EAGLE PLAINS RESOURCES LTD
(An Exploration Stage Corporation)
UNAUDITED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
For the period ended
September 30, 2010

(Unaudited – prepared by management)

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

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the interim consolidated financial statements for the period ended September 30, 2010.

NOTICE TO READER OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Management of Eagle Plains Resources Ltd. is responsible for the preparation of the accompanying interim consolidated financial statements as at September 30, 2010.

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

The interim consolidated financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with Canadian Generally Accepted Accounting Principles.

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

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONSOLIDATED BALANCE SHEET
(Unaudited – prepared by management)

	Sep 30 2010 (unaudited)	Dec 31 2009 (unaudited)
Assets		
Current		
Cash and cash equivalents	**$ 1,627,155**	$ 2,741,680
Accounts receivable	**745,973**	751,883
Subscriptions receivable	**-**	25,900
Mineral exploration tax credits recoverable	**54,790**	54,790
	2,427,918	3,574,253
Investment in and advances to related company (Note 9)	**20,020**	20,020
Long term investments (Note 3)	**4,147,921**	3,528,506
Property and equipment (Note 4)	**2,228,437**	1,997,987
Mineral exploration properties (Note 5)	**5,223,549**	5,567,283
	$ 14,047,845	$ 14,688,049
Liabilities and Shareholder's Equity		
Current		
Accounts payable and accrued liabilities	**$ 328,638**	$ 343,151
Long term mortgage (Note 6)	**297,770**	-
Non-controlling interest (Note 15)	**-**	1,314,602
Shareholder's equity		
Share capital (Note 7)	**23,711,459**	23,008,931
Warrants (Note 7)	**668,339**	1,176,891
Contributed surplus (Note7)	**2,371,281**	2,132,402
Accumulated other comprehensive income (Note 14)	**1,163,942**	284,196
Deficit	**(14,493,584)**	(13,572,124)
	13,241,435	13,030,296
	$ 14,047,845	$ 14,688,049

Nature of operations (Note 1)
Commitments and contingencies (Note 10)
Subsequent events (Note 17)

On behalf of the Board:

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

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

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

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – prepared by management)

	Three Months Ended Sep 30 **2010**	Three Months Ended Sep 30 2009	Nine Months Ended Sep 30 **2010**	Nine Months Ended Sep 30 2009
Revenue				
Geological services	**$ 932,858**	$ 522,491	**$ 1,386,240**	$ 852,951
Gold sales	**-**	-	**78,162**	-
	932,858	522,491	**1,464,402**	852,951
Cost and Expenses of Operations				
Geological expenses				
Services	**402,960**	173,522	**678,712**	142,174
Amortization	**18,686**	18,477	**55,368**	56,789
Salaries and subcontractors	**151,662**	189,527	**307,091**	456,137
	573,308	381,526	**1,041,171**	655,100
Mining expenses				
Cost of sales	**(67,966)**	729,139	**(15,115)**	1,103,804
Amortization	**91,302**	55,966	**227,453**	103,980
	23,336	785,105	**212,338**	1,207,784
Gross profit (loss)	**336,214**	(644,140)	**210,893**	(1,009,933)
Expenses				
Administration costs	**206,981**	133,749	**653,547**	424,950
Amortization	**11,605**	7,780	**27,774**	21,273
Professional fees (Note 9)	**29,560**	14,539	**92,252**	64,027
Public company costs	**9,092**	12,024	**41,914**	38,753
Stock compensation expense (Note 7)	**-**	78,037	**238,879**	191,469
Trade shows, travel and promotion	**40,559**	31,852	**102,170**	80,930
	297,797	277,981	**1,156,536**	821,402
Income (loss) before other items	**38,417**	(922,121)	**(945,643)**	(1,831,335)
Other items				
Other income	**46,961**	16,567	**73,742**	75,389
Investment income	**1,769**	1,992	**6,997**	55,767
Option proceeds in excess of carrying value	**179,880**	-	**179,880**	-
Gain (loss) on disposal of equipment	**47,999**	-	**47,999**	(58,194)
Gain (loss) on sale of investments	**106,061**	1,820	**179,233**	(56,169)
Net income (loss) for the period	**421,087**	(901,742)	**(457,792)**	(1,814,542)
Deficit, beginning of period	**(14,914,671)**	(8,195,266)	**(14,035,792)**	(7,282,466)
Deficit, end of period	**$ (14,493,584)**	$ (9,097,008)	**$ (14,493,584)**	$ (9,097,008)
Earnings per share – basic and diluted (Note 8)	**$ 0.01**	$ (0.02)	**$ (0.01)**	$ (0.03)
Weighted average number of shares – basic and diluted (Note 8)	**77,570,892**	67,680,489	**76,937,899**	66,839,290

