

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

STATEMENT CONCERNING THE INTERIM FINANCIAL STATEMENTS

Management has compiled the unaudited interim financial statements as at October 31, 2005 and for the three-month and six-month periods ended October 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 December 23, 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 and six-month periods ended October 31, 2005, 2004 and 2003 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 2006 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 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 Murgor can be found on SEDAR (www.sedar.com) and on Murgor's web site (www.murgor.com).

MINING PROPERTIES

EXPLORATION SUMMER 2005:

The First quarter of Murgor's fiscal year 2006 has seen the company explore seven (7) different properties in Quebec and Ontario. Although the main focus has been on gold, Murgor has also explored for Cu-Zn at Eagle River in Quebec and at Clay Lake, Ontario, and for Cu-Ni-PGE at La Trève in Quebec. Murgor's exploration has been very successful on these properties and the potential for important discoveries has only increased.

QUEBEC

THE BARRY-URBAN PROJECTS:

The Urban-Barry Gold Project is 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 Urban-Barry Gold Project currently consists of three (3) properties within a radius of twenty (20) km at the eastern end of the Archean Abitibi Greenstone Belt.

- The **Barry Property** consists of 206 claims covering 3,276 ha. The bulk of the property is held jointly by Murgor Resources and Freewest Resources Canada Inc., except for 14 claims (224 Ha) at the heart of the property, which are wholly-owned by Murgor. The Barry Au prospect is located on ground that is 100% owned by Murgor.
- The **Windfall Property**, which consists of 213 claims that cover 8,995 ha, is held jointly by Murgor and Freewest Resources Canada Inc.
- The **Eagle River Property**, which consists of 204 claims that cover 11,494 ha, is held jointly by Murgor and Freewest Resources Canada Inc.

Together, the Barry, Windfall, and Eagle River properties total 623 claims that cover more than 23,765 hectares (238 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.

Since Osisko Exploration's withdrawal from the Barry Gold Project on May 6, 2005 (Osisko withdrew without any acquired interest), Murgor has compiled Osisko's data and merged it with all the existing data on the Barry Gold Deposit. The results of this compilation study were distributed in a press release dated November 17th, 2005 where a potential gold system was identified on the Main Zone of the Barry Deposit only (leaving out Zones 43, 45, 48 and 51). The study outlines a potential mineralized system lying between surface and 30 meters depth, ranging from **140,700 tonnes to 258,300 tonnes** at grades ranging from **6.5 g/t Au to 6.7 g/t Au** and yielding a potential of **29,400 to 55,200 ounces** of contained gold. The potential quantities and grades are based on prior drilling and do not qualify as a NI 43-101 compliant mineral resource.

The deposit consists of an Archean system of sheeted quartz veins within a shell of disseminated pyrite and gold in intensely altered mafic volcanic flows and quartz-feldspar porphyry intrusions. The study is based on 148 drill holes, drilled between 1995 and 2005 (average spacing between the 103 drill holes on the Main Zone is approximately 15 meters).

The Barry ore could potentially be trucked without pre-concentration to the town of Desmaraisville where joint venture partners **Halo Resources Inc** (HLO-V) and **Metanor Resources Inc.** (MTO-V) are currently working to reopen the Bachelor Lake Mine and Mill. Murgor has already entered early-stage negotiations with Halo and Metanor to process the material from the Barry Deposit at the Bachelor Lake Mill.

Immediately following this compilation, Murgor retained the services of **Systeme Geostat International Inc.** to carry out a 43-101 compliant resource estimate of the Barry Gold Deposit. To help in the NI 43-101 estimate, Murgor completed a five (5) drill hole program in mid-December 2005 to provide Geostat with an improved drill hole coverage of the Main Zone. In addition to providing Murgor with a 43-101 compliant near-surface resource estimate of the Barry gold deposit, the objectives of the work are:

- To plan additional drilling in order to expand the current limits of the Main mineralized zone,
- To plan additional work to further explore and define Zones 43, 45, 48 and 51 to potentially add them to the resource calculations, and
- To plan additional exploration work at the property scale where eight (8) kilometres of the Barry structure remain very poorly explored.

Additional work planned for 2006 at the Barry Deposit include:

- A metallurgical study of the mineralization,
- A scoping study of the near surface part of the deposit, and
- If all studies continue to show a favourable outcome, a bankable feasibility study.

CURRENT AND FUTURE EXPLORATION AT BARRY:

Murgor is currently conducting a 40 kilometer Induced Polarization geophysical survey on the property and will be resuming drilling in mid-January of 2005. Results from the December 2005 drilling are pending.

THE WINDFALL GOLD PROPERTY:

At the Windfall property, a 95 kilometers induced polarization geophysical program was completed in August 2005 and an extensive mechanical trenching program was carried-out from June to October 2005. The trenching program was highlighted by a channel sample that returned gold values of 85.80 g/t Au over 4.00 metres (see press release dated October 4th, 2005).

Two phases of drilling were carried-out at the Windfall Property in November and December 2005 for a total of 2,288 meters in 20 drill holes. The second phase of drilling was cut short to mobilize the drill to the Barry Deposit in order to accelerate the NI 43-101 compliant resource estimation.

Exciting results from the first phase of drilling at the Windfall property were released on December 08, 2005 with best results for Zone F-17 of **15.97 g/t Au over 7.6 meters** and for Zone F-11 returned **8.22 g/t Au over 2.0 meters**.

At Zone F-17, drill hole WIN-05-79 has confirmed the north-eastern and depth extension of an ore shoot with the intersection of **15.97 g/t Au over 7.6 meters** from 62.1 to 69.7 meters depth. The new intersection disproves the previous interpretation which suggested that the eastern extension of the mineralized zone was cut by a fault. Instead, the mineralized ore shoot appears to increase in grade and in width to the NE and at depth.

