EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
For the period ended
March 31, 2012

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed consolidated interim financial statements for the period ended March 31, 2012.

NOTICE TO READER OF THE
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Management of Eagle Plains Resources Ltd. is responsible for the preparation of the accompanying condensed consolidated interim financial statements as at March 31, 2012.

These condensed consolidated interim financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, MacKay LLP.

The condensed consolidated interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards.

"Timothy J Termuende"	*"Glen J Diduck"*
Timothy J. Termuende, P. Geo	Glen J. Diduck, CA
President and Chief Executive Officer	Chief Financial Officer

The accompanying notes are an integral part of these financial statements.

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – prepared by management)
Expressed in Canadian dollars

	Mar 31 2012 (unaudited)	Dec 31 2011 (unaudited)
Assets		
Current		
Cash and cash equivalents	**$ 5,819,432**	$ 6,196,247
Accounts receivable	**330,943**	927,229
Mineral exploration tax credits recoverable	**46,416**	46,416
Investments (Note 4)	**2,821,272**	2,149,250
Investments due to Yellowjacket Resources Ltd. (Note 18)	**-**	969,020
	9,018,063	10,288,162
Investment in and advances to related company (Note 9)	**20,020**	20,020
Long term investments (Note 4)	**1,473,604**	1,107,409
Property, plant and equipment (Note 5)	**1,527,076**	1,526,007
Exploration and evaluation assets (Note 6)	**1,990,726**	2,727,743
	$ 14,029,489	$ 15,669,341
Liabilities and Shareholder's Equity		
Current		
Accounts payable and accrued liabilities	**$ 354,737**	$ 705,628
Due to related party (Note 18)	**150,286**	1,719,542
	505,022	2,425,170
Mortgage payable (Note 7)	**165,712**	228,122
	670,734	2,653,292
Shareholder's equity		
Share capital (Note 8)	**21,814,313**	21,814,313
Contributed surplus (Note 8)	**3,771,645**	3,557,165
Accumulated other comprehensive loss (Note 4)	**(388,483)**	(827,541)
Deficit	**(11,838,721)**	(11,527,888)
	13,358,754	13,016,049
	$14,029,489	$15,669,341

Nature and continuance of operations (Note 1)
Commitments and contingencies (Notes 6 and 11)
Subsequent events (Note 17)

On behalf of the Board:

"Timothy J Termuende" Director
Mr. Timothy J. Termuende (Signed)

"Glen J Diduck" Director
Mr. Glen J. Diduck (Signed)

The accompanying notes are an integral part of these financial statements.

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited – prepared by management)
Expressed in Canadian dollars

	Three Months Ended Mar 31 2012	Three Months Ended Mar 31 2011
Revenue		
Geological services	**$ 382,425**	$ 1,455,770
Cost and Expenses of Operations		
Geological expenses		
Services	**140,433**	1,051,100
Depreciation	**23,725**	17,739
Salaries and subcontractors	**136,054**	147,990
	(300,212)	(1,216,829)
Mining expenses		
Depreciation	**-**	(61,359)
Gross profit (loss)	**82,213**	177,582
Expenses		
Administration costs	**235,034**	285,989
Amortization	**8,656**	8,836
Professional fees (Note 10)	**72,041**	27,141
Public company costs	**18,340**	13,256
Share-based payments (Note 8)	**214,480**	29,859
Trade shows, travel and promotion	**18,791**	41,513
	(567,342)	(406,594)
Loss before other items	**(485,129)**	(229,012)
Other items		
Option proceeds in excess of carrying value	**-**	1,743,711
Other income	**12,039**	46,454
Investment income	**9,863**	5,206
Loss on disposal of equipment	**-**	(392)
Gain on sale of investments	**152,394**	515,452
	174,296	2,310,431
Net profit (loss) for the period	**(310,833)**	2,081,419
Other comprehensive income (loss)		
Unrealized gain (loss) on investments	**439,058**	391,654
Reclassification on disposition of investments	**(152,394)**	(515,452)
Comprehensive income (loss) for the period	**$ (24,169)**	$ 1,957,621
Earnings (loss) per share – basic and diluted (Note 9)	**$ (0.00)**	$ (0.03)
Weighted average number of shares – basic and diluted (Note 9)	**83,238,669**	82,601,704

The accompanying notes are an integral part of these financial statements.

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – prepared by management)
Expressed in Canadian dollars

	Three Months Ended Mar 31 **2012**	2011
Cash flows from operating activities		
Net profit (loss) for the period	**$ (310,833)**	$ 2,081,419
Adjustment for:		
Depreciation	**32,381**	87,934
Share-based payments	**214,480**	29,859
Gain on sale of investments	**(152,394)**	(515,452)
Loss on disposal of equipment	**-**	392
Option proceeds in excess of carrying value	**-**	(1,743,711)
	(216,366)	(59,559)
Changes in non-cash working capital items		
Decrease in accounts receivable	**597,628**	201,062
Decrease in accounts payable	**(350,892)**	(11,825)
	30,370	129,678
Cash flows from financing activity		
Cash payment to Yellowjacket Resources Ltd. per Plan of Arrangement	**(600,000)**	-
Principal payments on mortgage	**(62,410)**	(61,466)
Issue of shares for cash, net of issuance costs	**-**	169,587
	(662,410)	108,121
Cash flows from investing activities		
Purchase of investments	**(265,500)**	**-**
Proceeds from sale of investments	**168,735**	1,156,012
Cash received for option payments	**435,000**	35,000
Exploration of mineral exploration properties	**(49,560)**	(228,631)
Purchase of property and equipment	**(33,450)**	(75,626)
	255,225	886,755
Increase (decrease) in cash and cash equivalents	**(376,815**	1,124,554
Cash and cash equivalents, beginning of period	**6,196,247**	3,633,401
Cash and cash equivalents, end of period	**$ 5,819,432**	$ 4,757,955
Cash and cash equivalents comprise:		
Bank deposits	**$ 2,884,023**	$ 3,331,390
Term deposits	**2,935,409**	1,426,565
	$ 5,819,432	$ 4,757,955

The Company made no cash payments for income taxes and made interest payments of $3,254 (2011- $4,196).
Statement of Cash Flow (Note 13)

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited – prepared by management)
Expressed in Canadian dollars

	Share Capital		Contributed	Accumulated Other Comprehensive		Capital Attributable to equity
	Shares	Amount	Surplus	Income (loss)	Deficit	Shareholders
Balance, December 31, 2010	82,243,382	$25,808,081	$ 3,676,657	$ 1,924,773	$(14,868,203)	$16,541,308
Shares issued	587,787	169,586				169,586
Options exercised		19,308	(19,308)			
Share-based payments			29,859			29,859
Comprehensive loss for the period				(123,798)		(123,798)
Income for the period					2,081,419	2,081,419
Balance, March 31, 2011	82,831,169	$25,996,975	$ 3,687,208	$ 1,800,975	$(12,786,784)	$18,698,374
Shares issued	407,500	87,200				87,200
Options exercised		107,993	(107,993)			
Fair value of warrants exercised/expired		31,789	(31,789)			
Share-based payments			9,739			9,739
Comprehensive loss for the period				(2,628,516)		(2,628,516)
Spin-out to Yellowjacket Resources Ltd.		(4,409,644)				(4,409,644)
Income for the period					1,258,896	1,258,896
Balance, December 31, 2011	83,238,669	$21,814,313	$ 3,557,165	$ (827,541)	$(11,527,888)	$13,016,049
Share-based payments			214,480			214,480
Comprehensive income for the period				439,058		439,058
Loss for the period					(310,833)	(310,833)
Balance, March 31, 2012	**83,238,669**	**$21,814,313**	**$ 3,771,645**	**$ (388,483)**	**$(11,838,721)**	**$13,358,754**

The accompanying notes are an integral part of these financial statements.

