

CHAPLEAU RESOURCES LTD.
For the period ended November 15, 2005
AUDITED

SUPPLEMENTARY INFORMATION

1. Analysis of expenses and deferred costs:

See Consolidated Statements of Operations and Deficit to the audited year-end financials dated November 15, 2005.

2. Related party transactions:

See Note 9 to the audited year-end financials dated November 15, 2005.

3. Summary of Securities issued and options granted during the year:

(a) Summary of securities issued during the year:

# of Common Shares	Type	Date	Price
25,000	Option Agreement	Dec.1/04	\$0.45
25,000	Option Agreement	Dec.1/04	\$0.45
250,000	Option Agreement	Feb.24/05	\$0.435
200,000	Option Agreement	Mar.7/05	\$0.35
4,000,000	Private Placement	Aug.23/05	\$0.24
440,000	Private Placement	Aug.25/05	\$0.30
4,940,000 = TOTAL			

(b) Summary of Options granted during year:

Optionee	# of Options	Exercise Price	Expiry Date
Jim Stypula	3,500,000	\$0.30	April 22, 2015
Eric Wiltzen	3,500,000	\$0.30	April 22, 2015
Al Rella	1,000,000	\$0.30	April 22, 2015
Eric Friedland	1,400,000	\$0.30	April 22, 2015
Alan Carter	1,300,000	\$0.30	April 22, 2015
Bob Hunziker	300,000	\$0.30	April 22, 2015
Paul Reinhart	300,000	\$0.30	April 22, 2015
Kent Couillard	200,000	\$0.30	April 22, 2015
Dennis Moore	200,000	\$0.30	April 22, 2015
Owen Miller	200,000	\$0.30	April 22, 2015
Robin Sudo	120,000	\$0.30	April 22, 2015
Jerri-Pat Armstrong	40,000	\$0.30	April 22, 2015
Ian Gendall	1,000,000	\$0.35	August 2, 2015

Ted Urquhart	300,000	\$0.37	August 3, 2015
TOTAL =	13,360,000		

(c) Summary of warrants granted during year:

# of Warrants	Type	Expiry Date	Price
200,000	Option Payment	3/6/06	\$0.35
4,000,000	Private Placement	8/23/2010	\$0.24
440,000	Private Placement	8/25/2007	\$0.40

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

(a) *Description of Shares Issued*

See Note 5 to the audited year-end financials dated November 15, 2005.

(b) *Common shares issued and outstanding*

At November 15, 2005 there were 75,533,900 common shares of Chapleau Resources Ltd. issued and outstanding with a value of \$30,516,340.

(c) *Description of warrants*

See Note 7 to the audited year-end financials dated November 15, 2005. During the year a total of 4,640,000 warrants were granted and 717,500 warrants expired.

(d) *Description of options*

See Note 6 to the audited year-end financials dated November 15, 2005. During the year, Chapleau restructured its stock option agreements. All outstanding options (totaling 14,153,898) were cancelled in April, 2005 and new options were granted (refer to the Company's April 22, 2005 News Release). A total of 13,360,000 options were granted during the year.

(e) *Shares subject to escrow and pooling*

Nil

5. Names of Directors and officers:

Jim Stypula/CEO&Director
Eric Wiltzen/President, CFO&Director
Allan Rella/Chairman&Director
Dr. Ted Urquhart/Director
Robert Hunziker/Director

Management Discussion & Analysis

1.1 Date

This MD&A refers to material information regarding the **November 16, 2004 to November 15, 2005** financial year of Chapleau Resources Ltd. and was prepared March 3, 2006.

1.2 Overall Performance

During the year ended November 15, 2005 the Company spent \$1,464,141 on its exploration activities. This represents an increase of \$1,149,368 from the previous year.

\$62,692 was spent drilling on the San Javier Gold project in Bolivia and \$52,828 was spent on geochemistry.

\$390,543 was spent on geology on all the Company's projects, which consisted of compilation and assessment of data, sampling, mapping, field and office geological wages.

\$593,129 was spent to conduct a Falcon™ airborne survey on the La Pampa project in Argentina and \$66,917 was spent on land tenure on the claims.

Accounting fees increased by \$26,701 to \$76,565, largely as a result of increasing regulatory requirements.

