



British Columbia Securities Commission

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

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ISSUER DETAILS		FOR QUARTER ENDED			DATE OF REPORT				
NAME OF ISSUER					Y M D				
MAXIMUS VENTURES LTD.		04 09 30			05 02 15				
ISSUER ADDRESS									
408 – 837 WEST HASTINGS STREET									
CITY/		PROVINCE		POSTAL CODE		ISSUER FAX NO.		ISSUER TELEPHONE NO.	
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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		
"FREDRICK GRAYBEAL"		FREDRICK GRAYBEAL		Y M D		
				05 02 15		
DIRECTOR'S SIGNATURE		PRINT FULL NAME		DATE SIGNED		
"IAN ROZIER"		IAN ROZIER		Y M D		
				05 02 15		

MAXIMUS VENTURES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2004

AUDITORS' REPORT

To the Shareholders of
Maximus Ventures Ltd.

We have audited the consolidated balance sheets of Maximus Ventures Ltd. as at September 30, 2004 and 2003 and the consolidated statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2004 and 2003 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"DAVIDSON & COMPANY"

Vancouver, Canada

Chartered Accountants

January 26, 2005

A Member of *SC INTERNATIONAL*

MAXIMUS VENTURES LTD.
CONSOLIDATED BALANCE SHEETS
AS AT SEPTEMBER 30

	2004	2003
ASSETS		
Current		
Cash and equivalents	\$ 2,048,434	\$ 1,350,553
Receivables	31,634	7,136
Prepaid expenses	<u>37,400</u>	<u>21,092</u>
	2,117,468	1,378,781
Due from related parties (Note 3)	86,618	15,000
Equipment (Note 4)	51,084	62,715
Mineral properties (Note 5)	195,000	389,442
Deferred exploration costs (Note 6)	<u>366,357</u>	<u>99,100</u>
	\$ 2,816,527	\$ 1,945,038
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 507,500	\$ 109,619
Current portion of capital lease obligation (Note 7)	<u>5,643</u>	<u>5,709</u>
	513,143	115,328
Capital lease obligation (Note 7)	<u>42,324</u>	<u>47,115</u>
	<u>555,467</u>	<u>162,443</u>
Shareholders' equity		
Capital stock (Note 8)	27,278,545	25,229,093
Contributed surplus (Note 8)	1,330,830	1,207,098
Deficit	<u>(26,348,315)</u>	<u>(24,653,596)</u>
	<u>2,261,060</u>	<u>1,782,595</u>
	\$ 2,816,527	\$ 1,945,038

Nature and continuance of operations (Note 1)

Commitments (Note 12)

Subsequent event (Note 15)

On behalf of the Board:

"IAN ROZIER"

Director

"FREDRICK GRAYBEAL"

Director

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

MAXIMUS VENTURES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
YEAR ENDED SEPTEMBER 30

	2004	2003
EXPENSES		
Accounting and auditing	\$ 25,750	\$ 13,350
Administration fees	27,500	-
Amortization	18,400	9,219
Consulting fees	203,160	221,361
Interest on capital lease obligation	4,742	3,151
Legal fees	14,732	10,555
Management fees	60,000	30,000
Office and miscellaneous	17,616	20,081
Printing	10,265	-
Property investigation costs	117,967	-
Regulatory fees	28,935	26,259
Rent and telephone	28,878	21,934
Shareholder information and investor relations	94,546	54,253
Stock-based compensation (Note 8)	50,418	393,212
Transfer agent fees	9,403	10,728
Travel and related costs	43,028	104,892
Loss before other items	<u>(755,340)</u>	<u>(918,995)</u>
OTHER ITEMS		
Interest income	12,552	13,397
Gain on disposal of equipment	-	16,259
Write-off of mineral properties (Note 5)	(582,302)	-
Write-off of deferred exploration costs (Note 6)	(369,629)	-
	<u>(939,379)</u>	<u>29,656</u>
Loss for the year	(1,694,719)	(889,339)
Deficit, beginning of year	<u>(24,653,596)</u>	<u>(23,764,257)</u>
Deficit, end of year	<u>\$ (26,348,315)</u>	<u>\$ (24,653,596)</u>
Basic and diluted loss per common share	<u>\$ (0.17)</u>	<u>\$ (0.14)</u>
Basic and diluted weighted average number of common shares	10,137,040	6,443,302

