
SYMC RESOURCES LIMITED
FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2005 AND 2004

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 the financial statements have not reviewed by an auditor.

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 if interim financial statements by an entity's auditor.

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SYMC Resources Limited

Balance Sheets

	September 30, 2005 \$ (unaudited)	December 31, 2004 \$ (audited)
Assets		
Current Assets		
Cash	967,344	230,201
Cash committed for mineral exploration	–	316,846
Amounts receivable <i>[Note 5[d]]</i>	68,205	25,656
Prepaid expenses	18,177	4,565
	<hr/>	<hr/>
	1,053,726	577,268
Property Bonds <i>[Note 3[c]]</i>	12,121	12,121
Deferred Mineral Exploration Costs <i>[Note 3]</i>	2,556,978	1,669,398
	<hr/>	<hr/>
	3,622,825	2,258,787
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities <i>[Note 5[c]]</i>	101,596	46,347
Due to Related Party <i>[Note 5[a]]</i>	70,400	70,400
	<hr/>	<hr/>
	171,996	116,747
Shareholders' Equity		
Share Capital <i>[Note 4]</i>	4,487,120	3,165,143
Share Subscriptions Received	120,250	–
Contributed Surplus <i>[Note 4[d]]</i>	253,864	2,580
Deficit	(1,410,405)	(1,025,683)
	<hr/>	<hr/>
	3,450,829	2,142,040
	<hr/>	<hr/>
	3,622,825	2,258,787
Commitment <i>[Note 6]</i>		
Subsequent Events <i>[Note 7]</i>		

Approved on Behalf of the Board

"Herbert McMaster"

Herbert McMaster, Director*"David Long"*

David Long, Director

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

SYMC Resources Limited

Statements of Operations and Deficit

For The Three and Nine Months Ended September 30, 2005

(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
	\$	\$	\$	\$
<hr/>				
Expenses				
Interest and bank charges	959	116	959	1,245
Investor relations	14,662	–	37,497	–
Management fees <i>[Note 5[b]]</i>	3,749	1,275	9,687	3,825
Office, rent and telephone	3,120	1,431	8,738	4,054
Professional fees	27,376	12,388	53,874	17,732
Stock-based compensation <i>[Note 4[b]]</i>	251,284	-	251,284	-
Transfer agent, regulatory and sponsorship fees	4,092	1,704	23,077	11,330
Travel and promotion	1,784	282	3,384	996
Less interest income	(1,884)	(16)	(3,778)	(36)
	<hr/>	<hr/>	<hr/>	<hr/>
	305,142	17,180	384,722	39,146
Net Loss for the Period	(305,142)	(17,180)	(384,722)	(39,146)
Deficit - Beginning of Period	(1,105,263)	(881,938)	(1,025,683)	(859,972)
Deficit - End of Period	<hr/>	<hr/>	<hr/>	<hr/>
	(1,410,405)	(899,118)	(1,410,405)	(899,118)
Basic and Diluted Loss Per Share	(0.02)	–	(0.03)	–
Weighted Average Shares Outstanding	<hr/>	<hr/>	<hr/>	<hr/>
	15,950,125	7,126,000	14,310,338	7,126,000

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

SYMC Resources Limited

Statements of Cash Flows

For The Three and Nine Months Ended September 30, 2005

(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2005	2004	2005	2004
	\$	\$	\$	\$
Operating Activities				
Net loss for the period	(305,142)	(17,180)	(384,722)	(39,146)
Items not affecting cash				
Stock-based compensation	251,284	–	251,284	–
Changes in non-cash components of working capital				
Amounts receivable	(24,277)	(1,050)	(42,549)	(1,621)
Prepaid expenses	2,950	(1,402)	(13,612)	(1,655)
Accounts payable and accrued liabilities	33,017	(51,975)	55,249	(42,562)
Cash Used In Operating Activities	(42,168)	(71,607)	(134,350)	(84,984)
Financing Activities				
Share subscriptions	(40,255)	203,477	120,250	232,477
Shares issued for cash	1,323,730	–	1,331,230	–
Share issuance costs	(81,785)	–	(81,785)	–
	1,201,690	203,477	1,369,695	232,477
Investing Activities				
Property bonds	–	–	–	(7)
Expenditures upon mineral properties	(382,476)	(6,985)	(815,048)	(22,657)
Less financed by cash committed for mineral exploration	–	1,680	–	9,185
	(382,476)	(5,305)	(815,048)	(13,479)
Increase in Cash and Cash Equivalents	777,046	126,565	420,297	134,014
Cash and Cash Equivalents - Beginning of Period	190,298	(9,172)	547,047	(16,621)
Cash and Cash Equivalents - End of Period	967,344	117,393	967,344	117,393
Non-cash Investing and Financing Activities				
Shares issued to acquire mineral claims from the President and a director of the Company [Note 3[b]]	72,532	–	72,532	–
Mineral exploration tax credits accrued	–	336	–	1,837
Supplemental Disclosures				
Interest paid	–	–	–	–
Income tax paid	–	–	–	–

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

SYMC Resources Limited

Notes to the Financial Statements

September 30, 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 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

September 30, 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

September 30, 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 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.

