



British Columbia Securities Commission

QUARTERLY AND YEAR END REPORT
BC FORM 51-901F
 (previously Form 61)

Freedom of Information and Protection of Privacy Act: The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Securities Act*. Questions about the collection or use of this information can be directed to the Supervisor, Financial Reporting (604-899-6729), PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver BC V7Y 1L2. Toll Free in British Columbia 1-800-373-6393

ISSUER DETAILS		FOR QUARTER ENDED			DATE OF REPORT				
NAME OF ISSUER					Y M D				
MAXIMUS VENTURES LTD.		04 06 30			04 08 26				
ISSUER ADDRESS									
408 – 837 WEST HASTINGS STREET									
CITY/		PROVINCE		POSTAL CODE		ISSUER FAX NO.		ISSUER TELEPHONE NO.	
VANCOUVER		BC		V6C 3N6		604-685-6493		604-685-6851	
CONTACT PERSON				CONTACT'S POSITION				CONTACT TELEPHONE NO.	
BARBARA DUNFIELD				DIRECTOR				604-685-6851	
CONTACT EMAIL ADDRESS				WEB SITE ADDRESS					
N/A				N/A					

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE		PRINT FULL NAME		DATE SIGNED		
"BARBARA DUNFIELD"		BARBARA DUNFIELD		Y M D		
				04 08 26		
DIRECTOR'S SIGNATURE		PRINT FULL NAME		DATE SIGNED		
"IAN ROZIER"		IAN ROZIER		Y M D		
				04 08 26		

MAXIMUS VENTURES LTD.
FORM 51-901F – QUARTERLY AND YEAR END REPORT
JUNE 30, 2004
(unaudited – prepared by management)

SCHEDULE A: FINANCIAL INFORMATION

See attached unaudited consolidated financial statements for the period ended June 30, 2004.

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. Analysis of expenses and deferred costs:

See attached unaudited consolidated financial statements for the period ended June 30, 2004.

2. Related party transactions:

See Note 9 to the attached unaudited consolidated financial statements for the period ended June 30, 2004.

3. Securities issued during the period:

a) Summary of securities issued:

Date of Issue	Type of Security	Type of Issue	Number of Shares	Price	Total Proceeds	Consideration	Commissions Paid
November 7, 2003	Common shares	Warrant Exercise	50,000	\$ 0.20	\$ 10,000	Cash	Nil
December 10, 2003	Common shares	Warrant Exercise	50,000	0.20	10,000	Cash	Nil
December 31, 2003	Common shares	Warrant Exercise	50,000	0.45	22,500	Cash	Nil
January 21, 2004	Common shares	Warrant Exercise	25,000	0.45	11,250	Cash	Nil
May 21, 2004	Common shares	Property acquisition	100,000	0.65	65,000	Securities	Nil
					(deemed)		

b) Summary of options granted:

Date of Grant	Optionee	Number	Exercise Price	Expiry Date
December 5, 2003	Jason Sundar	180,000	\$ 0.45	December 4, 2005

4. Summary of securities as at the end of the reporting period:

a) Authorized: 100,000,000 common shares without par value.

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SCHEDULE B: SUPPLEMENTARY INFORMATION (cont'd...)

4. b) Shares issued and outstanding:

	Number of Shares	Amount
Balance, June 30, 2004	9,725,716	\$ 25,367,415

c) See Note 8 of the attached unaudited consolidated financial statements for the period ended June 30, 2004.

d) There were no shares held in escrow at June 30, 2004.

5. List of Directors and Officers: Ian T. Rozier, Chairman of the Board and Director
Barbara E. Dunfield, President, Secretary and Director
Paul A. Ray, Director
Douglas B. Hyndman, Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis:

The following discussion of the operating results and financial position of the Company should be read in conjunction with the consolidated financial statements and related notes hereto.

Results of Operations:

The Company is primarily engaged in the acquisition, exploration, development and production of natural resource properties.

