

With a Large Land Package in the Mining Friendly Province of Quebec, Maudore Minerals Limited is Out Drilling 95% of the Competition with a Strategy of “Drill, Baby, Drill” – Finding and Proving up Gold



Minerals Ltd.

Resources
Gold Exploration
(MAO-TSXV)



Ronald Shorr, CFA
Chairman and CEO

BIO:

Former mining consultant involved with researching, development and financing of resource corporations for over 30 years including operations, acquisitions and fund raising. Extensive prior Wall Street experience as the senior mining analyst with Bear Stearns, Morgan Stanley Dean Witter, and others. Board of Directors of several public resource companies B.A. - Univ. of Michigan; M.B.A.-Harvard

Business School; post-graduate courses – Columbia Univ. Henry Krumb Sch. of Mines.

Company Profile:

Maudore Minerals Ltd. (Maudore) is engaged in the exploration of mining properties, with emphasis on high-grade gold in Quebec. As of December 31, 2011, the Company holds about 2,000 mining titles covering an area of over 95,000 hectares on 11 exploration properties. The properties are all located in the Abitibi Greenstone Belt. With its 338 claims, the Comtois property covers an area of approximately 127 square kilometers. During both 2010 and 2011, Maudore drilled about 80,000 meters in the Comtois property.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Mr. Shorr, since we spoke last year there has been a steady stream of news; what are the biggest milestones?

Mr. Shorr: Maudore’s drilling has continued to produce outstanding results. We have moved ahead into an early phase of preproduction. In January, we reported on metallurgical tests done by SGS Lakefield Labs, which showed very good recoveries of gold. We are also working on environmental baseline studies, community relations, and First Nation relations; so, we are not only moving ahead with all the exploratory work, but we are also going ahead with steps necessary to move this property towards production. We’ve had two recent favorable press releases on the Eastern and Western extensions

of our resource, which we call Osbell, extending across a 1.8 kilometer strike length. On the Eastern side of that, we announced in November 2011 that we intersected a 673 gram hole, which is the second best hole we have ever drilled. This intercept was not even in our resource, it was 285 meters southeast, on our Eastern potential expansion. Recently Maudore reported some very good, 30-gram results over on our Western expansion, so we hope we are on our way to increasing the strike length dramatically as we work along these extensions of the known resource.

CEOCFO: Maudore is in a very mining-friendly area, but you mentioned environmental and First Nations; is it pretty routine stuff or is there anything you need to be concerned about or to look at more carefully there?

Mr. Shorr: This is very routine. We do not have any problems with water. The First Nations essentially can only claim that we are involved in their territory due to the fact that some of the rivers our project operates on may eventually dump into some waters far away that the Cree Nation is either hunting in or in a few cases living on. In any case, we will cooperate with the First Nations. In addition, Maudore is confident that a well-run operation here will not be environmentally adverse, but we have to go through the procedures.

CEOCFO: What is the timetable to get to production, and will you be handling production yourself when you get there?

Mr. Shorr: It is too early to project when this resource might be going into production. Maudore is still find-

ing potentially large amounts of gold and you do not want to put a mine into production unless you have some reasonable grasp on the size of the resource. We want to plan an operation scaled to the size of how much gold we have. Therefore, it will be a while yet before we can determine that. We are potentially interested, long range, in discussing with majors any interest they might have in the deposit. If they do not want to bid for the Company, we want to be ready to put this into production ourselves. However, that might not happen, because Maudore might have a good enough deposit to have majors very interested.

CEOCFO: What is going to happen in the next six months to a year on the ground?

Mr. Shorr: Maudore wants to continue to prove up a lot more gold along both the east and the west side of the resource. We do an enormous amount of drilling. We have had four rigs on the property since early 2010 and in each of the last two years, we have drilled about 80,000 meters. That is 50 miles each year. Maudore plans on continuing that amount of drilling this year. We also have activity on our other properties -- this winter we are drilling our far-west greenfield exploration territories. We have 235,000 acres of property that extends for over 75 miles westward from our resource and we have half of our drills working there this winter to try to find additional deposits along that greenfield area. Maudore is quite encouraged by the data from the enormous amount of geophysical work we have done there over the past six years. Now it is time to do some serious drilling on that and the best time to drill it for us is during the winter, because these areas, unlike our resource area, tend to be somewhat swampy year-round; therefore, the drills can get access much more easily when there is ice there.

CEOCFO: Sounds like you have a lot of land to potentially drill and find more!