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

MAXIMUS VENTURES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED SEPTEMBER 30

	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (1,694,719)	\$ (889,339)
Items not affecting cash:		
Amortization	18,400	9,219
Stock-based compensation	50,418	393,212
Gain on disposal of equipment	-	(16,259)
Write-off of mineral properties	582,302	-
Write-off of deferred exploration costs	369,629	-
Expense recoveries from related parties	(56,183)	-
Changes in non-cash working capital items:		
Increase in receivables	(24,498)	(3,848)
Increase in prepaid expenses	(16,308)	(6,647)
Increase in accounts payable and accrued liabilities	<u>397,881</u>	<u>15,298</u>
Net cash used in operating activities	<u>(373,078)</u>	<u>(498,364)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital stock issued for cash, net	1,862,766	2,221,625
Capital lease obligation payments	<u>(4,857)</u>	<u>(18,578)</u>
Net cash provided by financing activities	<u>1,857,909</u>	<u>2,203,047</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	(6,769)	-
Mineral properties	(127,860)	(319,942)
Deferred exploration costs	(636,886)	(99,100)
Amounts due from related parties	<u>(15,435)</u>	<u>35,597</u>
Net cash used in investing activities	<u>(786,950)</u>	<u>(383,445)</u>
Change in cash and equivalents during the year	697,881	1,321,238
Cash and equivalents, beginning of year	<u>1,350,553</u>	<u>29,315</u>
Cash and equivalents, end of year	\$ 2,048,434	\$ 1,350,553
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ 4,742	\$ 3,151

Supplemental disclosure with respect to cash flows (Note 11)

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

MAXIMUS VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

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 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 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.

	2004	2003
Working capital	\$ 1,604,325	\$ 1,263,453
Deficit	(26,348,315)	(24,653,596)

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in accordance 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.

Cash and equivalents

Cash and equivalents include highly liquid investments with original maturities of three months or less.

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, abandoned 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.

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 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...)

Equipment

Equipment is recorded at cost. Vehicles under capital leases are amortized using the declining balance method at 30% per annum and leasehold improvements are amortized over three years using the straight-line method.

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 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 stock-based 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 year. For the years presented, this calculation proved to be anti-dilutive.

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

Income taxes

Future income taxes are recorded using the asset and liability method, whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

MAXIMUS VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

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

Flow-through common shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. Capital stock is reduced and future income tax liability is increased by the estimated tax benefits that are transferred to shareholders.

3. DUE FROM RELATED PARTIES

The amounts due from related parties of \$86,618 (2003 - \$15,000) are due from companies with a common director for office expense recoveries and recovery of leasehold improvements. The amounts are non-interest bearing, unsecured and with no fixed terms of repayment and accordingly, the fair value cannot be determined.

4. EQUIPMENT

	2004			2003		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Vehicle	\$ 67,800	\$ 22,357	\$ 45,443	\$ 67,800	\$ 5,085	\$ 62,715
Leasehold improvements	6,769	1,128	5,641	-	-	-
	\$ 74,569	\$ 23,485	\$ 51,084	\$ 67,800	\$ 5,085	\$ 62,715

The Company's vehicle, under capital lease, is for use by a director.

5. MINERAL PROPERTIES

	Hope Bay	Condor Yacu	Los Corderos and Relincho II Concessions	Argentina Concessions	2004 Total
Balance, beginning of year	\$ -	\$ 304,942	\$ 59,500	\$ 25,000	\$ 389,442
Additions	195,000	127,860	-	65,000	387,860
Written-off	-	(432,802)	(59,500)	(90,000)	(582,302)
Balance, end of year	\$ 195,000	\$ -	\$ -	\$ -	\$ 195,000

MAXIMUS VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

5. MINERAL PROPERTIES (cont'd...)

	Condor Yacu	Los Corderos and Relincho II Concessions	Argentina Concessions	2003 Total
Balance, beginning of year	\$ -	\$ -	\$ -	\$ -
Additions	<u>304,942</u>	<u>59,500</u>	<u>25,000</u>	<u>389,442</u>
Balance, end of year	<u>\$ 304,942</u>	<u>\$ 59,500</u>	<u>\$ 25,000</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 is in good standing.