The gold mineralization occurs in a NE-trending brittle-ductile shear zones dipping approximately 70 degrees to the NW, with ore shoots of higher grades and widths occurring within the shear zones and raking approximately 10 degrees to the NE. To date a minimum of two of these ore shoots have been defined at Zone F-17 spaced by approximately 30 meters of lower grade material:

1. The upper ore shoot has a minimum strike length of 75 meters and extends from surface to a vertical depth of 25 meters. It is open at depth and towards the NE. So far, the upper ore shoot is defined by the following drill holes:

WIN-05-21: 9.99 g/t Au over 4.00 meters
WIN-05-22: 16.50 g/t Au over 3.00 meters
WIN-05-48: 8.89 g/t Au over 11.00 meters, and
WIN-05-66: 9.10 g/t Au over 2.00 meters

2. The lower ore shoot has a minimum strike length of 100 meters (possibly 300 meters) extends from a vertical depth of approximately 25 meters to 70 meters. It is open at depth and on strike in both directions. So far, the lower ore shoot is defined by the following drill holes:

WIN-04-06: 5.13 g/t Au over 4.70 meters
WIN-05-21: 9.32 g/t Au over 11.00 meters
WIN-05-28: 21.70 g/t Au over 2.00 meters (possibly)
WIN-05-52: 7.24 g/t Au over 9.00 meters
WIN-05-70: 2.89 g/t Au over 5.00 meters, and
WIN-05-79: 15.97 g/t Au over 7.6 meters

The results of the four (4) drill holes from this phase of drilling on Zone F-17 are as follows (drill holes Win-05-70, Win-05-78 and Win-05-80 were not located in the currently defined ore shoots):

ZONE F-17: (new results only)

DDH	LINE	STN	Az.	Incl.	L (m)	BEST RESULTS
WIN-05-70	9+05 W	10+20 N	150	-70	113	2.89 g/t Au over 5.0 m from 82.0 to 87.0 m
WIN-05-78	8+25 W	10+24 N	150	-70	71	1.11 g/t Au over 3.5 m from 35.4 to 38.9 m
WIN-05-79	8+40 W	10+50 N	150	-70	101	15.97 g/t Au over 7.6 m from 62.1 to 69.7 m and, 2.06 g/t Au over 3.0 m from 82.9 to 85.9 m
WIN-05-80	10+75 W	9+27 N	150	-60	101	nsa

DDH	LINE	STN	Az.	Incl.	L (m)	BEST RESULTS
WIN-05-70	9+05 W	10+20 N	150	-70	113	2.89 g/t Au over 5.0 m from 82.0 to 87.0 m
WIN-05-78	8+25 W	10+24 N	150	-70	71	1.11 g/t Au over 3.5 m from 35.4 to 38.9 m
WIN-05-79	8+40 W	10+50 N	150	-70	101	15.97 g/t Au over 7.6 m from 62.1 to 69.7 m and, 2.06 g/t Au over 3.0 m from 82.9 to 85.9 m
WIN-05-80	10+75 W	9+27 N	150	-60	101	Nsa

At Zone F-11, felsic dikes appear to intrude the mineralized shear zone, disrupting the previously defined ore shoots and additional drilling will be needed to define the extent of the dikes by testing the ore shoots at greater depth. Preliminary interpretation of this zone also suggests ore shoots of similar orientation as Zone F-17. Best results from this phase of drilling are as follows:

ZONE F-11: (new results only)

DDH	LINE	STN	Az.	Incl.	L (m)	BEST RESULTS
WIN-05-72	12+57 W	13+66N	150	-70	164	2.48 g/t Au over 1.0 m from 88.0 to 89.0 m and, 8.22 g/t Au over 2.0 m from 101.0 to 103.0 m
WIN-05-76	10+15 W	13+62N	150	-85	161	4.87 g/t Au over 2.0 m from 71.0 to 73.0 m

**Complete assay results from drill holes Win-05-69 and Win-05-73 are still pending*

CURRENT AND FUTURE EXPLORATION AT WINDFALL:

Drilling will resume at the Windfall property in early February of 2005 after the completion of a first phase of drilling at the Barry Property. A 95 kilometers induced polarization geophysical survey is also planned in January and February of 2006.

THE EAGLE RIVER GOLD-COPPER-ZINC PROPERTY:

The Eagle River Property was initially staked for its gold potential in 2003, but preliminary geological mapping and sampling also revealed an excellent setting for base metal Cu-Zn mineralization of volcanogenic origin.

The summer 2005 exploration program at Eagle River was aimed at exploring for both gold and base metal targets. The first phase of field work was completed in the third week of June and only a few conductors were explained by surface prospecting. Samples of exhalative units near those conductors returned assays of up to 0.05% Cu and 0.2% Zn. A soil geochemical survey of more than 1200 samples was also carried-out in the summer of 2005 and a number of strong B-horizon soil anomalies were located with values of up to 743 ppm for Cu, 887 ppm for Zn, 100 ppm for Pb and 25 ppb for Au.

In the fall of 2005, mechanical trenching was carried-out over the best soil geochemical anomalies with disappointing results.

CURRENT AND FUTURE EXPLORATION AT EAGLE RIVER:

The property is currently being evaluated before further exploration is carried-out.

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 Béréy, Lantagnac, Guettard and Daine Townships, approximately 80 kilometres WNW of the Chibougamau Mining District in north-western Quebec. The La Trève I (106 claims) and La Trève II (27 claims) properties are owned 100% by Murgor. The remaining 157 claims, comprising the La Trève III, IV, V and extension properties, are jointly held by Murgor and Freewest (50% each).

All of the La Trève properties except La Trève II are subject to an agreement with Dianor Resources Inc. whereby Dianor holds the rights to explore, mine, extract and sell diamonds from the La Trève I, III, IV and V properties. All other commodities remain the property of Murgor and/or Freewest.

To date, Murgor's exploration at La Trève in 2004-2005 has outlined the following Cu-Ni-PGE occurrences:

- LT I: **12.9 g/t PGE, 0.45% Cu, 0.69% Co and 0.75% Ni,**
- LT IA: **1.27 g/t PGE, 0.19% Cu and 0.10% Ni,**
- LT IB: **1.95 g/t Pt+Pd, 0.38% Cu and 0.11% Ni,**
- LT IV: **1.17 g/t Pt+Pd+Au and 0.63% Cu-Ni-Co over 6.95m, and**
- LT II: **1.19 g/t PGE, 0.57% Cu and 0.25% Ni, and 0.62% Cu, 0.34% Ni and 135 ppb Au.**

In the summer of 2005, Murgor carried-out a short field program of geological mapping and prospecting designed to verifying the Cu-Ni and Platinum Group Elements potential of MMI geochemical that had been provided by Dianor. No significant results were reported due to lack of outcrop in the areas of interest.

