COPPER CANYON RESOURCES LTD.
(A Development Stage Corporation)
FINANCIAL STATEMENTS
For the period ended
September 30, 2008

(Unaudited – prepared by management)

COPPER CANYON RESOURCES LTD.
(A Development Stage Corporation)
UNAUDITED
INTERIM FINACIAL 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 September 30, 2008.

NOTICE TO READER OF THE
INTERIM FINANCIAL STATEMENTS

The financial statements of Copper Canyon Resources Ltd. and the accompanying interim financial statements as at September 30, 2008 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"	*"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.
(A Development Stage Corporation)
BALANCE SHEET
(Unaudited – prepared by management)

	Sep 30 2008 (unaudited)	Dec 31 2007 (unaudited)
Assets		
Current		
Cash and cash equivalents	**$ 1,026,949**	$ 1,339,776
Accounts receivable	**18,700**	12,215
	1,045,649	1,351,991
Investments (Note 3)	**547,377**	518,999
Mineral exploration properties (Note 4)	**777**	216,538
	$ 1,593,803	$ 2,087,528
Liabilities and Shareholder's Equity		
Current		
Accounts payable and accrued liabilities	**$ 68,986**	$ 62,900
Due to related company	**-**	83,811
Income taxes payable	**-**	99,098
	68,986	245,809
Shareholder's equity		
Share capital (Note 5)	**2,037,734**	1,894,957
Warrants	**534,249**	534,249
Contributed surplus (Note 5)	**1,435,331**	1,129,476
Accumulated other comprehensive loss	**(648,098)**	(563,851)
Deficit	**(1,834,399)**	(1,153,112)
	1,524,817	1,841,719
	$ 1,593,803	$ 2,087,528

Commitments and contingencies (Note 8)
Subsequent events (Note 9)

On behalf of the Board:

"Timothy J Termuende" Director
Mr. Timothy J. Termuende

"Glen J Diduck Director
Mr. Glen J. Diduck

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

COPPER CANYON RESOURCES LTD.
(A Development Stage Corporation)
Statement of Operations and Deficit
(Unaudited – prepared by management)

	Three months ended Sep 30 **2008**	Three months ended Sep 30 2007	**Nine months ended Sep 30 2008**	Year ended Dec 31 2007
Expenses				
Administration costs	**$ 27,916**	$ 26,243	**$ 59,934**	$ 163,918
Trade shows, travel and promotion	**55,801**	68,366	**169,216**	273,351
Public company costs	**8,445**	16,071	**36,474**	50,626
Professional fees	**11,440**	19,995	**43,812**	87,654
Stock compensation expense	**410,039**	-	**410,039**	1,088,667
Loss before other items	**513,651**	130,675	**719,475**	1,664,216
Other items				
Interest and other income	**7,353**	384	**27,493**	12,140
Loss on sale of investments	**-**	(3,200)	**-**	(4,600)
Option proceeds in excess of carrying value	**15,438**	-	**16,163**	661,444
	22,791	2,816	**43,656**	668,984
Loss before future income tax	**(490,860)**	(133,491)	**(675,819)**	(995,232)
Income tax expense	**-**	-	**5,468**	99,098
Future income tax (recovery)	-	-	**-**	(65,882)
Net loss for the period	**(490,860)**	(133,491)	**(681,287)**	(1,028,448)
Deficit, beginning of period	**(1,343,539)**	1,110,561	**(1,153,112)**	(124,664)
Deficit, end of period	**$ (1,834,399)**	$ (1,244,052)	**$ (1,834,399)**	$ (1,153,112)
Net loss per share – basic and diluted (Note 6)	**$ (0.0097)**	$ (0.0025)	**$ (0.0135)**	$ (0.0211)

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

COPPER CANYON RESOURCES LTD.
(A Development Stage Corporation)
Statement of Comprehensive Loss
(Unaudited – prepared by management)

