EAGLE PLAINS RESOURCES LTD.

(An Exploration Stage Corporation)

CONSOLIDATED FINANCIAL STATEMENTS

for the years ended

December 31, 2009 and 2008

CHARTERED ACCOUNTANTS
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Auditors' Report

To the Shareholders of
Eagle Plains Resources Ltd.

We have audited the consolidated balance sheets of Eagle Plains Resources Ltd. as at December 31, 2009 and 2008, and the consolidated statements of operations and deficit, comprehensive loss, and accumulated other comprehensive loss and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in these financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

April 15, 2010
Vancouver, Canada

"MacKay LLP"
Chartered Accountants

Eagle Plains Resources Ltd.
(An Exploration Stage Corporation)
Consolidated Balance Sheets

As at December 31	2009	2008
Assets		
Current		
Cash and cash equivalents	**$ 2,741,680**	$ 3,779,572
Accounts receivable (Note 8)	**751,883**	732,320
Subscriptions receivable	**25,900**	-
Mineral exploration tax credits recoverable	**54,790**	676,187
Due from related company (Note 8)	**-**	163,695
	3,574,253	5,351,774
Investment in and advances to related company (Note 8)	**20,020**	20,020
Long-term investments (Note 3)	**3,528,506**	1,506,975
Property and equipment (Note 4)	**1,997,987**	808,980
Mineral exploration properties (Note 5)	**5,567,283**	7,422,433
	$ 14,688,049	$ 15,110,182
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	**$ 343,151**	$ 285,264
Future income tax (Note 12)	**-**	623,160
	343,151	908,424
Non-controlling interest (Note 14)	**1,314,602**	-
Shareholders' equity		
Share capital (Note 6)	**23,008,931**	21,091,699
Warrants (Note 6)	**1,176,891**	508,552
Contributed surplus (Note 6)	**2,132,402**	1,830,189
Accumulated other comprehensive gain (loss)(Note 13)	**284,196**	(1,946,216)
Deficit	**(13,572,124)**	(7,282,466)
	13,030,296	14,201,758
	$ 14,688,049	$ 15,110,182

Nature and continuance of operations (Note 1)
Commitments and contingencies (Notes 5 and 9)
Subsequent events (Note 16)

Approved on behalf of the Board:

"Timothy J. Termuende" Director
Mr. Timothy J. Termuende

"Glen J. Diduck" Director
Mr. Glen J. Diduck

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

Eagle Plains Resources Ltd.
(An Exploration Stage Corporation)
Consolidated Statements of Operations and Deficit

For the years ended December 31	2009	2008
Revenue		
Geological services (Note 8)	$ 1,661,249	$ 2,255,956
Gold sales	36,658	-
	1,697,907	2,255,956
Cost and Expenses of Operations		
Geological expenses		
Services	793,668	1,523,371
Amortization	77,294	94,223
Salaries and subcontractors	364,978	264,256
	(1,235,940)	(1,881,850)
Mining expenses		
Cost of sales	2,476,447	-
Amortization	326,042	-
	(2,802,489)	-
Gross profit (loss)	(2,340,522)	374,106
Other Expenses		
Administration costs (Note 8)	628,921	728,028
Amortization	29,824	29,278
Bad debts	324,962	279,099
Professional fees (Note 8)	84,953	192,928
Public company costs	45,666	44,860
Stock compensation expense (Note 6)	302,213	510,388
Trade shows, travel and promotion	94,987	152,132
Write down of mineral properties (Note 5)	4,415,282	6,139,091
	(5,926,808)	(8,075,804)
Loss before other items	(8,267,330)	(7,701,698)
Other items		
Option proceeds in excess of carrying value	15,796	856,403
Other income	35,798	238,356
Investment income	56,485	179,202
Loss on disposal of equipment	(311,549)	-
Impairment of investment (Note 3)	(39,999)	-
Loss on sale of long-term investments	(144,375)	(31,060)
	(387,844)	1,242,901
Loss before income tax and non-controlling interest	(8,655,174)	(6,458,797)
Non-controlling interest (Note 14)	1,735,398	-
Net loss before income tax	(6,919,776)	(6,458,797)
Future income tax recovery (Note 12)	630,118	1,936,260
Net Loss for the year	(6,289,658)	(4,522,537)
Deficit, beginning of year	(7,282,466)	(2,759,929)
Deficit, end of year	$ (13,572,124)	$ (7,282,466)
Net loss per share – basic and diluted (Note 7)	$ (0.09)	$ (0.07)
Weighted average number of shares - basic and diluted	66,837,130	62,002,982

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

Eagle Plains Resources Ltd.
(An Exploration Stage Corporation)
Consolidated Statements of Comprehensive Loss

For the years ended December 31	**2009**	2008
Net loss	**$ (6,289,658)**	$ (4,522,537)
Other comprehensive loss		
Unrealized gain (loss) on investments, net of tax, (Notes 3 and 13)	**2,086,037**	(1,894,928)
Reclassification on disposition of investments	**144,375**	31,060
Comprehensive loss	**$ (4,059,246)**	$ (6,386,405)

Eagle Plains Resources Ltd.
(An Exploration Stage Corporation)
Consolidated Statements of Accumulated Other Comprehensive Loss

As at and for the years ended December 31	**2009**	2008
Accumulated other comprehensive loss, Beginning of year	**$ (1,946,216)**	$ (82,348)
Other comprehensive income (loss)	**2,230,412**	(1,863,868)
Accumulated other comprehensive gain (loss), End of year	**284,196**	(1,946,216)
Deficit	**(13,572,124)**	(7,282,466)
Accumulated other comprehensive loss and deficit (Note 13**)**	**$ (13,287,928)**	$ (9,228,682)

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

Eagle Plains Resources Ltd.
(An Exploration Stage Corporation)
Consolidated Statements of Cash Flows

