

**ERIN VENTURES INC.**

**ANNUAL INFORMATION FORM**

**For the Year ended June 30, 2002**

**Dated: May 5, 2003**

**ERIN VENTURES INC.  
ANNUAL INFORMATION FORM**

**ITEM 1: INCORPORATION**

(1) Incorporation or Organization of the Issuer

Erin Ventures Inc. (the "Issuer" or the "Corporation") was incorporated by Articles of Incorporation under the Business Corporations Act of the Province of Alberta on July 19, 1993.

(2) Subsidiaries

The Issuer holds a 100% interest in 766072 Alberta Inc. and a 50% interest in Ras Borati, Ltd. ("Ras") a company incorporated in the Federal Republic of Yugoslavia.

**ITEM 2: GENERAL DEVELOPMENT OF THE BUSINESS**

The Issuer completed its initial public offering on October 27, 1994 as a junior capital pool corporation on The Alberta Stock Exchange. On March 20, 1996 the Issuer completed its Major Transaction pursuant to which the Issuer acquired all the issued capital of Shadow Capital Corp (Shadow). Pursuant to an Option and Joint Venture Agreement dated February 14, 1996, Shadow was the optionor of the Cop Claim Property, 4 mineral claims located in the Atlin Mining Division of British Columbia. During the fiscal year ended June 30, 2000 this property was abandoned by Shadow and all associated costs of \$277,022 were written off. Pursuant to a Non-Offering Prospectus dated October 29, 1998 Shadow was issued a receipt on November 3, 1998 from each of the Alberta and Ontario Securities Commissions. Subsequently, the Issuer established December 24, 1998 as the record date for distributing 3,400,000 common shares of Shadow, 3,400,000 Series A Warrants and 3,400,000 Series B Warrants to the shareholders of the Issuer as a dividend in specie on the basis of one common share, one Series A Warrant and one Series B Warrant for each 5 common shares of the Issuer held as of the record date. Securities of Shadow were distributed to shareholders of the Issuer resident in Alberta, Ontario and other jurisdictions where the Issuer was permitted to do so without further approval as of February 12, 1999. August 18, 1999, the name of Shadow was changed to Soundcache.com Inc. and the shares were consolidated on the basis of one (1) share of Soundcache for every three and one half (3.5) shares of Shadow held. Pursuant to an agreement dated May 2, 2002 Soundcache.com announced that it completed the acquisition of 100% of the securities of Genoray Advanced Technologies Inc. of Edmonton, Alberta. Soundcache completed the acquisition of the 36,633,500 Genoray Advanced Technologies Inc. common shares, 1,000,000 preferred shares, and 7,000,000 share-purchase warrants, by issuing to Genoray Advanced Technologies Inc. shareholders, the same number and type of securities of Soundcache, on a one-for-one basis.

Pursuant to a Joint Venture Agreement dated January 22, 1997 as amended by an agreement dated November 28, 2000 among Electroprivreda Srbije and the Issuer, the Issuer holds a 50% interest in the Piskanja Borate Property located in Yugoslavia through its 50% ownership of Ras Borati Ltd. Pursuant to the terms of the Joint Venture Agreement, the Issuer is obligated to fund a maximum of \$2,670,000 to complete a pre-feasibility drilling program. Thereafter all exploration and development expenses are to be funded equally by the joint venturers. Subsequently, operations were suspended indefinitely when the Issuer initiated the Force Majeure Clause in the contract, as a result of civil unrest, war and international sanctions in Yugoslavia, which spanned from 1<sup>st</sup> quarter 1998 until 1<sup>st</sup> quarter 2001. The Issuer is currently renegotiating the terms of the Joint Venture with the Serbian government as a result of changes in the mining laws in Serbia. On November 19, 2001 the Company announced the reduction of the Carrying Value of the Piskanja Borate Property in Yugoslavia, and its associated capitalized amounts, to \$1.00 for accounting purposes.

Pursuant to an agreement dated January 21, 2000, as amended by agreements dated January 21, 2001, and March 12, 2002, the Corporation acquired 766072 Alberta Inc., the holder of an option to acquire a 100% working interest in the Stope Baby Claims, a 32 claim block located in the Quesnell Mining Division of British Columbia. Subsequently, 766072 staked an additional 32 claims expanding the Stope Baby Property.

### **ITEM 3: NARRATIVE DESCRIPTION OF THE BUSINESS**

The Issuer is a natural resource company engaged in the acquisition, exploration and development of natural resource properties. The Issuer owns or has an interest in the following described properties and intends to seek and acquire additional properties worthy of exploration and development.

#### **1. Piskanja Borate Property, Baljevac, Republic of Serbia, Yugoslavia**

Pursuant to a Joint Venture Agreement dated January 22, 1997 for reference, between Electroprivreda Srbije and the Issuer, the Issuer holds a 50% interest in the Piskanja Borate Property through its 50% ownership of the joint venture company, Ras Borati Ltd. Pursuant to the terms of the Joint Venture Agreement, the Issuer is obligated to fund a maximum of \$2,670,000 to complete a pre-feasibility drilling program. Thereafter a joint venture will be created and all exploration and development expenses are to be funded equally by the joint venturers. According to the agreement, all exploration work up to and including the completion of a feasibility study is to be completed by 2002, as the result of civil unrest, war, and international sanctions that forced a stoppage of work for a period of approximately 3 years from January 1998 until February 2001. The Issuer is currently renegotiating the terms of the Joint Venture with the Serbian government as a result of ongoing reforms to the mining, foreign investment and privatization laws in Serbia.

James Wallis, M.Sc. (Eng.), P.Eng. of Williams Lake, British Columbia, has prepared an engineering report dated February 14, 1997 entitled *Preliminary Evaluation Report on the Piskanja Borate Deposit*, Baljevac, Republic of Serbia, Yugoslavia. Copies of the report are on file at the registered office of the Issuer located at Suite 1310 Merrill Lynch Tower, 10205 101 St., Edmonton, Alberta. An excerpt of that report reads as follows:

#### **Preliminary Evaluation Report on the Piskanja Borate Deposit**

##### ***Location***

The Baljevac borate deposits are located in the Republic of Serbia, Yugoslavia near the mining town of Baljevac. Best access is from the city of Belgrade by good paved road to Baljevac, a 3.5 hour drive to cover a distance of some 250 kilometers. Belgrade is serviced by daily international flights. The town of Baljevac is equipped with railway loading facilities which provides connector service to most of Europe, including inexpensive barge access to major coastal seaports via the Danube River.

##### ***Property***

Electroprivreda (the national power company of Yugoslavia) has the exclusive rights to all mineral exploration and development in the Baljevac area (with the exception of bauxite). This extensive concession was granted to protect their thermal coal mining interests in the district and to ensure that the local mining infrastructure developed by the socialistic government is fully supported.

