

FORM 51-901-F

QUARTERLY AND YEAR END REPORT

Incorporated as part of: X - Schedule A
 - Schedule B & C
(Place X in appropriate category)

ISSUER DETAILS

NAME OF ISSUER: CHAPLEAU RESOURCES LTD.
ISSUER ADDRESS: Suite 104, 135 – 10th Avenue South
Cranbrook, BC V1C 2N1
ISSUER TELEPHONE: (250) 489-5156
ISSUER FAX: (250) 489-5185
CONTACT PERSON: ERIC WILTZEN
CONTACT'S POSITION: PRESIDENT
EMAIL ADDRESS: info@chapleauresources.com
WEBSITE ADDRESS: chapleauresources.com
FOR YEAR ENDED: November 15, 2003
DATE OF REPORT: February 27, 2004

CERTIFICATE

THE THREE SCHEDULE(S) REQUIRED TO COMPLETE THIS YEAR-END FINANCIAL 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. PLEASE NOTE THIS FORM IS INCORPORATED AS PART OF BOTH THE REQUIRED FILING OF SCHEDULE A AND SCHEDULES B & C.

NAME OF DIRECTOR	SIGNED (TYPED)	DATE SIGNED (YY/MM/DD)
ERIC WILTZEN	<u>"Eric Wiltzen"</u>	2004/03/15
NAME OF DIRECTOR	SIGNED (TYPED)	DATE SIGNED (YY/MM/DD)
ALLAN RELLA	<u>"Allan Rella"</u>	2004/03/15

Financial Statements of

CHAPLEAU RESOURCES LTD.

November 15, 2003 and 2002



Kenneth R. Maki, CA*
*denotes incorporated professional

201, 135 10th Avenue South
Cranbrook, BC, V1C 2N1

Telephone (250) 426-8464
Telefax (250) 426-4880
makistaudt@makistaudt.bc.ca

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of Chapleau Resources Ltd. as at November 15, 2003 and 2002 and the 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 financial statements present fairly, in all material respects, the financial position of the company as at November 15, 2003 and 2002 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles. As required by the Company Act (British Columbia) we report that, in our opinion, these principles have been applied on a consistent basis.

"MAKI STAUDT"

Chartered Accountants

Cranbrook, Canada

February 27, 2004

CHAPLEAU RESOURCES LTD.

Balance Sheets

SCHEDULE "A"

November 15, 2003, with comparative figures for 2002

	2003	2002
Assets		
Current assets:		
Cash	\$ 269,123	\$ 160,646
Marketable securities, at lower of cost and market (notes 2 and 3)	2,114,870	1,743,279
Accounts receivable	47,870	6,961
B.C. mining exploration tax credits recoverable (notes 4 and 14)	490,358	-
Subscriptions receivable	20,000	-
Prepaid expenses	22,958	-
Receivable from directors (note 3)	-	744,438
	<u>2,965,179</u>	<u>2,655,324</u>
Reclamation bond	25,000	25,000
Mineral properties and deferred exploration costs (note 4)	5,596,185	3,767,817
Equipment (note 5)	21,070	5,793
	<u>\$ 8,607,434</u>	<u>\$ 6,453,934</u>

Liabilities and Shareholders' Equity

Current liabilities:		
Accounts payable and accrued liabilities	\$ 108,902	\$ 60,793
Shareholders' equity:		
Capital stock (note 6):		
Authorized: 150,000,000 Common shares without par value		
Issued: 66,327,951 Common shares (2002 – 60,370,284)	27,738,165	24,743,815
Deficit	(19,239,633)	(18,350,674)
	<u>8,498,532</u>	<u>6,393,141</u>
	<u>\$ 8,607,434</u>	<u>\$ 6,453,934</u>

Contingent liability (note 11)

Subsequent event (note 12)

See accompanying notes to financial statements.

On behalf of the Board:

"Eric Wiltzen" President/Director

"Allan Rella" Chairman of the Board/Director

CHAPLEAU RESOURCES LTD.