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

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited – prepared by management)

	Three Months Ended Sep 30		Nine Months Ended Sep 30	
	2010	2009	**2010**	2009
Net income (loss) for the period	**$ 421,087**	$ (901,742)	**$ (457,792)**	$ (1,814,542)
Other comprehensive loss				
Unrealized gain on investments	**1,102,178**	329,981	**700,513**	1,037,225
Reclassification on disposition of investments	**106,061**	-	**179,233**	-
Comprehensive income (loss) for the period	**$ 1,629,326**	$ (571,761)	**$ 421,954**	$ (777,317)

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONSOLIDATED STATEMENTS OF ACCUMULATED OTHER COMPREHENSIVE LOSS
(Unaudited – prepared by management)

	Three Months Ended Jun 30		Nine Months Ended Sep 30	
	2010	2009	**2010**	2009
Accumulated other comprehensive gain (loss) Beginning of period	**$ (44,297)**	$ (1,238,972)	**$ 284,196**	$ (1,946,216)
Other comprehensive income (loss)	**1,208,239**	329,981	**879,846**	1,037,225
Accumulated other comprehensive gain (loss) End of period	**1,163,942**	(908,991)	**1,163,942**	(908,991)
Deficit	**(14,493,584)**	(9,097,008)	**(14,493,584)**	(9,097,008)
Accumulated other comprehensive loss and deficit	**$(13,329,642)**	$ (10,005,999)	**$ (13,329,642)**	$ (10,005,999)

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

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – prepared by management)

	Three Months Ended Sep 30		Nine Months Ended Sep 30	
	2010	2009	**2010**	2009
Cash flows from operating activities				
Income (loss) for the period	**$ 421,087**	$ (901,742)	**$ (457,792)**	$ (1,814,542)
Adjustment for:				
Amortization	**121,593**	82,223	**310,595**	182,042
Stock compensation	**-**	78,037	**238,879**	191,469
Loss (gain) on sale of investments	**(106,061)**	(1,820)	**(179,233)**	56,169
Option proceeds in excess of carrying value	**(179,880)**	-	**(179,880)**	-
Loss on disposal of equipment	-	-	**-**	58,194
	256,739	(743,302)	**(267,431)**	(1,326,668)
Changes in non-cash working capital items				
(Increase) decrease in accounts receivable	**(432,301)**	(375,989)	**31,810**	(476,016)
Increase (decrease) in accounts payable	**7,408**	44,431	**(14,512)**	122,565
	(168,154)	(1,074,860)	**(250,133)**	(1,680,119)
Cash flows from financing activity				
Proceeds from mortgage	**-**	-	**300,000**	-
Mortgage principle repayments	**(585)**	-	**(2,230)**	-
Issue of shares for cash, net	**-**	1,718,503	**-**	1,718,503
Share issuance costs	**-**	-	**(5,424)**	-
	(585)	1,718,503	**292,346**	1,718,503
Cash flows from investing activities				
Decrease (increase) in mineral exploration tax credits recoverable	**-**	-	**-**	624,410
Decrease in due from related party	**-**	-	**-**	163,695
Proceeds from sale of investments	**247,415**	25,740	**692,806**	64,851
Purchase of investments	**-**	(186,430)	**(1,133)**	(189,930)
Purchase of mineral property	**(400,000)**	-	**(400,000)**	-
Cash received for option payments	**70,000**	70,000	**165,000**	70,000
Exploration of mineral exploration properties	**(502,500)**	(462,339)	**(950,518)**	(1,845,270)
Purchase of property and equipment	**(160,127)**	(204,637)	**(662,893)**	(1,029,370)
	(745,212)	(827,666)	**(1,156,738)**	(2,141,614)
Decrease in cash and cash equivalents	**(913,951)**	(184,023)	**(1,114,525)**	(2,103,230)
Cash and cash equivalents, beginning of period	**2,541,106**	1,860,365	**2,741,680**	3,779,572
Cash and cash equivalents, end of period	**$ 1,627,155**	$ 1,676,342	**$ 1,627,155**	$ 1,676,342
Cash and cash equivalents comprise:				
Bank deposits	**$ 903,403**	$ 843,483	**$ 903,403**	$ 843,483
Term deposits	**723,752**	832,859	**723,752**	832,859
	$ 1,627,155	$ 1,676,342	**$ 1,627,155**	$ 1,676,432