Known borate mineral resources are contained in two separate properties known as the "Pobrdski Potok", on the north side and the "Piskanja" deposit on the south side of the Jarandol basin. Additional resources may well exist in the approximate 3 kilometers of untested area separating these two deposits and at 'Raspopovici' some 20 kilometers to the south. Exploration prior to the Issuer's involvement, consisting

of detailed drilling and underground bulk sampling, has been concentrated on the Pobrđjski Potok property which has probable resources of 140,000 metric tonnes of 37 percent B<sub>2</sub>O<sub>3</sub> in an upper and lower zone with an average thickness of 1.0 meter. The larger of the two properties, the Piskanja, which has been subjected to the least exploration, has a probable resource of some 7 million tonnes of similar grade with an average thickness of 4.5 meters for the upper layer and 3.5 meters for the lower layer.

The Piskanja deposit, because of its larger resource potential and the thicker borate beds, will be the primary target of the next planned phase of drilling and development.

### ***Local Geology***

Both the Pobrđjski Potok and Piskanja borate properties are located within the Jarandol basin. The subsidence, which formed the Jarandol Basin appears to have been initiated by an east-west fault system, with subsequent north-south faulting during the second phase of volcanic extrusion resulting in their separation. The lithological composition of the basin sequence is characterized by the following rock types: unconsolidated Quaternary and alluvial sediments, Tertiary claystones, tuffaceous claystones, marlstones with organic material and pyrite, siltstones with organic material and pyrite, pelitic and silty tuffs, highly calcareous tuffites, dolomitic and marly limestones, volcanic-sedimentary breccias of varying composition and borate layers.

The volcanic-sedimentary breccias apparently are a constant lithological constituent in the sedimentary sequence between the borate beds. Fragments vary in size from 20 cm to less than 2 cm and are primarily of dacite-andesite composition with a fine sandstone matrix that is highly pyritized.

The distribution of the boron minerals in the borate layers is variable, depending both on depth and perhaps their horizontal location in the basin. Although the full suite of boron minerals has been recognized, the primary minerals consist of colemanite and ulexite.

### ***Drilling by Electroprivreda***

Between 1984 and 1991, Electroprivreda drilled a total of 20 vertical HQ size diamond drill holes in the Piskanja boron deposit that varied in depth from 250 meters to 500 meters and averaged 300 meters. The initial holes were drilled on a 800 X 800 meter grid with second phase drilling on a 400 X 200 meter grid and third phase drilling reduced to a 300 X 200 meters. The majority of the drill holes (14 of the 20 holes completed) intersected at least 2 zones of boron rich mineralization which occur for the most part within volcanic-sediment beds. This series of beds is composed of quaternary and alluvial sediments, marls (tuffogenic and alluvial), alverolite, dolomitic and marly limestones, carbonates and volcanic breccias. The upper boron layer varies from 2.8 to 14.0 meters in thickness and averages 4.6 meters while the second zone varies from 1.5 to 7.5 meters and averages 3.3 meters thick. Drilling results indicate that the deposit remains open to the south.

### **Drill Hole Summary - Piskanja Borate Deposit**

Drill Hole #	Assay Section, meters	Grade, % B <sub>2</sub> O <sub>3</sub>	Depth of Intersection, meters	Thickness, meters	Total Depth meters
B-127/1	307.00	49.08	306.7 - 310.2	3.5	625.0
	308.00	42.48			
	309.00	43.44	400.5 - 400.8	0.3	
	310.00	43.44			
B-2	352.4 - 355.0	49.88	352.4 - 355.5	3.1	365.0
B-3	332.4 - 333.1	41.03	332.5 - 333.2	0.7	525.0
	413.0 - 413.8	33.79	413.0 - 416.0	3.0	
	415.2 - 415.7	28.96			
B-4	277.7 - 278.0	17.37	277.6 - 280.5	2.9	390.0

	278.0 - 279.0 279.0 - 280.0 370.3 - 371.3 370.3 - 372.7 371.3 - 372.8	38.94 39.90 39.90 2.4 35.07			
B-5	420.8 - 421.2 421.4 - 422.4 443.3 - 444.8	8.68 46.02 46.02	420.7 - 425.0  443.5 - 444.8	4.3  1.3	527.0
B-6	121.5 - 122.5 122.5 - 123.5 123.5 - 125.0 125.0 - 126.0 126.0 - 127.0 127.0 - 128.0 131.0 - 132.0 132.0 - 133.0 133.0 - 134.0 134.0 - 135.0 135.0 - 136.0 257.0 - 260.2 260.5 - 262.3	44.29 42.55 35.60 44.28 35.60 27.78 34.73 30.39 39.07 33.00 23.44 44.29 48.63	121.0 - 128.4  131.5 - 136.1  257.6 - 262.3	7.4  4.6  4.7	355.0
B-7	112.2 - 112.4 112.4 - 112.7 112.7 - 113.0 113.0 - 113.7	29.52 47.76 43.42 44.28	112.2 - 113.7 186.3 - 186.8 189.5 - 189.8 205.1 - 207.4 247.4 - 247.6	1.5 0.5 0.3 2.6 0.2	402.0
B-8	191.2 - 191.7 192.0 - 192.5 192.5 - 193.0 193.0 - 193.5 193.5 - 194.0 194.0 - 194.5 194.5 - 195.0 195.0 - 195.5 195.5 - 196.0 196.0 - 196.5 196.5 - 197.0 197.0 - 197.5 197.5 - 198.0	39.00 46.44 45.25 43.20 45.00 43.28 44.93 51.35 49.59 42.87 46.70 42.54 46.09	164.5 - 165.0 191.4 - 198.0 243.0 - 245.4 313.8 - 315.2 316.6 - 317.3 318.3 - 320.3	0.6 6.6 1.8 1.4 0.7 2.0	400.0
B-9	89.9 - 90.4 124.2 - 127.1 240.0 - 243.0	0.6 2.9 3.0	246.0		
B-10	104.6 - 105.1 133.5 - 134.2 221.4 - 222.9	31.38 44.25 34.59	98.0 - 98.6 118.5 - 122.0 200.0 - 207.4	0.6 3.5 7.4	216.0
B-11	116.0 - 116.9 165.6 - 166.6 167.9 - 169.4	27.35 21.72 38.62	117.0 - 117.4 133.5 - 134.2 221.5 - 222.8	0.4 0.7 1.3	250.0
B-12	117.8 - 122.5 201.0 - 207.5 168.0 - 169.5	40.38 35.53 1.5	78.7 - 79.4 116.5 - 117.0	0.7 0.5	294.0
B-13	151.7 - 156.1 179.4 - 181.5	4.4 2.1			346.0
B-14	62.0 - 62.2 105.7 - 106.0	0.2 0.3			250.0

B-15	0				250.0
B-16	0				303.0
B-17	0				342.0
B-18	0				250.0
B-19	231.9 - 238.4 291.0 - 292.9	39.26 42.34	186.8 - 187.4 250.2 - 253.0	0.6 2.8	350.0
B-20	186.3 - 187.3 250.2 - 253.0	42.6 39.64	236.3 - 238.4 290.4 - 292.9 310.6 - 311.5	2.1 2.5 0.9	

The drill holes were logged and the collars of the holes surveyed and collar elevations established.

Serbian drilling technology has not kept pace with that of the western world primarily because of laws, which demanded that most industrial equipment be manufactured within communist bloc countries. As a result, drilling equipment is cumbersome and is several years behind in technological improvements, which greatly affects its efficiency by western standards. These factors coupled with the 'laid back' work ethics of the general labor force is reflected in the time that is required to complete a normal drilling project. HQ size diamond drill holes drilled to an average depth of 300 meters on the Piskanja borate deposit required drilling times that varied from 90 to 120 days per hole. The 20 holes drilled on this project by Electroprivreda required 7 years to complete.

