EAGLECREST EXPLORATIONS LTD.
Management Discussion and Analysis (Form 51-102F1)
For Year Ended September 30, 2009

The management discussions and analysis, prepared as of January 28, 2010, reviews and summarizes the activities of Eaglecrest Explorations Ltd. ("Eaglecrest" or the "Company") and compares the financial results for the year ended September 30, 2009 with those from September 30, 2008. The following information should be read together with the audited consolidated financial statements for the years ended September 30, 2009 and 2008 and the related notes attached thereto, which have been prepared in accordance with Canadian Generally Accepted Principles. All amounts are stated in Canadian dollars unless otherwise indicated.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on such forward-looking statements.

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 September 30, 2009. 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 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 40 contiguous mineral concessions and properties on the San Simon plateau located in the Department of Beni in northeast Bolivia. Collectively, the concessions and properties cover 296.75 square kilometers and are referred to as the San Simon property. The Company first worked in the area of the San Simon property in 1995. The properties have four areas of known gold mineralization called Doña Amelia, San Simon (Paititi-San Francisco-Buriti), Marco Maria, and Doña Angela.

In late 2008, the Company recognized the massive sell-off in exploration company equities, and the evacuation of cash that was previously available for equity or debt financing. On October 20, 2008 the Company issued a press release shareholder letter that highlighted a dramatically reduced exploration program moving forward to conserve cash and still continue basic exploration in the San Simon district. While this event was viewed as a slowdown in normal drilling activities towards a resource calculation, this slowdown enabled the company to complete district-wide evaluation of the multiple zones with reported gold showings.

As a result of this disciplined approach to systematic exploration at San Simon, our geologic team has identified multiple new target zones—which they have plotted on a district-wide compilation map. One of these additional zones appears to be a one kilometre extension of gold mineralization that has been drilled at the Trinidad Vein in the Doña Amelia zone. A second, very large area is the Paititi-San Francisco-Buriti zone. Based on drill hole assays and geologic logs that were assembled prior to 2002, the Company began building an in-house geologic resource model for the Paititi zone. Multiple gold-mineralized horizons were identified. Based on the new compilation it is possible that a second, open-pit style gold resource can be drill tested in 2010 at the Paititi zone. All of these new zones are contained within only 20% of the entire land package at San Simon.

With the geologic team actively sampling the highest priority zones along the Paititi-San Francisco-Buriti zone, a new zone of significant gold mineralization was sampled near Buriti. The area returned gold assays that vary from below detection to 49.5 grams per tonne – most significant, the mineralized area is at least 2,500 metres long east-west by 1000 metres wide. Additionally, surface sampling around the Buriti gold occurrences and sampling from outcropping rocks east of Paititi, discussed below, demonstrates the gold enrichment extends for at least seven kilometres along the Paititi-San Francisco-Buriti zone. With these new gold results from surface sampling at Buriti, the Company believes there is strong potential for discovery of a third, open-pit style gold resource at the Buriti portion of the zone.

With an experienced technical team driving the Company at the Board level, and the strong technical team already in place on the project, management expects improved results leading to improved confidence with investors and the equity markets in 2010 so that any fund raising endeavours will be successful. Because we have had time to further discovery and develop new gold zones, management believes that Eaglecrest's San Simon project has potential for at least three new gold resource zones once adequate funding is achieved to resume drilling. The company's objective remains to develop the San Simon project to a level sufficient to attract a mining company or institutional partner which would continue to fund the advancement of the project.

In August 2009, the Board or Directors advised the Company to move towards diversifying exploration assets, by reviewing opportunities to explore for gold in Colombia. Modern exploration in the gold belts of Colombia has just recently resumed after a dramatic easing of 45 years of political turmoil and security concerns. By exploiting our senior management's deep level of experience and expertise in the Andes Mountains of South America, the Central Cordillera of Colombia was selected as part of Eaglecrest's project generation program. Several projects are currently being evaluated in the Central Cordillera porphyry gold belt.

