

COPPER CANYON RESOURCES LTD.
(A Development Stage Company)
FINANCIAL STATEMENTS

for the period ended
March 31, 2007

**COPPER CANYON RESOURCES LTD.
UNAUDITED
INTERIM FINANCIAL STATEMENT**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended March 31, 2007.

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

The financial statements of Copper Canyon Resources Ltd. and the accompanying interim financial statements as at March 31, 2007 are the responsibility of the Company's management.

These financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Deloitte & Touche.

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"

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

"Glen J Diduck"

Glen J. Diduck
Chief Financial Officer, Director

Copper Canyon Resources Ltd.
(A Development Stage Company)
Statement of Operations and Deficit
(Unaudited – prepared by management)

For the periods ended March 31 and December 31	2007	Dec 31 2006
Expenses		
Administration costs	\$ 15,296	\$ 125,504
Trade shows, travel and promotion	59,557	11,658
Public company costs	9,957	15,290
Professional fees	750	43,416
Loss before other items	(85,560)	(195,868)
Other items		
Interest and other	863	2,172
Gain on mineral property	661,444	-
Profit (loss) before future income tax	576,747	(193,696)
Future income tax (recovery)	224,890	(69,032)
Net profit (loss) for the period	351,857	(124,664)
Deficit, beginning of period	(124,664)	-
Retained earnings (deficit), end of period	\$ 227,193	\$ (124,664)
Gain (loss) per share – basic and diluted (Note 5)	\$ 0.0072	\$ (0.0030)

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

Copper Canyon Resources Ltd.
(A Development Stage Company)
Statement of Cash Flows
(Unaudited – prepared by management)

For the periods ended March 31 and December 31	2007	2006
Cash flows from operating activities		
Net income (loss) for the period	\$ 351,857	\$ (124,664)
Adjustment for: Future income tax	224,890	(69,032)
	<u>576,747</u>	<u>(193,696)</u>
Changes in non-cash working capital items		
Increase in accounts receivable	13,695	(20,014)
Increase in accounts payable and accrued liabilities	20,843	36,850
	<u>611,285</u>	<u>(176,860)</u>
Cash flows from financing activity		
Plan of arrangement (Note 3)	-	650,000
Expense related to share issue	-	(347,607)
	<u>-</u>	<u>302,393</u>
Cash flows from investing activities		
Gain on mineral exploration properties	(661,444)	-
Development of mineral exploration properties	(6,428)	(5,672)
	<u>(667,872)</u>	<u>(5,672)</u>
Increase in cash and cash equivalents	(56,587)	119,861
Cash and cash equivalents, beginning of period	<u>119,861</u>	<u>-</u>
Cash and cash equivalents, end of period	\$ 63,274	\$ 119,861
Cash and cash equivalents comprises:		
Bank overdraft	\$ 37,545	\$ (81,498)
Term deposits	25,729	201,359
	<u>\$ 63,274</u>	<u>\$ 119,861</u>

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

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

December 31, 2006

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") (Note 3). The Company is in the business of exploring for mineral resources and is exploring properties located in British Columbia and the Yukon.

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 financial statements of the Company in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The 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

Effective January 1, 2007, the Company has adopted two new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Financial Instruments – Recognition and measurement (Section 3855)

In accordance with this new standard, the Company now classifies all financial instruments as either held-to-maturity, available-for-sale, held for trading, loans and receivables, or other financial liabilities. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of operations and deficit.

Upon adoption of this new standard, the Company has designated its cash as held-for-trading, which is measured at fair value. Prepaids and other receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at March 31, 2007, the Company did not have any financial assets classified as available-for-sale and therefore, the adoption of the standard noted above had no effect on the presentation of the Company's consolidated financial statements.

December 31, 2006

2. Significant Accounting Policies – continued

Comprehensive Income (Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Company now reports a statement of comprehensive income and a new category, accumulated other comprehensive income, in the shareholders' equity section of the consolidated balance sheet. The components of this new category may include unrealized gains and losses on financial assets classified as available-for-sale, exchange gains and losses arising from the translation of financial statements of a self-sustaining foreign operation and the effective portion of the changes in fair value of cash flow hedging instruments.