#### ***Exploration by Ras Borati Ltd.***

Ras Borati Ltd. contracted a large truck mounted Schram reverse circulation drill from Midnight Sun Drilling Ltd. of Whitehorse, Yukon, Canada and completed the first 10 holes of a planned 50 to 60 hole drilling program. The drilling was conducted between October 1997 and December 1997. Assays from hole #B-9 which were published by the Issuer on February 5, 1998 are attached hereto as Schedule A. Duplicate sample splits and pulps were sent to Lakefield Research in Lakefield, Ontario for check analysis and confirmed the absence of bias. The Issuer intends to publish assay results of the balance of the completed drilling upon receipt of the results.

#### ***Mineralogy***

Although the full suite of borate minerals have been identified in the initial drill holes, the deposit appears to be mineralogically similar to the Turkish deposits with the primary minerals consisting of the calcium borate mineral Colemanite and the sodium-calcium borate mineral Ulexite; both of which are the primary source of most boron products that are produced world-wide. The distribution of mineral types varies both vertically and laterally within the deposit.

Assays of the boron intersections by Electroprivreda and the Geological and Mining Institute suggest that the average arithmetic grade of all borate sections intersected in the Piskanja deposit is 39.39% B<sub>2</sub>O<sub>3</sub>.

#### ***Mineral Resources***

The Geological and Mining Institute in Belgrade has taken a cursory look at mineral resources for the Piskanja Deposit based on existing drill results and have calculated that borate resources in all categories are approximately 7 million tonnes with an average grade of 39 percent B<sub>2</sub>O<sub>3</sub>. A quick approximation of the resource tonnage, based on a drilled plan area of 350,000<sup>2</sup> meters (700 m X 500 m) and 2 beds with a

total thickness of 8 meters with 1 meter<sup>3</sup> weighing 2.5 tonnes, calculates to be approximately 6.9 million tonnes. Further detailed drilling is a necessity before refinements to the resource and grade are warranted.

### ***Geotechnical Studies***

Preliminary rock mechanic studies that were undertaken by Electroprivreda on core samples collected during drilling of the smaller Pobrđjski Potok deposit indicates that the borate beds and the overlying strata have sufficient strength to support room and pillar type underground workings.

Although similar tests have not been conducted on the Piskanja deposit; visually the core is similar and is expected to exhibit comparable or better shear strengths due to slightly more dense overlying sediments. A multitude of samples for geotechnical testing must be collected during the next phase of drilling to ensure that sufficient data is available to permit design of underground openings and mining systems.

### ***Hydro-metallurgical Studies***

The Institute for Nuclear and Metallurgical Studies, located in Belgrade, conducted a series of preliminary beneficiation and hydro-metallurgical studies on bulk borate samples from the Pobrđjski Potok deposit, which were designed to investigate the feasibility of producing marketable products from these borates. These studies indicate that the borate ore can be readily upgraded to a saleable product and/or can be chemically reacted with sulphuric acid to produce another saleable product-boric acid. As an added benefit, the tailings from this process are suitable for use in the production of a marketable grade of boron-enriched fertilizers. Conventional weak sulphuric acid leaching of the concentrate followed by evaporation and recrystallization of the pregnant solution permitted the manufacture of a technical grade boric acid (99.96% H<sub>3</sub>BO<sub>3</sub>).

### ***Markets and Marketing Considerations***

Borate minerals and refined borate products are used extensively in the manufacture of vitreous products, such as fiberglass insulation, textile fiberglass, borosilicate glass, ceramic glazes and porcelain enamels. In North America these applications account for approximately 60 percent of borate consumption. Other substantial uses of borates include detergents, fire retardants, metallurgy, agriculture, insecticides, and wood preservatives. The latest figures that are available show that in 1999, glass products accounted for approximately 73% of United States usage, followed by soaps and detergents with 6%, agriculture with 3%, fire retardants with 4%, and other uses with 14%. Demand for borates tends to follow world economic patterns because of a large consumption in building and construction applications.

The United States continues to be the world's largest producer and consumer of boron compounds. An excerpt from the United States Geological Survey Mineral Commodity Summaries, January 2001 on Boron is attached hereto as Schedule B. This report can be found on the world wide web at <http://minerals.usgs.gov/minerals/pubs/commodity/boron/>

U.S. Borax, the world's second largest producer, operates a large open pit kernite and tincal mine at Boron, California, which produces boric acid, borax and enhanced borate products. More than 80 percent of the US production results from mineral deposits mined only for their boron content, with extraction from lake brines for sodium carbonate, sodium sulfate, potassium sulfate and potassium chloride accounting for the remaining borate production.

In 1954, Borax Consolidated formed Turk Boraks to explore for and mine borax in Turkey. Extensive exploration resulted in the discovery of a major borate deposit at Kirka in Anatoli in 1960 which was subsequently developed by Turk Boraks in conjunction with Turkish interests; shortly after a successful start-up, the operation was nationalized by the Turkish government. Turkey continues to be the world's second largest producer and exporter of both raw and refined borate products.

The vulnerability of the world borate supply to local labour disruptions was emphasized in 1995 when a strike by the Turkish metal and mining workers between September and November affected the delivery of all borate products for many months. This strike served to remind customers that the world borate supply is controlled by just two major producers.

2000 imports of borates to the United States totaled 205,000 short tons, down from 258,000 tons the year prior. Imports of boric acid totals 37,000 short tons, borax 1,000 short tons, colemanite 63,000 short tons and ulexite 104,000 short tons. Nearly all of the imported colemanite came from Turkey with approximately 57% of the boric acid imports originating in Italy from Turkish feed-stock and the remainder imported from Chile and South America. Imports of boric acid and ulexite from South American producers are generally destined for agricultural use because of their low grades.

Fifty percent of domestic production in the United States is exported and competes with borate concentrates and refined products from Turkish, South American and European sources.

The principal refined borates sold on the market today are as follows:

CHEMICAL NAME	FORMULA	% B <sub>2</sub> O <sub>3</sub>	USES
Borax pentahydrate	Na <sub>2</sub> O.2B <sub>2</sub> O <sub>3</sub> .5H <sub>2</sub> O	47.8	Fertilizer, ceramics, flux, fibreglass, metallurgy, perborate detergents
Borax decahydrate	Na <sub>2</sub> O.2B <sub>2</sub> O <sub>3</sub> .10H <sub>2</sub> O	36.5	Flux, nuclear, adhesives, detergents
Boric acid	H <sub>3</sub> B <sub>0</sub> <sub>3</sub>	56.3	Fire retardant, flux, glass, insecticide, nuclear
Anhydrous borax	Na <sub>2</sub> O.2B <sub>2</sub> O <sub>3</sub>	69.2	Ceramics, frit, glass
Anhydrous boric acid	B <sub>2</sub> O <sub>3</sub>	100.0	Frit, ceramics

Borate minerals are comparatively rare with large deposits only known to occur in a few places in the world, with the best known located in California and Turkey. Boron touches the lives of everyone and can be found in almost everything including fertilizer, cookware, medicines and space age metals. For these reasons borates are extremely valuable industrial minerals that command prices from US\$250 per ton for raw material to US\$95 per kg for boric nitric powder a specialty chemical. The product in common demand, and hence most readily marketed, is boric acid which has a value of approximately US\$400 per ton.