For the years ended December 31	**2009**	2008
Cash flows from operating activities		
Net loss for the year	**$ (6,289,658)**	$ (4,522,537)
Adjustments for :		
Non-controlling interest	**(1,735,398)**	-
Amortization	**433,160**	123,501
Bad debts	**324,962**	279,099
Stock compensation	**302,213**	510,388
Impairment of investment	**39,999**	-
Loss on sale of long-term investments	**144,375**	31,060
Loss on disposal of equipment	**311,549**	-
Option proceeds in excess of carrying value	**(15,796)**	(856,403)
Write down of mineral properties	**4,415,282**	6,139,091
Future income tax expense (recovery)	**(630,118)**	(1,936,260)
	(2,699,430)	(232,061)
Changes in non-cash working capital items		
(Increase) decrease in accounts receivable	**(292,408)**	250,678
Increase (decrease) in accounts payable and accrued liabilities	**57,887**	(175,180)
	(2,933,951)	(156,563)
Cash flows from financing activity		
Issue of shares for cash, net of issuance costs	**2,509,162**	1,997,799
Cash flows from investing activities		
Decrease (increase) in mineral exploration tax credits recoverable	**676,187**	(84,456)
Decrease in due from related party	**163,695**	166,385
Acquisition of mineral exploration properties	**(1,050,000)**	-
Proceeds from sale of investments	**602,410**	17,490
Purchase of investments	**(250,694)**	(64,905)
Cash received for option payments	**130,000**	133,000
Exploration of mineral exploration properties	**(390,710)**	(4,165,830)
Purchase of property and equipment	**(493,991)**	(230,534)
	(613,103)	(4,228,850)
Decrease in cash and cash equivalents	**(1,037,892)**	(2,387,614)
Cash and cash equivalents, beginning of year	**3,779,572**	6,167,186
Cash and cash equivalents, end of year	**$ 2,741,680**	$ 3,779,572
Cash and cash equivalents comprises:		
Bank deposits	**$ 1,692,321**	$ 59,296
Term deposits	**1,049,359**	3,720,276
	$ 2,741,680	$ 3,779,572

The Company made no cash payments for interest or income taxes.

Statement of Cash Flow (Note 11)

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 in the business of exploring for mineral resources and is actively exploring properties located in British Columbia, Yukon, the Northwest Territories and Saskatchewan. As the Company has not commenced production on any of its mining properties the Company continues to be an exploration stage company.

These statements have been prepared on the basis of accounting principles applicable to a going concern. Management has assessed that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. Recoverability of the amounts shown for mineral exploration properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and attain profitable production or proceeds from the disposition of the properties in excess of the carrying amount.

2. Significant Accounting Policies

Management has prepared the financial statements of the Company in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The 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) <u>Changes in accounting policies</u>
Effective January 1, 2009, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”):

(i) Section 3064, “Goodwill and Intangible Assets”
This new standard replaces the previous goodwill and intangible asset standard and revised the requirement for recognition, measurement, presentation, and disclosure of intangible assets. The adoption of this standard has had no impact on the Company’s financial statements.

(ii) EIC-173, "Credit Risk and Fair Value of Financial Assets and Financial Liabilities"
Emerging Issues Committee Abstract 173 (EIC-173), "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities," was issued by the CICA in January 2009. EIC-173 provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC-173 is applicable for the Company’s interim and annual consolidated financial statements for its fiscal year ending December 31, 2009, with retroactive application. The adoption of EIC-173 did not impact the financial statements of the Company.

2. Significant Accounting Policies - continued

b) Principles of consolidation

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiary, Bootleg Exploration Inc. and its 58% interest in the Yellowjacket Joint Venture. All significant intercompany balances and transactions have been eliminated. The equity and loss from operations attributable to the minority shareholder interests which relate to the Yellowjacket Joint Venture are shown separately in the balance sheets and statements of operations and deficit.

c) Financial instruments

Section 3862 provides guidance on disclosures in the financial statements to enable users of the financial statements to evaluate the significance of financial instruments to the Company's financial position and performance, and about risks associated with both recognized and unrecognized financial instruments and how these risks are managed. Section 3863 establishes standards for presentation of financial instruments.

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 held-for trading, which are measured at fair value. Long-term 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 and subscriptions receivable, due from related company and investment in and advances to related company are classified as receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. Transaction costs are expensed as incurred.

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

	Dec 31 2009		December 31 2008	
	Carrying Value	**Estimated Fair Value**	Carrying Value	Estimated Fair Value
Held-for-trading				
Cash and cash equivalents	**$2,741,680**	**$2,741,680**	$ 3,779,572	$3,779,572
Receivables				
Accounts and subscriptions receivable	**777,783**	**777,783**	732,320	732,320
Due from related company	**-**	**-**	163,695	163,695
Available-for-sale financial assets				
Investments	**3,528,506**	**3,528,506**	1,506,975	1,506,975
Other financial liabilities				
Payables and accrued liabilities	**$ 343,151**	**$ 343,151**	$ 285,264	$ 285,264

2. Significant Accounting Policies - continued

d) 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, with little or no credit or interest rate risk.

e) Mineral exploration properties

Costs of acquisition, exploration and development of mineral properties are capitalized on a property by property basis. General and administrative costs are either charged to expense in the year incurred or capitalized if they directly relate to exploration. Amortization of these costs will be on a unit-of-production basis, based on estimated proven reserves of minerals of the areas, should such reserves be found. Properties are abandoned either when the lease expires or when management determines that no further work will be performed on the property since it has no value to the Company. When properties are abandoned, the costs are charged to operations. The proceeds received from a partial disposition or an option payment are credited against the capitalized costs; proceeds received in excess of costs incurred on a property by property basis are credited to income. In addition, if there has been a delay in development activity for several successive years, a write-down of capitalized costs will be charged to operations.

f) Investments

Securities acquired under option agreements executed with option partners on the Company's mineral properties are recorded at the "fair value" as determined by management. 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. The fair value may or may not approximate trading prices at the time the agreement is executed.

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.

g) Property and equipment

Property and equipment is recorded at cost. Amortization 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% and 45% per annum
Computer software	- 100% per annum
Furniture and equipment	- 20% per annum
Leasehold improvements	- straight line over 6 years
Ore processing equipment	- 30% per annum

2. Significant Accounting Policies - continued

h) Asset retirement obligations
The Company recognizes the fair value of a legal liability for an asset retirement 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 operation. 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 asset retirement obligations.

i) Flow-through shares
The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with tax legislation. Under the liability method of accounting for income taxes, the future income taxes related to the temporary difference arising at the renunciation date are recorded at that time together with a corresponding reduction to the carrying value of the shares issued. In instances where the Company has sufficient deductible temporary differences available to offset the future income tax liability created from renouncing qualifying expenditures, the realization of the deductible temporary differences will be shown as a recovery in operations in the period of renunciation.

j) 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 year. 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 year.

k) Income taxes
The Company uses the liability method of accounting for income taxes. Under this method, future income tax liabilities and future income tax assets are recorded based on temporary differences – the difference between the carrying amount of an asset and liability in the balance sheet and its tax basis and the carry forward of unused tax pools and unamortized share issue costs. Future income tax assets and liabilities are measured using income tax rates expected to apply in the years in which temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period that the change is substantially enacted. Future income tax assets are evaluated and if realization is not considered “more likely than not”, a valuation allowance is provided.

l) 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.

