EAGLECREST EXPLORATIONS LTD.
Management Discussion and Analysis (Form 51-102F1)
For Nine Months Ended June 30, 2010

The management discussion and analysis, prepared as of August 27, 2010, reviews and summarizes the activities of Eaglecrest Explorations Ltd. ("Eaglecrest" or the "Company") and compares the financial results for the period ended June 30, 2010, with those from June 30, 2009. The following information should be read together with the un-audited consolidated financial statements for the nine months ended June 30, 2010 and related notes attached thereto, which were prepared by management in accordance with Canadian Generally Accepted Principles. The reader should also refer to the annual audited financial statements of the Company for the years ended September 30, 2009 and 2008 and the related notes attached thereto. All amounts are stated in Canadian dollars unless otherwise indicated.

Forward Looking Statements

Except for the historical statements contained herein, this management's discussion and analysis presents "forward-looking statements" within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and other minerals and metals, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "proposed" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Eaglecrest to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to international operations, risks related to the integration of acquisitions; risks related to joint venture operations; actual results of current or future exploration activities; actual results of current or future reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and other minerals and metals; possible variations in ore reserves, resources, grade or recovery rates; failure of equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the management and officers of Eaglecrest believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Eaglecrest does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Disclosure Controls and Procedures

Management has assessed the effectiveness of the Company's disclosure controls and procedures used for the financial statements and MD&A as at June 30, 2010. Although certain weaknesses such as lack of segregation of duties are inherent with small office operations, management has implemented certain controls such as frequent reviews and regular preparations of reconciliations of transactions and budgets to ensure absence of material irregularities. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to them in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the annual filings. The disclosure controls and procedures are designed to ensure effective information required to be disclosed pursuant to applicable securities laws are accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Overview

Eaglecrest is involved in the acquisition and exploration of gold resource properties in South America. The Company has exploration and production rights to 16 contiguous mineral concessions on the San Simon plateau located in the Department of Beni in northeast Bolivia. The concessions cover 120.5 square kilometers and are referred to as the San Simon property. The Company first worked at San Simon in 1995. The concessions have two main areas of known gold mineralization called Doña Amelia (or Trinidad-Manganeso) and San Simon (or Paititi-Buriti).

In the market sell-off and financial crisis of late 2008 it became apparent that a dramatically reduced exploration program was necessary to conserve cash. On October 20, 2008, the Company issued a press release shareholder letter that highlighted a reduced exploration program to conserve cash and still continue basic exploration in the San Simon district. The company concentrated on district-wide evaluation and compilation of data from the 14 years of exploration at San Simon. The cost savings enabled the Company to continue a program of mapping, sampling, and trenching in the Paititi - Buriti area. Based on the progress of this work through the quarter ended June 30, 2010, the Company's management expects that drilling in the Paititi - Buriti area will commence in the subsequent quarter provided funding is available.

In August 2009, the Board or Directors advised the Company to move toward diversifying exploration assets by reviewing opportunities for gold exploration in Colombia. Modern exploration in the gold belts of Colombia has resumed after a dramatic easing of 45 years of political turmoil and security concerns, and Colombia was identified as having high exploration priority for reasons including the following:

- Colombia is the least explored of the mineral rich Andean countries;
- It has modern infrastructure and a skilled workforce;
- It has a pro-mining government,
- In 2010, Colombia was rated the 7th best mining jurisdiction in the world by Behre Dolbear;
- Colombia has the longest running democracy in South America, 150+ years.

On December 8, 2009, the Company announced that it executed a Letter of Intent (“LOI”) to purchase and earn up to a 75% interest in the mineral title of the Fredonia Area (“Fredonia”), located in Antioquia, Colombia. Fredonia is a property package owned or controlled by Grupo de Bullet, S.A. (“Bullet”) and consists of approximately 15,000 hectares of mineral title. This is the first of several projects the Company has been evaluating for acquisition in a 300-kilometre long gold belt that extends from the La Colosa gold deposit, owned by AngloGold-Ashanti, through Medellín (Colombia's second largest city). Management is currently working to complete the definitive agreement with Bullet.

The Board of Directors and the Company's technical team in Bolivia remain confident that San Simon, with further drilling, will grow into a significant gold district. The acquisition of mineral property in Colombia and our initiation of exploration programs there should also add value to Eaglecrest. While capital markets have improved, funding for junior exploration companies remains competitive. The Board believes the Company can raise funds from Canadian institutional and retail investors, enabling it to move forward and achieve its exploration objectives.

San Simon Property, Bolivia

In March 2010, the Company's Bolivian subsidiary provided notice to four of the six Bolivian property owners that it was removing various concessions from the exploration and option agreements. The agreements allow the Company to remove or drop concessions unilaterally and at no cost. The owners acknowledged receipt of the notices. As announced in a News Release dated May 25, 2010, the property reduction left the Company's holdings at 16 concessions that total 120.5 square kilometers.

