
**SYMC RESOURCES LIMITED
FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2006 AND 2005
(UNAUDITED)**

SYMC Resources Limited

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**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.

SYMC Resources Limited

Balance Sheets

(stated in Canadian dollars)

	September 30, 2006 \$ (Unaudited)	December 31, 2005 \$ (Audited)
Assets		
Current assets		
Cash and cash equivalents	345,820	762,910
Amounts receivable	85,463	162,340
Prepaid expenses	19,138	11,529
	450,421	936,779
Property bonds <i>[Note 3[b]]</i>	15,000	12,278
Mineral property costs <i>[Note 3]</i>	2,950,958	2,634,824
	3,416,379	3,583,881
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	34,122	90,946
Due to related parties <i>[Note 8[c]]</i>	1,582	15,845
	35,704	106,791
Due to related party <i>[Note 8[a]]</i>	70,400	70,400
	106,104	177,191
Shareholders' equity		
Share capital <i>[Note 4]</i>	4,475,664	4,460,664
Contributed surplus <i>[Note 7]</i>	121,676	121,676
Deficit	(1,287,065)	(1,175,650)
	3,310,275	3,406,690
	3,416,379	3,583,881
Commitment <i>[Note 9]</i>		

Approved on behalf of the Board:

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

"Herbert McMaster"
Herbert McMaster, Director

SYMC Resources Limited

Statements of Operations and Deficit

(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
	\$	\$	\$	\$
Expenses				
Interest and bank charges	514	959	1,154	959
Investor relations	12,552	14,662	37,440	37,497
Management fees <i>[Note 8[b]]</i>	3,750	3,749	11,250	9,687
Office, rent and telephone	4,871	3,120	14,713	8,738
Professional fees <i>[Note 8[d]]</i>	9,790	27,376	58,489	53,874
Transfer agent, regulatory and sponsorship fees	2,620	4,092	6,431	23,077
Travel and promotion	866	1,784	3,370	3,384
Less: interest income	(15,801)	(1,884)	(21,432)	(3,778)
	19,162	53,858	111,415	133,438
Net loss for the period	(19,162)	(53,858)	(111,415)	(133,438)
Deficit - beginning of period	(1,267,903)	(1,105,263)	(1,175,650)	(1,025,683)
Deficit - end of period	(1,287,065)	(1,159,121)	(1,287,065)	(1,159,121)
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.01)
Weighted average shares outstanding	18,153,434	15,950,125	18,146,795	14,310,338

SYMC Resources Limited

Statements of Cash Flows

(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
	\$	\$	\$	\$
Operating activities				
Net loss for the period	(19,162)	(53,858)	(111,415)	(133,438)
Change in non-cash components of working capital				
Amounts receivable	97,231	(24,277)	76,877	(42,549)
Prepaid expenses	(4,972)	2,950	(7,609)	(13,612)
Accounts payable and accrued liabilities	(39,242)	33,017	(56,824)	55,249
Due to related parties	(4,032)	-	(14,263)	-
Cash used in operating activities	29,823	(42,168)	(113,234)	(134,350)
Financing activities				
Share subscriptions	-	(40,255)	-	120,250
Shares issued for cash	-	1,323,730	-	1,331,230
Share issuance costs	-	(81,785)	-	(81,785)
Proceeds from warrants exercised	15,000	-	15,000	-
	15,000	1,201,690	15,000	1,369,695
Investing activities				
Property bonds	(2,606)	-	(2,722)	-
Expenditures on mineral properties	(133,273)	(382,476)	(316,134)	(815,048)
	(135,879)	(382,476)	(318,856)	(815,048)
Increase (decrease) in cash and cash equivalents	(91,056)	777,046	(417,090)	420,297
Cash and cash equivalents - beginning of period	436,876	190,298	762,910	547,047
Cash and cash equivalents - end of period	345,820	967,344	345,820	967,344

SYMC Resources Limited

Notes to the Financial Statements

For the Three Months and Nine Months Ended September 30, 2006 and 2005

(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 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, and 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 since inception and had working capital of \$412,323 as at September 30, 2006. The continued operations of the Company are dependent on its ability to find economically recoverable reserves to generate cash flows from operations and/or 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 and follow the same accounting policies and methods of their application as the annual financial statements. These interim financial statements do not include in all respects the annual disclosure requirements of generally accepted accounting principles and should be read in conjunction with the most recent annual statements.

[b] Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

[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 property costs

All costs related to the acquisition and exploration 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.

