

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
For the period ended
March 31, 2011

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

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 2011 (unaudited)	Dec 31 2010 (unaudited) (Note 16)	Jan 1 2010 (unaudited) (Note 16)
Assets			
Current			
Cash and cash equivalents	\$ 4,757,955	\$ 3,633,401	\$ 2,471,680
Accounts receivable	343,481	544,543	751,883
Subscriptions receivable	-	-	25,900
Mineral exploration tax credits recoverable	54,790	54,790	54,790
Investments (Note 4)	<u>2,911,378</u>	<u>3,066,538</u>	-
	8,067,604	7,299,272	3,574,253
Investment in and advances to related company (Note 9)	20,020	20,020	20,020
Long term investments (Note 4)	3,573,679	2,882,877	3,528,506
Property, plant and equipment	2,192,109	2,204,810	1,997,987
Exploration and evaluation assets (Note 5)	5,734,914	5,097,572	5,567,283
	\$19,588,326	\$ 17,504,551	\$14,688,049
Liabilities and Shareholder's Equity			
Current			
Accounts payable and accrued liabilities	\$ 655,051	\$ 666,875	\$ 343,151
Other liabilities	-	-	148,171
Non-controlling interest	-	-	1,314,602
Mortgage payable (Note 6)	234,901	296,368	-
	889,952	963,243	1,657,753
Shareholder's equity			
Share capital (Note 7)	25,996,975	25,808,081	24,168,174
Contributed surplus (Note 7)	3,687,208	3,676,657	2,237,216
Accumulated other comprehensive income (Note 4)	1,800,975	1,924,773	284,196
Deficit	<u>(12,786,784)</u>	<u>(14,868,203)</u>	<u>(13,807,461)</u>
Capital attributable to equity shareholders of the Company	18,698,374	16,541,308	12,882,125
Non-controlling interest	-	-	1,314,602
	18,698,374	16,541,308	14,196,727
	\$19,588,326	\$17,504,551	\$14,688,049

Nature and continuance of operations (Note 1)
Commitments and contingencies (Notes 5 and 10)
Subsequent events (Note 14)

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	
	2011	2010
		(Note 16)
Revenue		
Geological services	\$ 1,455,770	\$ 106,768
Gold sales	-	70,678
	1,455,770	177,446
Cost and Expenses of Operations		
Geological expenses		
Services	1,051,100	69,550
Depreciation	17,739	18,230
Salaries and subcontractors	147,990	109,597
	(1,216,829)	(197,377)
Mining expenses		
Cost of sales	-	2,612
Depreciation	61,359	116,130
	(61,359)	(118,742)
Gross profit (loss)	177,582	(138,673)
Expenses		
Administration costs	285,989	182,344
Amortization	8,836	7,398
Professional fees (Note 9)	27,141	17,403
Public company costs	13,256	11,109
Share-based payments (Note 7)	29,859	11,654
Trade shows, travel and promotion	41,513	29,458
	(406,594)	(259,366)
Loss before other items	(229,012)	(398,039)
Other items		
Option proceeds in excess of carrying value	1,743,711	-
Other income	46,454	10,614
Investment income	5,206	1,412
Gain (loss) on disposal of equipment	(392)	-
Gain on sale of investments	515,452	41,913
	2,310,431	(54,239)
Profit (loss) before non-controlling interest	2,081,419	(344,100)
Non-controlling interest (Note 16)	-	34,876
Net profit (loss) before income tax	2,081,419	(309,224)
Deferred income tax recovery	-	18,639
Net profit (loss) for the period	2,081,419	(290,585)
Other comprehensive income (loss)		
Unrealized gain (loss) on investments	391,654	49,950
Reclassification on disposition of investments	(515,452)	41,913
	1,957,621	(229,016)
Comprehensive income (loss) for the period	\$ 1,957,621	\$ (229,016)
Attributable to		
Non-controlling interest	-	34,876
Equity shareholders of the Company	\$ 1,957,621	\$ (263,891)
Earnings (loss)		
per share – basic and diluted (Note 8)	\$ 0.03	\$ (0.00)
Weighted average number of shares		
– basic and diluted (Note 8)	82,601,704	76,614,370

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	
	2011	2010
Cash flows from operating activities		
Net profit (loss) for the period	\$ 2,081,419	\$ (290,585)
Adjustment for:		
Non-controlling interest	-	(34,876)
Depreciation and amortization	87,934	141,758
Share-based payments	29,859	11,654
Gain on sale of investments	(515,452)	(41,913)
(Gain) loss on disposal of equipment	392	-
Option proceeds in excess of carrying value	(1,743,711)	-
Deferred income tax recovery	-	(18,639)
	(59,559)	(232,601)
Changes in non-cash working capital items		
Decrease in accounts receivable	201,062	713,113
Increase (decrease) in accounts payable	(11,825)	(186,018)
	129,678	294,494
Cash flows from financing activity		
Principal payments on mortgage	(61,466)	-
Issue of shares for cash, net of issuance costs	169,587	(5,424)
	108,121	(5,424)
Cash flows from investing activities		
Proceeds from sale of investments	1,156,012	171,173
Cash received for option payments	35,000	5,000
Exploration of mineral exploration properties	(228,631)	(253,892)
Purchase of property and equipment	(75,626)	(97,046)
	886,755	(174,765)
Increase in cash and cash equivalents	1,124,554	114,305
Cash and cash equivalents, beginning of period	3,633,401	2,741,680
Cash and cash equivalents, end of period	\$ 4,757,955	\$ 2,855,985
Cash and cash equivalents comprise:		
Bank deposits	\$ 3,331,390	\$ 1,156,055
Term deposits	1,426,565	1,699,930
	\$ 4,757,955	\$ 2,855,985

