COPPER CANYON RESOURCES LTD.

(An Exploration Stage Corporation)

INTERIM FINANCIAL STATEMENTS

For the period ended
June 30, 2009

(Unaudited – prepared by management)

COPPER CANYON RESOURCES LTD.
(An Exploration Stage Corporation)

INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company disclosed that its auditors have not reviewed the unaudited financial statements for the period ended June 30, 2009.

NOTICE TO READER OF THE
INTERIM FINANCIAL STATEMENTS

The Management of Copper Canyon Resources Ltd. is responsible for the preparation of the accompanying interim financial statements as at June 30, 2009.

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

The interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with Canadian Generally Accepted Accounting Principles.

"Timothy J Termuende"	*"Glen J Diduck"*
Timothy J. Termuende, P. Geo	Glen J. Diduck, CA
President and Chief Executive Officer	Chief Financial Officer, Director

COPPER CANYON RESOURCES LTD.
(An Exploration Stage Corporation)
BALANCE SHEET
(Unaudited – prepared by management)

	Jun 30 2009 (unaudited)	Dec 31 2008 (unaudited)
Assets		
Current		
Cash and cash equivalents	**$ 741,490**	$ 925,533
Accounts receivable	**2,291**	4,461
Income taxes recoverable	**91,633**	95,765
	835,414	1,025,759
Investments (Note 3)	**324,932**	173,686
Mineral exploration properties (Note 4)	**1,151**	1,596
	$ 1,161,497	$ 1,201,041
Liabilities and Shareholder's Equity		
Current		
Accounts payable and accrued liabilities	**$ 7,157**	$ 76,487
Shareholder's equity		
Share capital (Note 5)	**1,936,534**	1,936,534
Warrants (Note 5)	**534,249**	534,249
Contributed surplus (Note 5)	**1,552,799**	1,548,110
Accumulated other comprehensive loss (Note 9)	**(729,543)**	(937,289)
Deficit	**(2,139,699)**	(1,957,050)
	1,154,340	1,124,554
	$ 1,161,497	$ 1,201,041

Nature of operations (Note 1)
Commitments and contingencies (Note 8)
Subsequent event (Note 10)

On behalf of the Board:

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

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

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

COPPER CANYON RESOURCES LTD.
(An Exploration Stage Corporation)
STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – prepared by management)

	Three Months Ended Jun 30 **2009**	Three Months Ended Jun 30 2008	Six Months Ended Jun 30 **2009**	Year Ended Dec 31 2008
Expenses				
Administration costs	**$ 18,373**	$ 33,105	**$ 44,357**	$ 110,171
Trade shows, travel and promotion	**12,062**	22,816	**36,634**	204.883
Stock Compensation expense	**-**	-	**4,689**	421,618
Public company costs	**17,775**	15,903	**25,332**	38,795
Professional fees	**6,083**	17,409	**10,212**	101,960
Loss before other items	**54,293**	89,233	**121,224**	877,427
Other items				
Interest and other income	**(582)**	(9,227)	**(2,783)**	(33,137)
Option proceeds in excess of carrying value	**-**	-	**(712)**	(16,163)
Loss on sale of investments	**-**	-	**64,920**	66,108
	(582)	(9,227)	**61,425**	16,808
Loss before income taxes	**53,711**	80,006	**182,649**	894,235
Income tax expense	**-**	5,648	**-**	(90,297)
Net loss for the period	**53,711**	85,474	**182,649**	803,938
Deficit, beginning of period	**2,085,988**	1,258,065	**1,957,050**	1,153,112
Deficit, end of period	**$ 2,139,699**	$ 1,343,539	**$ 2,139,699**	$ 1,957,050
Loss per share				
Basic and diluted (Note 6)	**$ 0.0011**	$ 0.0155	**$ 0.0036**	$ 0.0159
Weighted average number of shares				
Basic and diluted (Note 6)	**50,682,545**	50,506,922	**50,682,545**	50,628,545

