

EAGLECREST EXPLORATIONS LTD.
Management Discussion and Analysis (Form 51-102F1)
For the Three Months Ended December 31, 2004

The following discussions and analysis, prepared as of February 25, 2005, should be read together with the unaudited consolidated financial statements for the three months ended December 31, 2004 and related notes attached thereto, which are prepared by management in accordance with Canadian Generally Accepted Principles. The reader should also refer to the annual audited financial statements for the years ended September 30, 2004 and 2003 and the Management Discussion and Analysis for those years. All amounts are stated in Canadian dollars unless otherwise indicated.

General

Eaglecrest Explorations Ltd. ("Eaglecrest" or the "Company") is involved in the acquisition, exploration and development of resource properties. The Company has exploration and production rights to 34 mineral concessions on Serrania San Simon located in the Canton of Mantuega, Province of Itenez, and Department of Beni in northeast Bolivia. There are four areas of known gold mineralization (Doña Amelia, San Simon, Marco Maria and Doña Angela (Campo Nuevo) within the 298.84 km² San Simon property which the Company has worked on since 1995.

Fiscal 2004 was a successful year in terms of accomplishing the objectives as set by management during the previous year and formed the basis of the work to be continued in the coming year.

Management

Mr. Carl Erickson took over the responsibilities of President and CEO of Eaglecrest in the fourth Quarter of fiscal 2002. With his years of business experience, his mandate was to breathe new life into the Company.

Mr. Paul Zdebiak was added to the Board as a director to assist the Company in corporate strategies and communications, investor awareness and fund raising. The Company draws on his 15 years experience within the equity industry.

Another key member added to the new team was Mr. Tor Bruland, a professional geologist and the Company's "Qualified Person". Mr. Bruland is now engaged on a full-time basis by the Company as the Project Manager for the Company's San Simon project. Mr. Bruland's 26 years of experience include six years as Project Manager with Teck Corporation on exploration program in Canada and Ecuador and four years as Exploration Manager for Ecuator ASA (Norway) on its projects in Ecuador.

Also added to this new team is Donald G. Allen, a Professional geological engineer and the Company's second "Qualified person". Mr. Allen is now engaged on a full-time basis by the Company as the Project Manager for the Company's San Simon project. Mr. Allen's 40 years of experience include working for major mining companies such as Kennecot and Amax as well as over 20 years as an independent consultant through his own consulting companies in Canada and Ecuador.

Mr. J. Frank Callaghan was recently appointed a director of the Company in February, 2005. Mr. Callaghan is currently President and Chief Executive Officer of several resource exploration and development companies that are all listed on the TSX Venture Exchange. His vast experience in business and management will definitely be an asset to the Company.

These new additions to the management team have strengthened the Company ability to build shareholders' value.

San Simon Property, Bolivia:

(a) Doña Amelia zone

The Doña Amelia zone is located in the center of the San Simon property and covers 40 km². Drilling of the 20,000 linear metres Phase II diamond drilling continued during the Quarter with three diamond drills. By the end of December the three diamond drills had completed 4,345.25 metres of drilling in 19 holes. To date the Company has completed 23,981 meters of diamond drilling since drilling started in October 2003. The 16,000 metres Phase I drill program was completed in the previous Quarter and 7,981 metres has been completed of the 20,000 metres Phase II drill program. Drilling of the remaining part of the Phase II will resume in late March 2005 following the completion of detail evaluation of the data and preparation of a three dimensional model of both the Trinidad and Manganese areas.

Drilling and surface mapping has defined the main east-west structure as a south dipping thrust fault which has an indicated north-northwest movement with conjugate sets of strike-slip ductile shear zones. The thrust fault is occupied by a quartz vein with dimensions of less than 1 metre to 16 metres. Both the conjugate ductile shear zones are occupied by quartz veins width of normally less than 1 metre. The movement along the thrust during at least two stages of deformation has created several dilation zones with wider quartz vein sections where the quartz vein have width of 4 metres or more. Along strike dilation zones have been identified at surface in the Trinidad pit and in the Las Rosas area.