2. Significant Accounting Policies - continued

m) Stock-based compensation plan
The Company has an equity incentive plan which is described in Note 6. The fair value of options to purchase common shares is calculated at the date of grant using the Black-Scholes option-pricing model and that value is recorded as compensation expense over the option's vesting period with an offsetting credit to contributed surplus. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon re-measurement. Upon exercise of the share purchase option, the associated amount is reclassified from contributed surplus to share capital. Consideration paid by employees upon exercise of share purchase options is credited to share capital. The Company has not incorporated an estimated forfeiture rate for stock options that will not vest; rather the Company accounts for actual forfeitures as they occur.

n) 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 mineral exploration 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.

o) Share issue costs
Commissions paid to underwriters, and other related share issue costs, such as legal, auditing, and printing, on the issue of the Company's shares are charged directly to share capital.

p) 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 share purchase warrants was determined to be the more easily measureable component and was determined at the announcement date using the Black-Scholes pricing model. The balance of proceeds is allocated to the common shares. The fair value attributed to the warrants is recorded as contributed surplus. If the warrants expire unexercised, the value attributable to the warrants is attributed to common shares.

q) Impairment of long-lived assets
The Company has adopted the recommendations of CICA Handbook Section 3063 "Impairment of Long-lived Assets" and abstract EIC 174, "Mining Exploration Costs" ("EIC 174") of the Emerging Issues Committee on a prospective basis. Section 3063 requires that long-lived assets and intangibles to be held and used by the Company be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstance indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated.

EIC 174 provides that an enterprise that is in the development stage with initially capitalized exploration costs but has not established mineral reserves objectively and therefore does not have a basis for preparing a projection of the estimated future net cash flow from the property, is not obliged to conclude that the capitalized costs have been impaired. However, such an enterprise should consider whether a subsequent write-down of capitalized exploration costs related to mining properties is required.

2. Significant Accounting Policies - continued

r) Option Agreements

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

s) Joint Venture

The Company uses the proportionate consolidation method for recording joint ventures whereby the Company's share of assets, liabilities, revenues and expenses of the joint venture is included with those of the Company.

t) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets 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. Significant areas requiring the use of management estimates include impairment of mineral properties; impairment of property and equipment; useful lives for amortization of property and equipment; reclamation and environmental obligations; and contingencies reported in the notes to the financial statements. Financial results as determined by actual events could differ from those estimates.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which were fully tradable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options and warrants have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

u) New accounting policies not yet adopted

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS has not been estimated at this time.

(i) Section 1582, "Business Combinations"

In January 2009, the CICA issued Handbook Section 1582, "Business Combinations". This Section, which replaced the former Business Combination Section, Section 1581, establishes standards for the accounting for a business combination and provides the Canadian equivalent to International Financial Reporting Standard IFRS 3, "Business Combinations". Section 1582 requires assets and liabilities acquired in a business combination, contingent consideration and certain acquired contingencies to be measured at their fair values as of the date of acquisition. In addition, acquisition-related and restructuring costs are to be recognized separately from the business combination and included in the statement of earnings. The guidance within Section 1582 has an effective date of January 1, 2011. Early adoption of this section is permitted. The Company does not anticipate adopting this section prior to the adoption of IFRS and therefore does not expect any impact to the consolidated financial statements.

2. Significant Accounting Policies - continued

u) New accounting policies not yet adopted (continued)

(ii) Section 1601, "Consolidated Financial Statements"
In January 2009, the CICA issued Handbook Section 1601, "Consolidated Financial Statements". This Section, together with new Section 1602 ("Non-controlling Interests"), replaces the former Consolidated Financial Statements (Section 1600) and establishes standards for the preparation of financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of this section is permitted. The Company does not anticipate adopting this section prior to the adoption of IFRS and therefore does not expect any impact to the consolidated financial statements.

(iii) Section 1602, "Non-controlling Interests"
Effective January 1, 2011, the Company will be required to adopt CICA Handbook Section 1602, "Non-controlling Interests", which with CICA Handbook Section 1601, will supersede the existing business combinations standard. This section establishes the standards for the accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. A non-controlling interest in a subsidiary will be required to be classified as a separate component of equity under this standard. Early adoption of this section is permitted. The Company does not anticipate adopting this section prior to the adoption of IFRS and therefore does not expect any impact to the consolidated financial statements.

(iv) Section 1625, "Comprehensive Revaluation of Assets and Liabilities"
This Section has been amended as a result of the issuance of Business Combinations, Section 1582, Consolidated Financial Statements, Section 1601 and Non-Controlling Interests, Section 1602, in January 2009. The amendments apply prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. The Company does not expect this amendment to have any impact on its consolidated financial statements.

(v) Section 3251, "Equity"
This Section has been amended as a result of issuing Section 1602. The amendments apply only to entities that have adopted Section 1602. The Company does not expect this amendment to have any impact on its consolidated financial statements.

(vi) Section 3855, "Financial Instruments - Recognition and Measurement"
This Section has been amended to clarify the application of the effective interest method after a debt instrument has been impaired. This Section has also been amended to clarify when an embedded prepayment option is separated from its host debt instrument for accounting purposes. This amendment applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Early adoption is permitted. The Company does not expect this amendment to have any impact on its consolidated financial statements.

This Section has been further amended to add guidance concerning the assessment of embedded derivatives upon reclassification of a financial asset out of the held-for-trading category. These amendments apply to reclassifications made on or after July 1, 2009. Earlier adoption is permitted.

2. Significant Accounting Policies - continued

u) New accounting policies not yet adopted (continued)

(vi) Section 3855, "Financial Instruments - Recognition and Measurement" (continued)

Also, this Section has been amended to:
- change the categories into which a debt instrument is required or permitted to be classified;
- change the impairment model for held-to-maturity financial assets to the incurred credit loss model of Impaired Loans, Section 3025; and
- require reversal of previously recognized impairment losses on available-for-sale financial assets in specified circumstances.

These further amendments apply to reclassifications made on or after July 1, 2009 and are not expected to have any impact on the Company's consolidated financial statements.

