EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
INTERIM FINANCIAL STATEMENTS
For the period ended
September 30, 2009

(Unaudited – prepared by management)

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

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company disclosed that its auditors have not reviewed the unaudited consolidated financial statements for the period ended September 30, 2009.

NOTICE TO READER OF THE
INTERIM FINANCIAL STATEMENTS

The consolidated financial statements of Eagle Plains Resources Ltd. and the accompanying interim consolidated financial statements as at September 30, 2009 are the responsibility of the Company's management.

These consolidated 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 consolidated 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 2009 (unaudited)	Dec 31 2008 (unaudited)
Assets		
Current		
Cash and cash equivalents	**$ 1,676,342**	$ 3,779,572
Accounts receivable	**1,228,335**	752,320
Mineral exploration tax credits recoverable	**51,777**	676,187
Due from related company	**-**	163,695
	2,956,454	5,371,774
Investments (Note 3)	**2,698,630**	1,506,995
Property and equipment (Note 4)	**1,598,114**	808,980
Mineral exploration properties (Note 5)	**9,112,204**	7,422,433
	$ 16,365,402	$ 15,110,182
Liabilities and Shareholder's Equity		
Current		
Accounts payable and accrued liabilities	**$ 407,829**	$ 285,264
Future income tax (Note 12)	**623,160**	623,160
	1,030,989	908,424
Shareholder's equity		
Share capital (Note 6)	**22,810,202**	21,091,699
Warrants (Note 6)	**562,829**	508,552
Contributed surplus (Note 6)	**1,967,381**	1,830,189
Accumulated other comprehensive loss (Note 13)	**(908,991)**	(1,946,216)
Deficit	**(9,097,008)**	(7,282,466)
	15,334,413	14,201,758
	$ 16,365,402	$ 15,110,182

Nature of operations (Note 1)
Commitments and contingencies (Note 9)
Subsequent events (Note 15)

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 **2009**	Three Months Ended Sep 30 2008	Nine Months Ended Sep 30 **2009**	Year Ended Dec 31 2008
Revenue				
Geological services	$ **522,491**	1,241,413	$ **852,951**	$ 2,255,956
Geological expenses				
Services	**173,522**	836,023	**142,174**	1,523,371
Amortization	**18,477**	23,360	**56,789**	94,223
Salaries and subcontractors	**189,527**	132,182	**456,137**	264,256
	381,526	991,565	**655,100**	1,881,850
Income before other expenses	**140,965**	249,848	**197,851**	374,106
Expenses				
Administration costs	**133,749**	160,840	**424,950**	728,028
Bad debts	-	279,099	-	279,099
Trade shows, travel and promotion	**31,852**	36,282	**80,930**	152,132
Stock Compensation expense	**78,037**	-	**191,469**	510,388
Public company costs	**12,024**	11,662	**38,753**	44,860
Professional fees	**14,539**	71,087	**64,027**	192,928
Mining expenses	**813,251**	**-**	**1,187,916**	**-**
Write down of mineral properties	-	-	-	6,139,091
Amortization	**63,746**	7,558	**125,253**	29,278
	1,147,198	566,528	**2,113,298**	8,075,804
Loss before other items	**(1,006,233)**	(316,680)	**(1,915,447)**	(7,701,698)
Other items				
Option proceeds in excess of carrying value	**-**	-	**-**	856,403
Other income	**100,679**	17,328	**159,501**	226,744
Investment income	**1,992**	47,423	**55,767**	190,814
Loss on sale of equipment	**-**	-	**(58,194)**	-
Gain (loss) on sale of investments	**1,820**	-	**(56,169)**	(31,060)
Loss before income tax	**(901,742)**	(251,929)	**(1,814,542)**	(6,458,797)
Future income tax recovery (Note 12)	**-**	**-**	**-**	1,936,260
Net loss for the period	**(901,742)**	(251,929)	**(1,814,542)**	(4,522,537)
Deficit, beginning of period	**(8,195,266)**	(3,044,713)	**(7,282,466)**	(2,279,929)
Deficit, end of period	**$ (9,097,008)**	$ (3,296,642)	**$ (9,097,008)**	$ (7,282,466)
Earnings per share – basic (Note 7)	**$ (0.0135)**	$ (0.0040)	**$ (0.0273)**	$ (0.0729)
- diluted (Note 7)	**$ (0.0135)**	$ (0.0040)	**$ (0.0273)**	$ (0.0729)
Weighted average number of shares – basic (Note 7)	**67,680,489**	63,305,598	**66,839,290**	62,002,982
- diluted Note 7)	**67,680,489**	63,305,598	**66,839,290**	62,002,982

