

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
For the period ended
September 30, 2019

(Expressed in Canadian dollars)

(Unaudited – prepared by management)

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

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed consolidated interim financial statements for the period ended September 30, 2019.

**NOTICE TO READER OF THE
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The Management of Eagle Plains Resources Ltd. is responsible for the preparation of the accompanying condensed consolidated interim financial statements as at September 30, 2019.

These condensed consolidated interim financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Crowe MacKay LLP.

The condensed consolidated interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards.

"Timothy J Termuende"

Timothy J. Termuende, P. Geo
President and Chief Executive Officer

"Glen J Diduck"

Glen J. Diduck
Chief Financial Officer

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – prepared by management)
(Expressed in Canadian dollars)

	Sep 30 2019 (unaudited)	Dec 31 2018 (audited)
Assets		
Current		
Cash and cash equivalents	\$4,002,630	\$2,931,285
Accounts receivable (Notes 4 and 10)	472,754	415,188
Prepaid expenses	33,132	28,176
Investments (Note 5)	1,482,598	1,506,948
Mineral exploration tax credits recoverable	2,215	9,226
	5,993,329	4,890,823
Reclamation bonds (Note 11)	97,743	60,100
Property and equipment (Note 6)	1,324,733	1,367,708
Exploration and evaluation assets (Note 7)	1,053,262	1,163,746
	\$8,469,067	\$7,482,377
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities (Note 10)	\$ 366,681	\$ 127,852
Prepaid deposits	656,928	89,959
Premium on flow-through shares	-	1,132
	1,023,609	218,943
Shareholders' equity		
Share capital (Note 8)	23,378,640	23,075,407
Contributed surplus (Note 8)	4,555,333	4,478,073
Deficit	(20,488,515)	(20,290,046)
	7,445,458	7,263,434
	\$8,469,067	\$7,482,377

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 11)
Subsequent events (Note 16)

On behalf of the Board:

"Timothy J Termuende" Director
Mr. Timothy J. Termuende (Signed)

"Glen J Diduck" Director
Mr. Glen J. Diduck (Signed)

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

EAGLE PLAINS RESOURCES LTD. (An Exploration Stage Corporation) CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited – prepared by management) Expressed in Canadian dollars				
	Three Months Ended Sep 30		Nine Months Ended Sep 30	
	2019	2018	2019	2018
Revenue				
Geological services	\$1,524,909	\$1,874,420	\$4,103,327	\$2,295,549
Cost and Expenses of Operations				
Geological expenses				
Services	720,021	753,990	2,672,035	897,111
Depreciation	27,516	21,911	81,457	65,727
Salaries and subcontractors	466,586	675,808	800,015	832,024
	1,214,123	1,451,709	3,553,507	1,794,862
Gross income	310,786	422,711	549,820	500,687
Operating expenses				
Administration costs (Note 10)	156,304	192,187	572,149	801,746
Professional fees (Note 10)	16,233	23,052	52,843	211,919
Public company costs	14,961	13,294	25,591	56,440
Trade shows, travel and promotion	10,386	14,542	41,817	97,944
	(197,884)	(243,075)	(692,400)	(1,168,049)
Operating income (loss) before other items	112,902	179,636	(142,580)	(667,362)
Other items				
Bad debts	(300)	(400)	(900)	(7,625)
Depreciation	(4,709)	(5,972)	(13,965)	(17,917)
Share-based payments (Note 8)	(74,165)	(3,095)	(77,260)	(159,186)
Write-down of exploration and evaluation assets	(44,655)	-	(44,655)	-
Other income	22,234	30,747	40,365	114,697
Investment income	10,404	4,333	28,979	17,356
Premium on flow-through shares	-	8,208	12,882	74,293
Unrealized gain (loss) on investments	(334,928)	(777,985)	(477,468)	498,690
Option proceeds in excess of carrying value	14,904	35,313	423,162	35,313
Disposition of exploration and evaluation assets	-	215,756	-	215,756
Gain (loss) on disposal of equipment	(4,110)	356	10,903	24,635
Gain on sale of investments	42,068	340,903	42,068	434,653
	(373,257)	(151,836)	(55,889)	1,230,665
Net income (loss) for the period	\$ (260,355)	\$ 27,800	\$ (198,469)	\$ 563,303
Net loss per share – basic and diluted (Note 9)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of shares – basic and diluted (Note 9)	92,075,930	90,342,941	90,930,087	89,343,779

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

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – prepared by management)
(Expressed in Canadian dollars)