The Company made no cash payments for income taxes.
The Company made cash payments of $8,154 for interest.

1. Nature and Continuance of Operations

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

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

2. Significant Accounting Policies

Management has prepared the interim consolidated financial statements of the Company in accordance with Canadian generally accepted accounting principles. These unaudited interim consolidated financial statements and notes are prepared using accounting policies consistent with the Company's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2009.

The preparation of interim consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The 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) Principles of consolidation
The interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Terralogic Exploration Inc. All significant intercompany balances and transactions have been eliminated.

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

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

The Company has designated its cash and cash equivalents as held-for trading, which are measured at fair value. Long-term investments are classified as available-for-sale and are recorded at fair value with changes

2. Significant Accounting Policies - continued

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 and investment in and advances to related company are classified as receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and long term debt are classified as other financial liabilities, which are measured at amortized cost. Transaction costs are expensed as incurred.

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

	September 30 2010		December 31 2009	
	Carrying Value	**Estimated Fair Value**	Carrying Value	Estimated Fair Value
Held-for-trading				
Cash and cash equivalents	**$1,627,155**	**$1,627,155**	$2,741,680	$2,741,680
Receivables				
Accounts receivable	**745,973**	**745,973**	777,783	777,783
METC receivable	**54,790**	**54,790**	54,790	54,790
Available-for-sale financial assets				
Investments	**4,147,921**	**4,147,921**	3,528,506	3,528,506
Other financial liabilities				
Payables and accrued liabilities	**328,638**	**328,638**	343,151	343,151
Mortgage	**297,770**	**297,770**	-	-

c) Cash and cash equivalents
Cash and cash equivalents consist of cash on hand, bank balances, term deposits and investments with maturities of three months or less from the date of purchase, with little or no credit or interest rate risk.

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

e) Investments
Securities acquired under option agreements executed with option partners on the Company's mineral properties are recorded at the "fair value" as determined by management. Fair value is based on closing market prices for publicly traded shares without recognizing the possible effects of price fluctuations, quantities traded and similar items. The fair value may or may not approximate trading prices at the time the agreement is executed.

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

f) Property and equipment
Property and equipment is recorded at cost. Amortization is determined using the declining balance method, using the rates below which approximate the estimated useful life of the asset:

Automotive	- 30% per annum
Building	- 4% per annum
Computer equipment	- 30% and 45% per annum
Computer software	- 100% per annum

2. Significant Accounting Policies - continued

Furniture and equipment	- 20% per annum
Leasehold improvements	- straight line over 6 years
Ore processing equipment	- 30% per annum
Dewatering pipeline	- 6% per annum

g) Asset retirement obligations

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

h) Flow-through shares

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

i) Per share amounts

Basic loss per common share is computed by dividing the net loss for the period 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 year.

j) Income taxes

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

k) Revenue recognition

Revenue associated with the geological services provided by the Company’s wholly owned subsidiary TerraLogic Exploration Inc (formerly Bootleg Exploration Inc) is recognized when services are performed under an agreement with a customer, and collection of any resulting receivable is reasonably assured.

l) Stock-based compensation plan

The Company has an equity incentive plan which is described in Note 7. The fair value of options to purchase common shares is calculated at the date of grant using the Black-Scholes option-pricing model and that value is recorded as compensation expense over the option’s vesting period with an offsetting credit to contributed surplus. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon re-measurement. Upon exercise of the share purchase option, the associated amount is reclassified

2. Significant Accounting Policies - continued

from contributed surplus to share capital. Consideration paid by employees upon exercise of share purchase options is credited to share capital. The Company has not incorporated an estimated forfeiture rate for stock options that will not vest; rather the Company accounts for actual forfeitures as they occur.