[k] Comparative figures

Certain of the prior period's figures have been reclassified to conform with the current period'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 Period \$	Cumulative to September 30, 2005 \$ (unaudited)
Access road	172,850	–	172,850	–	172,850
Assays and metallurgy	70,332	2,769	73,101	13,328	86,429
Automotive and fuel	217,893	10,738	228,631	25,928	254,559
Consulting	55,000	–	55,000	–	55,000
Contracted services	36,366	–	36,366	–	36,366
Drilling	123,856	–	123,856	13,150	137,006
Engineering	139,039	–	139,039	–	139,039
Equipment rental	258,967	46,787	305,754	317,409	623,163
Exploration supplies	32,072	5,139	37,211	17,970	55,181
Filing, recording and assessment	78,263	6,207	84,470	3,882	88,352
Geologist and report writing	237,402	11,704	249,106	197,097	446,203
Geophysical	–	–	–	195,721	195,721
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	30,563	270,260
METC - investment tax credit	(91,296)	(15,657)	(106,953)	–	(106,953)
	1,582,701	86,137	1,668,838	815,048	2,483,886
Acquisition costs	34,310	–	34,310	72,532	106,842
Impairment loss	–	(33,750)	(33,750)	–	(33,750)
	1,617,011	52,387	1,669,398	887,580	2,556,978

SYMC Resources Limited

Notes to the Financial Statements

September 30, 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] Macktush, Dauntless and MC Properties

The Company owns a 100% interest in 35 mineral claims covering 14,362 hectares, known as the Macktushm Dauntless (formerly Sky Claims) and MC Properties.

The Company also owns a 100% interest in 4 other mineral claims covering 1200 hectares, known as the Kennedy River Property. During 2004, 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. Options

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. During the nine months ended September 30, 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.

The Company also owns 100% interest in 19 mineral claims covering 8,687 hectares, known as the Cameron Valley Property (formerly N.S.D.E. Option).

[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	273,500	54,375
Shares issued to acquire mineral claims	453,322	72,532
Private Placement		
- flow-through	145,000	58,000
- non- flow-through	3,482,443	1,218,855

SYMC Resources Limited

Notes to the Financial Statements

September 30, 2005 and 2004

(unaudited)

Shares issuance costs	-	(81,785)
Balance, September 30, 2005 (unaudited)	17,675,957	4,487,120

SYMC Resources Limited

Notes to the Financial Statements

September 30, 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] Private Placement

On August 10, 2005, the Company closed the first part 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 consists 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 Warrant") 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. All the warrants expire on August 11, 2007.

[c] Stock options

The Company has a stock option plan whereby it may grant options to its directors, officers and employees and reserved 2,664,338 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)	500,000	0.46
Cancelled or expired	(100,000)	0.30
Granted	1,000,000	0.32
Outstanding, September 30, 2005	1,400,000	0.37
Exercisable at end of period	525,000	0.44

Information regarding options outstanding as at September 30, 2005 is as follows:

Exercise price \$	Number of shares	Number of shares exercisable	Expiry Date
0.50	400,000	400,000	December 2, 2008
0.25	200,000	100,000	January 19, 2007
0.30	100,000	25,000	July 13, 2007
0.34	700,000	-	September 27, 2010
	1,400,000	525,000	

SYMC Resources Limited

Notes to the Financial Statements

September 30, 2005 and 2004

(unaudited)

4. Share Capital (continued)

[d] Stock-based compensation

The fair value of stock options and agents' warrants reported as compensation expense in the current period has been estimated using the Black-Scholes Option Pricing Model using the following assumptions: a risk free interest rate from 2.81-3.58%, expected life from 2 to 5 years; an expected volatility from 89.69% to 125.16% and no expectation for the payments of dividends. Based on these variables, stock-based compensation expense of \$251,284 (nine months ended September 30, 2004 – \$nil) was recorded during the current period and allocated to contributed surplus.

[e] 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	(273,500)	0.19
Issued with private placement	3,611,889	0.45
Balance, September 30, 2005 (unaudited)	10,005,801	0.32

At September 30, 2005, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price \$	Expiry Date
227,000	0.30	December 4, 2005
1,300,000	0.25/0.30*	October 8, 2006
2,944,366	0.25/0.30	November 18, 2006
690,546	0.15	November 18, 2006
195,000	0.25/0.30	December 6, 2006
870,000	0.25/0.30	December 30, 2006
167,000	0.30	December 30, 2006
3,482,443	0.45/0.55	August 11, 2007
129,446	0.45/0.55	August 11, 2007
<u>10,005,801</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.

[f] 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.

SYMC Resources Limited

Notes to the Financial Statements

September 30, 2005 and 2004

(unaudited)

5. Related Party Transactions/Balances

During the periods ended September 30, 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 or accrued \$29,063 (2004 - \$11,475) for exploration management and \$9,687 (2004 - \$3,825) for management services.
- [c] Included in accounts payable and accrued liabilities are \$6,867 and \$100 (December 31, 2004 - \$Nil and \$100) owing to the President and CFO of the Company, respectively, for expenses paid on behalf of the Company.
- [d] Included in amounts receivable is \$Nil (December 31, 2004 - \$2,691) owed by the President 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

On January 18, 2005, the Company retained an investor relation's 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 also granted the consultant 200,000 stock options exercisable at \$0.25 per share and additional 100,000 stock options exercisable at \$0.30 per share. Either party, on sixty days notice, may terminate the agreement.

7. Subsequent Event

Subsequent to September 30, 2005, the Company issued 75,000 shares for proceeds of \$11,325 pursuant to the exercise of warrants.