The Company made no cash payments for income taxes and made interest payments of \$4,196 (2010 - nil).
Statement of Cash Flow (Note 12)

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

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	Deficit	Capital Attributable to equity	Non Controlling Interest	Equity
	Shares	Amount	Surplus	Income (loss)		Shareholders		
Balance, January 1, 2010	76,614,370	\$24,168,174	\$2,237,216	\$ 284,196	\$(13,807,461)	\$12,882,125	\$1,314,602	\$14,196,727
Share-based payments			11,654			11,654		11,654
Comprehensive income for the period				91,863		91,863		91,863
Share issue costs		(5,424)				(5,424)		(5,424)
Loss for the period					(290,585)	(290,585)	(34,876)	(354,584)
Balance, March 31, 2010	76,614,370	24,162,750	2,248,870	376,059	(14,098,046)	12,689,633	1,279,726	13,969,359
Shares issued	3,629,012	918,745				1,158,745		1,158,745
Fair value of options exercised		443,242	(443,242)					
Fair value of warrants exercised/expired		41,996	(49,716)		7,720			
Share issue costs		1,348				1,348		1,348
Share-based payments			1,920,745			1,920,745		1,920,745
Comprehensive income for the period				1,548,714		1,548,714		1,548,714
Reduction in mineral property costs							(1,046,657)	(1,046,657)
Cash paid by the Company							(400,000)	(400,000)
Shares issued by the Company	2,000,000	240,000					(240,000)	(240,000)
Loss on acquisition of non-controlling interest					(463,668)	(463,668)	463,668	-
Loss for the period					(314,209)	(314,209)	(56,737)	(370,946)
Balance, December 31, 2010	82,243,382	25,808,081	3,676,657	1,924,773	(14,868,203)	16,541,308	-	16,541,308
Shares issued	587,787	169,586				169,586		169,586
Options exercised		19,308	(19,308)					
Share-based payments			29,859			29,859		29,859
Comprehensive income for the period				(123,798)		(123,798)		(123,798)
Income for the period					2,081,419	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	-	\$18,698,374

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 corporation.

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

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. Basis of preparation

(a) Statement of Compliance

The consolidated financial statements for the Company for the year-ending December 31, 2011 will be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), having previously been prepared in accordance with Canadian Generally Accepted Accounting Principles. These condensed consolidated interim financial statements for the three month period ended March 31, 2011 have been prepared in accordance with IAS 34 - *Interim Financial Reporting* and as they are part of the Company's first IFRS annual reporting period, IFRS 1 - *First-time Adoption of International Financial Reporting Standards* has been applied. 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, 2011 financial statements.

These condensed consolidated interim financial statements should be read in conjunction with the Company's 2010 annual financial statements and the explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 15.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on June 29, 2011.

(b) Basis of Measurement

These consolidated 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 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. 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. Financial results as determined by actual events could differ from these estimates.

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 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; determining the provision for deferred income taxes and contingencies reported in the notes to the financial statements.

Areas of significant judgement include the classification of financial instruments and the classification of exploration and evaluation expenditures, which requires judgement in determining whether it is likely that future economic benefits will flow to the Company.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these interim consolidated financial statements and in preparing the opening IFRS statement of financial position at January 1, 2010 for the purposes of the transition to IFRS. The accounting policies have been applied consistently by the Company and its wholly owned subsidiary.

The interim consolidated 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 interim consolidated 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.

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.

3. Significant Accounting Policies - continued

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 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 and subscriptions 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.

Eagle Plains Resources Ltd.
(An Exploration Stage Corporation)

Notes to Condensed Consolidated Interim Financial Statements

March 31, 2011 and 2010

Expressed in Canadian dollars

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		December 31		January 1	
	2011	2010	2010	2010	2010	2010
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
FVTPL						
Cash and cash equivalents	\$4,757,955	\$4,757,955	\$3,633,401	\$3,633,401	\$2,471,680	\$2,471,680
Loans and receivables						
Accounts receivable	343,481	343,481	544,543	544,543	751,883	751,883
Mineral exploration tax credit receivable	54,790	54,790	54,790	54,790	54,790	54,790
Available-for-sale financial assets						
Investments	6,485,057	6,485,057	5,949,415	5,949,415	3,528,506	3,528,506
Financial liabilities						
Payables and accrued liabilities	655,051	655,051	666,875	666,875	343,151	343,151
Mortgage payable	234,901	234,901	296,368	296,368	-	-

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 transferee 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 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.

3. Significant Accounting Policies - continued

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 consolidated 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 amortization method, useful life and residual values are assessed annually.

Property, plant and equipment are carried at cost, less accumulated amortization and accumulated impairment losses. 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%, 45%, 55% and 100% per annum
Computer software	- 100% per annum
Furniture and equipment	- 20% per annum
Ore processing equipment	- 20 and 30% per annum
Dewatering pipeline	- 6% 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.

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.

3. Significant Accounting Policies - continued

j) Rehabilitation obligations

The Company recognizes the fair value of a legal or constructive 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 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 asset retirement 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.

m) Share capital - continued

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

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 10.

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.

4. Investments - continued

For securities traded in an active market, market value is based on the quoted closing prices of the securities at March 31, 2011. 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 common shares in private companies was written down in 2009 to reflect impairment in value as the securities were not traded in an active market.

The Company holds public traded securities held in escrow to be released to the Company over a period from October 1, 2010 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.

Accumulated other comprehensive gain of \$1,800,975 (2010 - \$376,059) is the result of the change in fair value at March 31, 2011.