The decision to reduce the size of the San Simon holdings was based on the results of the district-wide evaluation and exploration work conducted in 2008 and 2009 and took all prior data into consideration. The Company considered that the removed concessions did not have potential for economically recoverable mineral resources. All of the concessions in the Doña Angela and Marco Maria zones were removed. Accordingly, the deferred exploration expenses attributed to these two zones have been written-off in the Company's balance sheet. The Company removed other non-core concessions and has not written-off any deferred exploration expenses for those concessions because those expenses were negligible or nil. The reduction will reduce future holding costs and enable the Company to focus exploration on the areas with significant gold mineralization and good exploration potential.

Doña Amelia (or Trinidad - Manganeso) zone. From 2003 to early 2008, the Company’s drilling and development activities at San Simon were focused along a nearly four kilometer long East-West vein trend. This trend is known as the Trinidad - Manganeso trend or as the Amelia area. It includes the location of the original gold discovery at San Simon which was made in 1742 by Jesuit priests in the Mina Vieja (“old mine”) area, adjacent to the Trinidad Vein. For almost 30 years, beginning in the mid-1980’s, artisanal (informal) miners have extracted gold from shallow workings in several sectors of the Trinidad - Manganeso trend and as many as 1,000 informal miners were working there in the mid-1990s. The artisanal workings on the Trinidad Vein coincide with near-surface part of the L463 Gold Shoot defined by Eaglecrest's drilling.

In mid-2008, using the results from detailed drilling at Trinidad, the Company completed an in-house geologic and gold resource model for the L463 Gold Shoot. While the information cannot be made public until an independent NI 43-101-compliant gold resource estimate is completed, the three-dimensional model of gold mineralization will assist future drilling of the adjacent gold shoots (referred to as L484 and San Pedro West) in the Doña Amelia zone.

As announced in a News Release dated May 25, 2010, the Company has retained SRK Consulting (Canada) Ltd. to prepare a Mineral Resource Estimate and NI 43-101 independent Technical Report. The study will be presented as a NI 43-101 compliant document. It is expected that the study will be completed by September 2010.

San Simon (or Paititi - Buriti) zone.

As a result of the Company's district-wide evaluation of 2008 and 2009, our geologic team has identified multiple new target zones, one of which appears to be a one kilometer-long eastward extension of the Trinidad Vein (Amelia zone). A second, very large area is the Paititi - Buriti trend. Eaglecrest had spent $15 million on geologic and engineering studies of this area by 2002 but never finished exploration there. Fifty-two holes were drilled in the Paititi area between 1996 and 2000.

In 2001, Kilborn Engineering created the first geologic model for the Paititi zone, which showed potential for a near-surface gold resource. At the same time, 197 tonnes of bulk samples were collected from the surface with an average gold grade of 1.64 grams per tonne. The preliminary model demonstrated Paititi's potential for an open-pit gold resource, similar to the Sao Francisco gold mine in Brazil (average gold grade of 0.9 grams per tonne), which is located about 150 kilometres to the southeast of San Simon. Based on this drill and surface sampling information, the Company began building a geologic model for the Paititi zone in 2009. The new compilation also suggests potential for an open-pit style gold resource at Paititi.

Mapping, sampling, and limited trenching have been undertaken in the Paititi - Buriti trend since late 2008. A new zone of significant gold mineralization was discovered near Buriti, located about four kilometers west of Paititi. On January 14, 2009, the Company announced that assay results from 68 surface rock chip samples collected in the Buriti area in November and December 2008 returned gold values from below detection to 16.2 grams gold per tonne. Five of the samples assayed greater than 1.2 grams gold per tonne.

On March 2, 2010, the Company announced that the Buriti and Paititi zones are connected and that mineralization occurs along a total length of approximately seven kilometers. Of 122 new rock chip and channel samples collected near the high-grade surface gold zone at Buriti, 30 had results greater than 1 gram gold per tonne. Assay results varied from below detection to 160 grams gold per tonne.

In addition to the rock chip sampling at Buriti, 10 trenches were dug between the Buriti and Paititi zones in areas with thicker cover or considerable surface disturbance from previous activities. The trenches exposed notable structures with quartz veins or vein stockworks. Gold assay values from trench samples ranged from below detection to 13 grams gold per tonne.

Drill sites in the Paititi - Buriti trend have been located on the basis of the recent work and the compilation and modeling of the prior data. The Company expects to start a drill program in the quarter ending September 30, 2010. As presently contemplated, the program will consist of approximately 3000 metres of core drilling. Most of the drilling will test the bulk-tonnage low-grade gold mineralization at Paititi and the secondary drill target will be high-grade vein mineralization in the Buriti area. Positive results would enable planning further drilling intended to enable preparation of a resource estimate.

Fredonia Project, Colombia

The acquisition of the Fredonia Property in Colombia will provide Eaglecrest a significant land position in an unexplored portion of a world-class gold belt with gold production dating back 500 years. Fredonia is the first acquisition among several projects Eaglecrest has been evaluating in the gold-rich 300-kilometre long Middle Cauca Belt that extends from AngloGold-Ashanti's 13 million ounce La Colosa gold deposit northward beyond Medellín.

