MURGOR RESOURCES INC.

INTERIM FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED JANUARY 31, 2006

STATEMENT CONCERNING THE INTERIM FINANCIAL STATEMENTS

Management has compiled the unaudited interim financial statements as at January 31, 2006 and for the three-month and nine-month periods ended January 31, 2006 and 2005. The statements have not been audited or reviewed by the corporation's auditors or any other firm of chartered accountants.

MANAGEMENT’S DISCUSSION AND ANALYSIS
As at March 27, 2006

The following management’s discussion and analysis (“MD&A”) of the results of operations and financial condition of Murgor Resources Inc. (“Murgor” or the “Corporation”) for the three-month and nine-month periods ended January 31, 2006, 2005 and 2004 should be read in conjunction with the Corporation’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 corporation.

OVERVIEW

Murgor is a junior mining exploration corporation actively exploring several highly prospective gold and Cu-Ni-PGE properties at various stages of exploration in Quebec, Ontario and New Brunswick. The Corporation 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 Corporation's interest and finance further diamond drilling programs.

The Corporation’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 FALL 2005 & WINTER 2005-06:

Murgor followed its extensive summer exploration program of 2005, with mechanical trenching, geophysical surveys and drilling programs during the fall and winter of 2005-06. Drilling programs were carried-out at the Windfall and Barry properties in Quebec, and the Clay Lake property in northern Ontario.

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.

A 100% interest in the Greenshield Property (49 claims covering 735 ha) was acquired jointly by Murgor and Freewest Resources Canada Inc from Greenshield Resources Inc. in January of 2006.

Together, the Barry, Windfall, Eagle River and Greenshield properties total 672 claims that cover more than 24,500 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 (with historical resources 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.

Considering the stellar performance of the price of gold, Murgor decided to increase its efforts of the Barry Deposit. Murgor's objective is to start the development of an open pit mine on the Main Zone of the deposit before the end of 2006. To that effect, in January 2006, Murgor engaged the services of Geostat Systems International Inc. to complete a National Instrument 43-101 compliant resource estimate on the Main Zone of the Barry Gold Deposit. Murgor reported the results of this study in a press release dated February 07, 2006 and the following resources were calculated:

RESOURCE CLASSIFICATION	TONNAGE	GRADE (g/t)	GRADE (oz/ton)	CONTAINED GOLD (oz)
Indicated Resource	176,000 mt	4.92 g/t Au	0.158 (oz/ton Au)	**27,800 oz**.
Inferred Resource	118,000 mt	4.90 g/t Au	0.157 (oz/ton Au)	**18,700 oz**.

It should be stressed that the reported estimate takes only the Main Zone into account (where mineralization is best defined). Mineralized Zones 43, 45, 48 and 51 of the Barry deposit have not been taken into account due to a lack of drill information. The resource estimate was calculated using a conservative cut off grade of 2.0 g/t Au and a specific gravity of 2.80 g/cm^3. Mineralization of the Main Zone lies from surface to a vertical depth of 30 meters and was delineated over a strike length of approximately 200 meters and a width of 70 meters. Due to its near surface occurrence, the mineralized zone is amenable to open pit mining.

Since the completion of this first resource estimate at the Barry Deposit, a total of 32 drill holes (1,409 meters) were completed and all parts of Osisko Exploration's drill holes were assayed. A new 43-101 compliant resources estimate calculation is currently underway with the new results. The drilling was aimed at upgrading some resources from inferred to indicated and at defining extensions to the currently known mineralization.

Results from the recent 32 drill holes are summarized below:

INFILL DRILL HOLES

DDH No	LINE	STN	Az.	Incl.	L (m)	RESULT
MB-173	10+77E	1+13S	330	60	41	1.98 g/t Au over 14m from 14 to 28m
MB-175	10+50E	0+88S	330	70	32	4.50 g/t Au over 12m from 3 to 15m
MB-176	10+50E	0+55S	330	70	35	5.86 g/t Au over 9m from 4 to 13m
MB-178	10+26E	0+74S	330	80	41	2.29 g/t Au over 5m from 3-8m
MB-180	11+30E	0+83S	330	70	35	4.25 g/t Au over 25m from 1-26m
MB-181	11+63E	0+85S	330	75	41	1.89 g/t Au over 11m from 1-12m
MB-182	11+64E	0+64S	330	70	32	1.94 g/t Au over 6.4m from 0.6-7m
MB-183	11+75E	0+82S	330	80	41	1.69 g/t Au over 8m from 14-22m
MB-184	11+86E	0+85S	330	70	32	1.28 g/t Au over 15m from 10-25m
MB-186	11+50E	0+85S	330	70	32	1.49 g/t Au over 7m from 16-23m
MB-187	11+38E	1+08S	330	70	50	1.45g/t Au over 15m from 3-18m
					and	3.45 g/t Au over 7m from 37-44m