Within the Central Cordillera there are a number of projects currently being advanced by multi-national exploration and mining companies. Significant new projects include Anglogold Ashanti / B2Gold's Quebradona project which is located to the south-central portion of the project area. The area also includes the historic producing mines of Titiribi, Cerro Vetas and El Zancudo, which are located southwest of Medellín. Farther south-southeast of Quebradona and in the same geologic belt lays the famous 500-year-old Marmato mining district. Based on modern and historic exploration, these porphyry gold targets of the Central Cordillera of Colombia have potential for two to over 15 million ounces of gold.

San Simon Property, Bolivia

Since 2003, the Company's drilling and development activities at San Simon have been focused on the Doña Amelia zone. The original gold discovery on the San Simon plateau was made in 1742 by Jesuit priests, who found gold in a northeast-striking shear zone. The area of that discovery is now called Mina Vieja ("old mine") and it is adjacent to the Trinidad sector, beneath which is the Company's underground development. Drilling in the L463 shoot is the down-dip extension of the exposed Trinidad and Mina Vieja zones. Since the mid-1980's, artisanal or informal miners have extracted thousands of ounces of gold from shallow workings of the L463 shoot along the fault, mostly in the Trinidad and Mina Vieja sectors within the Doña Amelia. As many as 1,000 informal miners were working in these areas in the mid-1990s. Surface geological mapping and diamond drilling have traced the main thrust fault for about four kilometres of east-west strike length and more than 700 metres down-dip. Recent rock chip and soil sampling have defined another kilometre of strike length east of the Mina Vieja zone.

In early 2007, the Company's new management team evaluated all prior drill results and found that the gold mineralization is focused in vertically-elongate shoots in and along the main thrust fault. As a result of our work since early 2007 to present, we have been able to confirm our understanding of how gold is distributed on the San Simon plateau. Since we began using our 3-D computer model of the Doña Amelia zone to guide our exploration, over one-third of drill holes that were drilled between April 2007 and April 2008 have returned intercepts of greater than 10 grams/tonne gold. This is the best performance in Eaglecrest's history, and management believes the project has more potential now than it has been at any other time in its 14-year history. During early calendar 2008, using these successful drill results, the Company completed its first in-house geologic model and gold resource estimate using Gemcom resource modeling software for the L463 Gold Shoot in the Doña Amelia zone. While the information cannot be made public until an eventual independent NI43-101-compliant gold resource estimation, the model of gold mineralization and gold grades in three-dimensions greatly assists the exploration team in drilling the adjacent gold shoots, referred to L484 and San Pedro West. The Gemcom model can be transferred to a third-party engineering group once the Company takes a decision to commission an NI 43-101-compliant gold resource model and estimate.

On October 20, 2008 the Company issued a press release shareholder letter that highlighted a dramatically reduced exploration program moving forward to conserve cash and still continue basic exploration in the San Simon district. To continue adding value to San Simon in 2008 while conserving valuable funds, our technical team focused on surface sampling with district-wide mapping and data compilation. This is an inexpensive way to demonstrate the potential of the entire property and to better focus future exploration.

The Paititi-Buriti zone was given highest priority for follow-up because of its proximity to the Company's existing infrastructure, and it has the strongest, most contiguous gold-arsenic geochemistry in the 2007 soil data set (refer to news release dated July 9, 2007). Paititi-Buriti soil sample assay results ranged from below detection to 1.57 grams/tonne gold.

Already in the historic data at the Paititi prospect, contained in both reports and digital format, there was prior drilling and surface rock sampling with assays completed. Fifty-two holes were drilled from 1996 to 2000. Geostatistician Francisco Ramos cleaned up the data from these studies and has built an in-house 3D Gemcom resource model using the valid drill holes in the Paititi area. While the volume and grade cannot be released until further infill drilling is completed and an NI43-101 resource estimate is completed by a third party, the in-house geologic model clearly shows gold mineralization hosted in sub-horizontal to north-dipping zones that begin at surface.