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

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

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

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

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

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

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

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

2. Significant Accounting Policies - continued

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

s) New accounting policies not yet adopted

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. The Company has done preliminary reviews of financial reporting and do not anticipate any material changes to financial statement presentation and are presently reviewing note disclosure requirements under IFRS.

(i) Section 1582, "Business Combinations"

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

(ii) Section 1601, "Consolidated Financial Statements"

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

(iii) Section 1602, "Non-controlling Interests"

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

(v) Section 1625, "Comprehensive Revaluation of Assets and Liabilities"

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

2. Significant Accounting Policies - continued

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

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

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

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

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

3. Investments

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

	September 30, 2010		December 31, 2009	
	Market Value	Cost	Market Value	Cost
Common shares in public companies	$ 3,329,188	$ 2,138,246	$ 2,710,906	$ 2,359,110
Common shares in private companies	477,001	544,000	477,001	544,000
Guaranteed investment certificates	341,732	341,732	340,599	340,599
	$ 4,147,921	$ 3,023,978	$ 3,528,506	$ 3,243,709

For securities traded in an active market, market value is based on the quoted closing prices of the securities at September 30, 2010. 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 has been written down to reflect impairment in value as the securities are 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 November 19, 2012. 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 $1,163,942 (2009 - $284,196) is a result of the difference between original cost and fair value as at September 30, 2010.

4. Property and Equipment

	Sep 30 2010 Cost	Sep 30 2010 Accumulated Amortization	Dec 31 2009 Cost	Dec 31 2009 Accumulated Amortization
Land	**$ 298,856**	**$ -**	$ 230,216	$ -
Building	**848,258**	**41,837**	301,352	26,711
Automotive	**446,088**	**196,346**	416,014	113,421
Computer equipment and software	**256,775**	**203,061**	214,516	175,933
Furniture and equipment	**303,699**	**140,074**	329,596	107,371
Ore processing equipment	**1,144,163**	**520,855**	1,179,025	253,722
Dewatering pipeline	**34,863**	**2,092**	-	-
Leasehold improvements	**38,640**	**38,640**	38,640	34,214
	$ 3,371,342	**$ 1,142,905**	$ 2,709,359	$ 711,372
Net Book Value	**$ 2,228,437**		$ 1,997,987	

5. Mineral Properties

During the third quarter, acquisition and exploration expenditures totalled $502,500 (2009 - $461,451) and grants, option payments, and mineral tax credits totalled $249,500 (2009 - $20,000). Of the total acquisition and exploration expenditures, $187,882 (2009 - $31,293) was expended in B.C., $0 (2009 - $1,718) in the Northwest Territories, $206,792 (2009 – $96,737) in the Yukon and $107,826 (2009 – $3,581) in Saskatchewan. The Company acquired a 100% interest in the Yellowjacket property for cash and shares of Eagle Plains with a resultant write down of the property of $1,016,425.

The Company's subsidiary, TerraLogic Exploration Inc, carried out exploration programs on behalf of option partners on various optioned properties totalling $841,562 (2009 – $522,491) in the quarter.

The Company has interests in a number of optioned exploration projects. As at September 30, 2010, the Company had executed option agreements with third parties on the following projects:

Option Agreements - Third party earn in

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

5. Mineral Properties - continued

a) Baska-Eldorado Project – continued

Shares to be released from escrow as follows:

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

b) **Bohan Project:** On September 20, 2010, the Company executed a property purchase agreement with Active Growth Capital Inc. ("Active Growth") whereby Active Growth may purchase 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 has 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, it is expected that 10% (or 200,000 shares) will be 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. Closing of the acquisition is subject to the acceptance for filing by the Exchange.

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.

