

**MAXIMUS VENTURES LTD.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2006**

**(Unaudited prepared by management)**

## **MAXIMUS VENTURES LTD.**

### **NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**MAXIMUS VENTURES LTD.**  
**INTERIM CONSOLIDATED BALANCE SHEETS**  
AS AT  
(Unaudited – prepared by management)

	Mar 31, 2006	Sept. 30 2005
<b>ASSETS</b>		
<b>Current</b>		
Cash and equivalents	\$ 639,723	\$ 1,538,815
Receivables	111,317	89,064
Prepaid expenses	<u>-</u>	<u>9,603</u>
	751,040	1,637,482
<b>Exploration advance</b> (Note 3)	26,968	59,882
<b>Mineral properties</b> (Note 3)	<u>2,865,610</u>	<u>1,931,828</u>
	<u>\$ 3,643,618</u>	<u>\$ 3,629,192</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 99,504	\$ 142,424
	<u>99,504</u>	<u>142,424</u>
<b>Shareholders' equity</b>		
Capital stock (Note 4)	28,403,040	28,215,540
Contributed surplus (Note 4)	1,453,149	1,437,259
Deficit	<u>(26,312,075)</u>	<u>(26,166,031)</u>
	<u>3,544,114</u>	<u>3,486,768</u>
	<u>\$ 3,643,618</u>	<u>\$ 3,629,192</u>

**Nature and continuance of operations** (Note 1)  
**Subsequent event** (Note 9)

**On behalf of the Board:**

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“Frederick Graybeal” Director      “Elaine Bennett” Director

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

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

	For the three months Mar 31, 2006	For the three months Mar 31, 2005	For the six months Mar 31, 2006	For the six months Mar 31, 2005
<b>EXPENSES</b>				
Administration fees	\$ 7,500	\$ 7,500	\$ 15,000	\$ 15,000
Amortization	-	564	-	4,536
Consulting fees	-	-	-	40,220
Insurance	-	-	7,151	-
Interest on capital lease obligation	-	910	-	1,830
Management fees	18,879	30,321	38,909	67,524
Office and miscellaneous	7,275	5,995	9,436	7,181
Professional fees	31,410	9,336	38,087	11,658
Property investigation costs, net of recovery costs	-	(10,000)	-	(8,872)
Regulatory and transfer agent fees	12,152	12,167	14,800	14,323
Rent and telephone	-	-	-	8,621
Shareholder information	-	9,390	5,927	11,285
Stock-based compensation (Note 7)	15,890	-	15,890	55,255
Travel and related costs	8,980	5,734	13,735	15,037
<b>Loss before other items</b>	<b>(102,086)</b>	<b>(71,917)</b>	<b>(158,935)</b>	<b>(243,598)</b>
<b>OTHER ITEMS</b>				
Interest income	5,317	3,012	12,891	6,482
Interest expense	-	(10,772)	-	(10,772)
Write-off of equipment	-	(4,513)	-	(4,513)
	<b>5,317</b>	<b>(12,273)</b>	<b>12,891</b>	<b>(8,803)</b>
<b>Loss for the period</b>	<b>(96,769)</b>	<b>(84,190)</b>	<b>(146,044)</b>	<b>(252,401)</b>
<b>Deficit, beginning of period</b>	<b>(26,215,306)</b>	<b>(26,516,526)</b>	<b>(26,166,031)</b>	<b>(26,348,315)</b>
<b>Deficit, end of period</b>	<b>\$ (26,312,075)</b>	<b>\$ (26,600,716)</b>	<b>\$ (26,312,075)</b>	<b>\$ (26,600,716)</b>
<b>Basic and loss per common share</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Basic and diluted weighted average number of common shares</b>	<b>34,982,903</b>	<b>24,692,381</b>	<b>34,945,552</b>	<b>24,650,257</b>