In 2001, Kilborn Engineering created the first geologic model for the Paititi zone, which clearly showed potential for a near-surface gold resource. At the same time, 197 tonnes of bulk samples were collected from the surface and the average gold grade was 1.64 grams per tonne gold. Because gold comes right to the surface at Paititi, the preliminary geologic model demonstrates 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.

Additionally, along the seven-kilometre Paititi-San Francisco-Buriti gold trend, new mapping and sampling has revealed that gold-mineralized rocks at surface can have significant length and width, even greater than the 200-metres wide mapped at Paititi. In the Buriti zone, several new outcrops and sub-cropping rocks that have been exposed by hand-dug pits and trenches have visible gold in hand sample and in panned, crushed samples of the rock leading Eaglecrest to conclude the area has had extensive gold mineralization that was previously undiscovered.

The company announced on January 14, 2009 new assay results had highlighted the Buriti gold target. In the Buriti portion of the zone, a total of 68 surface rock chip samples were collected in November-December 2008 and returned gold values that varied from below detection (0.3 grams per tonne gold) to 16.2 grams per tonne gold. Five of the samples were greater than 1.2 grams per tonne gold. This work has energized the exploration team and raised the priority of the entire Paititi-San Francisco-Buriti zone.

Subsequently, on June 8, 2009, the Company announced the expansion of surface high-grade gold zones at the Buriti gold target (see www.eaglecrestexplorations.com\Paititi-Buriti_June2009.pdf). Rock chip assay results from samples in this zone varied from below detection to 10.85 grams per tonne gold. Fifteen samples had results greater than 0.5 grams per tonne gold with eight samples returning greater than 1 gram per tonne gold. From the high-grade zone that was sampled and announced in our prior news release (see January 14, 2009 news release), new surface mapping and sampling has extended the Buriti zone 300-metres to the north, making the zone at least 300-metres wide. Similarly, the Paititi zone, on the east end of the same trend, is at least 200-metres wide where artisanal miners over the past 20 years have exposed gold-bearing mineralization in a small open pit.

A total of 268 surface rock chip samples were collected in early 2009 along the Paititi-San Francisco-Buriti zone. Of these, 160 were collected along the mineralization trend that extends from the Paititi pit westward to an area of outcropping mineralization called Buriti. Based on these new results, as well as samples collected east of Paititi, the zone now has about seven kilometres of strike length east-west.

On September 9, 2009 the Company reported further expansion of surface high-grade gold zones at the Buriti zone. Ground crews extended the area of anomalous gold and gold-mineralized rock at Buriti to about 600 metres by 1,500 metres, elongated east-west. And, assay results from surface rock chip and channel samples in this zone varied from below detection to 49.5 grams per tonne gold. Twelve of the samples had results greater than 0.5 grams per tonne gold with nine samples returning greater than 1 gram per tonne gold. A total of 207 were reported in this news release. Sampling was focused on channel-chip rock samples of mineralized rock that has been exposed in trenches and pits in and around the Buriti prospect.

The Company concludes that based on the in-house geologic model for Paititi along with new surface sampling, at least two new, open-pit style gold resources may exist along the Paititi-San Francisco-Buriti zone, one at Paititi and one at Buriti. While the zone at Paititi has a size of about 200 metres width by 800 metres east-west strike as discussed above, the Buriti zone continues to grow beyond these dimensions with each new sample site and trench. Surface trenching using bulldozers or excavators, as well as rock chip-channel sampling are necessary along the gold-mineralized areas to further understand the gold distribution and to further develop the drill targets so the holes are more accurately located in the future drill program.

The Company's highest priority of securing funding was achieved – US$2.24 million was secured in an equity placement that was approved by the TSX-Venture exchange on August 10, 2009. The financing included 51 investors that are both shareholders and friends of existing shareholders. The Company is now focused on securing funding from institutional sources while working on a marketing strategy that also incorporates information disseminated to institutions. The information provided to institutions during pursuit of funds should stimulate interest in the Company, thus supporting our market as we develop the San Simon project.

