

**UC RESOURCES LTD.**

**Interim Consolidated Financial Statements  
March 31, 2007**

**Notice of no auditor review of interim financial statements:**

The accompanying unaudited interim consolidated financials statements of US 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.  
BALANCE SHEETS**

	<b>March 31, 2007 (Unaudited)</b>	<b>June 30, 2006</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (note 12)	\$ 2,223,977	\$ 1,375,483
Accounts receivable and advances	342,794	190,907
Prepaid expenses	41,128	9,636
Due from related party (note 10)	-	44,265
Loan receivable (Note 3)	-	100,000
	2,607,899	1,720,291
<b>Mineral interests</b> (notes 4 and 9)	6,878,778	2,635,066
<b>Investment</b> (note 5)	1	1
<b>Equipment</b> (note 6)	925,629	192,802
	\$ 10,412,307	\$ 4,548,160
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 179,811	\$ 201,339
Loan payable (Note 7)	-	50,000
Promissory note payable (Note 8)	92,326	-
	272,137	251,339
<b>Shareholders' Equity</b>		
<b>Capital Stock</b> (notes 9)	21,013,029	13,134,118
<b>Contributed Surplus</b> (Note 9)	1,017,192	639,840
<b>Deficit</b>	(11,890,051)	(9,477,137)
	10,140,170	4,296,821
	\$ 10,412,307	\$ 4,548,160

Nature of Operations and Continuance (note 1)  
Commitments (Note 13)

Approved by the Board:

*"Richard Hamelin"*  
..... Director

*"Greg Roberts"*  
..... Director

See notes to financial statements.

**UC RESOURCES LTD.**  
**STATEMENTS OF OPERATIONS AND DEFICIT**  
(Unaudited)

	Three months ended March 31, 2007	Three months ended March 31, 2006	Nine months ended March 31, 2007	Nine months ended March 31, 2006
<b>Expenses</b>				
Audit and accounting	\$ 26,587	\$ 1,027	\$ 38,199	\$ 18,894
Amortization	7,136	1,730	24,022	4,440
Consulting fees	29,589	64,422	76,383	148,831
Foreign exchange (gain) loss	17,470	427	7,462	427
Interest	-	1,989	-	1,989
Investor relations	185,471	63,279	495,837	198,999
Legal	8,633	14,548	57,693	48,963
Management fees	61,500	-	174,000	52,654
Office and administration	158,170	35,207	380,330	69,884
Regulatory and transfer agent fees	33,302	28,148	67,771	54,917
Stock-based compensation	-	238,245	970,201	381,117
Travel	(24,381)	27,844	137,628	62,903
<b>Loss before the following</b>	<b>(503,477)</b>	<b>(476,866)</b>	<b>(2,429,526)</b>	<b>(1,044,018)</b>
Interest income	5,752	-	16,612	-
<b>Net loss</b>	<b>(497,725)</b>	<b>(476,866)</b>	<b>(2,412,914)</b>	<b>(1,044,018)</b>
<b>Deficit, beginning of period</b>	<b>(11,392,326)</b>	<b>(8,324,160)</b>	<b>(9,477,137)</b>	<b>(7,757,008)</b>
<b>Deficit, end of period</b>	<b>\$ (11,890,051)</b>	<b>\$ (8,801,026)</b>	<b>\$ (11,890,051)</b>	<b>\$ (8,801,026)</b>
<b>Loss Per Share</b>	<b>\$ (0.006)</b>	<b>\$ (0.015)</b>	<b>\$ (0.033)</b>	<b>\$ (0.025)</b>
<b>Weighted average number of common shares outstanding</b>	<b>80,660,733</b>	<b>31,929,311</b>	<b>72,443,532</b>	<b>42,113,941</b>

See notes to financial statements.