CURRENT AND FUTURE EXPLORATION AT LA TRÈVE:

The next phase of exploration should consist of induced polarization geophysics over the geochemical anomalies. To date, it is not clear when the work will be carried-out as Murgor will concentrate its efforts on the Windfall, Barry and Clay Lake properties in early 2006. Meanwhile, Murgor is coordinating with Dianor to drill several potential targets at La Trève in early 2006.

ONTARIO

THE MISHIBISHU GOLD PROPERTY:

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

The Property is located in the Archean Mishibishu Greenstone Belt, and is underlain by mafic volcanic rocks and clastic sedimentary rocks bounded to the east and west by large intrusive bodies of tonalitic composition.

The Mishibishu Property covers a strike length of 10 kilometres of the Mishi Creek Deformation Zone and a strike length of 3 kilometres of the Rook Lake Deformation Zone. Both deformation zones are EW- to NW-trending, dip steeply towards the north, and locally exceed 1 kilometre in width. Both shear zones have localized extensive shear-vein systems and high grade gold mineralization in a geological setting that is remarkably similar to the known gold deposits in the area, which are all owned by River Gold Inc:

- The producing Eagle River Gold Mine (2.86 Mt grading 8.84 g/t Au), located 6 kilometres to the south,
- The past producing Mishi open pit (1.25 Mt grading 4.8 g/t Au), located 12 kilometres to the north, and
- The past producing Magnacon Mine (1.54 Mt grading 6.9 g/t Au), also the site of the operating Eagle River Mill, located 12 kilometres to the north.

The property hosts numerous gold occurrences that have yielded potentially economic grades of mineralization, yet the property remains largely under-explored. Some 30 gold showings, assaying in excess of 1.0 g/t Au, have been located by previous workers, and 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, where drill results 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.

Exploration work at Mishibishu, carried-out from July to September 2004, uncovered three new gold occurrences:

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

The gold occurrences assaying **7.8 g/t Au and 2.6 g/t Au** are hosted by a number of narrow shear zones trending NW-SE and hosting numerous thin and boudinaged quartz veins. The shear zones also contain variable amounts of disseminated and stringer pyrite and arsenopyrite. The gold occurrence that assayed **11.4 g/t Au**, and that lies between the KK showing (7.7 g/t Au grab sample reported by Battle Mountain Canada Ltd (BMC), 1998) and IP anomaly #33 could not be exposed due to ground conditions and proximity to a stream and lake.

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.

Additional work by Murgor consisted of a 315 line kilometer helicopter-borne magnetic and electro-magnetic survey of the property that outlined several areas of interest. This survey was completed in June of 2005.

CURRENT AND FUTURE EXPLORATION AT MISHIBISHU:

In the summer of 2005, a 105 kilometer grid was cut to cover areas of interest of the property in preparation for a ground induced polarization survey planned for early 2006.

THE MYSTERY GOLD PROPERTY AND MYSTERY NORTH OPTION:

The Mystery property consists of 32 mining claim units that cover 512 hectares in Moss Township, 120 kilometres west of the town of Thunder Bay, north-western Ontario. The Mystery North Option is contiguous to the Mystery Property to the northeast and consists of 4 claims covering 1,024 hectares, under option from Noront Resources Inc. Both properties are located in the Shebandowan Belt and cover the Northeast extension of the La Rose Shear Zone, where Freewest Resources Canada Inc. has intermittently exposed a mineralized corridor over a 3.5 kilometre strike length in 2004.

In September 2004, a 30 line kilometre soil geochemical survey was completed that outlined several gold anomalous zones near the projection of the La Rose Shear Zone. The survey was designed to follow-up on a brief summer exploration program that successfully outlined the La Rose Shear Zone crossing the central part of the property in a NE-trending topographic low. Along this topographic low, strongly strained sedimentary rocks and boudinaged felsic dikes were sampled and returned anomalous gold values of up to 1.3 g/t Au.

An induced polarization geophysical survey followed that outlined several high chargeability anomalies that are locally coinciding with gold in soil anomalies.

In May of 2005, at the Mystery and Mystery North Properties, a 190 line kilometres helicopter-borne Magnetic-Electromagnetic VTEM survey was flown in May of 2005. Results of this survey show a number of weak conductors on the NE extension of the La Rose Gold-bearing structure.

During the summer of 2005, an exploration program consisting of geological mapping, prospecting and litho-geochemical sampling was carried-out at the Mystery and Mystery North Gold Properties. There are no significant results to report.

CURRENT AND FUTURE EXPLORATION AT MYSTERY:

On November 25, 2005, Murgor informed Noront Resources that it will abandon the Mystery North Option and Murgor is currently evaluating the Mystery property for future work.

THE CLAY LAKE Cu-Zn PROPERTY:

The newly acquired CLAY LAKE property consists of 5 claims (66 units) covering an area of 16,896 hectares in the Shebandowan greenstone belt west of Thunder Bay. The Clay Lake Property was acquired by staking in March of 2005, following a significant Cu-Zn discovery by Freewest Resources Canada Inc. at Wye Lake. The Clay Lake property is located approximately 5 kilometers NW of Freewest's new discovery and covering approximately 2 kilometers of prospective stratigraphy.

CURRENT AND FUTURE EXPLORATION AT CLAY LAKE:

In May 2005, a 110 line kilometres helicopter-borne Magnetic-Electromagnetic VTEM survey was flown over the Clay Lake Property in an effort to locate possible conductors indicative of the same type of mineralization as Freewest's new Cu-Zn discovery. Results of this survey are very encouraging as a total of 9 untested conductors were defined on the property with 4 of these short conductors located at the contact between rhyolites and mafic volcanic rocks.

An extensive exploration program of geological mapping, prospecting and litho-geochemical sampling was carried-out in July and August of 2005 at Clay Lake. The exploration program was highlighted by the discovery of a new gold occurrence from which two grab samples returned assays of **19.2 g/t Au and 22.1 g/t Au** (see Press Release dated August 29, 2005).

The new gold occurrence is located adjacent to a moderate EM conductor hosted by a sedimentary unit. Gold mineralization is hosted by a strongly potassic-altered, moderately sheared, quartz-feldspar porphyry dike of unknown thickness and consists of disseminated pyrite with minor quartz stockwork veining.

