

MURGOR RESOURCES INC.
INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED JANUARY 31, 2005

STATEMENT CONCERNING THE INTERIM FINANCIAL STATEMENTS

Management has compiled the unaudited interim financial statements as at January 31, 2005 and for the three-month and nine-month periods ended January 31, 2005 and 2004. The statements have not been audited or reviewed by the company's auditors or any other firm of chartered accountants.

MANAGEMENT'S DISCUSSION AND ANALYSIS AS AT MARCH 25, 2005

The following management's discussion and analysis ("MD&A") of the results of operations and financial condition of Murgor Resources Inc. ("Murgor" or the "Company") for the three-month period and nine-month periods ended January 31, 2005 should be read in conjunction with the Company's audited financial statements and the related notes. The financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada.

FORWARD LOOKING STATEMENTS

Except for historical information, this contains forward-looking statements relating to, among other things, regulatory compliance, and the sufficiency of current working capital, the estimated cost and availability of funding for the acquisition of properties and the continued exploration and development thereof. Such statements reflect current views of Murgor with respect to future events and are subject to certain risks, uncertainties and assumptions. Estimates provided for fiscal 2005 and beyond are based on assumptions of future events and actual results could vary significantly from these estimates. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the company.

OVERVIEW

Murgor is a junior mining exploration company actively exploring several highly prospective gold, Cu-Zn and Cu-Ni-PGE properties at various stages of exploration in Quebec, Ontario and New Brunswick. The Company counters the need to continuously adjust to short term financial market fluctuations through the implementation of a mid to long term gold exploration and development strategy. This strategy focuses on acquiring low cost prospective gold and base metal properties in favourable geologic environments and progressively moving them to advanced exploration stages and beyond. This value-added progression is achieved through the innovative use of proven and cost efficient exploration technologies. Once properties have been moved successfully to advanced stages of exploration, a strategic joint venture partner is sought, to lever the Company's interest and finance further diamond drilling programs.

The Company's shares are listed for trading on the TSX Venture Exchange under the trading symbol MUG. Additional information on the Company can be found on SEDAR (www.sedar.com) and on Murgor's web site (www.murgor.com).

MINING PROPERTIES

Since the date of Murgor's last quarterly report, at the end of December 2004, the Corporation was active on 6 exploration properties in Quebec and Ontario: the Windfall, Barry, Eagle River, Fancamp and La Treve II properties in Quebec, and the Mystery property in Ontario.

QUEBEC

THE BARRY-URBAN PROJECTS

The Barry- Urban Gold Projects are located approximately 100 km east of the town of Lebel-Sur-Quévillon and 180 km southwest of the town of Chibougamau in the Province of Québec. The Barry-Urban Gold Projects are made up of three (3) properties within a radius of twenty (20) km at the eastern end of the Archean Abitibi Greenstone Belt.

Together, the Barry, Windfall and Eagle River properties total 638 claims that cover more than 24,553 hectares (245 square km) of the most prospective ground of the Urban-Barry Greenstone Belt.

THE BARRY GOLD PROPERTY

The Barry Property covers the Barry Gold Prospect (estimated at 610,000t at a grade of 7.0 g/t Au), along with approximately 11 km of strike length of the prospective Murgor shear zone. The Murgor Shear Zone hosts the Barry deposit.

In mid-March of 2005, Murgor completed a single drill hole (275 meters length) testing a Real Section Induced Polarization anomaly on the Murgor shear zone 1.4 km NW of the Barry Deposit. Assay results are still pending for this drill hole.

Osisko's Progress on the Barry Gold Deposit

At the Barry deposit Osisko Exploration completed a fourth phase of drilling in an effort to define additional near-surface gold resources. Osisko has not yet released the results from this phase of drilling. Five (5) claims of the property have been under option with Osisko Exploration Ltd since May 03, 2004.

THE WINDFALL GOLD PROPERTY

Exploration intensified at the Windfall Property with over 5,000 meters of drilling since January 17th, when Murgor resumed work in 2005. To date, Murgor has completed 44 drill holes totaling in excess of 7,000 meters of drilling on the Windfall property since November 2004, and drilling is ongoing.

The objective of the drilling at this point is to continue the property-scale reconnaissance drilling of untested geophysical and geological targets while defining the extent of three new gold zones on the property: the F-11, F-17 and F-51 Gold Zones. As reported in two Press Releases dated March 4th and 15th 2005, results to date are as follows:

