
SYMC RESOURCES LIMITED
(AN EXPLORATION STAGE COMPANY)
FINANCIAL STATEMENTS
THREE MONTHS ENDED
MARCH 31, 2007
(UNAUDITED)

SYMC RESOURCES LIMITED

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(The accompanying notes are an integral part of these Financial Statements)

**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

(The accompanying notes are an integral part of these Financial Statements)

SYMC Resources Limited
 (An Exploration Stage Company)
 Balance Sheets
 (stated in Canadian dollars)

	March 31, 2007 (Unaudited)	December 31, 2006 (Audited)
Assets		
Current assets		
Cash	\$ 84,411	\$ 157,495
Amounts receivable	106,818	101,294
Prepaid expenses	19,448	16,048
	<u>210,677</u>	<u>274,837</u>
Property bonds (Note 3(b))	18,210	18,210
Mineral property costs (Note 3)	1,447,084	1,410,908
	<u>\$ 1,675,971</u>	<u>\$ 1,703,955</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 22,461	\$ 30,189
Due to related parties (Note 4)	2,600	2,220
	<u>25,061</u>	<u>32,409</u>
Due to related party (Note 4(a))	—	—
	<u>25,061</u>	<u>32,409</u>
Shareholders' equity		
Share capital (Note 5)	4,438,473	4,438,473
Contributed surplus (Note 8)	229,333	229,333
Deficit	(3,016,896)	(2,996,260)
	<u>1,650,910</u>	<u>1,671,546</u>
	<u>\$ 1,675,971</u>	<u>\$ 1,703,955</u>

Nature of Operations and Continuance of Business (Note 1)

Approved on behalf of the Board:

"A. David Long"
 A. David Long, Director

"Mark T. Brown"
 Mark T. Brown, Director

(The accompanying notes are an integral part of these Financial Statements)

SYMC Resources Limited
(An Exploration Stage Company)
Statements of Operations and Deficit
For The Three Months Ended March 31
(Unaudited)
(stated in Canadian dollars)

	2007	2006
Revenue	–	–
Operating Expenses		
Impairment of mineral property costs (Note 3)	\$ –	\$ –
Investor relations	1,811	12,000
Management fees (Note 4(b))	3,750	3,750
Office, rent and telephone	3,468	4,704
Professional fees	8,406	19,577
Transfer agent and regulatory fees	841	4,652
Travel	3,078	1,095
	<u>21,354</u>	<u>45,778</u>
Loss before other items	<u>(21,354)</u>	<u>(45,778)</u>
Other Income		
Interest income	718	1,365
Net income (loss) for the year	<u>(20,636)</u>	<u>(44,413)</u>
Deficit - beginning of the period	(2,996,260)	(1,175,650)
Deficit - end of the period	<u>\$ (3,016,896)</u>	<u>\$ (1,220,063)</u>
Net loss per share – basic and diluted	<u>(0.00)</u>	<u>(0.00)</u>
Weighted average shares outstanding	<u>18,225,243</u>	<u>18,143,457</u>

(The accompanying notes are an integral part of these Financial Statements)

SYMC Resources Limited
 (An Exploration Sage Company)
 Statements of Cash Flows
 For The Three Months Ended March 31
 (Unaudited)
 (stated in Canadian dollars)

	2007	2006
Operating activities		
Net loss for the period	\$ (20,636)	\$ (44,413)
Changes in non-cash components of working capital		
Amounts receivable	3,520	(4,935)
Prepaid expenses	(3,400)	(4,021)
Accounts payable and accrued liabilities	380	(30,784)
Due to related parties	(7,728)	642
Cash used in operating activities	(27,864)	(83,511)
Investing activities		
Property bonds	-	-
Expenditures on mineral properties	(45,220)	(60,512)
	(45,220)	(60,512)
Financing activities		
Proceeds from shares issued	-	-
Proceeds from warrants exercised	-	-
Share issuance costs	-	-
	-	-
Increase (decrease) in cash	(73,084)	(144,023)
Cash - beginning of period	157,495	762,910
Cash - end of period	\$ 84,411	\$ 618,887

