



British Columbia Securities Commission

BCSC

QUARTERLY AND YEAR END REPORT

BC FORM 51 -901 F
(previously Form 61)

Freedom of Information and Protection of Privacy Act: The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Securities Act*. C) questions about the collection or use of this information can be directed to the Supervisor, Financial Reporting (604-899-6729), PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver BC V7Y 1 L2. Toll Free in British Columbia 1-800-373-6393

INSTRUCTIONS

This report must be filed by the Exchange Issuers within 60 days of the end of their first, second and third quarters and within 140 days of their year end. "Exchange issuer" means an issuer whose securities are listed and posted for trading on the Canadian Venture Exchange and are not listed and posted on any other exchange or quoted on a trading or quotation system in Canada. Three schedules must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements prepared in accordance with generally accepted accounting principles are required as follows:

For the first, second and third financial quarters:

Interim financial statements prepared in accordance with section 1751 of the CICA Handbook, including the following: balance sheet income statement, statement of retained earnings, cash flow statement, and notes to the financial statements.

The periods required to be presented, consistent with CICA Handbook Section 1751 are as follows:

- a balance sheet as of the end of the current interim period and a comparative balance sheet as of the end of the immediately preceding fiscal year
- a statement of retained earnings cumulatively for the current fiscal year-to-date, with a comparative statement for the comparable year-to-date period of the immediately preceding fiscal year; and
- income statements and cash flow statements for the current interim period and cumulatively for the current fiscal year-to-date, with comparative statements for the comparable interim periods (current and year-to-date) of the immediately preceding fiscal year

For the financial year end:

Annual audited financial statements prepared on a comparative basis.

Exchange Issuers with a fiscal year less than or greater than 12 Months should refer to National Policy No. 51 *Changes in Ending Date of a Financial Year and in Reporting Status* for guidance.

Issuers in the development stage are directed to the guidance provided in CICA Accounting Guidelines AcG-11 *Enterprises in the Development Stage* that states "enterprises in the development Stage are encouraged to disclose in the income statement and in the cash flow statement cumulative balances from the inception of the development stage."

Issues that have been involved in a reverse take-over should refer to the guidance found in BCIN #52-701 (previously NIN #91/21) with respect to such transactions including the requirement for disclosure of supplementary information regarding the legal parent's prior financial operations.

SCHEDULE B. SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. *Analysis of expenses and deferred costs*

Provide a breakdown of amounts presented in the financial statements for the following: deferred or expensed exploration, expensed research, deferred or expensed development, cost of sales, marketing expenses, general and administrative expenses, and any other material expenses reported in the income statement and any other material deferred costs presented in the balance sheet.

The breakdown should separately present, at a minimum, each component that comprises 20% or more of the total amount for a material classification presented on the face of the financial statements. All other components of a material classification may be grouped together under the heading "miscellaneous" or "other" in the cost breakdown; the total for "miscellaneous" should not exceed 30% of the total for a material classification.

Breakdowns are required for the year-to-date period only. Breakdowns are not required for comparative periods.

Issuers in the development stage are reminded that Section 3(9)(b) of the BC Securities Commission's Rules requires a schedule or note to the financial statements containing an analysis of each of exploration, research, development and administration costs, whether expensed or deferred and if the issuer is a natural resource issuer, that analysis for each material property. Because the analysis required by Rule 3(9)(b) must be included in the financial statements, the information does not have to be repeated in Schedule B. Consistent with CICA Accounting Guidelines AcG-1 1, staff considers an issuer to be in the development stage when it is devoting substantially all of its operations have not commenced. Further, in staff's view, the lack of significant revenues for the past two years normally indicates that an issuer is in the development stage.

2. *Related party transactions*

Provide disclosure of all related party transactions as specified in Section 3840 of the CICA Handbook.

3. *Summary of securities issued and options granted during the period*

Provide the following information for the year-to-date period:

- (a) summary of securities issued during the period, including date of issue, type of security (common shares, convertible debentures, etc.), type of issue (private placement, public offering, exercise of warrants, etc.) number, price, total proceeds, type of consideration (cash, property, etc.) and commission paid, and
- (b) summary of options granted during the period, including date, number, name of optionee for those options granted to insiders, generic description of other optionees (e.g. employees,) exercise price and expiry date.

4. *Summary of securities as at the end of the reporting period*

Provide the following information as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion and
- (b) number and recorded value for shares issued and outstanding
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements.

5. *List the names of the directors and officers as at the date this report is signed and filed.*

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

1. General Instructions

- (a) Management discussion and analysis provides management with the opportunity to discuss an issuer's business, current financial results, position and future prospects.
- (b) Focus the discussion on material information, including liquidity, capital resources, known trends, commitments, events, risks or uncertainties, that is reasonably expected to have a material effect on the issuer.
- (c) For an issuer with active ongoing operations the discussion should be substantive (e.g. generally two to four pages in length); for an issuer with limited operations the discussion may not be as extensive (e.g. one page).
- (d) The discussion must be factual, balanced and non-promotional.
- (e) Where the discussion relates to a mineral project, as defined in National Instrument 43-101 "Standards of Disclosure for Mineral Projects," the disclosure must comply with NI 43-101.

2. Description of Business

Provide a brief description of the issuer's business. Where an issuer is inactive and has no business, disclose these facts together with a description of any plans to reactivate and the business the issuer intends to pursue.

