

CHAPLEAU RESOURCES LTD.

For the period ended August 15, 2005

Unaudited – Prepared by Management

SUPPLEMENTAL INFORMATION & MANAGEMENT DISCUSSION**1. Analysis of expenses and deferred costs:**

See Consolidated Statements of Operations and Deficit to the Interim Financials in Schedule A.

2. Related party transactions:

See Note 7 to the Interim Financials in Schedule A

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

(a) Summary of securities issued during the period.

# of Common Shares	Type	Date	Price
0	N/A	N/A	N/A

(b) Summary of Options granted during period.

Optionee	Number of Options	Exercise Price	Expiry Date
Ian Gendall	1,000,000	\$0.35	August 2, 2015
Ted Urquhart	300,000	\$0.37	August 3, 2015

(c) Summary of warrants granted during period.

# of Warrants	Type	Expiry Date	Price
0	N/A	N/A	N/A

4. Summary of securities as at the end of the reporting period:*(a) Description of Shares Issued*

See Note 3 to Interim Financials in Schedule A.

(b) Common shares issued and outstanding

At August 15, 2005 there were 71,093,900 common shares of Chapleau Resources Ltd. issued and outstanding with a value of \$30,200,780.

(c) Description of warrants

See Note 5 to Interim Financials in Schedule A. No warrants were granted or expired during the quarter.

# of Warrants	Type	Expiry Date	Price
5,000,000	Private Placement	Dec.2/07	\$0.50
714,285	Private Placement	Dec.31/05	\$0.95
71,428	Agent Warrant	Dec.31/05	\$0.95
3,496,664	Private Placement	Nov.4/06	\$0.50
200,000	Property Option	Mar.6/06	\$0.35

(d) Description of options

See Note 4 to Interim Financials in Schedule A.

# of Shares	Expiry	Price
12,160,000	April 22, 2015	\$0.30
1,000,000	August 2, 2015	\$0.35
300,000	August 3, 2015	\$0.37

(e) Shares subject to escrow and pooling

Nil

5. Names of Directors and officers:

Jim Stypula/CEO&Director
 Eric Wiltzen/President&Director
 Allan Rella/Chairman&Director
 Ian Gendall/VP Exploration
 Dr. Ted Urquhart/Director
 Robert Hunziker/Director
 Paul Reinhart/Vice President

Management Discussion & Analysis

Date

This MD&A refers to material information regarding the **May 16, 2005 to August 15, 2005** third quarter of Chapleau Resources Ltd. and was prepared October 13, 2005.

Overall Performance

During the quarter, Chapleau completed an airborne survey over its La Pampa claims at a cost of \$533,511.

Subsequent to the quarter ending the 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 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 \$1,000,000US over a three year period. To date the Company has spent approximately \$625,000US 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.

FalconTM Airborne Gravity Gradiometer data has recently been successful in the identification and drilling of IOCG targets in the Far West Mining Ltd.'s (FWM TSX V) Candelaria Project, in Chile. This success in the use of FalconTM AGG data in the search for IOCG deposits further supports Chapleau's enthusiasm about the results on the La Pampa property.

During the quarter Chapleau sold 828,000 shares of Far West Mining Ltd. for a gain of \$527,484. Proceeds were used to pay for the FalconTM survey on the La Pampa claims.

At the quarter ending, the Company had cash and term deposits of \$825,490 and had liquid assets in the form of shares of Far West Mining Ltd. in the amount of \$13,820,420.

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.

Summary of Quarterly Results to August 15, 2005

Description	Year End Nov15/03 \$	Feb 15/04 \$	May 15/04 \$	Aug 15/04 \$	Year End Nov15/04 \$	Feb 15/05 \$	May 15/05 \$	Aug 15/05
Sales/Revenue	0	0	0	0	0	0	0	0
Income/(Loss)	(888,959)	(290,278)	(460,944)	(253,235)	(3,613,930)	(141,589)	(1,772,179)	(1,371,042)
Net loss per share Basic & diluted	0.014	0.004	0.007	0.00	0.050	0.002	0.010	0.02

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 period was \$1,317,042 or a \$0.02 loss per share, basic and diluted.

Total assets to August 15, 2005 were \$8,993,910.

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

Management fees of \$45,000 were paid 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 granted or exercised during the quarter. No warrants expired during the quarter.

1,300,000 options were granted during the quarter. No options were exercised during the quarter.

Chapleau Resources Ltd. issued no common shares during the quarter.

As of October 13, 2005 there were 75,533,900 shares issued and outstanding.

Subsequent Events:

On August 23, 2005, the Company closed a non-brokered private placement announced on July 20, 2005 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 announced on August 5, 2005 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.

The proceeds of the two private placements will be used to carry out mineral exploration programs in South America and for general working capital purposes.

Liquidity

Market conditions for the junior resource sector remain quiet. Management of Chapleau Resources Ltd. has demonstrated consistent ability to raise equity capital through various market conditions. At the end of the quarter, Chapleau Resources Ltd. had \$825,490 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 \$87,481 as at August 15, 2005.

Capital Resources

The only resources available to Chapleau Resources Ltd. to raise exploration funds are the equity markets.

Chapleau Resources Ltd. has no unfulfilled obligations on its properties at this time.

Off-Balance Sheet Arrangements

None

Transactions with Related Parties

See Note 7 to the Financial Statements.

Proposed transactions

None