

# MAUDORE Minerals Ltd

## Interim report

For the nine-month period  
ending  
September 30, 2005

### WARNING

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

<b>CORPORATE INFORMATION</b>		
<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 September 30		Nine-month period ending September 30	
	2005 \$	2004 \$	2005 \$	2004 \$
<b>REVENUES</b>				
Interests	2,161	224	2,235	600
<b>ADMINISTRATIVE EXPENSES</b>				
Salaries and fringe benefits	-	1,348	43	24,183
Professional fees and subcontractors	2,868	1,287	20,963	23,476
Information to shareholders and registration fees	2,387	1,666	21,780	8,606
Insurance	2,478	1,879	6,355	6,870
Rent	570	618	2,280	1,688
Office supplies	-	423	736	5,695
Travelling expenses	-	1,576	-	4,483
Telecommunications	351	445	1,417	445
Subscriptions and contributions	-	-	-	1,663
Depreciation	356	375	1,069	964
Interests and bank charges	45	45	133	98
	<b>9,055</b>	<b>9,662</b>	<b>54,776</b>	<b>78,171</b>
<b>OTHER</b>				
Stock based compensation	-	-	-	17,160
	-	-	-	17,160
<b>LOSS BEFORE TAXES</b>	<b>( 6,894)</b>	<b>(9,438)</b>	<b>(52,541)</b>	<b>(94,731)</b>
<b>INCOME AND MINING TAXES</b>	<b>(25,397)</b>	<b>(3,984)</b>	<b>(68,549)</b>	<b>(42,622)</b>
<b>NET INCOME (LOSS)</b>	<b>18,503</b>	<b>(5,454)</b>	<b>16,008</b>	<b>(52,109)</b>
Deficit, beginning	(3,480,589)	(3,378,830)	(3,478,094)	(3,332,175)
Interest on convertible debenture	(12,750)		(12,750)	-
<b>DEFICIT, ENDING</b>	<b>(3,474,836)</b>	<b>(3,384,284)</b>	<b>(3,474,836)</b>	<b>(3,384,284)</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 September 30		Nine-month period ending September 30	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>EXPLORATION EXPENDITURES</b>				
Contractual fees		3,028		33,505
Analyses		487		487
Salaries and fringe benefits		4,845		36,790
Equipment and vehicle rental	548	548	1,643	3,643
Room and board, travelling expenses	372	3,611	2,972	11,580
Claim renewal and management	425	120	1,150	1,335
General exploration expenses	-	426	2,104	1,257
	<b>1,345</b>	<b>13,065</b>	<b>7,869</b>	<b>88,597</b>
Tax credit for resources			(5,570)	(7,861)
Exploration expenditures paid by partner	-	-	-	(736)
			(5,570)	(8,597)
<b>Increase (decrease) in deferred exploration expenditures</b>	<b>1,345</b>	<b>13,065</b>	<b>2,299</b>	<b>80,000</b>
<b>Balance beginning</b>	<b>1,475,116</b>	<b>1,467,526</b>	<b>1,474,162</b>	<b>1,400,591</b>
<b>Balance ending</b>	<b>1,476,461</b>	<b>1,480,591</b>	<b>1,476,461</b>	<b>1,480,591</b>