Legal fees were \$143,173 which represents an increase of \$84,774. The majority of these costs are one time charges relating to new incorporations of operating subsidiaries and costs associated with the Company being named in a lawsuit which was subsequently dropped.

During the year the Company wrote off \$762,873 on properties. This included \$36,666 on the Hoarfrost project, \$9,163 on the San Lorenzo project, \$351,574 on the Zinger project and \$365,470 on the Horsefly project.

Wages and employee benefits were reduced by \$5,306.

Chapleau received \$1,018,942 from the sale of securities acquired for investment purposes. The Company's ability to continue to explore its projects is dependent upon the ability of management to raise equity capital.

On August 23, 2005 the Company closed a non-brokered private placement in the amount of 4,000,000 units at the price of \$0.24 per unit. Each unit is comprised of one common share and one transferable common share purchase warrant exercisable until August 23, 2010 at an exercise price of \$0.24. All of the shares, warrants and any shares issued upon exercise of the warrants are subject to a hold period and may not be traded until December 24, 2005 except as permitted by applicable securities laws and the TSX Venture Exchange.

On August 25, 2005, the company closed a non-brokered private placement in the amount of 440,000 units at the price of \$0.30 per unit. Each unit is comprised of one common share and one transferable common share purchase warrant exercisable until August 25, 2007 at an exercise price of \$0.40. All of the shares, warrants and any shares issued upon exercise of the warrants are subject to a hold period and may not be traded in British Columbia until December 26, 2005 except as permitted by applicable securities laws and the TSX Venture Exchange.

At the year-end the Company had current assets of \$526,031 and had shares of Far West Mining Ltd. (FWM: TSX - Venture) with a market value of \$16,251,723.

1.3 Selected Annual Information

Financial Year End	Total Revenue	Income or Loss before discontinued operations & extraordinary items	Net loss per share Basic & diluted	Total Assets	Long-term Liabilities	Cash Dividends declared per-share
Nov. 15/05	\$0	(\$2,878,341)	\$0.040	\$8,364,140	Nil	Nil
Nov. 15/04	\$0	(\$3,613,930)	\$0.050	\$8,133,256	Nil	Nil
Nov. 15/03	\$0	(\$3,075,858)	\$0.050	\$8,739,871	Nil	Nil
Nov. 15/02	\$0	(\$2,598,576)	\$0.040	\$6,453,934	Nil	Nil

There were no significant variations in total assets in recent years.

1.4 Results of Operations

Chapleau Resources Ltd. has no sales and earns no revenues. Raising capital through sales of shares and warrants funds Chapleau's mining exploration operations.

1.5 Summary of Quarterly Results to November 15, 2005

Description	Feb 15/04 \$	May 15/04 \$	Aug 15/04 \$	Nov 15/04 \$	Feb 15/05 \$	May 15/05 \$	Aug 15/05 \$	Nov15/05 \$
Sales/Revenue	0	0	0	0	0	0	0	0
Income/(Loss)	(290,278)	(170,666)	(253,235)	(2,899,751)	(141,589)	(1,630,590)	150,638	(1,256,800)
Net loss per share Basic & diluted	0.004	0.003	0.003	0.040	0.000	0.023	0.000	0.040

Chapleau Resources Ltd. has no sales and earns no revenues. Raising capital through sales of shares and warrants funds Chapleau Resources Ltd's mining exploration operations. The net loss for the year was \$2,878,341 or a \$0.040 loss per share, basic and diluted.

Total assets to November 15, 2005 were \$8,364,140.

Chapleau Resources Ltd. has no long term financial liabilities and no cash dividends per share.

Management fees of \$180,000 were paid for the year to 2 directors, Jim Stypula and Eric Wiltzen, pursuant to management contracts. The Company recognizes the expertise of these two individuals and wishes to retain their services on a continuing basis.

No warrants were exercised during the year.

During the year no stock options were exercised.

Chapleau Resources Ltd. issued 4,940,000 common shares during the year.

During the year, Chapleau Resources Ltd. issued 4,440,000 warrants to purchase one common share of the company of which 4,000,000 are exercisable until August 23, 2010 at a price of \$0.24 per share and 440,000 are exercisable until August 25, 2007 and a price of \$0.40.

