

FORM 51-901F
QUARTERLY REPORT

Incorporated as part of:

 x SCHEDULE A
 SCHEDULES B & C

ISSUER DETAILS:

EAGLECREST EXPLORATIONS LTD.

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Contact Person:

Paul Zdebiak

Contact's Position:

Director

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For Quarter Ended:

December 31, 2003

Date of Report:

February 24, 2004

CERTIFICATE:

The schedule(s) required to complete this quarterly report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of the quarterly report will be provided to any shareholder who requests it. Please note this form is incorporated as part of both the required filing of Schedule A and Schedules B & C.

Director Full Name:

Paul Zdebiak

"Paul Zdebiak"

Date Signed:

February 26, 2004

Signature

Director Full Name:

Carl A. Erickson

"Carl Erickson"

Date Signed:

February 26, 2004

Signature

EAGLECREST EXPLORATIONS LTD.

Consolidated Financial Statements

December 31, 2003

Unaudited
Prepared by Management

EAGLECREST EXPLORATIONS LTD.
Consolidated Statements of Operations and Deficit
For the Three Months Ended December 31, 2003 and 2002
(Unaudited – Prepared by Management)

	2003	2002
	\$	\$
Expenses		
Accounting and audit	2,500	2,500
Administration	11,000	15,000
Amortization	8,300	8,633
Bank charges and interest	32,865	3,112
Consulting	-	375
Filing fees	15,767	6,766
Foreign exchange	(7,351)	(9,708)
Investor relations	34,624	2,000
Legal	5,773	3,234
Office and printing	16,110	6,245
Shareholder information	2,893	136
Stock-based compensation (note 7)	130,950	-
Transfer agent	1,442	756
Travel and promotion	7,120	100
Total Expenses	<u>261,993</u>	<u>39,149</u>
Net loss for the period	(261,993)	(39,149)
Deficit – beginning of period	<u>(14,855,656)</u>	<u>14,560,481</u>
Deficit – end of period	<u><u>(15,117,649)</u></u>	<u><u>(14,599,630)</u></u>
	\$ (0.00)	\$ (0.00)
Loss per common share	<u> </u>	<u> </u>
Weighted-average number of common shares outstanding	<u>73,727,420</u>	<u>53,087,778</u>

See notes to the consolidated financial statements

EAGLECREST EXPLORATIONS LTD.
Consolidated Statements of Cash Flows
For the Periods Ended December 31, 2003 and 2002
(Unaudited – Prepared by Management)

	2003	2002
	\$	\$
Cash provided by (used in):		
Operating activities		
Net loss for the year	(261,993)	(39,149)
Items not affecting cash:		
Amortization	8,300	8,633
Stock based compensations	130,950	-
Accrued interest on bridge loan payable	-	2,374
	(122,743)	(28,142)
Net change in non-cash working capital items:		
Accounts receivable and prepaids	(10,460)	(11,023)
Accounts payable and accrued liabilities	375,689	(249,523)
	242,486	(288,688)
Financing activities		
Cash received for capital stock issued	587,258	209,908
Finders fees and other issue costs	(52,318)	(11,137)
	534,940	198,771
Investing activities		
Resource property expenditures	(666,223)	(97,873)
	(666,223)	(97,873)
Increase (decrease) in cash and cash equivalents during the period	111,203	(187,790)
Cash and cash equivalents - beginning of period	101,948	218,351
Cash and cash equivalents - end of period	213,151	30,561

Supplemental disclosure of non-cash financing activities:

During the period ended December 31, 2003, 265,000 common shares were issued at \$0.13 for finders' fees.

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Three Months Ended December 31, 2003 and 2002
(Unaudited – Prepared by Management)

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.

As at December 31, 2003, the Company has a net working capital deficit of \$419,155 (September 30, 2003 - \$165,129) and a cumulative operating deficit of \$15,117,649 (September 30, 2003 - \$14,855,656). The Company will require significant additional funding to alleviate its working capital deficiency and meet its planned resource expenditures in fiscal 2004. 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 Consolidation

These financial statements include the accounts of the Company and its wholly-owned subsidiaries located in Bolivia and the British Virgin Islands.

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 Three Months Ended December 31, 2003 and 2002
(Unaudited – Prepared by Management)

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 are expensed as incurred.

Property, plant and equipment

Capital assets, consisting largely of computer hardware, motor vehicles and rock crushing equipment, are recorded at cost and are amortized over their estimated useful lives on a declining balance basis at an annual rate of 30%. The Company has also constructed a rock crusher plant that is recorded at cost and amortized on a straight-line basis over five years.