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

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

	Three Months Ended Sep 30 **2009**	Three Months Ended Sep 30 2008	Nine Months Ended Sep 30 **2009**	Year Ended Dec 31 2008
Net loss for the period	**$ (901,742)**	**$** (251,929)	**$ (1,814,542)**	$ (4,522,537)
Other comprehensive loss				
Unrealized gain (loss) on marketable securities	**329,981**	(710,892)	**1,037,225**	(1,863,868)
Comprehensive loss for the period	**$ (571,761)**	$ (962,821)	**$ (777,317)**	$ (6,386,405)

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

	Three Months Ended Sep 30 **2009**	Three Months Ended Sep 30 2008	Nine Months Ended Sep 30 **2009**	Year Ended Dec 31 2008
Accumulated other comprehensive loss – beginning of period	**$ (1,238,972)**	**$** (722,788)	**$ (1,946,216)**	$ (82,348)
Other comprehensive loss				
Unrealized gain (loss) on Investments	**329,981**	(710,892)	**1,037,225**	(1,863,868)
Accumulated other comprehensive loss – end of period	**$ (908,991)**	$ (1,433,680)	**$ (908,991)**	$ (1,946,216)

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 **2009**	Three Months Ended Sep 30 2008	Nine Months Ended Sep 30 **2009**	Year Ended Dec 31 2008
Cash flows from operating activities				
Loss for the period	**$ (901,742)**	$ (251,929)	**$ (1,814,542)**	$ (4,522,537)
Adjustment for:				
Amortization	**82,223**	30,918	**182,042**	123,501
Bad debts	-	-	-	279,099
Stock compensation	**78,037**	-	**191,469**	510,388
Option proceeds in excess of carrying value	**-**	-	**-**	(856,403)
Write down of mineral properties	-	-	-	6,139,091
Loss (gain) on sale of investments	**(1,820)**	-	**56,169**	31,060
Loss on sale of equipment	**-**	-	**58,194**	-
Future income tax expense	-	-	**-**	(1,936,260)
	(743,302)	(221,011)	**(1,326,668)**	(232,061)
Changes in non-cash working capital items				
Decrease (increase) in accounts receivable	**(375,989)**	744,970	**(476,016)**	250,678
Increase (decrease) in accounts payable	**44,431**	16,965	**122,565**	(175,180)
	(1,074,860)	540,924	**(1,680,119)**	(156,563)
Cash flows from financing activity				
Share issuance costs	**-**	-	**-**	(30,809)
Issue of shares for cash, net	**1,718,503**	-	**1,718,503**	2,028,608
	1,718,503	-	**1,718,503**	1,997,799
Cash flows from investing activities				
Decrease (increase) in mineral exploration tax credits recoverable	**-**	-	**624,410**	(84,456)
Purchase investments	**(186,430)**	(6,000)	**(189,930)**	(64,905)
Decease in due from related party	-	10,439	**163,695**	166,385
Proceeds from sale of investments	**25,740**	-	**64,851**	17,490
Cash received for option payments	**-**	10,000	**70,000**	133,000
Development of mineral exploration properties	**(133,331)**	(1,985,926)	**(452,149)**	(4,165,830)
Development of mining operation	**(329,008)**	-	**(1,393,121)**	-
Purchase of equipment	**(204,637)**	(8,782)	**(1,029,370)**	(230,534)
	(827,666)	(1,980,269)	**(2,141,614)**	(4,228,850)
Decrease in cash and cash equivalents	**(184,023)**	(1,439,345)	**(2,103,230)**	(2,387,614)
Cash and cash equivalents, beginning of period	**1,860,365**	6,304,881	**3,779,572**	6,167,186
Cash and cash equivalents, end of period	**$ 1,676,342**	$ 4,865,536	**$ 1676,342**	$ 3,779,572
Cash and cash equivalents comprise:				
Bank deposits	**$ 843,483**	$ (507,965)	**$ 843,483**	$ 59,296
Term deposits	**832,859**	5,373,501	**832,859**	3,720,276
	$ 1,676,342	$ 4,865,536	**$ 1,676,342**	$ 3,779,572

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

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

1. Nature of Operations

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

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

2. Significant Accounting Policies

Management has prepared the consolidated financial statements of the Company in accordance with Canadian generally accepted accounting principles. The preparation of 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 consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The 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) <u>Changes in accounting policies</u>
Effective January 1, 2009, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

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

(ii) Section 1400, "General Standards of Financial Statement Presentation"
This standard includes requirements for Management to assess and disclose an entity's ability to continue as a going concern. This standard applies to interim and financial statements relating to fiscal years beginning on or after January 1, 2009. The adoption of this standard has had no impact on the Company's financial statements.