Subsequent Operating Events

On December 2nd, the Company announced the expansion of the surface high-grade gold zone at the Buriti area of the San Simon project in Northeastern Bolivia. Ground crews have now extended the area of anomalous gold and gold-mineralized rock at Buriti to approximately 2,500 metres east-west, but 1000 metres wide A total of 119 additional surface rock chip samples were collected and analyzed – they were focused on sampling mineralized rock that has been exposed in trenches and pits in and around the Buriti prospect. Of these, 19 of the samples had results greater than 1 gram per tonne gold. Assay results from surface rock chip and channel samples in this sample set varied from below detection to 28.1 grams per tonne gold.

The Buriti zone continues to expand as the Company dedicates more time to mapping and sampling between the Buriti and Paititi areas. These new results also validate our focus on our district-wide data compilation, mapping and sampling program that was initiated in October 2008.

Trenching is currently underway in an effort to better expose and map the extent of gold mineralization between Buriti and Paititi. The trenching program is also focused on locating areas of disseminated gold mineralization between the high-grade gold structures that we are finding and sampling. All of these steps will enable us to better target our drilling efforts, which we anticipate resuming once funding is achieved in early 2010.

A significant new corporate development occurred in late calendar 2009: on December 8th, the Company announced that it has executed a Letter of Intent ("LOI") to purchase up to a 75% interest in the mineral title of the Fredonia Area ("Fredonia"), located in Antioquia, Colombia. Fredonia is a property package owned by Grupo de Bullet, S.A. ("Bullet"), which consists of approximately 18,000 hectares of mineral title. This is the first of several projects the Company is evaluating for acquisition in a 300-kilometre long gold belt that extends from the La Colosa gold resource owned by AngloGold-Ashanti through Medellín.

The Fredonia area was selected as part of Eaglecrest's project generation program, which the board of directors approved for central Colombia in August 2009. Several other projects are also currently being evaluated in the same Central Cordillera porphyry gold belt. Fredonia is a large area of principally unexplored ground, but, based on the experience of senior management of Eaglecrest, initial reconnaissance exploration by Bullet, the proximity to significant proven gold resources, and preliminary geophysical work, has a high-probability for the discovery of one or more large porphyry-style gold deposits .

The Fredonia project provides an extraordinary opportunity for Eaglecrest to acquire a significant land position within an unexplored portion of a famous gold belt with a 500-year history of gold production. Modern exploration in the gold belts of Colombia has just recently resumed after a dramatic easing of 45 years of political turmoil and security concerns. Senior management's deep level of experience and expertise in the Andes Mountains of South America, we are acquiring Fredonia as an entry point into Colombia's exciting new gold rush. With an area as large as Fredonia, there is the possibility for multiple porphyry-style gold deposits, all located in or near the established infrastructure south of Medellín. Known discoveries in this belt range from two to twelve million ounces of gold, so we are confident there is significant potential for discovery of additional gold resources in the belt.

The mineral title consists of more than 18,000 hectares located in the Cauca River Valley, between the Eastern and Western Cordillera of the Andes Mountains, northwestern Colombia. Situated approximately 40 kilometres south of the city of Medellín, in Antioquia, the property is positioned within one of the most prospective and productive gold belts of Colombia, with more than 500 years of gold mining history combined with a number of significant modern day discoveries.

Surrounding the property to the north and south are a number of projects currently being advanced by multi-national exploration and mining companies. Significant new projects include Anglogold Ashanti / B2Gold's Quebradona project which is located to the south of the project area. The area also includes the historic producing mines of Titiribi, Cerro Vetas and El Zancudo, which are located southwest of Medellín. Farther south of Quebradona and in the same geologic belt lies the famous 500-year-old Marmato mining district.

Eaglecrest announced on December 11, 2009 that it closed a non-brokered private placement of US$550,000.
Eaglecrest announced on January 5, 2010 that it had closed another non-brokered private placement for CAD$580,000. Most importantly, Sprott Asset Management was the lead investor, contributing CAD$500,000 to the financing. The addition of Sprott to our shareholder base supports all the corporate developments we have achieved in the past three months.