3. Investments

At Market	Dec 31 2009	Dec 31 2008
2,000,000[1] (2008 – nil) common shares of 99 Capital Inc.	**$ 125,214**	$ -
304,000 (2008 – 350,000) common shares of Alexco Resources Corp.	**1,194,720**	574,000
Nil (2008 – 25,000) common shares of Amarc Resources Ltd.	**-**	2,625
775,000 (2008 – 1,150,000) common shares of Blue Sky Uranium Corp.	**449,500**	51,750
934,065 (2008 – 9,710,658) common shares of Golden Cariboo Resources Ltd.[2]	**98,077**	48,553
12,850 (2008 – 40,000) common shares of Kobex Resources Ltd.	**12,079**	12,400
150,000 (2008 – 50,000) common shares of First Lithium Resources Inc. (formerly Mountain Capital Inc)	**15,750**	1,500
123,621 (2008 – 900,000) common shares of Hathor Exploration Ltd. (“Hathor”) (formerly Northern Continental Resources Inc (“NCR”))[3]	**220,045**	72,000
20,000 (2008 – 60,000) common shares of NovaGold Resources Inc.	**127,400**	106,200
200,000 (2008 – 100,000) common shares of Sandstorm Resources Ltd.	**110,000**	36,000
Nil (2008 – 140,000) common shares of Shoshone Silver Mining Co.	**-**	13,642

[1] At December 31, 2009, 1,800,000 shares are held in escrow
[2] On February 9, 2009, the shares were consolidated on the basis of ten (10) old shares for one (1) new share.
[3] On November 23, 2009, the shares of NCR were acquired by Hathor on the basis of 0.1389 common shares of Hathor for each NCR common share.

3. Investments - continued

At Market	Dec 31 2009	Dec 31 2008
100,000 (2008 – nil) common shares of Swift Resources Ltd.	**$ 26,000**	$ -
2,000,000[4] (2008 – nil) common shares of Touchdown Capital Inc.	**279,921**	-
100,000 (2008 – nil) common shares of Waterloo Resources Ltd.	**39,000**	-
80,000 (2008 – 80,000) common shares of Wellstar Energy Corp.	**13,200**	6,400
	2,710,906	925,070
Private Companies		
4,770,000 (2008 – 4,770,000) common shares of Blind Creek Resources Ltd.	**477,000**	477,000
200,000 (2008 – 200,000) common shares of XO Gold Resources Inc.	**1**	40,000
Guaranteed Investment Certificates	**340,599**	64,905
	$ 3,528,506	$ 1,506,975

For securities traded in an active market, market value is based on the quoted closing bid prices of the securities at December 31, 2009. 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 investment in Blind Creek Resources Ltd. and XO Gold Resources Inc. are carried at cost as they are private companies and their securities are not traded in an active market. XO Gold shares have been written down to $1 to reflect an impairment in value as the option agreement with XO Gold was terminated and their securities are not traded in an active market.

4. Property and Equipment

	Dec 31 2009 Cost	Dec 31 2009 Accumulated Amortization	Dec 31 2008 Cost	Dec 31 2008 Accumulated Amortization
Land	**$ 230,216**	**$ -**	$ 230,216	$ -
Building	**301,352**	**26,711**	286,231	15,867
Automotive	**416,014**	**113,421**	136,698	66,473
Computer equipment & software	**214,516**	**175,933**	216,902	147,929
Furniture and equipment	**329,596**	**107,371**	265,411	108,741
Ore processing equipment	**1,179,025**	**253,722**	**-**	**-**
Leasehold improvements	**38,640**	**34,214**	38,640	26,108
	$ 2,709,359	**$ 711,372**	$ 1,174,098	$ 365,118
Net book value	**$ 1,997,987**		$ 808,980	

[4] At December 31, 2009, 1,800,000 shares are held in escrow

5. Mineral Properties

During 2009, acquisition and exploration expenditures totaled $3,080,508 (2008 - $4,371,167) and grants, option payments, and mineral tax credits totaled $536,172 (2008 - $1,457,239). Of the total acquisition and exploration expenditures, $2,917,951 (2008 - $1,710,048) was expended in B.C., $2,732 (2008 - $2,012,996) in the Northwest Territories, $139,689 (2008 – $148,828) in the Yukon and $20,136 (2008 – $499,295) in Saskatchewan.

The Company wrote-off $4,415,282 (2008 - $6,139,091) of deferred exploration expenditures during the year ended December 31, 2009 due to a continued delay in development activity directly related to the current economic situation (see Note 2(e)). The Company continues to hold these claims in good standing.

The Company's subsidiary, Bootleg Exploration Inc, carried out exploration programs on behalf of option partners on various optioned properties totaling $1,697,907 (2008 – $2,255,956).

The Company has interests in a number of optioned exploration projects. As at December 31, 2009, the Company had executed option agreements with third parties on the following projects:

Option Agreements - Third party earn in

a) **Baska-Eldorado Project:** On July 24, 2009, the Company signed a Letter of Intent with 99 Capital Corporation ("99 Capital") whereby 99 Capital 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 as to 200,000 shares on the closing date and as to 300,000 shares every six months thereafter. The Company received 200,000 shares in December on approval of the Qualifying Transaction by the Exchange. 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 99 Capital the sum of $250,000 plus an amount in cash equal to one-half of all amounts spent by 99 Capital on exploration of the Baska-Eldorado property and one-half of all other expenditures by 99 Capital 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 99 Capital holding an initial participating interest of 50% cent and Eagle Plains holding an initial participating interest of 50%.

b) **Coyote Creek Project:** On June 9, 2009 Eagle Plains announced that it had reached agreement with a third party whereby they may earn a 100% interest in the property located in southwestern British Columbia. In order to exercise the option and acquire a 100% interest in the property the third party is required to make cash payments totalling $240,000 plus a production royalty on material extracted. Payments are due as follows:

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

5. Mineral Properties - continued

c) **Eagle Lake Project:** On September 11, 2009, the Company completed an option agreement whereby a third party 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 850,000 shares and $495,000 cash by the fifth anniversary. A 1% NSR is reserved for Eagle Plains. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 10,000		$ -	Date of agreement (received)
20,000	50,000	-	Date of Regulatory approval
20,000	50,000	200,000	1st anniversary of Regulatory approval
25,000	50,000	50,000	2nd anniversary of Regulatory approval
50,000	200,000	500,000	3rd anniversary of Regulatory approval
120,000	200,000	1,000,000	4th anniversary of Regulatory approval
250,000	300,000	1,250,000	5th anniversary of Regulatory approval
$ 495,000	850,000	$ 3,000,000	

d) **Elsiar Project:** On January 16, 2008, the Company completed an option agreement whereby Sandstorm Resources Ltd. ("Sandstorm") can earn a 60% interest in Eagle Plains' 100% owned copper-moly-gold property, located in British Columbia, by making exploration expenditures of $3,000,000 and completing payments of 700,000 shares and $500,000 cash by the fifth anniversary. A 1% NSR is reserved for Eagle Plains and a 1% NSR is reserved for another vendor.