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

COPPER CANYON RESOURCES LTD.
(An Exploration Stage Corporation)
STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited – prepared by management)

	Three Months Ended Jun 30		Six Months Ended Jun 30	Year Ended Dec 31
	2009	2008	**2009**	2008
Net loss	**$ (53,711)**	$ (85,474)	**$ (182,649)**	$ (803,938)
Other comprehensive gain (loss)				
Unrealized gain (loss) on marketable securities (Note 3)	**(3,574)**	(26,085)	**272,446**	(417,438)
Reclassification adjustment for loss Included in net income	**-**	-	**(64,700)**	44,000
Comprehensive gain (loss)	**$ (57,285)**	$ (111,559)	**$ 25,097**	$ (1,177,376)

COPPER CANYON RESOURCES LTD.
(An Exploration Stage Corporation)
STATEMENTS OF ACCUMULATED OTHER COMPREHENSIVE LOSS
(Unaudited – prepared by management)

	Three Months Ended Jun 30		Six Months Ended Jun 30	Year Ended Dec 31
	2009	2008	**2009**	2008
Accumulated other comprehensive loss – beginning of period	**$ (725,969)**	$ (574,914)	**$ (937,289)**	$ (563,851)
Other comprehensive gain (loss)	**(3,574)**	(26,085)	**207,746**	(373,438)
Accumulated other comprehensive loss – end of period	**$ (729,543)**	$ (600,999)	**$ (729,543)**	$ (937,289)

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

COPPER CANYON RESOURCES LTD.
(An Exploration Stage Corporation)
STATEMENTS OF CASH FLOWS
(Unaudited – prepared by management)

	Three Months Ended Jun 30 **2009**	Three Months Ended Jun 30 2008	Six Months Ended Jun 30 **2009**	Year Ended Dec 31 2008
Cash flows from operating activities				
Loss for the period	**$ (53,711)**	$ (85,474)	**$ (182,649)**	$ (803,938)
Adjustment for:				
Stock compensation	**-**	-	**4,689**	421,618
Option proceeds in excess of carrying value	**-**	-	**(712)**	(16,163)
Loss on sale of investments	**-**	-	**64,920**	66,108
	(53,711)	(105,678)	**(113,752)**	(332,375)
Changes in non-cash working capital items				
Decrease (increase) in accounts receivable	**1,533**	3,513	**2,170**	(88,011)
Increase (decrease) in accounts payable	**(52,268)**	17,142	**(69,330)**	13,587
Decrease (increase) in income taxes	**-**	-	**4,132**	(99,098)
Decrease in due to related party	-	(75,944)	**-**	(83,811)
	(104,446)	(140,763)	**(176,780)**	(589,708)
Cash flows from financing activity				
Share issuance costs	**-**	-	**-**	(3,175)
Proceeds from exercise of options	-	41,768	-	41,768
	-	41,768	**-**	38,593
Cash flows from investing activities				
Proceeds from sale of investments	**-**	-	**19,580**	18,392
Purchase of long term deposit	**(25,000)**	**-**	**(25,000)**	**-**
Proceeds from property options	-	-	-	122,500
Development of mineral exploration properties	**(1,147)**	(4,524)	**(1,843)**	(4,020)
	(26,147)	(4,524)	**(7,263)**	136,872
Decrease in cash and cash equivalents	**(130,593)**	(103,519)	**(184,043)**	(414,243)
Cash and cash equivalents, beginning of period	**872,083**	1,218,203	**925,533**	1,339,776
Cash and cash equivalents, end of period	**$ 741,490**	$ 1,114,684	**$ 741,490**	$ 925,533
Cash and cash equivalents comprise:				
Bank deposits	**$ 27,564**	$ 38,398	**$ 27,564**	$ 66,690
Term deposits	**713,926**	1,076,286	**713,926**	858,843
	$ 741,490	$ 1,114,684	**$ 741,490**	$ 925,533

The Company made no cash payments for interest or income taxes.

