UC RESOURCES LTD.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2004

(Prepared by Management Without Audit)

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

	September 30, 2004	June 30, 2004
ASSETS		
CURRENT ASSETS		
Cash and short-term deposits	$ 116,901	$ 256,893
Accounts receivable	65,940	50,108
	182,841	307,001
INVESTMENT	1	1
MINERAL PROPERTIES	309,612	230,358
EQUIPMENT - NET	13,598	13,598
	$ 506,052	$ 550,958
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 16,820	$ 32,574
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	7,743,996	7,743,996
OPTION COMPENSATION	69,991	69,991
DEFICIT	(7,324,755)	(7,295,603)
	489,232	518,384
	$ 506,052	$ 550,958

APPROVED BY THE BOARD

"Eugene Larabie" , **Director**

"Michael Cartmel", **Director**

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

	For the Three Months Ended September 30, 2004	2003
REVENUE		
Interest income	$ 153	$ 114
ADMINISTRATION COSTS		
Accounting and audit	1,000	1,000
Consulting and management fees	8,500	14,500
Legal	347	992
Listing and filing fees	-	100
Office and rent	6,483	8,457
Printing	-	1,332
Promotion	3,250	5,845
Salaries and wages	4,700	9,500
Telephone	1,677	2,058
Transfer agent	698	906
Travel	2,650	7,112
	29,305	51,802
NET LOSS FOR PERIOD	29,152	51,688
DEFICIT, BEGINNING OF YEAR	7,295,603	6,557,850
DEFICIT, END OF PERIOD	$7,324,755	$6,609,538

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

	For the Three Months Ended September 30, 2004	2003
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net income loss for period	$(29,152)	$(51,688)
Changes in non-cash working capital items		
Accounts receivable	(15,832)	(50,381)
Accounts payable	(15,754)	(27,934)
	(60,738)	(130,003)
INVESTING ACTIVITIES		
Investment in mineral properties and expenditures	(79,254)	(4,500)
FINANCING ACTIVITIES		
Shares issued for cash	-	181,800
INCREASE (DECREASE) IN CASH	(139,992)	47,297
CASH AT BEGINNING OF YEAR	256,893	979
CASH AT END OF PERIOD	$ 116,901	$ 48,276

UC RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2004
(Prepared by Management Without Audit)

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.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Mineral Properties

Acquisition costs of mineral 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 mineral 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) Equipment

Equipment is 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, 2004 and June 30, 2004 approximates their fair value due to the relatively short-term periods to maturity of these instruments.

2. SIGNIFICANT ACCOUNTING POLICIES (Con't)

e) Stock-Based Compensation

Effective July 1, 2003, the Company adopted the new accounting standard of the Canadian Institute of Chartered Accountants ("CICA"), Section 3870 "Stock-Based Compensation" and Other Stock-Based Payments" for accounting for stock-based compensation expense. Under this standard, stock-based payments to non-employees, and employee awards that are direct awards of stock, call for settlement in cash or other assets, or stock appreciation rights that call for settlement by the issuance of equity instruments, granted on or after July 1, 2003, are accounted for using the fair value based method, and are recorded as an expense in the period the stock-based payments are vested or the awards or rights are granted.

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. The investment was written-down to $1 in April 2004, when Falconbridge dropped their option to further explore the properties.

4. MINERAL PROPERTY INTERESTS

Copalquin Property, Mexico

The Company entered into an agreement to earn a 50% interest in a 7,005 hectare gold/silver property in the Sierra Madre mineralogical belt of Durango, Mexico. The terms require the company to pay $25,000 US down (paid) and payments in US dollars over 3 years of $25,000 (paid), $40,000, $100,000 and $250,000 by July 13, 2006. The Company is also required to undertake work programs of $250,000 on the first stage and $500,000 each on the second and third stage. The property is subject to an underlying 2% net smelter return royalty.

Expenditures on mineral properties as follows:

	Copalquin Mexico
Balance, June 30, 2004	$ 230,358
Exploration costs in period	
Camp and support	29,746
Consulting and engineering	16,750
Drilling and contractors	15,214
Aircraft and helicopter	14,496
Assay, mapping, reports	50
Travel	2,998
	79,254
Balance, September 30, 2004	$ 309,612

4. SHARE CAPITAL

Authorized - 100,000,000 common shares without par value.

