

UC RESOURCES LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2005

Notice of no auditor review of interim consolidated financial statements.

The accompanying unaudited interim consolidated financial statements of the UC Resources Ltd. have been prepared by and are the responsibility of the Company's management and have not been reviewed by an auditor.

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

	December 31, 2005	June 30, 2005
ASSETS		
Current		
Cash and short-term deposits	\$ 196,652	\$ 35
Accounts receivable	84,907	11,243
Prepaid expenses	10,525	1,025
Loan Receivable	3,000	3,000
	295,084	15,303
Investment	1	1
Mineral Interests	1,952,648	1,246,023
Equipment , net of amortization of \$19,039	26,327	23,840
	\$2,274,060	\$ 1,285,167
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 55,528	\$ 410,339
Loans payable	50,000	323,000
Due to related party	-	41,206
	105,528	774,545
SHAREHOLDERS' EQUITY		
Capital Stock	10,253,853	8,053,957
Option Compensation	238,839	213,673
Deficit	(8,324,160)	(7,757,008)
	2,168,532	510,622
	\$ 2,274,060	\$ 1,285,167

Nature of Operations and Going-Concern (note 1)

Subsequent events (note 6)

APPROVED BY THE BOARD

_____, Director

_____, Director

See notes to financial statements

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

	For the Three Months Ended		For the Six Months	
	December 31,		Ended December 31,	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenue				
Interest	\$ 2,179	\$ 152	\$ 2,556	\$ 305
Expenses				
Accounting and audit	14,867	7,420	17,867	8,420
Amortization	873	-	2,710	-
Consultants	69,580	31,250	137,063	35,950
Directors' fees	-	3,000	-	11,500
Interest and bank charges	1,596	42,958	3,547	42,958
Investor relations and promotion	83,992	15,200	135,720	18,450
Legal	17,205	17	34,415	364
Listing and filing fees	5,124	810	19,477	810
Office, rent and miscellaneous	12,986	9,808	21,297	16,291
Printing and shareholder information	1,380	9,881	1,380	9,881
Salaries and wages	-	-	-	-
Stock-based compensation	(102)	202,068	142,872	202,068
Telephone	3,310	1,214	6,312	2,891
Transfer agent	6,483	1,426	7,292	2,124
Travel	21,013	15,116	39,756	17,766
	238,307	340,168	569,708	369,473
Net Loss For Period Before Following	236,128	340,016	567,152	369,168
Recovery of mineral interests	-	100,000	-	100,000
Net Loss for Period	236,128	240,016	567,152	269,168
Deficit, Beginning of Period	8,088,032	7,324,755	7,757,008	7,295,603
Deficit, End of Period	\$ 8,324,160	\$7,564,771	\$8,324,160	\$7,564,771
Basic and diluted loss per share common share	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.02
Weighted average number of common shares outstanding	37,030,865	17,616,836	25,281,508	17,616,836

See notes to financial statements

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

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Operation Activities				
Net loss	\$(236,128)	\$(240,016)	\$(567,152)	\$(269,168)
Item not involving cash				
Amortization	873	-	2,710	-
Recovery of mineral interests	-	(100,000)	-	(100,000)
Non-cash interest expense	-	42,000	-	42,000
Stock-based compensation	(102)	202,068	144,872	202,068
Operating Cash Flow	(235,357)	(95,948)	(419,570)	(125,100)
Changes in Non-Cash Working Capital				
Accounts receivable	(53,686)	55,291	(73,664)	39,459
Prepaid expenses	132,350	-	(9,500)	-
Accounts payable and accrued liabilities	(208,190)	219,465	(354,811)	203,711
Loans payable	-	235,000	(273,000)	235,000
Due to related party	-	-	(41,206)	-
	(129,526)	509,756	(752,181)	478,170
Cash Provided by (Used in) Operating Activities	(364,883)	413,808	(1,173,751)	353,070
Financing Activities				
Capital stock issued for cash	412,500	171,736	2,082,190	171,736
Cash Provided by Financing Activities	412,500	171,736	2,082,190	171,736
Investing Activities				
Purchase of Equipment	(3,872)	(17,118)	(5,197)	(17,118)
Mineral property interests	(703,716)	(632,669)	(706,625)	(631,032)
Cash Used in Investing Activities	(707,588)	(649,787)	(711,822)	(729,041)
Increase (Decrease) in Cash	(659,971)	(64,243)	196,617	(204,235)
Cash, Beginning of Period	856,623	116,901	35	256,893
Cash, End of Period	\$ 196,652	\$ 52,658	\$ 196,652	\$ 52,658

See notes to financial statements

UC RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005
(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.

