



British Columbia Securities Commission

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

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<b>ISSUER DETAILS</b> NAME OF ISSUER <b>MAXIMUS VENTURES LTD.</b>		FOR QUARTER ENDED <b>03   09   30</b>			DATE OF REPORT Y M D <b>04   02   02</b>		
ISSUER ADDRESS <b>408 – 837 WEST HASTINGS STREET</b>							
CITY/ <b>VANCOUVER</b>	PROVINCE <b>BC</b>	POSTAL CODE <b>V6C 3N6</b>	ISSUER FAX NO. <b>604-685-6493</b>	ISSUER TELEPHONE NO. <b>604-685-6851</b>			
CONTACT PERSON <b>BARBARA DUNFIELD</b>		CONTACT'S POSITION <b>DIRECTOR</b>			CONTACT TELEPHONE NO. <b>604-685-6851</b>		
CONTACT EMAIL ADDRESS <b>N/A</b>		WEB SITE ADDRESS <b>N/A</b>					

**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 <b>"BARBARA DUNFIELD"</b>	PRINT FULL NAME <b>BARBARA DUNFIELD</b>	DATE SIGNED Y M D <b>04   02   16</b>		
DIRECTOR'S SIGNATURE <b>"IAN ROZIER"</b>	PRINT FULL NAME <b>IAN ROZIER</b>	DATE SIGNED Y M D <b>04   02   16</b>		

**MAXIMUS VENTURES LTD.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2003**

## AUDITORS' REPORT

To the Shareholders of  
Maximus Ventures Ltd.

We have audited the consolidated balance sheets of Maximus Ventures Ltd. as at September 30, 2003 and 2002 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, 2003 and 2002 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles. As required by the Company Act of British Columbia, we report that, in our opinion, these principles have been applied on a consistent basis.

**"DAVIDSON & COMPANY"**

Vancouver, Canada

Chartered Accountants

February 2, 2004

A Member of SC INTERNATIONAL

**MAXIMUS VENTURES LTD.**  
**CONSOLIDATED BALANCE SHEETS**  
**AS AT SEPTEMBER 30**

	2003	2002
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 1,350,553	\$ 29,315
Receivables	7,136	3,288
Prepaid expenses	21,092	14,445
Due from related parties (Note 3)	<u>15,000</u>	<u>50,597</u>
	1,393,781	97,645
<b>Mineral properties</b> (Note 4)	389,442	-
<b>Deferred exploration costs</b> (Note 5)	99,100	-
<b>Equipment</b> (Note 6)	<u>62,715</u>	<u>18,375</u>
	<u>\$ 1,945,038</u>	<u>\$ 116,020</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 109,619	\$ 94,321
Current portion of capital lease obligation	<u>5,709</u>	<u>34,102</u>
	115,328	128,423
<b>Capital lease obligation</b> (Note 7)	<u>47,115</u>	<u>-</u>
	<u>162,443</u>	<u>128,423</u>
<b>Shareholders' equity (deficiency)</b>		
Capital stock (Note 8)	25,229,093	23,751,854
Contributed surplus (Note 8)	1,207,098	-
Deficit	<u>(24,653,596)</u>	<u>(23,764,257)</u>
	<u>1,782,595</u>	<u>(12,403)</u>
	<u>\$ 1,945,038</u>	<u>\$ 116,020</u>

