

EAGLECREST EXPLORATIONS LTD.

Consolidated Financial Statements

For the Six Months ended March 31, 2007



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(TSXV: Symbol EEL)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Eaglecrest Explorations Ltd. (the "Company") discloses that the accompanying un-audited interim consolidated financial statements for the six months ended, March 31, 2007, were prepared by management.

The Company's independent auditor has not performed a review of these un-audited interim consolidated financial statements.

EAGLECREST EXPLORATIONS LTD.
Consolidated Balance Sheets
As at March 31, 2007 and September 30, 2006

	<u>March 31</u> (Un-audited)	<u>September 30</u> (Audited)
Assets	\$	\$
Current		
Cash	348,024	2,308,657
Accounts receivable	130,161	39,648
Prepaid expenses and deposits	<u>394,122</u>	<u>112,538</u>
	872,307	2,460,843
Property, plant and equipment (note 3)	425,269	527,081
Resource properties (schedule) (note 4)	<u>35,137,272</u>	<u>32,579,485</u>
	<u><u>36,434,848</u></u>	<u><u>35,567,409</u></u>
 Liabilities		
Current		
Accounts payable and accrued Liabilities	<u>1,299,850</u>	<u>825,262</u>
 Shareholders' Equity		
Share capital (note 6(b))	52,821,541	51,668,343
Share subscriptions (note 6(e))	1,185,268	1,156,000
Contributed surplus (note 6(g))	2,360,446	1,844,846
Deficit	<u>(21,232,257)</u>	<u>(19,927,042)</u>
	<u>35,134,998</u>	<u>34,742,147</u>
	<u><u>36,434,848</u></u>	<u><u>35,567,409</u></u>

Nature of Operations and Going Concern (Note 1)

Approved by the Board of Directors:

"Paul Zdebiak"

Paul Zdebiak

"Hans Rasmussen"

Hans Rasmussen

See notes to the consolidated financial statements

EAGLECREST EXPLORATIONS LTD.
Consolidated Statements of Operations and Deficit
For the Six Months Ended March 31, 2007 and 2006

	Three Months Ended March 31		Six Months Ended March 31	
	2007	2006	2007	2006
	\$	\$	\$	\$
Expenses:				
Accounting and audit	17,500	4,000	23,500	7,000
Administration	19,500	15,500	36,000	30,500
Advertising	35,736	-	60,658	-
Amortization	1,225	743	2,449	1,485
Bank charges and interest	2,781	2,976	3,854	4,955
Consulting	66,239	21,837	73,574	42,956
Filing fees	13,693	28,343	13,693	28,343
Foreign exchange loss (gain)	(3,550)	546	(38,338)	(8,538)
Insurance	15,009	4,688	30,018	14,132
Corporate development	106,705	63,325	178,237	115,054
Legal	16,478	16,110	27,374	31,516
Management fees	52,722	47,191	133,740	92,853
Office and printing	23,144	22,237	47,564	33,017
Shareholders information	10,048	6,976	14,596	10,707
Stock-based compensation	515,600	407,295	515,600	407,295
Transfer agent	2,679	10,686	4,980	12,040
Travel and promotion	90,131	62,613	189,883	78,576
Total expenses	985,640	715,066	1,317,382	901,891
Other item:				
Interest income	(2,129)	(7,674)	(12,167)	(10,556)
Net loss for the period	(983,511)	(707,392)	(1,305,215)	(891,335)
Deficit - beginning of period	(20,248,746)	(18,518,406)	(19,927,042)	(18,334,463)
Deficit - end of period	(21,232,257)	(19,225,798)	(21,232,257)	(19,225,798)
Loss per common share (note 2)	\$0.00	\$0.00	(\$0.01)	\$0.00
Weighted-average number of common shares outstanding	256,540,683	192,173,028	256,540,683	192,173,028

See notes to the consolidated financial statements

EAGLECREST EXPLORATIONS LTD.
Consolidated Statements of Cash Flows
For the Three Months and Six Months Ended March 31, 2007 and 2006