5. Exploration and Evaluation Assets

During the first quarter, acquisition and exploration expenditures totalled \$228,631 (2010 - \$46,176) and grants, option payments, and mineral tax credits totalled \$1,335,000 (2010 - \$5,000). Of the total acquisition and exploration expenditures, \$243,302 (2010 - \$20,824) was expended in B.C., \$(29,690) (2010 - \$424) in the Northwest Territories, \$17,054 (2010 - \$23,046) in the Yukon and \$1,741 (2010 - \$1,882) in Saskatchewan.

The Company's subsidiary, Terralogic Exploration Inc, carried out exploration programs on behalf of option partners on various optioned properties totalling \$1,455,770 (2010 - \$106,768).

The Company has interests in a number of optioned exploration projects. As at March 31, 2011, the Company has 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%.

Shares to be released from escrow as follows:

<u>Instalments</u>	<u>Share</u>	<u>Due Date</u>
200,000		November 19, 2009 (received)
300,000		May 19, 2010 (received)
300,000		November 19, 2010 (received)
300,000		May 19, 2011 (received)
300,000		November 19, 2011
300,000		May 19, 2012
300,000		November 19, 2012
<u>2,000,000</u>		

5. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in - continued

- b) **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:

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

- c) **Coyote Creek Project:** On June 9, 2009 Eagle Plains announced that it had reached agreement with Heemskirk Canada Ltd. whereby Heemskirk 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 Heemskirk is required to make cash payments totalling \$240,000 plus a production royalty on material extracted.

Payments are due as follows:

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

- d) **Eagle Lake Project:** On September 11, 2009, the Company completed an option agreement whereby Sandstorm Metals & Energy Ltd. could 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.

Sandstorm terminated the agreement May 10, 2011. During the term of the agreement the Company received \$30,000 cash and 50,000 shares of Sandstorm.

5. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in - continued

- e) **Elsiar Project:** On April 12, 2010, the Company completed an option agreement whereby Parkside Resources Corp. ("Parkside") can earn a 60% interest in Eagle Plains' 100% owned copper-moly-gold property, located in northwestern 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. In July 2010, Eagle Plains was notified by Parkside Resources Ltd. (a private B.C. company) that Parkside has agreed to transfer its option interest in and to the Elsiar project (held 100% by Eagle Plains and subject to a 1% NSR) to 0802906 B.C. Ltd (which has subsequently become Blackrock Resources Ltd.). A 1% NSR is reserved for a third party. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	<u>Due Date</u>
\$ 25,000	100,000	\$ -	Date of agreement (received)
-	-	100,000	December 31, 2010 (completed)
50,000	200,000	-	July 12, 2011
-	-	200,000	December 31, 2011
50,000	200,000	-	July 12, 2012
-	-	800,000	December 31, 2012
50,000	200,000	-	July 12, 2013
-	-	1,900,000	December 31, 2013
75,000	300,000	-	July 12, 2014
<u>\$ 250,000</u>	<u>1,000,000</u>	<u>\$ 3,000,000</u>	

- f) **Findlay Project:** On March 4, 2011, the Company executed a letter of intent with Minerals and Metals Group ("MMG") whereby Eagle Plains has agreed to grant an option to MMG to earn a 60-per-cent interest in Eagle Plains' 100-per-cent-owned Findlay/Greenland Creek properties (the "Project"), located 30 kilometers north of Kimberley, in south-eastern B.C. Under terms of the proposed agreement, MMG may earn a 60% interest in the 33,500 ha property by making staged cash payments to EPL totalling \$500,000 and completing \$5,000,000 in exploration expenditures over 5 years. MMG may earn an additional 15% interest (for a total of 75%) by delivering a bankable feasibility study by 2021.
- g) **Hit Project:** Aben Resources Ltd. ("Aben") has entered into an Acquisition Agreement whereby Aben will acquire a 100% interest in the Hit project, located in the eastern Yukon Territory. Upon receipt of acceptance of the Acquisition Agreement by the TSX Venture Exchange, Aben Resources issued a total of 1,500,000 common shares 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.
- h) **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 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. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	<u>Due Date</u>
\$ 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 (received)(completed)
25,000	100,000	50,000	Sept 27, 2011

5. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in – continued

Ice River Project – continued

Cash Payments	Share Payments	Exploration Expenditures	Due Date
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
<u>\$ 510,000</u>	<u>750,000</u>	<u>\$ 3,000,000</u>	

- i) **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. Payments are due as follows:

j)

Cash Payments	Share Payments	Exploration Expenditures	Due Date
\$ 25,000	100,000	\$ -	On Approval date - June 3, 2010 (received)
-	-	200,000	December 31, 2010 (completed)
50,000	100,000	-	June 3, 2011 (received)
-	-	300,000	December 31, 2011
75,000	200,000	-	June 3, 2012
-	-	500,000	December 31, 2012
150,000	300,000	-	June 3, 2013
-	-	2,000,000	December 31, 2013
200,000	300,000	-	June 3, 2014
<u>\$ 500,000</u>	<u>1,000,000</u>	<u>\$ 3,000,000</u>	

- k) **Justin (Sprogge) Project:** Aben Resources Ltd. (“Aben”) has entered into an Acquisition Agreement whereby Aben will acquire a 100% interest in the Justin project, located in the eastern Yukon Territory. Upon receipt of acceptance of the Acquisition Agreement by the TSX Venture Exchange, Aben Resources issued a total of 3,500,000 common shares 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.