Statement of Operations and Deficit

Year ended November 15, 2003, with comparative figures for 2002

	2003	2002
General and administrative expenses:		
Amortization	\$ 4,312	\$ 1,673
Exploration (note 4)	3,184	149,194
Insurance	29,923	3,131
Management fees (note 9)	180,000	180,000
Office	68,465	58,135
Permits	-	500
Professional fees	145,637	45,372
Rent	11,856	13,338
Transfer agent and filing fees	33,064	25,969
Travel	109,041	23,495
Wages and employee benefits	128,045	46,176
Loss before other expenses (income)	713,527	546,983
Other expenses (income):		
Deferred exploration and development costs written off (note 4)	140,695	1,859,024
Investment in Aztec Silver Corporation written off	-	200,000
Interest income	(11,865)	(845)
(Gain) loss on sale of investments	(12,316)	3,803
Foreign exchange (gain) loss	58,918	(10,389)
Loss for the period	888,959	2,598,576
Deficit, beginning of period	18,350,674	15,752,098
Deficit, end of period	\$19,239,633	\$18,350,674
Basic loss per share	\$ 0.014	\$ 0.040
Fully diluted earnings per share	antidilutive	antidilutive

See accompanying notes to financial statements.

CHAPLEAU RESOURCES LTD.

Statement of Cash Flows

Year ended November 15, 2003, with comparative figures for 2002

	2003	2002
Cash provided by (used in):		
Operations:		
Loss for the period	\$ (888,959)	\$(2,598,576)
Amortization which does not involve cash	4,312	1,673
Deferred exploration and development costs written off	140,695	1,859,024
Change in non-cash operating working capital:		
Accounts receivable	(40,909)	48
Subscriptions receivable	(20,000)	-
B.C. mining exploration tax credits recoverable	(490,358)	
Receivable from related party and directors	744,438	(32,491)
Prepaid expenses	(22,958)	335
Accounts payable	48,109	(65,871)
	<u>(525,630)</u>	<u>(835,858)</u>
Financing:		
Capital stock issued	2,994,350	2,323,200
Investments:		
Purchase of equipment	(19,589)	-
Decrease in Naneco Minerals Ltd.	-	22,475
Investment in:		
Bakbone Software Inc.	18,409	(18,409)
Far West Mining Ltd.	(390,000)	-
Write-off of investment in Aztec Silver Corp.	-	200,000
Mineral properties and deferred exploration costs	(1,969,063)	(1,674,197)
	<u>(2,360,243)</u>	<u>(1,470,131)</u>
Increase in cash	108,477	17,211
Cash, beginning of period	160,646	143,435
Cash and term deposits, end of period	<u>\$ 269,123</u>	<u>\$ 160,646</u>

See accompanying notes to financial statements.

CHAPLEAU RESOURCES LTD.

Notes to the Financial Statements

Year ended November 15, 2003

Nature of business and ability to continue as a going concern

Chapleau Resources Ltd. is engaged in the mining industry at the exploration stage. At the exploration stage, a resource company has not determined whether its properties contain reserves that are economically recoverable, nor has it achieved significant revenue from production.

These financial statements are prepared on the basis of accounting principles applicable to a "going concern", which assume that the company will be able to realize its assets and discharge its liabilities in the normal course of operations.

The company's continued existence is dependent upon raising additional financing, the discovery of economically recoverable ore reserve in its properties and the attainment of profitable operations.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for these financial statements, then adjustments would be required in the carrying value of assets.

1. Significant accounting policy:

(a) Mineral properties and deferred exploration and exploration costs:

Costs relating to the acquisition and exploration of mineral properties are deferred until the properties are placed into commercial production, sold, or abandoned. These costs are to be amortized over the estimated useful life of the property following commencement of production, or written off as properties are sold or abandoned.

(b) Equipment:

Equipment is stated at cost. Amortization is provided using the diminishing balance method at a rate of 20% for equipment.

(c) Earnings per share:

Basic earnings per share are computed by dividing net earnings by the weighted average shares outstanding during the reporting period. Diluted earnings per share are computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercises were used to acquire shares of a common stock at the average market price during the reporting period.

