
**SYMC RESOURCES LIMITED
FINANCIAL STATEMENTS
THREE MONTHS ENDED
MARCH 31, 2005 AND 2004**



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Interim Review Report

To the Audit Committee
of SYMC Resources Limited

We have reviewed the balance sheet of SYMC Resources Limited as at March 31, 2005, the statements of income, deficit and cash flows for the three-month period then ended. These financial statements are the responsibility of the Company's management.

We performed our review in accordance with Canadian generally accepted standards for a review of interim financial statements by a Company's auditor. Such an interim review consists principally of applying analytical procedures to financial data, and making enquiries of, and having discussions with, persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit, whose objective is the expression of an opinion regarding the financial statements; accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our review, we are not aware of any material modification that needs to be made for these interim financial statements to be in accordance with Canadian generally accepted accounting principles.

This report is solely for the use of the audit committee of SYMC Resources Limited to assist it in discharging its obligation to review these financial statements, and should not be used for any other purpose. Any use that a third party makes of this report, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this report.

Manning Elliott

CHARTERED ACCOUNTANTS

Vancouver, British Columbia

May 29, 2005

SYMC Resources Limited

Balance Sheets

	March 31, 2005 \$ (unaudited)	December 31, 2004 \$ (audited)
Assets		
Current Assets		
Cash	163,245	230,201
Cash committed for mineral exploration	252,344	316,846
Amounts receivable <i>[Note 5[d]]</i>	38,397	25,656
Prepaid expenses	17,898	4,565
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	471,884	577,268
Property Bonds <i>[Note 3[d]]</i>	12,121	12,121
Deferred Mineral Exploration Costs <i>[Note 3]</i>	1,741,024	1,669,398
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	2,225,029	2,258,787
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities <i>[Note 5[c]]</i>	44,636	46,347
Due to Related Party <i>[Note 5[a]]</i>	70,400	70,400
	<hr/>	<hr/>
	115,036	116,747
Commitments <i>[Note 6]</i>		
Shareholders' Equity		
Share Capital <i>[Note 4]</i>	3,172,643	3,165,143
Contributed Surplus	2,580	2,580
Deficit	(1,065,230)	(1,025,683)
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	2,109,993	2,142,040
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	2,225,029	2,258,787
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(The Accompanying Notes are an Integral Part of the Financial Statements)

SYMC Resources Limited

Statements of Operations and Deficit

For the Three Months Ended March 31, 2005 and 2004

(unaudited)

	2005 \$	2004 \$
Revenue	–	–
Expenses		
Investor relations	12,000	–
Management fees <i>[Note 5[b]]</i>	1,875	1,275
Office, rent and telephone	1,969	2,522
Professional fees	12,017	2,300
Transfer agent and regulatory fees	12,248	3,316
Travel and promotion	–	402
Less interest income	(562)	(7)
	39,547	9,808
Net Loss for the Period	(39,547)	(9,808)
Deficit - Beginning of Period	(1,025,683)	(859,972)
Deficit - End of Period	(1,065,230)	(869,780)
Net Loss Per Share – Basic and Diluted	–	–
Weighted Average Shares Outstanding	13,349,000	7,216,000

(The Accompanying Notes are an Integral Part of the Financial Statements)

SYMC Resources Limited

Statements of Cash Flows

For the Three Months Ended March 31, 2005 and 2004

(unaudited)

	2005	2004
	\$	\$
Operating Activities		
Net loss	(39,547)	(9,808)
Changes in non-cash operating working capital		
Amounts receivable	(12,741)	(786)
Prepaid expenses	(13,333)	(244)
Accounts payable and accrued liabilities	(1,711)	4,034
Cash Used in Operating Activities	(67,332)	(6,804)
Financing Activities		
Proceeds from warrants exercised	7,500	27,000
Investing Activities		
Expenditures upon mineral properties	(71,626)	(10,589)
Exploration tax credit	—	1,353
	(71,626)	(9,236)
Change in Cash and Cash Equivalents	(131,458)	10,960
Cash and Cash Equivalents - Beginning of Period	547,047	1,511
Cash and Cash Equivalents - End of Period	415,589	12,471
Cash and Cash Equivalents consists of:		
Cash	163,245	1,102
Cash committed for mineral exploration	252,344	11,369
	415,589	12,471
Non-cash Investing and Financing Activities	—	—
Supplemental Disclosures		
Interest paid	—	—
Income taxes paid	—	—

(The Accompanying Notes are an Integral Part of the Financial Statements)

SYMC Resources Limited

Notes to the Financial Statements

For the Three Months Ended March 31, 2005 and 2004

(unaudited)

1. Nature of Operations and Continuance of Business

The Company was incorporated on March 26, 1987 under the provisions of the Company Act of British Columbia.