- l) **K-9 Project:** On May 9, 2011, Eagle Plains and Bluefire Mining Corp. (a private B.C. company)(“Bluefire”) 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 the 9,760 ha 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	1 st anniversary of approval date
25,000	100,000	-	2 nd anniversary of approval date
75,000	100,000	500,000	3 rd anniversary of approval date

5. 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	4 th anniversary of approval date
250,000	500,000	3,000,000	5 th anniversary of approval date
<u>\$ 500,000</u>	<u>1,000,000</u>	<u>\$ 5,000,000</u>	

- m) **Kalum Project:** 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 terminated the agreement May 31, 2011. During the term of the agreement the Company received \$10,000 cash, 50,000 shares of Windstorm and Windstorm completed exploration expenditures of \$300,000.

- n) **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. 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
-	-	300,000	December 31, 2011
75,000	200,000	-	June 15, 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
<u>\$ 500,000</u>	<u>1,000,000</u>	<u>\$ 3,000,000</u>	

- o) **Rohan Project:** On February 23, 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 northwestern British Columbia. Under terms of the agreement, Rosedale has the option to earn a 60% interest in the 3,000 ha 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	1 st anniversary of approval date

5. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in – continued

Rohan Project - continued

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

- p) **Rusty Springs Project:** On February 22, 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 1,100 ha 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 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.

Cash Payments	Share Payments	Due Date
\$ 25,000	250,000	On approval date - March 15, 2011 (received)
25,000	250,000	December 31, 2011
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
<u>\$ 500,000</u>	<u>1,500,000</u>	

- q) **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.

- r) **Titan Project:** On December 9, 2010, Eagle Plains Resources Ltd. and Drexel Capital Corp (“Drexel”) (a private B.C. company) entered into an agreement whereby Drexel may earn an interest in the Titan property, located in northwestern British Columbia. Under terms of the agreement, Drexel 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. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
\$ 25,000	100,000	\$ -	On approval date
-	-	200,000	December 31, 2011
50,000	100,000	-	1 st anniversary of approval date
-	-	300,000	December 31, 2012
75,000	200,000	-	2 nd anniversary of approval date

5. Exploration and Evaluation Assets - continued

Option Agreements - Third party earn in - continued

Titan Project - continued

Cash Payments	Share Payments	Exploration Expenditures	Due Date
-	-	500,000	December 31, 2013
150,000	300,000	500,000	3 rd anniversary of approval date
-	-	2,000,000	December 31, 2014
200,000	300,000	-	4 th anniversary of approval date
<u>\$ 500,000</u>	<u>1,000,000</u>	<u>\$ 3,000,000</u>	

- s) **Wildhorse Project:** On March 11, 2010, Eagle Plains Resources Ltd. and Excelsior Mining Corp. 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, Excelsior may earn a 60% 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. Excelsior has an option to earn an additional 10% interest, thereby increasing its total interest in the Property to 70%, which may be exercised by exercising the Option, issuing a further 300,000 Excelsior shares and incurring further exploration expenditures totalling \$1,000,000.

Excelsior terminated the agreement February 17, 2011. During the term of the agreement the Company received \$10,000 cash and 100,000 shares of Excelsior and Excelsior completed exploration expenditures of \$200,000.

6. Mortgage payable

	Mar 31 2011	Dec 31 2010	Jan 1 2010
Mortgage, secured by land and building, repayable in monthly payments of \$1,888 including interest at 5.75%, maturing March 2015	\$ 234,901	\$ 296,368	\$ -

A lump sum payment of \$60,000 was made on the first anniversary date of the mortgage.

7. 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.

Eagle Plains Resources Ltd.
(An Exploration Stage Corporation)
Notes to Condensed Consolidated Interim Financial Statements
Expressed in Canadian dollars

March 31, 2011 and 2010

7. Equity Instruments - continued

b) <u>Issued and outstanding</u>	Number of shares	Amount	<u>Contributed Surplus</u>	
			Warrants	Options
Balance, January 1, 2010	76,614,370	\$24,168,174	\$ 81,506	\$ 2,155,710
Share-based payment				11,654
Share issue costs		(5,424)		
Balance, March 31, 2010	76,614,370	24,162,750	81,506	2,167,364
Issuance of shares -exercise of options	1,532,500	356,522		
Issuance of shares -exercise of warrants	2,081,512	562,223		
Issuance of shares -mineral properties	2,000,000	240,000		
Black Scholes - options exercised		443,242		(443,242)
Fair value of warrants exercised		41,996	(41,996)	
Shares to be cancelled	15,000			
Share issue costs		1,348		
Share-based payment				1,920,745
Balance, December 31, 2010	82,243,382	25,808,081	31,790	3,644,867
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)
Share-based payment				29,859
Balance, March 31, 2011	82,831,169	\$ 25,996,975	\$ 31,790	\$3,655,418

2010 share issuance

In the third quarter, the Company issued 2,000,000 shares, valued at \$240,000, to Prize Mining Corporation as part of the purchase price for the remaining beneficial right, title and interest in the Yellowjacket Project, including mineral and placer rights, and all equipment and infrastructure in place on the Yellowjacket mine site.

In the fourth quarter, the Company issued 2,081,512 shares on the exercise of purchase warrants with exercise prices of \$0.18 to \$0.30 resulting in proceeds to the Company of \$562,223.

In the fourth quarter, the Company issued 1,532,500 shares on the exercise of employee options with exercise prices of \$0.25 to \$0.40 resulting in proceeds to the Company of \$356,522.

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.

Eagle Plains Resources Ltd.
(An Exploration Stage Corporation)

Notes to Condensed Consolidated Interim Financial Statements

March 31, 2011 and 2010

Expressed in Canadian dollars

7. Equity Instruments - continued

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.

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%. At December 31, 2010, all options subject to the Plan of Arrangement have been exercised or expired.