DRILL HOLES TESTING NEW EXTENSIONS OF THE MAIN ZONE

DDH No	LINE	STN	Az.	Incl.	L (m)	RESULT
MB-172	10+96E	1+20S	330	45	44	1.48 g/t Au over 13m from 18 to 32m
MB-168	9+95E	0+57S	330	70	41	NSR
MB-169	9+95E	0+45S	330	70	41	3.94 g/t Au over 2m from 24-26m
MB-170	10+05E	0+62S	330	75	44	2.84 g/t Au over 2m from 6-8m
MB-171	10+21E	0+40S	330	70	45	NSR
					Incl.	3.85 g/t Au over 3m from 29-32m
MB-174	10+62E	1+40S	330	65	41	1.18 g/t Au over 11m from 23 to 34m
MB-177	10+26E	0+50S	330	70	26	9.12 g/t Au over 1m from 11-12m
MB-179	10+40E	1+85S	330	50	71	1.29 g/t Au over 12m from 23-35m
					and	3.28 g/t Au over 3m from 50-53m
					and	15.84 g/t Au over 2m from 68-70m
MB-185	11+86E	1+01S	330	70	41	2.12 g/t Au over 4m from 8-12m
MB-188	11+32E	1+27S	330	70	62	1.57 g/t Au over 7m from 21-28m
MB-189	9+89E	1+58S	330	80	65	1.47 g/t Au over 20m from 23m to 43m
					incl.	2.26 g/t Au over 8m from 23m to 31m
MB-190	11+00E	1+36S	330	80	62	4.42 g/t Au over 12m from 15 to 27m
MB-191	9+64E	1+17S	330	80	50	2.37 g/t Au over 9.0m from 17 to 26m
MB-192	9+00E	1+31S	330	55	62	1.89 g/t Au over 28.0m from 25 to 53m
					Incl.	6.33 g/t Au over 5.0m from 48 to 53m
MB-193	9+00E	0+72S	330	50	41	1.64 g/t Au over 2.0m from 11 to 13m
					and	1.11 g/t Au over 6.0m from 20 to26m
MB-194	9+34E	0+92S	330	70	41	3.47 g/t Au over 3.0m from 12 to 15m
MB-195	9+50E	0+70S	330	80	35	NSR
MB-196	9+50E	0+35S	330	80	32	NSR
MB-197	9+78E	0+75S	330	80	26	2.62 g/t Au over 16.0m from 3 to 19m
					Incl.	38.60 g/t Au over 1.0m from 18 to 19m
MB-198	10+13E	0+45S	330	70	26	NSR
MB-199	10+32E	2+08S	330	70	101	20.00 g/t Au over 4.0m from 35-39m
					and	4.09 g/t Au over 9.0m from 81 to 90m
					Incl.	31.10 g/t Au over 1.0m from 89-90m

CURRENT AND FUTURE EXPLORATION AT BARRY:

Murgor's objective remains to bring the Barry Deposit into production before the end of 2006 (if permitting allows). As metallurgical testing of the mineralization is taking place, Murgor will be carrying-out a 3,000 meter drilling program on the south-western extension of the deposit in an effort to outline additional gold resources (at least of the indicated category) before the beginning of June 2006. In June of 2006, when snow has completely melted, the metallurgical testing of the mineralization will be added to a full feasibility study of the deposit.

THE WINDFALL GOLD PROPERTY:

Murgor's intense exploration effort in 2005 continued at the Windfall Gold Property in north-western Quebec. In the fall of 2005, Murgor carried-out a mechanical trenching and detail geological mapping program that was followed by a 300 kilometer program of line cutting, a 275 kilometer induced polarization ground geophysical survey and, in the winter 2005-06, a 5,623 meter drilling program designed to extend the currently known mineralized zones (F-11, F-17 and F51) and to test new property-scale targets (largely based on geophysics).

So far, the mineralization occurs in three (3) mineralized zones as described below:

GOLD ZONE F-17:

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.
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.

GOLD ZONE F-51:

The gold mineralization occurs in a NE-trending brittle-ductile shear zones dipping approximately 70 degrees to the NW, with one ore shoot of higher grades and widths occurring within the shear zones and raking approximately 45 degrees to the NE. To date, Gold Zone F-51 has been intersected over a strike length and a vertical depth of approximately 100 meters (open at depth).

GOLD ZONE F-11:

Gold Zone F-11 is still poorly understood but current data suggests that the mineralization is NE-trending and steeply north-dipping with a well defined near-surface geophysical signature that extends for a strike length of 500 meters. The F-11 Gold Zone consists of gold-bearing pyrite-magnetite mineralization with minor amounts of quartz veining hosted by intensely chloritized rhyolitic flows. The latest phase of drilling at Zone F-11 has outlined felsic dikes that appear to intrude the mineralized shear zone thus disrupting the previously defined ore shoots. Additional drilling will be needed to define the extent of the dikes by testing the ore shoots at greater depth.

Results from drill holes WIN-06-97 to WIN-06-111 are still pending but other results are summarized below:

Hole No	Line	Station	Az	Plunge	Depth	Results
WIN-05-69	8+27 W	11+33 N	220	-55	68	1.50 g/t Au over 13.0 m from 36 to 50 m
WIN-05-70	9+05 W	10+20 N	150	-70	113	2.89 g/t Au over 5.0 m from 82 to 87 m
WIN-05-71	8+63 W	10+40 N	150	-70	104	1.28 g/t Au over 2.5 m from 62.5 to 65 m
WIN-05-72	12+00 W	13+66 N	150	-70	164	2.48 g/t Au over 1.0 m from 88 to 89m
					and	8.22 g/t Au over 2.0 m from 101 to 103 m
WIN-05-73	11+88 W	13+90 N	150	-60	171	1.38 g/t Au over 3.0 m from 123 to 125 m
WIN-05-74	12+15 W	12+56 N	150	-70	113	nsr
WIN-05-75	11+65 W	12+76 N	150	-70	95	nsr
WIN-05-76	10+15 W	13+62 N	295	-60	152	4.87 g/t Au over 2.0 m from 71 to 73 m
WIN-05-77	10+40 W	13+60 N	295	-60	68	nsr
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 69.7m
					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	nsr
WIN-05-81	8+28 W	11+00 N	155	-76	173	4.00 g/t Au over 3.0 m from 95 to 97 m
WIN-05-82	9+42 W	9+55 N	155	-60	62	2.55 g/t Au over 1.0 m from 43 to 44 m
WIN-05-83	10+55 W	9+15 N	155	-65	92	nsr
WIN-05-84	11+08 W	8+53 N	155	-56	50	nsr
WIN-05-85	9+47 W	9+84 N	140	-64	245	3.80 g/t Au over 3.0 m from 71 to 74 m
WIN-05-86	2+43 W	12+98 N	155	-60	56	nsr
WIN-05-87	1+40 W	15+12 N	160	-68	200	44.47 g/t Au over a 2.0 m from 147 to 149m