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

**MAXIMUS VENTURES LTD.**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited – prepared by management)

	For the three months Mar 31, 2006	For the three months Mar 31, 2005	For the six months Mar 31, 2006	For the six months Mar 31, 2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss for the period	\$ (96,769)	\$ (84,190)	\$ (146,044)	\$ (252,401)
Items not affecting cash:				
Amortization	-	564	-	4,536
Stock-based compensation	15,890	-	15,890	55,255
Disposition of equipment	-	1,550	-	1,550
Changes in non-cash working capital items:				
Increase in receivables	(12,129)	(26,717)	(22,253)	(9,808)
Decrease in prepaid expenses	-	10,081	9,603	32,400
Increase (decrease) in accounts payable and accrued liabilities	<u>(45,841)</u>	<u>7,800</u>	<u>(50,823)</u>	<u>(393,030)</u>
Net cash used in operating activities	<u>(138,849)</u>	<u>(90,912)</u>	<u>(193,627)</u>	<u>(561,498)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Capital lease obligation payments	-	(1,490)	-	(2,968)
Shares issued for cash	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Net cash used in financing activities	<u>10,000</u>	<u>(1,490)</u>	<u>10,000</u>	<u>(2,968)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Mineral properties	(154,612)	(11,555)	(748,379)	(161,555)
Exploration advance	48,285	-	32,914	-
Amounts received from related parties	<u>-</u>	<u>85,368</u>	<u>-</u>	<u>74,796</u>
Net cash used in investing activities	<u>(106,327)</u>	<u>73,813</u>	<u>(715,465)</u>	<u>(86,759)</u>
<b>Change in cash and equivalents during the period</b>	(235,176)	(18,589)	(899,092)	(651,225)
<b>Cash and equivalents, beginning of period</b>	<u>874,899</u>	<u>1,415,798</u>	<u>1,538,815</u>	<u>2,048,434</u>
<b>Cash and equivalents, end of period</b>	\$ 639,723	\$ 1,397,209	\$ 639,723	\$ 1,397,209
<b>Cash paid for interest</b>	\$ -	\$ 910	\$ -	\$ 1,830

**Supplemental disclosure with respect to cash flows (Note 6)**

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

**MAXIMUS VENTURES LTD.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2006**  
(Unaudited – prepared by management)

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Maximus Ventures Ltd. (the "Company") was incorporated under the laws of British Columbia, Canada. The Company is primarily engaged in the acquisition and exploration 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 mineral 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 consolidated 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.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

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	Mar. 31, 2006	Sept. 30, 2005
Working capital	\$ 651,536	\$ 1,495,058
Deficit	(26,312,075)	(26,166,031)

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**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying financial information reflects all adjustments, consisting primarily of normal and recurring adjustments considered necessary for fair presentation of the results for the interim period. Operating results for the six month period ended March 31, 2006 are not necessarily indicative of the results that may be expected for the year ending September 30, 2006. These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information and follow the same accounting policies as the annual financial statements. Accordingly, these consolidated financial statements should be read in conjunction with the 2005 annual consolidated financial statements and notes thereto.

**MAXIMUS VENTURES LTD.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2006**  
(Unaudited – prepared by management)

**3. MINERAL PROPERTIES**

	Hope Bay, Nunavut	Excelsior Springs, Nevada	Larder Lake, Ontario	Mar. 31, 2006 Total
<b>Acquisition costs</b>				
Balance, September 30, 2005	\$ 320,000	\$ 25,497	\$ -	\$ 345,497
Additions	<u>177,500</u>	<u>-</u>	<u>-</u>	<u>177,500</u>
	<u>497,500</u>	<u>25,497</u>	<u>-</u>	<u>522,997</u>
<b>Deferred exploration costs</b>				
Balance, beginning of period	<u>1,510,045</u>	<u>76,286</u>	<u>-</u>	<u>1,586,331</u>
Assaying	-	6,110	25,094	31,204
Camp costs	-	-	6,553	6,553
Core drilling	175,348	-	231,286	406,634
Data review and reporting	32,083	-	4,159	36,242
Geological consulting	-	32,199	14,767	46,966
Labour	-	-	6,460	6,460
Management and administration	16,703	-	42,366	59,069
Mapping and sampling	16,477	-	-	16,477
Project supervision	-	5,694	27,249	32,943
Supplies	-	-	3,040	3,040
Technical consulting	-	4,968	-	4,968
Title and claim management	125	16,998	78,264	95,387
Travel and related costs	<u>-</u>	<u>8,551</u>	<u>1,788</u>	<u>10,339</u>
	<u>240,736</u>	<u>74,520</u>	<u>441,026</u>	<u>756,282</u>
Balance, end of period	<u>1,750,781</u>	<u>150,806</u>	<u>441,026</u>	<u>2,342,613</u>
Total	\$ 2,248,281	\$ 176,303	\$ 441,026	\$ 2,865,610