1. Nature and continuance of operations

Eagle Plains Resources Ltd (the "Company" or "Eagle Plains" or "EPL") was incorporated on March 30, 1994, pursuant to the Alberta Business Corporation Act (Alberta), and is extra provincially registered in the Yukon, British Columbia, the Northwest Territories and Saskatchewan. The Company is a junior resource company holding properties located in British Columbia, Yukon, the Northwest Territories and Saskatchewan for the purpose of exploring for, and the development of mineral resources. As the Company has not commenced commercial production on any of its mining properties the Company continues to be an exploration stage corporation.

The Company's corporate office and principal place of business is Suite 200, 44-12th Avenue South, Cranbrook, British Columbia, Canada.

The Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. Basis of preparation

(a) Statement of Compliance

The condensed consolidated interim financial statements for the Company for the period ending March 31, 2012 are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements. However, they have been prepared in accordance with accounting policies the Company expects to adopt in its December 31, 2012 financial statements.

These condensed consolidated interim financial statements should be read in conjunction with the Company's 2011 annual financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 29, 2012.

(b) Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as FVTPL and available-for-sale which are stated at their fair value.

These condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(c) Use of Estimates and Judgments

The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

2. Basis of preparation - continued

The estimates and underlying assumptions are continuously evaluated and reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Significant accounting estimates

a) The inputs used in accounting for share- based payments in profit or loss;
b) The assessment of indications of impairment of each mineral property and related determination of the net realizable value and write-down of those properties where applicable;
c) The tax basis of assets and liabilities and related deferred income tax assets and liabilities; and
d) Amounts of provisions, if any, for environmental rehabilitation and restoration.

Significant accounting judgments

a) The useful lives for depreciation of property, plant and equipment;
b) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management;
c) The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these condensed consolidated interim financial statements. The accounting policies have been applied consistently by the Company and its wholly owned subsidiary.

The condensed consolidated interim financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Basis of consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, Terralogic Exploration Inc. All significant intercompany transactions and balances have been eliminated.

b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances, term deposits and investments with maturities of three months or less from the date of purchase that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

c) Financial instruments

Financial instruments recognized in the balance sheet include cash and cash equivalents, trade and other receivables, investments, trade and other payables and mortgage payable.

Financial assets

Financial assets at fair value through profit or loss (“FVTPL”)

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL. Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit and loss.

The Company has classified cash and cash equivalents as FVTPL.

3. Significant Accounting Policies - continued

c) Financial instruments - continued

Available-for-sale financial assets ("AFS")

Investments in marketable securities are classified as AFS financial assets. Investments are initially recognized at fair value and are subsequently carried at fair value with changes recognized in other comprehensive income or loss. Fair value is based on closing market prices for publicly traded shares without recognizing the possible effects of price fluctuations, quantities traded and similar items.

Shares held in escrow have been valued at fair value, discounted by the put option for the length of the escrow period; which is calculated using the Black-Scholes option-pricing model.

Equity instruments for which there is no quoted market price in an active market are accounted for at cost. However, if fair value can be reliably measured for an equity instrument not traded on an active market, it will be measured at fair value.

The Company has classified investment and long term investments as AFS.

Loans and receivables

Trades receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

The Company has classified accounts receivable, subscriptions receivable, mineral exploration tax credits receivable and investment in and advances to related company as loans and receivables.

Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

Where impairment has occurred, the cumulative loss is recognized in the income statement.

Financial liabilities

Financial liabilities primarily consist of payables, accruals and mortgage payable and are measured at amortized cost.

The Company holds various financial instruments. Unless otherwise indicated, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted. Investments in entities in which the Company does not have control or significant influence are designated as available-for-sale. The fair value for investments designated as available-for-sale is recorded on the balance sheet, with unrealized gains and losses, net of related income taxes, recorded in accumulated other comprehensive income ("AOCI"). The cost of securities sold is based on the specific identification method. Realized gains and losses, including any other-than-temporary decline in value, on these equity securities are removed from AOCI and recorded in income or loss.

The Company has designated its cash and cash equivalents as FVTPL, which are measured at fair value. Investments are classified as available-for-sale and are recorded at fair value with changes in fair value recorded in other comprehensive income until such gains or losses are recognized or an other than temporary impairment is determined to have occurred. Accounts receivable, due from related company and investment in and advances to related company are classified as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities and mortgage payable are classified as other financial liabilities, which are measured at amortized cost. Transaction costs are expensed as incurred.

3. Significant Accounting Policies - continued

c) Financial instruments - continued

The carrying amounts and fair values of financial assets and liabilities are as follows:

	Mar 31 2012		December 31 2011	
	Carrying Value	**Estimated Fair Value**	Carrying Value	Estimated Fair Value
FVTPL				
Cash and cash equivalents	**$5,819,432**	**$5,819,432**	$6,196,247	$6,196,247
Loans and receivables				
Accounts receivable	**330,943**	**330,943**	927,229	927,229
Mineral exploration tax credit receivable	**46,416**	**46,416**	46,416	46,416
Available-for-sale financial assets				
Investments	**4,294,876**	**4,294,876**	3,256,659	3,256,659
Financial liabilities				
Payables and accrued liabilities	**354,736**	**354,736**	705,628	705,628
Mortgage payable	**165,712**	**165,712**	228,122	228,122

d) Exploration and evaluation expenditures

Pre -exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transfee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess consideration accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to

3. Significant Accounting Policies - continued

development properties. As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

e) Mineral tax credit
The Federal and Provincial taxation authorities provide companies with tax incentives for undertaking mineral exploration programs in certain areas. The Company accrues these credits as a reduction of exploration and evaluation expenditures in the period that the related expenditures were incurred. These accrued credits are subject to review by the relevant authorities and by their nature are subject to measurement uncertainty. Adjustments if any, resulting from such a review are recorded in the period that the tax filings are amended.

f) Option Agreements
Certain of the Company's exploration and development activities are conducted jointly with others. These condensed consolidated interim financial statements reflect only the Company's proportionate interest in such activities.

g) Property, plant and equipment
Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items. The depreciation method, useful life and residual values are assessed annually.

Depreciation is determined using the declining balance method, using the rates below which approximate the estimated useful life of the asset:

Automotive	- 30% per annum
Building	- 4% per annum
Computer equipment	- 30%, 45%, 55% and 100% per annum
Computer software	- 100% per annum
Furniture and equipment	- 20% per annum

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of comprehensive income or loss.

h) Investment property
The Company's real estate holdings, which include the head office building and warehouse facilities, do not meet the definition of an investment property under IAS 40 and are therefore included in property, plant and equipment. Although a portion of the head office building is rented to a third party, under IAS 40, a portion of dual-use property is classified as investment property only if the portion could be sold or leased out separately under a finance lease. Otherwise, the entire property is classified as property, plant and equipment unless only an "insignificant" portion is held for own use.

i) Impairment of non-financial assets
At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognized in the income statement for the period.

3. Significant Accounting Policies - continued

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in profit and loss.

j) Rehabilitation obligations

The Company recognizes the fair value of a legal or constructive liability for a rehabilitation obligation in the year in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of comprehensive income (loss). Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. The Company does not have significant rehabilitation obligations.

k) Revenue recognition

Revenue associated with the geological services provided by the Company is recognized when services are performed under an agreement with a customer, and collection of any resulting receivable is reasonably assured.

l) Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years.

Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

m) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants, options and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus.

3. Significant Accounting Policies - continued

m) Share capital - continued

Flow-through shares
Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through share proceeds in Note 11.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until qualifying expenditures are incurred.

n) Per share amounts
Basic income per common share is computed by dividing the net income for the year by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

o) Share based payments
Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

3. Significant Accounting Policies - continued

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

p) New accounting pronouncements

Certain new accounting standards and interpretations have been published that are mandatory for the March 31, 2012 reporting period.

The following is a brief summary of the new standards adopted in the period:

IFRS 7 – 'Financial Instruments Disclosures' – Disclosures on Transfers of Financial Assets
These amendments are applicable to annual reporting periods beginning on or after July 1, 2011. These amendments add and amend disclosure requirements about transfers of financial assets, including the nature of the financial assets involved and the risks associated with them. The adoption of this standard has no impact on the financial statements.

