Financial Statements of

Maple Minerals Corp.

For the year ended September 30, 2003 and 2002

Contents

Maitland House | 37 Maitland Street
Toronto | Ontario | M4Y 1C8
tel 416 924 4900
fax 416 924 9377
feldmanca@idirect.ca

FELDMAN & ASSOCIATES, LLP
CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of Maple Minerals Corp. as at September 30, 2003 and 2002 and the statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2003 and 2002 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"Feldman & Associates, LLP"

Chartered Accountants

Toronto, Canada
January 15, 2004

MAPLE MINERALS CORP.
Balance Sheets
As at September 30,

		2003		2002
Assets				
Current				
Cash	**$**	**691**	$	1,064
Marketable securities - (market value $1; 2002 - $3,450)		**1**		1
		692		1,065
Mineral properties and related expenditures (note 3)		**211,887**		595,886
	$	**212,579**	$	596,951
Liabilities and Shareholders' Equity				
Current				
Accounts payable and accrued liabilities	**$**	**7,787**	$	7,721
Advances from affiliated company (note 4)		**186,440**		63,822
		194,227		71,543
Shareholders' equity				
Capital stock (note 5)		**9,511,723**		9,511,723
Contributed surplus		**6,900**		6,900
Deficit		**(9,500,271)**		(8,993,215)
		18,352		525,408
	$	**212,579**	$	596,951

On behalf of the Board:

"Sheldon Inwentash" Director

"Luigi M. Falzone" Director

See accompanying notes to the financial statements

MAPLE MINERALS CORP.
Statements of Operations
For the years ended September 30,

		2003		2002
Expenses				
Operating, general and administrative	**$**	**36,344**	$	46,050
Write-down of marketable securities		**-**		2,299
Write-off of mineral properties and related expenditures		**470,712**		28,546
		507,056		76,895
Net loss	**$**	**(507,056)**	$	(76,895)
Loss per common share				
Basic and diluted	**$**	**(0.084)**	$	(0.014)
Weighted average number of common shares outstanding				
Basic		**6,014,264**		5,449,059
Diluted		**6,197,563**		5,738,740

See accompanying notes to the financial statements

MAPLE MINERALS CORP.
Statements of Deficit
For the years ended September 30,

		2003		2002
Deficit, beginning of year	**$**	**(8,993,215)**	$	(8,916,320)
Net loss		**(507,056)**		(76,895)
Deficit, end of year	**$**	**(9,500,271)**	$	(8,993,215)

See accompanying notes to the financial statements

MAPLE MINERALS CORP.
Statements of Cash Flows
For the years ended September 30,

	2003	2002
Cash flows from operating activities		
Net loss	**$ (507,056)**	$ (76,895)
Items not affecting cash		
Write down of mineral properties and related expenditures	**470,712**	28,546
Write down of marketable securities	**-**	2,299
	(36,344)	(46,050)
Changes in non-cash working capital balances		
Accounts payable and accrued liabilities	**66**	(2,539)
	(36,278)	(48,589)
Cash flows from investing activities		
Net expenditures on mineral properties and related exploration	**(86,713)**	(25,442)
	(86,713)	(25,442)
Cash flows from financing activities		
Issuance of common shares for mineral properties	**-**	2,500
Issuance of common shares for debt	**-**	281,763
Compensation expense of issuance of stock options	**-**	6,900
Advances received from (repaid to) affiliated companies	**122,618**	(217,942)
	122,618	73,221
Decrease in cash	**$ (373)**	$ (810)
Cash, beginning of year	**1,064**	1,874
Cash, end of year	**$ 691**	$ 1,064
Supplemental Cash Flows Information		
Cash paid for income taxes	**$ -**	$ -
Cash paid for interest	**$ 6,880**	$ 5,670

See accompanying notes to the financial statements

MAPLE MINERALS CORP.
Statements of Mineral Property Costs
For the years ended September 30,
(note 3)