	Three Months Ended March 31		Six Months Ended March 31	
	2007	2006	2007	2006
	\$	\$	\$	\$
Cash provided by (used in):				
Operating activities				
Net loss for the period	(983,511)	(707,392)	(1,305,215)	(891,335)
Items not affecting cash:				
Amortization	1,225	743	2,449	1,485
Stock-based compensation	515,600	407,295	515,600	407,295
	(466,686)	(299,354)	(787,166)	(482,555)
Net change in non-cash working capital items:				
Accounts receivable	(74,819)	(415,329)	(90,513)	(318,383)
Prepaid expenses and deposits	(273,669)	6,062	(281,584)	7,409
Accounts payable and accrued liabilities	798,291	182,288	474,588	90,089
	(16,883)	(526,333)	(684,675)	(703,440)
Financing activities				
Cash received for capital stock issued (net)	1,141,912	4,236,243	1,153,198	4,346,538
Share subscriptions to capital stock	29,268	(1,682,547)	29,268	260,415
	1,171,180	2,553,696	1,182,466	4,606,953
Investing activities				
Property, plant and equipment expenditures	-	(11,833)	-	(34,623)
Resource property expenditures	(999,309)	(1,885,013)	(2,458,424)	(2,784,086)
	(999,309)	(1,896,846)	(2,458,424)	(2,818,709)
Increase (decrease) in cash	154,988	130,517	(1,960,633)	1,084,804
Cash - beginning of period	193,036	1,717,058	2,308,657	762,771
Cash - end of period	348,024	1,847,575	348,024	1,847,575

Supplemental disclosure of non-cash financing and investing activities:

During the three months ended March 31, 2007, equipment amortization of \$49,681 (2006 - \$50,614) was recorded in deferred mineral property costs.

Interest received during the period \$12,167 (2006 - \$10,556)

See notes to the consolidated financial statements

EAGLECREST EXPLORATIONS LTD.
Consolidated Schedule of Resource Property Costs

	(Audited) September 30, 2005 \$	Additions During the Year \$	(Audited) September 30, 2006 \$	Additions During the Period \$	(Un-audited) March 31, 2007 \$
Bolivia					
San Simon Zone					
Acquisition costs	2,520,763	7,696	2,528,459	8,274	2,536,733
Admin and office	193,576	-	193,576	8,271	201,847
Assays	398,745	-	398,745	25,094	423,839
Camp costs	1,768,017	-	1,768,017	12,523	1,780,540
Consulting fees	2,185,445	-	2,185,445	-	2,185,445
Drilling	1,501,060	-	1,501,060	-	1,501,060
Mapping	120,058	-	120,058	-	120,058
Equipment rental	1,150,002	-	1,150,002	-	1,150,002
Field costs	625,183	-	625,183	52,860	678,043
Geophysical surveys	171,867	-	171,867	-	171,867
Professional fees	217,391	-	217,391	-	217,391
Sampling and analysis	132,529	-	132,529	-	132,529
Wages	589,341	-	589,341	34,578	623,919
Travel/transportation	482,661	-	482,661	8,820	491,481
Underground development	2,420,241	-	2,420,241	-	2,420,241
Vehicle maintenance	393,251	-	393,251	-	393,251
	<u>14,870,130</u>	<u>7,696</u>	<u>14,877,826</u>	<u>150,420</u>	<u>15,028,246</u>
Dona Amelia Zone					
Acquisition costs	90,476	13,735	104,211	15,594	119,805
Admin and office	515,106	267,345	782,451	42,594	825,045
Amortization	309,903	208,000	517,903	99,363	617,266
Assays	437,692	179,324	617,016	98,954	715,970
Camp costs	416,995	368,325	785,320	155,382	940,702
Consulting fees	1,377,676	531,647	1,909,323	225,919	2,135,242
Drilling	3,655,368	1,876,440	5,531,808	717,867	6,249,675
Environmental	59,990	110,663	170,653	6,376	177,029
Mapping	12,806	-	12,806	-	12,806
Equipment rental	536,348	242,014	778,362	136,915	915,277
Field costs	1,296,642	474,757	1,771,399	206,489	1,977,888
Geophysical surveys	12,894	-	12,894	4,769	17,663
Supplies	-	70,063	70,063	46,992	117,055
Travel/transportation	341,317	194,475	535,792	120,769	656,561
Underground development	744,104	1,496,805	2,240,909	363,525	2,604,434
Wages	828,119	582,778	1,410,897	328,551	1,739,448
Recovery - gold concentrates	-	-	-	(223,594)	(223,594)
	<u>10,635,436</u>	<u>6,616,371</u>	<u>17,251,807</u>	<u>2,346,465</u>	<u>19,598,272</u>