IAS 12 – 'Income Taxes' – Amendments Regarding Deferred Tax: Recovery of Underlying Assets
These amendments are applicable to annual reporting periods beginning on or after January 1, 2012 and a practical approach for the measurement of deferred tax relating to investment properties measured at fair value, property, plant and equipment and intangible assets measured using the revaluation model. The measurement of deferred tax for these specified assets is based on the presumption that the carrying amount of the underlying asset will be recovered entirely through sale, unless the entity has clear evidence that economic benefits of the underlying asset will be consumed during its economic life. The adoption of this standard has no impact on the financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for the March 31, 2012 reporting period. Each of the new standards is effective for annual periods beginning on or after January 1, 2013 (or as noted) with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

The following is a brief summary of the new standards not yet adopted:

IFRS 9 – Financial Instruments
IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income.

IFRS 10 – Consolidation
IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 - Joint Arrangements
IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS,

3. Significant Accounting Policies - continued

entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 12 – Disclosure of Interests in Other Entities
IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 - Fair Value Measurement
IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

IAS 24 – Related Party Disclosures
The objective of this Standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

4. Investments

The Company holds securities that have been designated as available-for-sale as follows:

	March 31, 2012		December 31, 2011	
	Market Value	**Cost**	Market Value	Cost
Current:				
Common shares in public companies	**$ 2,821,272**	**$ 3,622,529**	$ 2,149,250	$ 3,240,421
Long-term:				
Common shares of public companies held in escrow	**746,041**	**318,466**	607,596	318,466
Common shares in public companies	**49,250**	**52,500**	87,000	112,500
Common shares in private companies	**192,293**	**192,293**	192,293	192,293
Guaranteed investment certificates	**486,020**	**486,020**	220,520	220,520
	$ 1,473,604	**$ 1,049,279**	$ 1,107,409	$ 843,779
	$ 4,294,876	**$ 4,671,808**	$ 3,256,659	$ 4,084,200

For securities traded in an active market, market value is based on the quoted closing prices of the securities at March 31, 2012. The fair value of these securities may differ from the quoted trading price due to the effect of market fluctuations and adjustment for quantities traded.

The Company holds public traded securities held in escrow to be released to the Company over a period from April 15, 2012 to December 1, 2013. Securities held in escrow have been recorded at fair value, discounted by the put option for the length of the escrow period; which is calculated using the Black-Scholes option-pricing model. The long-term investments in common shares of public companies are not free trading at March 31, 2012. The long-term investments in common shares of private companies are not traded in an active market. Guaranteed investment certificates are held for terms greater than 90 days.

Accumulated other comprehensive loss (gain) of $388,483 (2011 - $(1,800,975)) is the result of the change in fair value at March 31, 2012.

5. Property, plant and equipment

	Land	Building	Automotive	Computer Equipment & Software	Furniture and Equipment	Ore Processing Equipment	Dewatering Pipeline	Fence	Total
Cost									
Balance at December 31, 2010	$298,856	$849,882	$380,887	$268,382	$284,564	$722,370	$33,547		$2,838,488
Additions		241,450	2,001	5,924	11,035				260,410
Disposals		(214,417)							(214,417)
Balance at March 31, 2011	298,856	876,915	382,888	274,306	295,599	722,370	33,547		2,884,481
Additions		104,170	15,960	16,428	106,561			13,360	256,479
Disposals			(181,046)		(109,051)	(722,370)	(33,547)		(1,046,014)
Balance at December 31 2011	298,856	981,085	217,802	290,734	293,109	0	0	13,360	2,094,946
Additions			29,616	2,405	1,429				33,450
Balance at March 31, 2012	**298,856**	**981,085**	**247,418**	**293,139**	**294,538**	**0**	**0**	**13,360**	**2,128,396**
Depreciation									
Balance at December 31, 2010		48,667	138,999	223,611	122,564	99,061	776		633,678
Additions		7,405	18,136	4,138	8,087	46,749	491		85,006
Disposals		(29,241)							(29,241)
Balance at March 31, 2011		26,831	157,135	227,749	130,651	145,810	1,267		689,443
Additions		24,167	32,958	18,340	26,848	46,748	492	668	150,221
Disposals			(60,244)		(16,164)	(192,558)	(1,759)		(270,725)
Balance at December 31, 2011		50,998	129,849	246,089	141,335	0	0	668	568,939
Additions		9,301	7,707	7,431	7,625			317	32,381
Balance at March 31, 2012		**60,299**	**137,556**	**253,520**	**148,960**	**0**	**0**	**985**	**601,320**
Net Book Value									
At December 31, 2010	298,856	801,215	241,888	44,771	162,000	623,309	32,771		2,204,810
At March 31, 2011	298,856	850,084	225,753	46,557	164,948	576,560	32,280		2,195,038
At March 31, 2012	**298,856**	**920,786**	**109,862**	**39,619**	**145,578**	**0**	**0**	**12,375**	**1,527,076**

6. Exploration and Evaluation Assets

During the first quarter, the Company made acquisition and exploration expenditures of $49,560 (2011 - $228,631) and received grants, option payments, and mineral tax credits of $785,000 (2011 - $1,335,000). As a result of the foregoing, mineral exploration properties totaled $1,990,726 at March 31, 2012, down from $2,727,743 at December 31, 2011.

The Company's subsidiary, Terralogic Exploration Inc, carried out exploration programs on behalf of option partners on various optioned properties totalling $381,895 (2011 – $1,455,770).

The Company has interests in a number of optioned exploration projects. As at March 31, 2012, the Company has executed option agreements with third parties on the following projects:

Option Agreements - Third party earn in

a) **Acacia Project:** On June 21, 2011, the Company and Tasca Resources Ltd. ("Tasca") entered into an agreement whereby Tasca may earn a 60% interest in the Acacia Property, located 45 km north of Kamloops in central British Columbia. Under terms of the Agreement, Tasca has the option to earn its interest in the property by completing $3,000,000 in exploration expenditures, making $240,000 in cash payments and issuing 1,000,000 common shares to Eagle Plains. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 10,000	-	$ -	June 14, 2011 (received)
10,000	150,000	-	December 29, 2011 (received)
40,000	200,000	200,000	December 29, 2012
80,000	200,000	300,000	December 29, 2013
100,000	200,000	600,000	December 29, 2014
-	250,000	800,000	December 29, 2015
-	-	1,100,000	December 29, 2016
$ 240,000	1,000,000	$ 3,000,000	

b) **Baska-Eldorado Project:** On July 24, 2009, the Company signed a Letter of Intent with Giyani Gold Corp. ("Giyani" - The company was formerly known as 99 Capital Corporation and changed its name to Giyani Gold Corp. in January 2011) whereby Giyani may purchase a 100% interest in the property, in north-central Saskatchewan, Canada, by issuing 2,000,000 common shares to Eagle Plains. The shares will be held in escrow and will be released from escrow, the first 200,000 shares on October 27, 2009, and 300,000 shares every six months thereafter. Eagle Plains has been granted a back-in option entitling it to purchase a 50% interest in the Baska-Eldorado property at any time between the second and fourth anniversaries of the closing date by paying Giyani the sum of $250,000 plus an amount in cash equal to one-half of all amounts spent by Giyani on exploration of the Baska-Eldorado property and one-half of all other expenditures by Giyani in relation to the Baska-Eldorado property plus a premium of 150% applied to each expenditure grouping. If Eagle Plains does not exercise its back-in option it will be granted a 1% net smelter returns royalty on the Baska-Eldorado property to a maximum of $2-million. In the event that Eagle Plains exercises its back-in option, the parties will be deemed to have formed a joint venture for the further exploration and development of the Baska-Eldorado property with Giyani holding an initial participating interest of 50% and Eagle Plains holding an initial participating interest of 50%.