**MAXIMUS VENTURES LTD.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2006**  
(Unaudited – prepared by management)

**3. MINERAL PROPERTIES (cont'd...)**

	Hope Bay, Nunavut	Excelsior Springs, Nevada	Jersey, Nevada	Sept. 30, 2005 Total
<b>Acquisition costs</b>				
Balance, beginning of year	\$ 195,000	\$ -	\$ -	\$ 195,000
Additions	125,000	25,497	18,428	168,925
Recoveries	-	-	(18,428)	(18,428)
Balance, end of year	<u>320,000</u>	<u>25,497</u>	<u>-</u>	<u>345,497</u>
<b>Deferred exploration costs</b>				
Balance, beginning of year	<u>366,357</u>	<u>-</u>	<u>-</u>	<u>366,357</u>
Compilation and reporting	11,946	-	-	11,946
Core drilling	981,403	-	-	981,403
Data review and reporting	504	-	-	504
Geological	35,859	55,227	-	91,086
Management and administration	632	-	-	632
Mapping and sampling	25,839	-	-	25,839
Project supervision	49,504	-	-	49,504
Technical services	6,988	-	-	6,988
Title and claim management	<u>31,013</u>	<u>21,059</u>	<u>-</u>	<u>52,072</u>
	<u>1,143,688</u>	<u>76,286</u>	<u>-</u>	<u>1,219,974</u>
Balance, end of year	<u>1,510,045</u>	<u>76,286</u>	<u>-</u>	<u>1,586,331</u>
Total	\$ 1,830,045	\$ 101,783	\$ -	\$ 1,931,828

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 is in good standing.

**Hope Bay, Nunavut**

During the year ended September 30, 2004, Miramar Mining Corporation (“Miramar”) and the Company entered into an option agreement whereby the Company can earn a 75% interest in the Eastern Contact and Twin Peaks areas (the “Properties”). On March 20, 2006, the Company amended certain terms of the option agreement with Miramar. The amended terms are reflected in the deferred exploration expenditures, all other terms remained constant. The Eastern Contact block has been dropped and the Chicago claim block has been added. To earn its interest, the Company is required to:

**MAXIMUS VENTURES LTD.**  
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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**3. MINERAL PROPERTIES** (cont'd...)

**Hope Bay, Nunavut** (cont'd...)

- a) Issue 5,000,000 shares over a three year period (3,000,000 issued).
- b) Incur \$7,250,000 in expenditures over three years, with scheduled minimum cumulative expenditures of \$3,250,000 by April 30, 2007, \$5,250,000 by April 30, 2008 and \$7,250,000 by April 30, 2009.

Additionally, the Company is required to issue up to 16,500,000 shares as follows:

- a) Issue 1,500,000 shares following the reporting of the first 2,500,000 ounces of gold in measured, indicated or inferred resources;
- b) Issue 7,500,000 shares over three tranches upon the first, second and third million ounces reported as a measured and/or indicated resource;
- c) Issue 2,500,000 shares on delivery of a positive feasibility study; and
- d) Issue 5,000,000 shares upon reaching production.

Miramar will have a one-time right to buy back up to a 50% interest and become operator by paying the Company 150% of the Company's proportionate exploration costs for the percentage being acquired.

**Excelsior Springs Project, Esmeralda County, Nevada**

During the year ended September 30, 2005, the Company entered into an option agreement to acquire certain unpatented mining claims located in Esmeralda County, Nevada for US\$270,000 (US\$10,000 (paid)) payable by September 30, 2009. Upon commencement of mining operations, a 2% net smelter returns royalty ("NSR") on gross sales on metals from the property would be payable in connection with this agreement.