Issued	Shares	Amount
Balance, June 30, 2003	11,728,253	$6,986,824
Issued in year		
- for cash	5,533,000	697,415
- for option compensation	-	27,257
- for mineral properties	250,000	32,500
Balance, June 30, 2004 and September 30, 2004	17,511,253	$7,743,996

Stock Options - Outstanding and exercisable as follows:

Number of Shares	Expiry Date	Exercise Price
377,000	Sept. 9, 2005	$.105
100,000	April 16, 2006	.15
690,000	May 12, 2006	.15
1,167,000		

Warrants: Outstanding to purchase a total of 1,525,000 shares at $.21 per share until April 15, 2005.

5. RELATED PARTY TRANSACTIONS

In the period, the Company paid $4,500 for office, rent and administration to a company controlled by the president and paid directors fees of $8,500.

6. SUBSEQUENT EVENTS

Stock options were granted to purchase 684,000 shares at $.135 per share exercisable until November 8, 2006 and 1,225,000 shares at $.135 per share exercisable until November 22, 2006.

UC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FORM 51-102F1
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004

November 26, 2004
UC Resources Ltd. ("UC") is a resource exploration company with a focus on mineral exploration opportunities in North and South America. UC's head office is located in Vancouver, Canada. The Company's common shares trade on the TSX Venture Exchange under the symbol "UC". The Company's current property interests are precious metal prospects in Mexico. UC is currently drilling its gold-silver prospects in Mexico. This management's discussion and analysis ("MD&A") focuses on significant factors that affected UC Resources Ltd. during the period ended September 30, 2004 and to the date of this report. The MD&A supplements does not form part of the audited financial statements of the Company and the notes thereto for the period ended September 30, 2004. Consequently, the following discussion and analysis should be read in conjunction with the audited financial statements for the year ended June 30, 2004, and the notes thereto.

The information in the MD&A may contain forward-looking statements. These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

SIGNIFICANT EVENTS, TRANSACTIONS AND ACTIVITIES ON MINERAL PROPERTIES

In order to better understand UC's financial results, it is important to gain an appreciation for the significant events, transactions and activities on mineral properties which had occurred during the period ended September 30, 2004 and to the date of this MD&A.

SUMMARY OF ACTIVITY

***Gregory River and Botwood Basin Properties, Newfoundland* –** The Company held a 100% interest in two holdings of twenty four and one hundred sixty five mineral claims. These claim groups were allowed to lapse in the period with acquisition costs of $90,750 and $148,700 being written off to deficit at year ended June 30, 2004.

***Raglan 1 and Raglan 2 Claims Groups, Quebec* –** The Company held the right to purchase a 100% interest in two base metal prospects covering 18,000 acres. The Company abandoned its interest in the claims and $152,000 in acquisition cost were written off to deficit at the year ended June 30, 2004.

***Copalquin Property, Mexico* –** In February 2004, the Company entered into an agreement to earn a 50% interest in a 7,005 hectare gold/silver prospect in the Sierra Madre mineralogical belt of Durango, Mexico. The terms require the Company to pay $25,000 US down (paid) and payments in US dollars of $25,000 (paid) $40,000, $100,000 and $250,000 in stages by July 13, 2006. The Company must also undertake exploration program expenditures of $250,000, $500,000 and $500,000 in three stages within 30 months. The property is subject to an underlying 2 ½ % net smelter return royalty.

The property contains numerous old workings where several small vein deposits were exploited in the 19th century in the 1930's. The main gold bearing bodies on La Soledad and San Manuel are white quartz veins, generally fairly steeply dipping (50-65%), and confined to the pyroclastics (andesites and latites) rather than granodiorite (quartz monzonite). The El Cometa vein is rather shallower (40-45%) and Los Reyes virtually horizontal (10-20%). Of particular importance appears to be a silica flood breccia which was seen to occupy the hanging wall of El Cometa, La Soledad, San Manuel and Los Reyes…but only where the vein had economic gold and/or silver mineralization (by implication – now stoped out). Mapping on the El Cometa-La Soledad
ridge in the late 1990s shows widely dispersed silicified breccia occurring as outcrop. There is every suggestion that this breccia is gold and silver bearing, which means it could be a primary exploration target. Strike of the veins seems to be WNW to NW, with NNW to NS striking post mineralization faulting.

Since April 2004, UC Resources, acting as operator, has carried out various sampling programs and ground geophysical work and constructed a new camp on-site to accommodate drilling and geological personnel. The Company plans to complete approximately 3,000 meters of drilling to test for extensions of the high grade mineralization identified by 1997/1998 drill programs. The drill program commenced in November 2004.

BOARD APPOINTMENTS

The Company appointed Stewart Jackson Ph.D, Mr. Carl Von Eisendale and Mr. Thomas Evans to the Exploration and Development Technical Advisory Board of the Company.