	Nine Months Ended Sep 30 2019	Nine Months Ended Sep 30 2018
Cash flows from operating activities		
Income (loss) for the period	\$ (198,469)	\$ 563,303
Adjustment for:		
Depreciation	95,422	83,644
Bad debts	(900)	7,625
Share-based payments	77,260	159,186
Fair value adjustment for investments	477,468	(498,690)
Gain on sale of investments	(42,068)	(434,653)
Investment income	(143)	-
Option proceeds in excess of carrying value	(423,162)	(35,313)
Write-down of exploration and evaluation assets	44,655	(215,756)
Premium on flow-through shares	(12,882)	(74,293)
Gain on disposal of equipment	(10,903)	(24,635)
	6,278	(469,582)
Changes in non-cash working capital items		
Increase in accounts receivable	(56,666)	(631,831)
Increase in prepaid expenses	(4,956)	(53,402)
Decrease in mineral tax credits recoverable	-	104,461
Increase (decrease) in accounts payable and accrued liabilities	238,830	(118,660)
Increase in prepaid deposits	566,969	43,046
	750,455	(1,125,968)
Cash flows from financing activities		
Proceeds from shares issued in financing	315,000	980,800
Proceeds from exercise of options	-	161,619
Share issue costs	(18)	(3,830)
	314,982	1,138,589
Cash flows from investing activities		
Proceeds from sale of investments	48,950	540,359
Purchase of investments	-	(300,000)
Purchase of reclamation bond	(37,500)	-
Cash received for option payments	179,982	69,982
Exploration and evaluation assets expenditures	(143,980)	(666,354)
Proceeds from sale of equipment	18,590	33,143
Purchase of property and equipment	(60,134)	(234,366)
	5,908	(557,236)
Increase (decrease) in cash and cash equivalents	1,071,345	(544,615)
Cash and cash equivalents, beginning of period	2,931,285	3,199,060
Cash and cash equivalents, end of period	\$ 4,002,630	\$ 2,654,445
Cash and cash equivalents comprise:		
Bank deposits	\$ 569,715	\$ 990,234
Term deposits	3,432,915	1,664,211
	\$ 4,002,630	\$ 2,654,445

The Company made no cash payments for interest or income taxes.
The Company received cash payments of \$10,404 (2018 - \$17,355) for interest.
Supplemental Cash Flow Information (Note 13)

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

EAGLE PLAINS RESOURCES LTD.
(An Exploration Stage Corporation)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited – prepared by management)
(Expressed in Canadian dollars)

	Share Capital	Contributed			
	Shares	Amount	Surplus	Deficit	Total
Balance, December 31, 2017	84,513,669	\$21,933,313	\$4,376,545	\$(19,852,642)	\$6,457,216
Shares issued for private placement	2,084,000	416,800	-	-	416,800
Shares issued for flow-through financing	2,350,000	564,000	-	-	564,000
Shares issued on exercise of options	1,275,000	161,620	-	-	161,620
Shares issued to acquire mineral property	125,000	25,000	-	-	25,000
Share issue costs	-	(3,829)	-	-	(3,829)
Premium on flow-through shares	-	(82,250)	-	-	(82,250)
Transfer of assets per Plan of Arrangement	-	(400,585)	-	-	(400,585)
Share-based payments	-	-	159,186	-	159,186
Income for the period	-	-	-	563,303	563,303
Balance, September 30, 2018	90,347,669	\$22,614,069	\$4,535,731	\$(19,289,339)	\$7,860,461
Balance, December 31, 2018	90,347,669	\$23,075,407	\$4,478,073	\$(20,290,046)	\$7,263,434
Shares issued for private placement	3,000,000	315,000	-	-	315,000
Share issue costs	-	(17)	-	-	(17)
Premium on flow-through shares	-	(11,750)	-	-	(11,750)
Share-based payments	-	-	77,260	-	77,260
Loss for the period	-	-	-	(198,469)	(198,469)
Balance, September 30, 2019	93,347,669	\$23,378,640	\$4,555,333	\$(20,488,515)	\$7,445,458

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

September 30, 2019 and 2018

1. Nature and continuance of operations

Eagle Plains Resources Ltd. (the "Company" or "Eagle Plains" or "EPL") was incorporated on March 30, 1994, pursuant to the Alberta Business Corporation Act (Alberta), and is extra provincially registered in the Yukon, British Columbia, the Northwest Territories and Saskatchewan. The Company is a junior resource company holding properties located in British Columbia, Yukon, the Northwest Territories and Saskatchewan for the purpose of exploring for, and the development of mineral resources and it is considered to be in the exploration stage.

The Company also provides geological services on its properties optioned to others and properties owned by others through its subsidiary, TerraLogic Exploration Inc. (incorporated pursuant to the British Columbia Corporation Act). The gross margin reported on the condensed consolidated interim statements of comprehensive income (loss) relates solely to geological services provided to third parties.

The Company's corporate office and principal place of business is Suite 200, 44-12th Avenue South, Cranbrook, British Columbia, Canada.

These condensed consolidated interim financial statements have been prepared on the basis that the Company is a going concern which envisions the Company will be able to realize assets and discharge liabilities in the normal course of operations. Recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and attain profitable production or proceeds from the disposition of the exploration and evaluation assets in excess of the carrying amount. These condensed consolidated interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. Basis of Preparation

(a) Statement of Compliance

The condensed consolidated interim financial statements for the Company for the periods ending September 30, 2019 and 2018 are prepared in accordance with International Financial Reporting Standard 34 ("IAS 34"), Interim Financial Reporting, using accounting policies which are consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 26, 2019.