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

*(unaudited)*

	Three-month period ending September 30		Nine-month period ending September 30	
	2005	2004	2005	2004
	\$	\$	\$	\$
<b>CASH FLOWS PROVIDED BY (USED FOR)</b>				
<b>OPERATIONS</b>				
Net Income (loss)	18,503	(5,464)	16,008	(52,119)
Items not requiring cash:				
Stock based compensation		-		17,160
Future income and mining taxes	(25,397)	(3,981)	(68,549)	(38,441)
Depreciation	356	375	1,069	964
Net change in non-cash working capital items	6,387	(11,179)	17,745	18,870
<b>Cash flows from operating activities</b>	<b>(151)</b>	<b>(20,249)</b>	<b>(33,727)</b>	<b>(53,566)</b>
<b>INVESTING</b>				
Funds reserved for exploration		5,683		80,000
Acquisition of fixed assets		-		(2,160)
Deferred exploration expenditures	(1,344)	(13,230)	(2,299)	(80,000)
<b>Cash flows from investing activities</b>	<b>(1,344)</b>	<b>(7,547)</b>	<b>(2,299)</b>	<b>(2,160)</b>
<b>FINANCING</b>				
Issue costs of common shares	(712)	(4,850)	(1,350)	(8,406)
Capital stock		50,000		50,000
<b>Cash flows from financing activities</b>	<b>(712)</b>	<b>45,150</b>	<b>(1,350)</b>	<b>41,594</b>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,207)	17,354	(37,376)	(14,132)
CASH AND CASH EQUIVALENTS, BEGINNING	161,941	25,865	197,110	57,351
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>159,734</b>	<b>43,219</b>	<b>159,734</b>	<b>43,219</b>

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

*(unaudited)*

	September 30 2005 \$	December 31 2004 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and short term investments	159,734	197,110
Taxes, mining duties and other receivables	2,728	4,204
	<b>162,462</b>	<b>201,314</b>
<b>Fixed assets</b>		
Fixed assets	4,354	5,424
Mining properties	201,008	201,008
Deferred exploration expenditures	1,476,461	1,474,162
	<b>1,844,285</b>	<b>1,881,908</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued charges	61,551	56,784
	61,551	56,784
Future income and mining taxes	202,692	264,400
	<b>264,243</b>	<b>321,184</b>
<b>Shareholders' Equity</b>		
Convertible debenture	-	146,549
Contributed surplus: Stock options	263,597	252,097
Capital stock	4,791,281	4,640,172
Deficit	(3,474,836)	(3,478,094)
	1,580,042	1,560,724
	<b>1,844,285</b>	<b>1,881,908</b>
Number of common shares outstanding	5,980,147	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 charged to Earnings instead of Deficit.

**3. DEFERRED EXPLORATION EXPENSES :**

	December 31, 2004	Acquisitions	Government assistance	September 30, 2005
	\$			\$
<b>Comtois</b>	106,624			106,624
Comtois, Cameco option	1,163,219	7 869	5,570	1,165,518
Comtois, Newmont option	204,319			204,319
	<b>1,474,162</b>	<b>7 869</b>	<b>5,570</b>	<b>1,476,461</b>

**4. CAPITAL STOCK :**

	September 30, 2005	
	Common shares	Amount \$
<b>Issued and paid</b>		
Balance as at December 31, 2004	5,799,315	4,640,172
Conversion of debentures	166,666	146,549
Interest payment	14,166	12,750
Share issue expenses		(8,190)
Balance as at September 30, 2005	<b>5,980,147</b>	<b>4,791,281</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 5 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 September 30, 2005 is presented below :

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

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

<b>Exercise prices \$</b>	<b>Number of options outstanding</b>	<b>Weighted average remaining life (years)</b>
0.27	292,600	4.17
0.78	86,667	3.46
0.90	301,667	2.00
	<b>680,934</b>	<b>3.12</b>

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

As at September 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 September 30, 2005, legal fees of \$5,000 (\$8,555 as at September 30, 2004) have been incurred from a law firm of which a lawyer is also an officer of the Company. 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.

#### **7. COMMITMENT :**

The Company has concluded an agreement dated September 20, 2005 with Cameco Corporation for the acquisition of a 100 % interesting the Comtois property. The purchase price is \$140,000 to be paid upon closing. Maudore is also committed to buy back 222,987 common shares of the Company owned by Cameco over a nine month period from closing, at the price of \$0.22 per common share. These shares will be cancelled upon purchase. The cancellation of the 2% Net Smelter Royalty, that Cameco had been entitled to, is also part of the agreement.

#### **8. SUBSEQUENT EVENT :**

On October 31, 2005, the Company has announced it's intention to proceed with an equity financing of a maximum of \$800,000. A maximum number of 2,500,000 common shares are offered at a price of \$0.32 per share and 1,250,000 warrants providing for the subscription of 1,250,000 common shares at \$0.45 for a period of 2 years following closing.