**Nature and continuance of operations** (Note 1)

**Commitments** (Note 12)

**Subsequent events** (Note 15)

**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**  
**YEAR ENDED SEPTEMBER 30**

	2003	2002
<b>EXPENSES</b>		
Accounting and auditing	\$ 13,350	\$ 13,150
Administration fees	-	4,750
Amortization	9,219	12,880
Consulting fees	221,361	75,225
Interest on capital lease obligation	3,151	2,919
Legal fees	10,555	1,892
Management fees	30,000	30,000
Office and miscellaneous	20,081	14,005
Regulatory fees	26,259	5,980
Rent and telephone	21,934	37,244
Shareholder information and investor relations	54,253	26,879
Stock-based compensation (Note 8)	393,212	-
Transfer agent fees	10,728	7,845
Travel and related costs	<u>104,892</u>	<u>27,008</u>
<b>Loss before other items</b>	<u>(918,995)</u>	<u>(259,777)</u>
<b>OTHER ITEMS</b>		
Interest income	13,397	1,365
Gain (loss) on disposal of equipment	16,259	(15,321)
Write-down of marketable securities	-	(5,000)
Recovery of expenses	<u>-</u>	<u>24,740</u>
	<u>29,656</u>	<u>5,784</u>
<b>Loss for the year</b>	(889,339)	(253,993)
<b>Deficit, beginning of year</b>	<u>(23,764,257)</u>	<u>(23,510,264)</u>
<b>Deficit, end of year</b>	<u>\$ (24,653,596)</u>	<u>\$ (23,764,257)</u>
<b>Basic and diluted loss per common share</b>	<u>\$ (0.14)</u>	<u>\$ (0.10)</u>
<b>Basic and diluted weighted average number of common shares</b>	<u>6,443,302</u>	<u>2,556,966</u>

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

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

	2003	2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the year	\$ (889,339)	\$ (253,993)
Items not affecting cash:		
Amortization	9,219	12,880
Stock-based compensation expense	393,212	-
(Gain) loss on disposal of equipment	(16,259)	15,321
Write-down of marketable securities	-	5,000
Changes in non-cash working capital items:		
(Increase) decrease in receivables	(3,848)	4,036
Increase in prepaid expenses	(6,647)	(205)
Increase (decrease) in accounts payable and accrued liabilities	<u>15,298</u>	<u>(43,258)</u>
Net cash used in operating activities	<u>(498,364)</u>	<u>(260,219)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital stock issued for cash	2,221,625	-
Capital lease obligation payments	<u>(18,578)</u>	<u>(4,125)</u>
Net cash provided by (used in) financing activities	<u>2,203,047</u>	<u>(4,125)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Mineral properties	(319,942)	-
Deferred exploration costs	(99,100)	-
Amounts due from related parties	<u>35,597</u>	<u>(18,713)</u>
Net cash used in investing activities	<u>(383,445)</u>	<u>(18,713)</u>
<b>Change in cash during the year</b>	1,321,238	(283,057)
<b>Cash, beginning of year</b>	<u>29,315</u>	<u>312,372</u>
<b>Cash, end of year</b>	<u>\$ 1,350,553</u>	<u>\$ 29,315</u>
<b>Cash paid for income taxes</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash paid for interest</b>	<u>\$ 3,151</u>	<u>\$ 2,919</u>

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, 2003

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**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.

During the year ended September 30, 2002, the Company changed its name from Essex Resource Corporation to Maximus Ventures Ltd. and consolidated its capital stock on a 10:1 basis. All capital stock figures in these financial statements have been retroactively adjusted to reflect the consolidation.

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.

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	2003	2002
Deficit	\$ (24,653,596)	\$ (23,764,257)
Working capital (deficiency)	1,278,453	(30,778)

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**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...)**

**Equipment**

Equipment, being a vehicle under capital lease, is recorded at cost and amortized using the declining balance method at 30% 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 year. For the years presented, this calculation proved to be anti-dilutive.

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

**Income taxes**

Future income taxes are recorded using the asset and liability method. Under the asset and liability method, 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, 2003

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**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. Subsequent to September 30, 2003, the amounts were received in full.

**4. MINERAL PROPERTIES**

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	2003	2002
Condor Yacu	\$ 304,942	\$ -
Los Corderos and Relincho II Concessions	59,500	-
Argentina Concessions	<u>25,000</u>	<u>-</u>
	<u>\$ 389,442</u>	<u>\$ -</u>

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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 \$304,942 and incurred \$99,100 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.