**UC RESOURCES LTD.**  
**Consolidated Statements of Cash Flows**  
(Unaudited)

	<b>Three months ended March 31, 2007</b>	<b>Three months ended March 31, 2006</b>	<b>Nine months ended March 31, 2007</b>	<b>Nine months ended March 31, 2006</b>
<b>Operating activities</b>				
Net loss	\$ (497,725)	\$ (476,866)	\$ (2,412,914)	\$ (1,044,018)
Items not involving cash				
Amortization	7,136	1,730	24,022	4,440
Stock-based compensation	-	238,245	970,201	381,117
<b>Operating cash flow</b>	<b>(490,589)</b>	<b>(236,891)</b>	<b>(1,418,691)</b>	<b>(658,461)</b>
<b>Changes in non-cash working capital:</b>				
Accounts receivable and advances	(60,835)	(33)	(151,887)	(73,697)
Share subscriptions receivable	-	(1,033,100)	-	(1,033,100)
Prepaid expenses	1,173	(199,637)	(31,492)	(209,137)
Loan receivable	-	-	100,000	(208,190)
Accounts payable and accrued liabilities	15,625	21,676	(21,528)	(124,945)
Due to related party	-	25,413	-	25,413
<b>Cash used in operating activities</b>	<b>(534,626)</b>	<b>(1,422,572)</b>	<b>(1,523,598)</b>	<b>(2,282,117)</b>
<b>Financing activities</b>				
Repayment of loans payable	(50,000)	-	(50,000)	(273,000)
Promissory note payable	(94,132)	-	92,326	-
Capital stock issued for cash, net	2,516,425	2,295,565	4,093,205	4,377,755
Related party (advances)/repayments	-	-	44,265	(41,206)
<b>Cash provided by financing activities</b>	<b>2,372,293</b>	<b>2,295,565</b>	<b>4,179,796</b>	<b>4,063,549</b>
<b>Investing activities</b>				
Mineral property interests	(194,793)	(69,746)	(1,050,855)	(774,787)
Purchase of equipment	(167,079)	(36,942)	(756,849)	(43,723)
<b>Cash used in investing activities</b>	<b>(361,872)</b>	<b>(106,688)</b>	<b>(1,807,704)</b>	<b>(818,510)</b>
<b>Increase (decrease) in cash</b>	<b>1,475,795</b>	<b>766,305</b>	<b>848,494</b>	<b>962,922</b>
<b>Cash, beginning of period</b>	<b>748,182</b>	<b>196,652</b>	<b>1,375,483</b>	<b>35</b>
<b>Cash, end of period</b>	<b>\$ 2,223,977</b>	<b>\$ 962,957</b>	<b>\$ 2,223,977</b>	<b>\$ 962,957</b>

Supplemental disclosure with respect to cash flows (Note 12)

See notes to financial statements.

**UC RESOURCES LTD.**  
**NOTES TO FINANCIALS STATEMENTS**  
Nine months ended March 31, 2007  
(Unaudited)

**1. NATURE OF OPERATIONS AND CONTINUANCE**

UC Resources Ltd. and its subsidiaries are exploration stage companies engaged principally in the acquisition, exploration, and development of mineral properties. At March 31, 2007, the Company had working capital of \$2,335,762 and an accumulated deficit of \$11,890,051. The Company will require additional financing or outside participation, to undertake further exploration and subsequent development of its mineral properties. The Company's ability to continue as a going-concern is dependent on continued financial support from its shareholders, the ability of the Company to raise equity financing, and the attainment of profitable operations, to meet the Company's liabilities as they become payable.

These financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. These financial statements do not include any adjustments for the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going-concern.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with accounting policies generally accepted in Canada and reflect the following policies and follow the same significant accounting principles as those outlined in the notes to the audited consolidated financial statements for the year ended June 30, 2006.

**Principles of consolidation**

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

**Foreign currency translation**

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 and expenditures on mineral interests 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. 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.

**Stock-based compensation**

The Company follows the 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. 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 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, with a corresponding increase to contributed surplus under shareholders' equity. When stock options are exercised, the corresponding fair value, previously recognized, is transferred from contributed surplus to capital stock.

Certain comparative figures have been restated to conform to the current year's presentation.

**UC RESOURCES LTD.**  
**NOTES TO FINANCIALS STATEMENTS**  
**Nine months ended March 31, 2007**  
**(Unaudited)**

**3. LOAN RECEIVABLE**

During the 2006 fiscal year, a demand loan was made to an officer of the Company in the amount of \$100,000 bearing interest at 5% per annum, calculated annually for a term of up to four years. The Company holds 250,000 common shares of the Company as collateral against the loan. The loan including accrued interest was repaid in November, 2006.