Elsewhere on the property, although it was impossible to verify the helicopter-borne conductors in the field due to the depth of the conductors or their location in bogs, fieldwork has confirmed that the conductors are occurring at the stratigraphic top or within the rhyolite package. Furthermore, in the footwall of the westernmost conductor, whole rock geochemistry shows that the quartz-phyric rhyolite has a high silica content, is enriched in Fe, Ca and Mg, and is strongly depleted in Na (all suggestive of hydrothermal processes associated with a volcanogenic base metal mineralization).

A follow-up exploration program of line-cutting, ground geophysics, trenching and drilling will started on September 12th with the line-cutting.

CURRENT AND FUTURE EXPLORATION AT CLAY LAKE:

Murgor will be starting a 1000 meter drilling program on its Clay Lake Property On January 15th, 2006. The drilling will be testing five (5) previously undetected VTEM conductors for their Cu-Zn potential, and a new gold occurrence discovered in the course of Murgor's summer 2005 reconnaissance program.

PROPERTY ACQUISITIONS:

Murgor has acquired three (3) new exploration properties during the quarter:

The Clay South Cu-Zn Property, Ontario:

In a press release dated August 30, 2005, Murgor announced that it has formed a joint venture partnership with Tribute Minerals Inc. to sign a letter of intent with 1304850 Ontario Inc. giving Murgor and Tribute the right to acquire a 100% interest in the Clay South Property in Northwestern Ontario. The Clay South Property consists of 8 claims (96 units) located in the Shebandowan greenstone belt, approximately 120 kilometers west of Thunder Bay. The Clay South Property is contiguous to the north with the **Sungold** Property where Freewest Resources Canada Inc. recently reported an important **Cu-Zn discovery at Wye Lake**. The Property is also contiguous to the south with Murgor's 100% owned Clay Lake Property.

Under the terms of the Letter of Intent, dated August 24, 2005, Murgor and Tribute have the right to acquire a 100% interest in the Clay South Property in consideration for (i) paying \$8,500, upon signing of the Letter of Intent; (ii) issuing 50,000 common shares on signing of a formal Agreement; and (iii) making aggregate cash payments of \$80,000 and issuing an aggregate 100,000 common shares. The vendor will retain a 1.5% NSR royalty on the property which 0.75% can be bought back by Murgor and Tribute for \$750,000. All cash payments, share issuances and exploration expenses are to be shared equally by Murgor and Tribute. Murgor will be the operator for all exploration activities on the property.

The Greenwater Lake Cu-Zn Property, Ontario:

In a press release dated December 15, 2005, Murgor announced that it has acquired a 100% interest in the 22 claims (194 units, 3,024 ha) Greenwater Lake Property, located approximately 120 kilometres west of Thunder Bay in the Shebandowan Belt, NW Ontario. Murgor will pay an aggregate purchase price \$93,829 and issue one hundred and fifty thousand (150,000) common shares of Murgor over a four (4) year period to acquire a 100% interest in the property. The property is subject to a 1.5% NSR royalty with a buyback clause whereby Murgor can buy back 0.75% NSR for \$750,000.

The Greenwater Lake property is strategically located one (1) kilometre south east of the Vanguard Cu-Zn Deposit, eight (8) kilometres West of the old Shebandowan Cu-Ni-PGE Mine (8.6 MT @ 2.0% Ni, 1.0% Cu, 2.68 g/t Pd&Pt) and 5 kilometres from the North Coldstream Mine (2.7 MT @ 2.0% Cu and 440,000 oz Ag, 24,000 oz Au produced). Murgor is scheduled to start a reconnaissance exploration program on the property starting in the summer of 2006.

The Elmtree Gold-Silver Property, New Brunswick:

In a press release dated December 15, 2005, Murgor announced that it has acquired a 100% interest in the 76 claims 1,216 ha Elmtree Property, located approximately 25 kilometres north west of the town of Bathurst, New Brunswick. Murgor will pay an aggregate purchase price \$40,000 and issue one hundred and fifty thousand (150,000) common shares of Murgor over a three (3) year period to acquire a 100% interest in the property. The property is subject to a 1.5% NSR royalty with a buyback clause whereby Murgor can buy back 0.75% NSR for \$750,000.

The Elmtree property is located 2 kilometres east and on strike with the Elmtree Gold Deposit where published historical resources, pre-dating the implementation of NI 43-101, ranged from 500,000t @ 0.14 oz/t Au and 700,000t @ 0.15 oz/t Au. Preliminary work by Murgor has outlined two (2) very strong B-horizon soil anomalies on the Elmtree fault with values of up to 217ppb Au, 18.1ppm Ag, 504ppm Pb and 770ppm Zn. The polymetallic nature of the soil anomaly suggests the presence of Elmtree type mineralization.

CONCLUDING REMARKS:

Murgor is continuing its extensive exploration work in northern Quebec, Ontario and New Brunswick. In January and February 2006, Murgor will be drilling on a minimum of three (3) exploration projects and results will be distributed from early January on as pending results from December 2005 will be arriving.

Murgor is also entering a very exciting phase at the Barry Gold Deposit where a NI 43-101 compliant resource estimate should be completed in January of 2006. Murgor's objective is to streamline the Barry Deposit into production as early as possible, and to join the ranks of gold producers.

Murgor is very pleased to welcome Dr. Jean-Phillipe Desrochers as our new Vice-President of Exploration following Mr. Gilles Lanthier's resignation in late August. Dr. Desrochers started work for Murgor on October 1st and was immediately sent to the Windfall property where he was instrumental in refining the structural interpretation of the mineralized zones. Dr. Desrochers holds a PhD in geology from University of Montreal and has over 15 years experience in the mineral exploration industry in Canada, Central and South America and is fluent in French, English and Spanish.

Management is very pleased at these new developments and is looking forward to a flurry of new results in 2006.

RESULTS OF OPERATIONS

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

For the three-month ended October 31, 2005, the Company reported a net loss of \$127,434 or \$0.0021 per share, compared to a loss of \$82,830 or \$0.0018 per share in the same period of 2004.

Revenue totaled \$49,205 at October 31, 2005 as compared to \$5,697 at October 31, 2004. The increase of \$43,508 was comprised of: \$3,229 of Interest income on bank balances as a result of the equity financings in fiscal 2005 and 2006; \$11,654 in Operator's fees charged for project administration; and \$28,625 from the Gain on disposal of marketable securities. Bank charges were \$Nil for October 31, 2005 (\$15 – October 31, 2004).