1. Nature of Operations

Copper Canyon Resources Ltd. (the "Company" or "Copper Canyon") was incorporated on June 15, 2006, pursuant to the Alberta Business Corporation Act (Alberta), and is extra-provincially registered in the Yukon and British Columbia.

The Company was created as a result of a plan of arrangement undertaken to reorganize Eagle Plains Resources Ltd. ("Eagle Plains"). The Company is in the business of exploring for mineral resources and is exploring properties located in British Columbia and the Yukon.

These statements have been prepared on the basis of accounting principles applicable to a going concern. Management has assessed that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. The future recoverability of amounts recorded as mineral exploration properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and attain profitable production or proceeds from the disposition of the properties in excess of the carrying amount.

2. Significant Accounting Policies

Management has prepared the interim financial statements of the Company in accordance with Canadian generally accepted accounting principles. The preparation of interim financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the interim financial statements and accompanying notes. Actual results could differ from those estimates. The interim financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Changes in accounting policies and practices
See the December 31, 2008 audited financial statements for disclosure of new accounting standards adopted in 2008. There were no new accounting pronouncements released and required for adoption in the second quarter.

b) Capital
Our objectives when managing capital are to safeguard the Company's assets while at the same time maximizing the growth of the Company and returns to its shareholders. The Company defines its capital as shareholders' equity and cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets, incur debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

c) Financial instruments
The Company holds various financial instruments. Unless otherwise indicated, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial

2. Significant Accounting Policies - continued

instruments approximate their carrying values, unless otherwise noted. Investments in entities in which the Company does not have control or significant influence are designated as available-for-sale. The fair value for investments designated as available-for-sale is recorded in the income statement, with unrealized gains and losses, net of related income taxes, recorded in accumulated other comprehensive income “AOCI”. The cost of securities sold is based on the specific identification method. Realized gains and losses, including any other-than-temporary decline in value, on these equity securities are removed from AOCI and recorded in income or loss.

The Company has designated its cash and cash equivalents as held-for trading, which are measured at fair value. Amounts receivable are classified as receivables, which are measured at amortized cost. Long-term investments are classified as available for sale and are measured at fair value with changes in fair value recorded in other comprehensive income. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The carrying amounts and fair values of financial assets are as follows:

	June 30 2009		December 31 2008	
	Carrying Value	**Estimated Fair Value**	Carrying Value	Estimated Fair Value
Held-for-trading				
Cash and cash equivalents	**741,490**	**741,490**	925,533	925,533
Receivables				
Accounts receivable	**2,291**	**2,291**	4,461	4,461
Income taxes recoverable	**91,633**	**91,633**	95,765	95,765
Available-for-sale financial assets				
Investments	**324,932**	**324,932**	173,686	173,686
Other financial liabilities				
Payables and accrued liabilities	**7,157**	**7,157**	76,487	76,487

d) Comparative Figures
Certain of the prior year comparatives have been reclassified to conform to the current year’s presentation.

e) Cash and cash equivalents
Cash and cash equivalents consist of cash on hand, bank balances, term deposits and investments with maturities of three months or less from the date of purchase.

f) Mineral exploration properties
Costs of acquisition, exploration and development of mineral properties are capitalized on an area-of-interest basis. General and administrative costs are either charged to expense

2. Significant Accounting Policies - continued

in the year incurred or capitalized if they directly relate to exploration. Amortization of these costs will be on a unit-of-production basis, based on estimated proven reserves of minerals of the areas, should such reserves be found. Properties are abandoned either when the lease expires or when management determines that no further work will be performed on the property since it has no value to the Company. When significant properties in an area of interest are abandoned, the costs related thereto are charged to operations on a pro-rata basis to the total costs to date included in the area, in the year of abandonment. The proceeds received from a partial disposition or an option payment is credited against the capitalized costs; proceeds received in excess of costs incurred on a property by property basis are credited to income. In addition, if there has been a delay in development activity for several successive years, a write-down of those capitalized costs will be charged to operations.