Hole No	Line	Station	Az	Plunge	Depth	Results
WIN-05-88	0+90 W	13+75 N	155	-60	89	nsr
WIN-05-91	10+37 W	9+13 N	154	-59	62	1.52 g/t Au over 4.0 m from 38 to 42 m
WIN-05-89	8+10 W	10+52 N	155	-45	65	3.12 g/t Au over 1.0 m from 26 to 27m
WIN-05-90	8+30 W	10+95 N	153	-47	140	9.76 g/t Au over 5.0 m from 83 to 88 m
WIN-05-92	9+88 W	9+48 N	155	-59	71	nsr
WIN-05-93	11+70 W	9+14 N	150	-56	145	nsr
WIN-05-94	9+25 W	11+00 N	155	-65	191	nsr
WIN-05-95	8+02 W	11+03 N	155	-58	140	8.40 g/t Au over 3.0 m from 77 to 80 m
WIN-05-96	7+85 W	10+63 N	155	-48	164	nsr

CURRENT AND FUTURE EXPLORATION AT WINDFALL:

Murgor will finish its latest phase of drilling at the Windfall property on April 5th, 2006. During the summer of 2006, Murgor's exploration work will focused on:

- Exploring the surface expression of new, untested geophysical anomalies through mechanical trenching, detailed geological mapping and channel sampling.
- Outlining new mineralized zones through an exploration program including line-cutting, detailed geological mapping, and Induced Polarization ground geophysics.

Drilling is planned to resume in the fall 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, and consisted of geological mapping, preliminary prospecting and soil geochemical surveys over prospective conductors. The surface expression of conductors was also verified using "Beep Mats". Only a few conductors were explained by surface prospecting with samples of exhalative units near those conductors returning assays of up to 0.05% Cu and 0.2% Zn. A soil geochemical survey of more than 1200 samples was also carried-out over all the conductors 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.

A program of mechanical trenching and channel sampling in the fall of 2005 uncovered all the important soil anomalies on the property and returned no significant results.

CURRENT AND FUTURE EXPLORATION AT EAGLE RIVER:

The property is currently being evaluated to see if further work is warranted.

THE FANCAMP PROPERTY:

The Fancamp Property consists of 48 mining claims covering an area of 768 hectares in FancampTownship, Quebec. The property is located 30 km SE of the town of Chapais, and 55 kilometres south of the town of Chibougamau and is wholly owned by Murgor.

The Property lies in the Archean, Abitibi Greenstone belt and is underlain by NE-striking mafic to intermediate/felsic volcanic rocks that are flanked to the east by the syntectonic Verneuil Pluton (granodiorite/tonalite) and, to the west, by the smaller Chico Stock. The Property covers a 3 kilometre strike length of the Fancamp Deformation Zone (FDZ) and subsidiary shear zones. The NE-trending, 20 kilometres long, FDZ, is host to at least 15 gold deposits and occurrences, including the **Chevrier (1.1 Mt @ 6.4 g/t Au)** and **Chevrier South (230 Mt @ 0.3 g/t Au)** deposits (located 5 kilometers northeast and on strike with the Fancamp Property). Other important gold deposits in the area include the **Joe Mann Mine (6.65 Mt @ 8.54 g/t Au)** 12 kilometers to the southeast.

Five (5) gold mineralized zones have been discovered to date on the Fancamp Property:

- The **A and B Zones** are small, NNW-plunging deposits located along the western contact of the Verneuil Pluton and hosted by a splay off the Fancamp Deformation Zone. Gold mineralization consists of gold-bearing pyrite-quartz-tourmaline veins. Trenching, diamond drilling and limited underground development have yielded results such as **6.10 m @ 8.22 g/t Au at the A Zone** and **3.36 m @ 5.14 g/t Au at the B Zone**.
- The **C-Zone**, 1.0 km west of the A-Zone, has yielded surface results up to **0.75 m @ 8.52 g/t Au**.
- The **D Zone** lies 450 m NE and on strike with the B-Zone. It is hosted by the Fancamp Fault at the western contact of the Verneuil Pluton. Limited drilling at the D Zone has yielded up to **3.05 m @ 4.6 g/t Au**.
- The **E Zone** lies 900 m NE of the D Zone in a subsidiary shear zone. A single drill hole (MU-88-2) yielded 2.27 m @ 1.42 g/t Au.

In January 2005, Murgor carried-out a 259 line kilometre ground GPS oriented total field geophysical survey that outlined a large (3km x 1km), lozenge-shaped magnetic high anomaly believed to represent an alteration halo to the known gold mineralization. The anomaly is located at the contact of the Verneuil Pluton and was recommended for follow-up work.

CURRENT AND FUTURE EXPLORATION AT FANCAMP:

In January 2006 a 46 kilometer line-cutting program and induced polarization ground geophysical survey was carried-out to cover the magnetic anomaly. A preliminary interpretation of the induced polarization survey has outlined a number of high chargeability, high resistivity anomalies that are recommended for follow-up.