Hope Bay, Nunavut

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"). To earn its interest, the Company is required to:

- a) Issue 5,000,000 shares over a three year period (1,500,000 issued).
- b) Incur \$7,500,000 in expenditures over three years, with scheduled minimum expenditures of \$500,000 in 2004 (incurred subsequent to year end), \$2,000,000 in 2005, \$3,000,000 in 2006 and \$2,000,000 in the first half of 2007.

Once the Company has earned its interest, Miramar and the Company will explore the property through a joint venture.

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 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 indicted 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.

5. MINERAL PROPERTIES (cont'd...)

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 \$304,942 and incurred \$335,555 in exploration expenditures.

During the year ended September 30, 2004, the Company decided to abandon this property and all costs were written off to operations.

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 was required to incur cumulative exploration expenditures totalling \$8,900,000 by December 31, 2007.

During the year ended September 30, 2004, the Company decided to abandon this property and all costs were written off to operations.

Argentina Concessions

An option to acquire a 100% interest in various mineral concessions. To date, the Company has paid \$5,000 and issued 150,000 common shares at a value of \$85,000. The Company must also issue a further 850,000 common shares over a two-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 year ended September 30, 2004, the Company decided to abandon this property and all costs were written-off to operations.

MAXIMUS VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

6. DEFERRED EXPLORATION COSTS

	Hope Bay	Condor Yacu	Los Corderos and Relincho II Concessions	Argentina Concessions	2004 Total
Balance, beginning of year	\$ -	\$ 99,100	\$ -	\$ -	\$ 99,100
Assaying	-	5,608	-	-	5,608
Camp costs	-	26,957	-	-	26,957
Consultants and contractors	37,500	19,443	19,355	-	76,298
Drilling	250,000	178,798	14,719	-	443,517
Geodrafting	-	5,649	-	-	5,649
Geophysics	22,500	-	-	-	22,500
Project Supervision	17,250	-	-	-	17,250
Mapping	15,000	-	-	-	15,000
Reporting	20,000	-	-	-	20,000
Travel	4,107	-	-	-	4,107
	366,357	236,455	34,074	-	636,886
Written-off	-	(335,555)	(34,074)	-	(369,629)
Balance, end of year	\$ 366,357	\$ -	\$ -	\$ -	\$ 366,357

	Condor Yacu	Los Corderos and Relincho II Concessions	Argentina Concessions	2003 Total
Balance, beginning of year	\$ -	\$ -	\$ -	\$ -
Consultants and contractors	69,157	-	-	69,157
Drilling	29,943	-	-	29,943
	99,100	-	-	99,100
Balance, end of year	\$ 99,100	\$ -	\$ -	\$ 99,100

MAXIMUS VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

7. CAPITAL LEASE OBLIGATION

	2004	2003
Obligation under capital lease with imputed interest at 7.75% per annum over a term expiring July 31, 2006, secured by a leased vehicle	\$ 47,967	\$ 52,824
Less: current portion	<u>(5,643)</u>	<u>(5,709)</u>
Balance of obligation	<u>\$ 42,324</u>	<u>\$ 47,115</u>

Required minimum payments over the next two years are as follows:

2005	\$ 10,560
2006	<u>44,800</u>
	55,360
Less imputed interest	<u>(7,393)</u>
	<u>\$ 47,967</u>

8. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Amount	Contributed Surplus
Authorized			
100,000,000 common shares without par value			
Issued			
As at September 30, 2002	2,556,966	\$ 23,751,854	\$ -
Shares issued for cash, net	6,700,000	1,402,114	813,886
Shares issued for mineral properties	150,000	60,000	-
Exercise of options	18,750	5,625	-
Shares issued for finders' fee	25,000	9,500	-
Stock-based compensation	<u>-</u>	<u>-</u>	<u>393,212</u>
As at September 30, 2003	9,450,716	25,229,093	1,207,098
Shares issued for cash, net	13,383,332	1,809,016	-
Finders fees – private placements	-	(92,886)	92,886
Shares issued for mineral properties	1,600,000	260,000	-
Exercise of warrants	175,000	73,322	(19,572)
Stock-based compensation	<u>-</u>	<u>-</u>	<u>50,418</u>
As at September 30, 2004	<u>24,609,048</u>	<u>\$ 27,278,545</u>	<u>\$ 1,330,830</u>

MAXIMUS VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

8. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

On September 17, 2004, the Company issued 11,383,332 flow-through common shares at a price of \$0.15 per share and 2,000,000 units at a price of \$0.15 per unit. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable into an additional common share at \$0.20 for a two year period. A finder's fee was payable in connection with this transaction consisting of cash consideration totalling \$140,525 and the issuance of 1,204,500 share purchase warrants exercisable into an additional common share at \$0.15 for a one year period. These finders warrants have been recorded at a fair value of \$92,886 and are included in contributed surplus.

On March 4, 2003, the Company issued 5,000,000 units at a price of \$0.40 per unit. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable into an additional common share at \$0.45 per share for a two year period. The share purchase warrants issued as part of this private placement have been recorded at a fair value of \$645,862 and are included in contributed surplus.

On March 5, 2003, the Company issued 1,700,000 units at a price of \$0.15 per unit. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable into an additional common share at \$0.20 per share for a two year period. The share purchase warrants issued as part of this private placement have been recorded at a fair value of \$168,024 and are included in contributed surplus.

Stock options

The Company has a stock option plan in place under which it is authorized to grant options to directors, senior officers, employees, management company employees, and consultants to acquire up to 20% of the issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 5 years.

As at September 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

MAXIMUS VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

8. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

Stock options (cont'd...)

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

	Number of Options		Weighted Average Exercise Price
As at September 30, 2002	-	\$	-
Options granted	1,625,000		0.31
Options cancelled/expired	(56,250)		0.30
Options exercised	<u>(18,750)</u>		0.30
As at September 30, 2003	1,550,000		0.31
Options granted	180,000		0.45
Options cancelled/expired	-		-
Options exercised	<u>-</u>		-
As at September 30, 2004	1,730,000	\$	0.32
Number of options currently exercisable	1,730,000	\$	0.32

The Company granted 180,000 (2003 – 1,625,000) stock options during the year, resulting in stock-based compensation expense under the Black-Scholes option pricing model of \$50,418 (2003 - \$393,212). These amounts were recorded as contributed surplus on the balance sheet. The weighted average fair value of the options granted during the year was \$0.30 (2003 - \$0.24) per share.

Warrants

As at September 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
185,000	0.50	March 5, 2005
1,600,000	0.20	March 5, 2005
1,204,500	0.15	September 17, 2005
1,000,000	0.20	September 17, 2006

MAXIMUS VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

8. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

Warrants (cont'd...)

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

	Number of Warrants		Weighted Average Exercise Price
As at September 30, 2002	-	\$	-
Warrants granted	6,885,000		0.39
Warrants cancelled/expired	-		-
Warrants exercised	-		-
As at September 30, 2003	6,885,000		0.39
Warrants granted	2,204,500		0.17
Warrants cancelled/expired	-		-
Warrants exercised	(175,000)		0.31
As at September 30, 2004	8,914,500	\$	0.34
Number of warrants currently exercisable	8,914,500	\$	0.34

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted and share purchase warrants issued during the year:

	2004	2003
Risk-free interest rate	3.55%	3.62%
Expected life of options/warrants	1.13 years	2 years
Annualized volatility	92.75%	93.27%
Dividend rate	0.00%	0.00%

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- a) Paid or accrued consulting fees of \$147,000 (2003 - \$165,440) to companies controlled by two directors.
- b) Paid or accrued management fees of \$60,000 (2003 - \$30,000) to a company controlled by a director.
- c) Paid or accrued rent expense of \$24,000 (2003 - \$18,000) to a company controlled by a director.