The Company incurred \$637,005 (2003 - \$287,057) of administration expenses and had a working capital of \$350,238 at June 30, 2004 compared to a working capital of \$1,278,453 at September 30, 2003. The primary reason for the increase in administration expense between the two years is attributed to the Company's increased activities in relationship to mineral properties the Company acquired during the previous year. This has a direct impact on the travel and related costs and consulting expense. Additionally, the Company continued to seek further properties of merit to enhance shareholder value. This is reflected in the increase in property investigation costs. Lastly, in accordance with TSX Venture Exchange policies, the Company was required to calculate compensation costs in respect to the granting of incentive stock options. This stock-based compensation expense totaled \$50,418, which expense was nil in the previous year.

Liquidity and Cash Reserves:

At June 30, 2004, the Company had cash of \$343,569 compared with \$1,350,553 at September 30, 2003. Accounts payable and accrued liabilities decreased to \$89,205 from \$109,619 and obligation under capital lease decreased to \$48,745 from \$52,824.

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS (cont'd...)

Financings:

During the period, the Company announced a brokered private placement consisting of up to 2,000,000 Units and up to 10,000,000 Flow-through shares, to raise up to \$3,000,000. See “Report to Shareholders”.

Mineral Property Acquisitions:

See “Report to Shareholders”.

Investor Relations:

The Company entered into an investor relations agreement with a communications company for a twelve-month period. The Company is paying \$7,500 per month for investor relations services. The Company has also granted stock options to a director of the communications company to acquire up to 180,000 common shares at an exercise price of \$0.45 per share for a two-year period. On June 1, 2004, the Company re-negotiated the terms of the agreement from a monthly payment of \$7,500 a month to being invoiced on a work performed basis. The stock options will remain outstanding during the term of the agreement.

Legal Proceedings:

None.

Related Party Transactions:

The Company entered into the following transactions with related parties:

Paid consulting fees of \$123,000 to companies controlled by two directors.

Paid management fees of \$36,000 to a company controlled by a director.

Paid rent expenses of \$18,000 to a company controlled by a director.

As at June 30, 2004, accounts receivable included \$58,785 paid by the Company on behalf of companies having common directors.

As at June 30, 2004, prepaid expenses included \$18,000 paid to companies controlled by common directors of the Company.

These transactions are in 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.

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS (cont'd...)

Report to Shareholders:

In the third quarter, Management announced that they had signed a letter of intent that would allow for the accelerated exploration of the Twin Peaks and Eastern Contact target areas of Miramar Mining Corporation's 100% owned Hope Bay belt in Nunavut.

"We are very excited to have the opportunity to participate in the exploration of one of Canada's most prospective gold belts," said Ian Rozier, Chairman of Maximus. "High grade gold showings in the Eastern Contact area present immediate drilling opportunities, while the Twin Peaks area has numerous indications of potential to host large scale, bulk tonnage gold deposits. These targets provide Maximus with a blend of risks and opportunities within a prolific, under-explored gold belt: high grade outcropping gold showings ready to drill, and longer term higher risk exploration offering potential for the discovery of very large gold deposits." (See news release dated June 25th, 2004).

Letter of Intent

Miramar and Maximus have signed a letter of intent whereby Maximus can earn a 75% interest in the Eastern Contact and Twin Peaks areas (the "Properties") on the following basis:

1. C\$7.5 million in expenditures over three years, with scheduled minimum expenditures of \$0.5 million in 2004, C\$2 million in 2005, C\$3 million in 2006 and C\$2.0 million in the first half of 2007. Maximus will earn no interest until it has made these expenditures. After Maximus has earned their interest, Miramar and Maximus will explore the property through a joint venture.
2. Miramar will have a one-time right to buy back up to a 50% interest and become operator by paying Maximus 150% of Maximus' proportionate exploration costs for the percentage being acquired.
3. Maximus would be the operator unless Miramar increases its interest to at least 50% . If requested, Miramar would provide Maximus exploration administration and management services.
4. Miramar will have a right of first refusal on any sale of all or a portion of the Properties, and a right to approve any joint ventures with third parties.

