

CHAPLEAU RESOURCES LTD.
For the period ended November 15, 2004
AUDITED

SCHEDULE B – SUPPLEMENTARY INFORMATION

1. Analysis of expenses and deferred costs:

See Consolidated Statements of Operations and Deficit to the audited year-end financials in Schedule A.

2. Related party transactions:

See Note 11 to the audited year-end financials in Schedule A

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	Exercise Options	12/17/2003	\$0.26
714,285	Private Placement	12/31/2003	\$0.70
50,000	Property Option	4/1/2004	\$0.45
50,000	Property Option	4/1/2004	\$0.45
3,496,664	Private Placement	11/4/2004	\$0.30
(20,000)	Return to Treasury	11/9/2004	N/A

(b) Summary of Options granted during year:

Optionee	Number of Options	Exercise Price	Expiry Date
Eric Wiltzen	1,000,000	\$0.67	1/29/2014
Jim Stypula	250,000	\$0.67	1/29/2014
Alan Carter	300,000	\$0.40	6/15/2014
Alan Carter	1,000,000	\$0.40	7/28/2014
Paul Reinhart	300,000	\$0.44	10/25/2014

(c) Summary of warrants granted during year:

# of Warrants	Type	Expiry Date	Price
3,496,664	Private Placement	11/4/2006	\$0.50

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 in Schedule A.

(b) Common shares issued and outstanding

At November 15, 2004 there were 70,593,900 common shares of Chapleau Resources Ltd. issued and outstanding with a value of \$29,228,840.

(c) Description of warrants

See Note 7 to the audited year-end financials in Schedule A. During the year a total of 3,496,664 warrants were granted.

(d) Description of options

See Note 6 to the audited year-end financials in Schedule A. During the year a total of 2,850,000 options were granted.

(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
Robert Hunziker/Director
Paul Reinhart/Vice President
Serguei Soloviev/Director

Management Discussion & Analysis

1.1 Date

This MD&A refers to material information regarding the **November 16, 2003 to November 15, 2004** financial year of Chapleau Resources Ltd. and was prepared March 22, 2005.

1.2 Overall Performance

During the year ended November 15, 2004 the Company spent \$314,773 on its exploration activities.

\$72,362 was spent on the Super Group Gold project for sampling, assaying and geochemistry;

\$44,050 was spent on the Zinger claims for sampling, assaying and road construction;

\$67,070 was spent on the La Pampa project in Argentina for analysis and interpretation of geophysical data;

\$89,014 was spent on acquiring claims, by staking in the Horsefly, B.C. region. The claims were staked based on the analysis of government airborne surveys and their proximity to a significant new Cu porphyry discovery in the area.

During the year the Company wrote off \$1,811,088 on properties where exploration results determined that no economic minerals were present. This included \$841,817 on the Bar project, \$683,281 on the Super Group project, and \$204,132 on the Cranbrook Gold project.

Wages and employee benefits were reduced by \$43,836 due to limited fieldwork during the year.

Chapleau received \$297,046 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 November 4, 2004, the Company completed a private placement for total gross proceeds of \$1,049,000. The Company issued 3,496,664 Units at a price of \$0.30 per Unit. Each Unit consisted of one common share and one transferable share purchase warrant. Each one warrant entitles the holder to purchase on additional share at a price of \$0.50 per share until November 4, 2006. The Company paid a finder's fee of \$2,325 and a financing fee of \$7,500 for net proceeds of \$1,039,175.

At the year-end the Company had cash and term deposits of \$645,514 and had liquid assets in the form of shares of Far West Mining (FWM: TSX - Venture) in the amount of \$9,531,360.

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. 15/04	(3,613,930)	\$0	\$0.050	\$8,133,256	Nil	Nil
Nov. 15/03	(\$3,075,858)	\$0	\$0.050	\$8,739,871	Nil	Nil
Nov. 15/02	(\$2,598,576)	\$0	\$0.040	\$6,453,934	Nil	Nil
Nov. 15/01	(\$1,535,490)	\$0	\$0.030	\$6,795,181	Nil	Nil

There were no significant variations in assets year over year.