Additionally, during the year ended September 30, 2005 the Company entered into a separate option agreement to acquire certain patented mining claims also located in Esmeralda County, Nevada. The terms of this option agreement require the Company to pay US\$10,000 (paid) on signing and US\$12,000 annually until production and payment of a 2% royalty on gross sales.

The Company also staked additional unpatented claims in this area.

**Jersey Project, Arabia District, Pershing County, Nevada**

During the year ended September 30, 2005, the Company staked certain unpatented claims.

The Company had entered into option agreements to acquire additional claims, and an agreement to sell its option interests, all of which were subsequently terminated. Related costs of \$18,428 and a recovery of \$29,593 resulted in a gain on recovery of mineral properties of \$11,165 on the statement of operations at September 30, 2005.

**MAXIMUS VENTURES LTD.**  
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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(Unaudited – prepared by management)

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**3. MINERAL PROPERTIES (cont'd...)**

**Larder Lake Properties, Ontario**

The Company entered into a letter agreement to acquire a 60% interest in the Cheminis, Bear Lake and Fernland properties and a 45% interest in the Barber Larder property, collectively referred to as the Larder Lake properties located in Ontario.

To earn its interest, the Company is required to incur expenditures of \$6,000,000 as follows:

- (i) \$220,000 by December 31, 2005 (incurred);
- (ii) \$480,000 by July 31, 2006;
- (iii) \$500,000 by December 31, 2006;
- (iv) \$2,000,000 by December 31, 2007; and
- (v) \$2,800,000 by December 31, 2008

Additionally, the Company, in partial consideration of incurring expenditures, will receive from the optionor, NFX Gold Inc. (“NFX”), 8,000,000 share purchase warrants (the “Warrants”) as follows:

- (i) 1,500,000 Warrants exercisable to purchase up to 1,500,000 NFX common shares (the “NFX Shares”) at an exercise price of \$0.20 per share expiring December 31, 2006;
- (ii) 2,500,000 Warrants exercisable to purchase up to 2,500,000 NFX Shares at an exercise price of \$0.20 per share expiring December 31, 2007; and
- (iii) 4,000,000 Warrants exercisable to purchase up to 4,000,000 NFX Shares at an exercise price of \$0.30 per share expiring December 31, 2008.

**MAXIMUS VENTURES LTD.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2006**  
(Unaudited – prepared by management)

**4. CAPITAL STOCK AND CONTRIBUTED SURPLUS**

	Number of Shares	Amount	Contributed Surplus
Authorized 100,000,000 common shares without par value			
As at September 30, 2004	24,609,048	\$ 27,278,545	\$ 1,330,830
Shares issued for cash	9,299,966	1,394,995	-
Shares issued for mineral properties	1,000,000	125,000	-
Stock-based compensation	-	-	106,429
Future income tax on exploration costs renounced to shareholders	-	(583,000)	-
As at September 30, 2005	34,909,014	28,215,540	1,437,259
Shares issued for mineral properties	500,000	177,500	-
Exercise of warrants	50,000	10,000	-
Stock-based compensation	-	-	15,890
As at March 31, 2006	35,459,014	\$ 28,403,040	\$ 1,453,149

On July 12, 2005, the Company issued 9,299,966 units at \$0.15 per unit for total proceeds of \$1,394,995. Each unit consisted of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at \$0.20 until January 11, 2007.