	2002	2003 Net Expenditures /(Recoveries)	Write-down	
ONTARIO				
West Procupine Property				
Acquisition	$ 39,948	$ 1,303		**$ 41,252**
Assay		2,900		**2,900**
Drilling		21,107		**21,107**
Geological and geophysical		1,113		**1,113**
	39,948	26,423	-	**66,372**
Eva-Kitto				
Acquisition	16,569	(6,000)		**10,569**
	16,569	(6,000)	-	**10,569**
Lac Des Iles (Thunder Bay)				
Acquisition	1			**1**
Geological and geophysical		835		**835**
	1	835	-	**836**
Burchell lake Poperty				
Acquisition		13,482		**13,482**
Geological and geophysical		692		**692**
	-	14,174	-	**14,174**
Clay Lake Property				
Acquisition		3,595		**3,595**
	-	3,595	-	**3,595**
Hamlin Shear Property				
Acquisition		13,000		**13,000**
Drilling		1,074		**1,074**
	-	14,074	-	**14,074**
Deaty Property				
Acquisition		7,500		**7,500**
Geological and geophysical		6,000		**6,000**
	-	13,500	-	**13,500**

See accompanying notes to the financial statements

MAPLE MINERALS CORP.

Statements of Mineral Property Costs (continued)
For the years ended September 30,
(note 4)

	2002	2003 Net Expenditures /(Recoveries)	2003 Write-down	
Powell Lake Property				
Acquisition		15,000		**15,000**
Geological and geophysical		5,000		**5,000**
	-	20,000	-	**20,000**
Lang Lake (Thunder Bay)				
Acquisition	22,268			**22,268**
Drilling		111		**111**
	22,268	111	-	**22,379**
Joburke Property (Porcupine)				
Acquisition	465,955		465,954	**1**
	465,955	-	465,954	**1**
Total Ontario properties	$ 544,742	$ 86,713	$ 465,954	**$ 165,500**
QUEBEC				
Casa Berardi				
Acquisition	$ 51,145		$ 4,758	**$ 46,387**
Total Quebec properties	51,145	-	4,758	**46,387**
Total mineral property costs	$ 595,886	$ 86,713	$ 470,712	**$ 211,887**

See accompanying notes to the financial statements

1. Basis of preparation:

Maple Minerals Corp. ("Maple" or the "Company") is in the process of exploring its mineral properties and has not as yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties is dependent upon: the existence of economically recoverable reserves; the ability of the Company to obtain the necessary financing to complete exploration and development; and the future profitable production or proceeds from disposition of such properties.

The financial statements have been prepared on the basis of a going concern, which contemplates the Company will be able to realize assets and discharge liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon obtaining sufficient financing to meet its obligation with respect to operating expenditures and with respect to expenditures required on its mineral properties.

Although the resolution of the above uncertainties is not assured, management is sufficiently confident that additional financing will be obtained, including option agreements with co-ventures, to meet the Company's requirements as to warrant presentation of these financial statements on a basis that assumes the Company will continue in operation.

The Company is traded on the TSX Venture Exchange under the symbol "MPM".

2. Significant accounting policies:

(a) Mineral properties:

The cost of mineral properties and their related exploration and development costs are deferred until the properties are placed into production, sold or abandoned. These costs will be amortized over the estimated useful life of the properties following the commencement of production. Mineral properties which the Company has no intention to develop and management believes have little or no value, are written down to $1. Mineral properties are written off if the properties are sold, allowed to lapse, or abandoned.

Cost includes the cash consideration and the fair market value of shares issued on the acquisition of mineral properties. Properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. The proceeds from options granted are included in the cost of the related property and any excess is applied to income.

(b) Marketable securities:

Marketable securities are carried at the lower of cost and market value with market value determined on the basis of the closing market price at the fiscal year end.

2. Significant accounting policies (continued):

(c) Share capital and stock-based compensation plans:

The Company has stock-based compensation plans, which are described in note 6(a). Any consideration received on the exercise of stock options or sale of stock is credited to share capital. Stock options granted since October 1, 2001 are accounted for in accordance with the fair value method of accounting for stock-based compensation. The fair value for these options will be estimated at the date of granting using a Black-Scholes Option Pricing Model. The Company does not record any compensation expense for stock options granted to employees or directors. Stock options granted to employees and directors are disclosed in pro forma net income and earnings per share. Stock options granted to non-employees and consultants have been expensed and credited to contributed surplus.