The consideration payable by Maximus to Miramar for entering the option agreement would be as follows:

1. The issuance of five million shares of Maximus to repay Miramar for its expenditures on the Properties. These shares would be issued over a three-year period.
2. The issuance of 1.5 million shares of Maximus following reporting of the first 500,000 oz of gold in measured, indicated or inferred resources.
3. The issuance of 2.5 million shares of Maximus on each of the following events: the reporting of the first, second and third million ounces of measured and indicated resources, on delivery of a positive feasibility study, and on production.

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS (cont'd...)

Report to Shareholders: (cont'd...)

The Option agreement would be conditional on Maximus completing a financing for at least C\$3 million, completion of formal option agreement, any legal or regulatory approvals required and would be subject to other terms and conditions.

On June 28, 2004 the Company announced that it had negotiated a brokered private placement through Dundee Securities, as agent, for a private placement of Units and Flow-through common shares of the Company on an agency basis at \$0.25 per Unit and \$0.25 per Flow-through shares. Each unit will consist of one common share of the Company and one half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share for \$0.35 for a period of twenty-four months after the Closing date. The offering will consist of up to 2,000,000 Units and up to 10,000,000 Flow-through shares, to raise up to \$3,000,000.

The Agent will be paid a cash fee equal to 7% of the total gross proceeds raised in the Offering from the sale of the Units and Flow-through shares. In addition, the Agent will receive a compensation warrant exercisable for common shares equal in number to 9% of the number of Units and Flow-through shares sold under the Offering. The compensation Warrant will be exercisable at a price of \$0.25 per common share for a period of 12 months after the Closing Date. In accordance with current Exchange policies, the Units and Flow-through shares are subject to a four-month hold period.

The proceeds of the Flow-through shares sold under the Offering will be used for the exploration of the Eastern Contact and Twin Peaks exploration projects at Hope Bay (See news release dated June 25th, 2004). The proceeds of the Units will be used for working capital purposes.

Although the private placement has not been completed at the time of this Report to Shareholders, the Company looks forward to commencing exploration of the Twin Peaks and Eastern Contact target areas in the Hope Bay belt in Nunavut when the necessary financing is in place.



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ISSUER DETAILS NAME OF ISSUER MAXIMUS VENTURES LTD.			FOR QUARTER ENDED 04 06 30			DATE OF REPORT Y M D 04 08 26		
ISSUER ADDRESS 408 – 837 WEST HASTINGS STREET								
CITY/ VANCOUVER		PROVINCE BC	POSTAL CODE V6C 3N6	ISSUER FAX NO. 604-685-6493		ISSUER TELEPHONE NO. 604-685-6851		
CONTACT PERSON BARBARA DUNFIELD			CONTACT'S POSITION DIRECTOR			CONTACT TELEPHONE NO. 604-685-6851		
CONTACT EMAIL ADDRESS N/A			WEB SITE ADDRESS N/A					

CERTIFICATE

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DIRECTOR'S SIGNATURE "BARBARA DUNFIELD"		PRINT FULL NAME BARBARA DUNFIELD	DATE SIGNED Y M D 04 08 26		
DIRECTOR'S SIGNATURE "IAN ROZIER"		PRINT FULL NAME IAN ROZIER	DATE SIGNED Y M D 04 08 26		

MAXIMUS VENTURES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2004

(unaudited – prepared by management)

MAXIMUS VENTURES LTD.
CONSOLIDATED BALANCE SHEETS
AS AT
(unaudited – prepared by management)