Management of the Company reviews and evaluates the carrying value of each mineral property for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. If the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is recognized and the asset written down to fair value which is normally determined using the discounted value of future cash flows. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether carrying value can be recovered by considering alternative methods of determining fair value.

g) Investments
Securities acquired under option agreements executed with option partners on the Company's mineral properties are recorded at the "fair value" as determined by management. Fair value is based on closing market prices for publicly traded shares without recognizing the possible effects of price fluctuations, quantities traded and similar items. The fair value may or may not approximate trading prices at the time the agreement is executed. As such, the related capitalized mining expenditures are also reduced by the fair value of the investment received.

h) Asset retirement obligations
At June 30, 2009 and 2008, the Company estimate for asset retirement obligations is not material. The Company has currently made no provision for site restoration costs or potential environmental liabilities as all properties are still in the exploration stages. A liability for the fair value of environmental and site restoration obligations will be recorded when the obligations are incurred. For the Company, significant obligations will be incurred at the time the related assets are brought into production.

i) Per share amounts
Basic income (loss) per common share is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted income (loss) per share assumes that the deemed proceeds received from the exercise of stock

2. Significant Accounting Policies - continued

options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

j) Income taxes
The Company uses the liability method of accounting for income taxes. Under this method, future income tax liabilities and future income tax assets are recorded based on temporary differences – the difference between the carrying amount of an asset and liability in the balance sheet and its tax basis and the carry forward of unused tax pools and unamortized share issue costs. Future income tax assets and liabilities are measured using income tax rates expected to apply on the years in which temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period that the change is substantially enacted. Future income tax assets are evaluated and if realization is not considered "more likely than not", a valuation allowance is provided.

k) Stock-based compensation plan
The Company has an equity incentive plan which is described in Note 5. The fair value of options to purchase common shares is calculated at the date of grant using the Black-Scholes option-pricing model and that value is recorded as compensation expense over the grant's vesting period with an offsetting credit to contributed surplus. Upon exercise of the share purchase option, the associated amount is reclassified from contributed surplus to share capital. Consideration paid by employees upon exercise of share purchase options is credited to share capital. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon re-measurement. The Company has not incorporated an estimated forfeiture rate for stock options that will not vest; rather the Company accounts for actual forfeitures as they occur.

l) Option agreements
The Company's exploration and development activities are conducted jointly with others. These financial statements reflect only the Company's proportionate interest in such activities.

m) Share issue costs
Commissions paid to underwriters, and other related share issue costs, such as legal, auditing, and printing, on the issue of the Company's shares are charged directly to share capital.

n) Valuation of equity units issued in private placements
The Company has adopted a pro rata basis method with respect to the measurement of shares and warrants issued as private placement units. The pro rata basis method requires each component to be valued at fair value and an allocation of the total proceeds received based on the pro rata relative values of the components.

The fair value of the common shares is based on the closing quoted bid price on the announcement date and the fair value of the common share purchase warrants is determined at the announcement date using the Black- Scholes pricing model. The fair value attributed to the warrants is recorded in warrants.

2. Significant Accounting Policies - continued

o) Impairment of long-lived assets
The Company has adopted the recommendations of CICA Handbook Section 3063 "Impairment of Long-lived Assets" and abstract EIC 174, "Mining Exploration Costs" ("EIC 174") of the Emerging Issues Committee on a prospective basis. Section 3063 requires that long-lived assets and intangibles to be held and used by the Company be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstance indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, future cash flows expected to result from the use of the asset and its disposition must be estimated.

EIC 174 provides that an enterprise that is in the development stage with initially capitalized exploration costs but has not established mineral reserves objectively and therefore does not have a basis for preparing a projection of the estimated future net cash flow from the property, is not obliged to conclude that the capitalized costs have been impaired. However, such an enterprise should consider whether a subsequent write-down of capitalized exploration costs related to mining properties is required.

p) Measurement Uncertainty
The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include impairment of mineral properties; impairment of property and equipment; useful lives for amortization of property and equipment; reclamation and environmental obligations; and contingencies reported in the notes to the financial statements. Financial results as determined by actual events could differ from those estimates.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which were fully tradable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company’s stock options and warrants have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

q) New accounting policies not yet adopted
In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption

2. Significant Accounting Policies - continued

of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

r) General standards of financial statement presentation
The AcSB amended CICA Handbook Section 1400, to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section relates to disclosures and does not have an impact on the Company's financial results.