FINANCIAL RESULTS OF OPERATIONS

Selected Annual Information

	For the Years Ended June 30,		
	2004	**2003**	**2002**
Total revenues (interest & other income)	$ 370	$ 94	$ 4,116
Loss before write-off/gain on sale of mineral properties	356,082	111,060	135,129
Loss for the year	737,753	299,672	135,129
Loss for the year per share	0.05	0.04	0.02
Total assets	505,958	475,728	291,356
Total liabilities	32,574	46,754	6,710
Total long-term financial liabilities	0	0	0
Shares outstanding – end year (millions)	17.51	11.73	8.03
Dividends declared	0	0	0

UC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FORM 51-102F1
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004

FINANCIAL RESULTS OF OPERATIONS – (CON'T)

Summary of Quarterly Results

	For Quarters Ended			
	September 30, 2004	**June 30, 2004**	**March 31, 2004**	**December 31, 2003**
Total revenues (income & other income)	$ 153	$ 133	$ 60	$ 63
Loss before write-off/gain on sale of mineral properties	29,152	203,446	41,745	59,163
Loss (gain) on disposal of mineral property	-	381,671	-	-
Loss for the period	29,152	585,117	41,745	51,163
Loss per share	0.002	0.033	0.003	0.004

	For Quarters Ended			
	September 30, 2003	**June 30, 2003**	**March 31, 2003**	**December 31, 2002**
Total revenues	$ 114	$ 5	$ -	$ 18
Loss before write-off/gain on sale of mineral properties	51,668	38,096	17,987	19,034
Loss (gain) on disposal of mineral properties	-	-	-	188,612
Loss for the period	51,668	38,096	17,987	207,628
Loss per share	0.004	0.003	0.002	0.020

FINANCIAL RESULTS OF OPERATIONS – (CON'T)
The Company's operations for the period ended September 30, 2004 produced a net loss of $29,152 compared to a loss of $51,688 for the same three month period in the previous year. The Company wrote off $391,450 at year end for mineral property interests abandoned and wrote down its investment in the SVBN mineral interest holding to $1 as Falconbridge dropped its option as these properties. The Company has spent $66,762 in acquisition costs on its Copalquin Property in Mexico. In the quarter ended September 30, 2004, the Company had expenditures of $79,259 in exploration and development expenditures on its Copalquin property where a geophysical survey and sampling were undertaken and a camp was built in preparation for a diamond drill program started November 2004. The Company had previously spent $169,596 bringing its total exploration expenditures on the Copalquin property to $248,850. As the Company does not own any revenue producing mineral properties, no mining revenues have been recorded to date.

LIQUIDITY AND CAPITAL RESOURCES

Working capital as at September 30, 2004 was $166,021 compared to working capital of $274,427 at June 30, 2004. Historically, the Company has raised funds through equity financing and the exercise of options and warrants to fund its operations. At September 30, 2004 and June 30, 2004, the Company had 17,511,253 (20,203,253 fully diluted) common shares issued and outstanding compared to 11,728,253 (15,028,253 fully diluted) as at June 30, 2003.

A private placement of 3,050,000 shares at $.16 per share for net proceeds of $446,000 was issued in the quarter ended June 30, 2004. In the year ended June 30, 2004, the Company also raised $135,000 through the exercise of warrants for 350,000 shares and $116,415 was raised through the exercise of options for 1,133,000 shares.

The market price of natural resources is highly speculative and volatile. Instability in prices may affect the interest in resource properties and the development of and production from such properties. This may affect the Company's ability to raise capital to acquire and explore resource properties. Management believes it will be able to raise the capital required to develop resource properties by various means of equity issuances, debenture financing or securing joint venture partners for projects.

RELATED PARTY TRANSACTIONS

The Company paid $4,500 ($4,500 – 2003) for rent and administration services to a company controlled by a director in the period. The Company also paid $8,500 (nil – 2003) to officers and directors in the period for management and consulting.

COMPETITION

The resource industry in which the Company is engaged is in general, highly competitive. Competitors include well-capitalized resource companies, independent resource companies and other companies having financial and other resources far greater than those of the Company, thus a degree of competition exists between those engaged in the resource industry to acquire attractive resource properties.

RISKS

Mineral exploration and development involve a high degree or risk and few properties are ultimately developed into producing mines. There is no assurance that UC's future exploration and development activities will result in any discoveries of commercial bodies of ore. Whether an ore body will be commercially viable depends on a number of factors including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in a mineral deposit being unprofitable.

OFF- BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet transactions.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. Terms of the financial instruments, where relevant, are fully disclosed in the Company's financial statements. It is management's opinion that the Company is not exposed to significant interest, currency, or credit risks arising from its financial instruments and that their fair values approximate their carrying values unless otherwise noted.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.