Foreign Currency Translation

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.

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.

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Three Months Ended December 31, 2003 and 2002
(Unaudited – Prepared by Management)

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

Marketable Securities

Marketable securities are carried at the lower of cost and market value, determined on an item-by-item basis.

Use of Estimates

The preparation of financial statements in conformity with 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. Actual results could differ from those estimates.

Financial Instruments

The Company's financial instruments consist of current assets and current 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.

Stock-based compensation

Compensation expense in connection with stock options granted to directors, employees and non-employees is recorded as an expense as the options vest with the recipients using the fair value method of measurement.

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 Three Months Ended December 31, 2003 and 2002
(Unaudited – Prepared by Management)

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.

3. LEGAL SETTLEMENTS

During the year ended September 30, 2001, the Company was named in a lawsuit filed by a creditor for unpaid amounts aggregating approximately \$5,600 including interest and court cost, of which \$4,000 has been accrued in accounts payable at September 30, 2001. During the year ended September 30, 2002, the creditor settled the claim for \$3,100.

During the year ended September 30, 2000, the Company proposed to settle a claim by a former officer and director for \$107,000 in unpaid wages by the issuance of 100,000 shares. A provision of \$45,000 was accrued in that fiscal year and this amount was settled in the current year by the issuance of 100,000 common shares.

4. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2003			September 30, 2003
	Costs	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Office equipment	40,824	33,815	7,009	7,577
Crusher plant	128,531	74,977	53,554	59,981
Automotive	40,729	36,652	4,077	4,408
Field equipment	40,964	28,951	12,013	12,987
	<u>251,048</u>	<u>174,395</u>	<u>76,653</u>	<u>84,953</u>

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Three Months Ended December 31, 2003 and 2002
(Unaudited – Prepared by Management)

5. 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 of each of its mineral properties is adequate and acceptable by prevailing industry standards with respect to the current stage of exploration on these properties. The cumulative deferred costs associated with these properties are as follows:

	September 30, 2002	Additions during the year	September 30, 2003	Additions during the period	December 31, 2003
Bolivia					
San Simon Property					
Acquisition costs	2,167,650	29,729	2,197,379	-	2,197,379
Assays	397,246	1,499	398,745	-	398,745
Camp costs	1,731,852	123,114	1,854,966	-	1,854,966
Consulting fees	2,156,455	155,018	2,311,473	-	2,311,473
Drilling	1,501,060	-	1,501,060	-	1,501,060
Mapping	120,058	-	120,058	-	120,058
Equipment rental	1,150,002	32,464	1,182,466	-	1,182,466
Field costs	625,183	7,203	632,386	-	632,386
Geophysical surveys	162,186	9,681	171,867	-	171,867
Professional fees	216,350	1,041	217,391	-	217,391
Sampling and analysis	132,529	-	132,529	-	132,529
Wages	589,341	89,953	679,294	-	679,294
Travel	478,041	4,620	482,661	-	482,661
Underground development	2,234,411	185,830	2,420,241	-	2,420,241
Vehicle maintenance	393,251	-	393,251	-	393,251
Administration	193,576	14,827	208,403	-	208,403
	<u>14,249,191</u>	<u>654,979</u>	<u>14,904,170</u>	<u>-</u>	<u>14,904,170</u>
Dona Amelia Property					
Acquisition	-	52,210	52,210	-	52,210
Administration & office	-	-	-	39,398	39,398
Assays	-	-	-	17,209	17,209
Camp costs	-	117,931	117,931	24,374	142,305
Consulting	-	53,209	53,209	103,141	156,350
Drilling	-	346,275	346,275	264,480	610,755
Mapping	-	3,285	3,285	1,680	4,965
Equipment rental	-	2,464	2,464	3,208	5,672
Field costs	-	1,991	1,991	112,345	114,336
Geophysical	-	12,894	12,894	-	12,894
Travel	-	8,886	8,886	41,318	50,204
Wages	-	-	-	59,070	59,070
	<u>-</u>	<u>599,145</u>	<u>599,145</u>	<u>666,223</u>	<u>1,265,368</u>

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Three Months Ended December 31, 2003 and 2002
(Unaudited – Prepared by Management)

5. RESOURCE PROPERTIES *(continued)*

Marco Maria Property

Acquisition	239,058	-	239,058	-	239,058
Professional	10,701	-	10,701	-	10,701
	<u>249,759</u>	<u>-</u>	<u>249,759</u>	<u>-</u>	<u>249,759</u>