3. Investments

	Jun 30 2009	Dec 31 2008
500,000 (2008 – 200,000) common shares of Egoli Resources Ltd	**$ 1**	$ 50,000
112,500 (2008 – 112,500) common shares of Northern Freegold Resources Ltd	**65,250**	19,125
54,074 (2008 – 64,074) common shares of NovaGold Resources Inc.	**234,681**	104,561
Guaranteed Investment Certificate	**25,000**	-
	$ 324,932	$ 173,686

For securities traded in an active market, market value is based on the quoted closing prices of the securities at June 30, 2009. The fair value of these securities may differ from the quoted trading price due to the effect of market fluctuations and adjustment for quantities traded. The investment in Egoli Resources Ltd. has been written down as their securities are not traded in an active market and they have terminated the option agreement on the Abo property.

These investments have been classified as available-for-sale securities, in accordance with Handbook Section 3855, Financial Instruments. The adoption of this Section resulted in an increase of $49,246 for securities traded in an active market, offset by the write-down of Egoli shares of $52,999; with a corresponding decrease to accumulated other comprehensive loss of $3,754.

4. Mineral Exploration Properties

	Mar 31 2009	Acquisition & Exploration Costs	Option Payments	Option proceeds in excess of carrying value	**Jun 30 2009**
British Columbia					
Abo (Harrison-Gold)	$ 1	$ 1,147	$ -	$ -	**$ 1,148**
Copper Canyon	2	-	-	-	**2**
Yukon					
Severance	1	-	-	-	**1**
	$ 4	$ 1,147	$ -	$ -	**$ 1,151**

	Dec 31 2007	Acquisition& Exploration Costs	Option Payments	Option proceeds in excess of carrying value	Dec 31 2008
British Columbia					
Abo (Harrison-Gold)	$ 146,849	$ 2,427	$ (150,000)	$ 725	$ 1
Copper Canyon	1	1,593	-	-	1,594
Yukon					
Severance Project	69,688	-	(85,125)	15,438	1
	$ 216,538	$ 4,020	$ (235,125)	$ 16,163	$ 1,596

Copper Canyon Project
The Copper Canyon project was under option to NovaGold Resources Inc. ("NovaGold"). Under terms of the option agreement, NovaGold formally acquired a 60% interest in the project from the Company by fulfilling the terms of the agreement.

On February 15, 2008, Copper Canyon Resources Ltd. and NovaGold Canada Inc., a wholly-owned subsidiary of NovaGold Resources Inc. agreed to form a 40/60 joint venture to explore and develop the Copper Canyon property.

Abo (Harrison-Gold) Project
The Company entered into an option agreement on December 27, 2007 with Egoli Resources Limited ("Egoli"), a private company, whereby Egoli may earn a 75-percent interest in the Company's wholly owned Abo Gold property located in the Harrison Lake area of south-western British Columbia. Terms of the agreement were amended on November 30, 2008; the amended terms require Egoli to incur $6,050,000 in exploration expenditures by December 31, 2012, issue 1,500,000 common shares of Egoli to the Company and make aggregate cash payments of $1,385,000 by December 31, 2012. A 2% NSR is reserved for Eagle Plains.

4. Mineral Properties - continued

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 10,000			At signing of LOI (received)
25,000	100,000		At execution of Agreement (received)
100,000	100,000		March 31, 2008 (received)
	300,000		December 31, 2008 (received)
		$ 50,000	April 1, 2009
200,000	300,000	500,000	December 31, 2009
250,000	300,000	1,000,000	December 31, 2010
350,000	400,000	2,000,000	December 31, 2011
450,000		2,500,000	December 31, 2012
$ 1,385,000	1,500,000	$ 6,050,000	

The Company terminated the option agreement on April 16, 2009, for failure of Egoli to meet obligations under the terms of the amended option agreement dated November 30th, 2008.