Detail geological mapping, prospecting and trenching is planned for the summer of 2006 to follow-up the geophysical anomalies and to review the existing geological interpretation of the area.

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 Berey, 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**.

CURRENT AND FUTURE EXPLORATION AT LA TRÈVE:

In May 2005, Dianor provided Murgor with the MMI geochemical data they collected at the La Trève Properties. This geochemical data was combined with geophysical data to evaluate the initial geophysical anomalies pursued by Dianor for Cu-Ni and Platinum Group Elements mineralization. In July of 2005, a short field program of geological mapping and prospecting was carried-out but no significant results were reported due to lack of outcrop in the areas of interest. No additional work has been carried-out on the property since.

Murgor is planning induced polarization geophysical coverage of the geochemical anomalies for the winter of 2006-2007 and is coordinating with Dianor to drill several potential targets at La Trève in 2006.

THE BENOIT Au-Cu PROPERTY:

The Benoit property consists of 92 mining claims covering 1,458 ha. located approximately 170 kilometres northeast of the Val D'Or mining district and 165 kilometres southwest of the Chibougamau mining district; 1 kilometer SE of the town of Miquelon in northwestern Québec. Murgor holds a 50% interest and operatorship of the Benoit property. The other 50% interest is owned by Freewest Resources Canada Inc.

The Benoit property is located in the eastern part of the Archean, Abitibi greenstone belt. The property is underlain dominantly by intermediate to mafic volcanic flows and volcaniclastic rocks that are intruded by numerous small granodioritic quartz-phyric plutons. All rock types are crosscut by a number of NE-trending brittle-ductile shear zones which include the mineralized Pusticamica, South Gold and Lakeshore shear zones. The mineralized shear zones trend 065° az. with sub-vertical to steep dips towards the southeast.

Mineralization and Mineral Resource:

Gold mineralization consists of massive pyrite veinlets with minor chalcopyrite and trace amounts of sphalerite, occurring within the Pusticamica shear zone and its splay, the South Gold shear zone within a quartz-phyric granodioritic intrusion. The mineralized body is sub-vertical with a strike length of 70m trending at 065° az., a NS width of 40-50 meters and a plunge of 60→°245°. Alteration consists of silicification, sericitization, chloritization and pyritization (1-5% disseminated pyrite). In 1993, Minnova calculated Inferred Reserves on the Pusticamica Zone, of 531,000 tons grading 0.161 oz/ton Au, 0.353 oz/ton Ag and 0.27% Cu within a geological resource of 5.1 million tons grading 0.055 oz/ton Au.

CURRENT AND FUTURE EXPLORATION AT BENOIT:

Additional drilling is needed to better determine and increase reserves but Murgor is currently seeking partners to continue working the Benoit Property.

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 kilometer 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:

<u>OCCURRENCES OF ANOMALIES #26, #27 AND #33:</u>

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.

<u>THE WALK-OUT AND BB VEIN OCCURRENCES:</u>

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.

CURRENT AND FUTURE EXPLORATION AT MISHIBISHU:

In June of 2005, Murgor completed a 315 line kilometer helicopter-borne magnetic and electro-magnetic survey of the property that outlined several areas of interest. In July of 2005, a 105 kilometer grid was cut to cover areas of interest of the property in preparation for a ground induced polarization survey but no work has been carried-out on the property since.

Murgor is currently seeking partners to continue working the Mishibishu Property.

THE MYSTERY GOLD PROPERTY:

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 property is 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, a 190 line kilometres helicopter-borne Magnetic-Electromagnetic VTEM survey was flown over the Mystery Property and the former Mystery North option (now returned to the owners). Results of this survey show a number of weak conductors on the NE extension of the La Rose Gold-bearing structure.

CURRENT AND FUTURE EXPLORATION AT MYSTERY:

During the summer of 2005, an exploration program consisting of geological mapping, prospecting and lithogeochemical sampling was carried-out at the Mystery Property and Mystery North option. There were no significant results to report and as a result the Mystery North option was terminated in October 2006 and the Mystery property is being evaluated.

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.

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 lithogeochemical 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**.

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).

CURRENT AND FUTURE EXPLORATION AT CLAY LAKE:

In January 2006, a six (6) drill hole program, totaling 932 meters was carried-out at the Clay Lake Property. All conductors were explained by a sulphide-rich horizon at the top of the rhyolitic unit. The horizon of interest is up to 20m wide and consists of stringer, disseminated and semi-massive horizons of pyrite-pyrrhotite and locally magnetite with trace chalcopyrite. The host rock is highly choritized and displays all the characteristics typical of volcanogenic massive sulphide deposits. Best assays occurred in drill holes MCL-06-05 with 1875 ppm Cu, 3360 ppm Cu and 5060 ppm Cu over 1 meter long core samples.

A lithogeochemical survey and detailed geological mapping is planned for the summer of 2006 that will be followed-up with a deep penetrating ground electromagnetic survey in the late-fall of 2006. Additional drilling is planned for the winter of 2007 if warranted.

NEW BRUNSWICK

THE ELMTREE GOLD PROPERTY:

On October 12th, 2005, Murgor acquired the right to earn a one hundred percent (100%) interest in seventy-six (76) mining claims in the County of Gloucester, Province of New Brunswick. The aggregate purchase price for the Claims is forty thousand Canadian dollars (CAN $40,000.00), one hundred and fifty thousand (150,000) common shares of Murgor, to be paid to the Vendor during a period of 36 months as follows.