(The accompanying notes are an integral part of these Financial Statements)

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 the necessary financing to complete development, and future profitable production or proceeds from disposition.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. They do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. The Company has incurred significant losses totalling \$3,016,896 since inception. The continued operations of the Company are dependent on its ability to find economically recoverable reserves to generate cash flows from operations and/or to obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

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 the financial statements in conformity with Canadian generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect the amounts reported in the financial statements and the related notes to the financial statements. Significant financial statement items which involve the use of estimates include the recoverability of mineral property costs, asset retirement obligations, stock-based compensation and future income tax valuation allowances. Actual results could differ from those estimates.

[c] Cash and cash equivalents

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

[d] Mineral properties

All costs related to the acquisition and exploration of mineral properties is 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.

2. Significant accounting policies (continued)

[d] Mineral properties (continued)

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 contain economically recoverable reserves. Amounts capitalized as mineral properties represent costs incurred to date, less write-downs and recoveries, and do 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.

[e] Long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

[f] Financial instruments

Effective January 1, 2007, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) Handbook Section 1530, Comprehensive Income; Section 3251, Equity; Section 3855, Financial Instruments - Recognition and Measurement; and Section 3865, Hedges, retroactively without restatement. These new Handbook Sections, which apply to fiscal years beginning on or after October 1, 2006, provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting. Section 1530 establishes standards for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net income calculated in accordance with generally accepted accounting principles. Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures have not been restated. The adoption of these Handbook Sections had no impact on opening deficit.

Under Section 3855, financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading, financial assets are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net income.

2. Significant accounting policies (continued)

[f] Financial instruments (continued)

Upon adoption of these new standards, the Company designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Accounts receivable and income taxes receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities and due to/from related parties are classified as other financial liabilities. The Company had neither available-for-sale, nor held-to-maturity instruments during the three months ended March 31, 2007.

The Company had no "other comprehensive income or loss" transactions during the three months ended March 31, 2007 and no opening or closing balances for accumulated other comprehensive income or loss.

[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 is 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 Company assigns the tax deductions arising from the related resource expenditures to the shareholders. 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 share capital is reduced.

If the Company has sufficient unused tax loss carry forwards or other future income tax assets to offset all or part of this future income tax liability, and no future income tax assets have previously been recognized for these items, a portion of such future income tax assets is recognized as income up to the amount of the future income tax liability recognized on the renounced expenditures.

[i] Stock-based compensation

The Company applies the fair value method to stock-based payments to all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Compensation expense is recognized over the applicable vesting period with a corresponding increase in contributed surplus. When the options are exercised, the proceeds together with the amount initially recorded in contributed surplus are credited to share.

[j] Asset retirement obligations

The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. As at March 31, 2007, the Company has not incurred any asset retirement obligations related to the exploration of its mineral properties.

SYMC Resources Limited
(An Exploration Stage Company)
Notes to the Financial Statements
March 31, 2007
(Unaudited)
(stated in Canadian dollars)

2. Significant accounting policies (continued)

[k] Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. 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.

3. Mineral property costs

	Cumulative to December 31, 2005 \$	Capitalized Expenditures During the Year \$	Cumulative to December 31, 2006 \$	Capitalized Expenditures During the Period \$	Cumulative to March 31, 2007 \$
Access road	172,850	799	173,649	–	173,649
Assays and metallurgy	91,722	18,369	110,091	2,110	112,201
Automotive and fuel	272,640	39,371	312,011	10,506	322,517
Consulting	55,000	–	55,000	–	55,000
Contracted services	36,366	–	36,366	–	36,366
Drilling	144,630	99,066	243,696	1,578	245,274
Engineering	139,039	–	139,039	–	139,039
Equipment rental	637,763	104,220	741,983	–	741,983
Exploration supplies	58,546	25,710	84,256	2,075	86,331
Filing, recording and assessment	88,351	12,467	100,818	–	100,818
Geologist and report writing	525,169	92,386	617,555	15,232	632,787
Geophysical	240,173	6,000	246,173	–	246,173
Personnel and management (Note 4(b))	284,696	46,210	330,906	11,434	342,340
Prospecting	–	38,475	38,475	–	38,475
Staking	7,000	–	7,000	–	7,000
Surveying	23,710	–	23,710	–	23,710
Wages and benefits	–	57,913	57,913	2,285	60,198
	2,777,655	540,986	3,318,641	45,220	3,363,861
Acquisition costs	106,842	–	106,842	–	106,842
Impairment loss	(33,750)	(1,669,398)	(1,703,148)	–	(1,703,148)
METC - investment tax credit	(215,923)	(95,504)	(311,427)	(9,044)	(320,471)
	2,634,824	(1,223,916)	1,410,908	36,176	1,447,084