As at March 31, 2011, the Company has the following stock options outstanding:

	Number of Options	Option Price per Share Range	Weighted Average Exercise Price
Total issued and outstanding			
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

* The weighted average market share price on the date of exercise was \$0.55

As at March 31, 2010, the Company has the following stock options outstanding:

	Number of Options ¹	Option Price per Share Range	Weighted Average Exercise Price
Total issued and outstanding			
Options outstanding, December 31, 2009	5,333,000	\$0.40	\$0.40
Options expired	(793,000)	\$0.40	\$0.40
Options outstanding, March 31, 2010	4,540,000	\$0.40	\$0.40

¹ 1,565,000 options are subject to the Plan of Arrangement

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

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
95,000	\$0.40	\$0.40	0.10 years	95,000	\$0.40
500,000	\$0.40	\$0.40	0.75 years	500,000	\$0.40
175,000	\$0.40	\$0.40	0.85 years	175,000	\$0.40
110,000	\$0.40	\$0.40	1.00 years	110,000	\$0.40
1,025,000	\$0.40	\$0.40	2.25 years	1,025,000	\$0.40
600,000	\$0.40	\$0.40	3.25 years	600,000	\$0.40
2,147,500	\$0.25	\$0.25	4.10 years	905,000	\$0.25
1,125,000	\$0.25	\$0.25	4.60 years	1,125,000	\$0.25
1,890,000	\$1.00	\$1.00	4.75 years	1,890,000	\$1.00
7,667,500		\$0.48		6,425,000	\$0.53

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7. Equity Instruments - continued

The following table summarizes information about stock options outstanding at March 31, 2010:

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
625,000	\$0.40	\$0.40	0.25 years	625,000	\$0.40
845,000	\$0.40	\$0.40	0.75 years	845,000	\$0.40
95,000	\$0.40	\$0.40	1.25 years	75,000	\$0.40
600,000	\$0.40	\$0.40	1.75 years	600,000	\$0.40
175,000	\$0.40	\$0.40	2.00 years	175,000	\$0.40
115,000	\$0.40	\$0.40	2.25 years	115,000	\$0.40
100,000	\$0.40	\$0.40	2.75 years	60,000	\$0.40
1,285,000	\$0.40	\$0.40	3.25 years	1,285,000	\$0.40
700,000	\$0.40	\$0.40	4.25 years	350,000	\$0.40
4,540,000		\$0.40		4,130,000	\$0.40

d) Compensation expense for share options

As at March 31, 2011, \$29,859 (2010 – \$11,654) has been recorded as stock based compensation related to the options vested during the period.

e) Warrants outstanding

At **March 31, 2011**, the Company has 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

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

At March 31, 2010, the Company has the following share purchase warrants outstanding:

Total issued and outstanding	Expiry	Number	Price
	June 11, 2010	2,080,636	\$0.30
	June 21, 2010	5,241,300	\$1.00
	December 11, 2010	270,254	\$0.18
	August 18, 2011	575,500	\$0.20
	August 18, 2011	5,093,750	\$0.30
Balance, March 31, 2010		13,261,440	\$0.18 - \$1.00

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.

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8. 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, 2011 of 82,601,704 shares (2010 – 76,614,370). 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 (2010 – nil) and 7,702,742 shares are assumed purchased (2010 – nil).

Excluded from the 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.

9. 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, 2011 Eagle Plains' interest in Apex is as follows:

	March 31, 2011	December 31, 2010	January 1, 2010
Shareholder loan, interest free, no specific terms of repayment	\$ 20,000	\$ 20,000	\$ 20,000
Shares in Apex	20	20	20
	\$ 20,020	\$ 20,020	\$ 20,020

During the quarter the Company had no transactions with the related company.

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

	2011	2010
Management fees received	\$ 7,500	\$ 7,500
Invoiced CPY for services provided by EPL	23,605	4,170
Invoiced CPY for services provided by Terralogic	28,021	22,884

At March 31, 2011, \$13,020 (2010 - \$16,788) is included in accounts receivable.

Compensation to key management:

- (a) Included in administration expenses is \$6,000 (2010 - \$1,575) paid for accounting services and related expenses to Glen Diduck, a director and officer of the Company.
- (b) Included in professional fees is \$15,654 (2010 - \$13,357) paid for legal fees to a law firm of which one of the directors, Darren Fach, is a partner. At March 31, 2011, \$992 (2010 - nil) is included in accounts payable and accrued liabilities.
- (c) Included in administration expenses is nil (2010 - \$1,500) paid for directors fees.
- (d) Included in administration expenses is \$20,000 (2010 – \$17,250) paid for consulting fees to Toklat Resources Ltd, a company owned by Tim Termuende, a director and officer of the Company.
- (e) Share-based payments of \$14,419 (2010 - \$4,856).

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.

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10. Commitments and Contingencies

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

The Company has a truck lease payable of \$1,153 per month expiring September 29, 2012.

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. The potential reassessment, if any, cannot be reasonably estimated.

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 associated with such indemnification.

11. 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).

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

March 31, 2011	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 4,757,955	\$ -	\$ -	\$ 4,757,955
Investments	\$ 6,008,057	\$ -	\$ 477,000	\$ 6,485,057
<hr/>				
December 31, 2010	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 3,633,401	\$ -	\$ -	\$ 3,633,401
Investments	\$ 3,408,392	\$ 2,064,023	\$ 477,000	\$ 5,949,415
<hr/>				
January 1, 2010	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 2,741,680	\$ -	\$ -	\$ 2,741,680
Investments	\$ 2,710,370	\$ 341,135	\$ 477,001	\$ 3,528,506

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.

11. Financial Instruments - continued

a) Concentration risk

At March 31, 2011 and 2010, 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.

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, 2011, the Company has cash of \$16,582 (2010 - \$47,373) 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 \$55,000. The change would be recorded in Accumulated Other Comprehensive Income (Loss).