(b) Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI") which are stated at their fair value. These condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(c) Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Financial results as determined by actual events could differ from these estimates.

September 30, 2019 and 2018

2. Basis of Preparation - continued

(c) Use of Estimates and Judgments - continued

The estimates and underlying assumptions are continuously evaluated and reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

Significant areas requiring the use of management estimates include impairment of exploration and evaluation assets; provision of reclamation and environmental obligations, if any; impairment of property and equipment; useful lives for depreciation of property and equipment; and inputs used in accounting for share-based payments in profit or loss.

Areas of significant judgment include the classification of financial instruments; recognition of deferred income taxes and contingencies reported in the notes to the consolidated financial statements; and the classification of exploration and evaluation expenditures, which requires judgment in determining whether it is likely that future economic benefits will flow to the Company as this would result in the properties being shown as mines under construction instead of exploration and evaluation assets.

3. Significant Accounting Policies

The condensed consolidated interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 3 to the audited consolidated financial statements for the year ended December 31, 2018.

New accounting pronouncements

Certain new accounting standards and interpretations have been published that are mandatory for the September 30, 2019 reporting period. The adoption of the following standards effective January 1, 2019 had no impact on the Company's condensed consolidated interim financial statements.

IFRS 16 – Leases

The new standard recognizes most leases for lessees under a single model, eliminating the distinction between operating and finance leases. The application of this standard is effective for annual periods beginning on or after January 1, 2019.

4. Accounts Receivable

Accounts receivable are comprised of:

	September 30 2019	December 31 2018
Trade receivables before allowance	\$ 737,785	\$ 688,158
Less: allowance for doubtful accounts	(283,882)	(282,937)
Trade receivables, net	453,903	405,221
GST	5,306	-
Other	13,545	9,967
	<u>\$ 472,754</u>	<u>\$ 415,188</u>

The Company has provided an allowance for lifetime expected credit losses based on the non-ability of certain customers to meet their obligations. The Company does not hold any collateral as security.

Eagle Plains Resources Ltd.
(An Exploration Stage Corporation)
Notes to Condensed Consolidated Interim Financial Statements
(Expressed in Canadian dollars)

September 30, 2019 and 2018

5. Investments

The Company holds investments that have been designated as FVTPL as follows:

	September 30, 2019		December 31, 2018	
	Market Value	Cost	Market Value	Cost
Current:				
Common shares in public companies	\$ 1,462,598	\$ 1,352,722	\$ 1,506,948	\$ 899,608

For securities traded in an active market, market value is based on the quoted closing bid prices of the securities at September 30, 2019. Cost is calculated using the quoted closing bid price on the date of receipt of the securities.

Current term deposits are held for terms less than 90 days and are cashable on demand, as long as credit cards are cancelled, so they are classified as cash and cash equivalents.

The Company recorded unrealized gains (losses) on investments of \$(477,468) (2018 – \$498,690) in the period which is included in the condensed consolidated interim statements of comprehensive income (loss).

During the period, the Company sold investments and received proceeds of \$48,950 (2018 - \$540,359), resulting in gains on sales of \$42,068 (2018 - \$434,653).

Eagle Plains Resources Ltd.
(An Exploration Stage Corporation)
Notes to Condensed Consolidated Interim Financial Statements
(Expressed in Canadian dollars)

September 30, 2019 and 2018

6. Property and Equipment

Cost	Land	Automotive	Building	Computer Equipment & Software	Furniture & Equipment	Fence	Total
Balance at December 31, 2017	\$298,856	\$274,155	\$1,023,188	\$324,364	\$450,705	\$13,360	\$2,384,628
Additions	-	206,821	-	14,124	13,422	-	234,367
Disposals	-	(71,924)	-	-	(7,804)	-	(79,728)
Balance at December 31, 2018	298,856	409,052	1,023,188	338,488	456,323	13,360	2,539,268
Additions	-	4,933	39,246	8,309	7,645	-	60,133
Disposals and write-offs	-	(24,981)	(1)	(219,392)	(87,688)	-	(332,062)
Balance at September 30, 2019	\$298,856	\$389,004	\$1,062,433	\$127,405	\$376,280	\$13,360	\$2,267,338

Accumulated Depreciation	Automotive	Building	Computer Equipment & Software	Furniture & Equipment	Fence	Total
Balance at December 31, 2017	\$223,873	\$255,734	\$302,078	\$332,183	\$6,614	\$1,120,482
Depreciation	47,310	32,296	16,760	25,047	675	122,088
Disposals	(64,202)	-	-	(6,809)	-	(71,011)
Balance at December 31, 2018	206,981	288,030	318,838	350,421	7,289	1,171,559
Depreciation	45,515	23,610	10,157	15,318	456	95,056
Disposals and write-offs	(23,034)	-	(218,932)	(82,044)	-	(324,010)
Balance at September 30, 2019	\$229,462	\$311,640	\$110,063	\$283,695	\$7,745	\$ 942,605