	Three months ended Sep 30 **2008**	Three months ended Sep 30 2007	**Nine months ended Sep 30 2008**	Year ended Dec 31 2007
Net loss	**$ 490,860**	$ 133,491	**$ 681,287**	$ 1,028,448
Other Comprehensive income				
Unrealized loss on marketable securities	**47,099**	134,267	**84,247**	563,851
Total comprehensive loss	**$ 537,959**	$ 267,758	**$ 765,534**	$ 1,592,299

COPPER CANYON RESOURCES LTD.
(A Development Stage Corporation)
Statement of Accumulated Other Comprehensive Loss
(Unaudited – prepared by management)

	Three months ended Sep 30 **2008**	Three months ended Sep 30 2007	**Nine months ended Sep 30 2008**	Year ended Dec 31 2007
Accumulated other comprehensive loss, Beginning of period	**$ 600,999**	$ -	**$ 563,851**	$ -
Other comprehensive loss				
Unrealized loss on marketable securities (note 3)	**47,099**	-	**84,247**	563,851
Accumulated other comprehensive loss, End of period	**$ 648,098**	$ -	**$ 648,098**	$ 563,851
Deficit	**1,834,399**	1,244,052	**1,834,399**	1,153,112
Accumulated other comprehensive loss and deficit	**$ 2,482,497**	$ 1,244,052	**$ 2,482,497**	$ 1,716,963

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

COPPER CANYON RESOURCES LTD.
(A Development Stage Corporation)
Statement of Cash Flows
(Unaudited – prepared by management)

	Three months ended Sep 30 **2008**	Three months ended Sep 30 2007	**Nine months ended Sep 30 2008**	Year ended Dec 31 2007
Cash flows from operating activities				
Net loss for the period	**$ (490,860)**	$ (133,491)	**$ (681,287)**	$ (1,028,448)
Adjustments for:				
Stock compensation	**410,039**	-	**410,039**	1,088,667
Loss on sale of investments	**-**	3,200	**-**	4,600
Option proceeds in excess of carrying value	**(15,438)**	-	**(16,163)**	(661,444)
Future income tax recovery	-	-	**-**	(65,882)
	(96,259)	(130,291)	**(287,411)**	(662,507)
Changes in non-cash working capital items				
Decrease (increase) in accounts receivable	**(9,140)**	9,865	**(6,485)**	7,800
Increase (decrease) in due to related party	**-**	(25,085)	**(83,811)**	83,811
Increase (decrease) in accounts payable and accrued liabilities	**6,414**	36,662	**(93,012)**	125,147
	(98,985)	(108,849)	**(470,719)**	(445,749)
Cash flows from financing activities				
Issue of shares for cash, net of issuance costs	**-**	97,750	**41,768**	1,478,251
Proceeds from property options	**11,250**	10,000	**122,500**	35,000
Expense related to share issue	**-**	-	**(3,175)**	-
	11,250	107,750	**161,093**	1,153,251
Cash flows from investing activities				
Proceeds from sale of investments	**-**	164,400	**-**	164,400
Development of mineral exploration properties	**-**	(358)	**(3,201)**	(11,987)
	-	164,042	**(3,201)**	152,413
Increase (decrease) in cash and cash equivalents	**(87,735)**	162,528	**(312,827)**	1,219,915
Cash and cash equivalents, beginning of period	**1,114,684**	29,314	**1,339,776**	119,861
Cash and cash equivalents, end of period	**$ 1,026,949**	$ 192,257	**$ 1,026,949**	$ 1,339,776
Cash and cash equivalents comprises				
Bank deposits	$ **13,562**	$ 166,528	$ **13,562**	$ 29,568
Term deposits	**1,013,387**	25,729	**1,013,387**	1,310,208
	$ 1,026,949	$ 192,257	**$ 1,026,649**	$ 1,339,776

The Company made no cash payments for interest and paid income taxes of $104,746 in the year for 2007 taxes.

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

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.