**MAXIMUS VENTURES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2003**

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

**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.

**5. DEFERRED EXPLORATION COSTS**

	Condor Yacu	Los Corderos and Relincho II Concessions	Argentina Concessions	2003 Total	2002 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	\$ -

**6. EQUIPMENT**

	2003			2002		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Vehicle under capital lease	\$ 67,800	\$ 5,085	\$ 62,715	\$ 44,120	\$ 25,745	\$ 18,375

**MAXIMUS VENTURES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2003**

**7. CAPITAL LEASE OBLIGATION**

Future minimum lease payments under capital lease are as follows:

	2003	2002
Total minimum lease payments	\$ 62,399	\$ 35,218
Less: amount representing interest	<u>(9,575)</u>	<u>(1,116)</u>
Balance of obligation	52,824	34,102
Less: current portion	<u>(5,709)</u>	<u>(34,102)</u>
	<u>\$ 47,115</u>	<u>\$ -</u>

**8. CAPITAL STOCK**

	Number of Shares	Amount
Authorized		
100,000,000 common shares without par value		
Issued		
As at September 30, 2001 and 2002	2,556,966	\$ 23,751,854
Shares issued for cash, net	6,718,750	1,407,739
Shares issued for mineral properties	150,000	60,000
Shares issued for finders' fee	<u>25,000</u>	<u>9,500</u>
As at September 30, 2003	<u>9,450,716</u>	<u>\$ 25,229,093</u>

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.

**MAXIMUS VENTURES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2003**

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

**Stock options**

The Company follows the policies of the TSX-V under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the policies, the exercise price of each option equals the market price of the Company's stock as calculated on the date of the grant.

As at September 30, 2003, 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

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, 2001	240,000	\$ 4.00
Options granted	-	-
Options cancelled/expired	(240,000)	4.00
Options exercised	-	-
As at September 30, 2002	-	-
Options granted	1,625,000	0.31
Options cancelled/expired	(56,250)	0.30
Options exercised	( 18,750)	0.30
As at September 30, 2003	1,550,000	\$ 0.31
Number of options currently exercisable	1,550,000	\$ 0.31

**Stock-based compensation**

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

**MAXIMUS VENTURES LTD.**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

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

**Warrants**

As at September 30, 2003, the Company had the following share purchase warrants outstanding enabling the holders to acquire additional common shares as follows:

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Number of Shares	Exercise Price	Expiry Date
5,000,000	\$ 0.45	March 4, 2005
1,700,000	0.20	March 5, 2005

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

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

Pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing model does not necessarily provide a reliable single measure of the fair value of the Company's stock options and share purchase warrants.

**9. RELATED PARTY TRANSACTIONS**

The Company entered into the following transactions with related parties:

- a) Paid consulting fees of \$165,440 (2002 - \$72,000) to companies controlled by two directors.
- b) Paid management fees of \$30,000 (2002 - \$30,000) to a company controlled by a director.
- c) Paid administration fees of \$Nil (2002 - \$4,750) to the former secretary of the Company.
- d) Paid rent expense of \$18,000 (2002 - \$6,000) to a company controlled by a director.

In fiscal 2002, the Company sold equipment with a book value of \$20,978 to a company controlled by common directors for \$5,657, resulting in a loss on disposal of \$15,321.

As at September 30, 2003, prepaid expenses included \$18,000 (2002 - \$14,445) 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.

**MAXIMUS VENTURES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2003**

**10. INCOME TAXES**

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

	2003	2002
Loss for the year	\$ (889,339)	\$ (253,993)
Income taxes (recovery)	\$ (334,391)	\$ (95,501)
Non-deductible expenses	145,201	12,484
Unrecognized benefit of non-capital losses	189,190	83,017
Income taxes expense	\$ -	\$ -

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

	2003	2002
Future income tax assets:		
Non-capital loss carryforwards	\$ 1,151,000	\$ 1,094,000
Resource properties	2,047,000	2,162,000
Equipment	21,000	39,000
	3,219,000	3,295,000
Valuation allowance	(3,219,000)	(3,295,000)
	\$ -	\$ -

The Company has non-capital losses of approximately \$3,233,000 available for deduction against future taxable income. These losses, if not utilized, will expire through 2010. 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, 2003, the Company entered into the following non-cash transactions:

- a) The Company 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) The Company entered into a capital lease agreement acquiring equipment with a value of \$67,800.