Shares to be released from escrow as follows:

Share Installments	Due Date
200,000	November 19, 2009 (received)

6. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in – continued

Baska-Eldorado - continued

Share Installments	Due Date
300,000	May 19, 2010 (received)
300,000	November 19, 2010 (received)
300,000	May 19, 2011 (received)
300,000	November 19, 2011 (received)
300,000	May 19, 2012
300,000	November 19, 2012
2,000,000	

c) **Bohan Project:** On September 20, 2010, the Company executed a property purchase agreement with Active Growth Capital Inc. ("Active Growth") whereby Active Growth purchased a 100% right, title and interest in the Bohan property (the "Property") located near Creston in south-western British Columbia. As consideration for the acquisition, Active Growth agreed to issue 2,000,000 common shares to Eagle Plains, to be held in escrow pursuant to the Exchange policies. Of the total share consideration, 10% (or 200,000 shares) was released from escrow upon issuance of the Final Exchange Bulletin in respect of the Qualifying Transaction and the remainder will be released from escrow in increments of 300,000 shares every 6 months thereafter.

Pursuant to the Agreement, Eagle Plains has the right to re-purchase a 50% ownership interest in the Property from the Active Growth at any time after the second anniversary of the Qualifying Transaction, and extending up to the fourth anniversary of the Qualifying Transaction, at the Company's aggregate acquisition cost plus a premium of 150%. The re-acquisition price, if applicable, would be payable in cash. In the event that Active Growth wishes to sell the Property, Eagle Plains will have the right of first refusal to acquire it. In the event that the Property is put into commercial production and Eagle Plains has not exercised its' right to re-purchase an ownership interest in the Property as described above, then Eagle Plains will receive a 1% net smelter returns ("NSR") royalty. The 1% NSR royalty is only payable to Eagle Plains if Eagle Plains has no ownership interest in the Property. In the event that Eagle Plains wishes to sell the 1% NSR royalty, then Active Growth will have the right of first refusal to acquire it.

Shares to be released from escrow as follows:

Share Instalments	Due Date
200,000	December 13, 2010 (received)
300,000	June 1, 2011 (received)
300,000	December 1, 2011 (received)
300,000	June 1, 2012
300,000	December 1, 2012
300,000	June 1, 2013
300,000	December 1, 2013
2,000,000	

d) **Boundary (Dode) Project:** On August 1, 2011, Eagle Plains entered into an agreement whereby MMG USA Exploration LLC ("MMG") may earn a 60% interest in the Boundary property in south-western British Columbia. Under terms of the Agreement, MMG has the option to earn its interest in the property by making a cash payment of $43,895 to Eagle Plains (received) and by completing $3,000,000 in exploration expenditures by August 1, 2016. The property is subject to a 1% NSR payable to a third party, which can be purchased by MMG at any time for $1,000,000 US.

6. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in – continued

e) **Coyote Creek Project:** On June 9, 2009 Eagle Plains announced that it had reached agreement with Heemskirk Canada Ltd. ("Heemskirk") whereby Heemskirk may earn a 100% interest in the property located in south-western British Columbia. In order to exercise the option and acquire a 100% interest in the property Heemskirk is required to make cash payments totalling $240,000 plus a production royalty on material extracted. On March 6, 2012, the parties agreed to amend the agreement whereby the June 30, 2012 option payment of $200,000 is extended for a period of two years; in consideration, additional payments of $10,000 per year will be made to Eagle Plains, payable 30 days from the anniversary date. Payments are due as follows:

Cash Payments	Due Date
$ 20,000	June 26, 2009 (received)
20,000	120 days after "Initial Work" results (received)
10,000	July 30, 2012
10,000	July 30, 2013
200,000	June 30, 2014
240,000	

f) **Dragon Lake Project:** On June 20, 2011, the Company and Olympic Resources Ltd**.** ("Olympic") executed a formal option agreement (amended November 2011 changing the yearly terms but not the totals) whereby Olympic has the exclusive right to earn a 60% interest in the property. To exercise the option, Olympic must complete $3,000,000 in exploration expenditures, issue 1,000,000 common shares and make cash payments of $500,000 to Eagle Plains over 4 years. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 30,000	200,000	$ -	June 17, 2011 (received)
-	100,000	400,000	December 31, 2011 (received)(completed)
70,000	200,000	100,000	December 31, 2012
150,000	200,000	1,000,000	December 31, 2013
250,000	300,000	1,500,000	December 31, 2014
$ 500,000	1,000,000	$ 3,000,000	

g) **Eagle Lake Project:** On January 19, 2012 the Company completed an option agreement whereby Sinogas West Inc. ("Sinogas") can earn a 60% interest in Eagle Plains' 100% owned mineral property, located in north-central Saskatchewan, by making exploration expenditures of $3,000,000 and completing payments of 1,000,000 shares and $300,000 cash over the four year period commencing on the date of Exchange Approval. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ -	200,000	$ -	April 27, 2012 (received)
25,000	200,000	350,000	April 27, 2013
50,000	200,000	400,000	April 27, 2014
75,000	200,000	750,000	April 27, 2015
150,000	200,000	1,500,000	April 27, 2016
$ 300,000	1,000,000	$ 3,000,000	

6. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in – continued

h) **Elsiar Project:** The Company has an option agreement dated July 12, 2010 (subject to TSX-V approval) whereby Blackrock Resources Ltd. ("Blackrock") (a private BC company) can earn a 60% interest in Eagle Plains' 100% owned copper-moly-gold property, located in north-western British Columbia, by making exploration expenditures of $3,000,000 and completing payments of 1,000,000 shares and $250,000 cash by the fourth anniversary of the agreement. A 1% NSR is reserved for a third party. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 25,000	100,000	$ -	Date of agreement (received)
-	-	100,000	December 31, 2010 (completed)
50,000	200,000	-	July 12, 2011 (received)
-	-	200,000	December 31, 2011 (completed)
-	200,000	-	July 12, 2012
50,000	-	-	March 31, 2013
50,000	200,000	-	July 12, 2013
		2,700,000	December 31, 2013
75,000	300,000	-	July 12, 2014
$ 250,000	1,000,000	$ 3,000,000	

i) **Findlay Project:** On August 1, 2011, Eagle Plains entered into an agreement whereby MMG Canada Exploration Inc ("MMG") may earn a 60% interest in Eagle Plains' 100% owned Findlay/Greenland Creek properties located 30 kilometers north of Kimberley, in south-eastern B.C. Under terms of the agreement, MMG may earn a 60% interest by making staged cash payments to Eagle Plains totalling $500,000 and completing $5,000,000 in exploration expenditures over 5 years, the amount of expenditure and timing to be determined by MMG. MMG may earn an additional 15% interest (for a total of 75%) by delivering a bankable feasibility study by 2021. Payments are due as follows:

Cash Payments	Exploration Expenditures	Due Date
$ 25,000	$ -	August 1, 2011 (received)
50,000	-	August 1, 2012
75,000	-	August 1, 2013
125,000	-	August 1, 2014
225,000	-	August 1, 2015
$ 500,000	$ 5,000,000	Exploration amounts and scheduling to be determined by MMG

j) **Goatfell Project:** On September 19, 2011, Eagle Plains Resources Ltd. entered into an agreement with 101191710 Saskatchewan Ltd. ("101191710"), a subsidiary of 49 North Resources Inc**.,** whereby 101191710 may earn an undivided 60% interest in Eagle Plains' Goatfell Property located 30km east of Creston, British Columbia (subject to Exchange approval). Under terms of the agreement, 101191710 will complete exploration expenditures of $3,000,000 make cash payments of $250,000 and issue 1,000,000 common shares to Eagle Plains over a four year period. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 15,000	100,000	$ -	On Exchange Approval
-	-	100,000	December 31, 2011 (completed)

6. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in – continued

Goatfell - continued

Cash Payments	Share Payments	Exploration Expenditures	Due Date
25,000	100,000	-	1 year from date of exchange approval
-	-	200,000	December 31, 2012
60,000	200,000	-	2 years from date of exchange approval
-	-	500,000	December 31, 2013
75,000	300,000	-	3 years from date of exchange approval
-	-	800,000	December 31, 2014
75,000	300,000	-	4 years from date of exchange approval
		1,400,000	December 31, 2015
$ 250,000	1,000,000	$ 3,000,000	

j) **Hall Lake Project:** On September 12, 2011, Eagle Plains entered into an agreement with Bethpage Capital Corp. ("Bethpage"), whereby Bethpage may earn an undivided 60% interest in Eagle Plains' Hall Lake Property located 40km west of Kimberley, British Columbia. Under terms of the agreement, Bethpage will complete exploration expenditures of $3,000,000 make cash payments of $250,000 and issue 1,000,000 common shares to EPL over a four year period. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 15,000	100,000	$ -	Date of Exchange approval
-	-	100,000	December 31, 2011 (completed)
25,000	100,000	-	1 year from date of exchange approval
-	-	200,000	December 31, 2012
60,000	200,000	-	2 years from date of exchange approval
-	-	500,000	December 31, 2013
75,000	300,000	-	3 years from date of exchange approval
-	-	800,000	December 31, 2014
75,000	300,000	-	4 years from date of exchange approval
-	-	1,400,000	December 31, 2015
$ 250,000	1,000,000	$ 3,000,000	

k) **Hit Project:** On January 28, 2011, Eagle Plains entered into an Acquisition Agreement with Aben Resources Ltd. ("Aben"), whereby Aben will acquire a 100% interest in the Hit project, located in the eastern Yukon Territory in consideration for 1,500,000 common shares of Aben to Eagle Plains. The project shall be subject to a three percent (3%) net smelter return royalty ("NSR") in favour of Eagle Plains. Aben Resources has been granted a right to purchase a 2% NSR at any time prior to commencement of commercial production for the consideration of $2,000,000 (the "Buy Down Option"). Aben agrees to pay Eagle Plains a yearly minimum advanced royalty of $25,000 commencing January 1, 2015.

l) **Ice River Project:** On September 25, 2008, Eagle Plains announced that it had reached agreement with Waterloo Resources Ltd. ("Waterloo") whereby Waterloo may earn a 60% interest in the Ice River Property (amended March 5, 2009), located in British Columbia. In order to exercise the option and acquire a 60% interest in the property Waterloo is required to make cash payments totalling $510,000 (originally $500,000), issue 750,000 (originally 350,000) common shares and make exploration expenditures of $3,000,000 (no change) over a period of five years. A 1% NSR is reserved for Eagle Plains. On March 19, 2012, the parties agreed to amend the agreement; the amendments will provide that (i) Waterloo will issue an additional 100,000 common shares to Eagle Plains before March 31, 2012; (ii) Waterloo will expend an additional $85,000 in work commitments before December 31, 2012; and (iii) the remainder of the work commitment expenditures as provided for in the option agreement will be rescheduled to additional years. Payments are due as follows:

6. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in – continued

Ice River – continued

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 10,000		$ -	On signing of formal agreement (received)
20,000	100,000	-	September 27, 2009 (received)
25,000	100,000	200,000	September 27, 2010 (received)(completed)
25,000	100,000	50,000	September 27, 2011 (received)(completed)
	100,000		March 31, 2012 (received)
		85,000	December 31, 2012
50,000	150,000	500,000	September 27, 2013
120,000	100,000	1,000,000	September27, 2014
260,000	200,000	1,250,000	September 27, 2015
$ 510,000	750,000	$ 3,000,000	

m) **Iron Range Project:** On April 21, 2010, the Company completed an option agreement with Providence Capital Corp ("Providence") whereby Providence may earn a 60% interest in the property, located in British Columbia, by making exploration expenditures of $3,000,000 and completing payments of 1,000,000 shares and $500,000 cash by the fourth anniversary.

On March 12, 2012, Providence Resources Corp exercised its option with Eagle Plains and earned a 60% undivided right, title and interest in and to the Iron Range Project. Providence completed its earn in by completing exploration expenditures of $3,000,000, making a cash payment of $425,000 and issuing a total of 800,000 common shares.

In accordance with the terms of the option agreement, Providence and Eagle Plains are deemed to have formed a joint venture for exploration and development of the Iron Range Project. The parties have recently executed a formal joint venture agreement and are in advanced planning and permitting for a drilling program which is expected to commence on the property by late March.

n) **Justin (Sprogge) Project:** On January 28, 2011, Aben Resources Ltd. ("Aben") entered into an Acquisition Agreement whereby Aben will acquire a 100% interest in the Justin project, located in the eastern Yukon Territory, in consideration for 3,500,000 common shares of Aben to Eagle Plains. The project shall be subject to a three percent (3%) net smelter return royalty ("NSR") in favour of Eagle Plains. Aben has been granted a right to purchase a 2% NSR at any time prior to commencement of commercial production for the consideration of $2,000,000 (the "Buy Down Option"). Aben agrees to pay Eagle Plains a yearly minimum advanced royalty of $25,000 commencing January 1, 2015.

o) **K-9 Project:** On May 9, 2011, Eagle Plains and Bluefire Mining Corp. ("Bluefire") (a private B.C. company) entered into an agreement whereby Bluefire may earn a 60% interest in the K-9 copper-gold property, located in south-eastern British Columbia. Under terms of the agreement, Bluefire has the option to earn a 60% interest in property by completing $5,000,000 in exploration expenditures, making $500,000 in cash payments, and issuing 1,000,000 common shares to Eagle Plains over 5 years. Eagle Plains will maintain a 4% Gross Metal Royalty on the claims, which may be reduced to 2% upon payment of $2,000,000. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 25,000	100,000	$ 100,000	On approval date (expenditures completed)
-	-	200,000	1st anniversary of approval date
25,000	100,000	-	2nd anniversary of approval date
75,000	100,000	500,000	3rd anniversary of approval date

6. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in – continued

K-9 Project - continued

Cash Payments	Share Payments	Exploration Expenditures	Due Date
125,000	200,000	1,200,000	4th anniversary of approval date
250,000	500,000	3,000,000	5th anniversary of approval date
$ 500,000	1,000,000	$ 5,000,000	

p) **Kalum Project:** On January 17, 2012 the Company completed an option agreement whereby Clemson Resources Corp. ("Clemson") can earn a 60% interest in Eagle Plains' 100% owned mineral property, located in north-central British Columbia, by making exploration expenditures of $3,000,000 and completing payments of 1,100,000 shares and $250,000 cash over the four year period commencing on the date of Exchange Approval. There is a 1% underlying NSR payable to a third party. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 15,000	-	$ -	On exchange approval
-	200,000	-	6 months from effective date
25,000	100,000	-	First anniversary of exchange approval
-	-	200,000	December 31, 2012
60,000	200,000	-	Second anniversary of exchange approval
-	-	500,000	December 31, 2013
75,000	300,000	-	Third anniversary of exchange approval
-	-	800,000	December 31, 2014
75,000	300,000	-	Fourth anniversary of exchange approval
-	-	1,500,000	December 31, 2015
$ 250,000	1,100,000	$ 3,000,000	

q) **Karin Lake Project:** On June 15, 2010, Eagle Plains and Slater Mining Corporation ("Slater") entered into an option agreement on the Karin Lake property located 40 km east of Cameco's Key Lake deposit in north-central Saskatchewan. Under terms of the agreement, Slater may earn a 60% interest in the property by completing $3,000,000 in exploration expenditures, making $500,000 in cash payments, and issuing 1,000,000 common shares to Eagle Plains over four years. On February 27, 2012, the parties agreed to extend the 2011 exploration commitment of $300,000 to the summer of 2012. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 10,000	-	$ -	Date of agreement (received)
15,000	100,000	-	On exchange approval – Sept 16, 2010 (received)
-	-	200,000	December 31, 2010 (completed)
50,000	100,000	-	June 15, 2011 (received)
75,000	200,000	-	June 15, 2012
-	-	300,000	August 31, 2012
-	-	500,000	December 31, 2012
100,000	300,000	-	June 15, 2013
-	-	750,000	December 31, 2013
250,000	300,000	-	June 15, 2014
-	-	1,250,000	December 31, 2014
$ 500,000	1,000,000	$ 3,000,000	