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 consolidated financial statements of the Company in accordance with Canadian generally accepted accounting principles. The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The consolidated 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) <u>Changes in accounting policies and practices</u>
Effective January 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

1) Section 1535, "Capital Disclosures"
2) Section 3862, "Financial Instruments – Disclosures"
3) Section 3863, "Financial Instruments – Presentation"

These new standards have been adopted on a prospective basis with no restatement to prior period comparative balances.

<u>Section 1535, "Capital Disclosures"</u>
This standard requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance.

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.

2. Significant Accounting Policies – continued

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.

Section 3862, "Financial Instruments – Disclosure, Section 3863, "Financial Instruments – Presentation"
Section 3862 provides guidance on disclosures in the financial statements to enable users of the financial statements to evaluate the significance of financial instruments to the Company's financial position and performance, and about risks associated with both recognized and unrecognized financial instruments and how these risks are managed. Section 3863 establishes standards for presentation of financial instruments.

The Company is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital, and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk - The Company's credit risk is primarily attributable to its liquid financial assets. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and equivalents with high-credit quality financial institutions. The Company does not have financial assets that are invested in asset backed commercial paper.

Liquidity Risk – The Company ensures that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash and cash equivalents. The company believes that these sources will be sufficient to cover the likely short and long term cash requirements. The Company's cash is invested in business accounts with quality financial institutions and which is available on demand for the Company's programs, and is not invested in any asset backed commercial paper.

Market Risk – The significant market risk exposures to which the Company is exposed are interest rate risk and commodity price risk. These are discussed further below:

Interest rate risk – In respect to the Company's financial assets, the interest rate mainly arises from the interest rate impact on our cash and cash equivalents and reclamation deposits.

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

2. Significant Accounting Policies – continued

The company has various financial instruments comprising of cash and cash equivalents, receivables, accounts payable and accrued liabilities.

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

	September 30 2008		December 31 2007	
	Carrying Value	**Estimated Fair Value**	Carrying Value	Estimated Fair Value
Receivables				
Accounts receivable [1]	**18,700**	**18,700**	12,215	12,215
Available-for-sale financial assets				
Investments	**547,377**	**547,377**	518,999	518,999
Held-for-trading				
Cash and cash equivalents[1]	**1,026,949**	**1,026,949**	1,339,776	1,339,776
Other financial liabilities				
Payables and accrued liabilities[1]	**68,986**	**68,986**	245,809	245,809

[1] Due to the nature and/or short maturity of these financial instruments, carrying value approximated fair value

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; 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 project-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

2. Significant Accounting Policies – continued

available and where other conditions suggest impairment, management assesses whether carrying value can be recovered by considering alternative methods of determining fair value.

c) 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 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.

d) Asset retirement obligations
At September 30, 2008 and 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. 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.

e) Financial instruments
The Company carries 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 instruments approximate their carrying values, unless otherwise noted.

f) 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.

g) 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.

h) 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

2. Significant Accounting Policies – continued

income tax assets are evaluated and if realization is not considered "more likely than not", a valuation allowance is provided.

i) 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.

j) 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.

k) 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 capital assets; useful lives for amortization of capital assets; 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.

3. Investments – at market

	Sept 30 2008	Dec 31 2007
200,000 (2007 – nil) common shares of Egoli Resources Ltd	$ **50,000**	$ -
112,500 (2007 – nil) common shares of Northern Freegold Resources Ltd	**49,500**	-
64,074 (2007 – 64,074) common shares of NovaGold Resources Inc.	**447,877**	1,218,517
	$ 547,377	$ 1,218,517

3. Investments – at market - continued

For securities traded in an active market, market value is based on the quoted closing prices of the securities at September 30, 2008. 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 is carried at cost as their securities are not traded in an active market.

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 a decrease of $47,099 to investments in the quarter with a corresponding increase to accumulated other comprehensive loss of $47,099.