3. Mineral property costs (continued)

As at March 31, 2007, the Company decided to work towards seeking joint venture partners for its mineral properties.

[a] The following are the properties owned, all located in the Alberni and Nanaimo Mining Divisions, B.C.:

- i) The Company owns a 100% interest in 35 mineral claims covering 14,362 hectares, known as the Macktush Dauntless (formerly Sky Claims) and MC Properties.
- ii) The Company owns a 100% interest in 19 mineral claims covering 8,687 hectares, known as the Cameron Valley Property (formerly N.S.D.E. Option).

During fiscal 2005, the Company exercised its option to acquire 19 mineral claims representing 316 units, held by the President of the Company, for his costs of staking and maintaining the claims. During the year ended December 31, 2005, the Company issued 398,922 and 54,400 common shares of the Company to the President of the Company and a director, respectively, at a fair value of \$0.16 per share or \$72,532. These 19 mineral claims consist of part of the Macktush Property, the Dauntless Property (now part of the Macktush Dauntless and MC Properties) and the Cameron Valley Property.

- iii) The Company also owns a 100% interest in 4 other mineral claims covering 1,200 hectares, known as the Kennedy River Property. During 2004, an impairment loss of \$33,750 was recorded for this property. However, the Company intends to retain ownership and is looking to option the property.

[b] 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.

[c] Mining Exploration Tax Credit

The Company applies for Mining Exploration Tax Credits ("METC") on qualifying British Columbia mineral exploration expenditures incurred. As at March 31, 2007, \$9,044 (December 31, 2006 - \$95,504) METC was accrued and included in amounts receivable.

4. Related party transactions

During the three months ended March 31, 2007 and 2006, the Company was involved in the following related party transactions:

- [a] The President of the Company charged a total of \$15,000 (three months ended March 31, 2006 - \$15,000) of which \$11,250 (three months ended March 31, 2006 - \$11,250) was for exploration management and \$3,750 (three months ended March 31, 2006 - \$3,750) for management services.
- [b] As at March 31, 2007, \$Nil (December 31, 2006 - \$Nil) was owed to the President of the Company and \$100 (December 31, 2006 - \$100) was owed to directors of the Company for expenses paid on behalf of the Company.
- [c] During the three months ended March 31, 2007, \$2,500 (three months ended March 31, 2006 - \$12,145) was incurred for management provided by a company controlled by the Chief Financial Officer 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.

5. Share capital

Authorized: An unlimited number of common shares without par value.

	Number of Shares	Value \$
Balance, December 31, 2004	13,321,692	3,165,143
Issued during 2005 for:		
Cash pursuant to share purchase warrants exercised	741,000	181,500
Acquisition of mineral claims	453,322	72,532
Private Placement		
- Flow-through	145,000	58,000
- Non flow-through	3,482,443	1,218,855
Share issuance costs	-	(101,079)
Reduction from renunciation of flow through tax benefit	-	(134,287)
Balance, December 31, 2005	18,143,457	4,460,664
Issued during 2006 for:		
Private Placement		
- Flow-through	127,500	51,000
- Non flow-through	(145,714)	(51,000)
Cash pursuant to share purchase warrants exercised	100,000	15,000
Reduction from renunciation of flow through tax benefit	-	(37,191)
Balance, December 31, 2006 and March 31, 2007	18,225,243	4,438,473