DDH	LINE	STN	AZ	DIP	L. (m)	ZONE	FROM	TO	BEST RESULT
04-01	17+00 W	14+10 N	360	-50	188	?			NSR
04-02	11+50 W	12+00 N	330	-50	122	F-11	85.00	85.00	1.54 g/t Au over 50 cm
						F-11	90.50	94.00	8.34 g/t Au over 3.5 m
						F-11	99.00	100.00	2.59 g/t Au over 1.0 m
04-03	10+15 W	13+30 N	330	-50	116	F-11?	47.50	48.50	1.13 g/t Au over 1.0 m
						F-11	114.00	EOH	3.78 g/t Au over >2.0 m
04-04	11+70 W	12+35 N	330	-50	107			NSR	
04-05	9+50 W	L8+00 N	330	-50	230		140.00	141.00	2.41 g/t Au over 1.0 m
04-06	8+50 W	9+50 N	330	-50	207	F-17 Lower	89.00	104.00	2.31 g/t Au over 15.0 m
						F-17 Lower	92.00	96.70	incl. 5.12 g/t Au over 4.7 m
04-07	4+00 W	9+35 N	330	-50	221	F-32			NSR
04-08	2+80 W	9+00 N	330	-50	302	F-49			NSR
04-09	1+00 W	12+65 N	330	-50	182	F-51W	150.50	156.50	3.29 g/t Au over 6.0 m
04-10	3+00 E	10+60 N	330	-50	171	F-60	46.00	48.00	2.56 g/t Au over 2.0 m
						F-60	77.00	78.00	1.50 g/t Au over 1.0 m
04-11	3+30 E	15+30 N	330	-50	170	F-61			NSR
05-12	1+15 W	12+90 N	330	-50	162	F-51	68.00	69.00	1.37 g/t Au over 1.0 m
05-13	1+32 W	12+70 N	325	-50	194	F-51W	128.00	141.00	2.44 g/t Au over 13.0 m
							132.50	140.00	incl. 3.89 g/t Au over 7.5 m
							146.00	147.00	3.90 g/t Au over 1.0 m
							155.00	157.00	1.63 g/t Au over 2.0 m
						165.00	166.00	1.31 g/t Au over 1.0 m	
05-14	0+60 W	12+46 N	330	-50	290	F-51E			NSR
05-15	0+81 W	12+82 N	330	-50	173	F-51E	152.50	153.00	1.22 g/t Au over 50 cm
05-16	1+82 W	12+57 N	330	-50	182	F-51W	98.50	101.50	8.03 g/t Au over 3.0 m
05-17	1+16 W	12+57 N	330	-50	290	F-51E	98.00	98.50	1.64 g/t Au over 50 cm
							272.50	274.00	1.35 g/t Au over 1.5 m
05-18	2+00 E	15+15 N	180	-50	176	F-59			NSR

05-19	8+80 W	10+16 N	150	-50	197	F-17 Upper	30.00	31.00	59.07 g/t Au over 1.0 m
05-20	8+55 W	9+73 N	330	-50	150	F-17 Upper	18.00	29.00	10.46 g/t Au over 11.0 m
05-21	8+59 W	9+81 N	330	-70	233	F-17 Upper	13.00	18.00	9.99 g/t Au over 4.0 m
						F-17 Shear	23.00	25.00	2.03 g/t Au over 2.0 m
						F-17 Lower	79.00	90.00	9.32 g/t Au over 11 m
05-22	8+78 W	9+88 N	150	-70	65	F-17 Upper	23.00	26.00	16.56 g/t Au over 3.0 m
						F-17 Shear?	61.00	62.00	1.54 g/t Au over 1.0 m
						F-17 Lower			need to deepen hole
05-23	10+00 W	9+00 N	150	-70	110			NSR	
05-24	8+57 W	10+00 N	150	-50	44	F-17 Upper	11.00	14.00	2.79 g/t Au over 3.0 m
05-25	9+87 W	8+78 N	150	-50	62			NSR	
05-26	10+12 W	9+22 N	150	-50	92	F-17 Shear	38.00	39.00	2.58 g/t Au over 1.0 m
05-27	8+57 W	10+00 N	150	-85	127	F-17 Upper	31.00	32.00	1.17 g/t Au over 1.0 m
						F-17 Upper	39.00	40.00	1.34 g/t Au over 1.0 m
05-28	11+00 W	8+90 N	150	-50	112	F-17 Shear	47.00	49.00	21.65 g/t Au over 2.0 m
05-29	11+80 W	8+40 N	150	-50	89	F-17 Shear			NSR
05-30	12+42 W	13+56 N	130	-50	167	F-11?	15.00	18.00	1.13 g/t Au over 3.0 m
						F-11	69.00	86.00	11.91 g/t Au over 17.0 m
						F-11?	92.00	92.50	1.28 g/t Au over 50 cm

Drilling by Murgor and joint venture partner Freewest is expected to continue at the Windfall property until spring breakup. During the summer of 2005, additional surface trenching, detailed geological mapping and geophysical surveys are planned.

THE EAGLE RIVER GOLD-COPPER-ZINC PROPERTY

At the Eagle River Property, Murgor resumed its drilling program on January 24th (the program had started in late November of 2004). Seven drill holes were completed (totaling 1,034 meters), testing the NE part of the property where a gold-bearing, NE-trending structure is interpreted from geophysics, cross-cutting a magnetic granodiorite. Although not every drill hole reached their respective targets, the program was successful at outlining the NE-trending structure. The magnetic low signature of the structure appears to be due to hematization, epidotization and chloritization of the magnetic granodiorite along an intense brittle fault. Best assays returned 6.0 g/t Ag over 2.0 meters. This part of the property is being evaluated before additional exploration work is conducted.

On the southern portion of the Eagle River Property an extensive exploration program is underway to follow-up on the helicopter-borne Magnetic-EM survey of 2004. Line cutting was completed (approximately 150 kilometers on six grids) in mid-February and was followed by horizontal loop ground EM surveys (HLEM) in March (report pending). The objective of this program, on the southern part of the property is to locate possible Cu-Zn Volcanogenic Massive Sulfide mineralization while exploring the gold potential of the area.

These programs will be followed by a property-scale exploration program in the summer of 2005 including geological mapping, prospecting, lithogeochemical sampling, mechanical trenching and possible follow-up geophysics. Drilling is planned for the fall or winter 2005-06 (depending on ground conditions).