The Company is in the business of acquiring and exploring mineral properties on Vancouver Island, B.C. There has been no determination whether properties held contain ore reserves, which are economically recoverable.

The recoverability of valuations assigned to mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the properties, the ability to obtain necessary financing to complete development, and future profitable production or proceeds from disposition.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern and accordingly, do not purport to give effect to adjustments, if any, which may be appropriate should the Company be unable to continue as a going concern entity.

2. Significant Accounting Policies

[a] Basis of presentation

The financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles.

[b] Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, particularly the recoverability of accounts receivable, capital assets and goodwill, and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

[c] Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

[d] Mineral properties

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against future income of the project using the unit of production method over estimated recoverable ore reserves. Management periodically assesses carrying values of non-producing properties and if management determines that the carrying values cannot be recovered or the carrying values are related to properties that are allowed to lapse, the unrecoverable amounts are expensed.

The recoverability of the carried amounts of mineral properties is dependent on the existence of economically recoverable ore reserves and the ability to obtain the necessary financing to complete the development of such ore reserves and the success of future operations. The Company has not yet determined whether any of its mineral properties contains economically recoverable reserves. Amounts capitalized as mineral properties represent costs incurred to date, less write-downs and recoveries, and does not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

SYMC Resources Limited

Notes to the Financial Statements

For the Three Months Ended March 31, 2005 and 2004

(unaudited)

2. Significant Accounting Policies (continued)

[e] Long-lived assets

The Company monitors the recoverability of long-lived assets, based on factors such as current market value, future asset utilization, business climate and future undiscounted cash flows expected to result from the use of the related assets. The Company's policy is to record an impairment loss in the period when it is determined that the carrying amount of the assets may not be recoverable. The impairment loss is calculated as the amount by which the carrying amount of the assets exceeds the undiscounted estimate of future cash flows from the asset.

[f] Financial instruments

Financial instruments included in the balance sheet are comprised of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities. The fair values of these balance sheet items are equivalent to their carrying value because of the short-term maturity of those instruments. The Company is not party to any derivative instruments.

The Company has no interest rate risk or concentrations of credit risk.

[g] Income taxes

The Company follows the asset and liability method of accounting for income taxes. Future income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities, and are measured using the tax rates expected to apply when these differences reverse. A valuation allowance is recorded against any future tax asset if it is more likely than not that the asset will not be realized.

[h] Flow-through Shares

The Company has adopted EIC-146, which is effective for all flow-through share transactions initiated after March 19, 2004. Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the investor may claim the tax deductions arising from the related resource expenditures. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, a future income tax liability is recognized and the shareholders' equity is reduced.

If the Company has sufficient unused tax loss carryforwards to offset all or part of this future income tax liability and no future income tax assets have been previously recognized for these carryforwards, a portion of such unrecognized losses is recorded as income up to the amount of the future income tax liability that was previously recognized on the renounced expenditures.

[i] Stock-based compensation plans

The Company recognizes stock-based compensation expense in accordance with CICA Handbook Section 3870 "Stock-based Compensation and Other Stock-based Payments" ("CICA 3870"). When stock or stock options are issued to non-employees, compensation expense is recognized based on the fair value of the stock or stock options issued. During 2003, the Company changed its accounting policy related to employee stock options, and began to recognize compensation expense for stock or stock option grants to employees, based on the fair value of the stock or stock options issued. Pursuant to the provisions of CICA 3870, the Company has accounted prospectively for stock options issued or modified after January 1, 2003.