### ***Foreign Investment***

**As with all types of international business operations, currency fluctuations, exchange controls, restriction on foreign investment, changes to tax regimes or political action could impair the value of the Issuer's investment, and may adversely affect the Issuer's financial position and the results of its operations.** See "Risk Factors" on page 18.

2. The Stope Baby Project – British Columbia, Canada  
121° 26' 30"W 52° 17' 30"N

766072 Alberta Inc. ("766072") is the Optionee pursuant to a Mineral Property Option Agreement (the "Mineral Property Option Agreement") dated January 21, 2000 between 766072 and Herb Wahl and Jack Brown-John ("Wahl"), to conduct mineral exploration activities pursuant to the Option Agreement on certain mineral claims held by Wahl located in the Quesnell Mining Division of British Columbia (defined in detail below as the "Stope Baby Property") and to engage in the acquisition and exploration of other mining properties. 766072 was acquired by the Issuer in February, 2000. 766072 is dealing at arms' length with Wahl.



Other than its right to earn an interest in the Stope Baby Property under the Mineral Property Option Agreement, 776072 has no interests in any mineral properties and to date its activities have been concentrated solely on acquiring its rights under the Mineral Property Option Agreement and fulfilling its obligations thereunder.

#### Mineral Property Option Agreement

Under the Mineral Property Option Agreement dated January 21, 2000 as amended by agreements dated January 21, 2001, March 12, 2002, and February 28, 2002 in consideration of expending a total of \$750,000 in exploration, land holding costs, and development work as more specifically set out in the Mineral Property Option Agreement, as amended, (the "Project Work"), 766072 has earned a 25% undivided interest and is entitled to earn an additional undivided 75% interest in the Stope Baby Property.

If the Stope Baby Property is placed into production then 766072 is required to pay a production royalty to Wahl equal to \$0.50 per ton for production of up to 1,000 tons per day, reducing by \$0.05 per ton for each additional 1000 tones per day mined, to a maximum of 5,000 tons per day. If the Stope Baby Property is not placed in production by December 31, 2003, then 766072 is required to pay advance royalties of \$20,000 per year, of which \$5,000 is to be paid by the issuance of Common Shares of the Issuer.

In the event of an unexcused failure by 766072 to comply with any of the covenants, terms and conditions of the Mineral Property Option Agreement Wahl shall be entitled to give 766072 written notice of its defaults specifying the details of same. Generally, if such default is not remedied within 30 days after receipt of the said notice then the Mineral Property Option Agreement may be cancelled at the option of Wahl by written notice to 766072.

766072 may cancel and terminate the Mineral Property Option Agreement by delivering to Wahl written notice stating 766072's desire not to extend the term of the Mineral Property Option Agreement for an additional Project Year or by failure to satisfy the Project Work obligations required, provided that the Property is in good standing the Mining Recorders' Office for a minimum period of one (1) year. Otherwise, upon the payment of the Rentals and expenditures for Project Work, the term of the Mineral Property Option Agreement automatically extends to cover each Project Year subsequent to 2000.

Subsequently, and pursuant to an agreement dated December 12, 2002, and amended February 28, 2003 766072 granted to Otish Mountain Exploration Inc., the right and option to acquire an undivided 50% interest in the Stope Baby Property.

The Option is exercisable by Otish by issuing to 766072 common shares of Otish and making expenditures on the Property, in the amounts and by the dates set out as follows:

<b>Date</b>	<b>Expenditure Required</b>	<b>Interest Earned</b>	<b>Stock Consideration</b>
June 1, 2003	\$ 40,000	0%	100,000 shares
March 1, 2004	100,000	10%	100,000 shares
March 1, 2005	200,000	15%	Nil
March 1, 2006	<u>410,000</u>	25%	Nil
Totals	\$750,000	50%	200,000 shares

Otish acknowledges that its interest in the Property shall be subject to the Production Royalty as provided for in the Underlying Option Agreement

Otish acknowledges that 766072's interest in the Property and, in consequence, Otish's interest in the Property under this Agreement is subject to the terms and conditions in the Underlying Option Agreement and Otish agrees that it shall comply with the terms and conditions with the Underlying Option Agreement.

In the event that production on the Property is not achieved by December 31, 2003 and 766072 is required to pay an advance royalty as provided for in Section 8.2 of the Underlying Option Agreement (as amended), then Otish shall compensate 766072 for payment of such advance royalties in each year that it is required to be paid, in the following manner:

- a. by paying to 766072 the amount of \$7,500 in cash on December 31, 2003, and each year thereafter that the advance royalty is payable; and
- b. paying to 766072 a further sum of \$2,500 upon December 31, 2003 and each year thereafter that the advance royalty is payable which, at the option of Otish, may be paid either in cash or by the issuance of common shares of Otish at the closing price of the common shares as at December 31 of such year.

Unless and until otherwise agreed by the parties, Otish shall be the operator of the Property.

#### Property Description

The Stope Baby Property consists of 36 claims comprised of 74 units in the Quesnell Mining Division of British Columbia, more particularly described as follows:

Claim Name	Units	Record Number	Record Date	Expiry Date
Stope Baby 1	1	373348	Nov. 10, 1999	Nov. 9, 2003
Stope Baby 2	1	373349	Nov. 10, 1999	Nov. 9, 2003
Stope Baby 3	1	373350	Nov. 10, 1999	Nov. 9, 2003
Stope Baby 4	1	373351	Nov. 10, 1999	Nov. 9, 2003
Stope Baby 5	1	373352	Nov. 10, 1999	Nov. 9, 2003
Stope Baby 6	1	373353	Nov. 10, 1999	Nov. 9, 2003
Stope Baby 7	1	373786	Nov. 30, 1999	Nov. 9, 2003
Stope Baby 8	1	373787	Nov. 30, 1999	Nov. 9, 2003
Stope Baby 9	1	373788	Nov. 30, 1999	Nov. 9, 2003
Stope Baby 10	1	373789	Nov. 30, 1999	Nov. 9, 2003
Stope Baby 11	1	373790	Nov. 30, 1999	Nov. 9, 2003
Stope Baby 12	1	373791	Nov. 30, 1999	Nov. 9, 2003
Stope Baby 13	1	373792	Nov. 30, 1999	Nov. 9, 2003
Stope Baby 14	1	373793	Nov. 30, 1999	Nov. 9, 2003
Stope Baby 15	1	373794	Nov. 30, 1999	Nov. 9, 2003
Stope Baby 16	1	373795	Nov. 30, 1999	Nov. 9, 2003
Stope Baby 17	1	373796	Nov. 30, 1999	Nov. 9, 2003
Stope Baby 18	1	373797	Nov. 30, 1999	Nov. 9, 2003
Stope Baby 19	1	373798	Nov. 30, 1999	Nov. 9, 2003
Stope Baby 20	1	373799	Dec.1, 1999	Nov. 9, 2003
Stope Baby 21	1	373800	Dec.1, 1999	Nov. 9, 2003
Stope Baby 22	1	373801	Dec.1, 1999	Nov. 9, 2003
Stope Baby 23	1	373802	Dec.1, 1999	Nov. 9, 2003
Stope Baby 24	1	373803	Dec.1, 1999	Nov. 9, 2003
Stope Baby 25	1	373804	Dec.1, 1999	Nov. 9, 2003
Stope Baby 26	1	373805	Dec.1, 1999	Nov. 9, 2003
Stope Baby 27	1	373806	Dec.1, 1999	Nov. 9, 2003
Stope Baby 28	1	373807	Dec.1, 1999	Nov. 9, 2003
Stope Baby 29	1	373808	Dec.1, 1999	Nov. 9, 2003