FANCAMP GOLD PROPERTY:

Murgor has resumed exploration at the Fancamp Property after a hiatus of nearly 10 years. Through recent staking, the Fancamp Property now covers a 6 kilometer strike length of the Fancamp Shear Zone. The Fancamp property lies 5 kilometers SW and on strike with the Chevrier (1.1Mt @ 6.4 g/t Au) and the Chevrier South (230 MT @ 0.3 g/t Au) deposits. In the mid-80's, Murgor conducted extensive exploration on the property that concentrated on two mineralized zones and included modest underground developments. This work yielded results such as 6.10 m. @ 8.22 g/t Au, 3.36 m. @ 5.14 g/t Au and 3.05 m. @ 4.60 g/t Au.

In January, a 250 line kilometer GPS oriented ground magnetic survey was completed on the Fancamp Property and planning is underway for a summer exploration program.

Murgor is planning to re-evaluate the Fancamp with the improved technologies that are currently at its disposal. The latest geophysical survey on the property dates from 1988 and focused only on the mineralized occurrences that were discovered early in the exploration history of the property.

THE LA TRÈVE PGE-Cu-Ni PROPERTY

The La Trève PGE-Cu-Ni Properties consist of 394 claims that cover 7,919 hectares in the Bery, Lantagnac, Guettard and Daine Townships, approximately 80km WNW of the Chibougamau Mining District in northwestern Quebec.

At the La Treve II property, a 20 kilometer grid was cut in late February, followed by a HLEM geophysical survey in early March. The objective of the survey was to follow-up on an airborne EM anomaly that coincides with a PGE-Au-Ni-Cu-Co-Cr-Mg-S vegetation geochemical anomaly on strike with showings of 1.19 g/t PGE, 0.57% Cu and 0.25% Ni, and 0.62% Cu, 0.34% Ni and 135 ppb Au. Geophysical interpretation report is pending but surface trenching is planned for the summer.

At the La Treve I and IV properties, a 40 line-kilometer induced polarization survey, completed in September 2004, outlined a number of high priority chargeability anomalies with seven (7) anomalies delineating the extensions of the La Trève I and I-A, and La Trève IV PGE-Cu-Ni occurrences.

Murgor is currently coordinating with Dianor Resources Inc. to share mobilization costs for a drill. Dianor has been conducting diamond exploration work on the properties since August 2005 and have defined several targets that need testing (please see the Dianor website at www.dianor.com for further details). Under the terms of an agreement with Dianor, Murgor retains 100% interest in all commodities of the La Treve Property while Dianor holds the rights to Diamonds (Murgor retains a royalty).

In the summer 2004, Murgor conducted an exploration program at La Treve and delineated several drill targets that will be tested at the same time as the Dianor targets.

ONTARIO

THE MISHIBISHU GOLD PROPERTY

The Mishibishu property consists of 114 mining claim units that cover 4,560 acres in northwestern Ontario, 50 kilometres west of the town of Wawa and 10 kilometres north of Lake Superior.

The property hosts numerous gold occurrences that include:

- The Marten Zone, which sits at the heart of the property, where drilling and trenching uncovered significant gold mineralization over a strike length of 300m (drill intercept of up to 5.05 g/t Au over 7.45 m), and
- The Dorset Zone, which sits immediately to the north of the property and locally straddles the property boundary over a strike length of 2 kilometers. Drill results at Dorset include 3.74 g/t Au over a true width of 21.53 m, 3.02 g/t Au over 5.92 m, and 5.23 g/t Au over 3.70 m in three separate drill holes. Although the Dorset Zone generally lies just outside of the property boundaries, its east and west strike extensions lie within the property.

Mechanical trenching, detail mapping and channel sampling programs were completed in November 2004 following a property-scale reconnaissance program of geological mapping and prospecting in the summer of 2004. Results were as follows:

OCCURRENCES OF ANOMALIES #26, #27 AND #33:

Trenching has showed that the induced polarization geophysical data needs to be reinterpreted since the anomalies do not show the predicted trends. To date, the anomalies appear to be responding to NW- and NE-trending shear zones of up to 2m wide with disseminated pyrite-arsenopyrite. Best assay result to date is 0.95 g/t Au over 2.20m. Follow-up ground geophysics is planned for early 2005 and a structural study is planned for next summer.

THE WALK-OUT AND BB VEIN OCCURRENCES:

The Walk-Out and BB vein occurrences represent the most westerly know extension of the Marten Zone, some 400m west of the nearest drill hole on the Marten Zone. The vein has now been exposed through this phase of mechanical trenching and best channel sampling returned: 5.65m @ 1.23 g/t Au on the BB

occurrence and 10.0m @ 1.08 g/t Au at the Walk Out occurrence. The structure consists of a 12 meter wide, sub-vertical shear zone with up to 70% quartz-vein material. Quartz veins and sheared rocks contain up to 5% disseminated pyrite and arsenopyrite.

Drilling was planned for the fall-winter of 2004 but drill availability and costs has forced Murgor to delay drilling to 2005.

Murgor is currently planning an extensive exploration program of airborne mag-EM, geological mapping, prospecting, ground Induced Polarization geophysical surveys, mechanical trenching and drilling that will start in the spring of 2005.

THE MYSTERY GOLD PROPERTY

The Mystery property consists of 32 mining claim units that cover 1,280 acres in Moss Township, 120 kilometres west of the town of Thunder Bay, northwestern Ontario. In October of 2004, Murgor also optioned 4 claims (2,560 acres) from Noront Resources that are contiguous with Murgor's 100% owned Mystery Property to the northeast. Murgor can acquire up to 60% interest of these claims.