(d) Translation of foreign currencies:

Monetary current assets and liabilities in foreign currencies are translated into Canadian dollars at the rate of exchange in effect at the end of the year. Realized and unrealized foreign exchange gains and losses are included in the determination of net earnings. Income and expense items are translated at rates prevailing when the transactions occurred.

CHAPLEAU RESOURCES LTD.

Notes to the Financial Statements, page 2

Year ended November 15, 2003

1. Significant accounting policies (continued):

(e) Marketable securities:

Marketable securities are recorded at the lower of cost or market value.

(f) Measurement uncertainty:

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

(g) Stock-Based compensation plan:

The company has one stock-based compensation plan, which is described in note 7. No compensation expense is recognized for this plan when stock options are issued to employees, directors, or officers. Any consideration paid by employees on exercise of stock options or purchase of stock is credited to share capital. If stock or stock options are repurchased from employees, the excess of the consideration paid over the carrying amount of the stock or stock option canceled is charged to retained earnings.

(h) Income taxes:

The company follows the asset and liability method of accounting for future income taxes whereby future tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Future tax assets and liabilities are measured using enacted or substantially enacted rates expected to apply when the asset is realized or the liability settled.

CHAPLEAU RESOURCES LTD.

Notes to the Financial Statements, page 3

Year ended November 15, 2003

2. Marketable securities:

	2003		2002	
	Cost	Market Value	Cost	Market Value
Far West Mining Ltd. (2003 – 5,228,200; 2002 - 4,928,200)	\$ 2,114,870	\$ 20,128,570	\$ 1,979,412	\$ 2,020,562
Bakbone Software Inc. (2003 - nil; 2002 - 10,500)	\$ -	\$ -	\$ 18,409	\$ 9,240

The market value stated above is at November 15, 2003. At February 27, 2004, the market value was \$1.31 per share or \$6,848,942.

3. Related parties:

- (a) Investment in Far West Mining Ltd.

The company owns 5,228,200 (4,928,200-2002) common shares of Far West Mining Ltd., representing a 14% (20%-2002) interest in Far West Mining Ltd. This investment has been recorded as a marketable security due to management's intention to dispose of this investment.

- (b) The receivable from directors is supported by promissory notes which are non-interest bearing and payable on demand. The amounts were repaid in 2003.

CHAPLEAU RESOURCES LTD.

Notes to the Financial Statements, page 4

Year ended November 15, 2003

4. Mineral properties and deferred exploration costs:

Property	Balance November 15, 2002	Option payment during the year	Additions during the year	Written-off during the year	Balance November 15, 2003
Cruz, BC	\$ 540,885	\$ -	\$ 4,500	\$ -	\$ 545,385
Indian Ranch, NV	3,126,948	-	5,205	-	3,132,153
Kougarok, AK	-	77,494	63,201	140,695	-
Quartz Creek, BC	40,840	-	6,246	-	47,086
Bar 19, BC	28,579	18,750	794,488	-	841,817
Zinger, BC	1,271	20,000	634,583	-	655,854
Super Group					
Gold, BC	6,954	173,600	444,365	-	624,919
Cranbrook					
Gold, BC	-	9,000	177,049	-	186,049
Other	22,340	-	30,940	-	53,280
	\$ 3,767,817	\$ 298,844	\$2,160,577	\$ 140,695	6,086,543
Less: B.C. mining exploration tax credits claimed (note 14)					490,358
					\$ 5,596,185

Exploration:

During the year ended November 15, 2003, the company expensed \$3,184 (2002 - \$149,194) of exploration costs related to geological and geochemical work performed on mineral claims that have not been pursued.