On May 21, 2009, Sandstorm gave written notice to Eagle Plains that it had terminated the Elsiar option agreement. Prior to the termination of the option agreement, Eagle Plains received $45,000 cash and 200,000 shares of Sandstorm.

e) **Ice River Project:** On September 25, 2008, Eagle Plains Resources Ltd. 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 totaling $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. Payments are due as follows:

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

5. Mineral Properties - continued

f) **Iron Range Project:** On December 1, 2009 the Company completed an option agreement with Swift Resources Ltd ("Swift") whereby Swift may earn a 60% interest in the property, located in British Columbia, by making exploration expenditures of $3,000,000 and completing payments of 750,000 shares and $500,000 cash by the fifth anniversary.

On March 19, 2010, Swift gave written notice to Eagle Plains that it had terminated the Iron Range option agreement. Prior to the termination of the option agreement, Eagle Plains received $25,000 cash and 100,000 shares of Swift.

g) **Kalum Project:** On November 23, 2007 Eagle Plains Resources Ltd. announced that it had reached agreement with Mountain Capital Inc. (now known as First Lithium Resources Inc.) ("MCI") whereby MCI may earn a 60% interest in the Kalum Property located northwest of Terrace, British Columbia. On May 21, 2009, MCI gave written notice to Eagle Plains that it had terminated the Kalum option agreement. Prior to the termination of the option agreement, Eagle Plains received $50,000 cash and 200,000 shares of MCI.

On November 13, 2009, Eagle Plains Resources Ltd. and Windstorm Resources Inc. ("Windstorm") entered into an option agreement on the property. Under terms of the agreement, Windstorm may earn a 60% interest in the property by completing $3,000,000 in exploration expenditures, making $400,000 in cash payments, and issuing 500,000 voting class common shares to Eagle Plains. Windstorm may increase its interest to 75% by delivering a pre-feasibility study before December 31, 2016. A 1% NSR is held in favour of a third party, and may be purchased at any time for $1,000,000. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 10,000	50,000	$ -	On Approval date
-	-	100,000	December 31, 2009 (completed)
30,000	50,000	200,000	1 year from Approval date
70,000	100,000	500,000	2 years from Approval date
100,000	100,000	800,000	3 years from Approval date
190,000	200,000	1,400,000	4 years from Approval date
$ 400,000	500,000	$ 3,000,000	

h) **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 copper-gold-molybdenum project, located in British Columbia, by allotting and issuing to Eagle Plains 2,000,000 common shares of TCI on the closing date, which is 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 the first tranche of 200,000 shares. 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-million. TCI incurred eligible exploration expenditures on the property of $200,000 as of December 31, 2009.

i) **Titan Project:** In January 2010, XO Gold Resources Inc. notified the Company of their decision to terminate the option agreement. Over the term of the option agreement, XO Gold paid the Company $10,000 cash and issued 200,000 shares. The Company owns 100% of this property, located in British Columbia, subject to a 1.5% NSR payable to a third party.

5. Mineral Properties - continued

j) **Atlin Project:** The Company acquired a 40% interest in the Yellowjacket Gold Mine Project located east of Atlin, BC. Eagle Plains and Prize Mining Corp. ("Prize Mining") executed a formal agreement whereby the two parties formed a joint-venture (Note 14), "Yellowjacket Joint Venture", to immediately facilitate the production of gold and conduct further exploration and development of the Yellowjacket Zone on the Atlin Gold Property. Under terms of the agreement, Eagle Plains purchased a 40% interest in the project by providing $2,000,000 in working capital, effective at closing of the agreement. These funds were used to clear existing liens and obligations on the Property, in addition to completing upgrades of the existing mill facility and covering costs related to engineering, permitting and environmental compliance. Eagle Plains will in turn receive 60% of all proceeds of production up to $2,000,000, at which time it will revert to a 40/60 working interest. Eagle Plains will have the option of increasing its working interest to 60% by making payments to Prize totalling $2,000,000 by the sixth anniversary of the agreement. There is an underlying option agreement with a third party which requires option payments of $200,000 by January 15, 2010 (paid subsequent to year end) and an additional $200,000 by January 15, 2011 and reserves a 1.5% NSR for the third party.

6. 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

	2009		2008	
	Number of Shares	**Amount**	Number of Shares	Amount
Common Shares				
Opening balance, December 31,	**63,305,598**	**$ 21,091,699**	59,947,173	$ 19,309,880
Issued flow through shares for cash	**3,704,272**	**846,140**	-	-
Issued for cash via private placement	**9,604,500**	**1,890,960**	3,076,925	2,000,001
Issued for cash on exercise of options	**-**	**-**	281,500	28,607
Black Scholes value of warrants issued	**-**	**(668,339)**	-	-
Black Scholes value of warrants expired	**-**	**-**	-	694,800
Tax effect of flow through shares	**-**	**-**	-	(918,790)
Share issue costs, net of tax effect of $50,509 (2008 - $8,010)	**-**	**(151,529)**	-	(22,799)
Closing balance, December 31,	**76,614,370**	**$ 23,008,931**	63,305,598	$ 21,091,699

	2009		2008	
	Number of Warrants	**Amount**	Number of Warrants	Amount
Warrants				
Opening balance, December 31,	**5,241,300**	**$ 508,552**	10,898,594	$ 1,203,352
Broker warrants issued	**845,754**	**73,786**	-	-
Issued in private placement	**7,174,386**	**594,553**	-	-
Expired or cancelled	**-**	**-**	(5,657,294)	(694,800)
Closing balance, December 31,	**13,261,440**	**$ 1,176,891**	5,241,300	$ 508,552

6. Equity Instruments - continued

b) Issued and outstanding (continued)

2009 share issuance
In the third quarter, the Company issued 8,107,500 non flow-through units and 1,040,000 flow-through units for gross proceeds of $1,881,500. Non flow-through units were sold at a price of $.20 per unit, each unit consisting of a non-flow-through common share and one-half non-flow-through common share purchase warrant, each whole warrant exercisable at $.30 for a 24 month period. Flow-through units were sold at a price of $.25 per unit, each unit consisting of a flow-through common share and a non-flow-through common share purchase warrant, each warrant exercisable at $.30 for a 24 month period.