These financings give us funding to move forward with our exploration program and team building in Colombia—and we are reviewing several new strategically-located projects for acquisition. Our highest priority is to focus on projects in and around our newly signed Fredonia area where we have the option to earn up to 75% on targets within an 18,000-hectare area. These funds will also provide additional exploration funding to continue our very successful, district-wide mapping and sampling, and target-specific trenching program at the 100% owned San Simon project in northeastern Bolivia.

Marketing efforts begin again: after nearly a year and a half, Eaglecrest implemented its newly adopted marketing strategy in late November and early December of 2009. Eaglecrest announced on January 7, 2010 that, subject to Exchange acceptance, it has retained CHF Investor Relations ("CHF"), a well established, Toronto-headquartered Canadian Investor Relations firm under the same management for the past 17 years. CHF Investor Relations' outreach program will bring the Eaglecrest news and highlights to the attention of brokers who specialize in emerging exploration companies like ours.

In November, Eaglecrest had hired WSI Webpro to modify its website and begin to position Eaglecrest for a new image with the upcoming addition of Colombian projects. Additionally, WSI Webpro 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.

In December, Eaglecrest also employed for one year ProActive Investors, an investor relations firm with contacts in Toronto and Europe, thus expanding Eaglecrest's audience. ProActive Investors have both Toronto and European offices – they organize presentations in both venues. A typical presentation will have 50-60 potential investors, and they allow only four companies to present in each venue. Additionally all of Eaglecrest news, presentations, interviews, etc will be syndicated to the various outlets through ProActive's distribution network, including translation of our news releases into German for our German investors. ProActive also operates and updates their own web page where subscribers can access information about Eaglecrest.

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, generate successful drilling results, move the company towards its first gold resources in Bolivia along with initial evaluations of new gold targets in Colombia, and begin to get more market recognition through its newly implemented marketing program:

During fiscal 2010:

- Raise enough funding to complete the Company's objectives – the share consolidation and acquisitions in Colombia should help support the money raising efforts.
- Complete trenching, mapping and sampling in strategic areas including eastern Trinidad and along the Paititi-San Francisco-Buriti trend in preparation for drilling.
- Once funding is secured, begin drilling in the Trinidad Vein, specifically the two adjacent gold shoots to the L463 Gold Shoot.
- Drill the new exploration targets at Paititi-San Francisco-Buriti, and eastern Trinidad.
- If the drilling is successful, complete an NI43-101 resource calculation for three of the Trinidad gold shoots late 2010.
- Implement an aggressive exploration program in the newly-acquired Fredonia area, Colombia, including aerial geophysics, ground mapping and sampling, followed by a drill program in the second half 2010.
- Continue to build the team, including a new geologic team in Colombia, adding more people to the Board of Directors.

International Financial Reporting Standards

By 2011, Canadian publicly traded companies 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 will evaluate the effects that are particular to the Company's situation as well as options that are available to it. Consultations with experts within the field are being sought and management aims to be ready and near-compliant by the end of the second quarter of fiscal 2010.

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.

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 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.

Consolidated Results

For the year ended September 30, 2009 the Company incurred a consolidated net loss of $1,606,609 as compared to a net loss of $2,283,563 of a year ago September 30, 2008 - a decrease of 30% or $676,954.

Due to tight cash constraints faced by the Company in fiscal 2009, management was forced to curtail certain activities such as advertising, corporate development, consulting and travel and promotion:

- Travel and promotion dropped to $105,595 in 2009 from $262,593 in 2008.

- There was nil spending on advertising in 2009 and consulting decreased to $136,437 in 2009 from $251,152 in 2008.

- The biggest cut-back occurred in the area of corporate development: $188,551 for 2009, a decrease of $284,882 from the $473,433 spent in 2008.

Accounting and audit fees in 2009 were $47,343 (2008 - $69,676). A change of auditors took place in 2007, and the related increased in costs associated with the change spilled over into 2008.