In the Trinidad area three dilation zones down dip have been identified by drilling. A shallow zone is defined by holes TRD03-026, TRD003-032 and TRD04-086 (Dilation Zone A) which is open down dip to the south and southwest. A deep zone is defined by holes TRD04-051, TRD04-066, TRD04-070 and TRD04-076 which is open to the southeast and northeast (Dilation Zone B). A second shallow zone is located in the east and defined by holes TRD04-100, TRD04-110, TRD04-118 and TRD04-126 which is open to the southwest, south and southeast and east (Dilation Zone C).

The north-northeast ductile shear zones dips to the southeast and have a sinistral movement while the northwest ductile shear zones dips to the southwest and have a dextral movement. Both the conjugate shear zones have been filled with quartz and range in width from 0.1 to 1.0 metre. The northwest ductile shears are located west of the Trinidad area and in the Manganese area while the north-northeast ductile shears are located in the eastern part of the Trinidad area as well as in the western part of both Las Rosas and Manganese area. These conjugate ductile shear zones offset and displace the quartz vein in the main east-west thrust fault.

The gold mineralization appears to be related to reactivation of the thrust and the conjugate ductile shear zones when narrow shear zones developed within the quartz vein and gold was deposited with hematite, sericite and arsenopyrite. Although the ductile shear zones are commonly mineralized, the bulk of the gold mineralization is restricted to the quartz vein in the east-west thrust.

Trinidad area

During the Quarter 13 holes totaling 2,480.35 metres were drilled in this area of which one was abandoned due to down hole caving. The strike of the Main Quartz Vein (MQV) in this area is now confirmed by drilling over 1,400 metres.

The widest quartz vein intersection to date: 15.9 metres was encountered in hole TRD04-072 at 450 metres down dip (360 metres below surface) averaging 1 gram per tonne gold and a 1.95 metre section along the footwall contact assaying 6.35 grams per tonne gold. This hole intersected the quartz vein at the same elevation as holes TRD04-051, TRD04-066, TRD04-070 and TRD04-076 indicating a 350 metres mineralized strike length with true width quartz vein intersections ranging from 4.8 to 15.9 metres averaging 8.5 metres and grade averaging 2.4 grams per tonne gold ((Dilation Zone B) .

Manganeso area

During the Quarter 6 holes totaling 1,864.90 metres were drilled in the Manganeso area (including Manantial) area 2.0 to 2.5 kilometres west of the Trinidad area. The geometry of the quartz vein as indicated from surface mapping and drill intersections is very complex due to the frequency of the northwest ductile shear zones specifically in the western part. Interpretation of the structure is further complicated by the presence of several quartz veins within individual holes. These are interpreted as stacked or en echelon quartz veins within the east-west thrust fault as well as quartz veins in the south-east dipping northwest ductile shear zones. The drilling has identified a dilation zone in the eastern part of the Manganeso (Manantial) defined by the intersection of 6.8 metres of quartz vein with 3.9 grams per tonne gold in hole TRD04-054. This dilation zone is open to the east and south, but cut off by a northwest ductile shear zone in the west.

A second dilation zone is defined by drill holes TRD04-057, TRD04-075, and TRD04-095 at about 200 metres down dip (200 metres below surface) with widths ranging from 1.6 to 3.3 metres along close to 100 metres of strike with average gold grades of 2.8 to 10.7 grams per tonne. This dilation zone is cut and offset by the northwest ductile shear zones both to the east (same as cut off the eastern dilation zone) and to the west. The dilation zone can be traced along strike for about 100 metres and down dip for approximately 200 metres..

The ductile shear zones are also mineralized with gold, with 1.0 metres of 11.8 grams per tonne in hole TRD-04-077, 0.25 metres of 10.6 grams per tonne in TRD04-082, 0.25 metres of 1.5 grams per tonne in hole TRD04-087 and 0.2 metres of 10.9 grams per tonne in hole TRD04-102.

In the western part of the Manganeso area four northwest ductile shear zones have been identified within 200 metres of strike, and additional drilling is needed to define the of the quartz vein in three dimensions and determine which are the more favorable thrust fault hosted quartz veins and which are hosted by the ductile shear zones.