SYMC Resources Limited

Notes to the Financial Statements

For the Three Months Ended March 31, 2005 and 2004

(unaudited)

2. Significant Accounting Policies (continued)

[j] Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the year. The treasury stock method is used for the calculation of diluted loss per share. Stock options and warrants are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options and warrants.

As the Company has recorded a loss in each of the periods presented, basic and diluted loss per share are the same since the exercise of warrants or options would reduce the loss per share.

[k] Comparative figures

Certain of the prior year's figures have been reclassified to conform with the current year's presentation.

[l] Interim Financial Statements

These interim unaudited financial statements have been prepared on the same basis as the annual financial statements and in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's financial position, results of operations and cash flows for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for a full year or for any future period.

3. Mineral Properties

	Cumulative to December 31, 2003 \$ (audited)	Capitalized Expenditures During the Year \$	Cumulative to December 31, 2004 \$ (audited)	Capitalized Expenditures During the Quarter \$	Cumulative to March 31, 2005 \$ (unaudited)
Access road	172,850	—	172,850	—	172,850
Assays and metallurgy	70,332	2,769	73,101	1,191	74,292
Automotive and fuel	217,893	10,738	228,631	4,803	233,434
Consulting	55,000	—	55,000	—	55,000
Contracted services	36,366	—	36,366	—	36,366
Drilling	123,856	—	123,856	—	123,856
Engineering	139,039	—	139,039	—	139,039
Equipment rental	258,967	46,787	305,754	40,039	345,793
Exploration supplies	32,072	5,139	37,211	1,161	38,372
Filing, recording and assessment	78,263	6,207	84,470	—	84,470
Geologist and report writing	237,402	11,704	249,106	17,307	266,413
Staking	7,000	—	7,000	—	7,000
Surveying	23,710	—	23,710	—	23,710
Personnel and management [Note 5[b]]	221,247	18,450	239,697	7,125	246,822
METC - investment tax credit	(91,296)	(15,657)	(106,953)	—	(106,953)
	1,582,701	86,137	1,668,838	71,626	1,740,464
Acquisition costs	34,310	—	34,310	—	34,310
Impairment loss	—	(33,750)	(33,750)	—	(33,750)
	1,617,011	52,387	1,669,398	71,626	1,741,024

SYMC Resources Limited

Notes to the Financial Statements

For the Three Months Ended March 31, 2005 and 2004

(unaudited)

3. Mineral Properties (continued)

The following are properties owned or under option, all located in the Alberni and Nanaimo Mining Divisions, B.C.:

[a] Mactush Property

The Company owns a 100% interest in 7 mineral claims representing 99 units known as the Mactush Property.

The Company also owns a 100% interest in 6 other adjacent and/or surrounding area mineral claims representing 81 units. During the year an impairment loss of \$33,750 was recorded due to inactivity on the claims. However the Company intends to retain ownership, and is looking to option out the property.

[b] Sky Claims and N.S.D.E. Option

The Company exercised its option to acquire 19 additional mineral claims representing 316 units, held by the President of the Company for his costs of staking and maintaining the claims. The Company will issue 398,922 common shares of the Company, subject to regulatory approval.

[c] Property Bonds

Property bonds are cash deposits pledged to the Province of B.C. The bonds mature and roll over every year until the Company is released from its property bonds.

[d] Mining Exploration Tax Credit

The Company applies for Mining Exploration Tax Credits ("METC") on qualifying British Columbia mineral exploration expenditures incurred.

The 2004 METC applied for, totalling \$15,657 has not yet been processed.

4. Share Capital

Authorized: 40,000,000 common shares

	Number of Shares	Value \$
Balance, December 31, 2003 (audited)	7,216,326	2,275,807
Issued during 2004 for:		
Cash		
- flow-through	1,885,000	377,000
- non flow-through	3,520,366	716,805
To settle debt	700,000	105,000
Share issuance costs	—	(130,469)
Balance, December 31, 2004 (audited)	13,321,692	3,165,143
Issued during 2005 for:		
Cash pursuant to warrants exercised	25,000	7,500
Balance, March 31, 2005 (unaudited)	13,346,692	3,142,643

SYMC Resources Limited

Notes to the Financial Statements

For the Three Months Ended March 31, 2005 and 2004

(unaudited)

4. Share Capital (continued)

[a] Escrowed common shares

[i] Escrow #1

750,000 common shares are held in escrow subject to release under the direction of regulatory authorities.