SYMC Resources Limited

Notes to the Financial Statements

For the Three Months and Nine Months Ended September 30, 2006 and 2005

(unaudited)

2. Significant accounting policies (continued)

[d] Mineral property costs (continued)

The recoverability of the carried amounts of mineral properties is dependent on the existence of economically recoverable ore reserves, 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 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 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, accounts payable and accrued liabilities and due to related parties. The fair values of these balance sheet items are equivalent to their carrying values because of the short-term maturity of those instruments. The Company is not a 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 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.

SYMC Resources Limited

Notes to the Financial Statements

For the Three Months and Nine Months Ended September 30, 2006 and 2005

(unaudited)

2. Significant accounting policies (continued)

[i] Stock-based compensation

The Company recognizes stock-based compensation expense in accordance with CICA Handbook Section 3870 "Stock-based Compensation and Other Stock-based Payments" ("CICA 3870"). As recommended by Section 3870, the Company has adopted the fair value method for stock-based compensation granted to employees, non-employees and for all direct awards of stock.

The fair value of stock options is determined by Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares and an expected life of the options. The fair value of direct awards of stock is determined by the quoted market price of the Company's stock.

[j] Asset retirement obligations

Effective January 1, 2004, the Company adopted CICA Handbook Section 3110, "Asset Retirement Obligations", which established standards for asset retirement obligations and the associated retirement costs related to site reclamation and abandonment. 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 September 30, 2006, the Company had not incurred any asset retirement obligation related to the exploration of its mineral properties.

[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.

[l] Comparative figures

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

SYMC Resources Limited

Notes to the Financial Statements

For the Three Months and Nine Months Ended September 30, 2006 and 2005

(unaudited)

3. Mineral property costs

	Cumulative to December 31, 2004 \$	Capitalized Expenditures During the Year \$	Cumulative to December 31, 2005 \$	Capitalized Expenditures During the Period \$	Cumulative to September 30, 2006 \$
Access road	172,850	-	172,850	5,937	178,787
Assays and metallurgy	73,101	18,621	91,722	12,075	103,797
Automotive and fuel	228,631	44,009	272,640	33,370	306,010
Consulting	55,000	-	55,000	300	55,300
Contracted services	36,366	-	36,366	-	36,366
Drilling	123,856	20,774	144,630	35,857	180,487
Engineering	139,039	-	139,039	-	139,039
Equipment rental	305,754	332,009	637,763	71,412	709,175
Exploration supplies	37,211	21,335	58,546	21,639	80,184
Filing, recording and assessment	84,470	3,881	88,351	12,463	100,814
Geologist and report writing	249,106	276,063	525,169	89,688	614,857
Geophysical	-	240,173	240,173	6,000	246,173
Personnel and management [Note 8[b]]	239,697	44,999	284,696	47,531	332,227
Prospecting	-	-	-	26,825	26,825
Staking	7,000	-	7,000	-	7,000
Surveying	23,710	-	23,710	-	23,710
Wages and benefits	-	-	-	28,957	28,957
METC - investment tax credit	(106,953)	(108,970)	(215,923)	(75,920)	(291,842)
	1,668,838	892,894	2,561,732	316,134	2,877,866
Acquisition costs	34,310	72,532	106,842	-	106,842
Impairment loss	(33,750)	-	(33,750)	-	(33,750)
	1,669,398	965,426	2,634,824	316,134	2,950,958

[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 also owns 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 additional 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 consisted 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 out the property.

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Notes to the Financial Statements

For the Three Months and Nine Months Ended September 30, 2006 and 2005

(unaudited)

3. Mineral property costs (continued)

[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. During fiscal 2006, the Company received the METC refund of \$124,629 for the year ended December 31, 2005. As at September 30, 2006, \$75,920 (December 31, 2005 - \$124,629) METC was accrued as an amount receivable.

4. Share capital

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

	Number of Shares	Value \$
Balance, December 31, 2004 (audited)	13,321,692	3,165,143
Issued during 2005 for:		
Cash pursuant to warrants exercised	741,000	181,500
Acquisition of mineral claims [Note 3(a)(iii)]	453,322	72,532
Private Placement		
- Flow-through [Note 4(a)]	145,000	58,000
- Non flow-through [Note 4(a)]	3,482,443	1,218,855
Share issuance costs	—	(101,079)
Flow-through share tax recovery	—	(134,287)
Balance, December 31, 2005	18,143,457	4,460,664
Private Placement		
- Flow-through [Note 4(a)]	127,500	51,000
- Non flow-through [Note 4(a)]	(145,714)	(51,000)
Cash pursuant to warrants exercised	100,000	15,000
Balance as of September 30, 2006	18,225,243	4,475,664

[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. During fiscal 2006, 145,714 Units were replaced with 127,500 flow-through shares to rectify an incorrect issuance in fiscal 2005.