(iii) EIC-173, "Credit Risk and Fair Value of Financial Assets and Financial Liabilities"
Emerging Issues Committee Abstract 173 (EIC-173), "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities," was issued by the CICA in January 2009. EIC-173 provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC-173 is applicable for the Company's interim and annual consolidated financial statements for its fiscal

2. Significant Accounting Policies - continued

year ending December 31, 2009, with retroactive application. The adoption of EIC-173 did not impact the consolidated financial statements of the Company.

(iv) EIC-174, "Mining Exploration Costs"
In March 2009, Emerging Issues Committee Abstract 174 (EIC-174), "Mining Exploration Costs," was issued by the CICA. EIC-174 supersedes EIC-126, "Accounting by Mining Enterprises for Exploration Costs," and provides additional guidance for mining exploration enterprises on the accounting for capitalization of exploration costs and when an impairment test of these costs is required. EIC-174 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year ending December 31, 2009, with retroactive application. The adoption of EIC – 174 did not impact the consolidated financial statements of the Company.

b) Future Changes in Accounting Policies

(i) Section 1506, "Accounting Changes"
This Section has been amended to exclude from its scope changes in accounting policies upon the complete replacement of an entity's primary basis of accounting. The amendment applies to interim and annual financial statements relating to fiscal years beginning on or after July 1, 2009. The Company does not expect this amendment to have any impact on its consolidated financial statements.

(ii) Section 3862, "Financial Instruments - Disclosures"
This Section has been amended to include additional disclosure requirements about fair value measurements of financial instruments and to enhance liquidity risk disclosure requirements for publicly accountable enterprises. The amendments apply to annual financial statements relating to fiscal years ending after September 30, 2009 and as such, the Company will include the required disclosure in its annual consolidated financial statements for the year ending December 31, 2009.

(iii) 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. The Company does not expect this amendment to have any impact on its consolidated financial statements.

(iv) 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 these sections is permitted. The Company does not expect this amendment to have any impact on its consolidated financial statements.

(v) 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

2. Significant Accounting Policies - continued

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. The Company does not expect this amendment to have any impact on its consolidated financial statements.

(vi) 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 Financials 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.

(vii) 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.

(viii) 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.

c) Capital
Our objectives when managing capital are to safeguard the Company’s assets while at the same time maximizing the growth of the Company and returns to its shareholders. The Company defines its capital as shareholders’ equity and cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets, incur debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

2. Significant Accounting Policies - continued

d) 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 in the income statement, 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. Amounts receivable are classified as receivables, which are measured at amortized cost. Long-term investments are classified as available for sale and are measured at fair value with changes in fair value recorded in other comprehensive income. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

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

	September 30 2009		December 31 2008	
	Carrying Value	**Estimated Fair Value**	Carrying Value	Estimated Fair Value
Held-for-trading				
Cash and cash equivalents	**1,676,342**	**1,676,342**	3,779,572	3,779,572
Receivables				
Accounts receivable	**1,228,335**	**1,228,335**	752,320	752,320
Due from related company	**-**	**-**	163,695	163,695
Mineral exploration tax credits	**51,777**	**51,777**	676,187	676,187
Available-for-sale financial assets				
Investments	**2,698,630**	**2,698,630**	1,506,995	1,506,995
Other financial liabilities				
Payables and accrued liabilities	**407,829**	**407,829**	285,264	285,264

e) Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Bootleg Exploration Inc. The accounts include the Company's proportionate share of its interest in the joint venture, Yellowjacket Venture. All significant intercompany balances and transactions have been eliminated.

f) Comparative Figures

Certain of the prior year comparatives have been reclassified to conform to the current year's presentation.

2. Significant Accounting Policies - continued

g) Mineral exploration properties

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

Management of the Company reviews and evaluates the carrying value of each mineral property for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. If the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is recognized and the asset written down to fair value which is normally determined using the discounted value of future cash flows. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether carrying value can be recovered by considering alternative methods of determining fair value.

h) 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. As such, the related capitalized mining expenditures are also reduced by the fair value of the investment received.

i) Property and equipment

Property and equipment consists of land, building, automotive, computers, office and field equipment, ore processing equipment and leasehold improvements, and 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:

Building	- 4% per annum
Automotive	- 30% per annum
Computer	- 30% and 45% per annum
Computer software	- 100% per annum
Furniture and equipment	- 20% per annum
Ore processing equipment	- 30%
Leasehold improvements	- straight line over 6 years

j) Asset retirement obligations

At September 30, 2009 and 2008, the Company estimate for asset retirement obligations is not material. The Company has currently made no provision for site restoration costs or potential environmental liabilities as all properties are still in the exploration stages. A liability for the fair value of environmental and site restoration obligations will be recorded when the obligations are

2. Significant Accounting Policies - continued

incurred. For the Company, significant obligations will be incurred at the time the related assets are brought into production.

k) Flow-through shares
The resource expenditure deductions for income tax purposes related to exploratory 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 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 renunciation.

l) 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.