The Properties are located in the Shebandowan Belt and cover a strike length of approximately 3.5 kilometres of the northeast extension of the La Rose Shear Zone where Freewest Resources Canada Inc. has intermittently exposed a mineralized corridor over a 4 kilometre strike length (see news in Stockwatch on August 06, 2004). To date, Freewest has highlighted six (6) gold occurrences within this section of the La Rose shear Zone with best values of 8.80, 64.87, 371.94, 10.15, 3.87, 62.93 and 13.39 grams per ton Gold in grab samples (see news in Stockwatch on August 06, 2004).

At the Mystery Property, a 30 line kilometers induced polarization geophysical survey was completed shortly before the end of December 2004 and the interpretation of this survey was completed in early February 2005. Several high chargeability anomalies were defined, locally coinciding with gold in soil anomalies. These targets will be explored in further detail through mechanical trenching in the summer of 2005. Furthermore, airborne mag-EM, geological mapping, prospecting and ground Induced Polarization geophysical surveys are planned to start in the spring of 2005. Additional line-cutting and geophysics is also scheduled for this winter, followed by a property-scale exploration program in the summer 2005.

NEW BRUNSWICK

THE MOUNT PLEASANT GOLD PROPERTY

The 100% Murgor owned Mount Pleasant Gold Property consists of 47 claims (752 hectares), which are located 70 kilometres south of the city of Fredericton, in south-western New Brunswick. The property covers the same favourable geological setting as the Clarence Stream Gold Deposit, 10 kilometres to the west.

At the Mount Pleasant Gold Property, interpretation of the soil geochemical survey was completed in early November and shows very few anomalous gold samples. The data is currently being reviewed and will be incorporated in the multi-disciplinary exploration programs conducted in the past, for evaluation.

RESULTS OF OPERATIONS

Three-month period ended January 31, 2005 compared with three-month period ended January 31, 2004

For the three month ended January 31, 2005, the Corporation reported a net loss of \$38,301 or \$0.0008 per share, compared to a loss of \$12,315 or \$0.0005 per share in the same period of 2004.

Revenue totaled \$20,156 at January 31, 2005 as compared to \$37,483 at January 31, 2004. While interest income increased by \$2,936, as a result of the funds on deposit from the equity financings and operator's fees charged for project administration increased by \$14,412, they were offset by a decrease of \$34,275 in the tax credit refund of certain Quebec exploration expenditures not renounced to private equity investors during the three-month period ended January 31, 2005 when compared with the three-month period ended January 31, 2004. Bank charges totaled \$400 compared to \$Nil (January 31, 2004).

The net loss for the three-month period included a write-off due to abandonment of properties of \$14,137 (\$24,687 – January 31, 2004). Expenses excluding the write-off due to abandonment of properties totaled \$44,320 compared to \$25,111 for the three-month period ended January 31, 2004. The increase of \$19,209 in operating expenses over the similar period in 2004 was related directly to increased corporate activity. Professional and accounting fees totaled \$13,486 for the three-month period ended January 31, 2005 compared to \$6,741 for the three-month period ended January 31, 2004 and was related to an increase in professional services provided during the period and estimated year-end accruals. Administration expenses and other were higher due to the shared office and related expenses and Directors and Officers Liability insurance expenses. Filing costs and shareholders' information for the three-month period ended January 31, 2005 totaled \$25,663 compared to \$12,782 for the three-month period ended January 31, 2004. The increase of \$12,881 related to increased advertising, promotion, and public relation costs due to increased corporate activity, higher regulatory fees and costs of the preparation and issuance of the Company's shareholders' information. Interest expenses for the three-month period ended January 31, 2005 was \$Nil compared to \$2,193 for the three-month period ended January 31, 2004.

Nine-month period ended January 31, 2005 compared with nine-month period ended January 31, 2004

For the nine-month ended January 31, 2005, the Corporation reported a net loss of \$145,764 (\$83,088 – January 31, 2004). Revenue totaled \$32,104 at January 31, 2005 as compared to a \$37,415 at January 31, 2004. The net decrease of \$5,311 was as a result of a reduction of \$34,275 in the tax credit refund of certain Quebec exploration expenditures not renounced to private equity investors offset by \$28,964 in increases in interest income on bank balances and in operator's fees charged for project administration.

The net loss for the nine-month period included a write-off due to abandonment of properties of \$36,325 (\$40,724 – January 31, 2004). Expenses excluding the write-off due to abandonment of properties totaled \$141,543 (\$79,779 – January 31, 2004). Administration expenses and other of \$17,056 increased by \$12,933 (\$4,123 – January 31, 2004) and consisted of \$7,649 for shared office and related expenses and \$5,284 for Directors and Officers Liability insurance. Filing costs and shareholders' information was \$62,563 as compared to \$29,881 (January 31, 2004). The increase of \$32,682 was made up of \$23,188 in advertising, promotion, public relation costs and conference participation related to increased activity of the company; \$1,098 due to higher filing and regulatory fees and an \$8,396 regarding the preparation and dissemination of quarterly and annual reporting documentation. Marketable securities are carried at the lower of cost and market. As at January 31, 2005 the market value of the underlying securities of \$29,700 was higher than its cost of \$26,100. For the nine-month period ended January 31, 2004, marketable securities were written down by \$2,000. The compensation cost related to the granting of stock options was recognized in Deferred Exploration expenses \$43,500 (\$NIL – January 31, 2004) and \$15,000 (\$NIL – January 31, 2004) in Administration expenses as Stock option compensation.