6. Exploration and Evaluation Assets - continued

r) **Rohan Project:** On February 21, 2011, Eagle Plains Resources Ltd. and Rosedale Resources Ltd. ("Rosedale")(a private B.C. company) entered into an agreement whereby Rosedale may earn an interest in the Rohan copper-gold property, located in north-western British Columbia. Under terms of the agreement, Rosedale has the option to earn a 60% interest in the property by completing $5,000,000 in exploration expenditures, making $500,000 in cash payments and issuing 1,000,000 common shares to Eagle Plains over 5 years. Eagle Plains will maintain a 4% Gross Metal Royalty on the claims, which may be reduced to 2% upon payment of $2,000,000. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 25,000	100,000	$ 100,000	On approval date
-	-	200,000	1st anniversary of approval date
25,000	100,000	-	2nd anniversary of approval date
75,000	100,000	500,000	3rd anniversary of approval date
125,000	200,000	1,200,000	4th anniversary of approval date
250,000	500,000	3,000,000	5th anniversary of approval date
$ 500,000	1,000,000	$ 5,000,000	

s) **Rusty Springs Project:** On February 25, 2011, Eagle Plains Resources Ltd. and Aben Resources Ltd. ("Aben") entered into an Agreement whereby Aben may earn a 100% interest in the Rusty Springs Property, located north of Dawson City, Yukon. Under terms of the agreement, Aben has the option to earn a 100% interest in the property by making $500,000 in cash payments and issuing 1,500,000 common shares to Eagle Plains over 5 years. The property shall be subject to a three percent (3%) net smelter return royalty ("NSR") in favour of Eagle Plains. Aben has been granted a right to purchase a 2% NSR at any time prior to commencement of commercial production for the consideration of $2,000,000 (the "Buy Down Option"). Aben agrees to pay Eagle Plains a yearly minimum advanced royalty of $25,000 commencing January 1, 2015.

Cash Payments	Share Payments	Due Date
$ 25,000	250,000	On approval date - March 15, 2011 (received)
25,000	250,000	December 31, 2011 (received)
75,000	250,000	December 31, 2012
100,000	250,000	December 31, 2013
125,000	250,000	December 31, 2014
150,000	250,000	December 31, 2015
$ 500,000	1,500,000	

t) **Sphinx Project:** On July 16, 2009 the Company executed a property purchase agreement with Touchdown Capital Inc. ("TCI") whereby TCI may purchase a 100% interest in the Sphinx copper-gold-molybdenum project, located 50km west of Kimberley, British Columbia, by allotting and issuing to Eagle Plains 2,000,000 common shares of TCI within five business days following the date of Exchange Approval. The shares will be held in escrow and will be released from escrow as to 200,000 shares on the closing date and as to 300,000 shares every six months thereafter. The Company has received shares according to the schedule below. The property is subject to a 2.5% NSR to a third party and a 1% NSR to Eagle Plains, to a maximum of $2, 000,000.
Shares to be released from escrow as follows:

Share Instalments	Due Date
200,000	October 15, 2009 (released)
300,000	April 15, 2010 (released)
300,000	October 15, 2010 (released)
300,000	April 15, 2011 (released)
300,000	October 15, 2011 (released)

6. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in – continued

Sphinx continued

300,000	April 15, 2012 (released)
300,000	October 15, 2012
2,000,000	

u) **Titan Project:** On December 9, 2010, Eagle Plains Resources Ltd. and Drexel Capital Corp (subsequently renamed Blue Gold Mining Inc. ("Blue Gold")) entered into an agreement whereby Blue Gold may earn an interest in the Titan property, located in north-western British Columbia. Under terms of the agreement, Blue Gold has the option to earn a 60% interest in the property by completing $3,000,000 in exploration expenditures, making $500,000 in cash payments and issuing 1,000,000 common shares to Eagle Plains over 4 years. The property is subject to a 1.5% NSR to a third party, of which 2/3rds may be purchased for $1,000,000. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 25,000	100,000	$ -	April 21, 2011 (received)
-	-	200,000	December 31, 2011 (completed)
50,000	100,000	-	April 21, 2012 (received)
-	-	300,000	December 31, 2012
75,000	200,000	-	April 21, 2013
-	-	500,000	December 31, 2013
150,000	300,000	-	April 21, 2014
-	-	2,000,000	December 31, 2014
200,000	300,000	-	April 21, 2015
$ 500,000	1,000,000	$ 3,000,000	

v) **Vulcan Project:** On October 24, 2011, Eagle Plains entered into an agreement with Navy Resources Corp. ("Navy") whereby Navy may earn an undivided 60% interest in Eagle Plains' Vulcan Property located in south eastern British Columbia. Under terms of the agreement, Navy will complete exploration expenditures of $3,000,000 make cash payments of $250,000 and issue 1,000,000 common shares to EPL over a four year period. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 15,000	100,000	$ -	Date of Exchange approval
-	-	100,000	December 31, 2011 (completed)
25,000	-	-	1 year from date of exchange approval
-	100,000	200,000	18 months from date of exchange approval
60,000	-	-	2 years from date of exchange approval
-	200,000	500,000	30 months from date of exchange approval
75,000	-	-	3 years from date of exchange approval
-	300,000	800,000	42 months from date of exchange approval
75,000	-	-	4 years from date of exchange approval
-	300,000	1,400,000	54 months from date of exchange approval
$ 250,000	1,000,000	$ 3,000,000	

w) **Wildhorse Project:** On September 1, 2011, Eagle Plains Resources Ltd. and Turnberry Resources Ltd. ("Turnberry") (a private BC company) entered into an option agreement on Eagle Plains' 100% owned Wildhorse project located 40km north of Cranbrook, B.C. Under the terms of the Agreement, Turnberry may earn a 60% interest in the property by completing $4,900,000 in exploration expenditures, making $495,000 in cash payments and issuing 950,000 shares to EPL over 5 years. Turnberry is entitled to earn a further 15%

6. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in – continued

Wildhorse Project – continued

interest, for an aggregate 75% interest, by making all expenditures required to deliver a bankable Feasibility Study no later than the eighth anniversary of the date of regulatory approval of the Qualifying Transaction. The property shall be subject to a four percent (4%) net smelter return royalty ("NSR") in favour of Eagle Plains, which may be reduced to 2% upon payment of $2,000,000. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 20,000	50,000	$ -	April 3, 2012 (received)
-	-	200,000	April 3, 2013
25,000	100,000	-	April 3, 2014
75,000	100,000	500,000	April 3, 2015
125,000	200,000	1,200,000	April 3, 2016
250,000	500,000	3,000,000	April 3, 2017
$ 495,000	950,000	$ 4,900,000	

7. Mortgage payable

	Mar 31 2012	Dec 31 2011
Mortgage, secured by land and building, repayable in monthly payments of $1,888 including interest at 5.75%, maturing March 2015	**$ 165,712**	**$ 228,122**

A lump sum payment of $60,000 was made on the anniversary date of the mortgage.
During the period ended March 31, 2012, the Company paid $3,253 (2011 - $4,196) in interest.

8. Equity Instruments

a) Authorized

Unlimited number of common shares without nominal or par value.

Unlimited number of first and second preference shares without nominal or par value, with the rights, privileges and conditions thereof determined by the directors of the Company at the time of issuance.

b) Issued and outstanding

	Number of shares	Amount	Contributed Surplus
Balance, December 31, 2010	82,243,382	$ 25,808,081	$ 3,676,657
Issued shares on exercise of options	130,000	36,250	
Issued shares on exercise of warrants	457,787	133,336	
Black Scholes - options exercised		19,308	(19,308)

8. Equity Instruments - continued

	Number of shares	Amount	Contributed Surplus
Share-based payment			29,859
Balance, March 31, 2011	82,831,169	$ 25,996,975	$3,687,208
Shares issued for cash	422,500	87,200	
Black Scholes - options exercised (a)		107,993	(107,993)
Share-based payment			9,739
Cancellation of shares	(15,000)		
Fair value of warrants exercised/expired		31,789	(31,789)
Spin-out assets to Yellowjacket		(4,409,644)	
Balance, December 31, 2011	83,238,669	$ 21,814,313	$ 3,557,165
Share-based payment			214,480
Balance, March 31, 2012	**83,238,669**	**$ 21,814,313**	**$ 3,771,645**

2011 share issuance

In the first quarter, the Company issued 457,787 shares on the exercise of purchase warrants with exercise prices of $0.30 resulting in proceeds to the Company of $133,336.