The dominant and most important geological feature of the Elmtree Property is the Elmtree fault which transects the central part of the property and juxtaposes the units of the Ordovician Belledune River Melange to the north and the calcareous metasedimentary rocks of the Silurian Chaleur Group to the south. The Elmtree fault trends N070 degrees and dips steeply to the north-northwest. Approximately 3 kilometres to the west of the survey area, the Elmtree fault is host to the Elmtree Gold Deposit.

In the northern part of the property, the rocks of the Ordovician Belledune River Melange belong to the Elmtree Group and consist of a thick sequence of intercalated graphitic argillites, phyllites, slates and greywackes with local interbeds of coarse grit and pebble conglomerate. In the southern part of the property the rocks belong to the Silurian Chaleur Group and consist of a thick sequence of calcareous metasediments including greenish-grey siltstone, argillite, sandstone, pebble to cobble conglomerate and minor limestone.

ECONOMIC GEOLOGY

Approximately 3 kilometres west of the property, the Elmtree fault is intruded by a small sill of gabbro to anorthosite composition which is host to the Elmtree Gold Deposit and occurrences. The deposit was discovered in 1984 through a grassroots prospecting program following up As-Sb soil and stream sediment anomalies. Trenching at the Elmtree West Gabbro Zone outlined channel samples assaying up to 8 g/t Au over 9.00 meters. Successful drilling (up to 6.0 g/t Au over ~13 meters) followed the trenching.

Mineralization at the Elmtree deposit consists of gold bearing zones of disseminated sulphides (up to 25% combined sulphide) within zones of silica flooding. Sulphides consist of diminishing amounts of arsenopyrite, pyrrhotite, and pyrite with minor chalcopyrite, stibnite and sphalerite.

CURRENT AND FUTURE EXPLORATION AT MISHIBISHU:

In September & October 2005 Murgor Resources Inc. carried-out a B-horizon soil geochemistry survey on the central part of Murgor's Elmtree Gold Property. A total of 1,028 samples were collected at 25 meters spacing on lines spaced by 100 meters. The survey covered an area of 1.8 km in the EW direction by 750 meters to 2.2 km in the NS direction. The following report provides an interpretation of this soil geochemical survey.

The survey area has very high background values for Ag, As, Pb and Zn and three (3) important anomalies, derived from local bedrock conditions, were outlined on the survey area above the Elmtree Fault.

- A 300m strike long, continuous anomaly with values of: Au (up to 217ppb), Ag (up to 18.1ppm), As (up to 679ppm), Pb (up to 253ppm) and Zn (up to 770ppm).
- An 800m strike long, continuous anomaly with values of: Au (up to 22ppb), Ag (up to 26.8ppm), As (up to 1235ppm), Pb (up to 504ppm), Zn (up to 495ppm) and Cu (up to 74ppm).
- A 600m strike long, discontinuous anomaly with values of: Au (up to 9ppb), Ag (up to 4.8ppm), As (up to 293ppm), Pb (up to 167ppm), Zn (up to 463ppm) and Cu (up to 124ppm).

A follow-up work program is recommended for 2006 including:

- a ground magnetic survey to verify the possible association of these anomalies with a magnetic high that could be indicative of a gabbroic intrusion such as the one hosting the Elmtree Gold Deposit,
- an induced polarization survey to outline zones of disseminated sulfides and define potential drill targets, and
- should geophysical anomalies be defined in association with the soil anomalies, a drill program will be planned.

THE MOUNT PLEASANT GOLD PROPERTY:

The Mount Pleasant Property consists of 47 claims covering 752 hectares, located in southwestern New Brunswick, 70 kilometers south of the city of Fredericton and 60 kilometers west of the city of Saint John (NB). The property is wholly owned by Murgor.

The property is located approximately10 kilometers east of the Clarence Stream Deposit **454 000 tonnes @ 8.84 g/t Au** in the Central-Zone and **430 000 tonnes @ 4.0 g/t Au and 1.8% Sb** in the AD-Zone (uncut, drill indicated reserves). At Clarence Stream high grade auriferous zones occur along a NW-trending corridor in Ordovician and Silurian sediments, within and adjacent to the thermal contact metamorphic aureole of the St-George Batholith. Gold mineralization consists of intrusion-related quartz-stockwork and veins with a strong structural control. The Clarence Stream Deposit was discovered largely on the basis of stream sediment and soil geochemical anomalies in Au, Sb and As.

Initial geological interpretation of the property suggested that a large (3km x 1km) dilational jog was located at the hart of the property between the Oxbow Brook and McDougall Lake faults. In early 2004 Murgor carried-out a ground GPS-oriented magnetic-VLF survey of the property that confirmed the geological interpretation.

CURRENT AND FUTURE EXPLORATION AT MISHIBISHU:

On March 1st, 2006, Murgor Resources has signed an agreement with Geodex Minerals Ltd. to option Mount Pleasant Property. The agreement states that Geodex can earn an initial 60% interest in the 47 claim block by paying Murgor a total of $30,000 cash and 300,000 shares over three years and committing to expenditures of $250,000 in that period. A further 15% can be earned by Geodex by issuing an additional 200,000 shares over the following two years and an additional 5% by completion of a feasibility study and by financing Murgor's share of development costs to production, the latter to be recovered from 90% of the first proceeds of commercial production. Murgor will retain a 2.0% NSR, half subject to buyback for the sum of $750,000 at any time. The agreement is subject to regulatory approval.

CONCLUDING REMARK:

Murgor's main objective for 2006 is to bring the Barry Gold Deposit into production before year end. Murgor will, however, continue to explore its other high potential properties and will continue to meet its working obligations on its joint venture properties.

