762	359	766	726
	<b>90,421</b>	<b>1,554</b>	<b>93,938</b>	<b>6,525</b>
Tax credit for resources	(2,307)	(5,570)	(2,307)	(5,570)
<b>Increase (decrease) in deferred exploration expenditures</b>	<b>88,114</b>	<b>(4,016)</b>	<b>91,631</b>	<b>955</b>
<b>Balance beginning</b>	<b>1,482,081</b>	<b>1,479,133</b>	<b>1,478,564</b>	<b>1,474,162</b>
<b>Balance ending</b>	<b>1,570,195</b>	<b>1,475,117</b>	<b>1,570,195</b>	<b>1,475,117</b>

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

*(unaudited)*

	Three-month period ending June 30		Six-month period ending June 30	
	2006 \$	2005 \$	2006 \$	2005 \$
<b>CASH FLOWS PROVIDED BY (USED FOR)</b>				
<b>OPERATIONS</b>				
Net Income (loss)	(20,592)	1,868	(87,534)	(2,495)
Items not requiring cash:				
Future income and mining taxes		(26,194)	69,121	(43,152)
Stock based compensation	(41,173)	-	(61,203)	-
Depreciation	643	357	1,285	713
Net change in non-cash working capital items	15,870	7,791	35,294	11,356
<b>Cash flows from operating activities</b>	<b>(45,252)</b>	<b>(16,178)</b>	<b>(43,037)</b>	<b>(33,578)</b>
<b>INVESTING</b>				
Deferred exploration expenditures	(56,145)	3,867	(69,296)	(954)
<b>Cash flows from investing activities</b>	<b>(56,145)</b>	<b>3,867</b>	<b>(69,296)</b>	<b>(954)</b>
<b>FINANCING</b>				
Issue costs of common shares		-	(6,690)	(637)
Capital stock	35,244	-	60,928	-
Share redemption	(16,352)		(32,705)	
<b>Cash flows from financing activities</b>	<b>18,892</b>	<b>-</b>	<b>21,533</b>	<b>(637)</b>
DECREASE IN CASH AND CASH EQUIVALENTS	(82,505)	(12,311)	(90,800)	(35 169)
CASH AND CASH EQUIVALENTS, BEGINNING	386,531	174,252	394,826	197,110
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>304,026</b>	<b>161,941</b>	<b>304,026</b>	<b>161,941</b>

**MAUDORE MINERALS LTD****BALANCE SHEETS***(unaudited)*

	June 30 2006 \$	December 31 2005 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and short term investments	304,026	394,826
Taxes, mining duties and other receivables	21,579	4,724
	<u>325,605</u>	<u>399,550</u>
Fixed assets	2,712	3,998
Mining properties	341,008	341,008
Deferred exploration expenditures	1,570,195	1,478,564
	<u>2,239,520</u>	<u>2,223,120</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued charges	123,393	55,098
Shares redemption payable	-	32,705
	<u>123,393</u>	<u>87,803</u>
Future income and mining taxes	104,980	164,402
	<u>228,373</u>	<u>252,205</u>
<b>Shareholders' Equity</b>		
Contributed surplus: Stock options	284,970	263,597
Capital stock	5,350,656	5,244,262
Deficit	(3,575,421)	(3,487,886)
	<u>2,060,205</u>	<u>2,019,973</u>
Cost of acquired shares to be cancel	(49,058)	(49,058)
	<u>2,011,147</u>	<u>1,970,915</u>
	<u>2,239,520</u>	<u>2,223,120</u>
Number of common shares outstanding	7,634,797	7,436,397
Number of warrants outstanding	1,561,458	1,561,458

# 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, 2005. 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, 2005 financial statements.

### 2. DEFERRED EXPLORATION EXPENSES:

	December 31, 2005	Acquisitions	Government assistance	June 30, 2006
	\$			\$
<b>Comtois</b>	1,274,245	93,938	(2,307)	1,365,876
Comtois, Newmont option	204,319			204,319
	<b>1,478,564</b>	<b>93,938</b>	<b>(2,307)</b>	<b>1,570,195</b>

### 3. CAPITAL STOCK:

	June 30, 2006	
	Common shares	Amount \$
<b>Issued and paid</b>		
Balance as at December 31, 2005	7,436,397	5,244,262
Stock Option	198,400	108,676
Share issue expenses		(2,282)
Balance as at June 30, 2006	<b>7,634,797</b>	<b>5,350,656</b>

#### Stock Option Plan:

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.

On January 9, 2006 the Company granted 256,000 five-year stock purchase options to some of its directors, officers and consultants. The fair value of these options was estimated using the Black Scholes stock option evaluation model with the following assumptions: estimated duration of 5 years for these options; risk free interest rate of 3.98%, forecast volatility of 105% and no forecast dividend. A remuneration expense in the amount of \$69,120 (fair value of \$0.27 per option) have been recorded in the 6 month period ending June 30, 2006.

A summary of the status of the stock option plan as of June 30, 2006 is presented below:

	Number of options	Weighted average exercise price \$
Outstanding and exercisable, beginning of year	545,933	0.55
Granted	256,000	0.35
Exercised	198,400	0.31
Outstanding and exercisable, end of year	603,533	0.45

The following table summarizes information about stock options outstanding as at June 30, 2006:

<b>Exercise prices \$</b>	<b>Number of options outstanding</b>	<b>Weighted average remaining life (years)</b>
0.27	186,200	3.42
0.35	164,000	4.53
0.78	60,000	2.72
0.90	193,333	1.29
	<b>603,533</b>	<b>3.37</b>

**4. WARRANTS:**

As at June 30, 2006, 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.
- 728,125 warrants exercisable at the price of \$0.45 per share up to December 7, 2007.

**5. RELATED PARTIES TRANSACTIONS:**

As at June 30, 2006, legal fees of \$5,893 (\$5,000 as at June 30, 2005) have been incurred from a law firm of which a lawyer was also an officer of the Company. An amount of \$1,000 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.

**6. SUBSEQUENT EVENT:**

On July 27, 2006, the Company has completed an equity financing for an aggregate amount of \$1,372,000. Under this financing, Maudore has issued 2,111,414 common shares at \$0.65. Finders fees, related to the financing, for an amount of \$76,773 will be paid. The securities issued under the private placement are subject to a four month hold period. No warrants were issued under this financing.