3. Discussion of Operations and Financial Condition

Provide a meaningful discussion and analysis of the issuer's operations for the current year-to-date period presented in the financial statements. Discuss the issuer's financial condition as at the date of the most recent balance sheet presented in the financial statements.

The following is a list of items that should be addressed in management's discussion and analysis of the issuer's operations and financial condition. This is not intended to be an exhaustive list of the relevant items.

- (a) expenditures included in the analysis of expenses and deferred costs required under Securities Rule 3(9)(b) and Schedule B;
- (b) acquisition or abandonment of resource properties material to the issuer including material terms of any acquisition or disposition;
- (c) acquisition or disposition of other material capital assets including material terms of the acquisition, or disposition;
- (d) material write-off or write-down of assets;
- (e) transactions with related parties, disclosed in Schedule B or the notes to the financial statements;
- (f) material contracts or commitments;
- (g) material variances between the issuer's financial results and information previously disclosed by the issuer, (for example if the issuer does not achieve revenue and profit estimates previously released, discuss this fact and the reasons for the variance);
- (h) material terms of any existing third party investor relations arrangements or contracts including:

- i. the name of the person;
- ii. the amount paid during the reporting period; and
- iii. the services provided during the reporting period;
- (i) legal proceedings;
- (j) contingent liabilities;
- (k) default under debt or other contractual obligations;
- (l) a breach of corporate, securities or other laws, or of an issuer's listing agreement with the Canadian Venture exchange including the nature of the breach, potential ramifications and what is being done to remedy it;
- (m) regulatory approval requirements for a significant transaction including whether the issuer has obtained the required approval or has applied for the approval;
- (n) management changes; or
- (o) special resolutions passed by shareholders.

4. Subsequent Events

Discuss any significant events and transactions that occurred during the time from the date of the financial statements up to the date that this report is certified by the issuer.

5. Financings, Principal Purposes and Milestones

- (a) In a tabular format, compare any previously disclosed principal purposes from a financing to actual expenditures made during the reporting period.
- (b) Explain any material variances and the impact, if any, on the issuer's ability to achieve previously disclosed objectives and milestones.

6. Liquidity and Solvency

Discuss the issuer's working capital position and its ability to meet its ongoing obligations as they become due.

How to File Under National Instrument 13-101 - System for Electronic Document Analysis and Retrieval (SEDAR)

BC Form 51 -901 F Quarterly and Year End Reports are filed under Category of Filing: Continuous Disclosure and Filing Type: Interim Financial Statements or Annual Financial Statements. Schedule A (Financial Statements) is filed under Document Type: Interim Financial Statements or Annual Financial Statements. Schedule B (Supplementary Information) and Schedule C (Management Discussion) are filed under Document Type: BC Form 51 -901 F (previously Document Type Form 61 (BC)).

Meeting the Form Requirements

BC Form 51 -901 F consists of three parts: Instructions to schedules A, B and C, issuer details and a certificate. To comply with National Instrument 13-101 it is not necessary to reproduce the instructions that are set out in BC Form 51 -901 F. A cover page to the schedules titled BC Form 51 -901 F that includes the issuer details and certificate is all that is required to meet the BC Form 51 -901 F requirements. The form of certificate should be amended so as to refer to one or two of the three schedules required to complete the report.

ISSUER DETAILS NAME OF ISSUER	FOR THE QUARTER ENDED	DATE OF REPORT YY/MM/DD
ERIN VENTURES INC.	December 31, 2000	01/03/01

ISSUER'S ADDRESS			
10080 Jasper Avenue, Suite 907			

CITY/PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
Edmonton AB	T5J 1V9	(780) 426-3512	(780) 429-4961
CONTACT PERSON	CONTACT'S POSITION		CONTACT TELEPHONE NO.
Tim Daniels	President		(780) 429-4961

CONTACT EMAIL ADDRESS	WEB SITE ADDRESS

CERTIFICATE

The three schedules required to complete this Quarterly Report are attached and the disclosure contained therein has been approved by the board of Directors. A copy of this Quarterly Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED					
		Y	Y	M	M	D	D
▶ "Tim Daniels"	Tim Daniels	0	1	0	3	0	1
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED					
		Y	Y	M	M	D	D
▶ "James Wallis"	James Wallis	0	1	0	3	0	1

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
	15,906	19,206
Capital assets	5,929	7,675
Resource properties – Note 4	5,152,884	4,841,599
	\$ 5,174,719	\$ 4,868,480
<u>LIABILITIES</u>		
Current		
Accounts payable	\$ 1,519,159	\$ 1,555,489
Note payable	614,757	455,438
Loan payable	-	11,172
	2,133,916	2,022,099
Non-controlling interest in subsidiary	-	61,584
	2,133,916	2,083,683
<u>SHAREHOLDERS' EQUITY</u>		
Share capital – Notes 2 and 4	5,163,995	4,526,816
Deficit	(2,123,192)	(1,742,019)
	3,040,803	2,784,797
	\$ 5,174,719	\$ 4,868,480
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
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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)
	23,105,095	5,163,995
Balance, December 31, 2000	23,105,095	5,163,995

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
982,000		
982,000		

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
<hr/>		
850,000		
<hr/> <hr/>		