Carrying Value	Land	Automotive	Building	Computer Equipment & Software	Furniture & Equipment	Fence	Total
At December 31, 2018	\$298,856	\$202,071	\$735,158	\$19,650	\$105,902	\$6,071	\$1,367,708
At September 30, 2019	\$298,856	\$159,542	\$750,793	\$17,342	\$ 92,585	\$5,615	\$1,324,733

September 30, 2019 and 2018

7. Exploration and Evaluation Assets

During the periods ended September 30, 2019 and 2018, the Company made acquisition and exploration expenditures of \$153,981 (2018 - \$706,369) and received option payments of \$649,983 (2018 - \$115,546). As a result of option payments received, the Company recorded in income, option proceeds in excess of carrying value of \$423,162 (2018 - \$35,313). The Company recorded a BCMETC adjustment for the 2018 year of \$(7,011). As a result of the foregoing, exploration and evaluation assets totaled \$1,053,262 at September 30, 2019, down from \$1,163,746 at December 31, 2018. See Schedule 1 – Exploration and evaluation and Schedule 2 – Acquisition and exploration additions.

The Company has interests in a number of optioned exploration projects. As at September 30, 2019, the Company has executed option agreements with third parties on the following projects:

Option Agreements - Third party earn in British Columbia

- (a) **Coyote Creek Project:** On July 1, 2014, the Company entered into an agreement with Secure Minerals Inc. ("Secure") (subsequently amalgamated with Secure Energy (Drilling Services) Inc.), whereby Secure will reserve the exclusive option over a five year period to purchase the Coyote Creek mineral tenures. In order to exercise the option and acquire a 100% interest in the property Secure is required to make cash payments totaling \$250,000 plus a production royalty on material extracted. The payments are due as follows:

<u>Cash Payments</u>	<u>Due Date</u>
\$ 10,000	July 1, 2014 (received)
10,000	July 1, 2015 (received)
10,000	July 1, 2016 (received)
10,000	July 1, 2017 (received)
10,000	July 1, 2018 (received)
200,000	June 30, 2019
<u>\$ 250,000</u>	

Secure failed to make the June 30, 2019 option payment as required and, therefore has forfeited the Option and has no further rights or obligations under the Agreement.

- (b) **Acacia Project:** On January 11, 2018, the Company executed an option agreement with CRC Minerals Inc. (a private B.C. company), ("CRC") whereby CRC may earn up to a 75% interest in the Acacia property located in central British Columbia. The property area has been held by Eagle Plains since 2001 and carries no underlying royalties or encumbrances. Under terms of the agreement, CRC may earn a 60% interest by completing \$2,500,000 in exploration expenditures, make cash payments totalling \$250,000 and issue 1,000,000 voting-class common shares to Eagle Plains over 5 years. On August 7, 2018, the agreement was amended whereby the dates that exploration expenditures were required were extended by one year in exchange for an additional 100,000 shares of CRC once listed. On August 26, 2019, the agreement was terminated by mutual agreement of the respective parties.

On September 30, 2019, the Company executed an option agreement with 37 Capital Corp. ("37") whereby 37 may earn up to a 60% interest in the Acacia property located in central British Columbia. Under terms of the agreement (subject to regulatory approval), 37 may earn a 60% interest by completing \$2,500,000 in exploration expenditures and issuing 300,000 voting-class common shares to Eagle Plains over 4 years. The payments are due as follows:

<u>Share Payments</u>	<u>Exploration Expenditures</u>	<u>Due Date</u>
100,000	\$ -	On signing of agreement (received)
-	100,000	September 30, 2020
50,000	100,000	October 30, 2021
50,000	300,000	October 30, 2022
50,000	750,000	October 30, 2023
50,000	1,250,000	October 30, 2024
<u>300,000</u>	<u>\$ 2,500,000</u>	

September 30, 2019 and 2018

7. Exploration and Evaluation Assets

Option Agreements - Third party earn in - continued **British Columbia – continued**

- (c) **Donna Project:** On January 17, 2019, the Company executed an option agreement with 1149781 BC Ltd. (a private B.C. company) (subsequently assigned to Cure Capital Corp. ("Cure") (a private B.C. company) (subsequently renamed Pinnacle North Gold Corp.) ("Pinnacle") whereby Pinnacle may earn up to a 60% interest in the Donna property located in south central British Columbia. Under the terms of the agreement, Pinnacle may earn a 60% interest by completing \$3,000,000 in exploration expenditures, make cash payments totalling \$250,000 and issue 1,000,000 voting-class common shares to Eagle Plains over 5 years. Eagle Plains received 100,000 additional shares of Cure as consideration for the assignment to Cure. Payments are due as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
\$ 15,000	-	\$ -	On signing of agreement (received)
-	100,000	-	September 25, 2019 (received)
-	-	100,000	December 31, 2019 (complete)
-	100,000	-	Within 5 days of Exchange approval
25,000	150,000	-	February 28, 2020
-	-	300,000	December 31, 2020
35,000	150,000	-	February 28, 2021
-	-	600,000	December 31, 2021
50,000	200,000	-	February 28, 2022
-	-	750,000	December 31, 2022
60,000	200,000	-	February 28, 2023
-	-	1,250,000	December 31, 2023
65,000	200,000	-	February 28, 2024
<u>\$ 250,000</u>	<u>1,100,000</u>	<u>\$ 3,000,000</u>	