Mr. Shorr: Yes. We certainly do more drilling than about 99% of all junior mining companies. Even including the majors, Maudore might well out-drill 95% of companies in our industry. You can only find and prove up gold by drilling it, so our philosophy is "drill, baby, drill."

CEOCFO: There was a private placement in December and we know drilling is expensive; what is the financial

More than half of our shares reside in Europe with most of them in London. They are very intrigued by our prospects. High-grade gold in Quebec is quite unusual and Europeans have a history of great respect for high grade. The colonization of places like South Africa, Zambia, Zaire, Mali, Guinea, Ghana, taught them a very good lesson that if you have high-grade you can survive metal price declines and you are in much better shape than people who are scrimping by with one gram deposits. Our potential open pit in our 43-101 shows a grade of about 3.2 grams. Most open pits going in the world today are roughly 1 gram, and our underground mineralization below 150 meters has almost 7 grams to it and this is also quite a bit more than the average underground deposit in development. We will also benefit from use of North America's lowest cost power. Therefore, Maudore should be able to withstand, once this is in production, almost any conceivable price decline and still make money.

- Ronald Shorr, CFA

picture for Maudore Minerals today?

Mr. Shorr: Maudore began the year 2012 with \$18 million in the bank, and our spending rate is roughly \$15 million a year, so we have in excess of a year's worth of cash on hand. This puts us in a somewhat favorable position. Just about anybody involved in an operation with continuing financing needs has to be worried about what is going on in the world financially. It might redound to the benefit of gold itself, but we do need money to pursue our activities and we are living very comfortably now with the large cash amount on hand.

CEOCFO: When we spoke last year you mentioned that Maudore was under the radar screen in terms of many investors, has that changed over the year or are people still missing the story?

Mr. Shorr: I would say definitely in North America Maudore is an undiscovered entity. More than half of our shares reside in Europe with most of them in London. They are very intrigued by our prospects. High-grade gold in Quebec is quite unusual and Europeans have a history of great respect for high grade. The colonization of places like South Africa, Zambia, Zaire, Mali, Guinea, Ghana, taught them a very good lesson that if you have high-grade you can survive metal price declines and you are in much better shape than people who are scrimping by with one gram deposits. Our potential open pit in our 43-101 shows a grade of about 3.2 grams. Most open pits going in the world today are roughly 1 gram, and our underground mineralization below 150 meters has almost 7 grams to it and this is also quite a bit more than the average underground deposit in development. We will also benefit from use of North America's lowest cost power. Therefore, Maudore should be able to withstand, once this is in production, almost any conceivable price decline and still make

money.

CEOCFO: Do you do much investor outreach?

Mr. Shorr: Since we get 40% of our money back from the Province of Quebec if we put it into the ground doing such things as drilling, assays, and geology costs, we skimp on promotion and administrative costs. However, we think that is much to the benefit of our shareholders in the long range.

CEOCFO: Final thoughts, why should investors pick Maudore Minerals out of the crowd?

Mr. Shorr: Number one, Quebec is among the best if not the best place to explore for minerals. The 40% rebate is just one of many advantages. We also are extremely well located within Quebec. Just a few miles away we can access the lowest cost power (hydroelectric) in North America as a line that comes right up to the edge of our property. We are surrounded by highways and logging roads so these all auger well for low-cost production. On top of that Maudore has high grade, which is fairly unusual. In this

climate of exploration, people are typically digging for the lower grade deposits today because an awful lot of the high-grade deposits have been discovered. We have a very tight market capitalization of only 26.7 million shares outstanding, a tad over 30 million fully diluted, which is far below our peer group's bloated structure. We have this wide open exploration potential into a rock type that comes right up and abuts with our resource itself, so we have high hopes that we can expand the deposit with some

mineralization on either or the eastern and western sides of this 1.8 kilometers. Therefore, you get a combination of great location, great grade, very exciting upside potential and a share structure that does not dilute its shareholders. And, due to our cash position, it is not likely to dilute shareholders to any significant degree in the near future.

Maudore wants to continue to prove up a lot more gold along both the east and the west side of the resource. We do an enormous amount of drilling. We have had four rigs on the property since early 2010 and in each of the last two years, we have drilled about 80,000 meters. That is 50 miles each year. Maudore plans on continuing that amount of drilling this year. We also have activity on our other properties -- this winter we are drilling our far-west greenfield exploration territories. We have 235,000 acres of property that extends for over 75 miles westward from our resource and we have half of our drills working there this winter to try to find additional deposits along that greenfield area. Maudore is quite encouraged by the data from the enormous amount of geophysical work we have done there over the past six years.

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