The net loss for the three-month period ended October 31, 2005 included a write-off due to abandonment of properties of \$28,328 (\$12,363 – October 31, 2004). Expenses excluding the write-off due to abandonment of properties totaled \$148,311 (\$76,164 – October 31, 2004). The increase in Professional and accounting fees of \$41,698 to \$67,324 (\$25,626 – October 31, 2004) was as a result of increased fees incurred during the period related to the renunciations of previous years' financings as well as higher year-end accruals to reflect the actual fees billed for the year ended April 30, 2005. Administration expenses and other totaled \$12,032 at October 31, 2005 compared to \$5,101 at October 31, 2004. The increase of \$6,931 consisted of: \$4,848 for Tax on capital; and \$2,083 due to higher director's and officer's liability insurance together with an increase in the amount charged for shared office expenses. Filing costs and shareholders' information totaled \$30,017 compared to \$28,637 (October 31, 2004). The increase of \$1,380 related mainly to higher advertising, promotion, and public relation costs. Interest expenses of \$26,869 (\$Nil – October 31, 2004) were incurred as a result of the period in which the exploration expenditures were incurred.

The Company prospectively adopted the recommendations of the Canadian Institute of Chartered Accountants ("CICA") related to Stock based compensation and other stock payments in fiscal 2004. The fair value of the options granted during the fiscal year ended April 30, 2005 amounted to \$79,706 was estimated by using the Black-Scholes option pricing model and is being recorded as an expense over the eighteen months vesting period. As a result, \$2,500 was included in deferred exploration expenditures and \$5,000 was reflected in Stock option compensation for the year ended April 30, 2005 (\$Nil – July 31, 2004). For the three-month period ended October 31, 2005, \$2,500 was included in deferred exploration expenditures (\$Nil – October 31, 2004) and \$12,069 was reflected in Stock option compensation (\$15,000 – October 31, 2004).

Three-month period ended October 31, 2004 compared with three-month period ended October 31, 2003

For the three-month ended October 31, 2004, the Corporation reported a net loss of \$82,830 or \$0.0018 per share, compared to a loss of \$40,201 or \$0.0015 per share in the same period of 2003.

Revenue totaled \$5,697 at October 31, 2004 as compared to a loss of \$30 at October 31, 2003. The increase of \$5,727 was comprised of: \$2,731 of interest income on bank balances as a result of the equity financings in fiscal 2004, \$2,246 in operator's fees charged for project administration and \$750 in other income. Bank charges totaled \$NIL compared to \$38 (October 31, 2003).

The net loss for the three-month period included a write-off due to abandonment of properties of \$12,363 (\$7,982 – October 31, 2003). Expenses excluding the write-off due to abandonment of properties totaled \$76,164 compared to \$32,189 for the three-month period ended October 31, 2003. The increase of \$43,975 in operating expenses over the similar period in 2003 was related directly to increased corporate activity. The reduction in Professional and accounting fees of \$4,823 to \$25,626 (\$30,449 – October 31, 2003) was related to 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 totaled \$28,637 compared to \$12,924 (October 31, 2003). The increase of \$15,713 related to higher 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. Loss due to write-down of marketable securities was \$1,800 (\$NIL – October 31, 2003) as the market value of the underlying marketable securities had decreased from \$26,100 to \$24,300. Stock option compensation expense related to the granting of 250,000 stock options was \$15,000 (\$NIL – October 31, 2003) and was based on the fair market value of the award recognized over the related service period.

Six-month period ended October 31, 2005 compared with six-month period ended October 31, 2004

For the six-month ended October 31, 2005, the Company reported a net loss of \$201,209 or \$0.0033 per share, compared to a loss of \$107,463 or \$0.0024 per share (October 31, 2004).

Revenue totaled \$80,160 at October 31, 2005 as compared to \$11,948 at October 31, 2004. The increase of \$68,212 was comprised of: \$7,623 of Interest income on bank balances as a result of the equity financings in fiscal 2005 and 2006; \$31,964 in Operator's fees charged for project administration; and \$28,625 from the Gain on disposal of marketable securities. Bank charges were \$Nil for October 31, 2005 (\$15 – October 31, 2004).

The net loss for the six-month period ended October 31, 2005 included a write-off due to abandonment of properties of \$83,782 (\$22,188 – October 31, 2004). The October 31, 2005 write-off amount included \$39,318 related to the Urban/Greenshield project which was returned to the vendor. Expenses excluding the write-off due to abandonment of properties totaled \$197,587 (\$97,223 – October 31, 2004). The increase in Professional and accounting fees of \$49,126 to \$82,564 (\$33,438 – October 31, 2004) was as a result of increased fees incurred during the period related to the renunciations of previous years' financings as well as higher year-end accruals to reflect the actual fees billed for the year ended April 30, 2005. Administration expenses and other totaled \$19,217 at October 31, 2005 compared to \$10,085 at October 31, 2004. The increase of \$9,132 consisted of: \$4,848 for Tax on capital; and \$4,284 due to higher director's and officer's liability insurance together with an increase in the amount charged for shared office expenses. Filing costs and shareholders' information totaled \$51,868 compared to \$36,900 (October 31, 2004). The increase of \$14,968 related mainly to higher advertising, promotion, and public relation costs. Interest expenses of \$26,869 (\$Nil – October 31, 2004) were incurred as a result of the period in which the exploration expenditures were incurred.

For the six-month period ended October 31, 2005, \$17,000 was included in deferred exploration expenditures (\$Nil – October 31, 2004) and \$17,069 was reflected in Stock option compensation (\$15,000 – October 31, 2004).

Six-month period ended October 31, 2004 compared with six-month period ended October 31, 2003

For the six-month ended October 31, 2004, the Corporation reported a net loss of \$107,463 or \$0.0024 per share, compared to a loss of \$70,773 or \$0.0027 (October 31, 2003).

Revenue totaled \$11,948 at October 31, 2004 as compared to a loss of \$68 at October 31, 2003. The increase of \$12,016 was comprised of: \$6,305 in interest income on bank balances as a result of the equity financings in fiscal 2004, \$4,961 in operator's fees charged for project administration and \$750 in other income. Bank charges totaled \$NIL compared to \$38 (October 31, 2003).