RESULTS OF OPERATIONS

Three-month period ended January 31, 2006 compared with three-month period ended January 31, 2005

For the three-month ended January 31, 2006, the Corporation reported net income of $380,872 or $0.0060 per share compared to net income of $241,173 or $0.0052 per share in the same period of 2005.

Revenue totaled $20,351 at January 31, 2006 as compared to $20,156 at January 31, 2005. The net increase of $195 was comprised of $5,512 of Interest income on bank balances as a result of the equity financings in fiscal 2005 and 2006 offset by a decrease of $5,317 in Operator's fees charged for project administration of $11,750 ($17,097 – January 31, 2005). Bank charges were $400 for January 31, 2006 ($400 – January 31, 2005).

The net loss for the three-month period ended January 31, 2006 included a write-off due to abandonment of properties of $5,812 ($14,137 – January 31, 2005). Expenses excluding the write-off due to abandonment of properties totaled $93,632 ($44,320 – January 31, 2005). The increase in Professional and accounting fees of $9,405 to $22,891 ($13,486 – January 31, 2005) 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 $9,493 at January 31, 2006 compared to $6,971 at January 31, 2005. The increase of $2,522 related to higher director's and officer's liability insurance, increased office expenses together with an increase in the amount charged for shared office expenses. Filing costs and shareholders' information totaled $57,682 compared to $25,663 (January 31, 2005). The increase of $32,019 related mainly to higher advertising, promotion, conference and public relation costs as a result of increased activity of the Corporation. Interest expenses of $3,566 ($Nil – January 31, 2005) were incurred as a result of the period in which the exploration expenditures were incurred.

The Corporation 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. For the three-month period ended January 31, 2006, $Nil was included in deferred exploration expenditures ($Nil – January 31, 2005) and $Nil was reflected in Stock option compensation ($Nil – January 31, 2005) as no portion of the options granted became vested during the period.

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 net income of $241,173 or $0.0052 per share compared to a net 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 Corporation'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, 2006 compared with nine-month period ended January 31, 2005

For the nine-month ended January 31, 2006, the Corporation reported net income of $179,663 or $0.0028 per share compared to net income of $133,710 or $0.0029 per share in the same period of 2005.

Revenue totaled $100,511 at January 31, 2006 as compared to $32,104 at January 31, 2005. The increase of $68,407 was comprised of: $13,135 of Interest income on bank balances as a result of the equity financings in fiscal 2005 and 2006; $26,647 in Operator's fees charged for project administration; and $28,625 from the Gain on disposal of marketable securities. Bank charges totaled $401 at January 31, 2006 ($415 – January 31, 2005).

The net loss for the nine-month period ended January 31, 2006 included a write-off due to abandonment of properties of $89,594 ($36,325 – January 31, 2005). The January 31, 2006 write-off amount included $29,694 related to the Urban/Greenshield project which was returned to the vendor. Expenses excluding the write-off due to abandonment of properties totaled $291,219 ($141,543 – January 31, 2005). The increase in Professional and accounting fees of $58,531 to $105,455 ($46,924 – January 31, 2005) 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 $28,710 at January 31, 2006 compared to $17,056 at January 31, 2005. The increase of $11,654 consisted of: $4,848 for Tax on capital; and $6,806 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 $109,550 compared to $62,563 (January 31, 2005). The increase of $46,987 related mainly to higher advertising, promotion, conference and public relation costs as a result of increased activity of the Corporation. Interest expenses of $30,435 ($Nil – January 31, 2005) were incurred as a result of the period in which the exploration expenditures were incurred.

For the nine-month period ended January 31, 2006, $17,000 was included in deferred exploration expenditures ($Nil – January 31, 2005) and $17,069 was reflected in Stock option compensation ($15,000 – January 31, 2005).

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 net income of $133,710 or $0.0029 per share compared to a net loss of $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 corporation; $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 eight of the most recently completed financial quarters:

	2006			2005				2004
	Q3 $	Q2 $	Q1 $	Q4 $	Q3 $	Q2 $	Q1 $	Q4 $
Revenues	20,351	49,205	30,955	28,057	20,156	5,697	6,251	8,117
Net income (loss)	380,872	(127,434)	(73,775)	205,865	241,173	(82,830)	(24,633)	(192,271)
Net income (loss) per share	0.0060	(0.0021)	(0.0012)	0.0041	0.0052	(0.0018)	(0.0006)	(0.0057)

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

LIQUIDITY

Nine-month period ended January 31, 2006 compared with nine-month period ended January 31, 2005

As at January 31, 2006, the Corporation maintained a cash and equivalent position of $2,156,564 ($1,695,876 as at January 31, 2005) and working capital of $2,083,231 as compared to a working capital of $1,932,864 as at January 31, 2005. 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 $1,844,480 through three (3) private placements ($1,393,833 flow-through amount and $450,647 in common shares amount) for the nine-month period ended January 31, 2006 compared to a total $1,556,760 through two (2) private placements ($846,891 flow-through amount and $709,869 in common shares amount) for the nine-month period ended January 31, 2005. Issue costs related to the financings totaled $132,587 at January 31, 2006 as compared to $114,684 at January 31, 2005. A total of $Nil was raised through the exercise of warrants as compared to $323,827 as at January 31, 2005.

