

UC RESOURCES LTD.

FINANCIAL STATEMENTS

MARCH 31, 2005

(Prepared by Management Without Audit)

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

	<u>March 31, 2005</u>	<u>June 30, 2004</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,069	\$ 256,893
Accounts receivable	16,699	50,108
	<u>17,768</u>	<u>307,001</u>
INVESTMENT	1	1
MINERAL PROPERTY INTERESTS	1,241,760	230,358
EQUIPMENT - NET	<u>14,007</u>	<u>13,598</u>
	<u>\$1,273,536</u>	<u>\$ 550,958</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 343,996	\$ 32,574
Loans payable	310,000	-
	<u>653,996</u>	<u>32,574</u>
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	8,053,957	7,743,996
OPTION COMPENSATION	213,673	69,991
DEFICIT	<u>(7,648,090)</u>	<u>(7,295,603)</u>
	<u>619,540</u>	<u>518,384</u>
	<u>\$1,273,536</u>	<u>\$ 550,958</u>

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 March 31,		For the Nine Months Ended March 31,	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
REVENUE				
Interest income	\$ 58	\$ 60	\$ 363	\$ 237
ADMINISTRATION COSTS				
Accounting and audit	4,000	1,700	12,420	5,183
Consulting and management fees	-	-	11,500	21,500
Loan and bank charges	20,638	-	63,596	-
Promotion	17,346	5,753	35,796	13,598
Legal	5,586	2,616	5,950	4,732
Listing and filing fees	4,330	5,570	5,140	9,356
Office expenses and rent	8,099	8,560	24,390	31,321
Printing & shareholder info	1,168	4,389	11,049	8,152
Property evaluation	-	500	-	3,632
Salaries and wages	9,500	-	49,450	20,000
Stock based compensation	-	-	202,068	-
Telephone	1,275	2,720	4,166	6,659
Transfer agent	3,310	1,078	5,439	5,742
Travel	4,125	10,391	21,891	23,098
	<u>79,377</u>	<u>41,845</u>	<u>452,850</u>	<u>152,873</u>
NET LOSS FOR PERIOD BEFORE FOLLOWING	79,319	41,745	452,487	152,636
Recovery on mineral property	-	-	100,000	-
NET LOSS FOR PERIOD	<u>\$ 79,319</u>	<u>\$ 41,745</u>	352,487	152,636
DEFICIT, BEGINNING OF YEAR			<u>7,295,603</u>	<u>6,557,850</u>
DEFICIT, END OF PERIOD			<u>\$7,648,090</u>	<u>\$6,710,486</u>

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

	For the Three Months Ended March 31,		For the Nine Months Ended March 31,	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
CASH PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Net income (loss) for period	\$ (83,319)	\$(41,785)	\$(352,487)	\$(152,636)
Item not involving cash				
Mineral property (recovery)	-	-	(100,000)	-
Loan set up fee	20,000	-	62,000	-
Stock based compensation	-	-	202,068	-
	<u>(63,319)</u>	<u>(41,785)</u>	<u>(188,419)</u>	<u>(152,636)</u>
Changes in non-cash working capital items				
- Accounts receivable	(6,050)	(9,555)	33,409	(23,623)
- Accounts payable	107,711	2,610	311,422	(32,059)
- Loans payable	75,000	-	310,000	-
	<u>113,342</u>	<u>(48,739)</u>	<u>466,412</u>	<u>(55,682)</u>
FINANCING ACTIVITIES				
Shares issued for cash	<u>-</u>	<u>356,215</u>	<u>171,736</u>	<u>538,015</u>
INVESTING ACTIVITIES				
Equipment acquisition	16,708	-	(410)	-
Investment in mineral property	-	(66,172)	(80,891)	(70,672)
Exploration expenditures	(181,699)	-	(812,671)	-
	<u>(164,991)</u>	<u>(16,172)</u>	<u>(893,972)</u>	<u>(70,672)</u>
INCREASE (DECREASE) IN CASH	(51,589)	241,304	(255,824)	25,902
CASH AT BEGINNING OF PERIOD	<u>52,658</u>	<u>18,700</u>	<u>256,893</u>	<u>979</u>
CASH (OVERDRAFT) AT END OF PERIOD	<u>\$ 1,069</u>	<u>\$ 260,004</u>	<u>\$ 1,069</u>	<u>\$ 260,004</u>

UC RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2005
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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.