As of November 15, 2005 there were 75,533,900 shares issued and outstanding with a value of \$30,516,340.

On November 30, 2004, mining rights applications were made at Mendoza and La Pampa Mines

Departments on behalf of Minera Chapleau Argentina S.A.

On December 1, 2004, the Company issued 50,000 shares to the Optionor of the Zinger claim as required under the terms of the option agreement.

On January 11, 2005 the Company signed a letter of intent with Magellan Minerals Ltd. regarding an option to acquire a 51% interest in the San Javier properties located in eastern Bolivia.

To exercise the option, the Company must:

- i) issue 250,000 shares on the commencement date;
- ii) issue 2,350,000 shares in the capital stock of Chapleau Resources Ltd. over a period of 4 years; and
- iii) complete a minimum of US\$1,100,000 in exploration expenditures over a period of 4 years.

On January 15, 2005, the Company signed a memorandum of understanding with Teck Minera de Argentina S.A. whereby, through a subsidiary to be incorporated under the laws of Argentina, Chapleau Resources Ltd. will have an option to acquire a 100% undivided interest in Teck Cominco's Madryn properties located in Argentina.

To exercise the option, the Company must: i) upon regulatory approval, issue to Teck Cominco 200,000 Units comprising of one common share in the capital of Chapleau and one non-transferable share purchase warrant; ii) issue and additional 200,000 Units, in annual increments of 50,000, by December 31, 2008; iii) incur expenditures of at least US\$250,000 by December 31, 2005, including a commitment to complete a minimum of 2,000m of drilling; iv) if the first year work commitment fails, the Company will pay Teck Cominco an amount equivalent to US\$250,000 less expenditures actually incurred; v) complete cumulative expenditures of US\$1,500,000, with annual benchmarks, on or before December 31, 2008;

On January 21, 2005, the Company entered into an agreement with Peregrine Diamonds Ltd. (Peregrine) to acquire 50% interest in Peregrine's San Lorenzo Project. To exercise the option, the Company must:

- i) complete a minimum of 500m of drilling on the property prior to December 31, 2005;
- ii) complete cumulative expenditures of US\$1,500,000 on or before the 48 month anniversary date of the signing of the definitive Option Agreement between Peregrine and the underlying owners;
- iii) complete minimum expenditures of US\$100,000 in any given 12 month period from the anniversary date of the signing of the definitive Option Agreement between Peregrine and the underlying owners.

The San Lorenzo property was subsequently dropped.

On March 7, 2005, the Company issued 200,000 Units as required under the terms of its memorandum of understanding with Teck Minera de Argentina S.A. Each Unit consists of one common share in the capital of Chapleau and one non-transferable share purchase warrant exercisable for one year at \$0.34.

Chapleau Resources Ltd. has renegotiated its option agreement with BHP Billiton World Exploration Inc. The agreement's first anniversary benchmarks were extended by one year.

Subsequent to the year ending, Chapleau announced:

Drilling of 20, inclined, diamond drill holes totaling 1949.20m on the Madryn East, Madryn West and Antonella gold-silver target areas was completed in December 2005.

Results for the 20 diamond drill holes were received with no significant gold or silver mineralization reported. Results for gold ranged from below detection (0.01ppm) to 0.68 g/t Au and silver ranged from below detection (0.5g/t) to 105.4 g/t Ag. Best intersections reported were:

AR MDN DDH 13 – Madryn West Target 82 – 83m :
0.68 g/t Au / 1m.

AR MDN DDH 16 - Madryn West Target 102 – 103m :
0.53 g/t Au / 1m

AR MDN DDH 05 – Madryn East Target 63 – 64m :
0.11g/t Au and 105.4 g/t Ag / 1m

Analyses of gold in drill core samples were carried out by fire assay of a 50-gram sample and an atomic absorption finish at the Alex Stewart (Assayers) Argentina S.A laboratory in Mendoza, Argentina. Silver and additional 38 elements were analyzed by ICP. A rigorous quality control and assurance program which included blanks, standards and duplicate checks was in place throughout this phase of drilling.