The Fredonia area is located between the Cauca River Valley and the city of Medellín, in the Department or province of Antioquia. Fredonia was selected as part of Eaglecrest's project generation program, employing experience at the management and Board level with porphyry gold discoveries from Argentina to Alaska that range in size from three to 17 million ounces of gold. Eaglecrest is evaluating other projects in the Middle Cauca Belt.

The Fredonia property is a large area of principally unexplored ground within the "Middle Cauca Belt", so named because of the predominant Tertiary-age volcanic and intrusive rocks. A number of significant projects in the belt are being advanced by multi-national exploration and mining companies. Located in the northern portion of the Fredonia Project area are the historic producing mines of Titiribi, Cerro Vetas and El Zancudo, which produced gold from high-grade vein structures. Located south of the project area is Quebradona, an apparent cluster of deposits recently discovered by AngloGold Ashanti and B2Gold. Gold grades from drill holes at Quebradona have included intervals longer than 300 metres at grades over 1 gram gold per tonne.

Located south of Quebradona in the Middle Cauca Belt is the famous 500-year-old Marmato mining district, which has produced significant gold, zinc, lead and silver from high-grade vein structures. The Belt extends as far south as the giant La Colosa gold project. Based on the experience of senior management of Eaglecrest, the initial reconnaissance exploration by Bullet, the proximity to significant gold resources, and the preliminary geophysical work, there is a high probability for the discovery of one or more porphyry gold deposits in the property area.

Infrastructure in the Fredonia property area is excellent, with vehicle access by both asphalt and dirt road and electrical lines crossing the property in various locales. The mineral title consists of approximately 15,000 hectares. Because several areas within the property package are under application, the Company anticipates that the acreage of granted mineral title covered by the Agreement will increase.

The terms of the Agreement are as follows:

- Within five days after approval by the Exchange, Eaglecrest will issue to Bullet:
    - 1,000,000 common shares without nominal or par value in the capital of Eaglecrest, at the deemed price of CAD$0.32 per share
    - warrants at the deemed price of US$0.001 each, entitling Bullet to purchase up to an aggregate of 1,000,000 common shares without par value in the capital of Eaglecrest at a price per Warrant Share of CAD$0.40 – the warrants are valid at any time until 4:30 p.m. PST two years from the Signature Date
- Over three-year term of the agreement, Eaglecrest will make total of cash payments to Bullet of US$110,000
- Over the three-year term of the agreement, Eaglecrest is required to spend US$2,800,000 in exploration of the area, including annual tax payments to keep the mineral titles in good standing
    - Within six (6) months of the Signature Date, Eaglecrest will have spent at least US$100,000 in expenditures on Fredonia for 12.5% interest
    - At the end of twelve (12) months from the Signature Date, Eaglecrest will have spent an additional US$1,000,000 in expenditures, or US$1,100,000 in aggregate for additional 12.5% interest or 25% total ownership
    - At the end of twenty-four (24) months from the Signature Date, Eaglecrest will have spent an additional US$1,100,000 in expenditures, or US$2,200,000 in aggregate for additional 25% interest or 50% total ownership
    - At the end of thirty six (36) months after the Signature Date, Eaglecrest will have spent an additional US$600,000 in expenditures, or US$2,800,000 in aggregate
- Eaglecrest can earn an additional 25% interest (to 75% total ownership) by making the expenditures described above within thirty-six (36) months, and by taking selected targets to feasibility over the following five-year period, or by the eighth (8^{th}) year from the Signature Date
- Bullet will maintain its 25% Free Carried Interest until the 3^{rd} Anniversary after signing the Definitive Agreement, or until a Feasibility Study is completed by Eaglecrest, whichever occurs first
- At this point, Bullet shall have the following options:
    - Continue in the project by providing twenty-five percent (25%) of the funds going forward, or
    - Be subject to an industry-standard dilution formula
- If either party is diluted to ten percent (10%) ownership or less, they will have the right to convert the interest into a two and a half percent (2.5%) Net Smelter Return
- At any time either party will have the right to sell their interest in the project for a fair market value per equivalent ounce as determined by an independent evaluation

The agreement for the acquisition of the Fredonia project is subject to acceptance by the TSX Venture Exchange. Any shares issued pursuant to the agreement will be subject to a four-month hold period.

For more details the agreement is filed at www.sedar.com.

Subsequent Operating Events

The Company awarded the resource estimation to SRK Consultants of Vancouver – subsequent to the award, SRK sent their representatives to the San Simon project, Bolivia in mid-July to review the project, data, and all aspects of the data flow that would have affected the data quality they will model. The Company expects the resource estimation will be completed by early September.

In July 2010 the Company filed its permit application for drilling in the Paititi - Buriti trend. Approval is expected by late August and the Company is obtaining bids for the planned drilling which is expected to start by late August or early September.