**Stock options**

As at December 31, 2005, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
500,000	\$0.12	November 12, 2009
700,000	\$0.10	August 31, 2010
200,000	\$0.30	March 28, 2011

Stock option transactions and the number of stock options outstanding are summarized as follows:

**MAXIMUS VENTURES LTD.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2006**  
(Unaudited – prepared by management)

**4. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)**

**Stock options (cont'd...)**

	Number of Options		Weighted Average Exercise Price
As at September 30, 2004	1,730,000	\$	0.32
Options granted	1,200,000		0.11
Options cancelled/expired	<u>(1,550,000)</u>		0.31
As at September 30, 2005	1,380,000		0.15
Options granted	200,000		0.30
Options cancelled/expired	<u>(180,000)</u>		<u>0.45</u>
As at March 31, 2006	1,400,000	\$	0.14
Number of options currently exercisable	1,400,000	\$	0.14

During the year ended September 30, 2005, the Company granted 1,200,000 stock options which vested on the date of grant, resulting in stock-based compensation expense under the Black-Scholes option pricing model of \$106,429. These amounts were recorded as contributed surplus on the balance sheet. The weighted average fair value of the options granted during the previous year was \$0.11 per share. During the quarter ended March 31, 2006, the Company granted 200,000 stock options of which 25% vested on the date of grant, resulting in stock-based compensation expense under the Black-Scholes option pricing model of \$15,890. Pursuant to the Company's stock option plan, these options will vest equally over 18 months until September 28, 2007. This amount was recorded as contributed surplus on the balance sheet.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period:

	Mar. 31, 2006	Sept. 30, 2005
Risk-free interest rate	4.13%	3.54 %
Expected life of options/warrants	5 years	5 years
Annualized volatility	99%	113 %
Dividend rate	0%	0%

**MAXIMUS VENTURES LTD.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2006**  
(Unaudited – prepared by management)

**4. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)**

**Warrants**

As at March 31, 2006, 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
1,000,000	\$0.20	September 17, 2006
4,599,983	0.20	January 11, 2007

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
As at September 30, 2004	8,914,500	\$ 0.34
Warrants granted	4,649,983	0.20
Warrants cancelled/expired	(7,914,500)	0.35
As at September 30, 2005	5,649,983	0.20
Warrants exercised	(50,000)	0.20
As at March 31, 2006	5,599,983	\$ 0.20
Number of warrants currently exercisable	5,599,983	\$ 0.20

**5. RELATED PARTY TRANSACTIONS**

The Company entered into the following transactions with related parties:

- Paid or accrued consulting fees of \$Nil (2005 - \$38,900) to companies controlled by a former director and to a former director.
- Paid or accrued management fees of \$38,909 (2005 - \$67,524) to companies controlled by a director and a former director.
- Paid or accrued rent expense of \$Nil (2005 - \$8,000) to a company controlled by a former director.
- Paid or accrued mineral property expenditures of \$235,464 (2005 - \$157,524) to a company with a common director and \$17,608 (2005 - \$Nil) to a director of the Company.

**MAXIMUS VENTURES LTD.**  
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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**5. RELATED PARTY TRANSACTIONS (cont'd...)**

As at March 31, 2006, prepaid expenses included \$Nil (September 2005 - \$9,603) paid to companies controlled by directors of the Company. An exploration advance of \$Nil (September 2005 - \$59,882) was paid to a company with a common director.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

During the six months ended March 31, 2006, the Company entered into the following non-cash transactions:

- a) During the six months ended March 31, 2006, the Company issued 500,000 common shares pursuant to a mineral property acquisition (Note 3).
- b) the accrual of deferred exploration costs totalling \$7,903.

During the six months ended March 31, 2005, the Company entered into the following non-cash transactions:

- a) During the six months ended March 31, 2005, the Company issued 500,000 common shares pursuant to a mineral property acquisition (Note 3).

**7. SEGMENTED INFORMATION**

The Company has one reportable operating segment being the acquisition and exploration of mineral properties.