During the year ended September 30, 2002, the Company sold capital assets for receivables of \$5,657 to a company with common directors.

**MAXIMUS VENTURES LTD.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2003**

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**12. 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 management contracts with two companies with common directors. The Company has agreed to pay each company \$6,600 per month until January 1, 2005. The contracts can be terminated by the Company by providing three months' written notice.

**13. 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:

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	2003	2002
Canada	\$ 1,456,496	\$ 116,020
Argentina	<u>488,542</u>	<u>-</u>
	<u>\$ 1,945,038</u>	<u>\$ 116,020</u>

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**MAXIMUS VENTURES LTD.**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

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**13. SEGMENTED INFORMATION** (cont'd...)

The Company's loss for the year was incurred in the following geographic locations:

	2003	2002
Canada	\$ (888,885)	\$ (253,993)
Barbados	(454)	-
	\$ (889,339)	\$ (253,993)

**14. FINANCIAL INSTRUMENTS**

**Fair Value**

The Company's financial instruments consist of cash, receivables, due from related parties, accounts payable and accrued liabilities and capital lease obligations. 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.

**Risk management**

The Company's largest non-monetary assets are its resource interests in Argentina. The Company could accordingly be at risk for foreign currency fluctuations and developing legal and political environments.

The Company does not maintain significant cash or other monetary assets or liabilities in Argentina.

**15. SUBSEQUENT EVENTS**

Subsequent to September 30, 2003:

- a) The Company issued 100,000 common shares pursuant to the exercise of warrants for proceeds of \$20,000.
- 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. 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. The agreement is subject to regulatory approval.
- c) The Company entered into an option agreement to acquire the rights to a 70% interest in the Phoenix gold-copper porphyry project in Northeast Nevada.

To earn its 70% interest, the Company is required to:

- i) Pay US\$120,000 and issue 1,500,000 common shares upon acceptance by the TSX-V;

**MAXIMUS VENTURES LTD.**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

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**15. SUBSEQUENT EVENTS** (cont'd...)

- ii) Issue a further 3,000,000 common shares over a two-year period; and
- iii) Incur exploration expenditures totalling US\$4,400,000 over a four-year period.

The agreement is subject to regulatory approval.



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

<b>ISSUER DETAILS</b>		FOR QUARTER ENDED			DATE OF REPORT		
NAME OF ISSUER					Y	M	D
MAXIMUS VENTURES LTD.		03	09	30	04	02	02
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	02	16
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED		
"IAN ROZIER"	IAN ROZIER	Y	M	D
		04	02	16

**MAXIMUS VENTURES LTD.**  
**FORM 51-901F – QUARTERLY AND YEAR END REPORT**  
**SEPTEMBER 30, 2003**

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**SCHEDULE A: FINANCIAL INFORMATION**

See attached audited consolidated financial statements for the year ended September 30, 2003.

**SCHEDULE B: SUPPLEMENTARY INFORMATION**

1. Analysis of expenses and deferred costs:

See attached audited consolidated financial statements for the year ended September 30, 2003.

2. Related party transactions:

See Note 9 to the attached audited consolidated financial statements for the year ended September 30, 2003.