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 south-western British Columbia. In order to exercise the option and acquire a 100% interest in the property Heemskirk is required to make cash payments totalling $240,000 plus a production royalty on material extracted. Heemskirk has made the first two payments required, totalling $40,000, and must pay Eagle Plains $200,000 by June 30, 2012 to complete the option terms.

d) **Eagle Lake Project:** On September 11, 2009, the Company completed an option agreement whereby Sandstorm Metals & Energy Ltd. can earn a 60% interest in Eagle Plains' 100% owned mineral property, located in north-central Saskatchewan, by making exploration expenditures of $3,000,000 and completing payments of 850,000 shares and $495,000 cash by the fifth anniversary. A 1% NSR is reserved for Eagle Plains. Payments are due as follows:

5. Mineral Properties - continued

d) Eagle Lake Project – continued

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 10,000		$ -	Date of agreement (received)
20,000	50,000	-	Date of Regulatory approval (received)
20,000	50,000	200,000	May 13, 2011
25,000	50,000	50,000	May 13, 2012
50,000	200,000	500,000	May 13, 2013
120,000	200,000	1,000,000	May 13, 2014
250,000	300,000	1,250,000	May 13, 2015
$ 495,000	850,000	$ 3,000,000	

e) **Elsiar Project:** On July 12, 2010, the Company completed an option agreement whereby 0802906 B.C. LTD. 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. A 1% NSR is reserved for a third party. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 25,000	100,000	$ -	Date of agreement (received cash)
-	-	100,000	December 31, 2010
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
-	-	1,800,000	December 31, 2013
75,000	300,000	-	July 12, 2014
$ 250,000	1,000,000	$ 3,000,000	

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

5. Mineral Properties - continued

g) **Iron Range Project:** On May 18, 2010, Eagle Plains Resources Ltd ("Eagle Plains") and Providence Capital Corp ("Providence") entered into an option agreement on Eagle Plains' 100% owned Iron Range project located in south-eastern BC. Under the terms of the agreement, Providence 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 shares to Eagle Plains over 4 years. Upon Providence exercising its option, a 60/40 Joint Venture between Providence and Eagle Plains will be established. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 25,000	100,000	$ -	On exchange approval – June 3, 2010 (received)
-	-	200,000	December 31, 2010
50,000	100,000	-	June 3, 2011
-	-	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
$ 500,000	1,000,000	$ 3,000,000	

h) **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 may increase its interest to 75% by delivering a pre-feasibility study before December 31, 2016. A 1% NSR is held in favour of a third party, and may be purchased at any time for $1,000,000. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 10,000	50,000	$ -	On exchange approval – July 23, 2010 (received)
-	-	100,000	December 31, 2009 (completed)
30,000	50,000	200,000	July 23, 2011
70,000	100,000	500,000	July 23, 2012
100,000	100,000	800,000	July 23, 2013
190,000	200,000	1,400,000	July 23, 2014
$ 400,000	500,000	$ 3,000,000	

i) **Karin Lake Project:** On July 12, 2010, Eagle Plains Resources 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
50,000	100,000	-	June 15, 2011
-	-	300,000	December 31, 2011
75,000	200,000	-	June 15, 2012
-	-	500,000	December 31, 2012

5. Mineral Properties - continued

i) Karin Lake Project – continued

Cash Payments	Share Payments	Exploration Expenditures	Due Date
100,000	300,000	-	June 15, 2013
-	-	750,000	December 31, 2013
250,000	300,000	-	June 15, 2014
-	-	1,250,000	December 31, 2014
$ 500,000	1,000,000	$ 3,000,000	

j) **Sphinx Project:** On July 16, 2009 the Company executed a property purchase agreement with Touchdown Resources Inc. (formerly 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 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.

Share Instalments	Due Date
200,000	October 15, 2009 (received)
300,000	April 15, 2010 (received)
300,000	October 15, 2010 (received)
300,000	April 15, 2011
300,000	October 15, 2011
300,000	April 15, 2012
300,000	October 15, 2012
2,000,000	

k) **Wildhorse Project:** On March 11, 2010, Eagle Plains Resources Ltd. and Excelsior Mining Corp ("Excelsior") 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. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 5,000	-	$ -	On execution of agreement (received)
5,000	100,000	-	On exchange approval - May 14, 2010 (received)
-	-	200,000	December 31, 2010
25,000	100,000	-	May 14, 2011
		300,000	December 31, 2011
50,000	200,000	-	May 14, 2012
		500,000	December 31, 2012