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

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	Mar. 31, 2006	Sept. 30, 2005
Canada	\$ 2,596,925	\$ 1,830,045
United States of America	<u>176,303</u>	<u>101,783</u>
	<u>\$ 2,773,228</u>	<u>\$ 1,931,828</u>

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**8. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash and equivalents, receivables, due from related parties, accounts payable and accrued liabilities and capital lease obligation. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

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**9. SUBSEQUENT EVENT**

Subsequent to March 31, 2006, the following events occurred:

- a) 1,333,316 share purchase warrants were exercised at an exercise price of \$0.20 per share.
- b) The Company completed a brokered private placement consisting of 5 million units of the Company at \$0.40 per unit and 4.5 million flow-through common shares of the Company at \$0.50 per share. The units consist of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to one additional common shares of the Company at a price of \$0.60 per share for a period of 18 months. The share purchase warrants have an accelerated expiry provision whereby after the hold period has lifted, the trading price of the Company's shares closes at or above \$0.80 per share for 20 consecutive days, then the Company will have the right to provide written notice to the warrant holders to exercise all unexercised warrants within 30 days or the warrants will be cancelled. In connection with this private placement, a finder's fee of \$255,000 and 570,000 warrants each exercisable for one share at a price of \$0.45 per share for an 18 month period.

**MAXIMUS VENTURES LTD.**  
**Management Discussion and Analysis**  
**For the Period Ended March 31, 2006**

The Management's Discussion and Analysis ("MD&A") provides an analysis of the financial results of Maximus Ventures Limited (the "Company") for the six-month period ended March 31, 2006, and compares it with the same period in the previous year. In order to better understand the MD&A, it should be read in conjunction with the Consolidated Financial Statements and related notes. The Company's consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and are expressed in Canadian dollars. This MD&A is made as of May 24, 2006.

**OVERVIEW**

The Company is principally engaged in the exploration for gold-silver properties. Its primary assets are an option to earn a 75 percent joint venture interest with Miramar Mining Corporation ("Miramar") in two properties in the Hope Bay gold belt in Nunavut and an option to earn a 60 percent joint venture interest in interests held by NFX Gold Inc. in the Larder Lake area of eastern Ontario. The Company has also conducted field reviews and initiated acquisition of mineral rights on several early stage precious metal properties in Nevada in the United States.

**Highlights of the Second Quarter**

- Announcement of a \$4.25 million private placement.
- Amended the Option and Joint venture Agreement with Miramar Hope Bay Ltd. to drop the Eastern Contact claim group and add the Chicago claim group.
- Completed an extended form of the agreement with NFX Gold Inc. on the Larder Lake property.
- Terminated various agreements at the Jersey Project in Nevada.

**EXPLORATION ACTIVITIES**

- **Hope Bay Project, Nunavut**

During the year ended September 30, 2004, the Company entered into an option agreement with Miramar whereby the Company can earn a 75% interest in the Eastern Contact and Twin Peaks areas (the "Properties") in the Hope Bay gold belt in Nunavut. As amended, the Company must spend \$1,700,000 on or before February 28, 2006 to continue the option and a total of \$7,250,000 by April 31, 2009 to vest in the joint venture. The February 28, 2006 expenditure has been completed. The Eastern Contact and Twin Peaks claim blocks cover 115 square kilometers in the northern part of the Hope Bay gold belt. Exploration work at Hope Bay is done by Miramar under contract to the Company.

On October 19, 2004, the Company announced high grade assay results from four drill holes in the Eastern Contact property block at Hope Bay. On February 22, 2005 a formal report summarizing all work completed in 2004 on the Properties was received from Miramar. The report contained recommendations for a 2005 drilling program on both the Eastern Contact and Twin Peaks property blocks. The recommendations for the 2005 exploration work were approved by the Company in March 2005.

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To date, 33 diamond drill holes (4208 meters) have been drilled on the Hope Bay properties in 2004 and 2005. A review of results indicated that intersections of gold-bearing quartz veins in both the Eastern Contact and Twin Peaks claim blocks were too narrow and discontinuous to justify further exploration. However, Twin Peaks still contains potential for large tonnage disseminated gold deposits. In addition, the Chicago claim block at the southwest end of the Hope Bay Gold Belt was determined to have potential for both gold and base metal mineralization. In order to continue exploration, the Hope Bay Option and Joint Venture Agreement was amended to drop the Eastern Contact claim block and add the Chicago claim block. Exploration funding terms were amended to require cumulative expenditures of at least \$3,250,000 by April 30, 2007, \$5,250,000 by April 30, 2008, and \$7,250,000 by April 30, 2009 to earn a 75% interest in the Chicago and Twin Peaks claim blocks. Other terms in the Agreement remain unchanged and the field work will continue to be carried out by Miramar under the direction of Maximus as described in a news release dated March 20, 2006.