3. Securities issued during the year:

a) Summary of securities issued:

Date of Issue	Type of Security	Type of Issue	Number of Shares	Price	Total Proceeds	Consideration	Commissions Paid
March 4, 2003	Common shares	Private placement	5,000,000	\$ 0.40	\$ 2,000,000	Cash	Nil
March 5, 2003	Common shares	Private placement	1,700,000	0.15	255,000	Cash	Nil
May 15, 2003	Common shares	Property payment	100,000	0.40	40,000	Property	Nil
June 16, 2003	Common shares	Options exercised	18,750	0.30	5,625	Cash	Nil
July 7, 2003	Common shares	Property payment	25,000	0.38	9,500	Property	Nil
September 24, 2003	Common shares	Property payment	50,000	0.40	20,000	Property	Nil

b) Summary of options granted:

Date of Grant	Optionee	Number	Exercise Price	Expiry Date
March 26, 2003	Ian Rozier	450,000	\$ 0.30	March 26, 2005
March 26, 2003	Barbara Dunfield	400,000	0.30	March 26, 2005
March 26, 2003	Paul Ray	350,000	0.30	March 26, 2005
March 26, 2003	Employees	350,000	0.30	March 26, 2005
June 3, 2003	Douglas Hyndman	75,000	0.53	June 3, 2005

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

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

**MAXIMUS VENTURES LTD.**  
FORM 51-901F – QUARTERLY AND YEAR END REPORT  
SEPTEMBER 30, 2003

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

4. b) Shares issued and outstanding:

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	Number of Shares	Amount
Balance, September 30, 2003	9,450,716	\$ 25,229,093

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c) See Note 8 of the attached consolidated financial statements for the year ended September 30, 2003.

d) There were no shares held in escrow at September 30, 2003.

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. During the previous fiscal year the Company's name was changed after shareholder approval at the Company's Annual General Meeting from Essex Resource Corporation to Maximus Ventures Ltd. in conjunction with a share consolidation of the Company's share capital of 10 old shares for 1 new share. The Company incurred \$918,995 (2002 - \$259,777) of administration expenses and had a working capital of \$1,278,453 at September 30, 2003 compared to a working capital deficit of \$30,778 at September 30, 2002. The primary reason for the increase in administration between the two years is related to the stock based compensation expense totaling \$393,212. This expense was a result of the calculation under the Black Scholes option pricing model during the year. The additional increase in consulting and travel and related expenses were contributed to the Company's increased activities in relationship to mineral properties the Company acquired during the year.

**Liquidity and Cash Reserves:**

At September 30, 2003, the Company had cash of \$1,350,553 compared with \$29,315 at September 30, 2002. Accounts payable and accrued liabilities increased to \$109,619 from \$94,321 and obligation under capital also increased to \$52,824 from \$34,102.

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

**Financings:**

During the year, the Company completed two private placement financings for total gross proceeds of \$2,255,000. The first private placement financing consisted of 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 second private placement financing consisted of 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 addition common share at \$0.20 per share for a two-year period.

**Investor Relations:**

Subsequent to September 30, 2003, the Company entered into a twelve-month investor relations agreement. (See “Subsequent Events”)

**Legal Proceedings:**

None.

**Related Party Transactions:**

The Company entered into the following transactions with related parties:

Paid consulting fees of \$165,440 (2002 - \$72,000) to companies controlled by two directors.

Paid management fees of \$30,000 (2002 - \$30,000) to a company controlled by a director.

Paid administration fees of \$Nil (2002 - \$4,750) to the former secretary of the Company.

Paid rent expenses of \$18,000 (2002 - \$6,000) to a company controlled by a director.

As at September 30, 2003, prepaid expenses included \$18,000 (2002 - \$14,445) paid to companies controlled by common directors of the Company.

During the previous year, the Company sold capital assets with a book value of \$20,978 to a company controlled by common directors \$5,657, resulting in a loss on disposal of \$15,321.

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.

**Subsequent Events:**

Subsequent to September 30, 2003:

- a) The Company issued 100,000 common shares pursuant to the exercise of warrants for proceeds of \$20,000.