On August 13, 2010, a definitive agreement was signed. The acquisition of the Fredonia project is a major turning point for Eaglecrest as a company. The Company's plans for Fredonia are to first identify the areas most likely to host typical porphyry gold-copper targets. Such targets can be from 500 metres to two kilometres in diameter. Because of the large land package, we anticipate that several of these targets are likely to exist. As gold porphyry-style mineralization is often associated with magnetite-bearing alteration, work will begin with begin regional geophysics to identify magnetic anomalies in the Project area. Follow-up groundwork consisting largely of sub-regional geochemical sampling will then begin in selected target areas.

Future Outlook

The forward-looking annual budget for district exploration and completion of the detailed drilling in the gold shoots of the Trinidad, and surface mineralization in Paititi and Buriti is estimated to be US$4 million for calendar 2010. Additionally, a minimum of US$1 million is required to begin exploration and drill in the second half of calendar 2010 in Colombia. Management is confident that it can leverage its geologic knowledge at San Simon and Fredonia, obtain the first publishable gold resource estimate for Trinidad in Bolivia, complete initial evaluations of new gold targets in Colombia, and improve market recognition through its newly implemented marketing program. The Company's goals for 2010 include the following:

- Begin drilling in the Paititi - Buriti trend.
- Complete an NI43-101 resource calculation for the Trinidad gold shoots by September 2010.
- Build a geologic team in Colombia
- Implement an aggressive exploration program in the Fredonia area, including aerial geophysics, ground mapping, and sampling.
- Raise funding sufficient for the above activities.

Improve the Board of Directors by adding both shareholders and financially-astute members to lend guidance as the exploration programs is both Bolivia and Colombia gain momentum

Recent Pronouncements Affecting Changes in Accounting Policies:

<u>International Financial Reporting Standards</u>

Canadian publicly traded companies with fiscal years beginning on or after January 1, 2011, are required to adopt accounting standards that are currently used by other publicly listed companies in Europe and many other countries around the world under a global standard termed as the International Financial Reporting Standards ("IFRS"). Depending on circumstances, there will be significant difference between Canadian Generally Accepted Accounting Principals and IFRS and the conversion could be complex.

Under an international standard with the purpose of enhancing comparability and transparency can facilitate Canadian companies in accessing international funding opportunities.

The Company has initiated its procedures in gaining familiarity and knowledge regarding the changeover of reporting in compliance to the IFRS. Management is currently studying the new requirements and is evaluating the effects that are particular to the Company's situation as well as options that are available to it.

In terms of timing for the Company, with all quarters of fiscal 2011, the Company will still be preparing its financial statements in accordance with Canadian GAAP. For the 1st quarter ended, December 31, 2011, the Company's financial statements must conform to the IFRS along with the comparative first quarter ended of December 31, 2010.

Although the areas of the financial statements that will be affected have been identified, presently, the exact impact to the Company's financial statements has not been quantified. The Company's fiscal year end is September 30, 2010, and subsequent to the completion of the audit of its 2010 financial statements, management will be working intensely with IFRS accountants to be in a state of full readiness to comply with the new standards well before December 31, 2011.

Business Combination, Consolidated Financial Statements and Non-controlling interest

For interim and annual financial statements relating to fiscal years commencing on or after January 1, 2011, companies will be required to adopt new CICA Section 1582 "Business Combinations", Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests". Section 1582 replaces existing Section 1581 "Business Combinations", and Sections 1601 and 1602 together replace Section 1600 "Consolidated Financial Statements". The adoption of Sections 1582 and collectively, 1601 and 1602 provides the Canadian equivalent to IFRS 3 "Business Combinations" and International Accounting Standard ("IAS") 27 "Consolidated and Separate Financial Statements" respectively. The impact of adopting these new standards will have nil effect to the Company as its subsidiary is wholly owned.

Selected Annual Information

	Year Ended September 30 2009 $	Year Ended September 30 2008 $	Year Ended September 30 2007 $
Interest income	346	16,700	19,507
Net loss	(1,609,609)	(2,283,563)	(2,527,412)
Basic loss per share *	(0.04)	(0.07)	(0.09)
Total assets	45,678,847	44,133,195	40,519,660
Current liabilities	483,547	1,326,511	2,108,561
Working capital (deficiency)	237,433	(304,377)	(1,068,205)
Cash dividends	Nil	Nil	Nil

* On December 10, 2009, the Company consolidated its issued common shares on a 10:1 basis. Basic loss per share calculated based on adjusted weighted average number of post consolidated shares outstanding.