4. Mineral Properties

	Jun 30 2008	Acquisition& Exploration Costs	Option Payments	Option proceeds in excess of carrying value	**Sep 30 2008**
British Columbia					
Abo (Harrison-Gold)	$ 775	$ -	$ -	$ -	**$ 775**
Copper Canyon	1	-	-	-	**1**
Yukon					
Severance	31,813	-	(47,250)	15,438	**1**
	$ 32,589	$ -	$ (47,250)	$ 15,438	**$ 777**

	Number of Claims	Gross Hectares
British Columbia	13	4,340
Yukon	30	630
		4,970

Copper Canyon Project
The Copper Canyon project was under option to NovaGold Resources Inc. ("NovaGold"). Under terms of the option agreement, NovaGold has 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, located adjacent to the Galore Creek Partnership's Galore Creek project, located in north-western British Columbia, Canada. The Galore Creek Partnership is a 50/50 partnership between Teck and NovaGold.

4. Mineral Properties - continued

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. Under the terms of the agreement, Egoli will incur $7,500,000 in exploration expenditures by December 31, 2012, issue 1,000,000 common shares of Egoli to the Company and make aggregate cash payments of $1,500,000 by December 31, 2012. Payments are due as follows:

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)
115,000	200,000	$ 500,000	December 31, 2008
200,000	200,000	1,000,000	December 31, 2009
250,000	200,000	1,500,000	December 31, 2010
350,000	200,000	2,000,000	December 31, 2011
450,000		2,500,000	December 31, 2012
$ 1,500,000	1,000,000	$ 7,500,000	

The Company has received the cash payments of $135,000 payable by March 31, 2008 and received the 200,000 shares as required by March 31, 2008, recorded at a value of $50,000.

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 $50,000 and issuing 300,000 common shares. Payments are due as follows:

Cash Payments	Share Payments	Due Date
$ 15,000	50,000	Approval date (January 23, 2008 - received)
15,000	100,000	January 23, 2009 (received)
20,000	150,000	January 23, 2010
50,000	300,000	
(12,500)	(75,000)	Less 25% due vendor
$ 37,500	225,000	

The Company has received the first two cash payments totalling $22,500 and the first two share allotments totalling 112,500 shares of NFR recorded at a value of $62,625.

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

	2008		Year Ended 2007	
	Number of Shares	**$**	Number of Shares	$
Common Shares				
Balance, beginning of period	**50,682,545**	**$ 2,037,734**	48,351,810	$ 872,516
Share issue costs, net of future tax recovery of $23,117	-	-	-	(61,447)
Proceeds from private placement	**-**	**-**	1,783,235	1,515,750
Proceeds from exercise of options	**-**	**-**	166,000	30,491
Issued in exchange for mineral claims	**-**	**-**	100,000	70,000
Black Scholes value of warrants issued	**-**	**-**	-	(534,249)
Black Scholes value of options exercised	**-**	**-**	-	1,896
Balance, end of period	**50,682,545**	**$2,037,734**	50,401,045	$ 1,894,957
Warrants				
Balance, beginning of period	**891,617**	**$ 534,249**	-	$ -
Issued	**-**	**-**	891,617	534,249
Balance, end of period	**891,617**	**$ 534,249**	891,617	$ 534,249

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 September 30, 2008, the Company has the following stock options outstanding:

	Number of Options	**Option Price per Share Range**	**Weighted Average Exercise Price**
Options outstanding, beginning of period	1,950,000	$1.00	$1.00
Options granted	1,050,000	$0.50	$0.50
Options outstanding, end of period	**3,000,000**	**$0.50 - $1.00**	**$0.83**

5. Equity Instruments - continued

The following table summarizes information about the stock options outstanding at September 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**	**3.75 years**	**1,912,500**	**$1.00**
1,050,000	**$0.50**	**$0.50**	**5.00 years**	**1,012,500**	**$0.50**
3,000,000		**$0.83**		**2,925,000**	**$0.83**

As at September 30, 2007, the Company had the following stock options outstanding:

	Number of Options	Option Price per Share Range	Weighted Average Exercise Price
Options outstanding, beginning and end of period	2,150,000	$1.00	$1.00

The following table summarizes information about the stock options outstanding at September 30, 2007:

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
2,150,000	$1.00	$1.00	4.75 years	1,887,500	$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.