Gold Recovery Pilot Plant

The gold assays continue to range from low (less than 1.0 gram per tonne) to very high (44.2 gram per tonne in hole TRD04-100). The coarse nature and erratic distribution of the gold grains within the MQV make it impossible to determine the true average gold grade from the relative small drill core sample (maximum about 8 kg). The Company decided in the second Quarter Fiscal 2004 to initiate an underground bulk sampling program with a gold recovery pilot plant. A 150 tonne per day mill comprising of a crushing section, ball mill, gravity circuit and flotation circuit, has been designed by Mineral Processing Engineer Gary Hawthorn. The purchasing, importation and refurbishing of the plant are completed and startup is scheduled following the approval of the Environmental and Social-economic impact study during the second Quarter of Fiscal 2005. The bulk sampling will establish the true average gold grade in the MQV hosted by the east-west thrust zones. Gary Hawthorn will also be responsible for assembling and supervise the operation of the 150tpd gold recovery pilot plant.

Underground Exploration Development

Underground development is planned for both the Trinidad and Manganeso areas where three declines will be collared on the MQV with development down to reach the two shallow dilation zone in the Trinidad area and the one dilation zone in the Manganeso area and due additional development along strike to determine the true gold grade of these three dilation zones. The principal Targets are:

TRINDAD	TD-1 (Zone A): Holes TRD03-026 (7.2 metres of 5.18 grams per tonne gold) and TRD04-086 (2.25 metres of 4.6 grams per tonne gold) TD-2 (Zone C): Hole TRD04-100 (3.8 metres of 5.58 grams per tonne gold)
MANGANESO	MD-1: Hole TRD04-057 (3.25 metres of 10.66 grams per tonne gold)

Mine and mine water management plans have been prepared by Carlos Soldi of SVS Ingenieros S.A. of Peru. Mobilization of the mining equipment will start following the approval of the Environmental and Social-economic impact study during the second Quarter of Fiscal 2005. The present development is to start in the Trinidad area with TD-1 or TD-2 in the Trinidad area and continue in Manganese with MD-1 as ground water level drops when entering the dry season to reduce the pumping requirements in this area which is expected to have higher mine water flow than the Trinidad area based on catchment basin for drainage and presence of the Manatíal creek adjacent to the proposed decline.

(b) San Simon zone, Bolivia

The San Simon zone is located in the southeastern part of the San Simon property with specific focus on the Paititi area. The zone was explored during the period 1999 to 2002 by trenching, diamond drilling and underground development and bulk sampling. The high-grade "12/17" target was intersected at the east end of the 690 m decline adit in November of 2002 at a depth of 80 m below surface. The underground workings established that the "12/17" target was a 0.2 to 0.5 m thick quartz vein that had been offset by a fault and the previous diamond drilling had intersected the vein on both side of the fault in both drill holes. The decline adit exposed the quartz vein over a total strike length of 14.5 m and determined that the true average grade was 1.25 g/t gold.

The "12/17" target is located in the center of the 7 km strike length of the Paititi-Buriti structure of the San Simon zone. Extensive surface bulk sampling of the Paititi area averaged 1.6 g/t gold within 0.4 km² including the pit worked by the local, illegal miners. The gold grade has been very erratic and the work to date has failed to identify any major quartz veins or any contiguous quartz vein stock work.

(c) Marco Maria zone, Bolivia

The Marco Maria zone includes both the Marco Maria and Max areas which are located in the north and northeast part of the San Simon property. Evaluation of the paleoplacer potential of the zone was completed in 2001 and 2002. Bulk sampling of the coarse sediments and conglomerate established an average gold grade below 0.1 g/t.

(d) Doña Angela (Campo Nuevo) zone

The Doña Angela (Campo Nuevo) zone is located in the northwest part of the San Simon property. Gold mineralization has been identified in several quartz veins over a 4 km² area and placer mining has operated intermittently over the past 20 years in the creek that drains the Serrania San Simon to the south. There are similarities between the Doña Angela and Doña Amelia zones. Several extensive quartz reef cover the plateau of the Serrania San Simon, and sheet, stacked or en echelon quartz veins outcrop the southern slope of the Serrania San Simon. The quartz veins are hosted by the Bonanza Formation arkoses, greywackes and conglomerates as is the MQV in the Doña Amelia zone. Two major structures were identified on the plateau during mapping by the British Geological Survey in the early 1980s. The potential of this zone is unknown at the present time, but an initial evaluation is planned for 2005.