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

Accounting policy is to record the Company's mineral properties at cost. Exploration and development expenditures are deferred until the properties are brought into production, and at which time, they will be amortized on a unit of production basis. In the event the properties are sold or abandoned, the deferred cost will be written off. Considerable sums have been spent on the development of the Company's properties in the past several years, thus resulting in the sizable increases in the Company's total asset base. The significant working capital deficiency in 2007 was a result of the incurrence of over a million dollars in short term loan financing and accumulation of considerable accounts payable due mainly to the Company's aggressive drilling and underground bulk-sampling program. As of 2009, both drilling and the underground work have been suspended and the short-term debt financing has been settled. Limited surface exploration activities continued at San Simon.

Consolidated net loss for the Company in fiscal 2009 was considerably lower than in 2008 and 2007 as advertising, corporate development, legal, stock-based compensation, travel and other financing related costs were curtailed due to the economic downturn. The 2009 loss would be further reduced if the non-cash item charge of $478,704 in debt settlement expense were removed. During the fiscal 2009 year, convertible debt with a face value of $600,000 was settled and converted into 12 million units with each unit consisting of 12 million common shares of the company and 12 million warrants each exercisable to purchase an additional common share for US$.10 until October 19, 2010. Through a calculation based on the Black-Scholes formula using various factors such as exercise price, trading price at time of conversion $0.05, volatility of the stock 198.6%, expected life 2 years, risk free interest rate 1.5% and dividend rate 0%, an amount of $460,000 was been recorded to debt settlement expense. This amount relates to the incremental value of warrants attached to the units used to settle the convertible debt. A further amount of $18,704 was also charged to debt settlement expense due to the difference of the liability component of the convertible debt at the date of the settlement and the face value of the debenture (the entire amount of $478,704 is a non-cash item).
The Company has not paid any dividends on its common shares and does not intend to pay dividends until such time as the Company is able to earn substantial revenue. All available funds and resources are intended for use in exploring and developing the Company's properties and to finance the operations of the Company.

Year-to-Date Consolidated Results

For the nine months ended June 30, 2010 the Company incurred a consolidated net loss of $3,137,398 as compared to a net loss of $628,543 for the same period of the previous year - an increase of 400% or $2,508,855.

The main factor for this substantial increase in loss in 2010 was the recognition of $811,191 in stock-based compensation due to the granting of options and the write-off of $1,333,455 in mineral properties. These two items total $2,144,646. Nil options were granted and no write-off occurred during the 2009 fiscal period.

Due to cash constraints, drilling and other major exploration activities have not been conducted since early 2008. During this time, less expensive exploration has continued and management has reassessed the Company's work program. Certain strategies have been revised and the Company is now prepared to proceed with the new plans. However, sufficient capital is required. Management has made a concerted effort in 2010 to raise the necessary financing so that the full exploration operation can be resumed. Furthermore, management is also negotiating and investigating certain mineral projects in Colombia. As a result, expenditures such as corporate development, consulting, and travel and promotion have increased during the 2010 period:

- Consulting $71,819 (2009 – nil).

- Corporate development $270,014 (2009 - $133,980).

- Travel and promotion $151,351 (2009 - $48,387).

Other significant accounts and/or deviations:

Accounting and audit fees $34,352 (2009 - $34,843).

Administration – $90,000 (2009 – $90,000) - administration fees are paid or accrued to an officer of the Company.

Filing fees/transfer agent $71,689 (2009 - $18,724) – these fees increased in 2010 mainly due to events such as; consolidation of the Company's share capital structure, conversion of a convertible debt financing and the granting of options. No such events occurred during 2009.

Foreign exchange loss - $17,636 (2009 – gain $123,807) – financing is raised in US funds and CAD funds and most of the cash is kept in US dollar deposits as the majority of the Company's exploration activities are transacted in US dollars. As such, there could also be significant amounts of US dollar accounts payable. Because the financial statements are reported in Canadian dollars, the Company will experience gains or losses due to the fluctuations of the Canadian to the US dollar. Another factor that determines a gain or a loss because of currency fluctuations will depend on the relative US$ based assets to US$ based liabilities ratio.

Insurance $22,492 (2009 - $36,740) – due to the stoppage of drilling and other major exploration activities, certain insurance coverage were not renewed in 2010.

Interest $nil (2009 - $114,671) – nil in 2010 as interest relates to a convertible debenture that matured in 2009.

Legal $41,404 (2009 - $13932,618) – higher legal costs in 2010 due to such events as the Company consolidating its capital share structure and conversion of a convertible debt financing. Due to management's interest in potential projects in Colombia, legal advice was also sought regarding reviewing and drafting of agreements.

Management fees $140,931 (US$135,000) (2009 - $163,435 (US$135,000)) – paid to a private company owned by the president of the Company for management services. Fees are US$15,000 per month and as these figures are reported in Canadian dollars, amounts will fluctuate in accordance to changes in exchange rates.

3rd Quarter Review:

For the third quarter ended June 30, 2010, the Company recorded a consolidated net loss of $1,690,173 as compared to a net loss of $134,361 for the same quarter ended in 2009. The increase was largely due to the write-off of $1,333,455 in mineral properties as a result of dropping certain concessions from property contracts in Bolivia.