Share capital issued for non-monetary consideration is recorded at the fair market value of the shares on the date the agreement to issue the shares was entered into as determined by the Board of Directors of the Company, based on the trading price of the shares.

(d) Use of estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results could differ from those estimated.

(e) Fair value of financial instruments:

The carrying values of cash, marketable securities, accounts payable and accrued liabilities, and advances from affiliated companies, approximate their fair values due to the short term to maturity for these instruments.

(f) Earnings per share:

Earnings per share (EPS) has been determined by dividing net income for the year by the weighted average number of common shares outstanding during the year. Diluted earnings per share assumes outstanding dilutive securities including options and share purchase warrants were exercised at the beginning of the period and the funds derived there from were used to purchase common shares of the Company at the average market price per share during the period. The incremental shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) are included in the denominator of the diluted EPS computation. Anti-diluted shares are not included in the computation.

2. Significant accounting policies (continued):

(g) Income taxes:

The Company follows the liability method of tax allocation in accounting for income taxes. Under this 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 year in which those temporary differences are expected to be recovered or settled. Under The Canadian Institute of Chartered Accountants' Handbook section 3465, "Accounting for Income Taxes", the effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

3. Mineral properties and related expenditures:

The Company enters into exploration agreements with other companies whereby the parties to the agreement may earn an interest in certain mineral properties by issuing common shares and/or making option payments and/or incurring expenditures in varying amounts by varying dates. Failure by a party to meet such requirements in certain circumstances can result in a reduction of ownership interest.

4. Advances from affiliated company:

These advances are interest bearing at Royal Bank Prime plus 1% per annum, due on demand. Included in the statements of operations is interest expense in the amount of $6,880 (2002 - $5,667) related to these advances. At September 30, 2003 and 2002, these advances were from Brownstone Resources Inc. ("Brownstone", a reporting issuer and shareholder of the Company). See note 7.

Subsequent to September 30, 2003, the Company issued 480,950 common shares at a deemed price of $0.40 ($192,380 in the aggregate) to Brownstone to settle in full all advances due to Brownstone.

5. Capital stock:

Share capital consists of the following:

Authorized: Unlimited number of common shares

Issued and outstanding:

	2003		2002	
	#	**Amount**	#	Amount
Balance, beginning of year	**6,014,264**	**$ 9,511,723**	3,842,685	$ 9,227,460
Issued for mineral properties	—	—	4,166	2,500
For settlement of debt (note 7)	—	—	2,167,413	281,763
Balance, end of year	**6,014,264**	**$ 9,511,723**	6,014,264	$ 9,511,723

(a) Stock option plans:

The Company has 1998, 2000, and 2002 stock option plans for directors, officers, key employees and consultants to enable them to purchase common shares of the Company, as administered by the Board of Directors. The Company has also granted options to employees and consultants outside the plans pursuant to securities act provisions.

The number of shares which were authorized to be issued under the plans were 333,333 for each of the 1998 and 2000 plans and 500,000 for the 2002 plan.

The exercise prices for purchasing shares pursuant to options cannot be less than the market price of the common shares on the last day on which the common shares traded prior to the date of the granted option. All stock options under the plans have a maximum term of 5 years.

During the years ended September 30, 2003 and 2002, no options were exercised.

Subsequent to September 30, 2003, 400,000 options were exercised at exercise prices ranging from $0.10 to $0.20 for proceeds of $51,700.

Also, on October 28, 2003, the Company completed private placements and issued 2,500,000 units at $0.25 per unit. Each unit was comprised of one common share of the Company and one-half share purchase warrant, each whole share purchase warrant entitling the holder to acquire one common share of the Company at $0.50 on or before October 28, 2005.