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 March 31, 2005 and June 30, 2004 approximates their fair value due to the relatively short-term periods to maturity of these instruments.

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.

UC RESOURCES LTD.
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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. 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 (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.

Expenditures on mineral properties as follows:

	Copalquin Mexico
Balance, June 30, 2004	\$ 230,358
Acquisition Costs in Period	198,731
Exploration Costs in Period	
Camp and support	82,323
Consulting and engineering	88,613
Field wages	50,066
Drilling and contractors	398,852
Aircraft and helicopter	162,708
Assay, mapping, reports	14,475
Travel	15,634
	812,671
Balance, March 31, 2005	\$1,241,670

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5. 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
	<hr/>	<hr/>
Balance, June 30, 2004	17,511,253	7,743,996
Issued in period		
- for cash	1,232,000	171,735
- for option compensation	-	58,386
- for mineral properties	491,000	117,840
- returned to treasury – mineral property	(1,000,000)	(100,000)
Loan fee bonus	377,776	62,000
	<hr/>	<hr/>
Balance, March 31, 2005	<u>18,612,029</u>	<u>\$8,053,957</u>

Stock Options - Outstanding and exercisable as follows:

	<u>Number of Shares</u>	<u>Expiry Date</u>	<u>Exercise Price</u>
	377,000	Sept. 9, 2005	\$.105
	100,000	April 16, 2006	.15
	<hr/>	<hr/>	<hr/>
Outstanding June 30, 2004	1,167,000	May 12, 2006	.15
Granted in Period	684,000	Nov. 8, 2006	.135
Exercised in Period	1,225,000	Nov 22, 2006	.25
	<hr/>	<hr/>	<hr/>
Outstanding March 31, 2005	<u>1,909,000</u>		<u>.105 & .15</u>
			<hr/>
			<u>.135 & .25</u>

Warrants: Outstanding to purchase a total of 1,460,000 shares at \$.21 per share until April 15, 2005. These expired unexercised at April 15, 2005.

6. RELATED PARTY TRANSACTIONS

In the period, the Company paid \$13,500 for office rent, \$6,500 in equipment rental and \$26,800 for geological consulting to a company controlled by the president and paid director's fees of \$11,500.

**UC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FORM 51-102F1
FOR THE NINE MONTHS ENDED MARCH 31, 2005**

May 27, 2005

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 conducting exploration on 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 March 31, 2005 and to the date of this report. The MD&A supplement does not form part of the audited financial statements of the Company and the notes thereto for the period ended March 31, 2005. 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 March 31, 2005 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. Shares issued at a deemed value of \$100,000, previously written off, were returned to the treasury in the period and were recorded as recovery on mineral property.

Copalquin Property, Mexico – In February 2004, the Company entered into an agreement with Planet Exploration Inc. 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 (paid), \$100,000 and \$250,000 in stages by July 13, 2006. Pursuant to the agreement, 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 Company has the right to purchase up to 1.5% of the Royalty for \$1.5 million USD at any time. The Company also paid \$10,000 and issued 491,000 shares at a deemed value of \$117,840 as a finder's fee in respect to the property.

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Copalquin Property, Mexico (Cont.) - During the period ending March 31st, 2005, the company completed the initial drill program commenced at Copalquin in Nov. 2004. The program included 2326 metres of core drilling in 24 holes. The total cost of the exploration at Copalquin to date is \$976,268, which will be applied to the exploration commitments under the agreement with Planet.

Based on the results of the 2004 - 2005 program the Board of Directors of UC Resources has authorized acquisition of additional mineral concessions to the northeast and southwest of the present property and has approved completion of a second phase of drilling at Copalquin during summer 2005.

Completion of a minimum 5,000 meter drill program from four drill stations to evaluate the area between the El Refugio and El Cometa mineralized zones (CRMS area) has been recommended by the Company's consulting geologists.

The estimated cost of the proposed Phase 2 drill program is \$550,000 US.

Engineering supervision	\$50,000.00	
Camp and support costs	50,000.00	
Helicopter charter		
-mob/demob plus 3 moves	80,000.00	
Drilling		
-5,000 meters @\$70	350,000.00	
Assaying		
-allow 1,000 samples @ 20	20,000.00	
Total:	<u>\$550,000.00</u>	US \$681,209 Can.

Based on the proposed 2005 drill program the expenditure requirements pursuant to the UC Resources – Planet Exploration JV Agreement will be completed during 2005.