- **Larder Lake Project, Ontario**

On March 7, 2006 the Company and NFX Gold Inc. announced that a formal option and joint venture agreement had closed, that the exploration database was being upgraded preparatory to selection drill targets for anticipated testing during 2006, and that an updated Technical Report on the property prepared under NI-43-101 and NI-43-101F1 was available on SEDAR.

- **Jersey Project, Nevada**

On January 20, 2006 the Company announced that analytical results from 4 diamond drill holes had been received from the Jersey silver-gold project in Nevada. Drilling was conducted under an option and joint venture agreement by New Sleeper Gold Corporation. The results demonstrated a lack of continuity sufficient for an open pit or underground mine. The agreements with New Sleeper and with two underlying lessors were terminated.

## **OVERALL PERFORMANCE**

The Company does not anticipate generating revenues in the near future and intends to continue its mineral exploration activities. These activities, along with further mineral acquisitions, will need to be funded through additional equity financings.

### **Results of Operations**

For the six months ended March 31, 2006, Net Loss was \$193,712 (a loss of \$0.01 per share basis and diluted), on \$12,891 in interest income, compared to Net Loss of \$252,401 (a loss of \$0.01 per share basic and diluted) on \$6,482 in interest income during the six -months ended March 31, 2005. Decreased losses in 2005 are primarily a result of the decrease in management fees and consulting expense incurred in 2005.

In the period ended March 31, 2006, the Company incurred Deferred Exploration Costs of \$748,379.

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*Expenses*

The Company incurred \$158,935 in Expenses in the six months ended March 31, 2006, compared to Expenses of \$243,598 in the comparative period. One of the most significant expenses during the period was Stock-based compensation of \$15,890 in 2006 and \$55,255 in 2005. This is attributed to the granting of stock options and the related expense under the Black-Scholes option pricing model. Also consulting fees decreased from \$40,220 to \$Nil. Lastly, management fees decreased during the current period from \$67,524 in 2004 to \$38,909.

*Other Items*

The Company earned \$12,891 (2005 - \$6,482) in Interest Income. During the six months ended March 31, 2006, the Company wrote-off \$4,513 worth of equipment and incurred interest expense of \$10,772. The interest expense relates to unspent flow-through funds pursuant to the Canadian Tax Act.

**Summary of Quarterly Results**

	Qtr. Ended Mar. 31, 2006	Qtr. Ended Dec. 31, 2005	Qtr. Ended Sept. 30, 2005	Qtr. Ended Jun. 30, 2005
Revenue – interest	\$ 5,317	\$ 7,574	\$ 8,642	\$ 3,870
Net income (loss) for the period	(96,769)	(49,275)	516,490	(81,805)
Earnings (loss) per share	(0.01)	(0.01)	0.01	(0.01)
Diluted earnings (loss) per share	(0.01)	(0.01)	0.01	(0.01)

	Qtr. Ended Mar. 31, 2005	Qtr. Ended Dec. 31, 2004	Qtr. Ended Sept. 30, 2004	Qtr. Ended Jun. 30, 2004
Revenue – interest	\$ 3,012	\$ 3,470	\$ 1,414	\$ 1,175
Loss for the period	(84,190)	(168,211)	(967,714)	(232,309)
Loss per share	(0.01)	(0.01)	(0.10)	(0.02)
Diluted loss per share	(0.01)	(0.10)	(0.10)	(0.02)

**LIQUIDITY AND CAPITAL RESOURCES**

The Company held cash of \$639,723, at March 31, 2006, compared to \$1,538,815 held at September 30, 2005. The decrease in cash is mainly attributable to cash spent on the Hope Bay Project in Nunavut and on the Larder Lake Project in Ontario totaling \$748,379 during the six month period ended March 31, 2006.

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The Company's working capital on March 31, 2006, was \$651,536, compared to a working capital of \$1,495,058 on September 30, 2005.