As a result of less financing activities occurring in 2009, filing fees and transfer agent fees incurred were $38,813 (2008 - $100,758).

Shareholder information costs - $10,081 (2008 - $38,543). The Company did not re-activate its drilling program in 2009. Due to the lower reporting of results for news dissemination, such costs were lower in 2009.

Debt settlement expense recorded in 2009 amounted to $478,704 (2008 – Nil). 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).

Although not a cash item, nil stock-based compensation was recorded in 2009 as no options were granted during the year. In 2008, $419,245 was recorded based on options granted.

4th Quarter Review:

For the fourth quarter ended September 30, 2009, the Company recorded a consolidated net loss of $978,066 as compared to a net loss of $471,729 for the same quarter ended in 2008. The huge increase in 2009 is mainly due to the recognition of $478,704 in debt settlement expense as a result of settling a US$600,000 convertible debt through the issuance of common stock (along with warrants) of the Company. Significant accounts and deviations between the quarters are as follows:

Administration – $30,000 (2008 – $30,000) - administration fees are paid or accrued to an officer of the Company.

Consulting - $136,437 (2008 – $128,581) – 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.

Corporate development – $54,571 (2008 - $53,415) – such fees were mostly paid to a Director of the Company in charge of corporate development $30,000 (2008 - $37,505). The remaining amounts were paid to various parties for development and distribution of Company information material and assisting in making introductions and presentations to potential investors.

Foreign exchange loss - $108,147 (2008 – $5,216) – in 2009, all financing raised are in US 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. 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. During the 4th quarter of 2008, the US dollar dropped significantly against the Canadian dollar (1.08 - average for month of September, 2009 as compared to 1.22 – average for the month of April, 2009), and as a result of the amount of US cash held, a significant foreign exchange loss was recorded.

Insurance - $8,047 (2008 - $12,308) – quarterly amortization of general liability, property and officer and directors' insurance. Costs were lower in 2009 as certain coverages were eliminated.

Interest - $2,648 (2008 – $32,582) – interest relates to a convertible debenture as follows:

		2009	2008
-	8% rate per annum	$ -	$12,720 (US$12,000)
-	accretion of convertible debenture	-	19,862 (US$20,017)
-	other	2,648	-
		$ 2,648	$ 32,582

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

Debt settlement expense - $478,704 (2008 – Nil) – as the convertible debenture was settled prior to its maturity, the equity portion of the initial transaction was not fully accreted to the loan's face value of US$600,000. The $18,704 (US$16,290) difference between the carrying amount and the fair value was recorded as debt settlement expense. An additional $460,000 was also charged to debt settlement expense as calculated based on the Black-Scholes formula (see explanation to the same item in the above heading under "Consolidated Results").

Legal - $18,073 (2008 - $5,635) – legal fees paid to a law firm of which the Secretary of the Company is a partner. Fees pertain mainly to preparing and filing of financing and option documents and other general corporate matters.

Management fees – $48,634 (2008 - $47,564) – 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.

Stock-based compensation – nil (2008 - $68,400) – no options were granted during current period, whereas certain options were granted in 2008.

Travel & promotion – $33,705 (2008 – $42,242) – in addition to shows and conventions and trips by Company personnel throughout the US and Europe meeting with potential investors in their efforts to procure financing, Company personnel also travel on occasions to and from Bolivia – the site of the Company's mineral properties.

Resource Property Values

Deferred mineral property costs increased by $1,950,841 during the year ended September 30, 2009 (2008 - $4,064,527). These costs were lower in 2009 as the underground bulk sampling work and gold processing plant operations have been terminated. 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 were also curtailed during 2009.