Further field checking, mapping and sampling of the remaining 70% of the Project Area will commence during the next two weeks with attention being paid to the Lobo property. Previous reported rock sampling program by Teck Cominco on the Lobo property revealed enrichment in silver (up to 16 g/t Ag), lead (up to 0.95% Pb) and bismuth (up to 163 g/t Bi) as well as significant molybdenum mineralization (up to 0.15%) occurring over a 4km² area with intense phyllic alteration and veining.

Drilling of the SAN JAVIER GOLD PROJECT in Bolivia resumed following the December break. To date a total of 8 of the 13 planned drill holes (1,500m program) have been completed. Assay results will be released following the completion of the program and the receipt of all check assays expected by the end of March 2006.

1.6 Liquidity

Management of Chapleau Resources Ltd. has demonstrated consistent ability to raise equity capital through various market conditions. At the end of the year, Chapleau Resources Ltd. had \$451,873 cash on hand.

Management anticipates that they can continue to raise funds required for further exploration of their properties, however, the junior resource market is very volatile and it is always possible that funds cannot be raised. The Company had accounts payable of \$125,363 as at November 15, 2005. On August 30, 2005, Chapleau announced it had closed its non-brokered private placement in the amount of 4,000,000 units at the price of \$0.24 per unit. Each unit is comprised of one common share and one transferable common share purchase warrant exercisable until August 23, 2010 at an exercise price of \$0.24. All of the shares, warrants and any shares issued upon exercise of the warrants are subject to a hold period and may not be traded until December 24, 2005 except as permitted by applicable securities laws and the TSX Venture Exchange.

In addition, the Company further announced on August 30, 2005 it closed its non-brokered private placement in the amount of 440,000 units at the price of \$0.30 per unit. Each unit is comprised of one common share and one transferable common share purchase warrant exercisable until August 25, 2007 at an exercise price of \$0.40. All of the shares, warrants and any shares issued upon exercise of the warrants were subject to a hold period and may not be traded in British Columbia until December 26, 2005 except as permitted by applicable securities laws and the TSX Venture Exchange.

1.7 Capital Resources

Chapleau Resources Ltd. has historically relied on the equity markets as its primary resource for

funding its exploration activity. The Company currently holds shares in Far West Mining Ltd. which will also assist the Company to carry out significant exploration programs.

1.8 Off-Balance Sheet Arrangements

None

1.9 Transactions with Related Parties

During the year ended November 15, 2005 management fees of \$180,000 were paid to two directors. On December 7, 2005, the Company entered into an agreement with Diamond Hawk Mining Corp. to acquire a 10% interest in the mineral claims known as the Courageous Lake Property, situated in the Northwest Territories, at a cost of \$125,000. The Company shares two directors in common with Diamond Hawk Mining Corp. Independent directors from each company voted on the agreement.

1.10 Fourth Quarter

During the 4th quarter, Chapleau Resources Ltd. received final results for the 6440line km FalconTM Airborne Gravity Gradiometer (AGG) survey over the La Pampa Iron Oxide Hosted Copper-Gold (IOCG) project in Argentina were received. The survey has identified a number of potential IOCG targets that were not identified from previous regional magnetic data. A total of 46 gravity anomalies, with 8 priority one targets and 11 priority two targets over approximately 221km² have been confirmed. The FalconTM survey was flown as part of the CHAPLEAU - BHP BILLITON agreement to explore for IOCG deposits in central-western Argentina (see press release of January 27th, 2004). Under the terms of the agreement Chapleau can earn a 70% interest in the property by spending US\$1,000,000 over a three year period. As at November 15, 2005, the Company has spent \$697,242 or approximately US\$586,000 on the La Pampa Project. Very good gravity results were returned due to the lower than normal aircraft turbulence and noise levels. The data are currently being evaluated and target areas prioritized for follow-up ground checking and the presentation of environmental reports for phase one of the reverse circulation (RC) drill program. RC drilling will commence as soon as environmental reports are approved. The program of RC drilling is expected to commence during the first quarter of 2006.