Stope Baby 30	1	373809	Dec.1, 1999	Nov. 9, 2003
Stope Baby 31	1	373810	Dec.1, 1999	Nov. 9, 2003
Stope Baby 32	1	373811	Dec.1, 1999	Nov. 9, 2003
EV 1	6	374347	Feb. 5, 2000	Nov. 9, 2003
EV 2	15	374386	Feb. 17, 2000	Nov. 9, 2003
EV 3	12	376981	May 9, 2000	Nov. 9, 2003
EV4	9	376982	May 11, 2000	Nov. 9, 2003

collectively referred to as the "Stope Baby Property").

The Mineral Property Option Agreement further provides that 766072 shall procure, and at all times, during the term of the Mineral Property Option Agreement, maintain in full force and effect such insurance as required by law.

Pursuant to the Mineral Property Option Agreement, 766072 has indemnified and saved harmless Wahl and its successors and assigns of and from any and all liability in any way arising out of 766072's occupation and use of the Stope Baby Property or its operations thereon or therein, excluding any liability arising out of any claims, actions or damages resulting from Wahl's own negligence or default.

### Location

The Stope Baby VMS Project is located some 3 miles south east of the village of Horsefly, B.C. and approximately 15 kms south of Mount Polley Mine's open pit, copper-gold mine. The historic Horsefly mining district first gained prominence with the discovery of rich placer gold deposits in the area during the early 1850's, and again in the early 1960's with the discovery of the Mount Polley deposit and the QR gold deposit, some 15 kilometers north of Mount Polley. A 1999 discovery of a high grade boulder train, thought to represent a yet undiscovered VMS source, near Eureka Peak to the east has been recently optioned to Hudson Bay Mining.

Excellent access from Horsefly is provided by a good all-weather road which crosses the property diagonally.

### Accessibility, Climate, Local Resources, Infrastructure and Physiography

The topography of the claims is flat to gently rolling hills. Drainage is generally northeasterly into Moffat Creek. Elevations range from 915 metres in the southern part to 790 metres in the northeast corner. Vegetation is pine, spruce and poplar, with some open grasslands.

Access to the property is by paved and gravel roads. From Highway 97, a paved highway branches easterly from 150 Mile House and continues to the community of Horsefly. Approximately 0.5 km west of Horsefly an all-weather gravel road heads southerly; at 0.2 km the 108 Road branches southeasterly and follows the northwest side of Moffat Creek, providing access to the central, western and southwestern portions of the claims. At 2.5 km along the 108 Road the Starlike Lake Road branches southeast, providing access to the eastern and central part of the claims. Additional access is provided by various logging roads throughout the claims.

### History

Ownership of the property is not known prior to 1984, when Asamera Inc. held a portion of the area now covered by the Stope Baby et al. claims as the Golden Falls and Goldie claims; these claims expired the following year.

The 1904 Report of the Minister of Mines and the B.C. Minfiles note that a short adit was excavated just below the lower falls in the canyon on Moffat Creek, presumably to investigate native copper occurrences in Jurassic volcanics.

In 1984 Asamara Inc. established 18 km of grid and conducted VLF-EM and total field magnetic surveys, as well as soil sampling and geochemical analyses for gold, copper, and molybdenum (Wallis, J.E., op. cit., and Assessment Report #13490).

The Stope Baby and EV claims were staked in the period of November, 1999 to May, 2000 by H. Wahl and G.S. Bains, and subsequently optioned to 766072 Alberta Inc.

In 2000 Erin Ventures Inc. undertook geological mapping, rock chip sampling of mineralization, soil sampling for geochemical analyses by enzyme leach, and VLF-EM, IP, and magnetic surveys, followed by diamond drilling of two holes totalling 346.1 metres.

Initial field work consisted of collecting a total of 39 soil samples from a mini-grid established on the north projection of the Stope Baby discovery showing. An additional 31 soil samples were collected along a single traverse line to the east of the grid, across VLF-EM conductors and major magnetic breaks defined in the 1984 work program by Asamara. This limited sampling program was undertaken to test the potential of enzyme leach analysis for defining leakage anomalies.

The mini-grid was expanded to extend the baseline 500 meters to the north and 1000 meters to the south with cross-lines cut at 50 meter intervals and extending 500 meters to the west and 500 meters to the east. Stations were established at 50 meter intervals.

Field surveys were initiated in June of 2000 utilizing a Scintrex IPR12 receiver and a TSQ3 (3 kw) transmitter. The IP survey was conducted using a pole dipole array at an "a" spacing of 24 meters and "n" separations of 4. Chargeabilities (in units of mv/V) were measured at 11 delay times after cessation of the current pulse. These values, along with the Mx chargeability (690-1050 msec), apparent resistivity, primary voltage, SP gradient, and current; were recorded along with grid co-ordinates.

Two Scintrex ENVI magnetometers were used for the magnetic survey; one was used as the field unit and the other as a fixed base station. The survey, with stations at 12.5 meter intervals, required 3 days and was completed on July 9, 2000.

A two hole diamond drill program was carried out in 2000. Hole SB-1-000 was collared at L0+00N 0+45W and drilled on a bearing of 126° at - 48° to intersect the discovery showing at depth. Unfortunately the shallow attack angle coupled with hole deviation appears to have resulted in the hole paralleling mineralized structures. Four samples were collected for analysis. Assay results show minor copper values only. Diamond drill hole SB-2-000 was collared at 0+35E on L0+00 and drilled on a bearing of 232° and at a dip of -44 degrees. This hole cut the same olivine-pyroxene basalt as intersected in DDH SB-1-000 with generally the same texture and colour variation. The mineralized core from 119.9-121.7 m. was split and sampled for assay. The assay of this combined section from 119.9 to 121.7 m. returned the following values: 0.129% Cu, 0.10% Pb, 3.5% Zn, 5.43 g/t Ag and 0.100 g/t gold. The hole was bottomed at 173 m.

There are no known mineral resource and mineral reserve estimates, and there is no record of production from the property.

### Geological Setting

The property is located on the eastern side of a volcanic belt of rocks (Nicola Group) mapped as the Quesnel Trough. This belt is bounded on the east by the Eureka thrust, and on the west by major regional dextral faults. In the Quesnel Lake area, rocks of the Nicola Group form a broad, northwest trending syncline. The basal strata is represented by middle-to-late Triassic black phyllite which grades locally into siltstone, sandstone and greywacke. Overlying this package are Upper Triassic alkali olivine basalt flows and breccias. Monolithic latite breccias are common near volcanic centers.

