

EAGLECREST EXPLORATIONS LTD.

Financial Statements

March 31, 2000

SCHEDULE A

Financial Information

EAGLECREST EXPLORATIONS LTD.

Notes to the Financial Statements

For the Six Months Ended March 31, 2000 and 1999

1. Nature of operations

The Company is incorporated in British Columbia and is involved in the acquisition, exploration and development of resource properties, principally in Bolivia.

These 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. The recoverability of the amounts shown for mineral property assets is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the company to obtain the necessary financing to continue the development of its mining properties, and upon future profitable production. The 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. Significant accounting policies

Resource properties

The cost of mineral properties and their related direct explorations costs are deferred until the properties are placed into production, sold or abandoned. These costs will be amortized on the unit-of-production basis over the estimated useful life of the properties following commencement of production, or written off if the properties are sold, allowed to lapse or abandoned.

Option payments are made at the discretion of the optionee and, accordingly, are accounted for on a cash basis.

Capital assets

Capital assets are recorded at cost and are amortized over their estimated useful lives on a declining balance basis at an annual rate of 30%.

Cash equivalents

Cash equivalents consist of any highly liquid investments that are readily convertible to known amounts of cash and that generally have maturity dates of three months or less.

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3. Resource properties

	Balance - September 30, 1999	Additions during the period	Balance - March 31, 2000
	\$	\$	\$
San Simon Property - Bolivia			
Acquisition costs	1,619,636	58,514	1,678,150
Assays	182,305	148,755	331,060
Camp costs	1,240,473	80,937	1,321,410
Consulting	875,858	253,415	1,129,273
Drilling	800,265	352,532	1,152,797
Mapping	102,830	-	102,830
Equipment rental	495,677	45,742	541,419
Field costs	248,228	198,584	446,812
Geophysical	150,424	-	150,424
Professional	39,942	50,178	90,120
Sampling	130,607	1,655	132,262
Salaries	160,142	36,801	196,943
Trenching	7,319	-	7,319
Travel	209,235	58,762	267,997
Vehicle maintenance	12,376	14,376	26,752
Administration	183,134	8,624	191,758
	<u>6,458,451</u>	<u>1,308,875</u>	<u>7,767,326</u>
Marco Maria Property - Bolivia			
Acquisition costs	-	36,059	36,059
Professional	-	9,666	9,666
	-	<u>45,725</u>	<u>45,725</u>
Total	<u>6,458,451</u>	<u>1,354,600</u>	<u>7,813,051</u>

San Simon Property

The Company has joint venture agreements (San Simon agreement), which were assigned to the Company under separate assignment agreements, to acquire the right to 100% of the production in 11 mineral claims in Bolivia (San Simon mineral concessions). To acquire its rights, the Company must make option payments totalling U.S. \$600,000 over a three-year period following the execution of a formal agreement. The property vendors will retain a 3% net smelter return royalty (NSR). The Company may purchase 1% of the NSR for U.S. \$500,000 and an additional 1% for U.S. \$750,000.

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3. Resource properties, continued

The San Simon Mineral concessions were originally assigned to the Company under 12 assignment agreements executed in 1994 and 1996. Under these agreements, 338,976 shares remain to be issued to Excalibur Holdings S.A., the assignor.

Moxos Property

Pursuant to an option agreement as of November 16, 1999, the Company granted an option to International Bravo Resources Corporation (“Bravo”) pursuant to which Bravo may acquire the right to 51% of the production from the Moxos (also known as Aguila 9) concession. The Moxos concession is held by the Company under the San Simon agreement.

Marco Maria Property

Pursuant to an agreement signed during 1999, the Company holds the right to 100% of all production from seven mineral concessions, located contiguous to the existing San Simon Mineral concessions. The Company is required to pay US\$100,000 prior to October 15, 2001 and issue 150,000 common shares to the optionor. These concessions are subject to a 3% net smelter royalty of which the Company can purchase 1% for US\$500,000, and a second 1% for US\$1,000,000.

4. Share capital

(a) Authorized – 100,000,000 (1999 – 30,000,000) common shares without par value

(b) Issued –

	Number of shares		Amount
Balance – September 30, 1999	36,803,430	\$	19,510,918
Issue of shares by private placement	3,150,000		1,575,000
Exercise of warrants	4,104,333		836,013
Exercise of stock options	10,000		3,100
Share issue costs			(102,200)
Balance – March 31, 2000	44,067,763	\$	21,822,831

During the period, the Company completed a private placement consisting of 3,150,000 units at a price of \$0.50 per unit. Each unit consists of one share and one

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4. Share capital, continued

half of one share purchase warrant, with each full share purchase warrant entitling the holder to buy one common share at \$0.60 per share within one year. As at March 31, 2000, the resultant 3,150,000 shares and 1,575,000 share purchase warrants had been issued.

(c) Stock options -

Outstanding as of March 31, 2000:

Number of shares	Option price	Expiry date
279,361	\$0.25	October 29, 2001
455,000	\$0.25	June 22, 2003
150,000	\$0.25	August 7, 2003
795,000	\$0.28	March 18, 2004
596,000	\$0.28	April 23, 2004
25,000	\$0.29	April 30, 2004
295,000	\$0.31	June 18, 2004
1,075,000	\$0.54	November 4, 2004
3,670,361		

Subsequent to the quarter end, options to acquire 4,400,000 shares until April 14, 2010 at \$0.25 per share were granted. A total of 10,000 stock options priced at \$0.31 per share and 10,000 stock options priced at \$0.54 per share were cancelled.