The net loss for the six-month period included a write-off due to abandonment of properties of \$22,188 (\$16,037 – October 31, 2003). Expenses excluding the write-off due to abandonment of properties totaled \$97,223 (\$54,668 – October 31, 2003). Administration expenses and other of \$10,085 increased by \$9,357 (\$728 – October 31, 2003) and consisted of \$5,987 for shared office and related expenses and \$3,370 for Directors and Officers Liability insurance. Filing costs and shareholders' information was \$36,900 as compared to \$17,099 (October 31, 2003). The increase of \$19,801 was made up of \$7,943 in advertising, promotion, and public relation costs related to increased activity of the company; \$3,412 due to higher filing and regulatory fees and an \$8,446 regarding the preparation and dissemination of quarterly and annual reporting documentation. Loss due to write-down of marketable securities was \$1,800 (\$2,000 – October 31, 2003) and was based on the market value of the underlying marketable securities. The compensation cost related to the granting of stock options was recognized in Deferred Exploration expenses \$7,500 (\$NIL – October 31, 2003) and \$15,000 (NIL – October 31, 2003) in Administration expenses as Stock option compensation.

SUMMARY OF QUARTERLY RESULTS

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

	2005		2004				2003	
	Q2 \$	Q1 \$	Q4 \$	Q3 \$	Q2 \$	Q1 \$	Q4 \$	Q3 \$
Revenues	49,205	30,955	28,057	20,156	5,697	6,251	8,117	37,417
Net (loss) income	(127,434)	(73,775)	205,865	(38,301)	(82,830)	(24,633)	(192,271)	(12,313)
Net (loss) income per share	(0.0021)	(0.0012)	0.0041	(0.0008)	(0.0018)	(0.0006)	(0.0057)	(0.0005)
Fully diluted net (loss) income per share	(0.0021)	(0.0012)	0.0031	(0.0008)	(0.0018)	(0.0006)	(0.0057)	(0.0005)

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

Six-month period ended October 31, 2005 compared with six-month period ended October 31, 2004

As at October 31, 2005, the Company maintained a cash and equivalent position of \$928,614 (\$430,012 as at October 31, 2004) and working capital of \$1,234,730 as compared to a working capital of \$462,656 as at October 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.

During the six-month period ended October 31, 2005, Murgor completed a \$150,000 flow-through financing and issuance of 1,500,000 common shares (\$Nil - October 31, 2004). Issue costs related to the financing totaled \$17,037 (\$Nil - October 31, 2004).

Six-month period ended October 31, 2004 compared with six-month period ended October 31, 2003

As at October 31, 2004, the Company maintained a cash and equivalent position of \$430,012 (\$1,514 as at October 31, 2003) and working capital of \$462,656 as compared to a working capital deficiency of \$280,289 as at October 31, 2003. 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 did not complete any financings during the six-month period ended October 31, 2004. During the six-month period ended October 31, 2003, the Corporation issued 200,000 common shares in settlement of a \$20,000 debt to a director.

MINING PROPERTIES AND DEFERRED COSTS

	April 30, 2005	Expenditures	Proceeds from option agreements	(Write-off)	October 31, 2005
	\$	\$	\$	\$	\$
Quebec					
Fancamp Township					
Acquisition	36,231	-	-	-	36,231
Exploration	1,581,103	1,393	-	-	1,582,496
Benoist Township					
Acquisition	31,194	24	-	-	31,218
Exploration	849,993	-	-	-	849,993
Barry Township					
Acquisition	377,204	-	-	-	377,204
Exploration	1,761,382	10,573	-	-	1,771,955
Urban Township					
Acquisition	85,037	17,812	-	(27,500)	75,349
Exploration	1,114,258	337,954	-	(11,819)	1,440,393
La Trève					
Acquisition	145,173	-	-	-	145,173
Exploration	305,503	19,075	-	-	324,578
Eagle River					
Acquisition	8,180	(322)	-	-	7,858
Exploration	247,324	80,504	-	-	327,828
Others					
Acquisition	-	-	-	-	-
Exploration	-	27,033	-	(27,033)	-
	6,542,582	494,046	-	(66,352)	6,970,276
Ontario					
Mishibishu Township					
Acquisition	67,835	-	-	-	67,835
Exploration	158,409	88,758	-	-	247,167
Mystery					
Acquisition	41,400	-	-	-	41,400
Exploration	92,588	66,102	-	-	158,690
Clay Lake					
Acquisition	4,950	4,315	-	-	9,265
Exploration	1,500	92,536	-	-	94,036
Greenwater					
Acquisition	-	13,480	-	-	13,480
Exploration	-	-	-	-	-
Others	-	-			
Acquisition	-	-	-	-	-
Exploration	-	8,417	-	(8,417)	-
	366,682	273,608	-	(8,417)	631,873

MINING PROPERTIES AND DEFERRED COSTS (Cont'd)

	April 30, 2005	Expenditures	Proceeds from option agreements	(Write-off)	October 31, 2005
	\$	\$	\$	\$	\$
New Brunswick					
Mount Pleasant					
Acquisition	8,715	-	-	-	8,715
Exploration	74,094	7,684	-	-	81,778
Elmtree					
Acquisition	-	904	-	-	904
Exploration	-	171	-	-	171
Other					
Acquisition	-	-	-	-	-
Exploration	-	6,128	-	(6,128)	-
	82,809	14,887	-	(6,128)	91,568
Canadian Properties	6,992,073	782,541	-	(80,897)	7,693,717
Foreign Property					
Mexico					
Acquisition	-	-	-	-	-
Exploration	-	35	-	(35)	-
South America					
Acquisition	-	-	-	-	-
Exploration	-	2,850	-	(2,850)	-
Stock Option Compensation	2,500	17,000	-	-	19,500
	6,994,573	802,426	-	(83,782)	7,713,217

For the six-month period ended October 31, 2005, the Corporation incurred Canadian exploration expenditures totaling \$746,328 of which \$476,532 were incurred in Quebec; \$255,813 in Ontario; \$13,983 in New Brunswick. The exploration expenditures incurred in Canada were funded through the amount raised from Murgor's private placement equity financings.