EAGLECREST EXPLORATIONS LTD.
Consolidated Schedule of Resource Property Costs

	(Audited) September 30, 2005 \$	Additions During the Year \$	(Audited) September 30, 2006 \$	Additions During the Period \$	(Un-audited) March 31, 2007 \$
Marco Maria Zone					
Acquisition costs	239,058	22,350	261,408	29,882	291,290
Professional fees	10,701	-	10,701	-	10,701
	<u>249,759</u>	<u>22,350</u>	<u>272,109</u>	<u>29,882</u>	<u>301,991</u>
Dona Angela (Campo Nuevo) Zone					
Acquisition costs	144,051	30,545	174,596	8,815	183,411
Admin and office	-	-	-	1,015	1,015
Assays	-	-	-	4,387	4,387
Camp costs	-	-	-	1,623	1,623
Field costs	-	-	-	9,719	9,719
Professional fees	3,147	-	3,147	-	3,147
Travel/transportation	-	-	-	1,165	1,165
Wages	-	-	-	4,296	4,296
	<u>147,198</u>	<u>30,545</u>	<u>177,743</u>	<u>31,020</u>	<u>208,763</u>
Total	<u>25,902,523</u>	<u>6,676,962</u>	<u>32,579,485</u>	<u>2,346,465</u>	<u>35,137,272</u>

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Six Ended March 31, 20067

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company is incorporated in British Columbia and is currently involved in the acquisition, exploration and development of resource properties located in Itenez Province, Bolivia. At the date of these consolidated financial statements, the Company does not have a known body of commercial grade ore on any of its properties, and the ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company being able to sell the properties or to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the properties.

During the current period the Company experienced an operating loss of \$1,305,215 (2006 - \$891,335) and at March 31, 2007 has a cumulative operating deficit of \$21,232,257. The Company will require significant additional funding to maintain its working capital surplus and meet its planned resource expenditures in fiscal 2007. Although the Company has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future. Management is actively pursuing such additional sources of financing, however, in the event that additional funding cannot be obtained, there is substantial doubt about the ability of the Company to continue as a going concern.

The consolidated financial statements have been prepared assuming the Company will be able to realize its assets and discharge its liabilities in the normal course of business as a going concern. In the event the Company is not able to obtain adequate funding, there is uncertainty as to whether the Company will be able to maintain or complete the acquisition of its mineral property interests. The consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to achieve profitable mining operations or obtain adequate financing.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the accounts of the Company and its wholly-owned subsidiary located in Bolivia. All material intercompany balances and transactions have been eliminated.

Resource Properties

The Company capitalizes all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse.

All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, provision is made for the impairment in value.

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Six Months Ended March 31, 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Resource Properties *(continued)*

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

These costs are depleted over the useful lives of the properties upon the commencement of commercial production, or written off if the properties are abandoned or the claims are allowed to lapse.

From time to time the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

Management's estimates of mineral prices, recoverable proven and probable reserves and operating capital and reclamation costs are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties.