Severance Project
The property, located in the west-central Yukon, was acquired through an option agreement whereby a 2% Net Smelter Royalty is reserved for the vendor, 4763 NWT Ltd., half of which may be purchased at any time for $1,000,000. The Company has also agreed to reserve for the vendors 25% of the proceeds from any subsequent third-party sale or option of the claims, to a maximum of $100,000.

On March 21, 2007, the Company executed an option agreement with Northern Freegold Resources Ltd. ("NFR"; which has common directors with the Company) whereby NFR may earn a 100% interest (less 3% NSR) in the Severance Property by making staged cash payments totalling $37,500 and issuing 225,000 common shares. Payments are due as follows:

Cash Payments	Share Payments	Due Date
$ 11,250	37,500	Approval date (January 23, 2008 - received)
11,250	75,000	January 23, 2009 (received)
15,000	112,500	January 23, 2010
$ 37,500	225,000	

5. Equity Instruments

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

5. Equity Instruments - continued

b) Issued and outstanding

	2009		Year Ended 2008	
	Number of Shares		Number of Shares	
Common Shares				
Balance, beginning of period	**50,682,545**	**$ 1,936,534**	50,401,045	$ 1,894,957
Share issue costs, net of future tax recovery of $23,117	-	-	-	(3,175)
Proceeds from exercise of options	**-**	**-**	281,500	41,768
Black Scholes value of options exercised	**-**	**-**	-	2,984
Balance, end of period	**50,682,545**	**$1,936,534**	50,682,545	$1,936,534
Warrants				
Balance, beginning of period	**891,617**	**$ 534,249**	891,617	$ 534,249
Balance, end of period	**891,617**	**$ 534,249**	891,617	$ 534,249

Directors and employees of the Company exercised 281,500 options in 2008, per the plan of arrangement, with an exercise price of $0.15 resulting in proceeds to the company of $41,768.

c) Directors and management share options

The Company has a stock option plan for employees, directors, officers and consultants. Stock options can be issued up to a maximum number of common shares equal to 10% of the issued and outstanding common shares of the Company. The exercise price of options granted is not less than the market price of the common shares traded less the available discount under TSX Venture Exchange Inc. policies, and the vesting period is determined by the Board of Directors. Options granted can have a term of up to 5 years.

Compensation expense will be determined based on the estimated fair value of the options at the grant dates and amortized over the vesting period.

As at **June 30, 2009**, the Company has the following stock options outstanding:

	Number of Options	**Option Price per Share Range**	**Weighted Average Exercise Price**
Options outstanding, beginning and end of period	**3,000,000**	**$0.40**	**$0.40**

On May 22, 2009, the Company re-priced 3,000,000 options from exercise prices ranging from $0.50 to $1.00 and currently expiring on June 29, 2012 and July 22, 2013, setting a new exercise price of $.40 (subject to regulatory approval). The vesting provisions and expiry dates of the re-priced options remain unchanged.

The following table summarizes information about the stock options outstanding at **June 30, 2009**:

5. Equity Instruments - continued

Options outstanding	Option price	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Options Currently Exercisable	Weighted Average Exercise Price of Options Currently Exercisable
1,950,000	**$0.40**	**$0.40**	**3.00 years**	**1,950,000**	**$0.40**
1,050,000	**$0.40**	**$0.40**	**3.75 years**	**1,025,000**	**$0.40**
3,000,000		**$0.40**		**2,975,000**	**$0.40**

As at June 30, 2008, the Company had the following stock options outstanding:

	Number of Options	Option Price per Share Range	Weighted Average Exercise Price
Options outstanding, beginning of period	2,150,000	$1.00	$1.00
Cancelled	(200,000)	$1.00	$1.00
Options outstanding, end of period	1,950,000	$1.00	$1.00

The following table summarizes information about the stock options outstanding at June 30, 2008:

Options outstanding	Option price	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Options Currently Exercisable	Weighted Average Exercise Price Of Options Currently Exercisable
1,950,000	$1.00	$1.00	4.00 years	1,912,500	$1.00

d) Compensation expense for share options
Compensation expense has been determined based on the estimated fair value of the options at the grant dates and amortized over the vesting period.

