

ERIN VENTURES INC.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2000

TERRY AMISANO LTD.
KEVIN HANSON, C.A.

AMISANO HANSON
Chartered Accountants

NOTICE TO READER

We have compiled the consolidated balance sheet of Erin Ventures Inc. as at December 31, 2000, 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 28, 2001

“AMISANO HANSON”
Chartered Accountants

ERIN VENTURES INC.
CONSOLIDATED BALANCE SHEET
as at December 31, 2000
(Unaudited - See Notice to Reader)

<u>ASSETS</u>		
	<u>2000</u>	<u>1999</u>
Current		
Cash	\$ 4,461	\$ 14,416
Accounts receivable	11,445	3,475
Prepays	-	1,315
	<hr/>	<hr/>
	15,906	19,206
Capital assets	5,929	7,675
Resource properties – Note 4	5,152,884	4,841,599
	<hr/>	<hr/>
	\$ 5,174,719	\$ 4,868,480
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES</u>		
Current		
Accounts payable	\$ 1,519,159	\$ 1,555,489
Note payable	614,757	455,438
Loan payable	-	11,172
	<hr/>	<hr/>
	2,133,916	2,022,099
Non-controlling interest in subsidiary	-	61,584
	<hr/>	<hr/>
	2,133,916	2,083,683
	<hr/>	<hr/>
<u>SHAREHOLDERS' EQUITY</u>		
Share capital – Notes 2 and 4	5,163,995	4,526,816
Deficit	(2,123,192)	(1,742,019)
	<hr/>	<hr/>
	3,040,803	2,784,797
	<hr/>	<hr/>
	\$ 5,174,719	\$ 4,868,480
	<hr/> <hr/>	<hr/> <hr/>
Subsequent Events – Note 4		

SEE ACCOMPANYING NOTES

ERIN VENTURES INC.
CONSOLIDATED STATEMENT OF LOSS AND DEFICIT
for the six months ended December 31, 2000
(Unaudited - See Notice to Reader)

	<u>2000</u>	<u>1999</u>
Interest income	\$ 179	\$ 497
Expenses		
Administrative		
Accounting and audit	13,284	7,900
Amortization	881	1,170
Filing fees	2,510	2,243
Interest	33,006	24,625
Investor relations	46,816	30,000
Legal fees	7,720	-
Management fees	42,000	42,000
Office	6,019	6,493
Rent	6,300	6,300
Telephone	5,332	11,545
Transfer agent fees	7,724	6,981
Travel	8,858	9,475
Web site	2,165	-
	<u>182,615</u>	<u>148,732</u>
Loss for the period before other items	182,436	148,235
Foreign exchange	14,155	(19,821)
Mineral property investigation costs	-	9,908
Gain on disposal of interest in subsidiary	-	(7,672)
Non-controlling interest share of loss	-	(5,993)
	<u>196,591</u>	<u>124,657</u>
Net loss for the period	196,591	124,657
Deficit, beginning of the period	1,926,601	1,617,362
Deficit, end of the period	\$ <u>2,123,192</u>	\$ <u>1,742,019</u>
Loss per share	\$ <u>0.01</u>	\$ <u>0.01</u>

SEE ACCOMPANYING NOTES

ERIN VENTURES INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended December 31, 2000
(Unaudited - See Notice to Reader)

	<u>2000</u>	<u>1999</u>
Operating Activities		
Operations		
Net loss for the period	\$ (196,591)	\$ (124,657)
Charges to income not affecting cash:		
Amortization	881	1,170
Gain on disposal of interest in subsidiary	-	(7,642)
Non-controlling interest share of loss	-	(5,993)
	<hr/>	<hr/>
	(195,710)	(137,152)
Changes in non-cash working capital accounts related to operations		
Accounts receivable	(4,926)	4,459
Prepaid expenses	8,300	3,875
Accounts payable	88,993	97,027
Note payable	90,217	115,674
Loan payable	-	11,172
	<hr/>	<hr/>
	(13,126)	95,055
Financing Activities		
Issuance of common stock	130,950	-
Shares subscribed	(97,500)	-
Proceeds of disposal of interest in subsidiary	-	12,773
	<hr/>	<hr/>
	33,450	12,773
Investing Activities		
Increase in resource properties	(175,627)	(105,137)
	<hr/>	<hr/>
Increase (decrease) in cash during the period	(155,303)	2,691
Cash, beginning of the period	159,764	11,725
	<hr/>	<hr/>
Cash, end of the period	\$ 4,461	\$ 14,416
	<hr/> <hr/>	<hr/> <hr/>