(d) Share purchase warrants

Number of shares	Exercise price	Expiry date
1,626,010	\$0.35	September 20, 2000
4,221,109	\$0.30	February 9, 2001
1,105,000	\$0.60	November 19, 2000
280,000	\$0.50	November 19, 2000
470,000	\$0.60	December 23, 2000
7,702,119		

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5. Related party transactions

During the six months ended March 31, 2000, the Company incurred:

- (a) administration fees of \$35,000 with a company related by a director in common,
- (b) consulting fees of \$83,688 for financial, administrative, and investor relations services with parties related by directors and officers in common, and
- (c) legal fees of \$26,289 with a company officer and with a company related by a director in common.

6. Contingencies -

- (a) The Company is the defendant in a lawsuit filed by a creditor for unpaid amounts aggregating approximately \$120,000, which amounts have been fully accrued in accounts payable at December 31, 1999. The Company is defending itself against this legal action and, while the Company is attempting to negotiate a settlement, the outcome is uncertain.
- (b) A former president of the Company is seeking payment of \$107,000 for administrative services and for compensation under an employment agreement. No amount has been recorded in the accounts of the Company as management denies any liability to the former president.

SCHEDULE B

Supplementary Information

EAGLECREST EXPLORATIONS LTD.

Supplementary Information

March 31, 2000

1. See Schedule A for the unaudited financial statements for the six months ended March 31, 2000.

2(a) Securities issued during the quarter ended March 31, 2000:

Issue date	Type of security	Type of issue	Number of shares	Price	Total proceeds	Consideration	Commission
5-Jan-00	Common shares	Warrant exercised	100,000	\$ 0.20	\$ 20,000	cash	-
5-Jan-00	Common shares	Private placement	940,000	\$ 0.50	\$ 470,000	cash	\$ 25,200
20-Jan-00	Common shares	Warrant exercised	70,000	\$ 0.20	\$ 14,000	cash	-
28-Jan-00	Common shares	Warrant exercised	55,000	\$ 0.2875	\$ 15,813	cash	-
31-Jan-00	Common shares	Warrant exercised	35,000	\$ 0.20	\$ 7,000	cash	-
11-Feb-00	Common shares	Warrant exercised	33,000	\$ 0.20	\$ 6,600	cash	-
16-Feb-00	Common shares	Warrant exercised	14,000	\$ 0.20	\$ 2,800	cash	-
21-Feb-00	Common shares	Warrant exercised	350,000	\$ 0.20	\$ 70,000	cash	-
21-Feb-00	Common shares	Warrant exercised	94,000	\$ 0.20	\$ 18,800	cash	-
21-Feb-00	Common shares	Warrant exercised	2,700,000	\$ 0.20	\$ 540,000	cash	-
1-Mar-00	Common shares	Warrant exercised	500,000	\$ 0.20	\$ 100,000	cash	-
20-Mar-00	Common shares	Stock options exercised	10,000	\$ 0.31	\$ 3,100	cash	-

- (b) Stock options issued during the quarter ended March 31, 2000: Nil

3 (a) Authorized share capital and outstanding shares - See Schedule A.

(b) Summary of options and warrants - See Schedule A.

(c) Common shares in escrow – 750,000 shares

(d) Directors –

Gary Cope
Lawrence Page
Dale Janowsky
Robert Gayton

Thomas Patton
Robert Swenarchuk
Dale Corman

SCHEDULE C

Management Discussions

Management Discussion and Analysis of Operations

The Company continues the bulk sampling and diamond drilling program at its San Simon project in Bolivia. Results from the first 22 tonnes of its bulk sampling program indicated an average gold grade of 3.03 g/t, nearly double the 1.61 g/t reported from the 22 tonnes processed in late 1999. Encouraging results have also prompted the Company to accelerate plans for underground bulk sampling.

Two “step out” diamond drill holes intersecting visible gold have been completed containing favourable results, similar to those experienced in 1999. The Company has now completed an 11 hole, 1053.71 meter diamond drilling program.

Substantial funds were raised by the Company during the quarter. It has received another \$470,000 upon completion of the second closing of its private placement of 3,150,000 units (consisting of one share and one-half purchase warrants) for a total gross proceeds of \$1,575,000. The Company also received \$795,013 cash as a result of certain warrants being exercised at \$0.20 per share. To identify additional sources of financing for project development, discussions with several major companies are in progress.

Investor Relations Activities

Costs for the six months ended March 31, 2000 for investor relations consisted mainly of professional fees, and amounted to \$69,177 compared to \$30,000 for the same period in the last financial year. The Company has employed the investor relation services of Michael Baybak and Company Inc. of LaCanada, California. Other investor relations services consist of officers responding to inquiries from shareholder and investment professionals: a portion of the consulting fees paid to officers are included in the above amounts. The Company issued ten news releases in the six months ended March 31, 2000, most of which were widely distributed to individuals on the Company’s database, and for which costs were incurred for postage and fax charges. The Company was represented at two trade shows, having had booths at both the gold show in San Francisco, and the PDAC show in Toronto.

Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the Company, including those related to customers, suppliers, or other third parties, have been fully resolved.