MAXIMUS VENTURES LTD.
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9. RELATED PARTY TRANSACTIONS (cont'd...)

As at September 30, 2004, prepaid expenses included \$32,400 (2003 - \$18,000) paid to companies controlled by directors of the Company.

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.

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2004	2003
Loss for the year	\$ (1,694,719)	\$ (889,339)
Expected income taxes (recovery)	\$ (603,320)	\$ (334,391)
Non-deductible expenses	363,387	145,201
Unrecognized benefit of non-capital losses	239,933	189,190
Income taxes expense (recovery)	\$ -	\$ -

The significant components of the Company's future income tax assets are as follows:

	2004	2003
Future income tax assets:		
Non-capital loss carryforwards	\$ 1,465,000	\$ 1,151,000
Resource properties	2,395,000	2,047,000
Equipment	15,000	21,000
	3,875,000	3,219,000
Valuation allowance	(3,875,000)	(3,219,000)
	\$ -	\$ -

During the year ended September 30, 2004, the Company issued 11,383,332 common shares on a flow-through basis for \$1,707,500 which are expected to be renounced in 2005. The flow-through agreement requires the Company to expend the \$1,707,500 by December 31, 2005 on Canadian exploration expenditures incurred in the Company's mineral properties.

MAXIMUS VENTURES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

10. INCOME TAXES (cont'd...)

The Company has non-capital losses of approximately \$4,116,000 available for deduction against future taxable income. These losses, if not utilized, will expire through 2014. Subject to certain restrictions, the Company also has resource expenditures available to reduce taxable income in future years. Future tax benefits which may arise as a result of these non-capital losses and resource deductions have not been recognized in these financial statements and have been offset by a valuation allowance.

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the year ended September 30, 2004, the Company entered into the following non-cash transactions:

- a) issued 1,600,000 common shares at a value of \$260,000 pursuant to the acquisition of mineral properties.
- b) issued warrants valued at \$92,886 as finders fees recorded as contributed surplus.

During the year ended September 30, 2003, the Company entered into the following non-cash transactions:

- a) issued 150,000 common shares at a value of \$60,000 pursuant to the acquisition of mineral properties. The Company also issued a finder's fee of 25,000 common shares at a value of \$9,500.
- b) entered into a capital lease agreement acquiring equipment with a value of \$67,800.

12. COMMITMENTS

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:

2005	\$ 24,000
2006	24,000
2007	<u>18,000</u>
	<u>\$ 66,000</u>

13. 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:

	2004	2003
Canada	\$ 612,441	\$ 62,715
Argentina	<u>-</u>	<u>488,542</u>
	<u>\$ 612,441</u>	<u>\$ 551,257</u>

14. FINANCIAL INSTRUMENTS

Fair Value

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.

15. SUBSEQUENT EVENT

Subsequent to September 30, 2004, the Company granted 500,000 stock options exercisable for a five year period at a price of \$0.12 per share.

MAXIMUS VENTURES LTD.
Management Discussion and Analysis
For the Year Ended September 30, 2004

The following discussion and analysis of the results of operations and financial position of Maximus Ventures Ltd. (the "Company"), is prepared as of February 15, 2005 and should be read in conjunction with the Company's audited financial statements and the notes thereto for the year ended September 30, 2004.

Overall Performance

The overall performance of the Company for the year ended September 30, 2004 differed slightly from prior annual results, as a result of the write-off of mineral properties and related deferred exploration costs. During the year, the Company completed a private placement and the acquisition of certain mineral properties. At September 30, 2004, the Company's principal business activities are 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.

In the year ended September 30, 2004, the Company incurred Acquisition Costs of \$372,860 and Deferred Exploration Costs of \$636,886. Also in the year, the Company incurred Expenses of \$755,340. Non-operating items in fiscal 2004 represent a loss of \$939,379 (2003 - \$29,656), namely from the \$582,302 write-off of mineral properties and from the \$369,629 write-off of deferred exploration costs. Net Loss for the year ended September 30, 2004 was \$1,694,719 (2003 - \$889,339), or a loss of \$0.17 (2003 - \$0.14) per share (basic and diluted).