In the first quarter, the Company issued 130,000 shares on the exercise of employee options with exercise prices of $0.25 to $0.40 resulting in proceeds to the Company of $36,250.

In the second quarter, the Company issued 266,250 shares on the exercise of purchase warrants with exercise prices of $0.20 and $0.30 resulting in proceeds to the Company of $57,250.

In the second quarter, the Company issued 145,000 shares on the exercise of employee options with exercise prices of $0.40 and $0.25 resulting in proceeds to the Company of $27,700.

In the third quarter, the Company issued 11,250 shares on the exercise of purchase warrants with exercise prices of $0.20 resulting in proceeds to the Company of $2,250.

In the fourth quarter, 15,000 shares were cancelled as the original share certificate was lost.

c) Stock Option Plan

The Company has a stock option plan for employees, directors, officers and consultants. Stock options can be issued up to a maximum number of common shares equal to 10% of the issued and outstanding common shares of the Company. The exercise price and vesting period of options granted is not less than the market price of the common shares traded less the available discount under TSX Venture Exchange Inc. policies, and is determined by the Board of Directors. Options granted can have a term of up to 10 years.

At March 31, 2012, the Company has the following stock options outstanding:

Total issued and outstanding	Number of Options	Option Price per Share Range*	Weighted Average Exercise Price
Options outstanding, December 31, 2011	6,627,500	$0.25 - $1.00	$0.49
Options issued	1,400,000	$0.40	$0.40
Options cancelled	(50,000)	($0.40)	($0.40)
Options expired	(285,000)	($0.40)	($0.40)
Options outstanding, March 31, 2012	**7,692,500**	**$0.25 - $0.40**	**$0.34**

*On January 6, 2012, the Company re-priced 1,805,000 options from an exercise price of $1.00 and expiring December 10, 2015, setting a new exercise price of $0.40. The vesting provisions and expiry dates of the re-priced options remain unchanged.

8. Equity Instruments - continued

At March 31, 2011, the Company had the following stock options outstanding:

Total issued and outstanding	Number of Options	Option Price per Share Range	Weighted Average Exercise Price
Options outstanding**,** December 31, 2010	7,797,500	\$0.25 - \$1.00	\$0.48
Options exercised	(130,000)	\$0.25 - \$0.40	\$0.28
Options outstanding, March 31, 2011	7,667,500	\$0.25 - \$1.00	\$0.48

At **March 31, 2012**, the following table summarizes information about stock options outstanding:

Options outstanding Mar 31, 2012	**Exercise Price**	**Expiry Date**	**Number of Options Currently Exercisable**	**Weighted Average Exercise Price of Options Currently Exercisable**
925,000	**\$0.40**	**Jun 20, 2013**	**925,000**	**\$0.40**
560,000	**\$0.40**	**May 22, 2014**	**560,000**	**\$0.40**
1,977,500	**\$0.25**	**Apr 30, 2015**	**955,000**	**\$0.25**
1,075,000	**\$0.25**	**Oct 19, 2015**	**1,075,000**	**\$0.25**
1,805,000	**\$0.40**	**Dec 10, 2015**	**1,805,000**	**\$0.40**
1,350,000	**\$0.40**	**Jan 6, 2017**	**1,320,000**	**\$0.40**
7,692,500	**\$0.34**		**6,640,000**	**\$0.35**

As at March 31, 2011, the following table summarizes information about stock options outstanding:

Options Outstanding Mar 31, 2011	Exercise price	Expiry Date	Number of Options Currently Exercisable	Weighted Average Exercise Price of Options Currently Exercisable
95,000	\$0.40	Apr 11, 2011	95,000	\$0.40
500,000	\$0.40	Dec 11, 2011	500,000	\$0.40
175,000	\$0.40	Jan 26, 2012	175,000	\$0.40
110,000	\$0.40	Mar 30, 2012	110,000	\$0.40
1,025,000	\$0.40	Jun 30, 2013	1,025,000	\$0.40
600,000	\$0.40	May 22, 2014	600,000	\$0.40
2,147,500	\$0.25	Apr 30, 2015	905,000	\$0.25
1,125,000	\$0.25	Oct 19, 2015	1,125,000	\$0.25
1,890,000	\$1.00	Dec 10, 2015	1,890,000	\$1.00
7,667,500			6,425,000	\$0.53

d) Compensation expense for share options

As at March 31, 2012, \$214,480 (2011 – \$29,859) has been recorded as stock based compensation related to the options issued during the period.

Compensation expense has been determined based on the estimated fair value of the options at the grant dates and amortized over the vesting period.The Company valued the options issued using the Black-Scholes model with the following weighted average assumptions:

	2012	2011
Expected annual volatility	**108.76**%	n/a
Expected risk free rate	**1.28**%	n/a
Expected term	**5 yrs**	n/a
Expected dividends	**Nil**	n/a
Fair value: exercise price exceeds market price on grant date	**\$0.18**	n/a

8. Equity Instruments - continued

e) Warrants outstanding

At **March 31, 2012**, the Company has no share purchase warrants outstanding.

At March 31, 2011, the Company had the following share purchase warrants outstanding:

	Number	Price
Balance, December 31, 2010	5,938,628	$0.20 - $0.30
Exercised	(457,787)	($0.20 - $0.30)
Balance, March 31, 2011	5,480,841	$0.20 - $0.30

At March 31, 2011, the following table summarizes information about warrants outstanding:

Total issued and outstanding	Expiry	Number	Price
	June 11, 2011	1,322,148	$0.30
	June 23, 2011	68,875	$0.30
	August 18, 2011	237,500	$0.20
	August 18, 2011	3,852,318	$0.30
Balance, March 31, 2011		5,480,841	$0.20 - $0.30

f) Shareholder rights protection plan
The shareholders have approved a plan which the directors intend to implement at their discretion to provide adequate time for the shareholders and the directors to seek alternatives to, and to assess the merits of, bids for the shares of the Company. This plan attaches special rights to the issued shares of the Company. These special rights are void to a bidder who seeks to acquire more than 20% of the voting shares of the Company.

9. Per Share Amounts

The calculation of per share amounts have been calculated based on the weighted average number of shares outstanding during the period ended March 31, 2012 of 82,238,669 shares (2011 – 82,601,704).

The net effect of applying the treasury-stock method to the weighted average number of shares outstanding had an anti-dilutive effect for the period ended March 31, 2012. For the period ended March 31, 2011, the effect of potentially dilutive securities with respect to stock options and warrants is that 3,377,500 options and 237,500 warrants are assumed exercised and 7,702,742 shares are assumed purchased.

Excluded from the 2011 computation of diluted earnings per share were:

- 4,420,000 (2010 – 4,540,000) options with an average exercise price greater than the average market price of the Company's common shares.

10. Related Party Transactions

The Company was involved in the following related party transactions during the quarter:

(a) The Company is related to Apex Diamond Drilling Ltd. ("Apex") through ownership of 10% of the shares of Apex. At March 31, 2012 Eagle Plains' interest in Apex is as follows:

10. Related Party Transactions -continued

	March 31 2012	December 31 2011
Shareholder loan, interest free, no specific terms of repayment	**$ 20,000**	$ 20,000
Shares in Apex	**20**	20
	$ 20,020	$ 20,020

During the quarter the Company received $105,280 in payment of an account receivable as the only transaction with the related company.

(b) The Company is related to Omineca Mining and Metals Ltd. (“OMM”) through common directors. During the quarter the Company had the following transactions with the related company:

	2012	2011
Services provided to OMM	**$ 31,564**	$ -

At March 31, 2012, $11,688 (2011 - $13,020) is included in accounts receivable.