The Company issued 575,500 Broker warrants with the third quarter financing, each whole warrant exercisable at $0.20 for a 24 month period expiring August 18, 2011.

In the fourth quarter, the Company issued 1,497,000 non flow-through units and 2,664,272 flow-through units for gross proceeds of $855,600. Non flow-through units were sold at a price of $.18 per unit, each unit consisting of a non-flow-through common share and one-half non-flow-through common share purchase warrant, each whole warrant exercisable at $.30 for a 18 month period. Flow-through units were sold at a price of $.22 per unit, each unit consisting of a flow-through common share and one-half non-flow-through common share purchase warrant, each whole warrant exercisable at $.30 for an 18 month period. All issued securities are subject to a hold period expiring April 12, 2010.

The Company issued 270,254 Broker warrants with the fourth quarter financing, each whole warrant exercisable at $0.18 for a 12 month period expiring December 11, 2010.

2008 share issuance
In 2008, the Company issued 3,076,925 common shares with a value of $0.65 to Teck Cominco Limited (“Teck”) for proceeds of $2,000,001 as part of the Strategic Alliance agreement with Teck to facilitate exploration of properties in the Northwest Territories.

In 2008, directors and employees of the Company exercised 281,500 options with an exercise price of $0.25 resulting in proceeds to the Company of $28,607.

c) Directors and management share options
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.

On June 9, 2006, the shareholders approved a plan of arrangement to reorganize the Company's mineral property assets in an effort to maximize shareholder value. Per the Plan of Arrangement, all option holders of record in Eagle Plains are to receive, in addition to an Eagle Plains share, one share of Copper Canyon Resources Ltd. (“Copper Canyon”) when the option is exercised. Proceeds from the exercise of options will be split between Eagle Plains 40.65% and Copper Canyon 59.35%.

6. Equity Instruments - continued

c) Directors and management share options (continued)

As at **December 31, 2009**, the Company has the following stock options outstanding:

Total issued and outstanding	Number of Options [1]	Option Price per Share Range[2]	Weighted Average Exercise Price
Options outstanding, December 31, 2008	6,038,000	$0.25 - $1.40	$0.64
Options granted	720,000	$0.40	$0.40
Options expired	(1,205,000)	$0.40 - $0.50	$0.44
Options cancelled	(220,000)	$0.40 - $1.00	$0.46
Options outstanding, December 31, 2009	**5,333,000**	**$0.40**	**$0.40**

[1] 2,358,000 options are subject to the Plan of Arrangement (see following)

[2] On May 22, 2009, the Company re-priced 5,438,000 options from exercise prices ranging from $0.50 to $1.40 and expiring from September 20, 2009 to June 20, 2013, setting a new exercise price of $0.40. The vesting provisions and expiry dates of the re-priced options remain unchanged.

As at December 31, 2008, the Company has the following stock options outstanding:

Total issued and outstanding	Number of Options [1]	Option Price per Share Range	Weighted Average Exercise Price
Options outstanding, December 31, 2007	4,819,500	$0.25 - $1.40	$0.66
Options granted	1,610,000	$0.50 - $0.70	$0.52
Options exercised	(281,500)	$0.25	$0.25
Options cancelled	(110,000)	$0.50 - $1.00	$0.70
Options outstanding, December 31, 2008	6,038,000	$0.25 - $1.40	$0.64

[1] 3,563,000 options are subject to the Plan of Arrangement

The following table summarizes information about stock options outstanding at **December 31, 2009:**

Options outstanding	**Option price**	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Life**	**Number of Options Currently Exercisable**	**Weighted Average Exercise Price of Options Currently Exercisable**
793,000	**$0.40**	**$0.40**	**0.25 years**	**773,000**	**$0.40**
625,000	**$0.40**	**$0.40**	**0.50 years**	**625,000**	**$0.40**
845,000	**$0.40**	**$0.40**	**1.00 years**	**845,000**	**$0.40**
95,000	**$0.40**	**$0.40**	**1.50 years**	**75,000**	**$0.40**
600,000	**$0.40**	**$0.40**	**2.00 years**	**600,000**	**$0.40**
175,000	**$0.40**	**$0.40**	**2.25 years**	**175,000**	**$0.40**
115,000	**$0.40**	**$0.40**	**2.25 years**	**115,000**	**$0.40**
100,000	**$0.40**	**$0.40**	**3.00 years**	**60,000**	**$0.40**
1,285,000	**$0.40**	**$0.40**	**3.50 years**	**1,285,000**	**$0.40**
700,000	**$0.40**	**$0.40**	**4.50 years**	**370,000**	**$0.40**
5,333,000		**$0.40**		**4,923,000**	**$0.40**

6. Equity Instruments - continued

c) Directors and management share options (continued)

The following table summarizes information about stock options outstanding at December 31, 2008**:**

Options outstanding	Option price	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Options Currently Exercisable	Weighted Average Exercise Price of Options Currently Exercisable
10,000	$0.50	$0.50	0.25 years	10,000	$0.50
525,000	$0.50	$0.50	0.50 years	525,000	$0.50
650,000	$0.50	$0.50	0.75 years	650,000	$0.50
20,000	$0.65	$0.65	1.00 years	20,000	$0.65
793,000	$0.65	$0.65	1.25 years	773,000	$0.65
625,000	$0.75	$0.75	1.50 years	625,000	$0.75
845,000	$0.70	$0.70	2.00 years	790,000	$0.70
95,000	$1.40	$1.40	2.50 years	55,000	$1.40
600,000	$0.75	$0.75	3.00 years	600,000	$0.75
175,000	$0.70	$0.70	3.25 years	175,000	$0.70
165,000	$1.00	$1.00	3.25 years	165,000	$1.00
100,000	$0.70	$0.70	4.00 years	40,000	$0.70
1,435,000	$0.50	$0.50	4.50 years	1,067,500	$0.50
6,038,000		$0.64		5,495,500	$0.64

d) Compensation expense for share options

As at December 31, 2009, $144,504 (2008 – $510,388) has been recorded as stock based compensation related to the options issued and vested and $157,709 (2008 - $Nil) relating to options re-priced during the year.