12. Statement of Cash Flow

At March 31, 2011, the Company held cashable guaranteed investment certificates (GIC's) and term deposits bearing interest rates of 1.09% (2010 - 0.10% to 0.48%) with maturity terms of April 15, 2011 to April 27, 2011 (2010 - April 1 2010 to April 23, 2010). All of these investments are cashable before maturity and have been treated as cash equivalents.

13. 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, 2011. The Company is not subject to externally imposed capital requirements.

14. Subsequent Events

- a) On May 12, 2011, Eagle Plains Resources Ltd. and Bluefire Mining Corp ("Bluefire")(a private B.C. corporation) entered into an agreement whereby Bluefire may earn a 60% interest in the K-9 (Note 5(k)) copper-gold property. Under terms of the agreement, Bluefire 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 \$2M.
 - b) On April 15, 2011, 300,000 shares of Touchdown Capital Inc., shares were released from escrow, as per the purchase agreement on the Baska Eldorado project.
 - c) On May 10, 2011, the Company received notice from Sandstorm Resources Ltd. that they were terminating the option agreement on the Eagle Lake property.
 - d) On May 24, 2011, 300,000 shares of Giyani Gold Corp., shares were released from escrow, as per the purchase agreement on the Sphinx project.
 - e) On May 31, 2011, the Company received notice from Windstorm Resources Ltd. that they were terminating the option agreement on the Kalum property.
-

15. Transition to IFRS

First time adoption of IFRS - The Company's consolidated financial statements for the year ending December 31, 2011 will be the first annual financial statements will be prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was January 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all IFRS standards as of the reporting date, which for the Company will be December 31, 2011. However, it also provides for certain optional exemptions and certain mandatory exceptions for the first time IFRS adoption. Prior to transition to IFRS, the Company prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian GAAP").

In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with pre-changeover Canadian GAAP.

The IFRS applicable exemptions and exceptions applied in the conversion to IFRS are as follows:

Share-based payments – IFRS 2, *Share-based Payments*, encourages application of its provisions to equity instruments granted on or before November 7, 2002, but permits the application only to equity instruments granted after November 7, 2002 that had not vested by the Transition Date. The Company elected and applied IFRS 2 for all equity instruments granted after November 7, 2002 that had not vested by its Transition Date. As a result of the transition method elected, the Company reversed the historical Canadian GAAP share-based compensation charges impacting shareholders' equity from retained earnings to capital.

IFRS 2 requires stock option payments to employees be measured based on fair values of the awards. For share options granted to employees, in many cases market prices are not available, because the options granted are subject to terms and conditions that do not apply to traded options. As a result, the fair value of the options granted shall be estimated by applying an option pricing model.

The Company issues stock-based awards in the form of stock options that vest over a one to five year period. Under IFRS 2 the fair value of each tranche of the award is considered a separate grant based on the vesting period with the fair value of each tranche determined separately and recognized as compensation expense over the term of its respective vesting period.

15. Transition to IFRS - continued

Property, Plant and Equipment - Under IAS 16 an entity can elect to account for each class of property, plant and equipment using either the cost model or the revaluation model. The Company has chosen to use the cost model where an item of property, plant and equipment is carried at its cost less any accumulated amortization and any accumulated impairment losses.

Exploration and Evaluation Expenditures - Under IFRS 6: Exploration and Evaluation of Mineral Resources, mining companies are allowed to retain their existing policies for the capitalization of exploration and evaluation costs until guidance that is more definitive is developed in this area. The Company has in the past capitalized exploration and evaluation costs prior to the establishment of ore reserves which would support the economic viability of the project and will continue this policy.

Reconciliation of IFRS to GAAP

IFRS has many similarities with Canadian GAAP as it is based on a similar conceptual framework. However, there are important differences with respect to recognition, measurement and disclosure. The restatement from Canadian GAAP to IFRS had no significant effect on the reported cash flows generated by the Company. The reconciling items between Canadian GAAP presentation and IFRS presentation have no net effect on the cash flows generated. However, adoption of IFRS resulted in changes to the Company's Statement of Financial Position, Statement of Income (Loss) and Statement in Changes in Equity as set out below.

Notes to the reconciliations:

- (a) There is an option to apply IFRS 2, Share-Based Payments, to all equity instruments granted on or before November 7, 2002, and to those granted after November 7, 2002 only if they had not vested by the transition date. The Company has applied IFRS 2 to all equity instruments granted after November 7, 2002 that had not vested as of January 1, 2010.

IFRS 2 was applied to unvested stock options granted prior to the transition date of January 1, 2010. Consequently, as a result of the difference in measurement of the share-based compensation at January 1, 2010, where IFRS requires the fair value of each tranche of stock options to be considered a separate grant based on the vesting period with the fair value of each tranche determined separately and recognized as compensation expense over the term of its respective vesting period; compared with Canadian GAAP that values the stock options as a single grant; an adjustment of \$23,308 was recorded to increase opening deficit and increase to contributed surplus.

IFRS 2 was applied to unvested stock options granted prior to the transition date of January 1, 2010. Consequently, as a result of the difference in measurement of the share-based compensation at March 31, 2010, where IFRS requires the fair value of each tranche of stock options to be considered a separate grant based on the vesting period with the fair value of each tranche determined separately and recognized as compensation expense over the term of its respective vesting period; compared with Canadian GAAP that values the stock options as a single grant; an adjustment of \$34,962 was recorded to increase opening deficit and increase contributed surplus.

- (b) **Flow-through shares**
Under pre-changeover Canadian GAAP, the entire proceeds from the issuance of flow-through shares were recognized in equity less the tax effects of renunciation. Under IFRS, on issuance of flow-through shares, 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.