SUMMARY OF QUARTERLY RESULTS

The following table presents unaudited selected financial information for nine of the most recently completed financial quarters:

	2005			2004				2003	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	20,156	5,697	6,251	8,117	37,415	(30)	(38)	(357)	37
Net loss	(38,301)	(82,830)	(24,633)	(192,271)	(12,313)	(40,201)	(30,572)	(82,667)	(27,820)
Net loss per share – basic & diluted	(0.0008)	(0.0018)	(0.0006)	(0.0057)	(0.0005)	(0.0015)	(0.0012)	(0.0031)	(0.0011)

The Company has no dividend policy and has no intention of developing a dividend policy in the foreseeable future. The Company has paid no dividends and has no retained earnings from which it might pay dividends.

LIQUIDITY

Nine-month period ended January 31, 2005 compared with nine-month period ended January 31, 2004

As at January 31, 2005, the Company maintained a cash and equivalent position of \$1,695,876 (\$1,261,715 as at January 31, 2004) and working capital of \$1,932,864 as compared to a working capital of \$944,171 as at January 31, 2004. The Corporation has no long-term debt. Management is of the opinion that the current cash position is sufficient to meet current commitments. Full development of some mineral properties would require substantially more financial resources. Traditionally, the Corporation has been able to rely on its ability to raise financing in public and private negotiated equity offerings. The Corporation may also advance the development of mineral properties through joint-venture participation.

Murgor raised a total \$1,556,760 through two (2) private placements (\$846,891 flow-through amount and \$709,869 in common shares amount) compared to \$1,678,098 through four (4) private placements including a placement by the Directors of the company (\$1,254,000 flow-through amount and \$437,598 in common shares amount) for the nine-month period ended January 31, 2004. Issue costs related to the financings totaled \$114,684 at January 31, 2005 as compared to \$174,265 at January 31, 2004. A total of \$323,827 was raised through the exercise of warrants as compared to \$Nil as at January 31, 2004. During the nine-month period ended January 31, 2004, the Corporation issued 200,000 common shares in settlement of a \$20,000 debt to a director and issued 1,290,708 common shares to Freewest Resources Canada Inc. in payment of a debt totaling \$154,885. This debt had been incurred since 1999 for shared office space and related expenses as well as for joint venture exploration expenditures.

MINING PROPERTIES AND DEFERRED COSTS

	April 30, 2004	Expenditures	Proceeds from option agreements	(Write-off)	January 31, 2005
	\$	\$	\$	\$	\$
Quebec					
Fancamp Township					
Acquisition	35,252	874	-	-	36,126
Exploration	1,536,244	1,049	-	-	1,537,293
Benoist Township					
Acquisition	30,183	564	-	-	30,747
Exploration	849,992	4	-	-	849,996
Barry Township					
Acquisition	512,816	2,309	(138,600)	-	376,525
Exploration	1,736,829	16,856	-	-	1,753,685
Urban Township					
Acquisition	71,351	13,007	-	-	84,358
Exploration	486,386	366,110	-	-	852,496

MINING PROPERTIES AND DEFERRED COSTS (Cont'd)

	April 30, 2004	Expenditures	Proceeds from option agreements	(Write-off)	January 31, 2005
	\$	\$	\$	\$	\$
Quebec (cont'd)					
La Treve					
Acquisition	128,918	5,764	-	-	134,682
Exploration	218,702	69,299	-	-	288,001
Riviere de L' Aigle					
Acquisition	4,909	3,088	-	-	7,997
Exploration	33,484	150,697	-	-	184,181
Others					
Acquisition	5,440	-	-	-	5,440
Exploration	13,106	15,035	-	(15,035)	13,106
	5,663,612	644,656	(138,600)	(15,035)	6,154,633
Ontario					
Mishibishu Township					
Acquisition	68,329	-	-	-	68,329
Exploration	61,590	94,200	-	-	155,790
Mystery					
Acquisition	2,400	5,000	-	-	7,400
Exploration	604	79,334	-	-	79,938
Others	-	-			
Acquisition	-	-	-	-	-
Exploration		11,667	-	(11,667)	-
	132,923	190,201	-	(11,667)	311,457
New Brunswick					
Mount Pleasant					
Acquisition	8,027	688	-	-	8,715
Exploration	55,889	18,204	-	-	74,093
Other					
Acquisition	-	-	-	-	-
Exploration	-	6,590	-	(6,590)	-
	63,916	25,482	-	(6,590)	82,808
Canadian Properties	5,860,451	860,339	(138,600)	(33,292)	6,548,898
Foreign Property					
Mexico					
Acquisition	-	-	-	-	-
Exploration	-	3,032	-	(3,032)	-
		3,032	-	(3,032)	-

MINING PROPERTIES AND DEFERRED COSTS (Cont'd)

	April 30, 2004	Expenditures	Proceeds from option agreements	(Write-off)	January 31, 2005
	\$	\$	\$	\$	\$
Stock Option Compensation	-	43,500	-	-	43,500
	5,860,451	906,871	(138,600)	(36,324)	6,592,398

For the nine-month period ended January 31, 2005, the Corporation incurred exploration expenditures totaling \$832,077 of which \$619,050 was incurred in Quebec; \$185,201 in Ontario; \$24,794 in New Brunswick and \$3,032 in Mexico. With the exception of the exploration expenditures incurred in Mexico, the exploration expenditures incurred in Canada were funded through the amount raised from Murgor's private placement equity financings.

RELATED PARTY TRANSACTIONS

All related party transactions are in normal course of operations and are measured at the exchange value which is the amount of consideration established and agreed to by the related parties.