Campo Nuevo Property

Acquisition	31,512	51,523	83,035	-	83,035
Professional	3,147	-	3,147	-	3,147
	<u>34,659</u>	<u>51,523</u>	<u>86,182</u>	<u>-</u>	<u>86,182</u>

Total	<u>14,533,609</u>	<u>1,305,647</u>	<u>15,839,256</u>	<u>666,223</u>	<u>16,505,479</u>
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San Simon and Dona Amelia Properties

Pursuant to a formal joint venture agreement (the San Simon Agreement) executed in fiscal 1999, and subsequently amended, the Company holds the right to acquire 100% of all production from eleven mineral concessions in consideration for the payment of U.S.\$600,000 in stages as follows:

- U.S.\$30,000 (paid) on execution of the formal agreement;
- U.S.\$30,000 (paid) on the later of nine months after execution of the formal agreement and confirmation by the Bolivian regulatory authorities of the optionors' clear title to the concessions;
- U.S.\$100,000 (paid) one year after execution of the formal agreement;
- U.S.\$190,000 (fully accrued at September 30, 2001 and 2002) two years after execution of the formal agreement; and
- U.S.\$250,000 three years after execution of the formal agreement.

On December 15, 2002, the Company completed an agreement to reschedule the final U.S.\$440,000 in outstanding payments due pursuant to the San Simon Agreement. The Company has agreed to pay U.S. \$15,000 prior to December 15, 2002 (paid), U.S. \$15,000 prior to January 15, 2003 (paid), U.S.\$14,000 prior to March 20, 2003 (paid), U.S.\$146,000 prior to June 15, 2003 and U.S.\$250,000 prior to September 20, 2004. The due dates of the latter two payments were subsequently extended to September 20, 2003 and September 20, 2004, respectively, with the U.S. \$146,000 amount paid by the issuance of 1,000,000 common shares at a value of U.S. \$100,000 and the cash payment of U.S.\$46,000

The Company originally acquired its interest in the San Simon property pursuant to eleven assignment agreements, which are still in effect, under which the Company has issued a total of 563,976 common shares and for which 338,976 common shares remain to be issued. 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. \$750,000.

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Three Months Ended December 31, 2003 and 2002
(Unaudited – Prepared by Management)

5. RESOURCE PROPERTIES *(continued)*

The Company has also acquired a 100% interest in production from the Bonanza concession, located contiguous to the concessions subject to the San Simon Agreement, pursuant to a separate assignment agreement and in a previous fiscal year had paid U.S.\$78,750 to the concession owners under an amendment to the original acquisition agreement with them. Under the assignment agreement, the Company had also issued 75,000 common shares to the assignor.

Agreement with San Simon Resources LLC (“SSR”)

On April 15, 2003 SSR and the Company entered into an agreement by which the Company will acquire from SSR an 80% interest in production from seven non-core concessions and one additional concession (known as the California concession) by expending U.S.\$500,000 over two years and reimbursing SSR certain costs aggregating U.S.\$10,000 (paid). The Company also entered into a separate agreement with the underlying owner of the California concession whereby it paid U.S.\$28,000 currently and will issue 200,000 common shares upon regulatory approval of the agreement.

Marco Maria Property

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. The Company is required to pay U.S.\$100,000 prior to October 15, 2001 (not paid at September 30, 2003 but included in accounts payable and accrued liabilities) and issue 150,000 common shares (issued) to the optionor. 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.

The optionor and the Company have agreed to reschedule the aggregate U.S. \$100,000 due pursuant to the Marco Maria Agreement. Subject to formalization of the agreement with Bolivian authorities and TSX Venture Exchange approval, the Company has agreed to issue 500,000 common shares and pay U.S.\$25,000 prior to July 15, 2003 (paid), U.S.\$12,500 prior to June 2, 2004 and U.S.\$12,500 prior to June 2, 2005.

Campo Nuevo Property

Pursuant to an agreement signed March 2, 2001, the Company has acquired the right to 100% of all production to 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 has agreed to pay U.S.\$95,000 (U.S.\$20,000 paid) to the optionor on July 31, 2003. These concessions are subject to a 3% net smelter royalty of which the Company can purchase 1% for U.S.\$1,000,000, and second 1% for U.S.\$2,000,000

Pursuant to an amending agreement signed in August, 2003, the Company has agreed to pay the optionor U.S.\$75,000 (U.S.\$37,500 paid) and incur annual exploration expenditures of U.S.\$100,000. Subject to formalization and regulatory consent, the Company has agreed to issue 375,000 common shares at a price of U.S.\$0.10 for the remaining U.S.\$37,500.