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

Summary of Selected Quarterly Information

Quarter Ended	September 30 2009	June 30 2009	March 31 2009	December 31 2008	September 30 2008	June 30 2008	March 31 2008	December 31 2007
	$	$	$	$	$	$	$	$
Current assets	720,980	1,904,671	221,189	271,615	1,022,134	428,167	428.444	1,202,115
Resource assets	44,918,869	44,426,042	44,157,033	43,647,033	42,968,028	42,545,415	42,053,106	40,411,425
Current liabilities	483,547	1,591,958	1,392,234	1,159,766	1,326,511	1,136,793	1,258,215	450,641
Shareholders' Equity								
Capital stock	67,689,035	63,779,147	63,779,147	63,779,147	63,779,147	60,461,025	60,461,025	60,423,025
Share subscriptions	1,156,000	3,462,252	1,600,980	1,156,000	1,156,000	2,580,237	1,609,596	1,156,000
Contributed surplus	3,352,521	3,088,439	3,088,439	3,088,439	3,088,439	3,020,039	2,855,739	2,669,194
Deficit	(26,806,078)	(25,366,560)	(25,232,199)	(24,972,583)	(24,738,017)	(24,266,288)	(23,625,265)	(22,950,154)
Net loss	(978,066)	(134,361)	(259,616)	(234,566)	(471,729)	(641,023)	(675,111)	(495,700)
Working capital (deficit)	237,433	312,713	(1,171,045)	(888,151)	(304,377)	(708,626)	(829,771)	751,474
Basic loss per share *	($0.02)	($0.01)	($0.01)	($0.00)	($0.01)	($0.02)	($0.02)	($0.02)

* 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 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

For the three months ended June 30, 2008:
-deferred resources property costs increased by $492,309
-recorded stock-based compensation of $164,300
-working deficit of $708,626

For the three months ended March 31, 2008:
- deferred resources property costs increased by $1,641,681
- recorded stock-based compensation of $186,545
- working deficit of $829,771

For the three months ended December 31, 2007:
- deferred resource property costs increased by $1,507,924
- incurred filing fees of $39,273 due to filing of private placement, convertible debenture and stock option plan
- working capital of $751,474

Corporate Development

In addition to in-house corporate development activities such as answering telephone and email enquiries, dissemination of Company material, attending trade shows, and maintenance of the Company's website, Management has appointed CHF Investor Relations, an established investor relations consulting firm based in Toronto (with international affiliations) and specializing in serving emerging public companies as its head advisor. For further information on CHF Investor Relations, visit www.chfir.com .

In December, 2009, ProActiveinvestors ("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 for our German investors. Furthermore, ProActive operates and maintains its own web page where subscribers can access information about Eaglecrest.

The Company has also engaged WSI Webpro a US-based company to modify its website and to position Eaglecrest for a new image based on the contemplated Columbian projects. Wespro 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.

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, and 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. 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.

Although, the equity outlook is improving and 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.

Outstanding Share Capital

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

On a post consolidation basis, the following number of securities was outstanding as at January 27, 2010:

Securities	Number	Weighted-Average Exercised Price	Expiry Date
Common shares issued and outstanding	45,592,234	N/A	N/A
Share purchase options	965,000	CAD$2.03	April 22, 2010 - May 29, 2013
Share purchase warrants (US$)	5,581,900	US$1.00	Aug 13, 2010 – Dec 4 2010
Share purchase warrants (CAD$)	1,210,000	CAD$0.74	December 24, 2011
Fully diluted share capital	53,349,134	N/A	N/A

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 year ended September 30, 2009:

- A director of the Company was paid or accrued $158,226 (2008: $145,849) for corporate development fees and one officer of the Company was paid or accrued $120,000 (2008: $112,500) for accounting and administration services. At September 30, 2009, the related parties were owed $38,027 (2008: $3,371) 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 $212,069 (2008: $182,437) in management fees. At September 30, 2009, the related party was owed $24,125 (2008: $5,239) for the unpaid portions of these amounts and reimbursement of expenditures made on behalf of the Company, which is included in accounts payable
- A law firm of which an officer of the Company is a partner charged the Company or accrued by the Company $32,005 (2008: $48,609) for legal services. At September 30, 2009, this related party was owed $Nil (2008: $42,352) for the unpaid portion of this amount, which is included in accounts payble.
- Officers of the Company and a private company controlled by a director of the Company were paid or accrued $44,040 (2008: $239,541) for geological consulting services. At September 30, 2009, the related parties were owed $Nil (2008: $25,089) for the unpaid portion of the amount, which is included in accounts payble.