In fiscal 2004, the Company used cash of \$373,078 (2003 - \$498,364) in Operating Activities and allocated \$786,950 (2003 - \$383,445) of cash resources to Investing Activities, fundamentally to Deferred Exploration and Acquisition of Mineral Properties. Financing Activities netted the Company \$1,857,909 (2003 - \$2,203,047) in the year.

At September 30, 2004, the Company had Cash of \$2,048,434 (2003 - \$1,350,553) and working capital of \$1,604,325 (2003 - \$1,263,453).

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.

Selected Annual Information

	12 months ended September 30, 2004	12 months ended September 30, 2003	12 months ended September 30, 2002
Total revenues – interest	\$ 12,552	\$ 13,397	\$ 1,365
Net income (loss)	(1,694,719)	(889,339)	(253,993)
Earnings per share	(0.17)	(0.14)	(0.10)
Diluted earnings (loss) per shares	(0.17)	(0.14)	(0.10)
	At September 30, 2004	At September 30, 2003	At September 30, 2002
Total assets	\$ 2,816,527	\$ 1,945,038	\$ 116,020
Total long-term liabilities	-	-	-
Cash dividends declared	-	-	-

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Variation in financial position as outlined in the table above is derived from the acquisition of mineral properties and to development costs incurred in the years ended September 30, 2004 and 2003. Additional variations occur as a result of the write-off mineral properties and deferred exploration costs in 2004.

Results of Operations

For the year ended September 30, 2004

In the year ended September 30, 2004, Net Loss was \$1,694,719 (a loss of \$0.17 per share), on \$12,552 in interest income, compared to a Net Loss of \$889,339 (a loss of \$0.14 per share) on \$13,397 in interest income during the year ended September 30, 2003. Increased losses are a result of the Company's write-off of mineral properties and deferred exploration costs.

Acquisition of Mineral Properties

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 the following basis:

- a) Issue 5,000,000 shares over a three year period (1,500,000 issued).
- b) Incur \$7,500,000 in expenditures over three years, with scheduled minimum expenditures of \$500,000 in 2004 (incurred subsequent to year end), \$2,000,000 in 2005, \$3,000,000 in 2006 and \$2,000,000 in the first half of 2007.

Once the Company has earned its interest, Miramar and the Company will explore the property through a joint venture.

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 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.

MAXIMUS VENTURES LTD.
Management Discussion and Analysis
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Deferred Exploration

In September 2004, the Company drilled four diamond drill holes to a combined depth of 252 meters in the Eastern Contact area at Hope Bay. This property is under an option with Miramar Mining Corporation. The option allows the Company to earn a 75 percent joint venture interest in both the Eastern Contact and Twin Peaks property blocks by spending C\$7.5 million by the end of 2007. The option also allows Miramar to buy back to a 50 percent position and be operator of the joint venture.

Drill hole results were as follows:

Hole #	Depth to top of Intersection (Meters)	Length of Intersection (Meters)	Grams Au/ton	Grams Ag/ton
MAX-1	10.1	0.4	7.2	124
MAX-2	10.0	0.3	11.2	182
MAX-3	7.4	0.9	14.6	52
MAX-4	8.1	1.1	13.9	23

Holes MAX-1 and 2 intersected a vein that contained high grade gold values in outcrop. Holes MAX-3 and 4 intersected a second vein, also containing high grade gold values in outcrop, that is located 400 meters north of the vein intersected in holes MAX-1 and 2. The drilling program was managed by Miramar under a contract from the Company and was reported in a news release dated October 18, 2004.

In addition to drilling under the option with Miramar at Hope Bay, the Company has been actively reviewing exploration opportunities for gold elsewhere. To date numerous properties have been reviewed in southern Canada and in the western United States. These reviews have been focused on early stage prospects that may be the site of historic mining activities or that contain geologic indications of gold mineralization, but that have not been systematically drilled.