**CRITICAL ACCOUNTING ESTIMATES**

The most significant estimates are related to the physical and economic lives of mineral assets, and their recoverability.

*Mineral properties and deferred exploration costs*

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.

*Property option agreements*

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Because options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as resource property costs or recoveries when the payments are made or received.

*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 reclamation costs*

Liabilities related to environmental protection and reclamation 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.

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**TRANSACTIONS WITH RELATED PARTIES**

The Company entered into the following transactions with related parties:

- a) Paid consulting fees of \$Nil (2005 - \$22,700) to Buccaneer Management Ltd. ("Buccaneer"), a company controlled by a former director.
- b) Paid consulting fees of \$Nil (2005 - \$7,200) to Tabo Investments Ltd. ("Tabo"), a company controlled by a former director.
- c) Paid consulting fees of \$Nil (2005 - \$9,000) to Barbara Dunfield, a former director of the Company.
- d) Paid management fees of \$Nil (2005 - \$8,000) to Tabo.
- e) Paid management fees of \$38,909 (2005 - \$59,524) to Exploration Management LLC ("Exploration Management") a company controlled by the President of the Company.
- f) Paid rent expense of \$Nil (2005 - \$8,000) to 641485 BC Ltd., a company controlled by a former director.
- g) Paid or accrued mineral property expenditures of \$235,464 (2005 - \$157,524) to Miramar Mining Corporation ("Miramar"), a company with a common director and \$17,608 (2005 - \$Nil) for services provided by Exploration Management.

As at March 31, 2006, prepaid expenses included \$Nil (September 2005 - \$9,603 paid to Exploration Management. An exploration advance of \$Nil (September 2005 - \$59,982) was paid to Miramar.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**OUTLOOK**

The Company does not have sufficient resources to meet December 31, 2006 expenditure requirements on all properties and will need to raise additional funds to keep all agreements in good standing beyond that date. The Company plans to initiate additional funding activities. If this initiative is successful, field reconnaissance will begin in May at Hope bay and drilling will begin at Larder Lake in mid-late May.

**SUBSEQUENT EVENTS**

Subsequent to March 31, 2006, the following events occurred:

- a) 1,333,316 share purchase warrants were exercised at an exercise price of \$0.20 per share.
- b) The Company completed a brokered private placement consisting of 5 million units of the Company at \$0.40 per unit and 4.5 million flow-through common shares of the Company at \$0.50 per share. The units consist of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to one additional common shares of the Company at a price of \$0.60 per share for a period of 18 months. The share purchase warrants have an accelerated expiry provision whereby after the hold period has

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lifted, the trading price of the Company's shares closes at or above \$0.80 per share for 20 consecutive days, then the Company will have the right to provide written notice to the warrant holders to exercise all unexercised warrants within 30 days or the warrants will be cancelled. In connection with this private placement, a finder's fee of \$255,000 and 570,000 warrants each exercisable for one share at a price of \$0.45 per share for an 18 month period.

- c) On April 21, 2006 the Company announced the acquisition of common share purchase warrants of NFX Gold Ltd. exercisable to acquire in the aggregate up to 8,000,000 common shares of NFX Gold. The warrants were acquired pursuant to the option and joint venture agreement between the Company and NFX Gold dated March 3, 2006.

**OTHER MD&A REQUIREMENTS**

As of May 24, 2006, the Company has:

- a) 36,792,330 common shares outstanding;
- b) 1,400,000 stock options outstanding with exercise prices ranging from \$0.10 to \$0.30 and expiring from November 2009 to March 2011; and
- c) 4,316,017 share purchase warrants outstanding with an exercise price of \$0.20 per share expiring from September 2006 to January 2007.

Additional information is available on SEDAR at [www.sedar.com](http://www.sedar.com)

**CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION**

This Management Discussion and Analysis may contain forward-looking statements that involve risks and uncertainties. When used in this Management Discussion and Analysis, the words "believe," "anticipates," "expects" and similar expressions are intended to identify such forward looking statements. The Issuer's actual results may differ significantly from the results discussed in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Issuer undertakes no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.