- (i) Prepaid expenses include an amount of \$17,668 representing advances to the President for professional services in his capacity as consulting geologist and qualified person and \$4,000 representing an advance to a Director for upcoming office and exploration expenditures.
- (ii) Certain directors of the Corporation are also shareholders and directors of related corporations. The related corporations charged an aggregate amount of \$38,163 (2004 - \$4,248) for administrative costs and services, shared office expenses and exploration expenditures.
- (iii) Due to (from) related corporations significantly represent the net amount of charges for shared office and related expenses, as well as joint venture exploration expenditures between Murgor Resources Inc. and Freewest Resources Canada Inc..

Three directors and shareholders of the Corporation are also directors, officers and shareholders of Freewest Resources Canada Inc..

- (iv) Amounts due to (from) related parties are non-interest bearing with no specific terms of repayment.
- (v) \$54,000 (2004 - \$26,000) represents the remuneration to the President in his capacity as consulting geologist and qualified person.

STOCK OPTION PLAN

On October 29, 2004, the 2004 Stock Option Plan (the "2004" Plan) was approved at the annual shareholders meeting. Among the objectives of the 2004 Plan is to provide directors, officers and employees of, and service providers to, the Corporation with a proprietary interest through the granting of options to purchase common shares of the Corporation. The 2004 Plan is also intended to increase the interest in the Corporation's welfare of those directors, officers, employees and service providers who share primary responsibility for the management, growth and protection of the business of the Corporation, to furnish an incentive to such directors, officers, employees and service providers to continue their services for the Corporation and to provide a means through which the Corporation may attract persons to enter its employment.

Under the 2004 Plan, the Board of Directors of the Corporation may by resolution grant options to directors, officers, employees of and service providers to, the Corporation, provided that the total number of shares issued under the 2004 Plan does not exceed 4,000,000. The total number of shares which may be issued under the 2004 Plan represents approximately 8.8% of the Corporation's currently issued and outstanding shares. The Corporation expects to grant options under the 2004

Plan over a period of several years. At present, there are options outstanding in respect of 4,686,593 common shares under the 1996 Plan, and options may be granted in respect of an additional 9,781 common shares under the 1996 Plan. The Corporation may continue to grant options under the 1996 Plan even after shareholder and regulatory approval is obtained for the 2004 Plan.

The Corporation granted on September 8, 2004, 250,000 stock options to a consultant at an exercise price of \$0.135 expiring on September 8, 2006 and a total of 100,000 stock options on September 9, 2004 to three consultants at an exercise price of \$0.10 expiring on September 9, 2006. On December 14, 2004, the Corporation granted 300,000 stock options to an officer of the Company at an exercise price of \$0.15 expiring on December 14, 2009.

CRITICAL ACCOUNTING POLICIES

The Company prepares its financial statements in conformity with Generally Accepted Accounting Principles (“GAAP”) in Canada. The Company details its significant accounting policies in Note 2 to its audited financial statements, of which the Murgor has identified the following accounting policies, which are believed to be the most critical in fully understanding and evaluating the reported financial results:

The cost of mining properties and deferred costs are capitalized until the results of the projects are known. If a project is successful, the related expenditures will be amortized over a period of years pro-rata to anticipated income.

If a project is abandoned or if a permanent drop in value for a property is recognized, the related expenditures will be written off. A sale of an interest in claims is credited directly to expenditures until such time as all related expenditures are recovered. Direct costs incurred to maintain claims are capitalized.

CHANGES IN ACCOUNTING POLICIES

Effective May 1, 2003, the Company adopted prospectively the recommendations of the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3870, Stock-based Compensation and other Stock-Based Payments and began expensing prospectively its stock-based compensation. Under this method, compensation cost should be measured at the grant date based on the fair market value of the award and should be recognized over the related service period. The cost of the stock option compensation plan is recognized in Deferred Exploration expenses and Administration Expenses with a corresponding credit to Contributed Surplus using the fair value based method of Accounting of Awards. The Company details in Note 4 (b) to its audited financial statements the affect of the changes. The new recommendations of the CICA for the calculation of earnings per share have no effect on the current period or prior period’s calculations as any exercise would have been anti-dilutive.

FINANCIAL INSTRUMENTS

The fair value of all of the Company’s financial instruments approximates the carrying value unless otherwise noted. Cash, cash held for exploration, accounts receivable and accounts payable and accrued liabilities are non-interest bearing. Cash and cash equivalents include cash on hand, bank balances and term deposit with maturity of three months or less.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation of the financial statements and other financial information relating to the Corporation included in this interim report. The financial statements have been prepared in accordance with generally accepted accounting principles in Canada and necessarily include amounts based on estimates and judgements of management. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

(signed) André C. Tessier, P.Eng, P.Geol
President & CEO

(signed) Mark Schneiderman, CFE, CA
Secretary-Treasurer

MURGOR RESOURCES INC.**Interim Balance Sheets**

	January 31 2005 (Unaudited)	April 30 2004 (Audited)
	\$	\$
Assets		
Current assets		
Cash	861,349	31,717
Cash held for exploration work	834,527	1,022,949
Marketable securities (note 3)	26,100	-
Accounts receivable	154,541	94,737
Due from related corporations (note 5)	269,102	46,962
Prepaid expenses (note 5)	29,755	21,146
	<u>2,175,374</u>	<u>1,217,511</u>
Mining properties and deferred costs	<u>6,592,398</u>	<u>5,860,451</u>
	<u><u>8,767,772</u></u>	<u><u>7,077,962</u></u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	235,360	258,996
Due to directors (note 5)	7,150	14,344
	<u>242,510</u>	<u>273,340</u>
Shareholders' equity		
Capital stock (note 4)	14,923,113	13,000,526
Contributed surplus (note 4)	154,300	95,800
Deficit	<u>(6,552,151)</u>	<u>(6,291,704)</u>
	<u>8,525,262</u>	<u>6,804,622</u>
	<u><u>8,767,772</u></u>	<u><u>7,077,962</u></u>