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

n) 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 on 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.

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

2. Significant Accounting Policies - continued

p) 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.

q) Revenue recognition
Revenue associated with the geological services provided by the Company is recognized when services are performed.

r) 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.

s) Valuation of equity units issued in private placements
The Company has adopted a pro rata basis method with respect to the measurement of shares and warrants issued as private placement units. The pro rata basis method requires each component to be valued at fair value and an allocation of the total proceeds received based on the pro rata relative values of the components.

The fair value of the common shares is based on the closing quoted bid price on the announcement date and the fair value of the common share purchase warrants is determined at the announcement date using the Black- Scholes pricing model. The fair value attributed to the warrants is recorded in warrants.

t) 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.

u) Option Agreements
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.

v) Joint Venture
The Company uses the proportionate consolidation method for its share in the joint venture. Under this method, the Company's proportionate share of revenues, expenses, assets and

2. Significant Accounting Policies - continued

liabilities in the unincorporated joint venture is consolidated in the Company's accounts. All significant intercompany balances and transactions have been eliminated.

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

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

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

y) General standards of financial statement presentation
The AcSB amended CICA Handbook Section 1400, to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section relates to disclosures and does not have an impact on the Company's financial results.

3. Investments

At Market	**Sep 30 2009**	Dec 31 2008
350,000 (2008 – 350,000) common shares of Alexco Resources Corp	**$ 969,500**	$ 574,000
25,000 (2008– 25,000) common shares of Amarc Resources Ltd	**6,750**	2,625

3. Investments - continued

	Sep 30 2009	Dec 31 2008
1,150,000 (2008 – 1,150,000) common shares of Blue Sky Uranium Corp	**222,750**	51,750
971,065 (2008 – 9,710,658) common shares of Golden Cariboo Resources Ltd.[1]	**67,975**	48,553
40,000 (2008 – 40,000) common shares of Kobex Resources Ltd	**17,000**	12,400
150,000 (2008 – 50,000) common shares of First Lithium Resources (formerly Mountain Capital Inc)	**25,500**	1,500
900,000 (2008 – 900,000) common shares of Northern Continental Resources Inc.	**202,500**	72,000
48,000 (2008 – 60,000) common shares of NovaGold Resources Inc	**264,000**	106,200
200,000 (2008 – 100,000) common shares of Sandstorm Resources Ltd	**93,000**	36,000
140,000 (2008 – 140,000) common shares of Shoshone Silver Mining	**25,200**	13,642
100,000 (2008 – nil) common shares of Waterloo Resources Ltd	**25,000**	-
80,000 (2008 – 80,000) common shares of Wellstar Energy Corp	**7,600**	6,400
	1,926,775	925,070
Private Companies		
4,770,000 (2008 – 4,770,000) common shares of Blind Creek Resources Ltd.	**477,000**	477,000
200,000 (2008 – 200,000) common shares of XO Gold Resources Inc	**40,000**	40,000
20 (2008 – 20) common shares of Apex Diamond Drilling Ltd.	**20**	20
Guaranteed Investment Certificates	**254,835**	64,905
	$ 2,698,630	$ 1,506,995

For securities traded in an active market, market value is based on the quoted closing prices of the securities at September 30, 2009. The fair value of these securities may differ from the quoted trading price due to the effect of market fluctuations and adjustment for quantities traded. The investment in Blind Creek, XO Gold and Apex are carried at cost as their securities are not traded in an active market.

These investments have been classified as available-for-sale securities, in accordance with Handbook Section 3855, Financial Instruments.

[1] On February 9, 2009, the shares were consolidated on the basis of ten (10) old shares for one (1) new share.