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

**Subsequent Events:** (cont'd...)

- 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. 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.
- c) The Company entered into an option agreement to acquire the rights to a 70% interest in the Phoenix gold-copper porphyry project in Northeast Nevada.

To earn its 70% interest, the Company is required to:

- i) Pay US\$120,000 and issue 1,500,000 common shares upon acceptance by the TSX-V;
- ii) Issue a further 3,000,000 common shares over a two-year period; and
- iii) Incur exploration expenditures totalling US\$4,400,000 over a four-year period.

The agreement is subject to regulatory approval. (See “Report to Shareholders”)

**Report to Shareholders:**

In January, 2003 Maximus Ventures Ltd. entered into an agreement with Cardero Resource Corporation (“Cardero”) to earn an 80% interest in and to the Condor Yacu gold property in Argentina.

Condor Yacu is located approximately 125 km southwest of Salta in Catamarca Province in northwestern Argentina. To acquire the interest in Condor Yacu the Company agreed to reimburse Cardero US\$1,000,000 and incur exploration expenditures of US\$80,000 in Year 1, US\$125,000 in Year 2 US\$145,000 in Year 3 and US\$650,000 in Year 4.

Also in January 2003 the Company arranged a 2,000,000 non-brokered private placement for 5 million \$0.40 units. Each unit consists of one common share and one \$0.45 two-year share purchase warrant. Proceeds were raised for property payments and to conduct diamond drill programs in 2003 on the Condor Yacu gold project in Argentina.

In March of 2003, the TSX Venture Exchange approved the acquisition of the Condor Yacu property the Inactive Status the Company had been trading under since August 24, 2001 was removed as per the TSX bulletin issued on March 4, 2003. Maximus Ventures is now a TSX Venture Exchange Tier 2 company trading under the symbol MXV.

The Company commenced a 1000m-drill program at Condor Yacu in April to further evaluate the high-grade gold and silver mineralization encountered in drill holes in 2001 and 2002 as reported January 15<sup>th</sup>, 2003 and February 11<sup>th</sup>, 2003. Drilling was to investigate the extent of the known mineralization at the south zone to depth and explore its northern and southern limits. Drilling and mapping, which continued through April and May, was conducted in conjunction with an extensive local and area field mapping and sampling program with the objective of evaluating the potential for additional mineralized structures to the north and south of Condor Yacu. .

In April the Company entered into an Agreement with Silver Standard Resources Inc. (“Silver Standard”) to earn up to a 70% interest in two mineral concessions (‘minas’) in northern Argentina. The minas, namely Los Corderos and Relincho II, cover an area of approximately 1,000 hectares. Relincho II is located immediately north of and adjacent to the Condor Yacu concession and Los Corderos is located approximately 6 km north of Condor Yacu.

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

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

To earn its interest the Company paid to Silver Standard C\$10,000 and 100,000 common shares on May 12, 2003 incurred \$150,000 in exploration expenditures in 2003 and will incur further exploration expenditures of C\$700,000 on or before December 31, 2004, C\$1,500,000 on or before December 31, 2005 and C\$4,000,000 on or before December 31, 2006

Upon making the above payments and exploration expenditures, Maximus will have earned a 60% interest Los Corderos and Relincho II and Silver Standard will retain a 40% interest. Maximus can increase its interest to 70% by expending a further C\$2.5 million by December 31, 2007. The agreement recognizes that Maximus is focused on gold exploration and Silver Standard is focused on silver exploration. Accordingly, encountered mineralization that is gold dominant, determined by way of a resource calculated pursuant to National Instrument 43-101 and then-current metal prices, Maximus will have earned its interest described above. If, however, the mineralization is silver dominant, Silver Standard will have a 70% interest in the mineralized area and Maximus will retain a 30% interest. The two minas Maximus will be exploring are north and south of the Silver Standard's Oculito zone which contains a large bulk tonnage silver-gold resource.