SEE ACCOMPANYING NOTES

ERIN VENTURES INC.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2000
(Unaudited - See Notice to Reader)

Note 1 Interim Reporting

While the information presented in the accompanying interim six months financial statements is unaudited, it includes all adjustments which are, in the opinion of management, necessary to present fairly the financial position, results of operations and changes in financial position for the interim periods presented. It is suggested that these interim financial statements be read in conjunction with the company's annual June 30, 2000 financial statements.

Note 2 Share Capital

a) Authorized

Unlimited voting common shares without par value

Unlimited preferred shares without par value

b) Issued and fully paid common shares

	<u>#</u>	<u>\$</u>
Balance, June 30, 2000	22,135,095	5,033,045
For cash		
- Pursuant to a private placement – at \$0.15	970,000	145,500
(less: commission)	-	(14,550)
	<u> </u>	<u> </u>
Balance, December 31, 2000	<u>23,105,095</u>	<u>5,163,995</u>

c) Commitments

At December 31, 2000 the following common share purchase options were outstanding:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
422,000	\$0.16	March 21, 2001
100,000	\$0.50	January 1, 2004
460,000	\$0.55	January 14, 2004
<u> </u>		
<u>982,000</u>		

Note 2 Share Capital – (con't)

Share Purchase Warrants

At December 31, 2000, the following common share purchase warrants were outstanding to purchase one common share for each warrant held:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
1,094,333	\$0.85	February 23, 2001
41,667	\$0.85	March 20, 2001
125,000	\$0.50	April 15, 2001
100,000	\$0.25	February 14, 2001
	or at \$0.50	February 14, 2002
270,000	\$0.25	February 14, 2001
210,155	\$0.50	May 15, 2001
892,225	\$0.50	February 22, 2002
912,334	\$0.50	February 28, 2002
485,000	\$0.50	May 18, 2001
<u>4,130,714</u>		

Note 3 Related Party Transactions

The company incurred the following fees and expenses charged by directors of the company:

Deferred exploration and development expenditures	
– consulting	\$ 25,000
Management fees	42,000
Office and miscellaneous	2,550
Rent	6,300
Travel	3,150
	<u>\$ 79,000</u>

The charges were measured by the exchange amount, which is the amount agreed upon by the transacting parties, and are on terms and conditions similar to non-related entities.

Accounts payable as at December 31, 2000 includes \$70,671 due to directors of the company.

Note 4 Subsequent Events

Subsequent to December 31, 2000 the following events and transactions occurred:

- a) The Stope Baby Claims mineral property option agreement was amended January 21, 2001. Under the terms of the amending agreement, the company is now required to make exploration expenditures totalling \$1,050,000 with no specific time requirement and the dates of the required option payments are amended to as follows:
 - i) payment of \$20,000 prior to January 28, 2000 (paid);
 - ii) payment of \$40,000 prior to February 15, 2001 (paid);
 - iii) payment of \$80,000 prior to January 15, 2002.
- b) The company entered into a private placement agreement to issue 450,000 units at \$0.23 per unit for proceeds of \$103,500. Each unit consists of one common share of the company and one common share purchase warrant to purchase one common share at \$0.50. The warrants expire January 23, 2002.
- c) The company granted directors, employees and consultants common share purchase options as follows:

<u>Number of shares</u>	<u>Exercise price</u>	<u>Expiry date</u>
550,000	\$0.25	January 18, 2003
300,000	\$0.25	January 18, 2006
<u>850,000</u>		