	June 30, 2004	September 30, 2003
ASSETS		
Current		
Cash	\$ 343,569	\$ 1,350,553
Receivables	77,918	7,136
Prepaid expenses	23,000	21,092
Due from related parties (Note 3)	<u>-</u>	<u>15,000</u>
	444,487	1,393,781
Mineral properties (Note 4)	492,302	389,442
Deferred exploration costs (Note 5)	369,999	99,100
Capital Assets (Note 6)	<u>55,920</u>	<u>62,715</u>
	<u>\$ 1,362,708</u>	<u>\$ 1,945,038</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	\$ 89,205	\$ 109,619
Current portion of capital lease obligation	<u>5,044</u>	<u>5,709</u>
	94,249	115,328
Capital lease obligation (Note 7)	<u>43,701</u>	<u>47,115</u>
	<u>137,950</u>	<u>162,443</u>
Shareholders' equity (deficiency)		
Capital stock (Note 8)	25,367,415	25,229,093
Contributed surplus	1,237,944	1,207,098
Deficit	<u>(25,380,601)</u>	<u>(24,653,596)</u>
	<u>1,224,758</u>	<u>1,782,595</u>
	<u>\$ 1,362,708</u>	<u>\$ 1,945,038</u>

Nature and continuance of operations (Note 1)

Commitments (Note 11)

Subsequent events (Note 14)

On behalf of the Board:

“Barbara Dunfield”

Director

“Ian Rozier”

Director

The accompanying notes are an integral part of these consolidated financial statements.

MAXIMUS VENTURES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(unaudited – prepared by management)

	Three Months Ended June 30, 2004	Three Months Ended June 30, 2003	Nine Months Ended June 30, 2004	Nine Months Ended June 30, 2003
EXPENSES				
Accounting and auditing	\$ 2,550	\$ 950	\$ 8,950	\$ 5,050
Administration fees	7,500	-	20,000	-
Amortization	4,311	6,464	13,564	9,220
Consulting fees	50,240	28,500	174,640	114,295
Interest on capital lease obligation	1,041	-	3,121	-
Legal fees	3,455	1,003	8,868	7,220
Management fees	12,000	7,500	36,000	22,500
Office and miscellaneous	6,812	5,609	20,983	13,471
Printing	-	-	10,265	-
Property investigation costs	13,636	-	117,967	-
Regulatory fees	890	2,534	6,111	24,434
Rent and telephone	11,552	7,039	34,002	16,039
Shareholder information and investor relations	19,659	21,594	91,887	39,537
Stock-based compensation expense	-	-	50,418	-
Transfer agent fees	1,738	1,504	7,601	9,234
Travel and related costs	8,100	39,018	43,766	51,244
Loss before other items	<u>(143,484)</u>	<u>(121,715)</u>	<u>(648,143)</u>	<u>(312,244)</u>
OTHER ITEMS				
Gain on disposal of capital asset	-	16,259	-	16,259
Interest income	1,175	6,327	11,138	8,928
Write-off of mineral property (Note 4)	<u>(90,000)</u>	<u>-</u>	<u>(90,000)</u>	<u>-</u>
	<u>(88,825)</u>	<u>22,586</u>	<u>(78,862)</u>	<u>25,187</u>
Loss for the period	(232,309)	(99,129)	(727,005)	(287,057)
Deficit, beginning of period	<u>(25,148,292)</u>	<u>(23,952,185)</u>	<u>(24,653,596)</u>	<u>(23,764,257)</u>
Deficit, end of period	\$ (25,380,601)	\$ (24,051,314)	\$ (25,380,601)	\$ (24,051,314)
Basic and diluted loss per common share	\$ (0.02)	\$ (0.01)	\$ (0.08)	\$ (0.03)
Basic and diluted weighted average number of common shares	9,625,716	9,256,966	9,594,420	9,256,966

The accompanying notes are an integral part of these consolidated financial statements.

MAXIMUS VENTURES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited – prepared by management)