Saskatchewan

- (d) **Knife Lake Project:** On October 31, 2018, Eagle Plains and Rockridge Resources Ltd. ("Rockridge") entered into an option agreement whereby Rockridge may earn a 100% interest in Eagle Plains' 100%-owned Knife Lake Project, located northwest of the community of Sandy Bay, Saskatchewan. To earn a 100% interest, Rockridge has agreed to make a cash payment to Eagle Plains of \$150,000, issue up to 5,250,000 common shares of Rockridge and complete \$3,250,000 in exploration expenditures over four years. Eagle Plains will retain a 2.5% net smelter royalty ("NSR") on certain claims which comprise the project (a third party holds a 1% NSR on certain claims on the project). Rockridge may purchase 1.5% of the NSR for \$2,000,000. Payments are as follows:

Cash Payments	Share Payments	Exploration Expenditures	Due Date
\$ 150,000	2,000,000	\$ -	On Exchange acceptance (received)
	750,000	750,000	December 20, 2019
	750,000	750,000	December 20, 2020
	750,000	750,000	December 20, 2021
	1,000,000	1,000,000	December 20, 2022
<u>\$ 150,000</u>	<u>5,250,000</u>	<u>\$ 3,250,000</u>	

- (e) **Wollaston:** On March 5, 2017, Eagle Plains and Burkehill Uranium Corp. ("Burkehill") entered into a property purchase agreement whereby Burkehill may earn a 100% interest in Eagle Plains' 100%-owned Wollaston Lake Project, located in northwest Saskatchewan. To earn a 100% interest, Burkehill has agreed to make aggregate cash payments to Eagle Plains of \$100,000, over four years. Eagle Plains will retain a 2% net smelter royalty ("NSR"). Burkehill may purchase 1% of the NSR for \$1,000,000. Payments are due as follows:

September 30, 2019 and 2018

7. Exploration and Evaluation Assets

Option Agreements - Third party earn in - continued Saskatchewan – continued

(e) Wollaston:

Cash	
<u>Payments</u>	<u>Due Date</u>
\$ 25,000	March 5, 2017 (received)
25,000	March 5, 2018 (received)
25,000	March 5, 2019 (received)
25,000	March 5, 2020
<u>\$ 100,000</u>	

8. Equity Instruments

(a) Authorized

Unlimited number of common shares without nominal or par value.

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

(b) Issued and outstanding

At September 30, 2019, there were 93,347,669 (2018 – 90,347,669) shares outstanding.

(c) Stock Option Plan

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

During the periods ended September 30, 2019 and 2018, the Company had the following stock option activities:

<u>Total issued and outstanding</u>	<u>Number of Options</u>	<u>Option Price per Share Range</u>	<u>Weighted Average Exercise Price</u>
Balance, December 31, 2017	8,125,000	\$0.10 - \$0.30	\$0.17
Exercised	(1,275,000)	(0.10 - 0.15)	(0.13)
Cancelled	(205,000)	(0.15 - 0.25)	(0.15)
Granted	1,650,000	0.25	0.25
Balance, September 30, 2018	8,295,000	\$0.10 - 0.30	\$0.19
Balance, December 31, 2018	8,295,000	\$0.10 - \$0.30	\$0.19
Granted	800,000	0.15	0.15
Cancelled	(860,000)	(0.10 - 0.30)	(0.18)
Balance, September 30, 2019	8,235,000	\$0.15	\$0.15

Eagle Plains Resources Ltd.
(An Exploration Stage Corporation)
Notes to Condensed Consolidated Interim Financial Statements
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8. Equity Instruments - continued

At September 30, 2019, the following table summarizes information about stock options outstanding:

Options Outstanding September 30, 2019	Exercise Price	Expiry Date	Number of Options Exercisable	Weighted Average Remaining Life
2,100,000	\$ 0.15	June 5, 2020	2,100,000	0.68 years
1,995,000	\$ 0.10	December 29, 2020	1,995,000	1.24 years
1,450,000	\$ 0.15 ⁽¹⁾	March 13, 2022	1,450,000	2.45 years
500,000	\$ 0.15 ⁽¹⁾	June 15, 2022	500,000	2.70 years
1,390,000	\$ 0.15 ⁽¹⁾	February 19, 2023	1,390,000	3.39 years
800,000	\$ 0.15	July 4, 2024	800,000	4.76 years
8,235,000			8,235,000	1.89 years

⁽¹⁾These options were re-priced to \$0.15 on July 4, 2019 from \$0.20 - \$0.30. All other terms remained unchanged.