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

	2009	2008
Expected annual volatility	**93%**	81.83%
Expected risk free rate	**2.3 %**	3.52%
Expected term	**5 yrs**	5 yrs
Expected dividends	**Nil**	Nil
Fair value	**$0.15**	$0.21

6. Equity Instruments - continued

e) Warrants outstanding

At **December 31, 2009**, the Company has the following share purchase warrants outstanding:

Total issued and outstanding	Expiry	Number	Price
Balance, December 31, 2008	June 2010[1]	5,241,300	$1.00
Issued	June 2011, December 2010 & August 2011	8,020,140	$0.18 - $0.30
Balance, December 31, 2009	**June 2010, December 2010, June 2011 & August 2011**	**13,261,440**	**$0.18 - $1.00**

[1] The expiry date of these warrants was extended to June 21, 2010

The Company issued 8,020,140 warrants as part of the private placements noted in Note 6(b). The warrants were valued at $668,339 using the Black-Scholes option pricing model on the date of grant and were included in warrants at December 31, 2009. The grant-date fair value for the warrants was estimated using the following weighted average assumptions: no dividends are to be paid; annual volatility of 99%; risk free rate of 1.38%; and expected life of 1.84 years.

At December 31, 2008, the Company has the following share purchase warrants outstanding:

Total issued and outstanding	Expiry	Number	Price
Balance, December 31, 2007	March 2008, June 2008, June 2009 & July 2009	10,898,594	$0.80 - $1.75
Expired	March 2008, June 2008	(4,457,294)	($0.80 - $1.00)
Cancelled	July 2009	(1,200,000)	($1.75)
Balance, December 31, 2008	June 2009	5,241,300	$1.00

f) Contributed surplus

Options	**2009** Number of options	**2009** $	2008 Number of options	2008 $
Balance, beginning of year	**6,038,000**	**$ 1,830,189**	4,819,500	$ 1,319,801
Granted	**720,000**	**58,090**	1,610,000	510,388
Black Scholes for vesting options	**-**	**86,414**	-	-
Black Scholes for re-priced options	**-**	**157,709**	-	-
Expired	**(1,205,000)**	**-**	(281,500)	-
Cancelled	**(220,000)**	**-**	(110,000)	-
Balance, end of year	**5,333,000**	**$ 2,132,402**	6,038,000	$ 1,830,189

g) 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.

7. Per Share Amounts

The calculation of per share amounts have been calculated based on the weighted average number of shares outstanding during the year ended December 31, 2009 of 66,837,130 shares (2008–62,002,982).

The effect of potentially dilutive securities with respect to stock options and warrants is that none are assumed exercised (2008 – nil) and no shares are assumed purchased (2008 – nil).

Excluded from the computation of diluted earnings per share were:

- 13,261,440 (2008 – 5,241,300) warrants with an average exercise price greater than the average market price of the Company's common shares.
- 5,333,000 (2008 – 6,038,000) options with an average exercise price greater than the average market price of the Company's common shares.

8. Related Party Transactions

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

(a) The Company is related to Apex Diamond Drilling Ltd. ("Apex") through ownership of 10% of the shares of Apex. At December 31, 2009 Eagle Plains' interest in Apex is as follows:

	2009	2008
Shareholder loan, interest free, no specific terms of repayment	**$ 20,000**	$ 20,000
Shares in Apex	**20**	20
	20,020	20,020
Share of income including GST	**-**	163,695
Accounts receivable	**-**	1,314
	$ 20,020	$ 185,029

During the year the Company had the following transactions with the related company:

	2009	2008
Drilling services provided by Apex	**$ -**	$ 1,036,953
Payments received for share of income	**163,695**	250,000
Invoiced Apex for supplies purchased	**-**	6,530

(b) The Company is related to Copper Canyon Resources Ltd. ("CPY") through common directors. During the year the Company had the following transactions with the related company:

	2009	2008
Management fees received	**$ 30,000**	$ 60,000
Payment to CPY for EPL options exercised	**-**	47,703
Invoiced CPY for services provided by EPL	**45,585**	229,398
Invoiced CPY for services provided by Bootleg	**85,394**	24,807

At December 31, 2009, $53,158 (2008 - $45,957) is included in accounts receivable.

8. Related Party Transactions - continued

(c) Included in administration expenses is $18,975 (2008 - $24,150) paid for accounting services and related expenses to a director and officer of the Company.

(d) Included in professional fees is $61,644 (2008 - $104,465) paid for legal fees to a law firm of which one of the directors is a partner. At December 31, 2009, $1,772 (2008 - $3,464) is included in accounts payable and accrued liabilities.

(e) Directors fees were paid in the amount of $32,000 (2008 - $32,250).

(f) Included in administration expenses is $48,500 (2008 – nil) paid for consulting fees to a director and officer 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.

9. Commitments and Contingencies

The Company is committed to incur exploration expenditures of $820,140 in 2010 to meet the renouncement requirements from the issuance of flow-through shares in August and December 2009, of which $538,315 must be expended in British Columbia.

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.

10. Financial Instruments

CICA Handbook Section 3862 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

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).

10. Financial Instruments- continued

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

		Level 1		Level 2		Level 3		Total
Assets:								
Cash and cash equivalents	$	2,741,680	$	-	$	-	$	2,741,680
Investments	$	3,051,505	$	-	$	477,001	$	3,528,506

As disclosed in Note 2 (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) Concentration risk
At December 31, 2009 and 2008, 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.

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 December 31, 2009 the Company has cash of $47,427 in US$.

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 $30,000. The change would be recorded in Accumulated Other Comprehensive Income (loss).

11. Statement of Cash Flow

a) Pursuant to certain mineral property option agreements, the Company received 4,450,000 (2008 – 5,890,000) shares with an attributed value of $244,742 (2008 - $1,118,900).

b) At December 31, 2009, the Company held cashable guaranteed investment certificates (GIC's) and term deposits bearing interest rates from 0.10% to 0.46% (200 – 1.00% to 1.50%) with maturity terms of January 4, 2010 to January 13, 2010 (2008– January 2, 2009 to January 23, 2009). All of these investments are cashable before maturity and have been treated as cash equivalents.

