

ERIN VENTURES INC.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
December 31, 1998

NOTICE TO READER

We have compiled the consolidated balance sheet of Erin Ventures Inc. as at December 31, 1998, and the consolidated statements of loss and deficit and cash flows 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
February 26, 1999

“AMISANO HANSON”
Chartered Accountants

ERIN VENTURES INC.
CONSOLIDATED BALANCE SHEET
as at December 31, 1998
(Unaudited - See Notice to Reader)

	<u>1998</u>	<u>1997</u>
<u>ASSETS</u>		
Current		
Cash	\$ 18,350	\$ 53,111
Accounts receivable	18,074	31,685
Prepays	5,423	1,734
	<u>41,847</u>	<u>86,530</u>
Capital assets	9,300	34,920
Resource properties	4,384,818	2,448,019
	<u>\$ 4,435,965</u>	<u>\$ 2,569,469</u>
<u>LIABILITIES</u>		
Current		
Accounts payable	\$ 1,274,082	\$ 127,410
Advances payable	323,050	-
	<u>1,597,132</u>	<u>127,410</u>
Non-controlling interest in subsidiary	24,909	-
	<u>1,622,041</u>	<u>127,410</u>
<u>SHAREHOLDERS' EQUITY</u>		
Share capital	4,008,086	2,761,550
Shares subscribed	137,795	487,420
Deficit	(1,331,957)	(806,911)
	<u>2,813,924</u>	<u>2,442,058</u>
	<u>\$ 4,435,965</u>	<u>\$ 2,569,469</u>

ERIN VENTURES INC.
CONSOLIDATED STATEMENT OF LOSS AND DEFICIT
for the six months ended December 31, 1998
(Unaudited - See Notice to Reader)

	<u>1998</u>	<u>1997</u>
Interest income	\$ 458	\$ 1,660
Expenses		
Administrative		
Accounting and audit	8,900	9,135
Amortization	1,554	5,720
Filing fees	2,556	2,155
Investor relations	10,000	118,389
Legal fees	4,316	3,005
Management fees	30,000	45,000
Office	8,886	12,675
Printing	494	1,581
Rent	6,300	-
Telephone	12,596	5,746
Transfer agent fees	2,758	3,359
Travel	53,716	33,748
Web site	375	21,157
	<u>142,451</u>	<u>261,670</u>
Loss for the period before other items	<u>141,993</u>	<u>260,010</u>
Foreign exchange	38,856	-
Non-controlling interest share of loss	(91)	-
Net loss for the period	<u>180,758</u>	<u>260,010</u>
Deficit, beginning of the period	1,151,199	546,901
Deficit, end of the period	<u>\$ 1,331,957</u>	<u>\$ 806,911</u>
Loss per share	<u>\$ 0.01</u>	<u>\$ 0.01</u>

ERIN VENTURES INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended December 31, 1998
(Unaudited - See Notice to Reader)

	<u>1998</u>	<u>1997</u>
Operating Activities		
Operations		
Net loss for the period	\$ (180,758)	\$ (260,010)
Charges to income not affecting cash:		
Amortization	1,554	5,720
Non-controlling interest share of loss	(91)	-
	<u>(179,295)</u>	<u>(254,290)</u>
Changes in non-cash working capital accounts related to operations		
Accounts receivable	10,631	(5,670)
Share subscriptions receivable	-	80,000
Prepaid expenses	(1,549)	4,100
Accounts payable	560,321	50,925
Advances payable	100,745	-
	<u>490,853</u>	<u>(124,935)</u>
Investing Activities		
Increase in resource properties	(520,383)	(857,514)
Purchase of capital assets	-	(633)
Non-controlling interest in subsidiary	25,000	-
	<u>(495,383)</u>	<u>(858,147)</u>
Financing Activities		
Decrease in long-term debt	(308,716)	-
Issuance of common stock	733,410	-
Shares subscribed	(509,205)	487,420
	<u>(84,511)</u>	<u>487,420</u>
Decrease in cash during the period	<u>(89,041)</u>	<u>(495,662)</u>
Cash, beginning of the period	107,391	548,773
Cash, end of the period	<u>\$ 18,350</u>	<u>\$ 53,111</u>