Current Review

New management has worked hard to revitalize the Company. Since taking over slightly more than two years ago, management has raised close to US\$8,000,000 in financing, settled debts, reduced current liabilities, and has improved the overall position of the balance sheet, which allowed the successful completion of an aggressive and concentrated drilling program for 2004. Although the Company currently has a working capital deficit of \$242,164, during most of 2004, the Company was in a working capital surplus position, and management is determined to restore that position.

Shareholders will remember that the early excitement in Eaglecrest was due to the 1996 exploration program on the Trinidad property, where a significant number of samples yielded gold grades in the 10 to 38 gm/t range and a 1.1 metre channel sample returned 486 gm/t of gold. After establishing the presence of gold bearing ore on the Trinidad property, former management moved on to pursue a series of exploration programs on other areas of the San Simon property, which, coupled with a bear gold market, ultimately placed the Company in financial difficulty. The Company reported in April 2003 that it has re-acquired the "High Grade Trinidad Zone". The San Pedro, Mina Vieja, Trinidad ("High Grade Trinidad Zone"), Las Rosa, Manantial and Maganeso areas which has now been expanded to a strike length of 4.2 Km, have been re-named the Dona Amelia zone. The Dona Amelia zone, which, is considered by current management to be the Company's principal target and exploration will focused on that zone throughout 2005. The current plan for 2005 is to continue the development the Dona Amelia zone through diamond drilling, surface trenching, underground exploration development and bulk sampling for processing in the gold recovery pilot plant. Management will continue its funding raising efforts with the intention of completing the 20,000 metres diamond drilling Phase II of the 4.2 kilometres strike length of the Dona Amelia zone, approximately 1,000 metres of underground exploration development in two or three declines and the processing of 15,000 to 20,000 tonnes in the gold recovery plant. Completion of Phase II exploration program is estimated to take eight to nine months to complete and startup is scheduled following the approval of the Environmental and Social-economic impact study during the second Quarter of Fiscal 2005.

Selected Annual Information

	Year Ended September 30 2004 \$	Year Ended September 30 2003 \$	Year Ended September 30 2002 \$
Total revenues	-	-	-
Net loss	(2,044,968)	(295,175)	(266,005)
Basic loss per share	(0.02)	(0.00)	(0.01)
Total assets	23,287,706	16,132,644	14,874,530
Current liabilities	745,632	373,564	2,817,913
Working capital (deficiency)	543,706	(165,129)	(2,592,105)
Cash dividends	Nil	Nil	Nil

The Company has been and is still in the stages of exploring and developing its mineral properties. To date, the Company has not been in a position to earn any revenues from its projects.

Accounting policy is to record the Company's mineral properties at cost. Exploration and development expenditures are deferred until the properties are brought into production, and at which time, they will be amortized on a unit of production basis. In the event, the properties are sold or abandoned, the deferred cost will be written off.

The Company has not paid any dividends on its common shares. Until such time the Company is able to earn substantial revenues, there are no plans of paying out dividends in the near future. All available funds and resources are intended for use in exploring and developing the Company's properties and to finance the operations of the Company.

Consolidated Results

For the quarter ended December 31, 2004, the Company realized a consolidated net loss of \$456,357 as compared to a consolidated net loss of \$261,993 in the previous year. Main causes for the increase in loss are as follows:

- higher recognition of stock-based compensation in the amount of \$141,075.
- management fees in the amount of \$36,621 was paid during the current the quarter whereas nil management fees were paid in the same quarter of last year.
- incurred foreign exchange loss of \$15,206 as compared to a foreign exchange gain of \$7,351 in the previous year.

Significant accounts for the current quarter ended are as follows:

\$15,000 in administration fees were paid to an officer of the Company.

Eaglecrest's exploration properties are located in Bolivia, South America, and much of the dealings were transacted in US dollars. Furthermore, financing for the Company has all been in US funds. The fluctuations in value of the US dollar against the Canadian dollar resulted in a foreign exchange loss during the quarter of \$15,206.

In its efforts to locate more financing and new investors, the Company has engaged major investor relations companies locally and abroad. Eaglecrest is also listed on the Frankfurt Exchange. During the year, investor relations expenses amounted to \$47,854 with \$31,135 being paid to a private company controlled by the Company's director in charge of investor relations and the remainder (\$16,719) to various investor relations companies in the U.S and Europe.