Locally, the Triassic and Jurassic volcanic rocks are intruded by Lower Jurassic syn-volcanic syenite to dioritic stocks and plugs. Many of these alkalic stocks host, or are spatially related to, copper-gold mineralization with associated strong K-feldspar and propylitic alteration zones; ie the Mount Polley deposit with reserves of 53 million tons averaging 0.44% copper and 0.017 opt gold per tonne.

The bulk of the Stope Baby property is covered with a heavy mantle of glacial till and glaciofluvial silt deposits, with rock exposure limited to a 200 meter section of offset canyon along Moffat Creek. Stream down-cutting aided by post depositional faulting and shearing has resulted in the development of a 30 to 35 meter deep canyon throughout this area. Mapping in the canyon shows that the bedrock geology consists of Jurassic volcanics, with short sections of porphyritic (augite?) basalt, except at the falls on the west end where younger Miocene flood basalts overlay the Jurassic volcanics.

### Exploration

The exploration by the Corporation is been summarized under the "History" section.

Results from soil sampling and the enzyme leach analyses were interpreted to indicate the presence of the mineralized fracture zone. The induced polarization survey shows a weak chargeability and low resistivity response with corresponds to the mineralized zone. The anomaly appears to end a short distance north of Moffat Creek, and is slightly stronger to the south of the creek. The ground magnetic survey data in contoured plan view indicates a northwesterly trending linear pattern with a low over the mineralized zone and a parallel high approximately 300 metres to the west. The magnetic low may be caused by the alteration in the shear zone of magnetic to non-magnetic hematite, or by a change in rock types from east to west. No significant mineralization was intersected in drill hole SB-1-100. Drill hole SB-2-000 cut a quartz-carbonate vein from 119.9-120.5 m (0.6 m) which assayed 0.356% Cu, 0.06% Pb, 9.8% Zn, 9.1 gm/mt Ag, 0.42 gm/mt Au.

A northwesterly trending broad shear zone contains concentrations of base and precious metal mineralization within tension fractures that are oriented at an oblique angle to the margins of the shear. Results of an induced polarization survey suggest that the anomaly that reflects the stockwork mineralization becomes stronger to the southeast.

The surveys and investigations during 2000 were overseen by J.E. Wallis, P.Eng. The enzyme leach analyses were performed by G.T. Hill, Enzyme Laboratories, Inc., Reno, Nevada. The induced polarization and magnetic surveys were contracted by Allan Scott, Scott Geophysics Ltd., 4013 W. 14<sup>th</sup> Avenue, Vancouver, B.C. The party chief/geophysicist was Jerry Thornton, P.Eng. Diamond drilling was contracted by Phil's Diamond Drilling of 100 Mile House, B.C. Assaying and geochemistry of four surface rock chip samples was performed by ALS Chemex, 212 Brooksbank Avenue, N. Vancouver, B.C. Assaying and geochemistry of drill core and of six surface rock chip samples was performed by Acme Analytical Laboratories Ltd., 852 E. Hastings Street, Vancouver, B.C.

The data collected by J.E. Wallis, P.Eng. appear to be reliable. Assays of sulphide bearing mineralization are in agreement with the visual appearance of the material.

### Mineralization

The showing is located midway along Moffat Creek canyon, on the north side at the elevation of extreme low water flow. Mineralization occurs in north-south oriented fracture systems within the volcanics with both the northerly and southerly extensions obscured by slide debris, and consists primarily of massive sphalerite with some fine grained galena and distinct blebs of chalcopyrite in a white to gray carbonate. Minor native copper is evident in some of the samples and appears sporadically in adjacent carbonate stockwork zones. Three distinct fracture fillings are evident, two of which are near vertical and north-south trending, and the third almost horizontal and forming a ladder type structure with the vertical

systems; widths vary from 20 to 30 cms. Chip samples across these structures returned assay values as follows:

Sample No.	Width, m	Cu, %	Pb, %	Zn, %	Ag, g/t	Au, g/t
239151	0.30	0.85	1.48	22.0	211	1.32
239152	0.20	0.82	1.25	17.7	129.5	2.01
239153	0.15		1.83	4.00	168	0.96
239154	Grab	515 ppm	48 ppm	170 ppm	1.2 ppm	----
239155	Grab	1.00	2.98	24.6	118.5	3.18
239156		83 ppm	44 ppm	128 ppm	0.6	----
239157		51 ppm	14 ppm	94 ppm	< 0.2	----

Four new mineralized zones were discovered to the west of the discovery showing, all of which carry significant mineralization over widths of 15 to 25 cm. The mineralized zone now exceeds 100 meters in width and occurs in Triassic volcanics with a well-developed quartz-carbonate stockwork. Lack of rock exposure has prevented mapping of the lateral extension of this mineralized zone. Sampling of the new zones returned the following assay values:

SAMPLE #	COMMENTS	Cu, %	PB, %	Zn, %	Ag, g/t	Au, g/t
056809	Zone 4, in creek 25cm Qtz carbonate with fine Cu Zn	1.032	0.06	1.06	9.3	0.94
056810	Zone 3, in creek 20 cm carbonate fine Cu Zn	0.961	0.08	0.42	13.2	0.94
056811	Zone 6, south side 15 cm carbonate Pb-Zn-Cu	0.156	0.32	17.76	6.7	7.47
056812	Zone 6, 18 cm carbonate minor Cu, Pb -Zn	0.138	0.10	10.42	4.7	3.37
056813	Zone 5, 20 cm carbonate Cu-Pb-Zn	0.372	0.04	18.23	4.6	1.59
056814	Zone 6, west wall 20 cm fine sulfides	0.114	0.06	0.48	2.3	2.67

### Drilling

2 diamond drill holes were drilled to date to test the discovery showing (see "History"). Scattered quartz-carbonate veinlets were intersected in both holes. A section of 0.6 m from 119.9 – 120.5 m in hole SB-2-000 assayed 0.356% Cu, 0.06% Pb, 9.80% Zn, 9.1 g/mt Ag and 0.42 gm/mt Au. Orientation and true width of the vein are not known. Results indicate that fracturing with carbonate veinlets and occasional breccia with quartz-carbonate filling are present in basalts but no economic quantities of mineralization were intersected.

### Sampling and Analysis

A total of 39 soil samples were collected in 20 metres spacing on 3 lines of the soil sampling grid. An additional 31 soil samples were collected along a single traverse line to the east of the grid. The outer boundary of the area covered in the grid is 130 metres N-S by 240 m E-W. Mineralized core was split and sampled for assay. No drilling, sampling, or recovery factors that could materially impact the accuracy and reliability of the results were identified. The sampling was supervised by J.E. Wallis, P.Eng., and the samples are assumed to have been taken using correct procedures. Soil samples appear to be representative of the distribution of the elements that were investigated within the grid. The core samples are representative of the mineralization, inasmuch as a core sample is in effect a sample of a single point within a planar structure. Rock types, geological controls, widths of mineralized zones and structural features have been noted in previous sections of this Annual Information Form (See "History" and "Mineralization").