Expenses

The Company incurred \$755,340 in Expenses in the year ended September 30, 2004, compared to Expenses of \$918,995 in the preceding fiscal year. The most significant decrease in expenses in the year was Stock-based compensation from \$393,212 in 2003 to \$50,418. This is attributed to the granting of stock options and the related expense under the Black-Scholes option pricing model. Following in significance are Travel and related costs of \$43,028 (2003 - \$104,892) and Property investigation costs of \$117,967 (2003 - \$nil).

Other Items

In fiscal 2003, the Company realized again on a disposal of equipment of \$16,259. The Company also earned \$12,552 (2003 - \$13,397) in Interest Income. Gain on Disposal of Equipment is a non-recurring item.

MAXIMUS VENTURES LTD.
Management Discussion and Analysis
For the Year Ended September 30, 2004

Summary of Quarterly Results

	Qtr. Ended Sept. 30, 2004	Qtr. Ended Jun. 30, 2004	Qtr. Ended Mar. 31, 2004	Qtr. Ended Dec. 31, 2003
Total revenues – interest	\$ 1,414	\$ 1,175	\$ 4,266	\$ 5,697
Net income (loss)	(967,714)	(232,309)	(183,105)	(311,591)
Earnings (loss) per share	(0.10)	(0.02)	(0.02)	(0.02)
Diluted earnings (loss) per share	(0.10)	(0.02)	(0.02)	(0.02)

	Qtr. Ended Sept. 30, 2003	Qtr. Ended Jun. 30, 2003	Qtr. Ended Mar. 31, 2003	Qtr. Ended Dec. 31, 2002
Total revenues - interest	\$ 4,469	\$ 6,327	\$ 2,564	\$ 37
Net income (loss)	(602,282)	(99,129)	(143,456)	(44,472)
Earnings (loss) per share	(0.10)	(0.01)	(0.02)	(0.02)
Diluted earnings (loss) per share	(0.10)	(0.01)	(0.02)	(0.02)

Liquidity and Capital Resources

The Company held cash of \$2,048,434, at September 30, 2004, compared to \$1,350,553 held at September 30, 2003. The increase in cash is mainly attributable to cash received from an equity financing of \$2,007,500 completed during the year. From this financing \$1,707,500 were flow-through funds raised for the Company's Hope Bay project.

The Company's working capital on September 30, 2004 was \$1,604,325, compared to a working capital of \$1,263,453 on September 30, 2003.

In the year ended September 30, 2004, the Company issued 2,000,000 units and 11,383,332 flow-through shares.

The 2,000,000 units consist of one common share and one share purchase warrant entitling the holder to acquire one further common share of the Company at a price of \$0.20 for a two year period. A further 1,204,500 share purchase warrants were issued as a finder's fee in connection with this financing, entitling the holder to acquire one further common share of the Company at a price of \$0.15 for a one year period, along with cash consideration of \$140,525. These finders warrants have been recorded at a fair value of \$92,886 and are included in contributed surplus.

1,600,000 common shares were issued pursuant to mineral property acquisitions during the year.

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As of September 30, 2004, the Company had 1,730,000 outstanding share purchase options (with a weighted average exercise price of \$0.32) and 8,914,500 outstanding share purchase warrants (with exercise prices ranging from \$0.15 to \$0.50).

Transactions with Related Parties

The Company entered into the following transactions with related parties:

- a) Paid consulting fees of \$147,000 (2003 - \$165,440) to companies controlled by two directors.
- b) Paid management fees of \$60,000 (2003 - \$30,000) to a company controlled by a director.
- c) Paid rent expense of \$24,000 (2003 - \$18,000) to a company controlled by a director.

As at September 30, 2004, prepaid expenses included \$32,400 (2003 - \$18,000) paid to companies controlled by directors of the Company.

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.

Fourth Quarter

During the quarter ended September 30, 2004, the Company incurred Expenses of \$107,197 mainly in Management Fees of \$24,000 and in Consulting Fees of 28,520. Deferred Exploration expenses in the quarter were \$366,357 and \$195,000 was incurred in Acquisition Costs.

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.

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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, abandoned 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.

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.

Other MD&A Requirements

As of February 8, 2005, the Company has 24,609,048 common shares outstanding.

Additional information is available on SEDAR at 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.