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, 2004

Description	Feb 15/03 \$	May 15/03 \$	Aug 15/03 \$	Year End Nov15/03 \$	Feb 15/04 \$	May 15/04 \$	Aug 15/04 \$	Year End Nov15/04 \$
Sales/Revenue	0	0	0	0	0	0	0	0
Income/(Loss)	(287,810)	(616,553)	(261,975)	(3,075,858)	(290,278)	(460,944)	(253,235)	(3,613,930)
Net loss per share Basic & diluted	0.005	0.010	0.040	0.050	0.004	0.007	0.00	0.050

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 \$3,613,930 or a \$0.05 loss per share, basic and diluted.

Total assets to November 15, 2004 were \$8,133,256.

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 there were 25,000 stock options exercised at a price of \$0.26 per share.

Chapleau Resources Ltd. issued 4,265,949 common shares during the year.

During the year, Chapleau Resources Ltd. issued 3,496,664 warrants to purchase one common share of the company which are exercisable until November 4, 2006 at a price of \$0.50 per share.

As of November 15, 2004 there were 70,593,900 shares issued and outstanding with a value of \$29,228,840.

Subsequent to the year ending Chapleau announced:

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 2,350,000 shares in the capital stock of Chapleau Resources Ltd. over a period of 4 years;
- ii) 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-transferrable 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.

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-transferrable share purchase warrant exercisable for one year at \$0.34.

The Company is currently renegotiating its option agreement with BHP Billiton World Exploration Inc. The agreement's first anniversary benchmarks will be extended. On November 30, 2004, mining rights applications were made at Mendoza and La Pampa Mines Departments on behalf of Minera Chapleau Argentina S.A.

1.6 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 year, Chapleau Resources Ltd. had \$645,514 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 \$144,925 as at November 15, 2004.

On November 4, 2004, Chapleau announced it had completed a private placement in its capital stock of 3,946,664 units at \$0.30/unit. Each unit will consist of one (1) share and one (1) two-year warrant. The warrants are exercisable in the first year at a price of \$0.50 per share and in the second year at a price of \$0.50 per share. A portion of the private placement is subject to a finder's fee in accordance with the policies of the TSX Venture Exchange. Chapleau will use the proceeds for general working capital purposes and to carry out mineral exploration programs.

1.7 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.

1.8 Off-Balance Sheet Arrangements

None

1.9 Transactions with Related Parties

There are no related party transactions.

1.10 Fourth Quarter

\$89,014 was spent on acquiring claims, by staking in the Horsefly, B.C. region. The claims were staked based on the analysis of government airborne surveys and their proximity to a significant new Cu porphyry discovery in the area.

During the 4th quarter the Company staked a significant new land position in Mendoza and La Pampa Provinces in Argentina. The land was acquired based on analysis of airborne geophysical data. The claims increase the Company's land position to over 2500 sq. km. and will be added to the option agreement with (BHPB).

The Company has agreed to fly a Falcon™ airborne survey over the entire claim blocks and it is anticipated to commence in April 2005. Permits have been received from the Argentine government to conduct the survey.

On November 4, 2004, the Company completed a private placement for total gross proceeds of \$1,049,000. The Company issued 3,496,664 Units at a price of \$0.30 per Unit. Each Unit consisted of one common share and one transferable share purchase warrant. Each one warrant entitles the holder to purchase on additional share at a price of \$0.50 per share until November 4, 2006. The Company paid a finder's fee of \$2,325 and a financing fee of \$7,500 for net proceeds of \$1,039,175.

The Company applied for BC Mining Exploration Tax Credits in the amount of \$222,818.

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 15/04 the Management of the Company focused their efforts on the acquisition of new projects in South America. The Company expanded its project in La Pampa, Argentina, and acquired a new project through a joint venture with Teck Cominco in Argentina.

The Company optioned a Gold project in Bolivia, and a Manganese-Copper property in Chile.

Subject to management's continuing ability to raise equity capital we expect to conduct drilling programs on all of the Company's South American projects during 2005.

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: 70,593,900 issued at November 15, 2004. Additional information relating to the Company including its AIF is available on SEDAR @ www.sedar.com.