As a result, for issuances of flow-through shares for which expenditures have been incurred, share capital was increased by \$692,727 at the date of transition (December 31, 2010 - 211,535), contributed surplus was decreased by \$628,869 at the date of transition (December 31, 2010 - \$Nil) and retained earnings were decreased by \$212,029 (December 31, 2010 - \$52,880). The impact on net income for the three

15. Transition to IFRS - continued

Reconciliation of IFRS to GAAP- continued

months-ended March 31, 2011 was \$Nil (three months-ended March 31, 2010 - \$(18,639); year-ended December 31, 2010 - \$(63,364)).

Where flow-through shares were issued but expenditures not incurred by the end of the reporting period, a liability is shown in 'other liabilities'. This resulted in a liability of \$148,171 at the date of transition (December 31, 2010 - \$Nil).

- (c) Adjustment for change of accounting policy for valuation of equity units issued in private placements (see Significant Accounting Policies Note 3(m))

Effective January 1, 2011, the Company changed its accounting policy with respect to the valuation of equity units issued in private placements.

The Company previously valued warrants issued in conjunction with equity units first, using the Black-scholes pricing model and the residual value assigned to share capital. If the warrants expired unexercised, the value attributed to the warrants was attributed to share capital. The Company has changed its policy to value shares first, using market values, and the residual if any, assigned to warrants. If the warrants expire unexercised, the value attributable to the warrants is attributed to retained earnings.

The impact of the change in accounting policy as at January 1, 2010, March 31, 2010 and December 31, 2010 is a increase of share capital within the Statement of Financial Position of \$466,516 respectively with a corresponding decrease in contributed surplus.

For warrants which expired or exercised subsequent to the date of transition, the impact of the change in accounting policy as at December 31, 2010 is a decrease in share capital of \$628,663, increase in contributed surplus of \$620,943 and an increase in retained earnings of \$7,720. There was no impact as at January 1, 2010 and March 31, 2010.

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Reconciliations for IFRS

Reconciliation of Assets, Liabilities & Equity	As at January 1, 2010			As at March 31, 2010			As at December 31, 2010		
		Effect of transition			Effect of transition			Effect of transition	
Cash and cash equivalents	2,741,680	-	2,741,680	2,855,985	-	2,855,985	3,633,401	-	3,633,401
Accounts receivable	751,883	-	751,883	48,670	-	48,670	544,543	-	544,543
Subscriptions receivable	25,900	-	25,900	16,000	-	16,000	-	-	-
Mineral exploration tax credits recoverable	54,790	-	54,790	54,790	-	54,790	54,790	-	54,790
Investments	-	-	-	-	-	-	<u>3,066,538</u>	-	<u>3,066,538</u>
	<u>3,574,253</u>		<u>3,574,253</u>	<u>2,975,445</u>		<u>2,975,445</u>	<u>7,299,272</u>		<u>7,299,272</u>
Investment in and advances to related company	20,020	-	20,020	20,020	-	20,020	20,020	-	20,020
Long term investments	3,528,506	-	3,528,506	3,491,109	-	3,491,109	2,882,877	-	2,882,877
Property and equipment	1,997,987	-	1,997,987	1,953,275	-	1,953,275	2,204,810	-	2,204,810
Exploration and evaluation assets	<u>5,567,283</u>	-	<u>5,567,283</u>	<u>5,816,175</u>	-	<u>5,816,175</u>	<u>5,097,572</u>	-	<u>5,097,572</u>
	<u>14,688,049</u>		<u>14,688,049</u>	<u>14,256,024</u>		<u>14,256,024</u>	<u>17,504,551</u>		<u>17,504,551</u>
Liabilities and Shareholder's Equity									
Current									
Accounts payable and accrued liabilities	343,151	-	343,151	157,133	-	157,133	666,875	-	666,875
Other liabilities	-	148,171	<u>148,171</u>	-	129,532	<u>129,532</u>	-	-	-
	<u>343,151</u>		<u>491,322</u>	<u>157,133</u>		<u>286,665</u>	<u>666,875</u>		<u>666,875</u>
Mortgage payable	-	-	-	-	-	-	<u>296,368</u>	-	<u>296,368</u>
Non-controlling interest	<u>1,314,602</u>	-	<u>1,314,602</u>	<u>1,279,726</u>	-	<u>1,279,726</u>	-	-	-
Shareholder's equity									
Share capital	23,008,931	1,159,243	24,168,174	23,003,507	1,159,243	24,162,750	25,065,966	742,115	25,808,081
Warrants	1,176,891	(1,095,385)	81,506	1,176,891	(1,095,385)	81,506	506,232	(474,442)	31,789
Contributed surplus	2,132,402	23,308	2,155,710	2,132,402	34,962	2,167,364	3,644,867	-	3,644,867
Accumulated other comprehensive loss	284,196	-	284,196	376,059	-	376,059	1,924,773	-	1,924,773
Deficit	(13,572,124)	(235,337)	<u>(13,807,461)</u>	<u>(13,869,694)</u>	(228,352)	<u>(14,098,046)</u>	<u>(14,600,530)</u>	(267,673)	<u>(14,868,203)</u>
	<u>13,030,296</u>		<u>12,882,125</u>	<u>12,819,165</u>		<u>12,689,633</u>	<u>16,541,308</u>		<u>16,541,308</u>
	<u>14,688,049</u>		<u>14,688,049</u>	<u>14,256,024</u>		<u>14,256,024</u>	<u>17,504,551</u>		<u>17,504,551</u>

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Reconciliation of income (loss) for the period ended:

	March 31, 2010			December 31, 2010		
	Previous Canadian	Effect of Transition	IFRS	Previous Canadian	Effect of Transition	IFRS
	GAAP	to IFRS	IFRS	GAAP	to IFRS	IFRS
Revenue						
Geological services	\$106,768		\$106,768	\$2,347,050		\$2,347,050
Gold sales	70,678		70,678	102,131		102,131
	<u>177,446</u>		<u>177,446</u>	<u>2,449,181</u>		<u>2,449,181</u>
Cost and Expenses of Operations						
Geological expenses						
Services	69,550		69,550	1,479,182		1,479,182
Amortization	18,230		18,230	84,332		84,332
Salaries and subcontractors	109,597		109,597	315,705		315,705
	<u>(197,377)</u>		<u>(197,377)</u>	<u>(1,879,219)</u>		<u>(1,879,219)</u>
Mining expenses						
Cost of sales	2,612		2,612	-		-
Amortization	116,130		116,130	257,687		257,687
	<u>(118,742)</u>		<u>(118,742)</u>	<u>(257,687)</u>		<u>(257,687)</u>
Gross profit (loss)	<u>(138,673)</u>		<u>(138,673)</u>	<u>312,275</u>		<u>312,275</u>
Expenses						
Administration costs	182,344		182,344	988,872		988,872
Amortization	7,398		7,398	39,568		39,568
Professional fees (Note 8)	17,403		17,403	136,149		136,149
Public company costs	11,109		11,109	49,578		49,578
Share-based payments	-	11,654	11,654	1,955,707	(23,308)	1,932,399
Trade shows, travel and promotion	29,458		29,458	127,525		127,525
Write down of mineral properties	-		-	47,343		47,343
	<u>(247,712)</u>		<u>(259,366)</u>	<u>(3,344,742)</u>		<u>(3,321,434)</u>
Loss before other items	(386,385)		(386,385)	(3,032,467)		(3,009,159)
Other items						
Option proceeds in excess of carrying value	-		-	1,100,235		1,100,235
Other income	10,614		10,614	98,821		98,821
Investment income	1,412		1,412	7,458		7,458
Loss on disposal of equipment	-		-	47,999		47,999
Gain (loss) on sale of investments	41,913		41,913	768,672		768,672
	<u>(332,446)</u>		<u>(344,100)</u>	<u>(1,009,282)</u>		<u>(985,974)</u>
Loss before non-controlling interest	(332,446)		(344,100)	(1,009,282)		(985,974)
Non-controlling interest	<u>34,876</u>		<u>34,876</u>	<u>(463,668)</u>		<u>(463,668)</u>
Loss before income tax	(297,570)		(309,224)	(1,472,950)		(1,449,642)
Deferred income tax recovery	-	18,639	18,639	444,544	(63,364)	381,180
Net loss for the period	<u>(297,570)</u>		<u>(290,585)</u>	<u>(1,028,406)</u>		<u>(1,068,462)</u>
Other comprehensive income	91,863		91,863	1,640,577		1,640,577
Total comprehensive income (loss)	<u>(205,707)</u>		<u>(198,722)</u>	<u>612,171</u>		<u>572,115</u>

16. Non-controlling Interest

The Company entered into a Joint Venture Agreement (“JVA”) 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 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.

On August 19th, 2010, Eagle Plains Resources Ltd. completed the purchase of Prize Mining Corp’s remaining interest in the Yellowjacket Joint- Venture (“YJV”) with an effective date of August 18th, 2010. Eagle Plains now holds a 100% interest in the project, subject to a 1.5% NSR. The YJV has been dissolved and Eagle Plains is the sole owner and operator of the project.

Under the terms of the original JVA, Eagle Plains earned an initial 40% interest in the Project from Prize by making a \$2,000,000 cash payment. Since commencing activities, Eagle Plains has advanced the JV an additional amount of approximately \$2,600,000. Prize Mining subsequently agreed to accept dilution of its interest in the project in accordance with a formula established in the YJV agreement. Prior to the purchase of the remaining Prize interest and dissolution of the YJV, Eagle Plains held a 59.62% interest. The total consideration for the purchase of Prize’s remaining 40.38% interest was \$400,000 cash plus 2,000,000 Eagle Plain common shares. These shares are subject to escrow restrictions over a two year period releasable as to 500,000 every six months commencing August 18, 2010. During the year ended December 31, 2010, 500,000 of the escrow shares were released and as at March 31, 2011, 1,500,000 shares remain in escrow.

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		<u>(1,735,398)</u>
Balance, December 31, 2009		<u>1,314,602</u>
Operation sharing for the year		(91,613)
Reduction in mineral property costs		(1,046,657)
Cash paid by the Company		(400,000)
Shares issued by the Company		(240,000)
Loss on acquisition of non-controlling interest		<u>463,668</u>
Balance, December 31, 2010	<u>\$</u>	<u>-</u>

The reduction in minority interest of \$1,046,657 was recorded as a reduction in exploration and evaluation expenditures (Note 5).

Eagle Plains Resources Ltd.
(An Exploration Stage Corporation)
Schedule of Exploration and Evaluation Assets

March 31, 2011 and 2010

	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

	January 1 2010	Acquisition and Exploration	Grants, Option Payments & Mineral Tax Credits	Mar 31 2010
British Columbia	\$ 2,841,956	\$ 20,824	\$ (5,000)	\$ 2,847,663
Atlin Mine (Yellowjacket)	2,636,475	-	-	2,636,475
NW Territories	3	424	-	427
Yukon Territory	82,238	23,046	-	105,286
Saskatchewan	6,611	1,882	-	18,607
	\$ 5,567,283	\$ 46,176	\$ (5,000)	\$ 5,608,458