During the 4th quarter, Chapleau was informed by its joint venture partner, Placer Dome (U.S.) Inc. ("Placer"), that it has encountered a significant gold intercept in hole PIR 05-10 on the Indian Ranch project. Hole PIR 05-10 was part of Placer's 3-hole, 1830 metre drill campaign. The drill intercept of 9.1 metres of 1.58 g/ton is contained within a broad gold zone 102 metres thick grading 0.32 g/ton and occurs at a downhole depth of 426 metres. The mineralization is hosted within the upper Roberts Mountain formation which hosts the Pipeline and lower portions of the Cortez Hills deposits. The thickness of alteration, as well as mineralization, is consistent with many of the larger Carlin-type gold deposits. Holes PIR 05-9 and PIR 05-11 were unmineralized.

Based on the information received to date, Chapleau believes a Carlin System may be developed within the preferred stratigraphic horizon. The gold intercept and drilled alteration suggests potential for a nearby Carlin-style deposit. Placer has mobilized a drill rig for follow-up on this new discovery and a program of four to six holes totaling 1800 to 2400 meters is in progress.

(The Indian Ranch property is located within the Cortez Trend, north central, Nevada.) The Company owns an undivided 25% interest. Placer Dome may earn 60% of the Company's interest by spending US\$2,000,000 over a 4-year period. Upon vesting its 60% ownership, Placer Dome can

elect to earn an additional 15% by financing a feasibility study on the property.

1.11 Proposed transactions

Not Applicable

1.12 Critical Accounting Estimates

Not Applicable

1.13 Changes in Accounting Policies including Initial Adoption

Not Applicable

1.14 Financial Instruments and Other Instruments

Not Applicable

1.15 Other MD&A Requirements

During the year ended November 15, 2005, the Company continued to aggressively pursue opportunities in South America.

Chapleau was pleased to have Dr. Ted Urquhart join the Board of Directors in August, 2005. Dr. Urquhart, who resides in Santiago, Chile, has a PH. D in Geology from the University of Toronto (1988) and a Masters of Science degree in Geophysics from the University of Toronto (1976).

Dr. Urquhart has over 30 years of distinguished geophysical experience throughout the world. He is the owner and general manager of GeoExplo Ltda., which is a company that specializes in all aspects of airborne geophysical surveys including project management, quality control, safety, interpretation and processing.

Dr. Urquhart was an owner and president of High-Sense Geophysics Ltd. (the third largest geophysical airborne survey company in the world until it was sold to Fugro N.V) and one of three partners in the geophysical consulting company Urquhart Dvorak Limited. He has participated in diverse projects such as oil basin studies, mineral and diamond exploration and radioactive satellite fragment recovery, and was actively involved in the development of several EM systems (HeliTEM, Quantem and AFEM). Dr. Urquhart has also conducted research into the correlation of magnetic anomalies with geological factors on both a large and small scale.

Dr. Urquhart is actively involved in the geoscientific community and was a director and past Vice President of the Prospectors and Developers Association of Canada (PDAC). Dr. Urquhart also developed many of the processing and interpretation strategies in common use today including filtering, inversion and anomaly enhancement routines. Under his management and guidance these ideas formed the core of the software package of Geopak Systems, a division of UDL.

Also in August 2005, Chapleau was able to considerably strengthen it's team with the appointment of Ian Gendall as VP Exploration.

Mr. Gendall, who has a Masters of Science in Exploration Geology from Rhodes University (South Africa), has extensive experience managing exploration projects in South America.

Mr. Gendall's duties include managing Chapleau's exploration projects in Argentina (La Pampa and Madryn Rift) and Bolivia (San Javier). Mr. Gendall will also be assessing further exploration opportunities in South America for the Company.

The appointment of Mr. Gendall further solidifies Chapleau's objective of exploring and developing highly prospective base and precious metal properties in South America.

Also, during the year two directors indirectly acquired 6,476,000 shares of the Company's common shares from the estate of William G. Bennett.

The Company has planned an aggressive program to drill test 19 priority targets on its La Pampa IOCG project in Argentina which is expected to commence in the 2nd quarter.

The Company holds shares of the Far West Mining Ltd. (FWM: TSX-Venture) with a market value of over \$16,000,000 which will enable Chapleau Resources Ltd. to carry out exploration programs as well as allow it to seek out new opportunities. Management believes that underlying conditions in the commodities market (increasing prices for base and precious metals) will enable the Company to aggressively explore their portfolio of properties.

Share Data: 75,533,900 issued at November 15, 2005. Additional information relating to the Company is available on SEDAR @ www.sedar.com.