Legal expenses of \$11,581 during the quarter pertained to the preparation and filing of private placement documents, convertible loan agreements, option documents, concession agreements and other legal matters concerning the Company's operations.

Management fees of \$36,621 were paid to a private company controlled by the President of the Company.

In accordance with new accounting guidelines, stock-based compensation relating to the granting of options has been recognized as an expense item in the statement of operations and deficit with the offsetting entry to contributed surplus in the balance sheet. As a result of 3,250,000 shares of new options being granted to insiders and service providers, the Company recorded \$272,025 in stock-based compensation expense in the financial statements.

The Company has been successful in raising substantial financing to support the Company's operations. In order to achieve this, Company personnel has continued to incur trips to Europe and the United States to meet with potential investors. Included in the travel and promotional expenditures of \$18,969 are also costs relating to attending gold and trade shows and conventions held in the United States and Canada.

Summary of Selected Quarterly Information

Quarter Ended	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003	September 30 2003	June 30 2003	March 31 2003
Current assets	302,120	1,289,338	897,718	1,101,259	330,098	208,435	51,915	53,876
Resource assets	22,147,574	21,243,257	18,766,246	17,236,235	16,505,479	15,839,256	15,160,637	14,984,439
Current liabilities	544,274	745,632	477,434	376,673	749,253	373,564	1,706,426	1,694,948
Shareholders' Equity								
Capital stock	36,903,461	36,903,461	33,335,004	31,603,922	29,993,676	29,458,736	27,144,640	26,842,763
Share subscriptions	1,849,650	1,540,886	1,831,500	1,156,000	1,156,000	1,156,000	1,156,000	1,156,000
Contributed surplus	1,270,376	998,351	998,351	130,950	130,950	-	-	-
Deficit	(17,356,981)	(16,900,624)	(16,623,958)	(15,385,727)	(15,117,649)	(14,855,656)	(14,705,302)	(14,557,550)
Net loss	(456,357)	(276,666)	(1,238,231)	(268,078)	(261,993)	(150,354)	(147,758)	(42,080)
Working capital (deficit)	(242,164)	543,706	420,284	724,616	(419,155)	(165,129)	(1,654,511)	(1,641,072)
Basic loss per share	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Significant Item(s) Within the Quarter:

For the three months ended December 31, 2004:

- stock-based compensation of \$272,025 was expensed as a result of option granted.
- deferred resource property costs increased by \$904,317.
- purchased fixed assets in the amount of \$50,168.

For the three months ended September 30, 2004:

- deferred resource property costs increased by \$2,477,011.
- purchased fixed assets in the amount of \$489,197.

For the three months ended June 30, 2004:

- stock-based compensation of \$867,401 was expensed as a result of options granted.
- deferred resource property costs increased by \$1,530,011.
- purchased fixed assets in the amount of \$294,081.

For the three months ended March 31, 2004:

- deferred resource property costs increased by \$730,756.

For the three months ended December 31, 2003:

- stock-based compensation of \$130,950 was expensed as a result of options granted.
- deferred resource property costs increased by \$666,223.

For the three months ended September 30, 2003:

- deferred resource property costs increased by \$678,619.

For the three months ended March 31, 2003:

- deferred resource property costs increased by \$352,957.
- foreign exchange gain of \$132,738 due to strengthening of Canadian dollar.

Investor Relations

In addition to investor relation activities being managed by the directors, the Company also employs investor relation companies in both Europe and the United States. Services include maintaining contact with the shareholders, dissemination of Company material, attending trade shows, and maintaining the Company's web site.

Liquidity and Solvency

At this time, the Company has no operating revenues and does not anticipate any operating revenues until the Company is able to find, acquire, place in production and operate a mining property. Historically, the Company has raised funds through loans, shares for debt settlements, private placements and the exercise of options and warrants. Over US\$6 million was raised during fiscal 2004 using these methods and \$649,000 in private placements has been closed in the period subsequent to the current quarter ended December 31, 2004.