**4. MINERAL INTERESTS**

At March 31, 2007 mineral interests are summarized as follows:

	<b>Nine months ended March 31, 2007</b>	<b>Nine months ended March 31, 2007</b>
<b>Copalquin</b>		
Balance, beginning of period	\$ 2,635,066	\$ 1,246,023
Acquisition	113,934	627,947
Assays, testing	11,387	31,238
Camp and field supplies	109,863	22,158
Drilling	150,139	68,338
Geological and geophysical	110,669	23,810
Travel and accommodation	9,206	2,880
<b>Balance, end of period</b>	<b>3,140,264</b>	<b>2,022,394</b>
<b>La Yesca</b>		
Balance, beginning of period	-	-
Acquisition	3,738,514	-
<b>Balance, end of period</b>	<b>3,738,514</b>	<b>-</b>
<b>Total mineral interests</b>	<b>\$ 6,878,778</b>	<b>\$ 2,022,394</b>

a) Copalquin Property, Mexico

The Company, on February 23, 2005, had entered into an agreement with Minera Planet Explorations S.A. de C.V. ("Minera"), a company incorporated in Mexico, to earn a 50% interest in the Copalquin property.

On June 30, 2005, the Company entered into an agreement in which the Company acquired Minera from Planet Explorations Inc., giving the Company 100% control over the Copalquin Project.

The Company acquired the shares of Minera by paying the optionors US \$50,000 on July 8, 2005 and US \$500,000 on October 8, 2005. On the exercise of the option to acquire Minera the original option agreement was cancelled.

**UC RESOURCES LTD.**  
**NOTES TO FINANCIALS STATEMENTS**  
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(Unaudited)

**4. MINERAL INTERESTS (Continued)**

(a) Copalquin Property, Mexico (Continued)

The Company became responsible for the payments due by Minera to the underlying concession titleholders as follows:

- On July 13, 2005 the amount of US \$50,000, plus value added tax (paid);
- On July 13, 2006 the amount of US \$50,000, plus value added tax (paid);
- On January 13, 2007 the amount of US \$50,000, plus value added tax (paid);
- On or before July 13, 2007 the amount of US \$50,000, plus value added tax;
- On or before January 13, 2008 the amount of US \$75,000, plus value added tax; and
- On or before July 13, 2008 the amount of US \$75,000, plus value added tax.

The property is subject to the following encumbrances to the titleholders:

- (i) A payment of US \$1 plus value added tax per ounce of measured recoverable gold and silver equivalent or other mineral based on a feasibility study;
- (ii) A 2.5% net smelter returns royalty of which 1.5% may be purchased for US \$1,000,000; and
- (iii) Advance royalty of US \$6,000 every three months subsequent to the assignment of the concessions.

Minera expanded its land position around the Copalquin Property in October 2005 by an additional 12,264 hectares and then an additional 44,830 hectares in May 2006 by staking, bringing the total land package at Copalquin to 64,099 hectares. The acquisition of the wholly owned subsidiary was accounted for using the purchase method of accounting. The purchase price was allocated to the underlying assets acquired, being principally mineral properties.

b) La Yesca Mining Project

On August 10, 2006, the Company completed the 100% acquisition of Minera Silver Creek S.A. de C.V. (Minera Silver Creek), a company incorporated under the laws of Mexico.

Minera Silver Creek's principal asset is the La Yesca mining project located near the town of La Yesca, in the state of Nayarit, Mexico, approximately 100 km north-west of Guadalajara City in central Mexico. UC Resources acquired Minera Silver Creek for 6,000,000 common shares of the Company and \$490,000 US, of which \$250,000 US was paid on closing. The remaining \$240,000 US is to be paid over a period of 12 months in equal monthly payments of \$20,000, commencing on September 1<sup>st</sup>, 2006, and ending August 1<sup>st</sup>, 2007. The shares were subject to a hold period which expired on December 5<sup>th</sup>, 2006

c) Mineral interests

The recovery of the Company's investment in mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development and the future proceeds from the disposition of those reserves. Although the Company has taken steps to ensure the title to resource properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures may not guarantee the Company's title to the properties. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

**UC RESOURCES LTD.**  
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**5. INVESTMENT – MINERAL PROPERTY SYNDICATE**

The Company holds a 5.4% interest, represented by 153,194 shares of SVB Nickel Co. Ltd., in a mineral property syndicate holding mineral claims in the South Voisey Bay area of Newfoundland. The interest has been written down in prior years to a nominal carrying value of \$1.