As at September 30, 2008, $410,039 (2007 – nil) has been recorded as stock based compensation related to the options issued to employees and consultants.

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

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 September 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 and 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 September 30, 2008:

Number of Shares Reserved to be Issued	Effective Issue Price	Weighted Average Remaining Contractual Life
10,000	**$0.297**	**0.50 years**
525,000	**$0.297**	**0.75 years**
650,000	**$0.297**	**1.00 years**
10,000	**$0.386**	**1.25 years**
793,000	**$0.386**	**1.50 years**
625,000	**$0.445**	**1.75 years**
855,000	**$0.415**	**2.25 years**
95,000	**$0.831**	**2.75 years**
3,563,000		

At September 30, 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:

	Number of Reserved shares	Price per Share Range	Weighted Average Effective Issue Price
Outstanding, beginning and end of period	3,874,500	$0.059 - $0.831	$0.374

5. Equity instruments - continued

The following table summarizes information about the commitment to issue shares as at September 30, 2007:

Number of Shares Reserved to be Issued	Effective Issue Price	Weighted Average Remaining Contractual Life
30,000	$0.059	0.10 years
281,500	$0.148	0.50 years
10,000	$0.297	1.50 years
525,000	$0.297	1.75 years
650,000	$0.297	2.00 years
20,000	$0.386	2.25 years
793,000	$0.386	2.50 years
625,000	$0.445	2.75 years
845,000	$0.415	3.25 years
95,000	$0.831	3.75 years
3,874,500		

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 September 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**

At September 30, 2007, the Company had the following share purchase warrants outstanding:

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

5. Equity instruments - continued

f) Contributed surplus

	2008 Number of options and reserved shares	**$**	2007 Number of options and reserved shares	$
Reserved shares				
Outstanding, beginning and end of period	**3,563,000**	**$ 37,825**	3,874,500	$ 28,259
Options				
Outstanding, beginning and end of period	**1,950,000**	**987,467**	2,150,000	1,176,500
	5,513,000	**$ 1,025,292**	6,024,500	$ 1,204,759

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 September 30, 2008 of 50,521,527 (2007 – 48,587,810).

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 September 30, 2008.

7. Related Party Transactions

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

a) Management fees of $15,000 (2007 - $15,000) were paid to a related company which has common directors.
b) Director's fees of $1,250 (2007 – nil) were paid in the period.
c) Accounting fees of nil (2007 - $1,950) were paid to a director and officer of the Company.
d) Legal fees of $10,458 (2007 – $18,045) were paid to a law firm of which one of the directors is a partner.
e) Exploration expenses of nil (2007 – $14,440) 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. The exchange amounts approximate fair values.

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

9. Subsequent Events

There were no subsequent events to disclose.

10. Income Taxes

At the end of December 31, 2007, subject to confirmation by income tax authorities, the Company has approximately the following available tax pools:

	2007	2006
Non-capital losses carried forward for tax purposes available from time to time until 2016	$ -	$ 263,217
Capital loss carry forward	4,660	-
Cumulative Canadian exploration expenses	-	5,641
Undeducted share issue costs carried forward	262,956	278,085
	$ 267,616	$ 546,943

10. Income Taxes - continued

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	2007	2006
Unused tax losses carry forward	$ 792	$ 89,494
Investments	95,855	-
Property	(73,623)	(256,467)
Undeducted share issue costs	89,405	94,548
	$ 112,429	$ (72,425)
Valuation allowance	(112,429)	-
Net future income tax asset (liability)	$ -	$ (72,425)