	Three Months Ended June 30, 2004	Three Months Ended June 30, 2003	Nine Months Ended June 30, 2004	Nine Months Ended June 30, 2003
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	\$ (232,309)	\$ (99,129)	\$ (727,005)	\$ (287,057)
Items not affecting cash:				
Amortization	4,311	6,464	13,564	9,220
Stock-based compensation	-	-	50,418	-
Write-off of mineral property	90,000	-	90,000	-
Changes in non-cash working capital items:				
(Increase)/decrease in receivables	375	(26,021)	(70,782)	(11,593)
Increase in prepaid expenses	(5,000)	(9,838)	(1,908)	(9,838)
Increase/(decrease) in accounts payable and accrued liabilities	1,205	7,197	(20,414)	(24,897)
Net cash used in operating activities	<u>(141,418)</u>	<u>(121,327)</u>	<u>(666,127)</u>	<u>(324,165)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Capital stock issued for cash	-	5,625	53,750	2,221,625
Capital lease obligation payments	<u>(1,360)</u>	<u>21,763</u>	<u>(4,080)</u>	<u>48,134</u>
Net cash provided by (used in) financing activities	<u>(1,360)</u>	<u>27,388</u>	<u>49,670</u>	<u>2,269,759</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Mineral property	-	(263,959)	(127,860)	(406,549)
Deferred exploration costs	-	-	(270,899)	-
Amounts due from related parties	-	-	15,000	-
Capital assets	<u>-</u>	<u>(53,560)</u>	<u>(6,768)</u>	<u>(53,560)</u>
Net cash provided by (used in) investing activities	<u>-</u>	<u>(317,519)</u>	<u>(390,527)</u>	<u>(460,109)</u>
Change in cash during the period	(142,778)	(411,458)	(1,006,984)	1,485,485
Cash, beginning of period	<u>486,347</u>	<u>1,926,258</u>	<u>1,350,553</u>	<u>29,315</u>
Cash, end of period	<u>\$ 343,569</u>	<u>\$ 1,514,800</u>	<u>\$ 343,569</u>	<u>\$ 1,514,800</u>
Cash paid for interest	<u>\$ 1,041</u>	<u>\$ -</u>	<u>\$ 3,121</u>	<u>\$ -</u>

Supplemental disclosure with respect to cash flows (Note 10)

The accompanying notes are an integral part of these consolidated financial statements.

MAXIMUS VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2004
(unaudited – prepared by management)

1. NATURE AND CONTINUANCE OF OPERATIONS

Maximus Ventures Ltd. (the "Company") is a company incorporated under the laws of British Columbia, Canada. The Company is primarily engaged in the acquisition, exploration and development of mineral properties. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

The Company is in the process of exploring its resource properties and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	June 30, 2004	September 30, 2003
Deficit	\$ (25,380,601)	\$ (24,653,596)
Working capital	350,238	1,278,453

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Essex Resource (Barbados) Corporation, a company incorporated under the laws of Barbados. Significant inter-company balances and transactions have been eliminated upon consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Mineral properties

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs relating to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment. These costs will be amortized on the basis of units produced in relation to the proven reserves available on the related property following commencement of production. Mineral properties which are sold before that property reaches the production stage will have all revenues from the sale of the property credited against the cost of the property. Properties which have reached the production stage will have a gain or loss calculated based on the portion of that property sold.

The recorded cost of mineral exploration interests is based on cash paid, the assigned value of share considerations and exploration and development costs incurred. The recorded amount may not reflect recoverable value as this will be dependant on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

Deferred exploration costs

The Company defers all exploration expenses relating to mineral properties and areas of geological interest until the properties to which they relate are placed into production, sold or abandoned. These costs will be amortized over the proven reserves available on the related property following commencement of production.

Values

The amounts shown for mineral properties and deferred exploration costs represent costs to date, and do not necessarily represent present or future values, as they are entirely dependent upon the economic recovery of current and future reserves.

Cost of maintaining mineral properties

The Company does not accrue the estimated future costs of maintaining its mineral properties in good standing.

Environmental protection and rehabilitation costs

Liabilities related to environmental protection and rehabilitation costs are accrued and charged to income when their likelihood of occurrence is established. This includes future removal and site restoration costs as required due to environmental law or contracts.

Provision for site restoration

Site restoration and cleanup costs for exploration projects are estimated and charged to operations when reasonably determinable. Upon commencement of production, estimated future costs for reclamation and closure of producing properties will be provided over the life of the ore body on a unit-of-production basis.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Capital Assets

Capital assets, being a vehicle under capital lease, is recorded at cost and amortized using the declining balance method at 30% per annum and being leasehold improvements, recorded at cost and amortized using the straight-line method at 20% per annum.