[a] Private Placements

On August 10, 2005, the Company completed a private placement of 3,482,443 non flow-through units ("Unit") and 145,000 flow-through shares at a price of \$0.35 and \$0.40, respectively, for total proceeds of \$1,276,855. Each Unit consisted of one common share and one common share purchase warrant. Each share purchase warrant is exercisable into one common share at a price of \$0.45 per share for the first year and \$0.55 per share in the second year. The Company paid a commission of \$81,785 of the proceeds and issued 129,446 share purchase warrants ("Agent's Warrants") in connection with this private placement. Each Agent's Warrant is exercisable into one common share at a price of \$0.45 in the first year and \$0.55 per share in the second year. The warrants and Agent's Warrants expire on August 11, 2007.

[b] Escrowed common shares

[i] Escrow #1

750,000 common shares were held in escrow of which 375,000 have been released and 375,000 remain 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 acceptance of an independent engineering report which indicates that there is a reserve of proven and probable ore on the Macktush property having a value of at least \$300,000.

[c] 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. This will reimburse these directors for transferring 100,000 shares owned by them to a third party to satisfy a debt obligation of the Company.

6. Stock options

The Company has a stock option plan whereby it may grant options to its directors, officers and employees at exercise prices determined by the Board. The Company has reserved 2,664,338 shares for issuance under this stock option plan. Stock options are subject to the minimum vesting requirements with 25% of the total number of the option granted released every three months from the date of grant. The options can be granted for a maximum term of five years.

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

	Number of shares	Weighted average exercise price \$
Outstanding, December 31, 2004	500,000	0.46
Granted	1,250,000	0.31
Cancelled	(100,000)	0.30
Outstanding, December 31, 2005	1,650,000	0.36
Granted	500,000	0.15
Outstanding, December 31, 2006	2,150,000	0.31
Expired	(200,000)	0.25
Outstanding, March 31, 2007	1,950,000	0.31

Information regarding options outstanding as at March 31, 2007 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 \$
0.15	500,000	4.57	0.15	125,000	0.15
0.30	350,000	1.98	0.30	350,000	0.30
0.34	700,000	3.50	0.34	700,000	0.34
0.50	400,000	1.68	0.46	400,000	0.50
	1,950,000	2.93	0.32	1,575,000	0.34

During the three months ended March 31, 2007, no stock options were granted and 200,000 with an exercise price of \$0.25, expired.

7. Share purchase warrants

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

	Number of shares	Weighted average exercise price \$
Balance, December 31, 2004	6,667,412	0.26
Issued with private placement	3,611,889	0.45
Exercised	(741,000)	0.20
Balance, December 31, 2005	9,538,301	0.35
Exercised	(100,000)	0.15
Cancelled	(145,714)	0.45
Expired	(5,826,412)	0.15
<u>Balance, December 31, 2006 March 31, 2007</u>	<u>3,466,175</u>	<u>0.55</u>

On August 11, 2005, a total of 129,446 warrants were issued to a broker pursuant to the private placement that closed on August 10, 2005 at an exercise price of \$0.40 per share expiring on August 11, 2007. The fair value of these warrants of \$19,294 was recorded as a share issuance cost. The fair value was determined using the Black-Scholes option pricing model using the following assumptions: risk-free interest rate of 4.08%, expected life of 4.18 years, expected volatility of 108% and no expected dividends. The issuance date fair value of these warrants was \$0.15 per warrant.

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

Number of Warrants	Exercise Price \$	Expiry Date
3,466,175	0.55	August 11, 2007

As per the terms of the subscription agreements, the 3,466,175 share purchase warrants have an exercise price of \$0.45 in the first year and \$0.55 for the second year.

8. Contributed surplus

The following table summarizes the continuity of the Company's contributed surplus:

	Amount \$
Balance, December 31, 2004	2,580
Fair value of stock options granted	108,481
Fair value of warrants granted	19,294
Fair value of stock options cancelled	(8,679)
Balance, December 31, 2005	121,676
Fair value of stock options granted	107,657
<u>Balance, December 31, 2006 and March 31, 2007</u>	<u>229,333</u>