Due to investigations of new mineral projects in Colombia and management's continuing efforts to raise the necessary funding for drilling in Bolivia and exploration in Colombia, costs such as consulting, corporate development, and travel and promotion have increased:

- Consulting $22,120 (2009 – nil).

- Corporate development $114,103 (2009 - $47,604).

- Travel and promotion $59,726 (2009 - $25,503).

Other significant accounts and deviations between the quarters are as follows:

Administration – $30,000 (2009 – $30,000) - administration fees are paid or accrued to an officer of the Company.

Consulting fees - $22,120 (2009 – $nil) – are mainly for preparation of due diligence packages and profiles of the Company and other financial consulting services relating to the procurement of private placements. Management has engaged this service to enhance its fund raising efforts for 2010.

Corporate development – $114,103 (2009 - $47,604) – such fees were paid to a Director of the Company in charge of corporate development $36,000 (2009 - $47,604). The remaining amounts were paid to various organizations for: development and maintenance of the Company website and other on-line hosting advertising activities; printing and distribution of Company information material; and assisting in making introductions and presentations to potential investors. These costs were higher in 2010 as management is enlisting more assistance in its added efforts to raise the substantial funds needed to initiate the Company's anticipated exploration program for fiscal 2010.
Filing and transfer fees - $22,108 (2009 - $4,730) – costs are higher in 2010 due mainly to the filing fees ($13,000) of an in excess of $2 million private placement.

Foreign exchange gain - $722 (2009 – $103,403) –financing are raised are in US funds and CAD funds and most of the cash are kept in US deposits as the majority of the Company's exploration activities are transacted in US dollars. As such, there could also be significant amounts of US dollar accounts payable. Because the financial statements are reported in Canadian dollars, the Company will experience gains or losses due to the fluctuations of the Canadian to the US dollar. Another factor that determines a gain or a loss because of currency fluctuations will depend on the relative US$ based assets to US$ based liabilities ratio.

Interest - $nil (2009 – $38,756) – interest relates to a convertible debenture as follows:

		2010	2009
-	8% rate per annum	$ -	$13,950 (US$12,000)
-	accretion of convertible debenture	-	23,635 (US$23,790)
-		$ Nil	$ 37,585

The convertible debenture was settled during the 3rd quarter of fiscal 2009.

Management fees – $47,077 (US$45,000) (2009 - $52,312 (US$45,000)) – paid to a private company owned by the president of the Company for management services. Fees are US$15,000 per month and as these figures are reported in Canadian dollars, amounts will fluctuate in accordance to changes in exchange rates.

Travel & promotion – $59,726 (2009 – $25,726) – costs were significantly higher in 2010 due to increased travels incurred for attending industry trade shows, for evaluation of acquisition opportunities in Colombia, and for meetings with financial institutions.

Resource Property Values

Deferred mineral property costs decreased by $76,851 during the period ended June 30, 2010 (2009 – increased by $1,458,014). In 2010, $1,333,455 in deferred mineral costs were written off due to management's decision to drop certain concessions from the Company's mineral property inventory in Bolivia. The write-off aside, these costs are significantly lower when compared to the fiscal 2007 prior periods as the underground bulk sampling work and gold processing plant operations have been terminated since 3rd quarter of 2007. In addition, drilling activities were suspended in April 2008 to allow management time to relog old drillholes, and to begin an in-house resource model for the L463 gold shoot. Due to tight cash constraints, certain camp and field activities have also been curtailed.

For a detailed breakdown, see the mineral property schedule in the Company's financial statements.

Summary of Selected Highlight for the Last Eight Quarters

Description	Jun 30, 2010 $	Mar 31, 2010 $	Dec 31, 2009 $	Sept 30, 2009 $
Total revenues	Nil	Nil	Nil	Nil
Net income (loss)	(1,690,173)	(1,122,534)	(324,691)	(978,066)
Basic per share	(0.04)	(0.03)	(0.01)	(0.02)
Description	Jun 30, 2009 $	Mar 31, 2009 $	Dec 31, 2008 $	Sept 30, 2008 $
Total revenues	Nil	Nil	Nil	Nil
Net income (loss)	(134,361)	(259,616)	(234,566)	(471,729)
Basic per share	(0.01)	0.01	0.00	0.01

* On December 10, 2009, the Company consolidated its issued common shares on a 10:1 basis. Basic loss per share calculated based on adjusted weighted average number of post consolidated shares outstanding.