Foreign currency translation

Financial statements of the Company's foreign subsidiary are translated into Canadian dollar equivalents using the temporal method whereby all monetary assets and liabilities are translated at the rate of exchange at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates. Income and expenses are translated at the average exchange rate for the period. Gains and losses arising from restatement of foreign currency monetary assets and liabilities at each period end are recognized in the statement of operations.

Stock-based compensation

The Company grants options in accordance with the policies of the TSX Venture Exchange ("TSX-V"). Effective October 1, 2002, the Company adopted the new CICA Handbook Section 3870 "Stock-Based Compensation and Other Stock-Based Payments", which recommends a fair value-based methodology for measuring compensation costs. The Company has adopted the use of the fair value-based method and therefore all awards to employees and non-employees will be recorded at fair value on the date of grant. Any consideration paid by the option holders to purchase shares is credited to capital stock.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

Basic loss per share is calculated using the weighted-average number of shares outstanding during the period.

3. DUE FROM RELATED PARTIES

Amounts due from a company controlled by a director are non-interest bearing, unsecured and with no fixed terms of repayment.

MAXIMUS VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2004
(unaudited – prepared by management)

4. MINERAL PROPERTIES

	June 30, 2004	September 30, 2003
Condor Yacu I	\$ 432,802	\$ 304,942
Los Corderos and Relincho II Concessions	59,500	59,500
Condor Yacu II - VI	<u>-</u>	<u>25,000</u>
	<u>\$ 492,302</u>	<u>\$ 389,442</u>

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

Condor Yacu, Argentina

An option to acquire an 80% interest in the Condor Yacu gold property. As consideration, the Company must pay US\$1,000,000 by December 10, 2005 and incur cumulative exploration expenditures totalling US\$1,000,000 by March 4, 2007. To date, the Company has paid \$432,802 and incurred \$335,925 in exploration expenditures.

Los Corderos and Relincho II Concessions, Argentina

An option to acquire up to a 70% interest in two mineral concessions. To date, the Company has paid \$10,000, issued 100,000 common shares at a value of \$40,000 and issued 25,000 common shares at a value of \$9,500 as a finder's fee. To earn its interest, the Company is required to incur cumulative exploration expenditures totalling \$8,900,000 by December 31, 2007. In addition, the Company is obligated to further finders' fees of:

- i) 25,000 common shares when they incur exploration expenditures totalling \$200,000;
- ii) an additional 62,500 common shares on the next \$500,000 of exploration expenditures;
- iii) an additional 100,000 common shares on the next \$800,000 of exploration expenditures; and
- iv) an additional 125,000 common shares on the next \$2,500,000 of exploration expenditures.

Concessions, Argentina

An option to acquire a 100% interest in various mineral concessions. As consideration, the Company paid \$5,000 and issued 50,000 common shares at a value of \$20,000. The Company must also issue a further 950,000 common shares over a three-year period and must issue a further 1,500,000 common shares when and if a certain amount of gold is defined on the mineral concessions. During the period, pursuant to the option agreement, the Company issued an additional 100,000 common shares at a deemed price of \$0.65 per share. Subsequently, the Company decided not to proceed with the acquisition of this project and consequently all related costs were written-off to operations.

MAXIMUS VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2004
(unaudited – prepared by management)

5. DEFERRED EXPLORATION COSTS

	Condor Yacu I	Los Corderos and Relincho II Concessions	Condor Yacu II-VI	June 30, 2004 Total
Balance, beginning of period	\$ 99,100	\$ -	\$ -	\$ 99,100
Assaying	5,608	-	-	5,608
Camp costs	26,957	-	-	26,957
Consultants and contractors	19,443	19,355	-	27,798
Drilling	179,168	14,719	-	193,887
Geodrafting	<u>5,649</u>	<u>-</u>	<u>-</u>	<u>5,649</u>
	<u>236,825</u>	<u>34,074</u>	<u>-</u>	<u>270,899</u>
Balance, end of period	\$ 335,925	\$ 34,074	\$ -	\$ 369,999