During the period ended March 31, 2007, there were no changes in shareholders' equity that resulted from the non-owner sources and consequently, the adoption of the standard noted above had no effect on the presentation of the Company's consolidated financial statements.

b) 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 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. In addition, if there has been a delay in development activity for several successive years, a write-down of those project-capitalized costs will be charged to operations.

c) Asset retirement obligations

A liability for the fair value of environmental and site restoration obligations are recorded when the obligations are incurred. For most projects, the Company maintains the site on an ongoing basis as is required by local laws. For the Company, significant obligations will be incurred at the time the related assets are brought into production. The fair value of the obligations is based on the estimated cash flow required to settle the obligations discounted using the credit adjusted risk free rate. The fair value of the obligations is recorded as a liability with the same amount recorded as an increase in capitalized costs. The amounts included in capitalized costs will be depleted using the unit-of-production method. The liability is adjusted for accretion expense representing the increase in the fair value of the obligations due to the passage of time. The accretion expense is recorded as an operating expense. The Company currently has no asset retirement obligations.

d) Loss per share

Basic loss per common share is computed by dividing the net loss for the year by the weighted average number of common shares outstanding for the year. 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.

December 31, 2006

2. Significant Accounting Policies – continued

e) Cash and cash equivalents

Cash and cash equivalents consist of bank balances and investments with maturities of 90 days or less from the date of purchase.

f) Future 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.

g) Stock-based compensation plan

The Company has equity incentive plans which are 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.

h) Joint venture

Substantially all of 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.

i) Use of estimates

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. The most significant of these estimates are related to impairment of mineral properties; impairment of capital assets; useful lives for amortization of capital assets; reclamation and environmental obligations; stock-based compensation; and contingencies reported in the notes to the financial statements. Financial results as determined by actual events could differ from those estimates.

3. Investments

	Mar 31 2007	Dec 31 2006
74,074 common shares of NovaGold Resources Inc. (market value - \$1,444,443)	<u>\$ 1,251,850</u>	-

Market value is based on the quoted closing prices of the securities at March 31, 2007. The fair value of these securities may differ from the quoted price due to the effect of market fluctuations and adjustment for quantities traded.

December 31, 2006

4. Mineral Properties

Mining exploration properties

	Dec 31 2006	Mineral Property Interest		Mar 31 2007
		Acquisition & Exploration Costs	Option Payments	
British Columbia				
Copper Canyon	\$ 588,933	\$ 1,474	\$ (590,406) ¹	\$ 1
Abo (Harrison-Gold)	101,336	4,953	-	106,289
Yukon				
Severance project	69,688	-	-	69,688
	\$ 759,957	\$ 6,427	\$ (590,406)	\$ 175,978

¹ Received 74,074 shares recorded at \$16.90, the difference of \$661,444 to income

	Gross Hectares
British Columbia	
13 claims	4,340
Yukon	
30 claims	630
	4,970

Copper Canyon Project

The Copper Canyon project is under option to NovaGold Resources Inc. ("NovaGold") under which NovaGold is the operator.

Under terms of the option agreement, NovaGold has the option to acquire a 60% interest in the project from the Company by completing \$3,000,000 of exploration expenditures by 2013 (\$1,817,025 completed to date) and making the remaining payments of \$90,000. NovaGold may also earn an additional 20% interest in the project by paying the Company \$1 million and completing a Feasibility Study on the project by September 2011.

Copper Canyon received the fourth and final annual share issuance from NovaGold Resources Inc. as required under the Copper Canyon Option Agreement. A total of 74,074 NovaGold shares were received, with a market value at close of trading on February 26th of \$1,473,332.

Abo (Harrison-Gold) Project

The wholly owned Abo Gold property is located in the Harrison Lake area of south-western British Columbia.

December 31, 2006

4. Mineral Properties - continued

Severance Project

The property, located in the west-central Yukon, was acquired through an option agreement whereby a 2% NSR is reserved for the vendor, 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. (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 totaling \$50,000 and issuing 300,000 common shares.