The acquisition of title to mineral properties is a detailed and time-consuming process. The Company has taken steps, in accordance with industry standards, to verify mineral properties in which it has an interest. Although the Company has taken every precaution to ensure that legal title to its properties is properly recorded in the name of the company, there can be no assurance that such title will ultimately be secured.

Administrative costs, along with costs related to the determination of the feasibility of a project, are expensed as incurred.

Property, plant and equipment

Property, plant and equipment is recorded at cost and amortized over their estimated useful economic lives using the declining balance method at annual rates of 30% for office equipment, automotive and field equipment. The Company has also constructed a rock crusher plant and recovery mill that are recorded at cost and amortized on a straight-line basis over five years.

Property, plant and equipment acquired in a fiscal year are amortized at one-half of the annual rate.

Foreign Currency Translation

The Company's foreign operations are considered integrated with those of the Company's domestic operations.

The Company translates its accounts denominated in foreign currencies as follows: monetary assets and liabilities at the rate of exchange in effect at the balance sheet date and non-monetary assets and liabilities at their applicable historical rates. Revenues and expenses are translated at rates prevailing at the date of the transaction except for amortization which is translated at historical rates.

Exchange gains and losses from the translation of foreign currencies are recognized in the period in which they occur.

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Six Months Ended March 31, 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Use of Estimates

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 disclosures 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 relate to impairment of resource properties, determination of stock based compensation and determination of valuation allowances for future income tax assets. Actual results could differ from those estimates.

Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. The fair values of the instruments approximate their carrying values due to their short-term nature. Financial risk is the risk arising from fluctuations in foreign currency exchange rates. The Company does not use any derivative or hedging instruments to reduce its exposure to fluctuations in foreign currency exchange rates.

Share Issue Costs

Costs incurred for the issue of common shares are deducted from share capital or the balance of share subscriptions prior to the issuance of the shares. Shares issued for consideration other than cash are valued at the quoted market price on the date the agreement to issue the shares was reached.

Stock-Based Compensation

The Company records all stock-based payments using the fair value method.

Under the fair value method, stock-based payments are measured at the fair value of the consideration received or the fair value of the equity instruments issued or liabilities incurred, whichever is more reliably measurable and are charged to operations over the vesting period. The offset is credited to contributed surplus.

Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital.

Loss Per Share

Loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted loss per share amounts have not been presented as the effect of outstanding options and warrants are anti-dilutive.

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Six Months Ended March 31, 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Future Income Taxes

Future income taxes are recorded using the asset and liability method. Under the asset and liability method, future tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment of the change. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the potential future benefit is taken and no net asset is recognized. Such an allowance applies fully to all potential income tax assets of the Company.

Asset Retirement Obligations

The fair value of a liability for an asset retirement obligation is recognized on an undiscounted cash flow basis when a reasonable estimate of the fair value of the obligation can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expense using a systematic and rational method and is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and from revisions to either expected payment dates or the amounts comprising the original estimate of the obligation. As at September 30, 2006, the Company does not have any asset retirement obligations.

Impairment of Long-Lived Assets

Long-lived assets are assessed for impairment when events and circumstances warrant. The carrying value of a long-lived asset is impaired when the carrying amount exceeds the estimated undiscounted net cash flow from use and fair value. In that event, the amount by which the carrying value of an impaired long-lived asset exceeds its fair value is charged to earnings.

Environmental Expenditures

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly from country to country and are not predictable. The Company's policy is to meet or, if possible, surpass environmental standards set by relevant legislation by the application of technically proven and economically feasible measures.

Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against operations as incurred or capitalized and amortized depending on their expected future economic benefit. Estimated future removal and site restoration costs are recognized when the ultimate liability is reasonably determinable and are charged against operations over the estimated remaining life of the related business operations, net of expected recoveries.

Comparative figures

Certain of the prior years' figures have been restated to conform with the presentation adopted in the current year.