The accompanying unaudited consolidated interim financial statements of UC Resources Ltd. include the accounts of the Company and its wholly-owned subsidiary, Planet Exploration Inc. ("Planet") and its wholly-owned subsidiary, Minera Planet Exploration, S.A. de C.V. ("Minera"), (collectively referred to as the "Company"). All inter-company transactions and balances have been eliminated upon consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES

These unaudited interim consolidated financial statements have been prepared in accordance with accounting policies generally accepted in Canada. These statements should be read in conjunction with the Company's annual audited consolidated financial statements for the fiscal year ended June 30, 2005. All material adjustments which, in the opinion of management, are necessary for a fair presentation of the results of the interim periods have been reflected. The results for the six month period ended December 31, 2005 are stated utilizing the same accounting policies and methods of application as the most recent annual financial statements, but are not necessarily indicative of the results to be expected for the full year.

a) 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.

The Company's subsidiaries are integrated foreign operations and are translated into Canadian dollar equivalents using the temporal method. Monetary items are translated at the exchange rate in effect at the balance sheet date; non-monetary items are translated at historical exchange rates. Income and expense items are translated at the exchange rates approximating those in effect at the time of the transactions. Translation gains and losses are included in the results of operations for the period.

UC RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. 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 (paid), \$100,000 and \$250,000 by July 13, 2006. The Company also paid \$10,000 and issued 491,000 shares at a deemed value of \$117,840 and a finder's fee in respect to the property. 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.

In October 2005, the Company finalized an agreement in which the Company acquired Minera Planet Explorations S.A. de C.V. ("Minera"), a company incorporated in Mexico, from Planet Explorations Inc., giving it 100% control over the Copalquin Project for a total cash cost of US\$550,000. Under the terms of the acquisition agreement with the original titleholders, for the Company to acquire the mineral concessions that comprise the Copalquin Project, the Company was required to incur US\$1,000,000 of exploration expenditures, which has been completed, and the Company must make future payments of US\$50,000 by July 13th, 2006, US\$50,000 by January 13th, 2007, US\$50,000 July 13th, 2007, US\$75,000 by January 13th, 2008, and US\$75,000 by July 13th, 2008. A 2.5% royalty agreement is held by the original titleholders, and the Company has the option to purchase up to 1.5% of this royalty for proceeds of US\$1,000,000.

The company expanded its land position around the Copalquin Property an additional 12,264 hectares by staking, bringing the total land package at Copalquin to 19,269 hectares.

Expenditures on mineral properties as follows:

Copalquin, Mexico	<u>December 31, 2005</u>	<u>June 30,2005</u>
Balance, beginning of period	\$ 1,246,023	\$ 230,358
Additions during the year		
Acquisition costs in the period	627,947	198,731
Aircraft and helicopter	-	162,579
Assay, mapping, reports	31,004	36,384
Consulting and engineering	23,810	81,613
Camp and support	13,810	84,019
Drilling & Contractors	7,326	373,516
Field Wages	-	50,066
Geophysics	-	12,800
Travel	2,850	15,957
	<u>706,625</u>	<u>1,015,665</u>
Balance, end of period	<u>\$1,952,648</u>	<u>\$ 1,246,023</u>

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4. CAPITAL STOCK (con't)

Warrants

	Number of Shares	Expiry Date	Exercise Price
Granted in Period	18,095,000	Feb. 22, 2007	\$0.125
	3,200,000	Jun. 23, 2007	0.125
Outstanding December 31, 2005	21,295,000		

5. RELATED PARTY TRANSACTIONS

In the period, the Company paid \$7,200 (2005 - \$9,000) for office, rent and administration and \$4,330 (2005 - \$4,537) for vehicle leases to companies controlled by a Director and a Vice-President. During the period, the Company also paid \$104,250 (\$38,300 – 2005) to officers and directors in the period for management and consulting.

6. SUBSEQUENT EVENTS

(a) Private Placement

The Company received proceeds of \$400,000 for a private placement of 4,000,000 units and incurred expenses of \$32,500 in the form of finder's fees for net proceeds of \$367,500. Each unit consists of one common share and one share purchase warrant entitling the holder to acquire one additional common share at \$0.125 per share, on or before July 17, 2007.

(b) Warrants

As of February 28, 2006, the Company received \$158,375 and issued 1,267,000 common shares on the exercise of warrants.

(c) Stock options

Stock options were granted to purchase 1,882,500 shares at \$0.15 per share exercisable until January 31, 2011.