Individual samples from the two drill holes with assays are listed below. True widths are not known.

Drill Hole No.	Sample No.	From metres	To metres	Length in Hold metres	Cu %	Pb %	Assays Zn %	Ag gm/mt	Au gm/mt
SB-1-000	056804	160.3	160.7	0.4	0.189	<0.01	0.2	0.4	<0.01

SB-1-000	056805	160.7	161.0	0.3	0.033	<0.01	0.01	<0.3	<0.01
SB-1-000	056806	161.0	161.3	0.3	0.172	<0.01	<0.01	0.8	0.01
SB-1-000	056807	152.6	152.8	0.2	<0.01	<0.01	<0.01	<0.3	<0.01
SB-2-000	056801	119.9	120.5	0.6	0.356	0.06	9.80	9.1	0.42
SB-2-000	056802	120.54	121.7	1.2	0.016	0.12	0.46	3.6	0.04
SB-2-000	056803	117.7	118.1	0.4	<0.01	<0.01	<0.01	1.3	<0.01
SB-2-000	056808	46.4	46.7	0.3	0.018	<0.01	0.01	0.4	0.01

### Security of Samples

Chip samples were collected and core samples split by independent contractors under the supervision of J.E. Wallis, P. Eng. Core samples were split on site and one half sent to Acme Analytical Laboratories. Sub-sample weight is not recorded on the analytical certificates; an estimate might be calculated from an empirical average weight of 0.305 metres of NQ core being 0.91 kg. Both ALS Chemex and Acme are certified laboratories. One check analysis was performed on sample #056807, and the results were found to be in accordance with the original values; otherwise, no check assays were done. Assay results corresponded to the visual appearance of the mineralization.

### Proposed Exploration

Pursuant to the option agreement dated December 12, 2002, and amended February 28, 2003, with Otish Mountain Exploration Inc., Otish has agreed to the following exploration program to be completed by June 1, 2003 at a cost of \$40,000: Induced polarization survey to be extended to 20+00S employing the grid that was prepared for the magnetic survey; Electrode arrays, configuration and spacing that will permit collection of data and interpretation to depths of 100 meters; Extension of existing grid lines as required east and west to permit adequate depth penetration over the zone of interest; and magnetic surveys will be completed on extensions to the lines and on the expanded grid.

## **ITEM 4: SELECTED CONSOLIDATED FINANCIAL DATA**

The following tables summarize financial data for the Issuer, including its subsidiaries, SCC and 766072 Alberta Inc., for the last five completed financial years and the last eight quarters ending with June 30, 2001, the most recently completed financial year:

<b>For the Years ending June 30</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Net revenue (Interest Income)	135	285	1,677
Loss before discontinued operations and extraordinary items	(486,489)	349,452	360,251
Loss before discontinued operations and extraordinary items, per share		0.015	0.016
Loss before discontinued operations and extraordinary items, per share fully diluted		0.012	0.013
Loss	(472,755)	5,329,601	309,239
Loss, per share	(0.03)	0.23	0.014
Loss, per share fully diluted	0.03	0.19	0.011
Total assets	268,107	305,850	5,158,650

Total long term debt	-	-	-
Cash dividends	-	-	-

Since its incorporation, the Issuer has declared no cash dividends and has no formal policy with respect to the declaration of dividends. There are no restrictions which could prevent the Issuer from paying dividends.

**ITEM 5: MANAGEMENT’S DISCUSSION AND ANALYSIS OF OPERATING RESULTS**

The following discussion of the results of operations of the Issuer for the fiscal year ended June 30, 2002 should be read in conjunction with the financial statements of the Issuer and notes thereto.

Significant Events and Transactions

1. April 1, 2002

Erin Ventures issued 691,365 units. Each unit consists of one common share and one share purchase warrant, each warrant entitling the holder to purchase an additional common share at a price of \$0.60 until February 28, 2003.

2. April 24, 2002

Erin Ventures received approval from the TSX Venture Exchange to proceed with its renegotiation of the terms of its contract for the Stope Baby Property, near Horsefly, British Columbia. The Stope Baby hosts the first significant polymetallic epithermal discovery within the headwaters of the Horsefly mining district, a prolific mining area since the 1800’s.

The most significant changes to the contract include the following:

- Erin’s final option payment on Stope Baby, which was reduced from \$80,000 cash under the original agreement, to \$15,000 cash (paid) and \$10,000 worth of shares of Erin Ventures (issued 30,030 shares).
- By completing the final option payment, Erin now immediately earns a 25% undivided equity interest in Stope Baby, as compared with no equity granted to Erin under the original terms of the contract.
- Erin now has the exclusive right to acquire up to a 100% undivided interest in Stope Baby by making exploration expenditures of \$750,000 over the next 4 years, as compared with \$950,000 of additional exploration expenditures required to earn 100% undivided interest, under the original terms.

3. May 2, 2002

Erin Ventures received a press release from Genoray, advising that Genoray has completed the acquisition of a private company, conducting business in the field of digital imaging. Erin previously owned approximately 65% of Genoray. Following the completion of this transaction, Erin owns approximately 12% of Genoray.

Disposal of Interest in Subsidiary Company



The issuer recorded a gain of \$13,734 on the disposal of its interest in Genoray during this reporting period.

### Increase in Expenses

The Corporation incurred an increase in overall expenses of \$125,587 when compared to the year ended June 30, 2001. This represents an increase of 39%. One significant expense increase was Investor Relations, which increased from \$67,500 to \$84,402. This represents an increase of 25%. This was a single-time event expense that reflects the Issuers attempt to increase its exposure within the investment community. The other significant expense increase was interest expense, which increased from \$68,680 to \$155,672. This represents an increase of 126%.

### **Discussion of Operations and Financial Condition**

During the year ended June 30, 2002 (the “period”), the Issuer expended \$444,738 on general and administrative expenses. During the Period, the Issuer expended \$20,000 on exploration expenses associated with the Stope Baby prospect, located in British Columbia and \$40,000 on expenses associated with Ras Borati Boron Property. Further development on these properties is dependent upon the Issuer securing additional financing or arranging for other parties to participate in and/or fund such development. There is no assurance that such arrangements can be secured, however the Issuer is working diligently on obtaining such funding.

### **Related Party Transactions**

During the Period, the Issuer incurred expenses of \$150,000 with related parties, as compared with \$156,000 for the year ending June 30, 2001. Of this amount \$78,000 represented management fees, \$9,000 rent, \$3,000 travel, and \$60,000 was geological consulting fees paid to a member of management (a professional mining engineer).

### **Acquisition or Abandonment of Assets**

During the Period in question, the Issuer did not acquire nor abandon any resource properties. The Issuer has decreased its ownership of Genoray from 65% to 12% and written-down the carrying value to \$1.

### **Legal Proceedings**

The Issuer is not engaged in any legal proceedings at this time.

### **Financings and Principal Purposes**

During the period ended June 30, 2002, the Issuer issued 691,365 shares pursuant to a private placement of 691,365 units at \$0.30 per unit. Each unit consists of one common share and one share purchase warrant which entitles the holders thereof the right to purchase one common share at \$0.60 per share, expiring February 15, 2003.