In June 2003, the Company entered into an agreement to earn a 100% interest in and to mineral concessions totaling over 6,900 hectares in northwestern Argentina. The Condor Yacu II, Condor Yacu III, Condor Yacu IV, Condor Yacu V and Condor Yacu VI concessions are located immediately south, and adjacent to the Condor Yacu gold/silver property.

To acquire the 100% interest in the mineral properties the Company paid C\$5,000 and 50,000 common shares and will issue a further 100,000 common shares within six (6) months of completion (TSX approval). The Company is further required to issue 50,000 common shares within twelve (12) months of completion, or after expenditures of C\$200,000, whichever is soonest. Issue of a further 200,000 common shares within twenty-four (24) months of completion, or after expenditures of C\$500,000, whichever is soonest and issue a further 500,000 common shares within thirty-six (36) months of completion, or after expenditures of C\$1,000,000, whichever is soonest;

When and if One Million (1,000,000) ounces or more of gold are defined as a Resource on the Mineral Properties, Maximus will issue a further 500,000 common shares, such shares to be issued within ten (10) days of TSX Venture Exchange acceptance of such resource estimate by an independent engineer/geologist;

When and if Two Million (2,000,000) ounces or more of gold are defined as a Resource on the Mineral Properties, Maximus will issue a further 1,000,000 shares such shares to be issued within ten (10) days of TSX Venture Exchange acceptance of such resource estimate by an independent engineer/geologist. All share issuances are subject to TSX Venture Exchange approval.

The acquisition of a 100% interest in these concessions represents a major expansion of the Company's holdings in northern Argentina where Maximus is currently exploring for gold and silver.

In June the results from the Condor Yacu Phase I drill program were announced. The program comprised of 900m of diamond drilling, surface mapping and sampling. The objectives of the drill program were to investigate the structural continuity of the South Zone portion of the mineralized north-south striking Condor Yacu shear fault, and to further investigate the high grade gold and silver mineralization along strike from previous drilling which reported grades of 14.5 g/t gold and 129 g/t silver over a true width of 12.2m in CY-02-05.

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

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

A total of ten diamond-drill holes were completed in the drill program and six holes intersected the mineralized structure. Four holes missed the structure but the geological interpretation enabled the structure to be located, intersected and sampled in the other six holes. Eight of the ten holes were drilled at an inclination of either 45 or 60 degrees along an azimuth of 270 degrees and were located to intersect the structure at varying depths over a strike length of approximately 150m. Two holes (CY-03-07 and CY-03-08) were drilled along an azimuth of 180 degrees at 45 and 60 degrees inclination and were located to the north of the east-west fault contact that delineates the northern end of the South Zone. Because of the direction of CY-03-07 which cut a 27m intersection through the mineralized zone (with exceptionally high grades) it was not possible to accurately determine the true width of the mineralized structure at this location. A Company news release dated June 12, 2003 includes a table that provides the assay results for the six holes that intersected the mineralized structure, and is followed by an interpretation of the results.

In September 2003, the second phase of exploration on Condor Yacu commenced. The camp at was upgraded and surface trenching was conducted south of the existing trench at Condor Yacu where the mineralized structure is up to 15m wide, and has been rooted at depth by drilling with reported assayed grades of over 14 g/t gold and 129 g/t silver with a true width of over 12m (reported February 11<sup>th</sup>, 2003).

Field mapping identified five target drill sites on the Los Corderos property and five at or between the Central and North Zones at Condor Yacu. Over 1000m of diamond drilling was planned for the Fall of 2003, with a further 1000m scheduled for early 2004. Geological mapping and sampling of the Condor Yacu II, III, IV, V and VI concessions (100% Maximus) were also undertaken in October.

At Condor Yacu, the mineralized structure has been exposed in trenches with average weighted values of 18 g/t gold over 12.5m true width, and traced to depths of 130m with one down dip hole reporting a weighted average of 18 g/t gold and 215 g/t silver over 77m. Diamond drill-holes across the structure at depth include intersections with weighted averages of 35 g/t gold and 180 g/t silver over 5m, and 14 g/t gold and 129 g/t silver over 17.3m, with a true width of 12m.