6. CAPITAL ASSETS

	June 30, 2004		
	Cost	Accumulated Amortization	Net Book Value
Vehicle under capital lease	\$ 67,800	\$ 18,088	\$ 49,712
Leasehold improvements	<u>6,768</u>	<u>560</u>	<u>6,208</u>
	<u>\$ 74,568</u>	<u>\$ 18,648</u>	<u>\$ 55,920</u>

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7. CAPITAL LEASE OBLIGATION

Future minimum lease payments under capital lease are as follows:

	June 30, 2004	September 30, 2003
Total minimum lease payments	\$ 60,000	\$ 62,399
Less: amount representing interest	<u>(11,255)</u>	<u>(9,575)</u>
Balance of obligation	48,745	52,824
Less: current portion	<u>(5,044)</u>	<u>(5,709)</u>
	<u>\$ 43,701</u>	<u>\$ 47,115</u>

8. CAPITAL STOCK

	Number of Shares	Amount	Contributed Surplus
Authorized			
100,000,000 common shares without par value			
Issued			
As at September 30, 2003	9,450,716	\$ 25,229,093	\$ 1,207,098
Shares issued for cash	175,000	53,750	-
Exercise of warrants	-	19,572	(19,572)
Mineral property	100,000	65,000	-
Stock compensation expense	<u>-</u>	<u>-</u>	<u>50,418</u>
As at June 30, 2004	<u>9,725,716</u>	<u>\$ 25,367,415</u>	<u>\$ 1,237,944</u>

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8. CAPITAL STOCK (cont'd...)

Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

As at June 30, 2004, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
1,475,000	\$ 0.30	March 26, 2005
75,000	0.53	June 3, 2005
180,000	0.45	December 4, 2005

Warrants

As at June 30, 2004, the Company had the following share purchase warrants outstanding enabling the holders to acquire additional common shares as follows:

Number of Shares	Exercise Price	Expiry Date
4,925,000	\$ 0.45	March 4, 2005
1,600,000	0.20	March 5, 2005

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- a) Paid consulting fees of \$123,000 to companies controlled by two directors.
- b) Paid management fees of \$36,000 to a company controlled by a director.
- c) Paid rent expense of \$18,000 to a company controlled by a director.

As at June 30, 2004, accounts receivable included \$58,785 paid by the Company on behalf of companies having common directors.

As at June 30, 2004, prepaid expenses included \$18,000 paid to companies controlled by directors of the Company.

These transactions are in 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.

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10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the period 100,000 shares were issued at a deemed value of \$0.65 per share pursuant to the Condor Yacu II - VI property agreement.

11. COMMITMENTS

a) The Company entered into an operating lease agreement for its premises with a company controlled by a common director. The annual lease commitments under the lease are as follows:

2004	\$ 18,000
2005	18,000
2006	18,000
2007	<u>13,500</u>
	<u>\$ 67,500</u>

b) The Company entered into an investor relations agreement with a communications company for a twelve month period. The Company will pay \$7,500 per month for investor relations services. During the period the agreement was terminated.

12. SEGMENTED INFORMATION

Industrial information

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by management, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mining sector. Due to the geographic and political diversity, the Company's mining operations are decentralized whereby mining managers are responsible for business results and regional corporate offices provide support to the mining programs in addressing local and regional issues. The Company's operations are therefore segmented on a geographical basis. The Company's mining properties are all located in Argentina.

The segments' accounting policies are the same as those described in the summary of significant accounting policies except that expenses and other items are not allocated to the individual operating segments when determining profit or loss, but are rather attributed to the corporate office.

The Company's assets are located in the following geographic locations:

	June 30, 2004	September 30, 2003
Canada	\$ 500,407	\$ 1,456,496
Argentina	<u>952,301</u>	<u>488,542</u>
	<u>\$ 1,452,708</u>	<u>\$ 1,945,038</u>