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

As at January 31, 2005, the Corporation 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 corporation ($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, 2005	Expenditures	Proceeds from option agreements	(Write-off)	January 31, 2006
	$	$	$	$	$
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	24	-	-	377,228
Exploration	1,761,382	276,294	-	-	2,037,676
Urban Township					
Acquisition	85,037	28,187	-	(17,875)	95,349
Exploration	1,114,258	544,753	-	(11,819)	1,647,192
La Trève					
Acquisition	145,173	96	-	-	145,269
Exploration	305,503	19,075	-	-	324,578
Eagle River					
Acquisition	8,180	1,838	-	-	10,018
Exploration	247,324	81,744	-	-	329,068
Others					
Acquisition	-	-	-	-	-
Exploration	-	33,189	-	(33,189)	-
	6,542,582	**986,617**	**-**	**(62,883)**	**7,466,316**
Ontario					
Mishibishu Township					
Acquisition	67,835	-	-	-	67,835
Exploration	158,409	90,001	-	-	248,410
Mystery					
Acquisition	41,400	-	-	-	41,400
Exploration	92,588	66,370	-	-	158,958
Clay Lake					
Acquisition	4,950	4,315	-	-	9,265
Exploration	1,500	224,562	-	-	226,062
Greenwater					
Acquisition	-	21,230	-	-	21,230
Exploration	-	8	-	-	8
Others					
Acquisition	-	-	-	-	-
Exploration		12,237	-	(12,237)	-
	366,682	**418,723**	**-**	**(12,237)**	**773,168**

MINING PROPERTIES AND DEFERRED COSTS (Cont'd)

	April 30, 2005	Expenditures	Proceeds from option agreements	(Write-off)	January 31, 2006
	$	**$**	**$**	**$**	**$**
New Brunswick					
Mount Pleasant					
Acquisition	8,715	940	-	-	9,655
Exploration	74,094	7,684	-	-	81,778
Elmtree					
Acquisition	-	8,849	-	-	8,849
Exploration	-	20,787	-	-	20,787
Other					
Acquisition	-	-	-	-	-
Exploration	-	9,297	-	(9,297)	-
	82,809	**47,557**	**-**	**(9,297)**	**121,069**
Manitoba					
Other					
Acquisition	-	-	-	-	-
Exploration	-	2,327	-	(2,327)	-
	-	**2,327**	**-**	**(2,327)**	**-**
Canadian Properties	**6,992,073**	**1,455,224**	**-**	**(86,744)**	**8,360,553**
Foreign Property					
South America					
Acquisition	-	-	-	-	-
Exploration	-	2,850	-	(2,850)	-
Stock Option Compensation	2,500	17,000	-	-	19,500
	6,994,573	**1,475,074**	**-**	**(89,594)**	**8,380,053**

For the nine-month period ended January 31, 2006, the Corporation incurred Canadian exploration expenditures totaling $1,389,721 of which $956,448 were incurred in Quebec; $393,178 in Ontario; $37,768 in New Brunswick; and $2,327 in Manitoba. 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 $28,710 for the nine-month period ended January 31, 2006 ($17,056 – January 31, 2005):

	January 31, 2006	January 31, 2005
	$	$
Office Expenses		
Dues and Subscriptions	1,026	603
Postage and Courier	100	11
Insurance	7,120	5,284
Office Supplies and Other	2,116	1,658
Rent and Office Services	13,500	9,500
Tax on Capital	4,848	-
	28,710	**17,056**

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 Corporation are also shareholders and directors of related corporations.

The related corporation charged an aggregate amount of $24,556 ($38,163 – January 31, 2005) for administrative costs, services, shared office expenses and exploration expenditures. A total of $71,000 ($54,000 – January 31, 2005) 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 ($17,668 – January 31, 2005) representing advances to the President for professional services in his capacity as a geologist and qualified person (QP) and $1,886 ($Nil – January 31, 2005) to an officer of the Corporation for upcoming administration and exploration expenditures.

CRITICAL ACCOUNTING POLICIES

The Corporation prepares its financial statements in conformity with Generally Accepted Accounting Principles (“GAAP”) in Canada. The Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation, 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 nine-month period ended January 31, 2006.

FINANCIAL INSTRUMENTS

The fair value of all of the Corporation’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

	January 31 2006 (Unaudited)	April 30 2005 (Audited)
	$	$
Assets		
Current assets		
Cash	903,060	1,141,620
Cash held for exploration work	1,253,504	489,744
Marketable securities (note 3)	-	25,200
Accounts receivable	206,776	200,451
Due from related corporation (note 5)	258,557	113,180
Prepaid expenses (note 5)	41,302	88,629
	2,663,199	2,058,824
Mining properties and deferred costs	8,380,053	6,994,573
	11,043,252	9,053,397
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	571,664	64,123
Due to director (note 5)	8,304	7,150
	579,968	71,273
Shareholders' equity		
Capital stock (note 4)	16,624,016	15,233,944
Contributed surplus (note 4)	151,357	107,345
Deficit	(6,312,089)	(6,359,165)
	10,463,284	8,982,124
	11,043,252	9,053,397

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 January 31		Nine-month period ended January 31	
	2006	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
Revenue				
Interest	8,601	3,089	22,461	9,326
Gain on disposal of marketable securities	-	-	28,625	-
Operator's fees	11,750	17,067	49,425	22,778
	20,351	20,156	100,511	32,104
Expenses				
Professional and accounting fees	22,891	13,486	105,455	46,924
Administration expenses and other	9,493	6,971	28,710	17,056
Filing costs and shareholders' information	57,682	25,663	109,550	62,563
Interest expenses	3,566	-	30,435	-
Write-off due to abandonment of properties	5,812	14,137	89,594	36,325
Loss due to write-down of marketable securities	-	(1,800)	-	-
Stock option compensation	-	-	17,069	15,000
	99,444	58,457	380,813	177,868
Loss before recovery of income taxes	(79,093)	(38,301)	(280,302)	(145,764)
Recovery of future income taxes	459,965	279,474	459,965	279,474
Net income for the period	380,872	241,173	179,663	133,710
Deficit - beginning of period	(6,577,411)	(6,399,167)	(6,359,165)	(6,291,704)
Issue costs	(115,550)	(114,684)	(132,587)	(114,684)
Deficit - end of period	(6,312,089)	(6,272,678)	(6,312,089)	(6,272,678)
Basic and fully diluted net income per share	0.0060	0.0052	0.0028	0.0029
Weighted average number of outstanding shares	63,905,724	46,459,059	63,905,724	46,459,059