5. Capital stock (continued):

A summary of the status of the Company's four stock option plans as at September 30, 2003 and 2002 and changes during the years ended on those dates is presented below:

	2003		2002	
Stock Options	**Shares**	**Weighted Average Exercise Price**	Shares	Weighted Average Exercise Price
Outstanding, at beginning of year	**815,000**	$ **0.12**	316,667	$ 0.11
Granted	**15,000**	**0.20**	514,999	0.13
Exercised	—	—	—	—
Forfeited	—	—	(16,666)	0.11
Outstanding, at end of year	**830,000**	$ **0.13**	815,000	$ 0.12
Exercisable, at end of year	**815,000**	$ **0.12**	815,000	$ 0.12

The following table summarizes information about stock options outstanding as at September 30, 2003:

	Options outstanding			**Options exercisable**		
Range of exercise prices (years)	**Number of options**	**Weighted average exercise price**	**Weighted average remaining life (years)**	**Number of options**	**Weighted average exercise price**	**Weighted average remaining life**
$0.10 to $0.15	**650,000**	**$ 0.11**	**2.77**	**650,000**	**$ 0.11**	**2.77**
$0.16 to $0.20	**180,000**	**0.20**	**3.61**	**165,000**	**0.20**	**3.50**
	830,000	**$ 0.13**	**2.95**	**815,000**	**$ 0.12**	**2.92**

(b) Stock option pro forma information:

As per CICA Handbook Section 3870, pro forma information regarding net loss and basic loss per share is required and has been determined as if the Company had accounted for its employee stock options granted after September 30, 2001 under the fair value method. During the year, the Company granted 15,000 stock options with an exercise price of $0.20 (market price of $0.12) expiring July 22, 2008 to officers of the Company. The fair value of these options were estimated at the date of granting using a Black-Scholes option pricing model with the following assumptions for 2003: expected volatility of 85%; a 2.75% risk-free discount rate; expected lives of three and a half years and no annual dividends. For purposes of pro forma disclosures, the estimated fair value of the options is amortized over 20 months since the options' vesting period is 20 months. The fair value of stock options granted during the year was $0.06 per option. For the year ended September 30, 2003, the Company's pro forma net loss would be increased by $102 and basic and diluted loss per share figures would be increased by $0.00.

6. Related party transactions:

As at September 30, 2003, Brownstone held an equity interest of approximately 49.5% in the Company. Subsequent to September 30, 2003, Brownstone subscribed for 600,000 units of Maple at $0.25 per unit, each unit being comprised of one common share of Maple and one half warrant, each whole warrant entitling Brownstone to acquire a further common share of Maple at $0.50 until October 28, 2005. Also, subsequent to September 30, 2003, Brownstone sold 1,665,833 common shares of the Company in the open market, and privately, for proceeds of approximately $607,000 and received 480,950 common shares for settling advances of $192,380 owed from the Company. As at January 15, 2004, Brownstone had an equity interest of approximately 26.9% in the Company.

In the prior year, the Company issued 2,167,413 common shares at a deemed price of $0.13 per share to settle $281,764 of its advances from Brownstone.

7. Income taxes:

(a) Income tax expense attributable to income before income taxes differs from the amounts computed by applying the combined federal and provincial tax rate of 36.62% (2002 – 38.62%) pre-tax income as a result of the following:

	2003	2002
Income (loss) before income taxes	**$ (507,056)**	$ (76,895)
Computed "expected" income tax expense	**(185,684)**	(29,697)
Permanent and other differences	**185,684**	29,697
Provision for income taxes	**$** —	$ —

(b) Significant components of the provision for income taxes are as follows:

	2003	2002
Current tax expense	**$** —	$ —
Future income tax benefit relating to origination and reversal of temporary differences	—	—
Provision for income taxes	**$** —	$ —

7. Income taxes (continued):

(c) The tax effects of temporary differences that give rise to significant portions of the future tax assets and future tax liabilities at September 30, 2003 and 2002 are presented below:

	2003	2002
Resource tax pool carried forward	**$ 6,789,024**	$ 6,281,968
Capital losses carried forward	**124,313**	124,313
Total gross future tax assets	**6,913,337**	6,406,281
Less: valuation allowance	**6,913,337**	6,406,281
Net future tax assets	**$ —**	$ —

8. Comparative financial statements:

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the September 30, 2003 financial statements.