See accompanying notes to financial statements

Approved on Behalf of the Board:

(signed) André C. Tessier Director

(signed) Mark Schneiderman Director

MURGOR RESOURCES INC.
INTERIM STATEMENTS OF OPERATIONS AND DEFICIT
(UNAUDITED)

	Three-month period ended		Nine-month period ended	
	January 31		January 31	
	2005	2004	2005	2004
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Revenue				
Interest and other income	<u>20,156</u>	<u>37,483</u>	<u>32,104</u>	<u>37,415</u>
Expenses				
Professional and accounting fees	13,486	6,741	46,924	41,582
Administration expenses and other	6,971	3,395	17,056	4,123
Filing costs and shareholders' information	25,663	12,782	62,563	29,881
Interest expenses	-	2,193	-	2,193
Write-off due to abandonment of properties	14,137	24,687	36,325	40,724
Loss due to write-down of marketable securities	(1,800)	-	-	2,000
Stock option compensation	-	-	15,000	-
	<u>58,457</u>	<u>49,798</u>	<u>177,868</u>	<u>120,503</u>
Net loss for the period	(38,301)	(12,315)	(145,764)	(83,088)
Deficit - beginning of period	(6,399,167)	(5,923,453)	(6,291,704)	(5,851,128)
Issue costs	<u>(114,684)</u>	<u>(182,713)</u>	<u>(114,684)</u>	<u>(184,265)</u>
Deficit - end of period	<u><u>(6,552,152)</u></u>	<u><u>(6,118,481)</u></u>	<u><u>(6,552,152)</u></u>	<u><u>(6,118,481)</u></u>
Basic and fully diluted net loss per share	<u>(0.0008)</u>	<u>(0.0005)</u>	<u>(0.0031)</u>	<u>(0.0031)</u>
Weighted average number of outstanding shares	<u>46,459,059</u>	<u>26,910,356</u>	<u>46,459,059</u>	<u>26,910,356</u>

See accompanying notes to financial statements

MURGOR RESOURCES INC.
INTERIM STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three-month period ended		Nine-month period ended	
	January 31		January 31	
	2005	2004	2005	2004
	\$	\$	\$	\$
Cash flows used in operating activities				
Net loss	(38,301)	(12,315)	(145,764)	(83,088)
Adjustments for:				
Write-off due to abandonment of properties	14,137	24,687	36,325	40,724
Loss due to write-down of marketable securities	(1,800)	-	-	2,000
Stock option compensation	-	-	15,000	-
	<u>(25,964)</u>	<u>12,372</u>	<u>(94,439)</u>	<u>(40,364)</u>
Changes in non-cash components of working capital				
Marketable securities	-	-	(26,100)	-
Accounts receivable	(62,663)	(22,369)	(59,804)	(23,562)
Due from related corporations	(177,049)	(55,971)	(222,140)	(55,971)
Due from directors	-	(2,709)	-	(2,709)
Prepaid expenses	2,071	(2,079)	(8,609)	(2,865)
Accounts payable and accrued liabilities	43,089	(27,297)	(23,636)	23,629
Due to related corporations	-	(16,002)	-	-
Due to directors	(7,992)	(8,277)	(7,194)	(27,277)
	<u>(202,544)</u>	<u>(134,704)</u>	<u>(347,483)</u>	<u>(88,755)</u>
Cash flows used in operating activities	<u>(228,508)</u>	<u>(122,332)</u>	<u>(441,922)</u>	<u>(129,119)</u>
Cash flows used in investing activities				
Mining claims acquired	(13,513)	(3,136)	(31,294)	(6,260)
Exploration expenditures deferred	(300,018)	(119,716)	(805,977)	(130,427)
Proceeds from option agreements	-	-	112,500	-
	<u>(313,531)</u>	<u>(122,852)</u>	<u>(724,771)</u>	<u>(136,687)</u>
Cash flows used in investing activities	<u>(313,531)</u>	<u>(122,852)</u>	<u>(724,771)</u>	<u>(136,687)</u>
Cash flows from financing activities				
Common shares issued	1,922,587	1,678,098	1,922,587	1,698,098
Issue costs	(114,684)	(172,713)	(114,684)	(174,265)
	<u>1,807,903</u>	<u>1,505,385</u>	<u>1,807,903</u>	<u>1,523,833</u>
Cash flows from financing activities	<u>1,807,903</u>	<u>1,505,385</u>	<u>1,807,903</u>	<u>1,523,833</u>
Increase in cash and cash equivalents	1,265,864	1,260,201	641,210	1,258,027
Cash and cash equivalents - beginning of period	430,012	1,514	1,054,666	3,688
Cash and cash equivalents - end of period	<u>1,695,876</u>	<u>1,261,715</u>	<u>1,695,876</u>	<u>1,261,715</u>
Cash and cash equivalents are composed of:				
Cash	861,349	78,328	861,349	78,328
Cash held for exploration work	834,527	1,183,387	834,527	1,183,387
	<u>1,695,876</u>	<u>1,261,715</u>	<u>1,695,876</u>	<u>1,261,715</u>

See accompanying notes to financial statements

MURGOR RESOURCES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
JANUARY 31, 2005
(UNAUDITED)

1. Basis of presentation

The unaudited interim financial statements are prepared in accordance with generally accepted accounting principles in Canada and use the same accounting policies and methods used in the preparation of the company's most recent audited annual financial statements. All disclosure required for audited annual financial statements have not been included in these unaudited interim financial statements. These unaudited interim financial statements should be read in conjunction with the company's most recent audited annual financial statements.