The weighted average remaining life of the outstanding stock options at September 30, 2019 is 1.89 years (2018 – 2.84 years)

(d) Share-based payments for share options

During the period ended September 30, 2019, \$77,260 (2018 – \$159,186) was recorded as share-based payments related to options granted and vested during the period. Compensation expense has been determined based on the estimated fair value of the options at the grant dates and amortized over the vesting period. The Company valued the options using the Black Scholes model.

The Company valued the options issued and re-priced in the period using the Black-Scholes model and the following weighted average assumptions:

	2019	2018
Expected annual volatility	68.07%	63.73%
Expected risk free rate	1.71%	2.08%
Expected term	3.5 years	5 years
Expected dividends	-	-
Share price at date of grant	\$0.011	\$0.20
Exercise price	\$0.175	\$0.25

Expected volatility is estimated using the historical stock price of the Company.

(e) Warrants outstanding

At September 30, 2019 and 2018, the Company had outstanding, 4,434,000 (2018 - 4,434,000) share purchase warrants exercisable at \$0.40 (2018 – \$0.40) and expiring February 7, 2020 (2018 - February 7, 2020).

(f) Financings

On February 8, 2018, the Company closed a brokered and non-brokered public offering. The financing was offered to arms-length and non-arm's length investors and was comprised of 2,084,000 non-flow-through units and 2,350,000 flow-through units for a total issuance of 4,434,000 shares and gross proceeds of \$980,800. Non-flow-through units were sold at a price of \$0.20 per unit, each unit consisting of a non-flow-through common share and one non-flow-through common share purchase warrant, each whole warrant exercisable at \$0.40 for a 24 month period. Flow-through units were sold at a price of \$0.24 per unit, each unit consisting of a flow-through common share and a non-flow-through common share purchase warrant, each whole warrant exercisable at \$0.40 for a 24 month period. All issued securities were subject to a hold period expiring June 8, 2018.

On August 9, 2019, the Company closed a non-brokered private placement to an arms-length institutional investor. The Company issued 3,000,000 non-flow-through common shares at a price of \$0.105 per share for gross proceeds of \$315,000. Shares issued in the financing are subject to a four-month hold period. No warrants were attached and no finder's fees or commissions were paid in association with the financing. Shares were purchased by Zeta Resources Ltd. ("Zeta"), a closed-end investment company listed on the Australian Stock Exchange ("ASX"). Zeta is related to ICM Limited, a global asset management group with over \$US 19B in assets.

September 30, 2019 and 2018

9. Per Share Amounts

The calculation of per share amounts have been calculated based on the weighted average number of shares outstanding during the period ended September 30, 2019 of shares 90,930,087 (2018 – 89,343,779). The net effect of applying the treasury-stock method to the weighted average number of shares outstanding had anti-dilutive effect for the periods ended September 30, 2019 and 2018.

10. Related Party Transactions

The Company was involved in the following related party transactions during the period:

- (a) The Company is related to Taiga Gold Corp. ("Taiga") through common directors. During the period the Company had the following transactions with the related company:

	2019	2018
Administrative services provided by EPL	\$ 43,254	\$ 29,536
Costs reimbursed to EPL	24,471	127,483
Proceeds to Taiga from exercise of EPL options	-	(7,282)
Exploration services provided by EPL	176,859	10,980

At September 30, 2019, \$71,603 (2018 - \$180,687) is included in accounts receivable.

- (b) Included in professional fees is \$10,887 (2018 - \$113,897) paid or accrued for legal fees to a law firm of which one of the directors, Darren Fach, is a partner. At September 30, 2019, \$nil (2018 - \$11,291) is included in accounts payable and accrued liabilities.

Compensation to key management

Compensation to key management personnel in the period:

	2019	2018
Administration costs		
Management fees	\$ 63,000	\$ 85,500
Wages and benefits	59,259	82,789
Professional fees	31,500	31,500
Share-based payments	30,375	52,113
	\$ 127,434	\$ 251,902

- (c) Included in administration costs is \$63,000 (2018 - \$85,500) paid or accrued for management services to a company owned by a director and officer of the Company.
- (d) Included in administration costs is \$59,259 (2018 - \$82,789) paid or accrued for wages and benefits to a director and officer of the Company.
- (e) Included in professional fees is \$31,500 (2018 - \$31,500) paid or accrued for accounting services to a director and officer of the Company.
- (f) The Company granted 300,000 (2018 – 570,000) options, with exercise prices of \$0.15 (2018 - \$0.25) and expiry dates of July 4, 2024 (2018 - February 19, 2023), to directors of the Company and recorded share-based payments of \$13,993 (2018 - \$52,113).
- (g) The company re-priced 1,720,000 options, with exercise prices of \$0.20 to \$0.30, and expiry dates of March 13, 2022, June 15, 2022 and February 19, 2023, to directors of the Company and recorded share-based payments of \$16,382.

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from the related parties are non-interest bearing, unsecured and have no fixed terms of repayment unless otherwise specified.