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Six Months Ended March 31, 2006

3. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2007		Sept. 30/06	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Office Equipment	94,128	65,163	28,965	34,077
Field Equipment	40,964	37,177	3,787	4,455
Automotive	86,265	57,747	28,518	33,551
Recovery Mill	872,863	508,864	363,999	454,998
	1,094,220	668,951	425,269	527,081

4. RESOURCE PROPERTIES

The Company's mineral properties are located in Bolivia, South America and its interest in these mineral properties is maintained pursuant to agreements with the titleholders. The Company is satisfied that evidence of title to each of its mineral properties is adequate and acceptable by prevailing Bolivian standards with respect to the current stage of exploration on these properties.

San Simon and Dona Amelia Zones

Pursuant to a formal joint venture agreement (the San Simon Agreement) executed in fiscal 1999 and subsequently amended, the Company owns the right to acquire 100% of all production from eleven mineral concessions. Total consideration paid to acquire this right was US\$600,000.

These eleven mineral concessions are subject to a 3% net smelter returns royalty, of which the Company can purchase 1% for U.S.\$500,000 and a second 1% for U.S.\$750,000.

Agreement with San Simon Resources LLC ("SSR")

On April 15, 2003 SSR and the Company entered into an agreement by which the Company acquired from SSR an 80% interest in production from seven non-core concessions and the right to acquire one additional concession (known as the California concession) by incurring U.S.\$500,000 in mineral exploration expenditures over two years (incurred) and reimbursing SSR certain costs aggregating U.S.\$10,000 (paid).

The Company also entered into a separate agreement on June 9, 2003 with the underlying owner of the California concession whereby it paid U.S. \$48,000 and issued 200,000 common shares to obtain a 100% interest in this concession.

These concessions are subject to a 3% net smelter returns royalty of which the Company can purchase 1% for U.S.\$500,000 and a second 1% for U.S.\$1,000,000.

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Six Months Ended March 31, 2007

4. RESOURCE PROPERTIES (continued)

Marco Maria Zone

Pursuant to an agreement (the Marco Maria Agreement) signed during fiscal 1999, the Company acquired the right to 100% of all production from seven (subsequently increased to eight) mineral concessions located contiguous to the existing San Simon mineral concessions. Total consideration paid to acquire this right was US\$50,000 plus the issuances of 650,000 common shares.

These concessions are subject to a 3% net smelter royalty of which the Company can purchase 1% for U.S.\$500,000 and a second 1% for U.S.\$1,000,000.

Dona Angela (Campo Nuevo) Zone

Pursuant to an agreement signed March 2, 2001, the Company has acquired the right to 100% of all production from 13 concessions covering 19,215 hectares located to the north, east and west of the Company's existing holdings at the San Simon property. The Company had originally agreed to pay U.S.\$95,000 (U.S.\$20,000 paid) to the optionor prior to July 31, 2003.

Pursuant to an amending agreement signed in August, 2003, the Company has agreed to pay the optionor the remaining U.S.\$75,000 (U.S.\$37,500 paid) and incur annual exploration expenditures until production of U.S.\$100,000. The optionor agreed to accept 375,000 common shares (issued by the Company) at a price of U.S.\$0.10 for the remaining U.S.\$37,500. The agreement also calls for annual payments until production of US\$20,000, commencing in fiscal 2005, to the optionor. Payments totaling \$40,000 have been paid to date and commencing in fiscal 2007, the annual payment has been renegotiated and lowered to US\$10,000.

These concessions are subject to a 3% net smelter royalty of which the Company can purchase 1% for U.S.\$1,000,000 and a second 1% for U.S.\$2,000,000.

5. 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 non interest bearing, payable on demand and have arisen from the provision of services described.

During the period ended March 31, 2007, the Company:

- incurred administration fees of \$36, (2006 - \$30,500) with an officer of the Company.
- incurred consulting fees of \$14,953 with a private company related by a director-in-common.
- incurred corporate development costs of \$82,288 (2006 - \$61,705) with a director of the Company.
- incurred management fees of \$133,740 (2006 - \$92,853) with two private companies related by two directors-in-common.