4. Property and Equipment

	Sep 30 2009 Cost	Sep 30 2009 Accumulated Amortization	Dec 31 2008 Cost	Dec 31 2008 Accumulated Amortization
Land	**$ 230,216**	**$ -**	$ 230,216	$ -
Building	**301,352**	**24,014**	286,231	15,867
Mining and automotive equipment	**305,441**	**86,604**	136,698	66,473
Computer equipment & software	**212,487**	**166,457**	216,902	147,929
Equipment and furniture	**275,257**	**95,191**	265,411	108,741
Ore processing equipment	**750,462**	**111,287**	**-**	**-**
Leasehold Improvements	**38,640**	**32,188**	38,640	26,108
	$ 2,113,855	**$ 515,741**	$ 1,174,098	$ 365,118
Net book value	**$ 1,598,114**		$ 808,980	

5. Mineral Properties

During the third quarter, the Company expended cash totalling $133,329 (2008 - $1,985,925) and received grants, option payments, and mineral tax credits of $20,000 (2008 - $36,000), on the exploration and development of its mineral properties, of which $31,293 (2008 - $623,077) was expended in B.C., $1,718 (2008 - $1,218,740) in the Northwest Territories, $96,737 (2008 – $46,211) in the Yukon and $3,561 (2008 – $97,897) in Saskatchewan.

The Company entered into a joint venture to operate a mining property in Atlin, BC. The Company's 52.34% share of the mineral properties in the joint venture is $1,393,122.

The Company's subsidiary, Bootleg Exploration Inc, carried out project work on behalf of third parties totalling $522,491 (2008 – $1,234,295) in the quarter.

The Company has interests in a number of exploration projects. As at September 30, 2009, the Company had executed option agreements with third parties on the following projects:

Option Agreements - Third party earn in

a) **Baska-Eldorado Project:** On July 24, 2009, the Company signed a Letter of Intent with 99 Capital Corporation whereby 99 Capital may purchase a 100% interest in the property by issuing 2,000,000 escrowed shares to Eagle Plains (subject to Exchange Approval). The shares will be released from escrow as to 200,000 shares upon approval of the Qualifying Transaction by the Exchange, and 300,000 shares every six months thereafter. A 1% NSR is reserved for EPL.

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

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

5. Mineral Properties - continued

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

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

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

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

e) **Ice River Project:** On September 25, 2008, Eagle Plains Resources Ltd. announced that it had reached agreement with Waterloo Resources Ltd. ("Waterloo") whereby Waterloo may earn a 60% interest in the Ice River Property (amended March 5, 2009). 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
25,000	100,000	300,000	Sept 27, 2011
50,000	150,000	500,000	Sept 27, 2012
120,000	100,000	750,000	Sept 27, 2013
260,000	200,000	1,250,000	Sept 27, 2014
$ 510,000	750,000	$ 3,000,000	

f) **Kalum Project:** On November 23, 2007 Eagle Plains Resources Ltd. announced that it had reached agreement with Mountain Capital Inc. (now known as First Lithium Resources Inc.) ("MCI") whereby MCI may earn a 60% interest in the Kalum Property located northwest of

5. Mineral Properties - continued

Terrace, British Columbia in the Skeena Mining Division of British Columbia. In order to exercise the option and acquire a 60% interest in the property, MCI was required to make cash payments totalling $500,000, issue 500,000 common shares and make exploration expenditures of $4,000,000 over a period of five years. The Property is subject to a 1% net smelter returns royalty in favour of a third party.

On May 21, 2009, MCI gave written notice to Eagle Plains that it had terminated the Kalum option agreement. Prior to the termination of the option agreement, Eagle Plains received $50,000 cash and 200,000 shares of MCI.

g) **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 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. TCI will incur eligible exploration expenditures on the property of $200,000 on or before December 31, 2009.

h) **Titan Project:** On August 10, 2007 the Company executed an option agreement with XO Gold Resources Inc. ("XO") whereby XO may earn a 60% interest in the copper-gold-molybdenum project by incurring $3,000,000 in exploration expenditures, issuing 500,000 common shares of XO to Eagle Plains and making cash payments of $150,000 by December 31, 2010. On March 7, 2008, the Company renegotiated the December 31, 2007 cash payment of $25,000 and agreed to accept 125,000 shares in lieu of cash. Payments are due as follows:

Share Payments	Cash Payments	Exploration Expenditures	Due Date
	$ 10,000		On execution of Letter of Intent (received)
50,000	-		On execution of Agreement and TSX approval (pending)
125,000	-		Amendment to option agreement (received) [1]
75,000	-	$ 100,000	December 31, 2007 (received)
125,000	35,000	300,000	December 31, 2008 (outstanding)
125,000	35,000	800,000	December 31, 2009
125,000	35,000	1,800,000	December 31, 2010
625,000	$ 115,000	$ 3,000,000	

[1] Received in lieu of $25,000 cash payment

6. Equity Instruments

a) Authorized
Unlimited number of common shares without nominal or par value.