September 30, 2019 and 2018

11. Commitments and Contingencies

The Company has \$97,743 (2018 - \$59,736) held as project reclamation deposits in favor of regulatory authorities. The amount of the deposit is determined at the time the exploration program is planned and a notice of work is submitted to the regulatory authority. If the work is more extensive than previously planned, the amount of the deposit will be increased. When reclamation work is completed on a project to the satisfaction of the regulatory authority, the deposit is released to the Company.

The Company has agreed to indemnify directors and officers under the bylaws of the Company to the extent permitted by law. The nature of the indemnifications prevent the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiary of such indemnification agreement. The Company has purchased various insurance policies to reduce the risks association with such indemnification. The Company has included in officers' management contracts a change of control clause that would entitle them to compensation of twelve (12) months' salary should such an event occur.

12. Financial Instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

September 30, 2019	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 4,002,630	\$ -	\$ -	\$ 4,002,630
Investments	\$ 1,482,598	\$ -	\$ -	\$ 1,482,598

September 30, 2018	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 2,654,445	\$ -	\$ -	\$ 2,654,445
Investments	\$ 1,669,080	\$ -	\$ -	\$ 1,669,080

As disclosed in Note 3(c), the Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to concentration risk, credit risk, currency risk, price risk and commodity price risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

a) Concentration risk

At September 30, 2019 and 2018, substantially all of the Company's cash was held at two recognized Canadian National financial institutions. As a result, the Company was exposed to all of the risks associated with those institutions. Concentration risk also exists in marketable securities (investments) because the Company's investments are primarily in shares of junior resource companies involved in gold exploration.

September 30, 2019 and 2018

12. Financial Instruments - continued

b) Credit risk

The Company is exposed to credit risk, which is the risk that a customer or counterparty will fail to perform an obligation or settle a liability, resulting in financial loss to the Company. The Company manages exposure to credit risk by adopting credit risk guidelines that limit transactions according to counterparty credit worthiness. The maximum credit exposure associated with accounts receivable is the carrying value on the consolidated statement of financial position.

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of the counterparty to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

c) Currency risk

Currency risk is the risk to the Company's operations that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At September 30, 2019, the Company had cash of \$3,418 (2018 - \$13,196) in US\$. The Company is not exposed to significant currency risk.

d) Price risk

The Company's investments designated as available-for-sale are traded on the TSX Venture, TSE and CSE. A 1% change in the cumulative quoted share price would change the fair value of the investments by approximately \$14,800 (2018 - \$17,000). The change would be recorded in the statements of comprehensive income (loss).

e) Commodity price risk

The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

13. Supplemental Cash Flow Information

Non-cash investing and financing activities:

- (a) Pursuant to certain mineral property option agreements, the Company received 2,000,000 (2018 – 11,916,466) shares with an attributed value of \$460,000 (2018 - \$336,562).
- (b) The Company issued nil (2018 – 125,000) shares with an attributed value of \$nil (2018 - \$25,000) to acquire mineral properties.
- (c) At September 30, 2019 the Company held cashable term deposits bearing interest rates of 1.50% to 1.65% (2018 – 1.25% to 1.45%) with maturity terms of October 29, 2019 to December 18, 2019 (2018 – October 11, 2018 to December 5, 2018). All of these investments are cashable before maturity and have been treated as cash equivalents.

14. Disaggregation of revenue

The Company earns revenue from the performance of one type of service, being geological and exploration services. Further, its customers are exploration companies based in Canada.

September 30, 2019 and 2018

15. Capital Management

The Company includes cash and cash equivalents and shareholders' equity, comprising of issued common shares, accumulated other comprehensive income (loss), contributed surplus and deficit, in the definition of capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the periods ended September 30, 2019 and 2018. The Company is not subject to externally imposed capital requirements.

16. Subsequent Events

On October 7, 2019, the Company completed a sale to ALX Uranium Corp. ("ALX") (subject to regulatory approval) of 31 individual dispositions totaling 5,064ha (12,513 acres) in the Athabasca region of northern Saskatchewan. Under terms of the agreement, ALX will assume a 100% interest in the claims for consideration of \$20,000 cash and 2,000,000 common shares of ALX. Eagle Plains will retain a 2.0% net smelter royalty, of which ALX has the right to purchase 1.0% of the NSR for \$2.0 million.

On October 10, 2019, the Company and MAS Gold Corp. ("MAS") executed a formal agreement whereby MAS has purchased a 100% undivided interest in the 1,472 ha Preview Lake Claims located approximately 50km north of La Ronge, Saskatchewan. Under the terms of the agreement (subject to regulatory approval), MAS will acquire a 100% interest in the 3 individual tenures by issuing to Eagle Plains a total of 300,000 common shares and make a cash payment \$1,500. Eagle Plains shall be entitled to a royalty of 2% of net smelter returns with a buyback to 1% upon payment of \$CDN 1,000,000.

On October 24, 2019, the Company executed an option agreement with Canex Energy Corp. ("Canex") whereby Canex may earn up to a 75% interest in the Olson property (the "Property") located east of La Ronge, northern Saskatchewan. Under terms of the agreement (subject to regulatory approval), Canex may earn its' interest in the 3800ha property by completing exploration expenditures of \$3,000,000, making cash payments of \$250,000 and issuing 1,000,000 voting class common shares to EPL over a 4 year period.