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Six Months Ended March 31, 2007

5. RELATED PARTY TRANSACTIONS (continued)

- incurred legal fees of \$27,374 (2006 - \$31,516) with a law firm in which an officer of the Company is a partner.

As at March 31, 2007, accounts payable and accrued liabilities is inclusive of \$22,911 (2006 – \$370253) due to two private companies related by two directors-in-common.

As at March 31, 2007, accounts receivable and prepaid is inclusive of \$28,218 (2006 - \$354) in travel advances and April's corporate development fees to a director.

6. SHARE CAPITAL

a) Authorized share capital:

The Company's authorized share capital consists of an unlimited number of common shares without par value.

b) Issued and outstanding share capital:

	March 31, 2007		September 30, 2006	
	Number of Shares	\$	Number of Shares	\$
Issued - Beginning of period	267,887,321	51,668,343	197,699,161	42,772,462
Private placements	-	-	14,860,875	2,495,368 ⁽¹⁾
Shares issued for finder's fees	-	-	43,750	-
Exercise of options	-	-	500,000	75,000
Exercise of option compensation	-	-	-	49,650
Exercise of warrants	9,826,000	1,153,198	54,783,535	6,275,863
	<u>9,826,000</u>	<u>1,153,198</u>	<u>70,188,160</u>	<u>8,895,881</u>
Issued - End of period	<u>277,713,321</u>	<u>52,821,541</u>	<u>267,887,321</u>	<u>51,668,343</u>

(1) Net of \$271,564 in share issue costs

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Six Months Ended March 31, 2007

6. SHARE CAPITAL (continued)

c) Directors' and employees' stock options outstanding

i) The Company has a share option plan approved by the shareholders that allows it to grant options, subject to regulatory terms and approval, to its directors, employees, officers, and consultants. All options issued to date have vested immediately, effective the grant date.

ii) The continuity of stock options outstanding is as follows:

	March 31, 2007	Weighted Average Exercise Price \$	September 30, 2006	Weighted Average Exercise Price \$
Balance outstanding - beginning of period	14,350,000	0.17	14,485,000	0.15
Activity during period:				
Options granted	4,000,000	0.27	2,250,000	0.28
Options cancelled/expired	-	-	(1,885,000)	0.18
Options exercised	-	-	(500,000)	0.15
Balance outstanding - end of period	<u>18,350,000</u>	<u>0.19</u>	<u>14,350,000</u>	<u>0.17</u>

iii) Details of stock options outstanding at March 31, 2007:

Number of Shares	Option Price	Expiry Date
750,000	\$ 0.160	April 22, 2007
1,500,000	\$ 0.150	November 19, 2007
2,000,000	\$ 0.150	February 4, 2008
1,000,000	\$ 0.150	June 10, 2008
500,000	\$ 0.150	October 10, 2008
2,850,000	\$ 0.150	April 6, 2009
3,250,000	\$ 0.150	December 24, 2009
750,000	\$ 0.160	April 22, 2010
450,000	\$ 0.195	February 6, 2008
500,000	\$ 0.270	March 3, 2008
500,000	\$ 0.270	March 17, 2008
300,000	\$ 0.455	September 13, 2011
3,700,000	\$ 0.270	January 4, 2012
300,000	\$ 0.270	January 9, 2012
<u>18,350,000</u>		

As at March 31, 2007, the contractual weighted average remaining life is 2.42 years (2006 - 2.57 years).