**UC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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 has completed approximately 3,000 meters of drilling to test for extensions of the high grade mineralization identified by 1997/1998 drill programs. The El Cometa and El Refugio zones represent only two of 23 known mineralized zones on the Copalquin property all of which produced gold and silver using primitive mining techniques (pre Mexican revolution, 1910). Follow up work in 2005 will include infill drilling within 350 meter region between the El Cometa and El Refugio zones. In addition, the Company to drill tested other historic mineralized and productive areas to carry out an evaluation of previously unexplored parts of Copalquin. The Phase I drill program was completed in February 2005.

Highlights from UC's most recent assays from 22 drill holes completed from five drill pads included:

Drilling Summary					
	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)
UC-01	29.20	35.95	6.75	1.07	131.04
UC-03	35.48	41.00	5.52	144.26	328.63
UC-04	40.18	45.95	5.77	12.13	119.36
UC-10	33.37	34.42	1.05	2.33	108.00
UC-13	48.68	55.46	6.78	0.80	51.14
Incl	54.35	55.46	1.11	3.45	262.00
UC-14	42.68	54.25	11.57	3.01	300.55
Incl	48.43	50.56	2.13	13.65	1375.00
UC-15	39.30	49.75	10.42	1.01	64.30
Incl	41.13	42.85	1.72	3.29	194.00
UC-21	148.09	158.20	10.11	2.20	199.90

Under its option agreement, UC can earn a 50% interest in Planet Explorations Inc.'s (TSXV:PXI) 100% of the Copalquin property. For further information visit UC's website at www.ucresources.net.

**UC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
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FOR THE NINE MONTHS ENDED MARCH 31, 2005**

FINANCIAL RESULTS OF OPERATIONS – (CON'T)

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

Summary of Quarterly Results

	<u>March 31, 2005</u>	<u>For Quarters Ended December 31, 2004</u>	<u>September 30, 2004</u>	<u>June 30, 2004</u>
Total revenues (income & other income)	\$ 58	\$ 152	\$ 153	\$ 133
Loss before write-off/gain on sale of mineral properties	79,319	340,116	29,152	203,446
Loss (gain) on disposal of mineral property	-	(100,000)	-	381,671
Loss for the period	79,319	240,116	29,152	585,117
Loss per share	0.005	0.13	0.002	0.033
		<u>For Quarters Ended</u>		
		<u>December</u>	<u>Sept 30,</u>	<u>June 30,</u>
		<u>31, 2003</u>	<u>2003</u>	<u>2003</u>
Total revenues	\$ 60	\$ 63	\$ 114	\$ 5
Loss before write-off/gain on sale of mineral properties	41,745	59,163	51,668	38,096
Loss (gain) on disposal of mineral properties	-	-	-	-
Loss for the period	41,745	51,163	51,668	38,096
Loss per share	0.003	0.004	0.004	0.003

**UC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
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FOR THE NINE MONTHS ENDED MARCH 31, 2005**

FINANCIAL RESULTS OF OPERATIONS – (CON'T)

The Company's operations for the period ended March 31, 2005 produced a net loss of \$79,319 compared to a loss of \$41,745 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 \$265,493 in acquisition costs on its Copalquin Property in Mexico. In the quarter ended March 31, 2005, the Company had expenditures of \$181,640 in exploration and development expenditures on its Copalquin property where a geophysical survey sampling and diamond drilling were undertaken. The Company had previously spent \$94,628 bringing its total exploration expenditures on the Copalquin property to \$976,268. 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 March 31, 2005 was deficient \$636,228 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 March 31, 2005, the Company had 18,692,029 (20,521,029 fully diluted) common shares issued and outstanding compared to 14,451,253 (16,178,253 fully diluted) as at March 31, 2005.

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. In the period, 1,232,000 shares were issued for 1,167,000 stock options and 65,000 warrants exercised for net proceeds of \$171,735. Loans of \$310,000 were secured in the period, repayable in one year at 8%, with a loan fee of 376,776 shares being issued at a deemed value of \$62,000 to secure the loans.

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 \$13,500 (\$13,500 – 2004) for rent and administration services, \$6,500 for equipment rent (nil – 2004) and \$26,800 (nil – 2004) for geological services to a company controlled by a director in the period. The Company also paid \$11,500 (\$10,000 – 2004) 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.

**UC RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
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RISKS

Mineral exploration and development involve a high degree of 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.