SYMC Resources Limited

Notes to the Financial Statements

For the Three Months and Nine Months Ended September 30, 2006 and 2005

(unaudited)

4. Share capital (continued)

[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 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.

[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, to reimburse those directors for transferring 100,000 shares owned by them to a third party to satisfy a debt obligation of the Company.

5. Stock options

The Company has a stock option plan whereby it may grant options to its directors, officers and employees at exercise prices to be 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 to be 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, 2003 and 2004	500,000	0.46
Granted	1,250,000	0.31
Cancelled	(100,000)	0.30
Outstanding, December 31, 2005 and September 30, 2006	1,650,000	0.36

Information regarding options outstanding as at September 30, 2006 is as follows:

Exercise price \$	Outstanding			Exercisable	
	Number of shares	Weighted average contractual life (years)	Weighted average exercise price \$	Number of shares	Weighted average exercise price \$
0.25	200,000	0.30	0.25	200,000	0.25
0.30	350,000	2.48	0.30	287,500	0.30
0.34	700,000	3.99	0.34	700,000	0.34
0.50	400,000	2.18	0.50	400,000	0.50
	1,650,000	2.24	0.36	1,587,500	0.36

During the nine-month period ended September 30, 2006, no stock options were granted.

SYMC Resources Limited

Notes to the Financial Statements

For the Three Months and Nine Months Ended September 30, 2006 and 2005

(unaudited)

6. Share purchase warrants

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

	Number of shares	Weighted average exercise price \$
Balance, December 31, 2005	9,538,301	0.35
Cancelled [Note 4[a]]	(145,714)	0.45
Exercised	(100,000)	0.15
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Balance, September 30, 2006	9,292,587	0.34

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 \$0.45 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 3.13%, expected life of 1 year, expected volatility of 104% and no expected dividends. The grant date fair value of these warrants was \$0.15 per warrant.

As at September 30, 2006, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price \$	Expiry Date
1,300,000**	0.30	October 8, 2006
2,791,366**	0.30	November 18, 2006
503,046**	0.15	November 18, 2006
195,000	0.30	December 6, 2006
870,000	0.30	December 30, 2006
167,000	0.30	December 30, 2006
3,336,729	0.45/0.55*	August 11, 2007
129,446	0.45/0.55*	August 11, 2007
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9,292,587		

*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.

** Subsequently these warrants expired.

7. 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)
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Balance, December 31, 2005 and September 30, 2006	121,676

SYMC Resources Limited

Notes to the Financial Statements

For the Three Months and Nine Months Ended September 30, 2006 and 2005

(unaudited)

8. Related party transactions/balances

During the periods ended September 30, 2006 and 2005, the Company was involved in the following related party transactions:

- [a] The amount of \$70,400 due to a director of the Company is non-interest bearing, unsecured and will not be demanded within the next fiscal year.
- [b] The President of the Company was paid or accrued a total of \$45,000 of which \$33,750 (nine months ended September 30, 2005 - \$29,063) was for exploration management and \$11,250 (nine months ended September 30, 2005 - \$9,687) was for management services.
- [c] As of September 30, 2006, \$1,163 (December 31, 2005 - \$10,958) was owed to the President of the Company and \$100 (December 31, 2005 - \$2,747) was owed to directors of the Company for expenses paid on behalf of the Company. Another \$319 (December 31, 2005 - \$2,140) was owed to a company controlled by the Chief Financial Officer and a director of the Company.
- [d] During the nine months ended September 30, 2006, \$29,500 (nine months ended September 30, 2005 - \$Nil) was incurred for accounting and administration services provided by a company controlled by the Chief Financial Officer and a 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.

9. Commitment

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 also granted the consultant 200,000 stock options exercisable at \$0.25 per share and an additional 100,000 stock options exercisable at \$0.30 per share. Either party, on sixty days notice, may terminate the agreement.

10. Subsequent event

Subsequent to the quarter end, the Company issued 500,000 stock options to its directors at an exercise price of \$0.15 CDN per share for a period of five years expiring on October 23, 2011.