[ii] Escrow #2

1,168,741 common shares are held in escrow release of which is subject to regulatory authorities accepting an independent engineering report which indicates that there is a reserve of proven and probable ore on the Mactush property having a value of at least \$300,000.

[b] Stock options

The Company has a stock option plan whereby it may grant options to its directors, officers and employees and reserved 700,000 shares for issuance thereunder.

The following table summarizes the continuity of the Company's stock options:

	Number of shares	Weighted average exercise price \$
Outstanding, December 31, 2003 and 2004 (audited) and March 31, 2005 (unaudited)	500,000	0.46
Exercisable at end of period	500,000	0.46

Information regarding options outstanding as at March 31, 2005 is as follows:

Exercise price \$	Number of shares	Outstanding		Exercisable	
		Weighted average remaining contractual life (years)	Weighted average exercise price \$	Number of shares	Weighted average exercise price \$
0.30 – 0.50	500,000	3.75	0.46	500,000	0.46

SYMC Resources Limited

Notes to the Financial Statements

For the Three Months Ended March 31, 2005 and 2004

(unaudited)

4. Share Capital (continued)

[c] Share purchase warrants

The following table summarizes the continuity of the Company's warrants:

	Number of shares	Weighted average exercise price \$
Balance, December 31, 2003 (audited)	731,000	0.30
Issued with private placements	6,415,412	0.26
Expired	(479,000)	0.30
Balance, December 31, 2004 (audited)	6,667,412	0.26
Exercised	(25,000)	0.30
Balance, March 31, 2005 (unaudited)	6,642,412	0.26

At March 31, 2005, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price \$	Expiry Date
227,000	0.30	December, 2005
1,350,000	0.25/0.30	October 8, 2006
2,965,366	0.25/0.30	November 18, 2006
843,046	0.15	November 18, 2006
195,000	0.25/0.30	December 6, 2006
895,000	0.25/0.30	December 30, 2006
167,000	0.30	December 30, 2006
<u>6,642,412</u>		

For the lines above that have two exercise prices, the first price represents the exercise price for the first year and the second price represents the exercise price for the second year.

[d] Commitment to issue common shares to three directors

The Company is committed to issuing 100,000 common shares to three directors upon any mineral property owned by the Company being placed into commercial production, to reimburse for 100,000 shares owned by the three directors being transferred to satisfy a debt obligation of the Company.

5. Related Party Transactions/Balances

During the periods ended March 31, 2005 and 2004, the Company was involved in the following related party transactions:

- [a] The amount of \$70,400 due to the CFO and director of the Company is non-interest bearing, unsecured and will not be demanded within the next fiscal year.
- [b] The President and director of the Company was paid \$5,625 (2004 - \$3,825) for exploration management and \$1,875 (2004 - \$1,275) for management services.

SYMC Resources Limited

Notes to the Financial Statements

For the Three Months Ended March 31, 2005 and 2004

(unaudited)

5. Related Party Transactions/Balances (continued)

[c] Included in accounts payable and accrued liabilities is \$100 (December 31, 2004 - \$100) owing to the CFO and director of the Company for expenses paid on behalf of the Company.

[d] Included in amounts receivable is \$8,840 (December 31, 2004 - \$2,691) owed by the President and director of the Company.

All of the above transactions have been in the normal course of operations and, in management's opinion undertaken with the same terms and conditions as transactions with unrelated parties.

6. Commitments

[a] On August 14, 2004, the Company exercised its option to acquire 19 mineral claims from the President of the Company for his costs of staking and maintaining the claims totalling \$199,461. The Company will issue 398,922 common shares of the Company, subject to regulatory approval. Subsequent to year end, the Company received regulatory approval and will be issuing the shares.

[b] On January 18, 2005, the Company retained an investor relations consultant. The Company is committed to paying the consultant \$4,000 per month for a period of two years until January 18, 2007. The Company will also grant the consultant 200,000 stock options exercisable at \$0.25 per share and will grant an additional 60,000 stock options to the consultant upon the adoption of a new stock option plan. Either party, on sixty days notice, may terminate the agreement.