5. Mineral Properties - continued

j) **Wildhorse Project** – continued

Cash Payments	Share Payments	Exploration Expenditures	Due Date
75,000	300,000	-	May 14, 2013
		750,000	December 31, 2013
90,000	300,000	-	May 14, 2014
		1,250,000	December 31, 2014
$ 250,000	1,000,000	$ 3,000,000	

l) **Atlin Project (Yellowjacket):** In 2009, the Company acquired a 40% interest in the Yellowjacket Gold Mine Project located east of Atlin, BC. Eagle Plains and Prize Mining Corp. ("Prize Mining") executed a formal agreement whereby the two parties formed a joint-venture (Note 15), "Yellowjacket Joint Venture", to immediately facilitate the production of gold and conduct further exploration and development of the Yellowjacket Zone on the Atlin Gold Property. Under terms of the agreement, Eagle Plains purchased a 40% interest in the project by providing $2,000,000 in working capital, effective at closing of the agreement. These funds were used to clear existing liens and obligations on the Property, in addition to completing upgrades of the existing mill facility and covering costs related to engineering, permitting and environmental compliance. There is an underlying option agreement with a third party which requires option payments of $200,000 by January 15, 2010 (paid) and an additional $200,000 by January 15, 2011 and reserves a 1.5% NSR for the third party.

A number of cash calls were made to Prize Mining during 2009. Prize Mining was unable to meet these cash calls whereby Eagle Plains increased their interest in the joint venture. The JV ownership ratio resulting from this dilution resulted in ownership interest changing to 59.62% for Eagle Plains and 40.38% for Prize Mining.

On August 18, 2010, Eagle Plains Resources Ltd announced the execution of a formal agreement whereby Eagle Plains purchased from Prize Mining Ltd. the remaining beneficial right, title and interest in the Yellowjacket Project, including mineral and placer rights, and all equipment and infrastructure currently in place on the Yellowjacket mine site by making a cash payment of four hundred thousand ($400,000) dollars Canadian and issuing two million (2,000,000) common shares of Eagle Plains Resources.

6. Long term debt

	Sep 30 2010	Sep 30 2009
Mortgage, secured by land and building, repayable in monthly payments of $1,888 including interest at 5.75%, maturing April 2015	**$ 297,770**	$ -

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.

7. Equity Instruments - continued

b) Issued and outstanding

	Number of shares	Amount	Warrants	Contributed Surplus
Balance, December 31, 2008	63,305,598	$ 21,091,699	$ 508,552	$ 1,860,189
Issuance of shares - flow-through financing	3,704,272	846,100		
Issuance of shares - private placement	9,604,500	1,890,960		
Black Scholes value of warrants issued		(668,339)	668,339	
Stock-based compensation				302,213
Share issue costs, net of tax effect		(151,529)		
Balance, December 31, 2009	76,614,370	$ 23,008,931	$ 1,176,891	$ 2,132,402
Share issue costs		(5,424)		
Warrants expired		508,552	(508,552)	
Effect of prior year FIT entries		(40,600)		
Stock-based compensation				238,879
Issuance of shares - mineral properties	2,000,000	240,000		
Balance, September 30, 2010	**78,614,370**	**$ 23,711,459**	**$ 668,339**	**$ 2,371,281**

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

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

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

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

2010 share issuance
In the third quarter, the Company issued 2,000,000 shares pursuant to the purchase of 100% of the Yellowjacket Joint Venture mineral property and assets.

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

7. Equity Instruments - continued

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.

As at **September 30, 2010**, the Company has the following stock options outstanding:

Total issued and outstanding	Number of Options [1]	Option Price per Share Range [2]	Weighted Average Exercise Price
Balance, December 31, 2008	6,038,000	$0.25 - $1.40	$0.64
Options issued	720,000	$0.40	$0.40
Options expired/cancelled	(1,425,000)	($0.40 - $1.00)	($0.46)
Balance, December 31, 2009	5,333,000	$0.40	$0.40
Options expired/cancelled	(1,463,000)	($0.40)	($0.40)
Options issued	2,485,000	$0.25	$0.25
Balance, September 30, 2010	**6,355,000**	**$0.25 - $0.40**	**$0.34**

[1] At September 30, 2010, 940,000 options are subject to the Plan of Arrangement. 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%.