ADMINISTRATION EXPENSES AND OTHER

The table below details the amounts included in Administration expenses and other of \$19,217 for the six-month period ended October 31, 2005 (\$10,085 – October 31, 2004):

	October 31, 2005	October 31, 2004
	\$	\$
Office Expenses		
Dues and Subscriptions	638	376
Postage and Courier	-	11
Insurance	4,731	3,370
Office Supplies and Other	-	328
Rent and Office Services	9,000	6,000
Tax on Capital	4,848	
	19,217	10,085

RELATED PARTY TRANSACTIONS

All related party transactions are in the 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. Certain directors of the Company are also shareholders and directors of related corporations.

The related corporations charged an aggregate amount of \$26,534 (\$26,195 – October 31, 2004) for administrative costs, services, shared office expenses and exploration expenditures. A total of \$47,000 (\$36,000 – October 31, 2004) in remuneration was paid to the President for professional services rendered in his capacity as a geologist and qualified person (QP). Prepaid expenses included an amount of \$Nil (\$18,894 – October 31, 2004) representing advances to the President for professional services in his capacity as a geologist and qualified person (QP) and \$3,600 (\$Nil – July 31, 2004) to an officer of the Company for upcoming administration and exploration expenditures.

CRITICAL ACCOUNTING POLICIES

The Company prepares its financial statements in conformity with Generally Accepted Accounting Principles (“GAAP”) in Canada. The Company detailed its significant accounting policies in Note 2 to its audited financial statements for the year ended April 30, 2005 and 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. The sale of an interest in claims or a grant received is credited directly to expenditures until such time as all related expenditures are recovered. Direct costs incurred to maintain claims are capitalized.

The Company has two stock option plans as described in note 4 to the audited financial statements for the year ended April 30, 2005. Effective May 1, 2003, the Company adopted prospectively the recommendations of the Canadian Institute of Chartered Accountants Handbook Section 3870, *Stock-based Compensation and Other Stock-based Payments* and began expensing prospectively its stock based compensation. Under these new standards, all stock-based payments made to non-employees must be systematically accounted for in the Corporation’s financial statements. Under this method, compensation cost should be measured at the grant date based on the fair 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.

Earnings per share computations are based upon the weighted average number of common shares outstanding during the years. The Company uses the treasury stock method, to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon the exercise of options and warrants. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. In the year of a loss, no diluted loss per share is provided as the inclusion of outstanding share purchase options and warrants would be anti-dilutive.

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of income and expenses during the reporting period. Significant areas requiring the use of management estimates relate to impairment of mineral properties. Actual results could differ from those estimates.

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of substantive enactment. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the potential future benefit is taken and no net asset is recognized.

The Corporation has financed a portion of its exploration activities through the issuance of flow-through shares. Under the terms of the flow-through share agreements, the tax attributes of the related expenditures are renounced to subscribers. To recognize the foregone tax benefits to the Company, the carrying value of the shares issued is reduced by the tax effect of the tax benefits renounced to subscribers.

Effective May 1, 2004, the Corporation prospectively adopted the recommendation of the Emerging Issues Committee ("EIC") of the Canadian Institute of Chartered Accountants ("CICA"). EIC 146 requires the recognition of the foregone tax benefit at the time of the renouncement provided that there is reasonable assurance that the expenditures will be incurred.

CHANGES IN ACCOUNTING POLICIES

There were no changes in accounting policies for the six-month period ended October 31, 2005.

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 Canadian generally accepted accounting principles ("GAAP") 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: Andre C. Tessier)
President & CEO

(Signed: Mark Schneiderman)
Secretary-Treasurer & CFO

MURGOR RESOURCES INC.

Interim Balance Sheets

	October 31 2005 (Unaudited)	April 30 2005 (Audited)
	\$	\$
Assets		
Current assets		
Cash	813,316	1,141,620
Cash held for exploration work	115,298	489,744
Marketable securities (note 3)	-	25,200
Accounts receivable	300,742	200,451
Due from related corporation (note 5)	159,757	113,180
Prepaid expenses (note 5)	42,491	88,629
	<u>1,431,604</u>	<u>2,058,824</u>
Mining properties and deferred costs	<u>7,713,217</u>	<u>6,994,573</u>
	<u><u>9,144,821</u></u>	<u><u>9,053,397</u></u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	196,344	64,123
Due to directors (note 5)	530	7,150
	<u>196,874</u>	<u>71,273</u>
Shareholders' equity		
Capital stock (note 4)	15,383,944	15,233,944
Contributed surplus (note 4)	141,414	107,345
Deficit	<u>(6,577,411)</u>	<u>(6,359,165)</u>
	<u>8,947,947</u>	<u>8,982,124</u>
	<u><u>9,144,821</u></u>	<u><u>9,053,397</u></u>

See accompanying notes to financial statements

Approved on Behalf of the Board:

(signed) André C. Tessier Director

(signed) Mackenzie I. Watson Director

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

	Three-month period ended		Six-month period ended	
	October 31		October 31	
	2005	2004	2005	2004
	\$	\$	\$	\$
Revenue				
Interest	5,930	2,701	13,860	6,237
Gain on disposal of marketable securities	28,625	-	28,625	-
Operator's fees	14,650	2,996	37,675	5,711
	<u>49,205</u>	<u>5,697</u>	<u>80,160</u>	<u>11,948</u>
Expenses				
Professional and accounting fees	67,324	25,626	82,564	33,438
Administration expenses and other	12,032	5,101	19,217	10,085
Filing costs and shareholders' information	30,017	28,637	51,868	36,900
Interest expenses	26,869	-	26,869	-
Write-off due to abandonment of properties	28,328	12,363	83,782	22,188
Loss due to write-down of marketable securities	-	1,800	-	1,800
Stock option compensation	12,069	15,000	17,069	15,000
	<u>176,639</u>	<u>88,527</u>	<u>281,369</u>	<u>119,411</u>
Net loss for the period	(127,434)	(82,830)	(201,209)	(107,463)
Deficit - beginning of period	(6,432,940)	(6,316,337)	(6,359,165)	(6,291,704)
Issue costs	(17,037)	-	(17,037)	-
Deficit - end of period	<u>(6,577,411)</u>	<u>(6,399,167)</u>	<u>(6,577,411)</u>	<u>(6,399,167)</u>
Basic and fully diluted net loss per share	<u>(0.0021)</u>	<u>(0.0018)</u>	<u>(0.0033)</u>	<u>(0.0024)</u>
Weighted average number of outstanding shares	<u>61,960,324</u>	<u>44,986,893</u>	<u>61,960,324</u>	<u>44,986,893</u>