Mineral properties and deferred exploration costs-additions:

Additions during the period	Bar 19 BC	Cranbrook Gold, BC	Zinger BC	Other	2003	2002
Drilling	\$ 684,448	\$ 3,775	\$ 402,923	\$ 16,769	\$ 1,107,915	\$ 763,922
Geochemical	28,217	32,232	103,761	185,316	349,526	12,427
Geology	81,047	54,618	126,282	204,582	466,529	186,285
Geophysics	237	880	237	791	2,145	-
Option payments	-	-	-	-	-	5,522
Staking	-	80,001	-	115,225	195,226	54,975
Trenching	-	-	251	-	251	-
Tenure payments	540	5,542	1,130	31,773	38,985	571,506
	\$ 794,489	\$ 177,048	\$ 634,584	\$ 554,456	\$ 2,160,577	\$1,594,637

CHAPLEAU RESOURCES LTD.

Notes to the Financial Statements, page 5

Year ended November 15, 2003

4. Mineral properties and deferred exploration costs (continued):

Zinger, British Columbia:

The company entered into an option agreement dated December 31, 2002 to acquire a 100% interest in the mineral claims collectively known as the Zinger mineral claim by agreeing to; issue 500,000 shares of capital stock, make cash payments of \$50,000 to the Optionor, and spend a total of \$1,000,000 on the properties at various dates prior to November 12, 2006. The company shall at any time have the right to terminate this agreement without liability therefore by giving written notice of such termination to the Optionor.

Super Group Gold, British Columbia:

The company entered into an option agreement dated December 30, 2002 to acquire an undivided 90% interest in the mineral claims collectively known as the Super Group Gold mineral claim by agreeing to; issue 2,380,000 shares of capital stock, make cash payments of \$140,000 to the Optionor, and spend a total of \$2,000,000 on the properties at various dates prior to December 30, 2005. The company shall at any time have the right to terminate this agreement without liability therefore by giving written notice of such termination to the Optionor.

Cranbrook Gold, British Columbia:

The company entered into an option agreement dated December 4, 2002 to acquire a 100% interest in the mineral claims collectively known as the Cranbrook Gold mineral claim by agreeing to; issue 10,000 shares of capital stock, make cash payments of \$3,500 to the Optionor. Both conditions had been met prior to November 15, 2003.

Cruz, British Columbia:

By an agreement dated August 16, 1995 with Wild Horse Gold Corporation, the company acquired a 60% interest in the Cruz claims situated in Fort Steele Mining Division, B.C. A total of 150,000 shares of Chapleau Resources Ltd. are to be issued to the vendor. At least \$400,000 in mining exploration expenditures in respect of the property is to be incurred, as follows;

- (a) Issue 50,000 shares upon receipt of regulatory approval (*issued*);
- (b) On or before August 16, 1996 complete a work program on the property at an approximate cost of \$100,000, and issued 100,000 shares after the first stage of the exploration program has been completed and a duly qualified engineer recommends that an additional phase of exploration be conducted (*expended, 50,000 issued*);
- (c) On or before August 16, 1997 complete an additional work program on the property at an approximate cost of \$300,000, after a duly qualified engineer recommends that an additional phase of exploration be conducted (*condition abandoned*).

CHAPLEAU RESOURCES LTD.

Notes to the Financial Statements, page 6

Year ended November 15, 2003

4. Mineral properties and deferred exploration costs (continued):

By a subsequent agreement dated October 6, 1998, the company acquired the remaining 40% interest in the Cruz claims from Wild Horse Gold Corporation. The subsequent agreement amended the conditions as follows:

- (a) Issued 50,000 shares upon receipt of regulatory approval of amended agreement (*issued*);
- (b) Issue 450,000 shares upon completion of a feasibility study recommending the property be placed into commercial production;
- (c) Issue 500,000 shares upon achieving commercial production on the property.

Indian Ranch, Nevada:

By an agreement dated May 26, 1997 and amended by an agreement dated June 18, 2001 with White Knight Resources Ltd., to allow the company to vest 40% interest in all of White Knight Gold (U.S.) (WKG(US)) Inc.'s right, title and interest as lessee of the Indian Ranch Property, subject to the rights granted to Kennecott Exploration Company Pursuant to the Indian Ranch Option Agreement dated April 1, 2001 (the "Kennecott Agreement") and the company's obligations under the Mineral Lease Agreement dated May 1, 2001, if the company meets the following conditions no later than June 25, 2001:

- (a) Pay US\$50,000 and incur exploration expenditures of US\$300,000 by May 26, 1998 (*paid and expended*);
- (b) Pay an additional US\$100,000 and incur expenditures of at least US\$600,000 on the property on or before May 26, 1999 (*paid and expended*);
- (c) Pay US\$50,000 and incur exploration expenditures of US\$300,000 by May 26, 1998 (*paid and expended*);
- (d) Pay an additional US\$100,000 and incur expenditures of at least US\$600,000 on the property on or before May 26, 1999 (*paid and expended*);
- (e) Pay an additional US\$150,000 and incur expenditures of at least US\$1,050,000 in mining exploration on the property on or before May 26, 2000 (*paid and expended*); and,
- (f) The company shall deliver a certified cheque to WKG(US) in the amount of US\$100,000 to satisfy Section 2.2(a)(iv) of the Original Agreement is hereby amended to "the sum of US\$100,000 on June 25, 2001" and incur expenditures of at least US\$1,500,000 in mining exploration on the property before May 26, 2001 (*delivered and expended*); and
- (g) The company shall deliver a certified cheque to WKG(US) in the amount of US\$7,539.16 in full payment of the invoice dated December 31, 2000 (*delivered*); and

CHAPLEAU RESOURCES LTD.

Notes to Financial Statements, page 7

Year ended November 15, 2003

4. Mineral properties and deferred exploration costs (continued):

Indian Ranch, Nevada:

- (h) The company shall execute and deliver to WKG(US) the promissory note in the amount of US\$49,678, representing final monies owed under the Squaw Creek Option Agreement (*executed and delivered*).

The parties agree to the following:

- (a) As long as both the Original Agreement and the Kennecott Agreement are in good standing, the Company will receive its proportionate interest of any option payment made by Kennecott pursuant to the Kennecott Agreement; and
- (b) In the event that Kennecott terminates the Kennecott Agreement and ceases to do further work on the Indian Ranch Property, the Company's undivided interest in the Indian Ranch Property will immediately upon such termination reduce from 40% to a 25% undivided interest; and
- (c) White Knight Resources Ltd. and the Company shall equally share the legal costs that the Operator incurs in generating the joint venture agreement described in Section 4.4(c) of the Original Agreement and the preparation of documents required to cause the company to be a party to the Mineral Lease Agreement; and
- (d) The 30 day default provision contained in Section 6 of the Original Agreement will not apply to the Conditions and should any of the conditions not be fulfilled by June 25, 2001, the Original Agreement will terminate at 5:00 p.m. on June 28, 2001 without further notice (*All conditions fulfilled by June 25, 2001*).

Bar 19, British Columbia:

By an agreement dated October 21, 2002 with Therm Exploration Ltd., to allow the company an option to purchase an undivided 70% interest in the mineral claim upon the terms and subject to the conditions contained in the option agreement.

The company has agreed to the following:

- (a) Pay \$5,000 upon execution of the agreement (*paid*);
- (b) Issue 25,000 shares upon the company receiving TSX Venture Exchange approval to the terms of this agreement; (*delivered*)
- (c) Pay an additional \$20,000, and issue an additional 50,000 shares and exploration expenditures of \$75,000 shall be incurred on the mineral claim on or before October 21, 2003; (*delivered and expended*)
- (d) Pay an additional \$30,000, and issue an additional 50,000 shares and additional exploration expenditures of \$100,000 shall be incurred on the mineral claim on or before October 21, 2004;

CHAPLEAU RESOURCES LTD.

Notes to Financial Statements, page 8

Year ended November 15, 2003

4. Mineral properties and deferred exploration costs (continued):

Bar 19, British Columbia (continued):

- (e) Pay an additional \$50,000, and issue an additional 50,000 shares and additional exploration expenditures of \$250,000 shall be incurred on the mineral claim on or before October 21, 2005; and
- (f) Pay an additional \$75,000, and additional exploration expenditures of \$275,000 shall be incurred on the mineral claim on or before October 21, 2006.

