

UC RESOURCES LTD.

FINANCIAL STATEMENTS

DECEMBER 31, 2003

(Prepared by Management Without Audit)

UC RESOURCES LTD.
BALANCE SHEET
(Prepared by Management Without Audit)

	December 31, <u>2003</u>	June 30, <u>2003</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 18,700	\$ 979
Accounts receivable	16,378	2,310
	35,078	3,289
MINERAL PROPERTY	113,797	113,797
OIL AND GAS INTERESTS	391,450	354,450
CAPITAL ASSETS - NET	4,192	4,192
	\$ 544,517	\$ 475,728
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 12,094	\$ 46,754
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	7,201,124	6,986,824
DEFICIT	(6,668,701)	(6,557,850)
	532,423	428,974
	\$ 544,517	\$ 475,728

APPROVED BY THE BOARD

"Eugene Larabie", Director

"Mchael Cartmel", Director

UC RESOURCES LTD.
STATEMENT OF LOSS AND DEFICIT
(Prepared by Management Without Audit)

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
REVENUE				
Interest income	\$ 63	\$ 18	\$ 177	\$ 89
ADMINISTRATION COSTS				
Accounting and audit	2,483	1,600	3,483	2,300
Consulting	2,000	-	16,500	3,000
Directors fees	5,000	-	5,000	-
Promotion	2,000	-	7,845	3,589
Legal	1,124	1,500	2,116	5,590
Listing and filing fees	3,686	2,840	3,786	4,885
Office expenses and rent	14,304	7,129	22,761	14,908
Printing & shareholder info	3,763	2,080	5,095	2,080
Property evaluation	3,132	-	3,132	-
Salaries and wages	10,500	-	20,000	-
Telephone	1,881	815	3,939	3,708
Transfer agent	3,758	1,737	4,664	2,789
Travel	5,595	1,333	12,707	12,217
	<u>59,226</u>	<u>19,034</u>	<u>111,028</u>	<u>55,066</u>
NET LOSS FOR PERIOD BEFORE FOLLOWING				
	59,163	19,016	110,851	54,977
Write off of oil & gas interest	-	188,612	-	188,612
NET LOSS FOR PERIOD	<u>\$ 59,163</u>	<u>\$ 207,628</u>	110,851	243,589
DEFICIT, BEGINNING OF YEAR			<u>6,557,850</u>	<u>6,258,178</u>
DEFICIT, END OF PERIOD			<u>\$6,668,701</u>	<u>\$6,501,767</u>

UC RESOURCES LTD.
STATEMENT OF CASH FLOWS
(Prepared by Management Without Audit)

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
CASH PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Net income (loss) for period	\$(59,163)	\$(207,628)	\$(110,851)	\$(243,589)
Item not involving cash				
Oil & gas interest written off	-	188,612	-	188,612
	<u>(59,163)</u>	<u>(19,016)</u>	<u>(110,851)</u>	<u>(54,977)</u>
Changes in non-cash working capital items				
- Accounts receivable	36,313	837	(14,068)	337
- Accounts payable	(6,726)	8,241	(34,660)	7,627
	<u>(29,576)</u>	<u>(9,938)</u>	<u>(159,579)</u>	<u>(47,013)</u>
FINANCING ACTIVITIES				
Shares issued for cash	-	-	181,800	78,000
INVESTING ACTIVITIES				
Investment in mineral property	-	-	(4,500)	(49,250)
INCREASE (DECREASE) IN CASH				
	(29,576)	(9,938)	17,721	(18,263)
CASH AT BEGINNING OF PERIOD				
	<u>48,276</u>	<u>9,893</u>	<u>979</u>	<u>18,218</u>
CASH (OVERDRAFT) AT END OF PERIOD				
	<u>\$ 18,700</u>	<u>\$ (45)</u>	<u>\$ 18,700</u>	<u>\$ (45)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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1. NATURE OF BUSINESS

The Company was incorporated under the laws of British Columbia and its principal business activities include the acquisition, exploration and development of resource properties. In September 2001, shareholders approved a consolidation of share capital on a 1 new for 5 old basis and approved a name change from Curion Venture Corporation to UC Resources Ltd. The name change and share consolidation were approved and completed in October 2001.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Resource Properties – Oil, Gas and Mineral Properties

Acquisition costs of resource properties together with direct exploration and development expenditures thereon are deferred in accounts. When production is attained, these costs will be amortized over their expected useful life. When a property is abandoned or the net recoverable investing is estimated to be less than cost, the accumulated costs relating to the property are written off or written down. Excess recovery proceeds from mineral property options are posted to income when received. Administration costs are written off to deficit in the year they are incurred.