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

6. Equity Instruments - continued

b) Issued and outstanding

	2009		Year ended 2008	
	Number of Shares		Number of Shares	
Common Shares				
Balance, beginning of period	**63,305,598**	**$ 21,091,699**	59,947,173	$ 19,309,880
Issued for cash via private placement	**8,107,500**	**1,621,500**	3,076,925	2,000,001
Issued flow through shares for cash	**1,040,000**	**260,000**	-	-
Issued for cash on exercise of options	**-**	**-**	281,500	28,607
Black Scholes value of warrants expired	**-**	**-**	-	694,800
Tax effect of flow through shares	**-**	**-**	-	(918,790)
Share issue costs, net of tax effect of $8,010	**-**	**(162,997)**	-	(22,799)
Balance, end of period	**72,453,098**	**$ 22,810,202**	63,305,598	$ 21,091,699

Warrants				
Balance, beginning of period	**5,241,300**	**$ 508,552**	10,898,594	$ 1,203,352
Issued in private placement	**495,500**	**46,732**	-	-
Issued in flow through financing	**80,000**	**7,545**	-	-
Balance, end of period	**5,816,800**	**$ 562,829**	5,241,300	$ 508,552

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 CDN 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 CDN for a 24 month period. Flow-through units were sold at a price of $.25 CDN per unit, each unit consisting of a flow-through common share and a non-flow-through common share purchase warrant, each whole warrant exercisable at $.30 CDN for a 24 month period. All issued securities are subject to a hold period expiring December 19, 2009.

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

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

c) Directors and management share options

The Company has a stock option plan for employees, directors, officers and consultants. Stock options can be issued up to a maximum number of common shares equal to 10% of the issued and outstanding common shares of the Company. The exercise price and vesting period of options granted is not less than the market price of the common shares traded less the available discount under TSX Venture Exchange Inc. policies, and is determined by the Board of Directors. Options granted can have a term of up to 5 years.

As at **September 30, 2009**, the Company has the following stock options outstanding:

6. Equity Instruments - continued

Total issued and outstanding	Number of Options [1]	Option Price per Share Range[2]	Weighted Average Exercise Price
Options outstanding, beginning of period	6,073,000	$0.40	$0.40
Options expired	(650,000)	($0.40)	($0.40)
Options outstanding, end of period	**5,423,000**	**$0.40**	**$0.40**

[1] 2,913,000 options are subject to the Plan of Arrangement

[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.

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%.

As at September 30, 2008, the Company has the following stock options outstanding:

	Number of Options [1]	Option Price per Share Range	Weighted Average Exercise Price
Options outstanding, beginning of period	6,113,000	$0.50 - $1.40	$0.63
Options cancelled	(75,000)	($0.50 - $0.70)	($0.57)
Options outstanding, end of period	6,038,000	$0.50 -$1.40	$0.63

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

The following table summarizes information about stock options outstanding at **September 30, 2009:**

Options outstanding	Option price	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Options Currently Exercisable	Weighted Average Exercise Price of Options Currently Exercisable
20,000	**$0.40**	**$0.40**	**0.25 years**	**20,000**	**$0.40**
793,000	**$0.40**	**$0.40**	**0.50 years**	**793,000**	**$0.40**
625,000	**$0.40**	**$0.40**	**2.75 years**	**625,000**	**$0.40**
845,000	**$0.40**	**$0.40**	**1.25 years**	**790,000**	**$0.40**
95,000	**$0.40**	**$0.40**	**1.75 years**	**75,000**	**$0.40**
600,000	**$0.40**	**$0.40**	**2.25 years**	**600,000**	**$0.40**
175,000	**$0.40**	**$0.40**	**2.50 years**	**175,000**	**$0.40**
130,000	**$0.40**	**$0.40**	**2.25 years**	**130,000**	**$0.40**
100,000	**$0.40**	**$0.40**	**3.25 years**	**40,000**	**$0.40**
1,320,000	**$0.40**	**$0.40**	**3.75 years**	**1,320,000**	**$0.40**
720,000	**$0.40**	**$0.40**	**4.75 years**	**360,000**	**$0.40**
5,423,000		**$0.40**		**5,578,000**	**$0.40**

6. Equity Instruments - continued

The following table summarized information for the stock options outstanding at September 30, 2008:

Options outstanding	Option price	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Options Currently Exercisable	Weighted Average Exercise Price of Options Currently Exercisable
10,000	$0.50	$0.50	0.50 years	10,000	$0.50
525,000	$0.50	$0.50	0.75 years	525,000	$0.50
650,000	$0.50	$0.50	1.00 years	650,000	$0.50
20,000	$0.65	$0.65	1.25 years	10,000	$0.65
793,000	$0.65	$0.65	1.50 years	773,000	$0.65
625,000	$0.75	$0.75	1.75 years	625,000	$0.75
845,000	$0.70	$0.70	2.25 years	735,000	$0.70
95,000	$1.40	$1.40	2.75 years	55,000	$1.40
600,000	$0.75	$0.75	3.25 years	500,000	$0.75
175,000	$0.70	$0.70	3.50 years	175,000	$0.70
165,000	$1.00	$1.00	3.50 years	165,000	$1.00
105,000	$0.70	$0.70	4.25 years	20,000	$0.70
1,435,000	$0.50	$0.50	4.75 years	1,072,500	$0.50
6,038,000		$0.63		5,315,500	$0.64

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

	2009	2008
Expected volatility	81 - 93%	81.83%
Expected risk free rate	2.3 - 3.5%	3.52%
Expected term	5 yrs	5 yrs
Expected dividends	Nil	Nil
Fair value	$0.15 - $0.22	$0.21

As at September 30, 2009, $191,469 (2008 – $220,100) has been recorded as stock based compensation related to the options issued to employees and consultants with the corresponding amount charged to stock option expense.

e) Warrants outstanding

At **September 30, 2009**, the Company has the following share purchase warrants outstanding:

Total issued and outstanding	Expiry	Number	Price
Balance, beginning or period	June 2010[1]	5,241,300	$1.00
Issued	August 2011	575,500	$0.30
Balance, end of period	**June 2010 & August 2011**	**5,816,800**	**$0.30-$1.00**

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

6. Equity Instruments - continued

At September 30, 2008, the Company had the following share purchase warrants outstanding:

Total issued and outstanding	Expiry	Number	Price
Balance, beginning of period	June 2009	5,241,300	$1.00
Balance, end of period	June 2009	5,241,300	$1.00

f) Contributed surplus

Options	**2009 Number of options**		2008 Number of options	
Balance, beginning of period	**6,073,000**	**$ 1,943,621**	6,113,000	$ 2,191,301
Black Scholes re vesting options	**-**	**23,760**	-	-
Expired	**(650,000)**	**-**	(75,000)	-
Balance, end of period	**5,423,000**	**$ 1,947,381**	6,038,000	$ 2,191,301

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

7. Per Share Amounts

The calculation of per share amounts have been calculated based on the weighted average number of shares outstanding during the period ended September 30, 2009 of 67,680,489 shares (2008 – 63,305,598).

	Number of Shares	
	2009	2008
Weighted average number of common shares outstanding	**67,680,489**	63,305,598
Effect of dilutive securities:		
Stock Options	**-**	-
Warrants	**-**	-
Diluted weighted average number of common shares outstanding	**67,680,489**	63,305,598

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

Excluded from the computation of diluted (loss) earnings per share were:

- 5,816,800 (2008 – 5,241,300) warrants with an average exercise price greater than the average market price of the Company's common shares.
- 5,423,000 (2008 – 6,038,000) options with an average exercise price greater than the average market price of the Company's common shares.

8. Related Party Transactions

In addition to disclosure elsewhere in these consolidated financial statements, the Company was involved in the following related party transactions during the year:

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

	2009	2008
Management fees received	**$ 7,500**	$ 15,000
Payment to CPY for EPL options exercised	**-**	5,935
Invoiced CPY for services provided by EPL	**8,566**	60,731
Invoiced CPY for services provided by Bootleg	**7,296**	-

(b) Included in administrative expenses is $1,650 (2008 - nil) paid for accounting services and related expenses to a director and officer of the Company.

(c) Included in professional fees is $7,633 (2008 - $38,396) paid for legal fees to a law firm of which one of the directors is a partner.

(d) Included in administrative expenses is $17,250 (2008 – nil) paid for consulting fees to a director and officer of the Company.

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

9. Commitments and Contingencies

The Company 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.

The Company is committed to incur exploration expenditures of $260,000 in 2010 to meet the renouncement requirements from the issuance of flow-through shares in August 2009, which must be expended in British Columbia.

Additionally, in the ordinary course of business, other indemnifications may have also been provided pursuant to provisions of purchase and sale contracts, service agreements, joint venture agreements, operating agreements and leasing agreements. In these agreements, the Company has indemnified counterparties if certain events occur. These indemnification provisions vary on an agreement by agreement basis. In some cases, there are no pre-determined amounts or limits included in the indemnification provisions and the occurrence of contingent events that will trigger payment under them is difficult to predict. Therefore, the maximum potential future amount that the Company could be required to pay cannot be estimated.