Significant Item(s) Within the Quarter:

For the three months ended June 30, 2010
-wrote off $1,333,455 in deferred mineral property costs
-$72,000 in share subscription receivable outstanding
-working capital of $1,361,186

For the three months ended March 31, 2010:
- recorded $811,191 in stock-based compensation
- deferred resource property costs increased by $497,077
- $72,500 in share subscription receivable outstanding
- working capital deficit of $175,085

For the three months ended December 31, 2009:
- $80,000 in share subscription receivable outstanding
- deferred resource property costs increased by $405,311
- incurred $31,681 in other deferred property charges relating to due diligence re: Columbia property
- working capital of $637,219

For the three months ended September 30, 2009:
- $276,178 (US$258,750) in share subscription receivables outstanding
- deferred resources property costs increased by $492,827
- working capital of $237,433
- recorded $478,704 in debt settlement expense on conversion of debenture
- charged $461,452 to deficit in settling of debenture through issuance of shares

For the three months ended June 30, 2009:
- $263,597 (US$226,750) in share subscription receivables outstanding
- deferred resources property costs increased by $269,009
- received $1,861,272 (US$1,817,500) in share subscriptions paid
- working capital of $312,713

For the three months ended March 31, 2009:
- $285,750 (US$226,750) in share subscription receivables outstanding
- deferred resources property costs increased by $510,000
- working deficit of $1,171,045

For the three months ended December 31, 2008:
- $278,290 in share subscription receivables outstanding
- deferred resources property costs increased by $679,005
- working deficit of $888,151

For the three months ended September 30, 2008:
- $555,885 in share subscription receivables outstanding
-deferred resources property costs increased by $422,613
- recorded stock-based compensation adjustment of $68,400
-wrote off $51,366 in general exploration costs and option fee on new property
-working deficit of $304,377

Corporate Development

To supplement in-house corporate development activities, Management has appointed CHF Investor Relations ("CHF"), an established investor relations consulting firm based in Toronto (with international affiliations) that serves emerging public companies, as its head advisor. CHF has been under the same management for the past 17 years and its outreach program will bring Eaglecrest news and highlights to the attention of brokers who specialize in emerging exploration companies much like Eaglecrest. CHF is also an integral part of the Company's program to pursue both Canadian institutional and retail funding sources through their network of contacts in Toronto, Vancouver, and Calgary. For further information on CHF Investor Relations, visit www.chfir.com.

In December, 2009, ProActive Investors ("ProActive"), an on-line company that provides business, financial and stock-market news throughout North American, Europe and parts of Asia was engaged for a one-year period to expand the Company's audience. All news releases, presentations, interviews, etc., will be syndicated to various outlets through ProActive's distribution network. As Eaglecrest is also listed on the Frankfurt Exchange, the Company's news releases will be translated into German. Furthermore, ProActive operates and maintains its own web page where subscribers can access information about Eaglecrest.

The Company has replaced WSI Webpro, a US-based company who specializes in website management, with Blender Media Inc, a Canada-based company. The main reason for the change is that Blender has extensive experience and is focused on mining clients whereas WSI Webpro is diversified with very few mining clients. Blender employs a new technology referred to as search engine recognition, which will bring Eaglecrest to the top of any search page for gold exploration in Bolivia or Colombia. They also provide monthly management of the search engine recognition for a minimal price. Blender is currently re-designing our website for launch September 3rd.

On February 16th, the Company announced the addition of Carl B. Hansen to the Board of Directors. Mr. Hansen brings a depth of experience in managing and financing exploration companies. He will be a tremendous asset to Eaglecrest as we move towards more institutional and retail-based financing in Canada to develop our projects in Colombia and Bolivia.

Mr. Hansen is currently the President and CEO of Atacama Pacific Gold Corporation, a private company with exploration activities in Chile. Prior to that, from December 2003 to January 2009, Mr. Hansen was Co-Founder, President and Chief Executive Officer of Andina Minerals Inc., a public company listed on the TSX Venture Exchange (ADM). A Geologist with over 20 years of international experience in the exploration and mining industry, his career has encompassed various exploration, operational and head office positions with both junior exploration and senior mining companies including INCO, TVX Gold, and Kinross. He is also a director of Solfotara Mining Corporation and a number of private resource and technology companies.

Liquidity and Solvency

At this time, the Company has no operating revenues and does not anticipate any operating revenues until the Company is able to find, acquire, place in production and operate a mining property. Historically, the Company has raised funds through loans, shares for debt settlements, private placements and the exercise of options and warrants. Due to the economic downturn during fiscal 2009, approximately US$2.24 million was raised as compared to in excess of US$7.93 million raised in 2008 using these methods. Management plans to continue to raise the working capital required in the usual manner for 2010.

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

The market price of metals is highly speculative and volatile. Instability in metal prices may affect the interest in mining properties and the development of and production from such properties. Any down turn may adversely affect the Company's ability to raise capital to explore existing or new mineral properties.

The Company has incurred losses since inception, and the long term survival of the Company depends on the ability of management to continue raising capital. As at June 30, 2010, the Company has cash of $1,639,206 and working capital of $1,231,909. Without further financing, there will not be sufficient funds to meet the Company's planned property exploration commitments and payments, and to cover administrative and office expenses for the 2010 fiscal year. Additional funds will be required to continue operations and meet Company objectives.

In the first quarter of 2010, two private placements have been closed: one for US$550,000 and another for CAD$580,000. During the third quarter the 1st tranche of a proposed private placement (up to $6 million) was closed for CAD$2,269,478. Management is continuing and determined in completing the remaining $3,730,522.