Under the Agreement, Canex may earn-in up to a 51% interest in the Property by making certain staged cash payments, share payments of common shares in the capital of Canex to Eagle Plains and exploration expenditures over a period as follows: (i) \$10,000 in cash upon execution of a letter of intent in respect of the Transaction (paid); (ii) \$20,000 in cash and 200,000 common shares upon TSXV approval of the Transaction and the Agreement (the "Approval Date"); (iii) \$40,000 in cash, 200,000 common shares and \$200,000 in exploration expenditures on or before December 31, 2020; (iv) \$80,000 in cash, 200,000 common shares and \$500,000 in exploration expenditures on or before December 31, 2021; and (v) \$100,000 in cash, 200,000 common shares and \$800,000 in exploration expenditures on or before December 31, 2022. Canex may earn-in up to an additional 24% (75% total) interest in the Property by making additional exploration expenditures of \$1,500,000 on the Property and issuing 200,000 common shares of Canex to Eagle Plains on or before December 31, 2023.

On October 28, 2019, the Company and Enertopia Corp. signed a Letter of Intent whereby Enertopia may earn a 75% interest in Eagle Plains' Pine Channel property in Saskatchewan. To earn a 60% interest in the property, Enertopia will commit to making \$2,000,000 of exploration expenditures, make cash payments of \$250,000 and issue 1,600,000 common shares to Eagle Plains over a four year period. To earn an additional 15% in the property, Enertopia would agree to making additional exploration expenditures of \$1,000,000, an additional cash payment of \$100,000 and issue an additional 400,000 post-consolidation shares to Eagle Plains by December 31, 2024.

Eagle Plains Resources Ltd.
(An Exploration Stage Corporation)
Notes to Condensed Consolidated Interim Financial Statements
(Expressed in Canadian dollars)

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Schedule 1 - Exploration and evaluation assets

	December 31 2018	Acquisition and Exploration	Grants, Option Payments & Mineral Tax Credits	Option proceeds in excess of carrying value	Write down of mineral properties	September 30 2019	
British Columbia	\$ 882,926	\$ 65,031	\$ 2,028	\$ -	\$ -	\$ 949,985	
NW Territories	183	-	-	-	-	183	
Saskatchewan	280,637	43,071	(645,000)	423,162	(394)	101,476	
Yukon Territory	-	45,879	-	-	(44,261)	1,618	
	<u>\$1,163,746</u>	<u>\$153,981</u>	<u>\$(642,972)</u>	<u>\$423,162</u>	<u>\$(44,655)</u>	<u>\$1,053,262</u>	

	December 31 2017	Acquisition and Exploration	Grants, Option Payments & Mineral Tax Credits	Option proceeds in excess of carrying value	Write down of mineral properties	Spin out of mineral properties	December 31 2018
British Columbia	\$699,402	\$419,663	\$ (39,208)	\$10,000	\$(206,931)	\$ -	\$ 882,926
NW Territories	183	-	-	-	-	-	183
Saskatchewan	301,150	285,905	(86,250)	71,491	(74,511)	(217,148)	280,637
Yukon Territory	40,136	801	(312)	312	(40,937)	-	-
	<u>\$1,040,871</u>	<u>\$706,369</u>	<u>\$(125,770)</u>	<u>\$81,803</u>	<u>\$(322,379)</u>	<u>\$(217,148)</u>	<u>\$1,163,746</u>

Schedule 2 – Acquisition and exploration additions

January – September 2019	British Columbia	Saskatchewan	Yukon & NWT	Total
Analytical	\$ 6,473	\$ 1,747	\$ 1,605	\$ 9,285
Consultations	-	2,824	-	2,824
Equipment rental	3,289	254	3,811	7,354
Geophysical	34,000	5,400	-	39,400
Labour	11,992	9,573	-	21,565
Transportation	8,957	6,297	30,319	45,573
Travel and camp	1,049	7,661	7,335	16,045
Tenure and acquisitions	(729)	9,315	2,809	11,395
	<u>\$65,031</u>	<u>\$43,071</u>	<u>\$45,879</u>	<u>\$153,981</u>

January – December 2018	British Columbia	Saskatchewan	Yukon & NWT	Total
Analytical	\$ 13,840	\$ 11,267	\$ -	\$ 25,107
Consultations	\$1,575	12,217	-	13,792
Drilling	236,304	-	-	236,304
Equipment rental	7,107	2,240	-	9,347
Geological and Geochemical	954	1,658	-	2,612
Labour	80,635	104,501	101	185,237
Transportation	45,650	9,120	-	54,770
Travel and camp	8,211	4,081	-	12,292
Tenure and acquisitions	25,387	140,821	700	166,908
	<u>\$419,663</u>	<u>\$285,905</u>	<u>\$801</u>	<u>\$706,369</u>