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.

b) Issued and outstanding

	2007		2006
<u>Number of Shares</u>	<u>\$</u>	<u>Number of Shares</u>	<u>\$</u>
<u>Common Shares</u>			
Balance, beginning of period	48,351,810	\$ 872,516	48,351,810 \$1,105,123
Share issue costs, net of future tax recovery of \$115,000	-	-	(232,607)
Issued for cash on exercise of option commitment	131,000	24,556	-
Balance, March 31, 2007	48,481,810	\$ 897,072	48,351,810 \$ 872,516

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..

No options have yet been issued pursuant to the Company's stock option plan.

December 31, 2006

5. Equity instruments - continued

d) Reserved shares

Per the arrangement (Note 3), 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%.

As at March 31, 2007, 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 (Note 3):

	Number of Reserved shares	Price per Share Range	Weighted Average Effective Issue Price
Outstanding, December 31, 2006	4,010,500	\$0.059 - \$0.831	\$0.374
Exercised Eagle Plains options	(131,000)	(\$0.059 - \$0.415)	(\$0.187)
Outstanding, March 31, 2007	3,879,500	\$0.059 - \$0.831	\$0.374

The following table summarizes information about the commitment to issue shares as at March 31, 2007:

Number of Shares Reserved to be Issued	Effective Issue Price	Weighted Average Remaining Contractual Life
30,000	\$0.059	0.50 years
281,500	\$0.148	1.00 years
10,000	\$0.297	2.00 years
525,000	\$0.297	2.25 years
650,000	\$0.297	2.50 years
20,000	\$0.386	2.75 years
793,000	\$0.386	3.00 years
625,000	\$0.445	3.25 years
845,000	\$0.415	3.75 years
100,000	\$0.831	4.25 years
3,879,500		

e) 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.

6. Per Share Amounts

The calculation of loss per share has been calculated based on the weighted average number of shares outstanding during the period ended March 31, 2007 of 48,450,954 shares.

The net effect of applying the treasury-stock method to the weighted average number of shares outstanding had no dilutive effect for the period ended March 31, 2007.

December 31, 2006

7. Related Party Transactions

Except as noted elsewhere in these financial statements, the Company was involved in the following related party transactions during the period:

- a) management fees of \$15,000 and other costs of \$53,620 were paid to a related company.
- b) accounting fees of \$750 were paid to a director and officer of the Company.

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. The exchange amounts approximate fair values.

8. Asset Retirement Obligation

At March 31, 2007, 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 and sites explored are restored on an ongoing basis.

9. 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, joint venture 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 maximum potential future amount that the Company could be required to pay cannot be estimated.

December 31, 2006

10. Income Taxes

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

	<u>2006</u>
Non-capital losses carried forward for tax purposes available from time to time until 2016	\$ 263,217
Cumulative Canadian exploration expenses	5,641
Undeducted share issue costs carried forward	<u>278,085</u>
	<u>\$546,943</u>

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

Nature of temporary differences	<u>2007</u>
Unused tax losses carry forward	\$ 89,494
Property	(481,357)
Share issue costs	<u>94,548</u>
Future income tax	<u>\$ (297,315)</u>

The effective tax rate of income tax varies from the statutory rate as follows:

	<u>2006</u>
Statutory tax rates	<u>34%</u>
Expected income tax recovery at statutory rates	\$ (65,857)
Other permanent differences	<u>(3,175)</u>
	<u>\$ (69,032)</u>

11. Subsequent Events

On April 26, 2007, management of Copper Canyon Resources Ltd. and Romios Gold Resources Inc. (TSX-V:RG) have executed a Letter of Intent whereby the two parties have agreed to merge the companies in order to maximize shareholder value in the Galore Creek Area in northwestern British Columbia. The amalgamated entity would carry out business under the name of Romios Gold Resources Inc. ("New Romios"), with headquarters in Toronto, Ontario. The merger is subject to, among other things, completion of due diligence by both parties, execution of a formal agreement on or before June 15, 2007 and shareholder and regulatory approval.

Under the proposed terms of the merger, Copper Canyon shareholders will receive 1.5 shares in New Romios for each Copper Canyon share and Romios Gold shareholders would receive 1.0 share in New Romios for each Romios Gold share currently held. Blackmont Capital Inc. has been retained by Copper Canyon to provide advisory services and a fairness opinion on the transaction.