The proceeds from the Private Placement will be used for exploration of gold properties in Bolivia and Colombia and for general working capital purposes.

The Company will continue to complete the remaining units to achieve the initial target of $6 million as previously announced, to fund the full 2010 exploration program. While management has successfully raised the necessary capital to finance the Company's operations in the past, there is no assurance that it will continue to be able to do so in the future.

Industry and Economic Factors Affecting Eaglecrest Explorations Ltd.

The Company's future performance is largely tied to the outcome of its exploration programs, the price of precious and base metals, and the overall health and stability of junior capital markets, inclusive of the TSX Venture Exchange. The financial markets upon which the Company is reliant are widely expected to experience continued volatility potentially through 2010, reflective of investor anxiety with regard to the strength and longevity of the global economy, global growth prospects, and their associated impact upon liquidity, security and return. This uncertainty has led to continued volatility in commodity markets. Furthermore, unprecedented uncertainty in the credit markets has also led to increased difficulties in accessing capital.

Junior exploration companies worldwide have been hit particularly hard by these trends. Accordingly, the Company may have difficulty raising additional equity financing for the purposes of gold and other precious mineral exploration without significantly diluting the position of its current shareholders. With continued market volatility and slower worldwide economic growth anticipated, the Company's strategy is to manage its treasury in a planned, deliberate and prudent manner while attempting to limit any future offering to a point in time where the associated capital markets have favourably stabilized. The Company believes this focused strategy will enable it to meet the near-term challenges presented by the capital markets while maintaining the momentum on key initiatives. The Company has a strong belief in the exploration potential of its property and aims to emerge from the current economic situation in a solid financial position.

Foreign Countries and Laws and Regulations

The Company has interest in properties that are located in Bolivia, a developing country, and the mineral exploration and mining activities of the Company may be affected in varying degrees by political instability and government regulations relating to foreign investment and the mining industry. Any changes in regulations or shifts in political conditions or attitudes are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Off-Balance Sheet Arrangements

Eaglecrest does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Outstanding Share Capital

On December 10, 2009, shareholders approved a 10 for one share consolidation by a 98% vote. The consolidation was effective on the TSX Venture Exchange on Monday, December 14, 2009.

On a post consolidation basis, the following securities were outstanding as at August 27, 2010:

Securities	Number	Weighted-Average Exercised Price	Expiry Date
Common shares issued and outstanding	50,131,190	N/A	N/A
Common shares accrued as finder's fees	400,000	N/A	N/A
Share purchase options	2,500,000	CAD$1.33	Sept 13, 2011 – Jan 19, 2015
Share purchase warrants (US$)	4,481,900	US$1.00	August 13. 2012
Share purchase warrants (CAD$)	6,963,400	CAD$0.75	Dec 4, 2011 - May 10, 2012
Fully diluted share capital	64,476,490	N/A	N/A

For a more detailed breakdown of the securities – refer to the notes to the June 30, 2010, financial statements.

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 period end balances referred to below are payable on demand and have arisen from the provision of services described:

During the period ended June 30, 2010:

- A director of the Company was paid or accrued $102,000 (2009: $128,226) for corporate development fees and one officer of the Company was paid or accrued $90,000 (2009: $90,000) for accounting and administration services. At June 30, 2010, the related parties were owed $30,540 (2009: $148,147) for the unpaid portions of these amounts and reimbursement of expenditures made on behalf of the Company, which is included in accounts payable.
- A Private company owned by a director of the Company was paid or accrued $140,932 (2009: $148,147) in management fees. At June 30, 2010, the related party was owed $29,166 (2009: $134,203) for the unpaid portions of these amounts and reimbursement of expenditures made on behalf of the Company, which is included in accounts payable.
- An officer of the Company and a private company controlled by a director of the Company were paid or accrued $37,697 (2009: $42,081) for geological consulting services. At June 30, 2010, the related parties were owed $17,534 (2009: $31,053) for the unpaid portion of the amount, which is included in accounts payable.

As at June 30, 2010, accounts payable are inclusive of $77,240 (2009: $367,415) due to related parties.

Subsequent Events

The following occurred during the period subsequent to June 30, 2010:

- The exercise term for 4,481,900 warrants each exercisable to purchase one common share of the Company at US$1.00 expiring August 13, 2010 have been extended to August 13, 2012.
- The Company signed a definitive agreement ("Agreement) with Bullet Holding Corp. to purchase up to a 75% interest in the mineral title of the 15,000 hectare Fredonia Area located in Antioquia, Colombia
    - The terms of the Agreement are outlined on page 5.
    - This agreement is subject to acceptance by the TSX Venture Exchange. Any shares issued pursuant to the agreement will be subject to a four-month hold period.

Additional Information

Additional information relating to the Company is available on the SEDAR website www.sedar.com, or on the Company's corporate website www.eaglecrestexplorations.com.