5. Equipment:

			2003		2002	
	Cost	Accumulated Amortization	Net		Net	
Equipment	\$ 55,976	\$ 34,906	\$ 21,070	\$	5,793	

CHAPLEAU RESOURCES LTD.

Notes to the Financial Statements, page 9

Year ended November 15, 2003

6. Capital stock:

(a) Common shares issued and outstanding:

	Number of Shares	Amount
Balance, beginning of year	60,370,284	\$ 24,743,815
Issued during the period ended February 15, 2003:		
For cash	3,375,000	1,250,250
For properties	35,000	19,250
Balance, February 15, 2003	63,780,284	26,013,315
Issued during the period ended May 15, 2003:		
For cash	2,110,000	1,564,750
For properties	120,000	33,600
Share issue costs (Finder's fee)	-	(31,500)
Balance, May 15, 2003	66,010,284	\$ 27,580,165
Issued during the period ended August 15, 2003:		
For cash	106,000	31,000
Balance, August 15, 2003	66,116,284	\$ 27,611,165
Issued during the period ended November 15, 2003:		
For cash	211,667	127,000
Balance, November 15, 2003	66,327,951	\$ 27,738,165

CHAPLEAU RESOURCES LTD.

Notes to the financial statements, page 10

Year ended November 15, 2003

6. Capital stock (continued):

(b) Warrants:

There are 7,387,500 warrants outstanding at November 15, 2003. 7,387,500 common shares have been reserved for the exercise of these warrants.

Number of Warrants Outstanding	Exercise Price	Expiry Date
737,500	\$ 1.45	April 1, 2004
1,400,000	\$ 0.60	July 2, 2004
250,000	\$ 0.65	August 23, 2004
5,000,000	\$ 0.50	December 2, 2004
<hr/> 7,387,500 <hr/>		

7. Stock-Based compensation plan:

At November 15, 2003, the company has one stock-based compensation plan, which is described below;

New Stock Option Plan

In accordance with the new policies of the TSX Venture Exchange regarding stock option plans, the Board of Directors of the company adopted a new stock option plan effective March 23, 2003. The company, as a Tier 1 company will now be able to grant options without vesting provisions and hold periods, provided that the grant is made at market price.

The purpose of the new plan is to allow the company to grant options to directors, officers, employees and consultants, as additional compensation. Options will be exercisable over periods of up to ten years as determined by the board of directors and are required to have an exercise price no less than the discounted market price prevailing on the day that the option is granted.

The maximum number of common shares that may be issued pursuant to options granted is 12,974,056 or such additional amounts as may be approved by shareholders of the company.

The new plan provides that the number of common shares together with all of the company's other previously established or proposed share compensation arrangements, may not exceed 20% of the total number of issued and outstanding common shares. In addition, the number of shares that may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis.

CHAPLEAU RESOURCES LTD.

Notes to the financial statements, page 11

Year ended November 15, 2003

7. Stock-Based compensation plan (continued):

(a) Stock options:

Incentive stock options for directors, officers and Service Providers are outstanding at November 15, 2003, as follows:

Number of Options	Price per Option	Expiry Date
475,000	\$ 0.51	January 2004
722,200	\$ 0.52	January 2004
190,000	\$ 0.50	October 2004
100,000	\$ 0.26	October 2004
400,000	\$ 0.65	January 2006
867,500	\$ 0.30	May 2006
500,000	\$ 0.30	August 2006
200,000	\$ 0.40	September 2006
1,125,000	\$ 0.30	October 2006
200,000	\$ 0.50	May 2007
3,440,000	\$ 0.26	November 2007
100,000	\$ 0.52	December 2007
500,000	\$ 0.65	January 2008
750,000	\$ 1.00	February 2008
596,398	\$ 0.51	April 2009
525,000	\$ 0.51	April 2009
2,000,000	\$ 0.82	May 2013
60,000	\$ 0.67	October 2013
12,751,098		

12,751,098 common shares have been reserved for the exercise of these options.

	Number of Options
Balance, November 15, 2002	11,126,098
Granted	3,410,000
Exercised	(1,221,000)
Expired	(470,000)
Cancelled	(94,000)
Balance, November 15, 2003	12,751,098

CHAPLEAU RESOURCES LTD.