For options vesting in 2009, the fair value of stock options was estimated using the Black-Scholes option-pricing model with the following assumptions: Dividend yield Nil (2008 – Nil), expected volatility 224%; risk-free interest rate 3.45%; and weighted average life of 5 years.

For the period ended June 30, 2009, there has been no stock based compensation recorded related to the vesting of options issued to employees and directors.

e) Reserved shares
Per the plan of arrangement (June 9, 2006), all option holders of record in Eagle Plains are to receive, in addition to an Eagle Plains share, one share of the Company when the option is exercised. Proceeds from the exercise of options will be split between Eagle Plains 40.65% and Copper Canyon 59.35%.

5. Equity Instruments - continued

At **June 30, 2009,** the Company had a commitment to issue the following shares upon the exercise of certain Eagle Plains options outstanding as per the plan of arrangement:

	Number of Reserved shares	**Price per Share Range[1]**	**Weighted Average Effective Issue Price**
Outstanding, beginning of period	3,553,000	$0.2374	$0.2374
Outstanding, end of period	**3,553,000**	**$0.2374**	**$0.2374**

[1]On May 22, 2009, Eagle Plains Resources Ltd. re-priced 5,438,000 options from exercise prices ranging from $0.50 to $1.40 and currently expiring from September 20, 2009 to June 20, 2013, setting a new exercise price of $.40 (subject to regulatory and shareholder approval). The vesting provisions and expiry dates of the re-priced options remain unchanged.

The following table summarizes information about the commitment to issue shares as at **June 30, 2009**:

Number of Shares Reserved to be Issued	**Effective Issue Price**	**Weighted Average Remaining Contractual Life**
525,000	**$0.2374**	**1.50 years**
650,000	**$0.2374**	**1.75 years**
20,000	**$0.2374**	**2.00 years**
793,000	**$0.2374**	**2.25 years**
625,000	**$0.2374**	**2.50 years**
845,000	**$0.2374**	**3.00 years**
95,000	**$0.2374**	**3.50 years**
3,553,000		

At June 30, 2008, the Company had a commitment to issue the following shares upon the exercise of certain Eagle Plains options outstanding as per the plan of arrangement:

	Number of Reserved shares	Price per Share Range	Weighted Average Effective Issue Price
Outstanding, beginning of period	3,563,000	$0.297 - $0.831	$0.385
Outstanding, end of period	3,563,000	$0.297 - $0.831	$0.385

The following table summarizes information about the commitment to issue shares as at June 30, 2008:

Number of Shares Reserved to be Issued	Effective Issue Price	Weighted Average Remaining Contractual Life
10,000	$0.297	0.75 years
525,000	$0.297	1.00 years

5. Equity Instruments - continued

650,000	$0.297	1.25 years
20,000	$0.386	1.50 years
793,000	$0.386	1.75 years
625,000	$0.445	2.00 years
845,000	$0.415	2.50 years
95,000	$0.831	3.00 years
3,563,000		

f) Shareholder rights protection plan
The shareholders have approved a plan which the directors intend to implement at their discretion to provide adequate time for the shareholders and the directors to seek alternatives to, and to assess the merits of, bids for the shares of the Company. This plan attaches special rights to the issued shares of the Company. These special rights are void to a bidder who seeks to acquire more than 20% of the voting shares of the Company.

g) Warrants outstanding

At **June 30, 2009**, the Company has the following share purchase warrants outstanding:

	Expiry	Number	Price
Outstanding, beginning and end of period[1]	**October 31, 2010**	**891,617**	**$1.10**

[1] The expiry date of these warrants was extended to October 31, 2010. (see news release June 19, 2009)

At June 30, 2008, the Company has the following share purchase warrants outstanding:

	Expiry	Number	Price
Outstanding, beginning and end of period	April 30, 2009	891,617	$1.10

f) Contributed surplus

	2009 Number of options and reserved shares		2008 Number of reserved shares	
Reserved shares				
Balance, beginning of period	**3,553,000**	**$ 42,514**	3,563,000	$ 37,825
Balance, end of period	**3,553,000**	**42,514**	3,563,000	37,825
Options				
Outstanding, beginning of period	**3,000,000**	**1,510,285**	2,150,000	1,088,667
Cancelled	**-**	**-**	(200,000)	(101,200)
Outstanding, end of period	**3,000,000**	**1,510,285**	1,950,000	987,467
	6,553,000	**$ 1,552,799**	5,513,000	$ 1,025,292

6. Per Share Amounts

The calculation of loss per share has been calculated based on the weighted average number of shares outstanding during the three months ended June 30, 2009 of 50,682,545 (2008 – 50,506,922).

The net effect of applying the treasury-stock method to the weighted average number of shares outstanding had no dilutive effect for the three months ended June 30, 2009 and June 30, 2008.

7. Related Party Transactions

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

a) Management fees of nil (2008 - $15,000) were paid to a related company which has common directors.
b) Accounting fees of $525 (2008 - $5,100) were paid to a director and officer of the Company.
c) Legal fees of $1,625 (2008 – $2,729) were paid to a law firm of which one of the directors is a partner.
d) Mineral property expenses of $1,223 (2008 – nil) were paid to a related company which has common directors.

Except as discussed, all related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties.

8. Commitments and Contingent Liabilities

The Company has $25,000 of term deposits and cash balances with a Canadian financial institution for the guarantee of business credit cards.

The Company has agreed to indemnify directors and officers under the bylaws of the Company to the extent permitted by law. The nature of the indemnifications prevent the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiary of such indemnification agreement. The Company has purchased various insurance policies to reduce the risks association with such indemnification.

Additionally, in the ordinary course of business, other indemnifications may have also been provided pursuant to provisions of purchase and sale contracts, service agreements, option agreements, operating agreements and leasing agreements. In these agreements, the Company has indemnified counterparties if certain events occur. These indemnification provisions vary on an agreement by agreement basis. In some cases, there are no pre-determined amounts or limits included in the indemnification provisions and the occurrence of contingent events that will trigger payment under them is difficult to predict. Therefore, the

8. Commitments and Contingent Liabilities - continued

maximum potential future amount that the Company could be required to pay cannot be estimated.

9. Accumulated other comprehensive loss

December 31, 2008	
Unrealized loss on available-for-sale long term investments	$ (937,289)
June 30, 2009	
Unrealized loss on available-for-sale long term investments	$ (729,543)

10. Subsequent Event

There are no subsequent events.

11. Income Taxes

At the end of December 31, 2008, subject to confirmation by income tax authorities, the Company has approximately the following available tax pools:

	2008	2007
Non-capital loss carry forward	$ 635	$ -
Capital loss carry forward	70,708	4,660
Cumulative Canadian exploration expenses	2,426	-
Undeducted share issue costs carried forward	182,377	262,956
	$ 256,146	$ 267,616

The components of the Company's future income tax asset (liability) are a result of the origination and reversal of temporary differences and are comprised of the following:

Nature of temporary differences	2008	2007
Unused tax losses carry forward	$ 9,357	$ 792
Investments	121,848	95,855
Property	216	(73,623)
Undeducted share issue costs	47,418	89,405
	$ 178,839	$ 112,429
Valuation allowance	(178,839)	(112,429)
Net future income tax asset (liability)	$ -	$ -

11. Income Taxes - continued

The effective tax rate varies from statutory rate as follows:

	2008	2007
Statutory rate	31%	34%
Expected income tax recovery	$ (277,213)	$ (338,379)
Permanent differences	139,958	371,595
Effect of tax rate change	1,579	-
Tax benefits recognized	45,379	-
	$ (90,297)	$ 33,216