As a subsequent event to its September year-end the Company entered into an agreement with the Gryphon Consortium to acquire the rights to a 70% interest in and to the Phoenix gold-copper porphyry project in northeast Nevada. The Phoenix Project is 100% owned by Golden Gryphon Explorations Inc. (“GGE”). The Company and GGE will be entering into a Joint Venture Agreement (the “Joint Venture”) reflecting these interests for ongoing exploration work.

The Phoenix project, located in the Union Summit and Sulphur Springs Range area of Eureka County in NE Nevada, covers an area of over 11,000 acres. An extensive technical database on the Phoenix Project is maintained in Excel spreadsheets, Map Info and Discovery Files. Key points from this database are as follows,

- The structural setting of the Phoenix property is characterized by a series of N to NNW trending major high angle faults with younger cross-cutting NE, EW and WNW trending structures that have controlled the emplacement of previously unmapped igneous dykes and plugs – the same structural fabric as in the northern Carlin Trend.
- Aspects of metal chemistry and rock geochemistry suggest parallels with other giant porphyry copper-gold-molybdenum systems in the Western U.S. (Bingham, Utah and Resolution, Arizona).
- Oxidized high sulphide veins exist with mineralogic and chemical similarities to the fissure veins of the Bingham district.

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

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

- Other aspects of the geochemistry (Hg and K anomalies) and alteration (gold bearing jasperoids, decalcification) strongly suggest the presence of Carlin style gold mineralization with parallels to the Post and Rain deposits.
- Comprehensive, high quality aeromag data and reconnaissance 1000 foot dipole-dipole IP data support these interpretations.
- Over 2000m of RC and diamond drilling was previously conducted by GGE to further investigate the geological model, and one hole encountered classic Carlin style alteration and anomalous geochemistry (Au, As, Sb, Tl, Hg and Zn).
- There are at least five of these major targets within the Phoenix claim block.

The consideration, terms and conditions for the acquisition of the rights to acquire the 70% interest in the Phoenix Project are as follows:

- The Company will pay the Gryphon Consortium the sum of US\$120,000 within 5 days of closing/acceptance by the TSX Venture Exchange;
- The Company will issue the Gryphon Consortium a total of 4,500,000 shares on the following schedule;
- 1,500,000 shares within 5 business days of approval by the TSX Venture Exchange.
- 1,500,000 shares on or before December 31, 2004.
- 1,500,000 shares on or before December 31, 2005.
- The Company will make exploration expenditures of US\$400,000 on or before December 31<sup>st</sup>, 2004;
- The Company will make further exploration expenditure of US\$1,000,000 on or before December 31<sup>st</sup>, 2005;
- The Company will make further expenditures of US\$1,000,000 on or before December 31<sup>st</sup>, 2006;
- The Company will make further exploration expenditures of US\$2,000,000 on or before December 31<sup>st</sup>, 2007.
- If the Company fails to meet these obligations the entire interest and rights to the Phoenix Project will revert back to Golden Gryphon Explorations Inc.

The key elements of the next phase of exploration will be ground geophysics and diamond drilling. The geophysical program will include a combination of electrical techniques and gravity profiling. The 2004 drilling program will include the deepening of existing holes. The on-going exploration program will be headed up by Jeffrey T. Abbott PhD, President of Golden Gryphon Explorations Inc.

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

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

The Company is extremely pleased with the planned Joint Venture with GGE. The Phoenix project represents an excellent, large-scale copper-gold exploration target in a mining district with proven potential.

Detailed exploration of Condor Yacu and the adjacent properties in which the Company holds options to acquire a majority interest was the focus of the Company throughout 2003. The Company is well funded to carry out the next drilling campaign in 2004 and its work commitments at Condor Yacu, Los Corderos/La Relincho, and its other properties in Argentina.