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

The following table summarizes information about stock options outstanding at **September 30, 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**
845,000	**$0.40**	**$0.40**	**0.25 years**	**845,000**	**$0.40**
95,000	**$0.40**	**$0.40**	**0.75 years**	**95,000**	**$0.40**
600,000	**$0.40**	**$0.40**	**1.25 years**	**600,000**	**$0.40**
175,000	**$0.40**	**$0.40**	**1.25 years**	**175,000**	**$0.40**
115,000	**$0.40**	**$0.40**	**1.50 years**	**115,000**	**$0.40**
100,000	**$0.40**	**$0.40**	**2.25 years**	**100,000**	**$0.40**
1,260,000	**$0.40**	**$0.40**	**2.75 years**	**1,260,000**	**$0.40**
680,000	**$0.40**	**$0.40**	**3.75 years**	**680,000**	**$0.40**
2,485,000	**$0.25**	**$0.25**	**4.50 years**	**1,242,500**	**$0.25**
6,355,000		**$0.34**		**5,112,500**	**$0.36**

7. Equity Instruments - continued

d) Compensation expense for share options

As at September 30, 2010, $238,879 (2009 – $191,469) has been recorded as stock based compensation related to the options issued and vested during the year.

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

	2010	2009
Expected annual volatility	**92%**	81 - 93%
Expected risk free rate	**3.1 %**	2.3 - 3.5%
Expected term	**5 yrs**	5 yrs
Expected dividends	**Nil**	Nil
Fair value	**$0.16**	$0.15 – 0.22

e) Warrants outstanding

At **September 30, 2010**, the Company has the following share purchase warrants outstanding:

	Number	Price
Balance, December 31, 2008	5,241,300	$1.00
Issued	8,020,140	$0.18 - $0.30
Balance, December 31, 2009	13,261,440	$0.18 - $1.00
Expired	(5,241,300)	($1.00)
Balance, September 30, 2010	**8,020,140**	**$0.18 - $0.30**

The following table summarizes information about warrants outstanding at **September 30, 2010:**

Expiry	Number	Price
December 11, 2010	270,254	$0.18
June 11, 2011	1,924,261	$0.30
June 23, 2011	156,375	$0.30
August 18, 2011	575,500	$0.20
August 18, 2011	5,093,750	$0.30
	8,020,140	$0.18 - $0.30

The Company issued 8,020,140 warrants as part of the 2009 private placement financings noted in Note 7(b). The warrants were valued at $668,339 using the Black-Scholes option pricing model on the date of grant and were included in warrants at December 31, 2009. The grant-date fair value for the warrants was estimated using the following weighted average assumptions: no dividends are to be paid; annual volatility of 99%; risk free rate of 1.38%; and expected life of 1.84 years.

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.

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 September 30, 2010 of 76,937,899 shares (2009 – 67,680,489).

The effect of potentially dilutive securities with respect to stock options and warrants is that none are assumed exercised (2009 – nil) and no shares are assumed purchased (2009 – nil).

Excluded from the computation of diluted earnings per share were:

- 8,020,140 (2009 – 5,816,800) warrants with an average exercise price greater than the average market price of the Company's common shares.
- 6,355,000 (2009 – 5,423,000) 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 September 30, 2010 Eagle Plains' interest in Apex is as follows:

	2010	2009
Shareholder loan, interest free, no specific terms of repayment	**$ 20,000**	$ 20,000
Shares in Apex	**20**	20
	$ 20,020	$ 20,020

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

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

	2010	2009
Management fees received	**$ 7,500**	$ 7,500
Invoiced CPY for services provided by EPL	**10,018**	8,566
Invoiced CPY for services provided by Terralogic	**135,456**	7,296

At September 30, 2010, $28,201 (2009 - $5,874) is included in accounts receivable.

(c) Included in administration expenses is $1,500 (2009 - $1,650) paid for accounting services and related expenses to a director and officer of the Company.

(c) Included in professional fees is $29,316 (2009 - $7,633) paid for legal fees to a law firm of which one of the directors is a partner. At September 30, 2010, $22,110 (2009 - $8,014) is included in accounts payable and accrued liabilities.