10. Financial Instruments

As disclosed in Note 2 (a), the Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to concentration risk and currency 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, 2009 and 2008, substantially all of the Company's cash was held at two recognized Canadian National financial institutions. As a result, the Company was exposed to all of the risks associated with those institutions.

b) 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.

11. Statement of Cash Flow

a) At September 30, 2009, the Company held cashable term deposits bearing interest rates from 0.49% to 2.55% (2008 – 2.45% to 3.50%) with maturity terms of October 2, 2009 to September 26, 2010 (2008 – October 2, 2008 to July 2, 2009). These term deposits have maturity dates greater than 90 days and have been treated as investments.

b) At September 30, 2009, the Company held cashable term deposits bearing interest rates from 0.10% to 0.25% (2008 – 2.10% to 3.25%) with maturity terms of October 1, 2009 to October 13, 2009 (2008 – October 1, 2008 to October 22, 2008). These term deposits are cashable before maturity and have been treated as cash equivalents.

c) Pursuant to certain mineral property option agreements, the Company received 100,000 (2008 – 300,000) shares with an attributed value of $20,000 (2008 - $66,000).

12. Income Taxes

As of December 31, 2008, the effective tax rate of income tax varies from the statutory rate as follows:

	2008	2007
Statutory tax rates	31%	34%
Expected income tax expense at statutory rates	$ (2,002,227)	$ 256,807
Stock compensation	158,220	88,449
Loss (gain) on sale of long-term investments	4,814	(4,520)
Adjustment to opening tax pools	8,010	80,578
Option proceeds in excess of carrying value	(265,485)	(322,465)
Rate change	(105,657)	-
Change in valuation allowance	255,201	(36,839)
Other permanent differences	10,864	4,327
	$ (1,936,260)	$ 66,337

12. Income Taxes - continued

As of December 31, 2008, subject to confirmation by income tax authorities, the Company has approximately the following available tax pools:

	2008	2007
Undepreciated capital cost	$ 714,375	$ 577,097
Cumulative eligible capital	12,546	13,490
Non-capital losses carried forward for tax purposes available from time to time until 2010	-	1,983
Cumulative Canadian exploration expenses ("CEE")	4,594,015	4,286,894
Undeducted share issue costs carried forward	283,489	481,929
	$ 5,604,425	$ 5,361,393

As of December 31, 2008, these pools are deductible from future income at rates prescribed by the Canadian Income Tax Act.

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	2008	2007
Property and equipment	$ (700,130)	$ (1,834,623)
Investments	255,201	16,867
Unused tax losses carry forward	-	674
Cumulative eligible capital	3,263	4,587
Share issue costs	73,707	163,855
Future income tax	(367,959)	(1,648,640)
Valuation allowance	(255,201)	-
Future income tax liability	$ (623,160)	$ (1,648,640)

13. Accumulated other comprehensive income (loss)

Balance, December 31, 2008	
Unrealized loss on available-for-sale long term investments	$ (1,946,216)
Balance, September 30, 2009	
Unrealized loss on available-for-sale long term investments	**$ (908,991)**

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

14. Joint Venture Operation

The Company entered into a Joint Venture Agreement with Prize Mining Ltd whereby the two parties formed a joint venture, Yellowjacket Venture, to facilitate the production of gold and conduct further exploration and development of the Yellowjacket Zone on the Atlin Gold Property. Eagle Plains purchased a 40% interest in the project by providing $2,000,000 CDN in working capital. A cash call

14. Joint Venture Operation - continued

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. The consolidated financial statements include the Company's proportionate interest (52.344%) in the Yellowjacket Venture Joint Venture as follows:

	Sep 30 2009
Assets	
Cash	80,664
Accounts receivable	17,468
Property and equipment	801,503
Long term investment	65,430
Mineral exploration properties	1,393,123
	2,358,188
Liabilities and equity	
Accounts payable	300,048
Equity	3,168,915
Loss for the year	(1,110,775)
	2,358,188
Revenue	0
Expenses	688,102
Loss for the period	(688,102)
Loss, beginning of period	(422,673)
Loss, end of period	(1,110,775)

15. Subsequent Events

No subsequent events.

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

	Jun 30 2008	Acquisition and Exploration	Grants,Option Payments & Mineral Tax Credits	Option proceeds in excess of carrying value	Sep 30 2008
British Columbia	$ 5,912,813	$ 623,077	$ (50,000)	**$ -**	$ 6,485,890
NW Territories	4,460,711	1,218,740	-	-	5,679,451
Yukon	425,559	46,211	-	-	471,770
Saskatchewan	102,586	97,897	(26,000)	-	174,483
	$10,901,669	$ 1,985,925	$ (76,000)	$ -	$12,811,594