As at September 30, 2009, accounts payable are inclusive of $62,152 (2008: $76,051) due to related parties.

Subsequent Events

The following occurred during the period subsequent to September 30, 2009:

- The share capital of the Company underwent a share consolidation on a 10:1 basis.

- The Company issued 11,000,000 units pursuant to a non-brokered private placement at a unit price of US$0.05 raising a total of US$550,000. Each unit consisted of 1 common share of the Company and one warrant exercisable to purchase an additional common share of the Company at a price of US$0.10 expiring Dec 4, 2010. A finder's fee of 1,050,000 shares were issued in connection to the private placement.

  As a result of the share capital consolidation on December 10, 2009, these private placement units and finder's fee shares issued were reduced to 1,100,000 units and 105,000 shares respectively.

- The Company issued 1,160,000 post-consolidated units pursuant to a non-brokered private placement at a unit price of CAD$0.50 raising a total of CAD$580,000. Each unit consisted of 1 common share of the Company and one warrant exercisable to purchase an additional common share of the Company at a price of US$0.75 expiring Dec 24, 2011. A finder's fee of CAD$25,000 cash have been paid and 50,000 warrants each exercisable to purchase one common share of the Company at CAD$0.50 expiring December 24, 2011 have been issued in connection to the private placement.

- On December 16, 2009, the Company entered into a service agreement with an investor relations company to receive market-making services. The agreement is for twelve months. The Company agreed to pay $7,500 per month and grant 100,000 options each exercisable into one post-consolidated common share of the Company for $0.60 until December 15, 2011.

- On December 6, 2009, the Company signed a letter of intent to purchase up to a 75% interest in the mineral rights of the Fredonia area (the "Fredonia Property"), located in Antioquia, Colombia. The Company can acquire a 75% interest in the Fredonia Property as follows:

Date	Expenditures (US$)	Shares or Warrants Issuance	Cash (US$)	Interest Earned (%)
Upon signature of letter of intent	$ -	-	$ 10,000 52,500*	-
Upon signature of Definitive Agreement (the "Signature Date")	-	1,000,000 shares and 1,000,000 warrants**	-	-
During 6 months after the Signature Date	100,000	-	50,000	12.5%
At the end of the 12 months after the Signature Date	1,000,000	-	60,000	12.5%
During 24 months after the Signature Date	1,100,000	-	-	25.0%
During 36 months after the Signature Date	600,000	-	-	25.0%
Total	$ 2,800,000		$ 120,000	75.0%

* Refundable if no Definitive Agreement is reached. The Definitive Agreement must be reached no later than 90 days after the signature of letter of intent.

** Each warrant will have an exercise price equal to the closing price of the Company's common shares on the Signature Date plus a 25% premium. The warrants will have an expiry date of 2 years.

In the event that any of the above-noted expenditures are not made within the timeframe specified above, the Company will be required to pay the portion of expenditures outstanding directly to the optionor in cash.

At the end of thirty six months after the Signature Date, the Company must fund all additional expenditures required to reach the completion of a detailed feasibility study in respect of the Fredonia Property. After completion of a detailed feasibility study (National Instrument 43-101 compliant), each party will be required to fund its pro-rata share of development costs. During the duration of the Definitive Agreement, the Company will be responsible for all expenditures related to concessions' maintenance, including canon payments and insurance policies.

Upon acquisition of 75% interest in the Fredonia Property, the parties will form a 75/25 joint venture and funding of further exploration and development of the project will be based on the parties' percentage interest. If the optionor chooses not to contribute to funding such work its interest will be diluted based on a standard dilution formulae to a 2.5% net smelter royalty.

The agreement is subject to approval by the regulatory authorities.