**6. EQUIPMENT**

	<b>March 31, 2007</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net</b>
Plant construction in progress	\$ 667,564	\$ -	\$ 667,564
Machinery and equipment	153,670	19,455	134,215
Transportation equipment	111,020	14,316	96,704
Office equipment	24,952	13,029	11,923
Computers	18,054	2,831	15,223
	<b>\$ 975,260</b>	<b>\$ 49,631</b>	<b>\$ 925,629</b>

	<b>June 30, 2006</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net</b>
Plant construction in progress	\$ -	\$ -	\$ -
Machinery and equipment	156,169	8,284	147,885
Transportation equipment	34,882	4,360	30,522
Office equipment	18,376	12,075	6,301
Computers	8,984	890	8,094
	<b>\$ 218,411</b>	<b>\$ 25,609</b>	<b>\$ 192,802</b>

**7. LOAN PAYABLE**

During the year ended June 30, 2005, the Company received \$310,000 in operating funds in the form of loans from three lenders, including \$50,000 from a company related by a common director. The term of the loans was one year with interest at 8% per annum. In consideration of the loans, the Company issued 377,776 common shares as a bonus at a deemed value of \$62,000, which has been charged to interest expense. An additional \$13,000 was loaned to the Company by way of direct payment of expenses on behalf of the Company. In August 2005, the Company retired \$273,000 of the outstanding principal through cash payments of \$63,000 and conversion of \$210,000 of principal (as per the agreement) to units, consisting of 2,100,000 common shares and 2,100,000 warrants, through the private placement (note 7). The balance of \$50,000 in loans payable was repaid in March, 2007.

**UC RESOURCES LTD.**  
**NOTES TO FINANCIALS STATEMENTS**  
**Nine months ended March 31, 2007**  
**(Unaudited)**

**8. PROMISSORY NOTE PAYABLE**

UC Resources acquired Minera Silver Creeck from Canmex Capital Inc. for 6,000,000 common shares of the Company and \$490,000 US, of which \$250,000 US was paid on closing. The remaining \$240,000 US is to be paid over a period of 12 months in equal monthly payments of \$20,000, commencing on September 1<sup>st</sup>, 2006, and ending August 1<sup>st</sup>, 2007. As at March 31, 2007, the outstanding balance of the promissory note payable was \$80,000 US. The shares were subject to a hold period, which expired December 5<sup>th</sup>, 2006.

**9. CAPITAL STOCK**

The authorized capital stock consists of 100,000,000 common shares without par value.

**Issued and outstanding:**

	Number of shares	Capital Stock	Contributed Surplus
Balance, June 30, 2005	18,612,029	\$ 8,053,957	\$ 213,673
Issued for cash			
Private placements, net	29,544,230	3,721,105	-
Exercise of options	1,300,000	149,250	-
Exercise of warrants	6,807,500	850,938	-
Non-cash			
Exercise of options		148,868	(148,868)
Stock-based compensation			575,035
For debt settlement	2,100,000	210,000	-
Balance, June 30, 2006	58,363,759	13,134,118	639,840
Issued for cash			
Exercise of options	225,000	25,750	-
Exercise of warrants	5,178,230	759,236	-
Non-cash			
For mineral properties	6,000,000	3,192,857	-
Exercise of options		32,100	(32,100)
Stock-based compensation			970,201
Balance, September 30, 2006	69,766,989	17,144,061	1,577,941
Issued for cash			
Exercise of options	2,626,500	354,578	-
Exercise of warrants	3,405,769	437,186	-
Non-cash			
Exercise of options		362,604	(362,604)
Balance, December 31, 2006	75,799,258	\$ 18,298,429	\$ 1,215,337
Issued for cash			
Private placement, flow through shares	2,678,568	1,500,000	
Exercise of options	200,000	30,000	
Exercise of warrants	8,392,000	1,149,405	
Share issue costs			(162,950)
Non-cash			
Exercise of options		35,195	(35,195)
Balance, March 31, 2007	87,069,826	\$ 21,013,029	\$ 1,017,192

**UC RESOURCES LTD.**  
**NOTES TO FINANCIALS STATEMENTS**  
Nine months ended March 31, 2007  
(Unaudited)

**9. CAPITAL STOCK (Continued)**

**Share issuances**

In August 2005, the Company completed a private placement and issued 15,995,000 units for gross proceeds of \$1,599,500 and incurred expenses of \$139,810 in the form of finder's fees for net proceeds of \$1,459,690. Each unit consisted 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 February 22, 2007. In addition, a debt of \$210,000 was settled by the issue of 2,100,000 units with the same terms as the private placement.

In December 2005, the Company completed a private placement and issued 3,200,000 units for gross proceeds of \$320,000 and incurred expenses of \$31,500 in the form of finder's fees for net proceeds of \$288,500. Each unit consisted 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 June 23, 2007.