In the opinion of management, the unaudited interim financial statements reflect all adjustments, which consist of normal and recurring adjustments, necessary to present fairly the financial position at January 31, 2005 and the results of operations and cash flows for the three-month and nine-month periods ended January 31, 2005 and 2004.

2. Use of estimates

The preparation of the unaudited interim financial statements in conformity with Canadian generally accepted accounting principles require management to make estimates and assumptions that affect the amounts reported in the unaudited interim financial statements and accompanying notes. Management believes that the estimates used in the preparation of the unaudited interim financial statements are reasonable and prudent; however, actual results could differ from these estimates.

3. Marketable securities

Marketable securities are carried at the lower of cost and market. As at January 31, 2005, market value was \$29,700 (April 30, 2004 - \$Nil).

4. Capital stock

(a) The authorized and issued capital stock of the Corporation consists of the following:

Authorized: An unlimited number of common shares

	<u>Amount</u>	<u>Number of</u>
	\$	Shares
		#
Balance at beginning, April 30, 2004 (audited)	13,000,526	44,986,893
Exercise of warrants	323,827	2,490,975
Flow-through agreements	1,556,760	9,839,053
Commissions for flow-through agreements	<u>42,000</u>	<u>280,000</u>
Balance at end, January 31, 2005 (unaudited)	<u>14,923,113</u>	<u>57,596,921</u>

MURGOR RESOURCES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
JANUARY 31, 2005
(UNAUDITED)

4. Capital stock (cont'd)

(b) Stock option plan

	<u>Number of Options</u> #	<u>Weighted Average Exercise Price</u> \$
Balance at beginning April 30, 2004 (audited)	4,686,593	0.13
Granted	<u>675,000</u>	<u>0.14</u>
Balance at end, January 31, 2005 (unaudited)	<u><u>5,361,593</u></u>	<u><u>0.13</u></u>

Accounting for the stock-based compensation plan

The fair value of 375,000 options was estimated using Black-Scholes option pricing model with the following weighted-average assumptions:

Weighted risk-free interest rate	2.45%
Expected volatility	108.5%
Dividend yield	Nil
Weighted average expected life	1.5 years

The expenses related to the 375,000 stock options granted to consultants on September 8, 2004 and September 9, 2004 were classified respectively under the "Administration" (\$15,000) and "Deferred exploration expenses" (\$7,500).

The fair value of 300,000 options was estimated using Black-Scholes option pricing model with the following weighted-average assumptions:

Weighted risk-free interest rate	2.78%
Expected volatility	116.0%
Dividend yield	Nil
Weighted average expected life	5.0 years

The expense related to the 300,000 stock options granted to an officer of the Company on December 12, 2004 was classified under "Deferred exploration expenses" (\$36,000).

(c) Warrants

	<u>Number of Warrants</u> #	<u>Weighted Average Exercise Price</u> \$
Balance at beginning April 30, 2004 (audited)	11,816,475	0.13
Granted	8,616,523	0.20
Exercised	<u>(2,490,975)</u>	<u>0.13</u>
Balance at end, January 31, 2005 (unaudited)	<u><u>17,942,023</u></u>	<u><u>0.13</u></u>

MURGOR RESOURCES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
JANUARY 31, 2005
(UNAUDITED)

4. Capital stock (cont'd)

(d) Contributed surplus

	<u>Amount</u>
	\$
Balance at beginning April 30, 2004 (audited)	95,800
Stock options granted	<u>58,500</u>
Balance at end, January 31, 2005 (unaudited)	<u><u>154,300</u></u>

5. Related party transactions

All related party transactions are in normal course of operations and are measured at the exchange value which is the amount of consideration established and agreed to by the related parties.

(i) Prepaid expenses include an amount of \$17,668 representing advances to the President for professional services in his capacity as consulting geologist and qualified person and \$4,000 representing an advance to a Director for upcoming office and exploration expenditures.

(ii) Certain directors of the Corporation are also shareholders and directors of related corporations. The related corporations charged an aggregate amount of \$38,163 (2004 - \$4,248) for administrative costs and services, shared office expenses and exploration expenditures.

(iii) Due to (from) related corporations significantly represent the net amount of charges for shared office and related expenses, as well as joint venture exploration expenditures between Murgor Resources Inc. and Freewest Resources Canada Inc..

Three directors and shareholders of the Corporation are also directors, officers and shareholders of Freewest Resources Canada Inc..

(iv) Amounts due to (from) related parties are non-interest bearing with no specific terms of repayment.

(v) \$54,000 (2004 - \$26,000) represents the remuneration to the President in his capacity as consulting geologist and qualified person.

6. Subsequent events

The Company completed a previously announced private placement by issuing 1,333,334 units at a price of \$0.15 per unit to a private fund in Quebec, for gross proceeds to Murgor of \$200,000. each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$0.20 per share until August 28, 2006.

7. Comparative figures

Certain items in the comparative unaudited interim financial statements have been reclassified from statements previously presented to conform to the presentation of the 2005 unaudited interim financial statements.