Notes to the financial statements, page 12

Year ended November 15, 2003

7. Stock-Based compensation plan (continued):

(b) Stock option compensation adjustment:

The company applies the intrinsic value based method of accounting for stock-based compensation awards to employees and accordingly no compensation cost is recognized. Had stock-based compensation for 3,410,000 options granted to employees under the Plan since November 16, 2002 been determined on the basis of fair value at the date of grant in accordance with the fair value method of accounting for stock-based compensation, the company's pro forma net loss and loss per share for the year ended November 15, 2003 would have been as follows:

	Loss	Loss per share
As reported	\$ 888,959	\$ 0.014
Pro forma	\$ 2,875,255	\$ 0.044

For purposes of the above calculations, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for grants: dividend yield of 0%, risk-free interest rate of 4.5%, the option is certain to finish in the money, and expected life of 5 to 10 years.

CHAPLEAU RESOURCES LTD.

Notes to the financial statements, page 13

Year ended November 15, 2003

7. Stock-Based compensation plan (continued):

(c) Stock option compensation plan:

A summary of the status of the company's fixed stock option plan as of November 15, 2003 and 2002, and changes during the years ending on those dates is presented below:

	2003		2002	
	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price
Outstanding at beginning of year	11,126,098	\$ 0.38	8,598,598	\$ 0.45
Granted	3,410,000	0.82	4,140,000	0.29
Exercised	(1,221,000)	0.47	(566,500)	0.30
Forfeited	(564,000)	0.48	(1,046,000)	0.60
Outstanding at end of year	12,751,098	\$ 0.48	11,126,098	\$ 0.38
Options exercisable at year-end	12,751,098	\$ 0.48	11,126,098	\$ 0.38
Options outstanding and exercisable				
Range of Exercise Price	Outstanding at November 15, 2003	Weighted-average remaining contractual life	Weighted-average exercise price	
\$0.26-\$0.40	6,232,500	3.43	\$	0.28
\$0.50-\$0.52	2,808,598	2.83	\$	0.51
\$0.65-\$0.77	960,000	3.66	\$	0.65
\$0.82-\$1.00	2,750,000	2.94	\$	0.87
\$0.26-\$1.00	12,751,098	4.27	\$	0.48

CHAPLEAU RESOURCES LTD.

Notes to the financial statements, page 14

Year ended November 15, 2003

8. List of directors:

Eric Wiltzen; Jim Stypula; Allan Rella; Robert Hunziker; Serguei Soloviev and Eric Friedland.

9. Management fees:

During the year, management fees of \$180,000 were paid to two directors.

10. Financial instruments:

The company's financial instruments consist of all current assets except prepaid expenses, reclamation bond, accounts payable and accrued liabilities. It is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Fair value of financial instruments:

The carrying value of financial instruments approximates their estimated fair value unless otherwise disclosed in the financial statements.

11. Contingent liability:

The company has been named the defendant in a lawsuit and a claim against the company has been filed in the amount of \$242,000. In the opinion of management, these matters are without substantial merit and no provision has been made for them in the accounts. However, should any loss result from the resolution of this claim, such loss would be accounted for as an expenditure in the period such liability becomes likely.

12. Subsequent event:

On December 31, 2003, the company announced that a private placement of 714,285 units of capital stock had been negotiated at a price of \$0.70 per unit. Each unit consisting of one common share of the Issuer and one transferable share purchase warrant, each one warrant entitling the holder to purchase one additional share in the capital of the Issuer at a price of \$0.80 per share exercisable to December 31, 2004 and at a price of \$0.95 per share exercisable to December 31, 2005.

13. Comparative figures:

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

14. B.C. Mining Exploration Tax Credits:

The company has applied for B.C. Mining Exploration Tax Credits in the amount of \$192,679 for the years ended November 15, 2000 to November 15, 2002. A further credit of \$297,679 is being claimed for the year ended November 15, 2003. The claims have not yet been assessed and the amounts may change upon assessment.