12. Income Taxes

As of December 31, 2009, the effective tax rate of income tax varies from the statutory rate as follows:

	2009	2008
Statutory tax rates	30%	31%
Expected income tax expense at statutory rates	$(2,075,933)	$ (2,002,227)
Stock compensation	90,664	158,220
Loss (gain) on sale of long-term investments	21,656	4,814
Adjustment to opening tax pools	9,910	(257,475)
Rate change	311,758	(105,657)
Change in valuation allowance	991,966	255,201
Other permanent differences	19,861	10,864
	$(630,118)	$ (1,936,260)

The components of the Company's future income tax liability are a result of the origination and reversal of temporary differences and are comprised of the following:

Nature of temporary differences	2009	2008
Property and equipment	$ 491,287	$ (700,130)
Investments	(40,600)	255,201
Unused tax losses carried forward	459,431	-
Cumulative eligible capital	2,918	3,263
Share issue costs	78,930	73,707
Future income tax	991,966	(367,959)
Valuation allowance	(991,966)	(255,201)
Future income tax liability	$ -	$ (623,160)

As of December 31, 2009, subject to confirmation by income tax authorities, the Company has approximately the following available tax pools:

	2009	2008
Undepreciated capital cost	$1,878,746	$ 714,375
Cumulative eligible capital	11,668	12,546
Non-capital losses carried forward	1,837,725	-
Cumulative Canadian exploration and development expenses	6,031,032	4,594,015
Undeducted share issue costs carried forward	315,716	283,489
	$ 10,074,887	$ 5,604,425

As of December 31, 2009, these pools are deductible from future income at rates prescribed by the Canadian Income Tax Act.

At December 31, 2009 the non-capital tax losses of $1,837,725 available for carry-forward to reduce future years' taxable income, expires as follows:

2029	$ 1,837,725

13. Accumulated other comprehensive income (loss)

A future income tax liability has been recorded as a result of the accumulated other comprehensive gain. The balance of accumulated other comprehensive income (loss) is entirely comprised of unrealized losses on available for sale investments.

14. Joint Venture Operation

The Company entered into a Joint Venture Agreement with Prize Mining Ltd. ("Prize Mining") whereby the two parties formed a joint venture, Yellowjacket Joint Venture, to facilitate the production of gold and conduct further exploration and development of the Yellowjacket Zone on the Atlin Gold Property. Eagle Plains purchased a 40% interest in the project by providing $2,000,000 CDN in working capital. A cash call was made in July which Prize Mining was unable to satisfy whereby Eagle Plains increased their interest in the joint venture from 40% to 52.244% by providing $1,350,000. A second cash call was made on December 15, 2009 which Prize Mining was again unable to satisfy whereby Eagle Plains increased their interest in the joint venture from 52.244% to 58% by providing the full $862,564. In light of Prize Mining's diluted interest and inability to satisfy the cash calls, the Company determined that it had acquired control of the joint venture. Accordingly, the Company consolidated the results of the joint venture with those of the Company.

The consolidated financial statements include the accounts of the Yellowjacket Venture Joint Venture as follows:

	Dec 31 2009
Assets	
Cash	$ 97,304
Accounts receivable	79,423
Property and equipment	1,222,194
Long term investment	150,000
Mineral exploration properties	2,636,475
	$ 4,185,396
Liabilities and equity	
Accounts payable	$ 184,323
Equity	7,262,564
Deficit	(3,261,491)
	$ 4,185,396
Revenue	$ 36,803
Expenses	(3,298,294)
Loss for the year	$ (3,261,491)

The non-controlling interest is summarized as follows:

Balance, December 31, 2008	$ -
Non-controlling interest shareholder's contribution	3,050,000
Operation sharing for the year	(1,735,398)
Balance, December 31, 2009	$ 1,314,602

15. 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 year ended December 31, 2009. The Company is not subject to externally imposed capital requirements.

16. Subsequent Events

a) On March 11, 2010, Eagle Plains Resources Ltd. and Excelsior Mining Corp. ("Excelsior") entered into an option agreement on Eagle Plains' 100% owned Wildhorse claims located 40km north of Cranbrook, B.C. Under the terms of the Agreement, Excelsior may earn a 70% interest in the property by completing $3,000,000 in exploration expenditures, making $250,000 in cash payments and issuing 1,000,000 shares to EPL over 4 years. Upon Excelsior exercising its option, a 60/40 joint venture between Excelsior and Eagle Plains will be formed.
b) On March 12, 2010, the Company purchased a commercial building in Cranbrook, BC for $400,000, which was financed with a $300,000 mortgage with a 5.75% interest rate and monthly payments of approximately $1,888 up to April 1, 2015.
c) On March 19, 2010, Swift Resources Inc. terminated the option agreement on the Iron Range property.
d) On April 14, 2010, the Company received 300,000 shares of Touchdown Capital Inc., shares were released from escrow, as per the purchase agreement on the Baska Eldorado project.
e) On April 15, 2010, Eagle Plains Resources Ltd. and Parkside Resources Ltd (a private B.C. corporation) executed a formal agreement whereby Parkside may earn a 60% option in the Elsiar (Note 5(d)) copper-moly-gold property 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. There is a 1% NSR reserved for Eagle Plains and a 1% NSR reserved for another vendor.

17. Comparative figures

The comparative financial statements have been reclassified from statements previously presented to conform to the consolidated financial statement presentation adopted in the current year.

Schedule of Mineral Exploration Properties

December 31, 2009 and 2008

	Dec 31 2008	Acquisition and Exploration	Grants, Option Payments & Mineral Tax Credits	Option proceeds in excess of carrying value	Property write downs	**Dec 31 2009**
British Columbia	$3,385,706	$ 281,476	$ (333,218)	$ 11,783	$ (513,905)	**$2,831,842**
Atlin Mine (Yellowjacket)	-	2,636,475	-	-	-	**2,636,475**
NW Territories	3,972,178	2,732	(79,523)	-	(3,895,384)	**3**
Yukon Territory	9	139,689	(52,117)	-	(5,343)	**82,238**
Saskatchewan	64,540	20,136	(71,314)	4,013	(650)	**16,725**
	$7,422,433	$ 3,080,508	$ (536,172)	$ 15,796	$(4,415,282)	**$5,567,283**

	Dec 31 2007	Acquisition and Exploration	Grants, Option Payments & Mineral Tax Credits	Option proceeds in excess of carrying value	Property write downs	Dec 31 2008
British Columbia	$5,392,582	$1,710,048	$ (192,760)	$ -	$(3,524,164)	$3,385,706
NW Territories	3,983,920	2,012,996	(110,280)	-	(1,914,458)	3,972,178
Yukon Territory	402,303	148,828	(787,199)	715,932	(479,855)	9
Saskatchewan	12,388	499,295	(367,000)	140,471	(220,614)	64,540
	$9,791,193	$4,371,167	$(1,457,239)	$ 856,403	$(6,139,091)	$7,422,433