The amounts shown for resource property and deferred exploration costs represent costs to date or amounts written down to nominal or estimated recoverable value and are not intended to reflect present or future values.

b) Capital Assets

Capital assets are stated at cost. Amortization is provided on furniture and equipment on a straight line basis over ten years.

c) Foreign Currency Transactions

The statements are presented in Canadian dollars whereby monetary items are translated at the rate of exchange in effect at the balance sheet date. All non-monetary items comprising equipment, mineral properties, deferred charges and revenue and expense items are translated at historical exchange rates.

d) Financial Instruments

The carrying value of the Company's current assets and current liabilities at September 30, 2003 and June 30, 2003 approximates their fair value due to the relatively short-term periods to maturity of these instruments.

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3. MINERAL PROPERTY INVESTMENT

During 2001, the Company entered into an agreement to combine its Staircase property with a group of seventeen properties in the South Voisey Bay area. The properties are to be developed or sold as a combined group. In the agreement, the Company assigns title to the property in exchange for shares of a private company. In signing the agreement, the Company received 153,194 common shares in SVB Nickel Company Ltd., being 1.2% interest in this mineral property syndicate. In July, 2002, the Company acquired an additional 4.2% interest in SVB Nickel Co. Ltd. by the issuance of 300,000 shares at a deemed value of \$.12 per share.

\$113,797

4. MINERAL PROPERTY INTERESTS

Gregory River Property, Newfoundland

By an agreement dated July 9, 2002, the Company acquired a 100% interest in 24 mineral claims covering approximately 600 hectares. Acquisition costs were \$20,750 and the issuance of 700,000 shares at a deemed value of \$.10 per share. The vendor holds a 1% net smelter royalty, one-half which can be purchased for \$1,000,000.

\$90,950

Botwood Basin Property, Newfoundland

The Company acquired a 100% interest in 166 mineral claims covering approximately 4,150 hectares in an agreement on July 9, 2002. Acquisition costs were \$28,500 and the issuance of 800,000 shares of the company at a deemed price of \$.15 per share. The vendor holds a 2% NSR, one-half of which can be purchased for \$1,000,000.

\$148,500

Raglan 1 and Raglan 2 Claim Groups, Quebec

By two separate agreements dated March 24, 2003, the Company acquired the right to purchase a 100% interest in a 16 claim group and a 172 claim group covering over 18,000 acres in total. Acquisition costs in each agreement call for the issuance of 500,000 shares each at a deemed value of \$.10 (issued), cash payments of \$25,000 each (not paid) and finders fee payments of \$7,500 each (paid). The vendor in each agreement holds a 1% NSR, one-half of each, which can be purchased for \$1,000,000.

\$115,000

Ungava Property, Quebec

The Company was granted an option to acquire a 50% interest in two claim groups covering 335 mineral claims in the Raglan Mine District, Ungava area. The Company is to issue 1,000,000 shares in four instalments, 250,000 shares have been issued at a deemed price of \$.13 per share and incur \$1,500,000 in expenditures over three years.

\$37,000

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4. MINERAL PROPERTY INTERESTS (Con't)

Expenditures on resource properties as follows:

	<u>Mineral Properties</u>	<u>Oil and Gas</u>
Balance, June 30, 2002	\$ -	\$188,612
Additions in year		
Acquisition costs	354,250	-
Licence and fees	200	-
Less: Amounts written off to deficit	<u>-</u>	<u>(188,612)</u>
Balance, June 30, 2003	354,450	-
Additions in period		
Acquisition costs	<u>37,000</u>	<u>-</u>
Balance, December 31, 2003	<u>\$391,450</u>	<u>\$ -</u>

5. SHARE CAPITAL

Authorized - 1000,000 common shares without par value.

<u>Issued</u>	<u>Shares</u>	<u>Amount</u>
Balance, June 30, 2002	8,028,253	\$6,592,824
Issued in period		
- for cash	900,000	118,000
- for mineral property interests	<u>2,800,000</u>	<u>326,000</u>
Balance, June 30, 2003	11,728,253	\$6,986,824
Issued in period		
- for cash	1,818,000	181,800
- for mineral properties	<u>250,000</u>	<u>32,500</u>
Balance, December 31, 2003	<u>13,796,253</u>	<u>\$7,201,124</u>

Stock Options: Issued and outstanding as follows:

	<u>Number of Shares</u>	<u>Exercise Price</u>
Outstanding, June 30, 2003	600,000	\$.10
Granted in period	900,000	.105
Exercised in period	<u>468,000</u>	<u>.10</u>