(c) The Company is related to Yellowjacket Resources Ltd. (“YJK”) through common directors. During the quarter the Company had the following transactions with the related company:

	2012	2011
Services provided to YJK	**$ 26,809**	$ -
Services provided by YJK	**(11,791)**	-
HST received on transfer of assets to YJK	**89,210**	-

At March 31, 2012, $110,142 (2011 - nil) is included in accounts receivable.
At March 31, 2012, $6,061 (2011- nil) is included in accounts payable.

(d) Included in professional fees is $36,844 (2011 - $15,654) paid for legal fees to a law firm of which one of the directors, Darren Fach, is a partner. At March 31, 2012, nil (2011 - $992) is included in accounts payable and accrued liabilities.

Compensation to key management:

(e) Included in administration expenses is $10,500 (2011 - $6,000) paid for accounting services to a director and officer of the Company.

(f) Included in administration expenses is $25,000 (2011 – $20,000) paid for consulting fees to a director and officer of the Company.

(g) In the quarter, The Company issued 900,000 options, with an exercise price of $0.40 and expiry date of January 6, 2017, to directors of the Company.

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties.

11. Commitments and Contingencies

The Company has a mortgage on it office building repayable in monthly payments of $1,888 including interest at 5.75% which matures in March 2015.

11. Commitments and Contingencies - continued

The Company has two truck leases payable, one of $1,153 per month expiring September 29, 2012 and one of $750 per month expiring September 24, 2014.

The Company is presently being audited by Canada Revenue Agency with respect to flow-through and BC Mining Tax Credit filings going back through 2005. At December 31, 2011, a payable of $118,977 has been accrued.

The Company has agreed to indemnify directors and officers under the bylaws of the Company to the extent permitted by law. The nature of the indemnifications prevent the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiary of such indemnification agreement. The Company has purchased various insurance policies to reduce the risks association with such indemnification.

12. Financial Instruments

For disclosure purposes, all financial instruments measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

March 31, 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Cash and cash equivalents	**$ 5,819,432**	**$ -**	**$ -**	**$ 5,819,432**
Investments	**$ 4,102,582**	**$ -**	**$ 192,293**	**$ 4,294,875**

March 31, 2011	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 4,757,955	$ -	$ -	$ 4,757,955
Investments	$ 3,253,232	$ 2,754,825	$ 477,000	$ 6,485,057

As disclosed in Note 3(c), the Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to concentration risk, credit risk, currency risk and price risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

a) <u>Concentration risk</u>
At March 31, 2012 and 2011, substantially all of the Company's cash was held at two recognized Canadian National financial institutions. As a result, the Company was exposed to all of the risks associated with those institutions. Concentration risk also exists in marketable securities (investments) because the Company's investments are primarily in shares of junior resource companies involved in gold exploration.

12. Financial Instruments - continued

b) Credit risk
The Company is exposed to credit risk, which is the risk that a customer or counterparty will fail to perform an obligation or settle a liability, resulting in financial loss to the Company. The Company manages exposure to credit risk by adopting credit risk guidelines that limit transactions according to counterparty credit worthiness. The maximum credit exposure associated with accounts receivable is the carrying value.

c) Currency risk
Currency risk is the risk to the Company's operations that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. As at March 31, 2012, the Company has cash of $11,311 (2011 - $16,582) in US$.

d) Price risk
The Company's investments designated as available-for-sale are traded on the TSX Venture and TSE. A 1% change in the cumulative quoted share price would change the fair value of the investments by approximately $36,000 (2011 - $55,000). The change would be recorded in Accumulated Other Comprehensive Income (Loss).

13. Statement of Cash Flow

Non-Cash investing activities:

(a) Pursuant to certain mineral property option agreements, the Company received 1,050,000 (2011 – 5,000,000) shares with an attributed value of $350,000 (2011 - $1,300,000).

At March 31, 2012, the Company held cashable guaranteed investment certificates (GIC's) and term deposits bearing interest rates of 1.10% - 1.20% (2011 – 1.09%) with maturity terms of April 4, 2012 to April 30, 2012 (2011 – April 15, 2011 to April 27, 2011). All of these investments are cashable before maturity and have been treated as cash equivalents.

14. Income Taxes

As of December 31, 2011, subject to confirmation by income tax authorities, the Company has approximately the following available tax pools, deductible from future income at rates prescribed by the Canadian Income Tax Act:

	2011	2010
Undepreciated capital cost	$1,300,992	$2,272,192
Cumulative eligible capital	10,091	10,851
Non-capital losses carried forward	1,135,989	2,887,927
Cumulative Canadian exploration and development expenses	3,479,750	4,845,735
Undeducted share issue costs carried forward	92,090	186,057
	$ 6,018,912	$ 10,202,762

At December 31, 2011 the non-capital tax losses of $1,135,989 available for carry-forward to reduce future years' taxable income, expires as follows:

2030	$ 1,135,989
	$ 1,135,989

15. Accumulated other comprehensive income

A deferred income tax liability of nil (2010 - nil) has been recorded as a result of the accumulated other comprehensive gain. The balance of accumulated other comprehensive income is entirely comprised of unrealized gains and losses on available for sale investments.

16. Capital management

The Company includes cash and cash equivalents and equity, comprising of issued common shares, contributed surplus and deficit, in the definition of capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended March 31, 2012. The Company is not subject to externally imposed capital requirements.

17. Subsequent Events

a) Subsequent to the quarter, the Company received 750,000 shares of various option partners which were recorded at an attributed value of $129,750.

b) On May 10, 2012, the Company acquired a 100% interest through staking of a 33,000 ha (33sq km) land block located 80km south of Atlin, B.C., along the proposed Tulsequah Chief mine access road. The project has been named "Ringer" and includes a significant portion of prominent regional fault structures known to be related to past gold producers in the area.

c) On May 11, 2012, the company issued 310,000 options to directors, employees and key consultants of the Company, exercisable at $0.40 and expiring May 11, 2017

18. Plan of Arrangement – Yellowjacket

On December 15, 2011, the shareholders approved a Plan of Arrangement to separate Eagle Plains' Yellowjacket gold project, located in Atlin, BC, in to a separate company, Yellowjacket Resources Ltd.

Eagle Plains owns fifteen per cent (15%) of the issued and outstanding Yellowjacket Shares after completion of the Arrangement. Details of the Arrangement are filed on SEDAR.

The Company recorded a reduction of share capital of $4,409,644 and an investment in Yellowjacket of $600,000, which is included in investments.

As at March 31, 2012, all assets per the Plan of Arrangement, except for the reclamation bonds, have been conveyed to Yellowjacket. The reclamation bond will be transferred in the second quarter.

	Dec 31 2011	Acquisition and Exploration	Grants, Option Payments & Mineral Tax Credits	Adjustments	**Mar 31 2012**
British Columbia	$ 2,586,406	$ 25,255	$ (776,000)	$ (1,577)	**$ 1,834,084**
NW Territories	14,382	2,032	-		**16,414**
Yukon Territory	-	293	(9,000)	-	**(8,707)**
Saskatchewan	126,955	21,980	-		**148,935**
	$ 2,727,743	$ 49,560	$ (785,000)	$ (1,577)	**$ 1,990,726**

	Dec 31 2010	Acquisition and Exploration	Grants, Option Payments & Mineral Tax Credits	Option proceeds in excess of carrying value	Mar 31 2011
British Columbia	$ 2,379,819	$ 34,356	$ (10,000)	$ 418,708	$ 2,822,874
Atlin Mine (Yellowjacket)	2,287,798	208,946	-		2,496,744
NW Territories	124,621	(29,690)	-		94,931
Yukon Territory	251,129	13,278	(1,325,000)	1,325,003	264,410
Saskatchewan	54,214	1,741	-		55,955
	$ 5,097,572	$ 228,631	$ (1,335,000)	$ 1,743,711	$ 5,734,914