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Six Months Ended March 31, 2007

6. SHARE CAPITAL (continued)

d) Share purchase warrants outstanding

i) The continuity of share purchase warrants outstanding is as follows:

	March 31, 2007	Weighted Average Exercise Price US\$	September 30, 2006	Weighted Average Exercise Price US\$
Balance outstanding - beginning of period	51,088,875	0.12	94,851,535	0.10
Activity during period:				
Warrants issued	-	-	14,860,875	0.16
Warrants exercised	(9,826,000)	0.10	(54,783,535)	0.10
Warrants expired	(285,000)	0.10	(3,840,000)	0.10
Balance outstanding - end of period	<u>40,977,875</u>	<u>0.12</u>	<u>51,088,875</u>	<u>0.12</u>

ii) Details of share purchase warrants outstanding at March 31, 2007:

Number of shares	Exercise price \$US	Expiry date
26,117,000	\$0.10	May 5, 2007
14,860,875	\$0.16	February 2, 2008
<u>40,977,875</u>		

As at March 31, 2007, the weighted average remaining contractual life is 0.36 year (2006 – 2.57 years).

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Six Months Ended March 31, 2007

6. SHARE CAPITAL (continued)

e) Share subscriptions

- During the year ended September 30, 2001, the Company proposed to issue a private placement of 2.0 million units at \$0.50 per unit to raise \$1.0 million less a 7.5% finder's fee. Each unit is to consist of a common share and a two-year warrant to purchase an additional share for \$0.50 in the first year and \$0.60 in the second year. The Company has received subscriptions for 1,983,171 units (proceeds of \$925,000, net of related issue costs). This private placement has regulatory consent; however, the units cannot be issued until the completion of certain regulatory filings.
- During the year ended September 30, 2001, the Company entered into an agreement with a purchaser for a private placement of 770,000 units at \$0.30 per unit to raise \$231,000. Each unit is comprised of one common share and one warrant to purchase one common share at a price of \$0.30 per share in the first year and \$0.40 per share in the second year. This private placement has regulatory consent; however, the units cannot be issued until the completion of certain regulatory filings.
- During the period ended March 31, 2007, the Company received \$29,268 for the exercise of warrants of which the share certificates have not been issued.

f) Stock-based compensation

The Company recorded stock-based compensation in the current period of \$515,600 (2006 - 0\$407,295). The fair value of stock options granted was estimated using the Black-Scholes Option Pricing Model with the following assumptions; risk-free interest rate 3.00% (2006 - 3.00%); expected dividend yield - Nil; expected stock price volatility 88.6% (2006 - 71% - 111%); and expected option life of 2.5 years (2006 2.0 years).

At September 30, 2006, \$465,765 (2005 - \$430,380) in stock-based compensation was recorded as a result of stock options granted during the year. The fair value of stock options granted was estimated using the Black-Scholes Option Pricing Model with the following assumptions; risk-free interest rate 3.00% (2005 - 3.07% -3.29%); expected dividend yield - Nil; expected stock price volatility 70.6% - 111.1% (2005 - 70% - 109%); and expected option life of 2.0 – 5.0 years (2005 - 1.5 – 5.0 years).

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. Changes in these assumptions can materially affect the fair value estimate, and therefore it is management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option grants.

g) Contributed Surplus

Continuity of contributed surplus is as follows:

Balance – September 30, 2006	1,844,846
Stock based compensation expense	515,600
	<hr/>
Balance – March 31, 2007	<u>2,360,446</u>

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Six Months Ended March 31, 2007

7. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, the exploration and development of mineral properties. Geographic information is as follows:

Assets	2007	2006
Canada		
Assets other than mineral property interests	\$ 664,581	\$ 2,012,226
Mineral property interests	-	-
Bolivia		
Assets other than mineral property interests	632,995	959,459
Mineral property interests	<u>35,137,272</u>	<u>28,792,121</u>
Total Assets	\$ 36,434,848	\$ 31,763,806

8. SUBSEQUENT EVENTS

In addition to information disclosed elsewhere in these notes, the following occurred during the period subsequent to March 31, 2007:

- The Company issued 1,380,000 shares pursuant to the exercise of warrants and received US\$2,103,000 from the exercising of warrants of which share certificates have not been issued.
- The Company issued 100,000 shares pursuant to the exercise of options by a director.