The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable ore reserves in its mineral properties, the ability of the Company to obtain the necessary financing to complete development, confirmation of the Company's interest in the underlying mineral claims and leases and upon the future profitable or sufficient proceeds from the disposition of its mineral properties.

The market price of metals is highly speculative and volatile. Instability in metal prices may affect the interest in mining properties and the development of and production from such properties. Although recently metal prices are on the rise this trend may not be sustained and any down turn may adversely affect the Company's ability to raise capital to explore existing or new mineral properties.

The Company has incurred losses since inception, and the long term survival of the Company depends on the ability of management to continue raising capital. Currently, there are sufficient funds to meet the Company's property exploration commitments and payments, and to cover administrative and office expenses for the remainder of the next quarter. Additional funds will be required to continue operations to the end of the fiscal year. Management is actively seeking additional financing, and while it has successfully done this in the past, there is no assurance that it will continue to be able to do so in the future.

Related Party Transactions

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The unpaid year end balances referred to below are payable on demand and have arisen from the provision of services described:

During the quarter ended September 30, 2004, the Company

- incurred administration fees of \$15,000 (2003 - \$6,000) and investor relations costs of \$31,135 (2003 - \$9,868) with an officer and a director of the Company.
- incurred management fees of \$36,621 (2003 - Nil) and legal fees of \$11,581 (2003 - \$5,773) to private companies related by a director-in-common and an officer.

As at December 31, 2004, accounts payable and accrued liabilities is inclusive of \$23,466 (December 31, 2003 - \$3,000) due to directors, officers, and private companies related directors-in-common.

Subsequent Event

The following occurred during the period subsequent to December 31, 2004:

- The Company issued 6,490,000 units at US\$0.10 per unit in two private placements, with each unit consisting of a common share and a share purchase warrant. Each warrant is exercisable to acquire an additional share at US\$0.10 for a period of two years. Cash finders' fees of US\$47,670 in cash were paid and 100,000 common shares were issued in connection with these private placements.

Future Outlook

Diamond drilling of the minimum 4.2 km east-west thrust that host Main Quartz Vein (MQV) in the Doña Amelia zone have intersected true widths of up to 15.9 metres of the in the Trinidad area and define the strike extent to 1,500 metres at depth and the down dip extent to 560 metres. In the Manganese area diamond drilling of the MQV has intersected up to 6.8 metres and defined the strike length at depth to 700 metres and the down dip extension to 390 metres.

All the equipment for the gold recovery pilot plant has arrived in Bolivia and assembled in La Paz. It has been transported to Santa Cruz and will be transported to the project site following the approval of the Environmental and Social-economic impact study.

Foundation construction for the gold recovery plant is close to 50% completed, and the construction of the tailings dam and waste rock storage area has been initiated. The access road upgrade is close to 25% completed.

Construction is underway to increase the capacity of the camp from the presently 110 persons to 200 persons by the third Quarter of Fiscal 2005 to house the additional personal for the underground bulk sampling program.

An international laboratory in Peru has been selected for operation of the on-site laboratory and construction on the laboratory building is underway in the camp area. The laboratory equipment is also ready for mobilization to the project site following approval of the Environmental and Social-economic impact study for the mobilization to the project area and installation.

The underground development contractor has been selected, and the contract will be signed following the approval of the Environmental and Social-economic impact study to include any specific requirements. The underground program is scheduled to commence in the third Quarter of Fiscal 2005.

Baseline water, soil and sediment sampling is continuing for the Environmental Impact Study for the Doña Amelia zone. The Environment Impact and Social-economic study is being prepared under the overall guidance of Canadian environmental consultant company Klohn Crippen of Vancouver, Canada. The final draft of the report is under review and will be filed in the next couple of weeks and approval is expected during the second Quarter of Fiscal 2005.

The Company is in the process compiling and evaluating of the Phase I and Phase II drilling completed to date including a 3 D model of the Main Quartz Vein. Additional geologist(s) and mining engineer(s) will be hired for the underground exploration development and sampling.

The budget for the completion of the gold recovery plant and the underground program and the priority drilling in Las Rosas area is estimated to be approximately US\$3 million. Demand and prices for precious metals remain high and this trend is expected to continue. Therefore, management is confident that its past success in raising capital to carry out the Company's goals will also continue to be successful.