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Three Months Ended December 31, 2003 and 2002
(Unaudited – Prepared by Management)

6. 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 period ended December 31, 2003, the Company

- incurred administration fees of \$6,000 (2002 - \$15,000) and investor relations costs of \$9,868 (2002 -\$2,000) with an officer and a director respectively.
- as at December 31, 2003, accounts payable and accrued liabilities is inclusive of \$3,000 (2002 - \$175,198) due to an officer.

7. SHARE CAPITAL

- a) Authorized share capital consists of 200,000,000 common shares without par value. During the 2001 Annual General Meeting held on September 30, 2002, the shareholders approved an increase in Company's authorized share capital from 100,000,000 to 200,000,000 common shares.

	<u>December 31, 2003</u>		<u>September 30, 2003</u>	
	<u>Number of Shares</u>	<u>Amount</u>	<u>Number of Shares</u>	<u>Amount</u>
		\$		\$
Issued – Beginning of period	87,559,526	29,458,736	53,087,778	24,531,406
Private placements	4,450,000	534,940	21,526,500	3,050,760
Shares issued to settle debt	-	-	12,745,248	1,849,154
Shares issued for finders' fees	265,000	-	-	-
Exercise of warrants	-	-	200,000	27,416
Issued – End of period	<u>92,274,526</u>	<u>29,993,676</u>	<u>87,559,526</u>	<u>29,458,736</u>

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Three Months Ended December 31, 2003 and 2002
(Unaudited – Prepared by Management)

7. SHARE CAPITAL (continued)

b) Directors' and employees' stock options outstanding

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

	December 31, 2003	Weighted- Average Exercise Price	September 30, 2003	Weighted- Average Exercise Price
		\$		\$
Balance outstanding, beginning of period	8,790,000	0.29	8,076,000	0.34
Activity during the period:				
Options granted	1,500,000	0.25	5,400,000	0.25
Options cancelled/expired	(4,330,000)	0.31	(4,686,000)	0.33
Balance outstanding, end of period	<u>5,960,000</u>	<u>0.26</u>	<u>8,790,000</u>	<u>0.29</u>

ii) Details of stock options outstanding at December 31, 2003:

Number of shares	Option price	Expiry date
60,000	\$0.28	March 18, 2004
115,000	\$0.30	April 23, 2004
100,000	\$0.31	June 18, 2004
50,000	\$0.54	November 14, 2007
1,750,000	\$0.25	November 19, 2007
2,000,000	\$0.25	February 4, 2008
1,000,000	\$0.25	June 10, 2008
500,000	\$0.25	October 10, 2008
160,000	\$0.27	April 14, 2010
75,000	\$0.34	February 21, 2010
150,000	\$0.44	March 16, 2011
<u>5,960,000</u>		

As at December 31, 2003, the exercise price of options outstanding range from \$0.25 - \$0.54 (September 30, 2003 - \$0.25 - \$0.54) and the weighted average remaining contractual life is 4.12 years (September 30, 2003 - 4.6 years).

c) Shareholder Rights Plan

The Company has adopted a Shareholder Rights Plan, whereby one share purchase right is to be attached to each currently outstanding and future common share to be issued, exercisable only in the case of a specific event, such as the acquisition by an individual or corporation of 20% or more of the issued common shares of the Company.

EAGLECREST EXPLORATIONS LTD.
Notes to the Consolidated Financial Statements
For the Three Months Ended December 31, 2003 and 2002
(Unaudited – Prepared by Management)

7. SHARE CAPITAL (continued)

d) Share purchase warrants outstanding

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

	December 31, 2003	Weighted- Average Exercise Price	September 30, 2003	Weighted - Average Exercise Price
		\$		\$
Balance outstanding, beginning of period	32,317,961	0.23	8,615,461	0.42
Activity during the period:				
Warrants issued	4,450,000	0.13	24,902,500	0.16
Warrants exercised	-	-	(200,000)	0.14
Warrants cancelled	(516,000)	0.20	(100,000)	0.25
Balance outstanding, end of period	<u>36,251,294</u>	<u>0.21</u>	<u>32,317,961</u>	<u>0.23</u>

7. SHARE CAPITAL (continued)

ii) Details of share purchase warrants outstanding at December 31, 2003:

Number of shares	Exercise price	Expiry date
3,923,508	\$0.30	February 9, 2004
1,055,286	\$0.50	June 1, 2004
1,105,000	\$0.60	November 19, 2004
265,000	\$0.50	November 19, 2004
6,500,000	\$0.16	December 27, 2004
750,000	\$1.00	January 1, 2005
580,000	\$0.16	March 4, 2005
2,522,500	\$0.16	March 4, 2005
10,000,000	\$0.16	August 18, 2005
5,100,000	\$0.16	September 18, 2005
1,350,000	\$0.13	November 27, 2005
3,100,000	\$0.13	December 23, 2005
<u>36,251,294</u>		

EAGLECREST EXPLORATIONS LTD.
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For the Three Months Ended December 31, 2003 and 2002
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7. SHARE CAPITAL (continued)

e) Stock-based compensation

Net loss for the year	
As reported	\$ 261,993
Less: Compensation expense	<u>(130,950)</u>
Net loss before compensation expense	<u>\$ 131,043</u>

In accordance with new accounting guidelines, the stock-based compensation 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.

The fair value of options included in the pro-forma information above has been estimated using the Black-Scholes Option Pricing Model based on the following assumptions: a risk free interest rate of 3.50% - 4.00%; an expected life of 5 years; an expected volatility of 122%; and no expectation for the payment of dividends.

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.

8. INCOME TAXES

As at September 30, 2003, the Canadian parent company has accumulated non-capital losses of approximately \$7.0 million (September 30, 2002 - \$7.1 million) which are available to reduce future taxable income earned by that company and which expire between 2004 and 2010. No future benefit has been recognized in the accounts for these losses since at this time it cannot be considered likely that they will be utilized.

9. BRIDGE LOANS PAYABLE

During the year ended September 30, 2001, the Company entered into loan agreements with three parties who loaned a total of U.S.\$485,000, inclusive of U.S. \$35,000 advanced to the Company during the comparative year, with no fixed terms of repayment and non-interest bearing except for two loans aggregating U.S.\$50,000, which carried simple interest at 12% per annum. During the current year, the Company issued an aggregate of 613,332 common shares and 580,000 share purchase warrants exercisable for a period of one year at U.S. \$0.10 in full repayment of the interest-bearing loans. The Company also issued 4,733,600 units in settlement of the U.S.\$435,000 loan with each unit consisting of one common share and one common warrant. Each warrant is exercisable for two years at U.S. \$0.10.

10. MARKETABLE SECURITIES

Marketable securities consist of 28,571 common shares of Bravo Venture Group Inc., a public company listed on the TSX Venture Exchange, at an estimated aggregate market value at December 31, 2003 of \$2,000 (September 30, 2003 - \$2,000).

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11. SUBSEQUENT EVENTS

In addition to information disclosed elsewhere in these notes, the following occurred during the period subsequent to December 31, 2003:

The Company has received U.S. \$450,000 on closing of a U.S. \$5,000,000 convertible loan financing.

This first part of the loan has a two year term, and bears a rate of interest at 9% per annum and can be convertible at the option of the holder into units of the Company at U.S. \$0.10 per unit. Future advances will be made on the same financial terms and will also be convertible into units of the Company at the permitted discount from the average 20 day closing price at the time of the loan advance, subject to a minimum conversion price of U.S. \$0.10 per unit.

Each unit issued on any conversion will be comprised of one common share and one warrant exercisable for a period of two years from the date of issue to purchase one additional common share for an amount equal to the conversion price. The loan will be unsecured until a total of U.S. \$1,500,000 has been advanced, and will thereafter be secured by a mortgage charge on the Company's Bolivian property interests. A finder's fee of U.S. \$13,500 (3%) is payable in cash in connection with the first U.S. \$450,000 received on account of loan. All shares issued pursuant to the conversion of any portion of the loan, and any shares issued on exercise of warrants issued pursuant to the conversion of any portion of the loan, will be subject to a hold period expiring four months after the date of the advance being converted. Accordingly, any shares issued pursuant to the conversion of any portion of the U.S. \$450,000 which has now been received by the Company on account of the loan, and any shares issued on exercise of warrants issued pursuant to the conversion of that portion of the loan, will be subject to a four month hold period expiring May 30, 2004.

The Company has arranged a non-brokered private placement of 2,985,000 units for U.S. \$0.10 per unit, to raise U.S. \$298,500. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant will be exercisable to acquire one additional common share in the capital of the Company for U.S. \$0.10 for two years after closing. Finder's fees will be payable in connection with the private placement, partly in shares and partly in cash. All shares issued in connection with the private placement and any shares issued on exercise of warrants will be subject to a four month hold period. The private placement is subject to acceptance by the TSX Venture Exchange.