(d) Included in administration expenses is $17,250 (2009 – $17,250) paid for consulting fees to a company controlled by a director and officer of the Company.

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

10. Commitments and Contingencies

The Company is committed to incur exploration expenditures of $820,140 in 2010 to meet the renouncement requirements from the issuance of flow-through shares in August and December 2009, of which $538,315 must be expended in British Columbia. At September 30, 2010, expenditures of $497,291 have been completed, of which $189,366 have been expended in BC.

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

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

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

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.

	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 1,627,155	$ -	$ -	$ 1,627,155
Investments	$ 3,270,920	$ -	$ 477,001	$ 4,147,921

As disclosed in Note 2 (c), the Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to concentration risk, credit risk, currency risk and price risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

a) Concentration risk
At September 30, 2010 and 2009, substantially all of the Company's cash was held at two recognized Canadian National financial institutions. As a result, the Company was exposed to all of the risks associated with those institutions.

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

11. Financial Instruments - continued

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. At September 30, 2010, the Company has cash of $27,881 in US$ accounts.

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

12. Statement of Cash Flow

a) At September 30, 2010, the Company held cashable guaranteed investment certificates (GIC's) and term deposits bearing interest rates from 1.04% to 1.08% (2009 – 0.10% to 0.25%) with maturity terms of October 15, 2010 (2009 – October 2, 2009 to October 13, 2009). All of these investments have maturity terms of 30 days or less and have been treated as cash equivalents.

b) Pursuant to certain mineral property option agreements the Company received 650,000 (2009 – 100,000) shares with an attributed value of $179,500 (2009 - $20,000).

13. Income Taxes

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

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

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

Nature of temporary differences	2009	2008
Property and equipment	$ 491,287	$ (700,130)
Investments	(40,600)	255,201
Unused tax losses carried forward	459,431	-
Cumulative eligible capital	2,918	3,263
Share issue costs	78,929	73,707
Future income tax	991,966	(367,959)
Valuation allowance	(991,966)	(255,201)
Future income tax liability	$ -	$ (623,160)

13. Income Taxes - continued

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

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

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

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

2029	$1,837,725

14. Accumulated other comprehensive income (loss)

No future income tax liability has been recorded as a result of this accumulated other comprehensive gain because it is not considered more likely than not that the potential benefits will be realized.

15. Joint Venture Operation

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. Eagle Plains now holds a 100% interest in the project, subject to a 1.5% NSR. The YJV has now 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 Plains common shares. These shares are subject to escrow restrictions over a two year period.

16. Capital management

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

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and

16. Capital management - continued

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 September 30, 2010. The Company is not subject to externally imposed capital requirements.

17. Subsequent Events

On October 15, 2010, the Company received 300,000 shares of Touchdown Resources Inc. as per the property purchase agreement on the Sphinx project.

18. Comparative figures

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

	Jun 30 2010	Acquisition and Exploration	Grants, Option Payments & Mineral Tax Credits	Write down of mineral properties	Option Proceeds in excess of carrying value	**Sep 30 2010**
British Columbia	$ 2,799,965	$ 104,449	$ (120,500)	$ -	$ 85,708	**$ 2,869,622**
Atlin-Yellowjacket	2,844,192	83,433	-	(1,016,425)	-	**1,911,200**
NW Territories	706	-	-	-	-	**706**
Yukon Territory	235,642	206,792	-	-	-	**442,434**
Saskatchewan	(73,411)	107,826	(129,000)	-	94,172	**(413)**
	$ 5,807,094	$ 502,500	$ (249,500)	$(1,016,425)	$ 179,880	**$ 5,223,549**

	Jun 30 2009	Acquisition and Exploration	Grants, Option Payments & Mineral Tax Credits	Sep 30 2009
British Columbia	$3,574,612	$ 31,293	$ (20,000)	$ 3,585,905
Atlin-Yellowjacket	1,065,000	328,122	-	1,393,122
NW Territories	3,887,414	1,718	-	3,889,132
Yukon Territory	59,283	96,737	-	156,020
Saskatchewan	84,444	3,581	-	88,025
	$8,670,753	$ 461,451	$ (20,000)	$ 9,112,204