In January 2006, the Company completed a private placement and issued 4,000,000 units for gross proceeds of \$400,000 and incurred expenses of \$7,000 in the form of finder's fees for net proceeds of \$393,000. Each unit consisted 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.

In March 2006, the Company completed a private placement and issued 6,349,230 units for gross proceeds of \$1,650,800 and incurred expenses of \$70,885 in the form of finder's fees for net proceeds of \$1,579,915. Each unit consisted of one common share and one share purchase warrant entitling the holder to acquire one additional common share at \$0.34 per share, on or before September 30, 2007. An additional 247,539 agent warrants were issued, entitling the holder to acquire one additional common share, for each warrant held, at \$0.34 per share, on or before September 30, 2007.

During the year ended June 30, 2006, the Company received \$149,250 and issued 1,300,000 common shares on the exercise of stock options issued to directors, employees and consultants. A further \$850,938 was received from the issuance of 6,807,500 common shares on the exercise of 6,807,500 warrants.

In August 2006, the Company issued 6,000,000 common shares valued at \$3,192,857 as part of the acquisition price of Minera Silver Creek. The shares are subject to a hold period which expired December 5<sup>th</sup>, 2006 (Note 4).

In March 2007, the Company completed a private placement and issued 2,678,568 units for gross proceeds of \$1,500,000 and incurred expenses of \$162,950 in the form of finder's fees and other expenses for net proceeds of \$1,337,050. Each unit consisted of one flow-through common share and one half of one share purchase warrant. Each whole purchase warrant entitles the holder to acquire one additional common share, which is not a flow-through share at an exercise price of \$0.80 per share, on or before March 13, 2008 and \$1.00 on or before March 13, 2009. An additional 267,857 finders' warrants were issued, on the same terms as the subscribers' warrants.

**UC RESOURCES LTD.**  
**NOTES TO FINANCIALS STATEMENTS**  
**Nine months ended March 31, 2007**  
**(Unaudited)**

**9. CAPITAL STOCK (Continued)**

During the quarter ended September 30, 2006, the Company received \$25,750 and issued 25,000 common shares from the exercise of stock options issued to directors, employees and consultants. A further \$759,236 was received from the issuance of 5,178,230 common shares on the exercise of warrants.

During the quarter ended December 31, 2006, the Company received \$354,578 and issued 2,626,500 common shares from the exercise of stock options issued to directors, employees and consultants. A further \$437,186 was received from the issuance of 3,405,769 common shares on the exercise of warrants.

During the quarter ended March 31, 2007, the Company received \$30,000 and issued 200,000 common shares from the exercise of stock options issued to directors, employees and consultants. A further \$1,149,405 was received from the issuance of 1,149,405 common shares on the exercise of warrants.

**Stock options**

Stock option transactions are summarized as follows:

	Number	Weighted Average Exercise Price
Outstanding as at June 30, 2005	1,909,000	\$ 0.209
Granted	3,642,500	\$ 0.131
Exercised	(1,300,000)	\$ 0.115
Outstanding and exercisable as at June 30, 2006	4,251,500	
Granted	2,150,000	\$ 0.460
Exercised	(225,000)	\$ 0.114
Outstanding and exercisable as at September 30, 2006	6,176,500	\$ 0.246
Exercised	(2,626,500)	\$ 0.130
Outstanding and exercisable as at December 31, 2006	3,550,000	\$ 0.334
Exercised	(200,000)	
Outstanding and exercisable as at March 31, 2007	3,350,000	\$ 0.345

The weighted average fair value per stock option granted during the nine months ended March 31, 2007 was \$0.45 (2006 - \$0.16). The number of stock options exercisable at March 31, 2007, 2006 was 3,350,000 (June 30, 2005 – 4,251,500). During the year ended June 30, 2006, stock options to acquire 1,225,000 shares at \$0.25 per share, expiring November 22, 2006, were repriced to \$0.11 per share.

**UC RESOURCES LTD.**  
**NOTES TO FINANCIALS STATEMENTS**  
 Nine months ended March 31, 2007  
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**9. CAPITAL STOCK** (Continued)

At March 31, 2007, the following stock options were outstanding:

<b>Number</b>	<b>Expiry Date</b>	<b>Exercise Price</b>
342,500	August 31, 2010	\$ 0.11
857,500	January 31, 2011	\$ 0.15
2,150,000	September 20, 2011	\$ 0.46
<b>3,350,000</b>		

**Warrants**

Warrant transactions are summarized as follows:

	<b>Number</b>	<b>Weighted Average Exercise Price</b>
Outstanding as at June 30, 2005	-	\$ -
Issued	31,891,769	\$ 0.169
Exercised	(6,807,500)	\$ 0.125
Outstanding as at June 30, 2006	25,084,269	\$ 0.182
Issued	-	\$ -
Exercised	(5,178,230)	\$ 0.147
Outstanding as at September 30, 2006	19,906,039	\$ 0.191
Exercised	(3,405,769)	\$ 0.139
Outstanding as at December 31, 2006	16,500,270	\$ 0.199
Issued	1,399,284	\$ 0.800
Exercised	(8,392,000)	\$ 0.150
Expired	(70,000)	\$ 0.125
Outstanding as at December 31, 2006	9,437,554	\$ 0.592

As at March 31, 2007, the following warrants were outstanding:

<b>Number</b>	<b>Expiry Date</b>	<b>Exercise Price</b>
2,050,000	June 23, 2007	\$ 0.125
600,000	July 17, 2007	\$ 0.125
5,388,270	September 30, 2007	\$ 0.340
1,399,284	March 13, 2008	\$ 0.800
	March 13, 2009	\$ 1.00
<b>9,437,554</b>		

**UC RESOURCES LTD.**  
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**9. CAPITAL STOCK (Continued)**

**Stock-based compensation**

Pursuant to the CICA standard of accounting for stock-based compensation (Note 2(c)), the fair value of new stock options granted during the nine months ended March 31, 2007 in the amount of \$970,201 (2006 - \$381,117), has been recorded as an expense in the year and \$429,899 (2006 - \$148,868) was transferred from contributed surplus to capital stock on the exercise of stock options.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	<b>2006</b>	<b>2005</b>
Risk-free interest rate	3.98%	3.35%
Expected dividend yield	0%	0%
Expected stock price volatility	101%	120%
Expected option life in years	5	5

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

**10. RELATED PARTY TRANSACTIONS**

During the nine months ended March 31, 2007, in addition to amounts disclosed elsewhere in these financial statements, the Company paid \$Nil (2006- \$7,200) for rent and administration, 375,483\$209,000 (2006 - \$104,250) for management fees, and \$Nil (2006-\$4,330) for vehicle lease to officers and directors of the Company.

**11. SEGMENTED DISCLOSURE**

As at December 31, 2006 the Company has three companies each in one operating segment, resource property exploration, and development. The Company's mineral interests are located in Mexico and its fixed assets are located in Canada and Mexico. Assets by location are as follows:

	<b>March 31, 2007</b>	<b>June 30, 2006</b>
Canada	\$ 2,298,892	\$ 1,324,051
Mexico	8,133,415	3,224,109
	<b>\$ 10,432,307</b>	<b>\$ 4,548,160</b>

**UC RESOURCES LTD.**  
**NOTES TO FINANCIALS STATEMENTS**  
Nine months ended March 31, 2007  
(Unaudited)

**12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

During the quarter ended September 30, 2006, the Company issued 6,000,000 common share valued at \$3,192,8572 as part of the purchase price for the acquisition of 100% for the outstanding shares of Minera Silver Creek a Mexican corporation (Note 9).

Cash and cash equivalents consisted of cash of \$886,947 (June 30, 2006 - \$1,375,483) and short-term investments of \$1,330,050 (June 30, 2006 - \$Nil).

**13. COMMITMENTS**

The Company signed a letter of Intent dated August 22, 2006 to acquire 90% of the outstanding shares of Minera El Alizal S.A. de C.V. (El Alizal), a company incorporated under the laws of Mexico. The main asset of El Alizal is the La Dura mining project located in the Copalquin mining district in the state of Durango. The purchase price is US \$2,550,000 and the assumption of debt estimated to be approximately 9,700,000 Mexican pesos. The purchase price is represented by US \$1,000,000 payable over five years (of which US \$50,000 has been paid) and 3,000,000 common shares of the Company valued at US \$0.52/share. The Company also committed to spend US \$2,000,000 in exploration on the La Dura project over an unspecified time period. The acquisition is conditional upon a normal course 60 day Due Diligence period, and the completion of a NI 43-101 report, followed by the approval of the TSX Venture Exchange.

The Company has entered into consulting contracts, with its President, Vice-president, Exploration, Chief Financial Officer, and Director of Administration. Aggregate monthly management fees total \$22,500 under these contracts.

**14. SUBSEQUENT EVENTS**

Subsequent to March 31, 2007, the Company received \$308,500 and issued 2,325,000 common shares on the exercise of warrants and options.