

ERIN VENTURES INC.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
December 31, 1997

NOTICE TO READER

We have compiled the consolidated balance sheet of Erin Ventures Inc. as at December 31, 1997, and the consolidated statements of loss and deficit and changes in financial position for the six months then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

Vancouver, Canada
March 2, 1998

“AMISANO HANSON”
Chartered Accountants

ERIN VENTURES INC.
CONSOLIDATED BALANCE SHEET
as at December 31, 1997
(Unaudited - See Notice to Reader)

	<u>1997</u>	<u>1996</u>
<u>ASSETS</u>		
Current		
Cash and treasury bills	\$ 53,111	\$ 1,112,766
Accounts receivable	31,685	10,675
Prepays	1,734	1,734
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	86,530	1,125,175
Capital assets	34,920	7,727
Resource properties	2,448,019	462,785
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	\$ 2,569,469	\$ 1,595,687
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<u>LIABILITIES</u>		
Current		
Accounts payable	\$ 127,410	\$ 90,038
Long-term debt	-	750,000
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	127,410	840,038
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<u>SHAREHOLDERS' EQUITY</u>		
Share capital	2,761,550	1,003,550
Shares subscribed	487,420	-
Deficit	(806,911)	(247,901)
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	2,442,058	755,649
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	\$ 2,569,469	\$ 1,595,687
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ERIN VENTURES INC.
CONSOLIDATED STATEMENT OF LOSS AND DEFICIT
for the six months ended December 31, 1997
(Unaudited - See Notice to Reader)

	<u>1997</u>	<u>1996</u>
Interest income	\$ 1,660	\$ 12,838
Expenses		
Accounting and audit	9,135	2,400
Amortization	5,720	422
Filing fees	2,155	2,600
Interest on long-term debt	-	41,250
Investor relations	118,389	-
Legal fees	3,005	6,124
Management fees	45,000	25,000
Office	12,675	6,377
Printing	1,581	-
Telephone	5,746	2,704
Transfer agent fees	3,359	2,509
Travel and promotion	33,748	3,339
Web site	21,157	-
	<u>261,670</u>	<u>92,725</u>
Net loss for the period	(260,010)	(79,887)
Deficit, beginning of the period	<u>(546,901)</u>	<u>(168,014)</u>
Deficit, end of the period	<u>\$ (806,911)</u>	<u>\$ (247,901)</u>

ERIN VENTURES INC.
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
for the six months ended December 31, 1997
(Unaudited - See Notice to Reader)

	<u>1997</u>	<u>1996</u>
Operating Activities		
Net loss for the period	\$ (260,010)	\$ (79,887)
Charge to income not affecting cash:		
Amortization	5,720	757
	<u>(254,290)</u>	<u>(79,130)</u>
Changes in non-cash working capital accounts related to operations:		
Accounts receivable	(5,670)	(6,781)
Share subscriptions receivable	80,000	-
Prepaid expenses	4,100	2,927
Advances receivable	-	60,569
Accounts payable	50,925	(61,354)
	<u>(124,935)</u>	<u>(83,769)</u>
Financing Activities		
Issuance of common stock	-	724,050
Shares subscribed	487,420	-
Cash acquired on acquisition of subsidiary	-	(553)
	<u>487,420</u>	<u>723,497</u>
Investing Activities		
Purchase of capital assets	(633)	(6,060)
Increase in resource properties	(857,514)	(386,982)
Acquisition of subsidiary	-	(60,570)
	<u>(858,147)</u>	<u>(453,612)</u>
Increase (decrease) in cash during the period	(495,662)	186,116
Cash, beginning of the period	548,773	926,650
Cash and treasury bills, end of the period	<u>\$ 53,111</u>	<u>\$ 1,112,766</u>