See accompanying notes to financial statements

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

	Three-month period ended January 31		Nine-month period ended January 31	
	2006	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
Cash flows from (used in) operating activities				
Net income	380,872	241,173	179,663	133,710
Adjustments for:				
Write-off due to abandonment of properties	5,812	14,137	89,594	36,325
Loss due to write-down of marketable securities	-	(1,800)	-	-
Stock option compensation	-	-	17,069	15,000
Recovery of future income taxes	(459,965)	(279,474)	(459,965)	(279,474)
	(73,281)	(25,964)	(173,639)	(94,439)
Changes in non-cash components of working capital				
Marketable securities	-	-	25,200	(26,100)
Accounts receivable	93,966	(62,663)	(6,325)	(59,804)
Due from related corporations	(98,800)	(177,049)	(145,377)	(222,140)
Prepaid expenses	1,189	2,071	47,327	(8,609)
Accounts payable and accrued liabilities	375,320	43,089	507,541	(23,636)
Due to director	7,774	(7,992)	1,154	(7,194)
	379,449	(202,544)	429,520	(347,483)
Cash flows from (used in) operating activities	306,168	(228,508)	255,881	(441,922)
Cash flows used in investing activities				
Mining claims acquired	(23,415)	(13,513)	(42,128)	(31,294)
Exploration expenditures deferred	(633,733)	(300,018)	(1,400,446)	(805,977)
Proceeds from option agreements	-	-	-	112,500
Cash flows used in investing activities	(657,148)	(313,531)	(1,442,574)	(724,771)
Cash flows from financing activities				
Common shares and warrants issued	1,694,480	1,922,587	1,844,480	1,922,587
Issue costs	(115,550)	(114,684)	(132,587)	(114,684)
Cash flows from financing activities	1,578,930	1,807,903	1,711,893	1,807,903
Increase in cash and cash equivalents	1,227,950	1,265,864	525,200	641,210
Cash and cash equivalents - beginning of period	928,614	430,012	1,631,364	1,054,666
Cash and cash equivalents - end of period	**2,156,564**	**1,695,876**	**2,156,564**	**1,695,876**
Cash and cash equivalents are composed of:				
Cash	903,060	861,349	903,060	861,349
Cash held for exploration work	1,253,504	834,527	1,253,504	834,527
	2,156,564	**1,695,876**	**2,156,564**	**1,695,876**

See accompanying notes to financial statements

MURGOR RESOURCES INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
JANUARY 31, 2006
(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 Corporation'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 corporation'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, 2006 and the results of operations and cash flows for the three-month and nine-month periods ended January 31, 2006 and 2005.

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, 2006, 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 \#	Amount $
Balance April 30, 2005 (audited)		61,825,255	15,223,944
Issuance of shares allotted in respect to mining properties		100,000	10,000
Issuance of shares in respect to mining properties		100,000	15,500
Issuance of shares for cash		2,750,000	302,500
Issuance of shares under flow-through agreements		11,442,709	1,532,037
Issued and fully paid		76,217,964	17,083,981
Tax benefits renounced on flow-through shares		-	(459,965)
Balance January 31, 2006 (unaudited)		**76,217,964**	**16,624,016**

4. Capital stock (cont'd)

(b) Stock option plan

	Number of Options	Weighted Average Exercise Price
	#	$
Balance April 30, 2005 (audited)	5,561,593	0.13
Granted	1,300,000	0.12
Cancelled/Expired	(400,000)	0.15
Balance January 31, 2006 (unaudited)	**6,461,593**	**0.13**

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 January 31, 2006 a total of $Nil was recorded. For the nine-month period ended January 31, 2006, 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 nine-month periods ended January 31, 2006 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

4. Capital stock (cont'd)

Accounting for the stock-based compensation plan (cont'd)

The fair value of the 850,000 options granted during the three-month and nine-month periods ended January 31, 2006 amounted to $119,982 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 nine-month periods ended January 31, 2006 as no portion of the options granted were vested.

Number of options granted	850,000
Weighted risk-free interest rate	4.00%
Expected volatility	110.0%
Dividend yield	Nil
Weighted average expected life	5 years

(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 January 31, 2006 (unaudited)	**9,049,857**	**0.18**

(d) Contributed surplus

	Amount
	$
Balance April 30, 2005 (audited)	107,345
Stock-based compensation	34,069
Issuance of warrants under flow-through share financing	9,943
Balance January 31, 2006 (unaudited)	**151,357**

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 ($17,668 - January 31, 2005) representing advances to the President for professional services in his capacity as consulting geologist and qualified person and $1,886 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 corporation charged an aggregate amount of $24,556 ($38,163 - January 31, 2005) for administrative costs and services, shared office expenses and exploration expenditures.

(iii) Due from related corporation 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 from related parties are non-interest bearing with no specific terms of repayment.

(v) $71,000 ($54,000 - January 31, 2005) represents the remuneration to the President in his capacity as consulting geologist and qualified person.

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 2006 unaudited interim financial statements.