See accompanying notes to financial statements

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

	Three-month period ended		Six-month period ended	
	October 31		October 31	
	2005	2004	2005	2004
	\$	\$	\$	\$
Cash flows used in operating activities				
Net loss	(127,434)	(82,830)	(201,209)	(107,463)
Adjustments for:				
Write-off due to abandonment of properties	28,328	12,363	83,782	22,188
Loss due to write-down of marketable securities	-	1,800	-	1,800
Stock option compensation	12,069	15,000	17,069	15,000
	<u>(87,037)</u>	<u>(53,667)</u>	<u>(100,358)</u>	<u>(68,475)</u>
Changes in non-cash components of working capital				
Marketable securities	25,200	(26,100)	25,200	(26,100)
Accounts receivable	(75,431)	(30,548)	(100,291)	2,859
Due from related corporations	27,280	30,764	(46,577)	(45,091)
Prepaid expenses	5,270	83,007	46,138	(10,680)
Accounts payable and accrued liabilities	68,662	(51,612)	132,221	(66,725)
Due to directors	(6,620)	7,992	(6,620)	798
	<u>44,361</u>	<u>13,503</u>	<u>50,071</u>	<u>(144,939)</u>
Cash flows (used in) operating activities	<u>(42,676)</u>	<u>(40,164)</u>	<u>(50,287)</u>	<u>(213,414)</u>
Cash flows used in investing activities				
Mining claims acquired	(1,158)	(15,766)	(18,713)	(17,781)
Exploration expenditures deferred	(321,930)	(325,897)	(766,713)	(505,959)
Proceeds from option agreements	-	67,500	-	112,500
Cash flows (used in) investing activities	<u>(323,088)</u>	<u>(274,163)</u>	<u>(785,426)</u>	<u>(411,240)</u>
Cash flows from financing activities				
Common shares issued	150,000	-	150,000	-
Issue costs	(17,037)	-	(17,037)	-
Cash flows from financing activities	<u>132,963</u>	<u>-</u>	<u>132,963</u>	<u>-</u>
(Decrease) in cash and cash equivalents	(232,801)	(314,327)	(702,750)	(624,654)
Cash and cash equivalents - beginning of period	1,161,415	744,339	1,631,364	1,054,666
Cash and cash equivalents - end of period	<u>928,614</u>	<u>430,012</u>	<u>928,614</u>	<u>430,012</u>
Cash and cash equivalents are composed of:				
Cash	813,316	19,182	813,316	19,182
Cash held for exploration work	115,298	410,830	115,298	410,830
	<u>928,614</u>	<u>430,012</u>	<u>928,614</u>	<u>430,012</u>

See accompanying notes to financial statements

MURGOR RESOURCES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
OCTOBER 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 October 31, 2005 and the results of operations and cash flows for the three-month and six-month periods ended October 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 October 31, 2005, market value was \$Nil (April 30, 2005 - \$25,200).

4. Capital stock

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

Authorized: An unlimited number of common shares

	Amount	Number of
	\$	Shares
		#
Balance April 30, 2005 (audited)	15,223,944	61,825,255
Issuance of shares allotted in respect to mining properties	10,000	100,000
Issuance of shares under flow-through agreements	150,000	1,500,000
Balance October 31, 2005 (unaudited)	15,383,944	63,425,255

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

4. Capital stock (cont'd)

(b) Stock option plan

	<u>Number of Options</u> #	<u>Weighted Average Exercise Price</u> \$
Balance April 30, 2005 (audited)	5,561,593	0.13
Granted	<u>450,000</u>	<u>0.10</u>
Balance October 31, 2005 (unaudited)	<u>6,011,593</u>	<u>0.13</u>

Accounting for the stock-based compensation plan

The fair value of the options granted during the fiscal year ended April 30, 2005 amounted to \$79,706 and was estimated by using the Black-Scholes options pricing model with the following weighted-average assumptions and is being recorded as an expense over the eighteen month vesting period. For the year ended April 30, 2005, a total of \$7,500 (\$5,000 as an administration expense and \$2,500 as an exploration expense) was recorded. For the three-month period ended October 31, 2005 a total of \$14,569 (\$12,069 as an administration expense and \$2,500 as an exploration expense) was recorded. For the six-month period ended October 31, 2005, a total of \$34,069 (\$17,069 as an administration expense and \$17,000 as an exploration expense) was recorded.

Number of options granted	375,000	500,000
Weighted risk-free interest rate	2.45%	3.24%
Expected volatility	108.5%	116.0%
Dividend yield	Nil	Nil
Weighted average expected life	2 years	5 years

The fair value of the 450,000 options granted during the three-month and six-month periods ended October 31, 2005 amounted to \$32,134 and was estimated by using the Black-Scholes options pricing model with the following weighted-average assumptions and is being recorded as an expense over the eighteen month vesting period. No expenses were recorded for the above options in three-month and six-month periods ended October 31, 2005 as no portion of the options granted were vested.

Number of options granted	150,000	300,000
Weighted risk-free interest rate	4.25%	4.00%
Expected volatility	91.0%	113.0%
Dividend yield	Nil	Nil
Weighted average expected life	3 years	5 years

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

4. Capital stock (cont'd)

(c) Warrants

	Number of Warrants	Weighted Average Exercise Price
	#	\$
Balance April 30, 2005 (audited)	11,635,357	0.18
Granted	1,500,000	0.20
Expired	(4,085,500)	0.18
Balance October 31, 2005 (unaudited)	9,049,857	0.18

(d) Contributed surplus

	Amount
	\$
Balance April 30, 2005 (audited)	107,345
Stock-based compensation	34,069
Balance October 31, 2005 (unaudited)	141,414

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 \$Nil (\$18,894 - October 31, 2004) representing advances to the President for professional services in his capacity as consulting geologist and qualified person and \$3,600 representing an advance to an Officer 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 \$26,534 (\$26,195 - October 31, 2004) 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..

Two directors and one officer are shareholders of the Corporation and 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) \$47,000 (\$36,000 - October 31, 2004) represents the remuneration to the President in his capacity as consulting geologist and qualified person.

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6. Subsequent events

None

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.