### **Liquidity and Solvency**

As at June 30, 2002, the Issuer had current assets of \$28,194. Current liabilities stood at \$2,186,576 which has changed insignificantly from \$2,107,312 at June 30, 2001. The Issuer has and continues to maintain good relations with its creditors. The Issuer has funded its working capital need primarily through equity sales as well as through unsecured loans. The Issuer’s ability to meet its obligations and maintain operations is contingent upon financing arrangements and the support of its creditors.

## Subsequent Events

See Note 11 to the financial statements.

### Quarterly Financial Summary

<b>For the Four Quarters for Fiscal 2002</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Net revenue (Interest Income)	124	3	4	4
Loss before discontinued operations and extraordinary items	97,705	104,425	99,521	142,952
Loss before discontinued operations and extraordinary items, per share	0.01	0.01	0.01	
Loss before discontinued operations and extraordinary items, per share fully diluted	0.01	0.01	0.01	
Loss	155,979	124,979	110,718	8,079
Loss, per share	0.01	0.01	0.01	
Loss, per share fully diluted	0.01	0.01	0.01	

<b>For the Four Quarters for Fiscal 2001</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Net revenue (Interest Income)	164	15	62	44
Loss before discontinued operations and extraordinary items	81,001	101,435	82,559	84,557
Loss before discontinued operations and extraordinary items, per share	.004	.004	.004	.004
Loss before discontinued operations and extraordinary items, per share fully diluted	.003	.004	.003	.003
Loss	98,152	98,439	134,576	4,998,434
Loss, per share	.004	.004	.006	.208
Loss, per share fully diluted	.003	.003	.005	.177

## ITEM 6: MARKET FOR SECURITIES

The Issuer's common shares trade on the TSX Venture Exchange.

## ITEM 7: DIRECTORS AND OFFICERS

<b>Name, Office Held and Municipality of Residence</b>	<b>Director Since</b>	<b>Principal Occupation For the Previous Five Years</b>
Tin Daniels <sup>(1)</sup> Director and President Victoria, British Columbia	March 20, 1996	Since 1996, President of Issuer.
Barbara Morrow <sup>(1)</sup> Director New York, New York, U.S.A.	March 7, 1998	President of Barronett Global Investors Inc., a registered investment advisor; and, President of Barronett Financial Services, Inc., a provider of consulting and financial services.
Will Thompson <sup>(1)</sup> Director Qualicum Beach, British Columbia	March 20, 1996	Since Feb., 2000, Community Development Coordinator, Kahama Mining Corporation; and, prior thereto between June 1997 and Jan. 2000, Assistant Exploration Manager with Sutton Resources Inc.; prior thereto, for two years insurance salesman; and, prior thereto self-employed mineral explorationist.
Dr. Dragoljub Jujic Director Belgrade, Yugoslavia	January 30, 1997	Since 1993, independent mining engineering consultant primarily consulting on mining technology.
Jim Wallis Director Williams Lake, British Columbia	October 22, 1999	Mining Consultant.

(1) Member of the Issuer's audit committee.

The directors of the Issuer are elected and hold office until the next annual general meeting of shareholders of the Issuer, unless any director resigns, is removed or becomes disqualified earlier.

The directors and senior officers of the Issuer as a group beneficially own, directly or indirectly, or exercise control or direction over 2,683,333 common shares representing 10.1% of the voting securities of the Issuer as of June 30, 2002.

The Issuer has no executive committee.

## **ITEM 8: ADDITIONAL INFORMATION**

The Corporation shall provide to any person, upon request to the Corporate Secretary of the Corporation:

- (a) When the securities of the Corporation are in the course of a distribution under a preliminary short form prospectus or a short form prospectus, (i) one copy of the Corporation's Annual Information Form, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the Corporation's Annual Information Form, (ii) one copy of the comparative consolidated financial statements of the Corporation for its most recently completed financial year for which financial statements have been filed together with the accompanying report of the auditors and one copy of the most recent interim financial statements of the Corporation that have been filed, if any, for any period after the end of its most recently completed financial year, (iii) one copy of the Corporation's Information Circular in respect of its most recent annual meeting of shareholders that involved the election of directors or one copy of any annual filing prepared instead of that information circular, as appropriate, and (iv) one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under (i) and (iii) above; or
- (b) At any other time, one copy of any documents referred to in (a)(i), (ii) and (iii) above, provided the Corporation may require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Corporation.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and interests of insiders in material transactions is contained in the Corporation's Information Circular for its most recent annual meeting of shareholders that involved the election of directors. Additional financial information is contained in the Corporation's annual audited comparative financial statements for the period ended June 30, 2002.

Additional copies of this Annual Information Form and the materials listed in the preceding paragraphs of this section can be obtained upon request from the Corporation at Suite 1310, 10205 101 st., Edmonton, Alberta, T5J 2Z2. The Issuer may require payment of a reasonable charge for such copy if the request is made by a person who is not a security holder of the Issuer.

### **Risk Factors**

#### Foreign Government Risks

The Issuer's major property is located in Serbia where mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Issuer and may adversely affect its business. Yugoslavia is, to a degree, a developing country, which may make

it more difficult for the Issuer to obtain any required exploration, development and production financing for projects located there. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Issuer, the extent of which cannot be predicted. Before production can commence on any properties, the Issuer must obtain regulatory and environmental approvals and there is no assurance that such approval will be obtained, and on a timely basis. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

Future operations of the Issuer, including development activities and commencement of production on its properties, will require permits from various Yugoslavian federal, state and local governmental authorities and such operations will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased cost, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits.

The Issuer's exploration activities and its potential mining and any future operations are subject to various laws governing the land use, the protection of the environment, prospecting, development, productions, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine safety and other matters. Such operations and exploration activities are also subject to substantial regulation under these laws by governmental agencies and may require that the Issuer obtain permits from various governmental agencies. The Issuer believes it is currently in substantial compliance with all material laws and regulations which currently apply to its activities. There can be no assurance, however, that all permits which the Issuer may require for construction of future mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which the Issuer might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, where more stringent implementation thereof, could have a material adverse impact on the Issuer and cause increases in capital expenditures or production costs or reduction in levels of productions at producing properties or require abandonment or delays in development of new mining properties.

The previous government of the Federal Republic of Yugoslavia conducted its actions in a manner, which resulted in the imposition of trade and economic sanctions by its major financial and trading partners resulting in severe difficulty in the Issuer in attracting financial partners for its activities in the Federal Republic of Yugoslavia.

### Title Risks

There is no guarantee that title to the mining properties the Issuer has invested into will not be challenged or impugned by third parties or that the applicable governmental authorities will not revoke, or significantly alter the conditions of the mineral properties. There is no certainty that the current rights represented by the mineral properties or any additional rights applied for, will be granted or renewed on terms satisfactory to the Issuer. **The corporation is currently renegotiating the terms of the joint venture, and accompanying title, at the insistence of the Serbian government. There is no assurance that these negotiations will be successfully concluded.**

### Currency Fluctuations and Deflationary Risks

The Issuer's operations in Yugoslavia make it subject to foreign currency fluctuations and deflationary pressures which may adversely effect the Issuer's financial position and results. With respect to Yugoslavian currency, the Issuer transfers funds to its subsidiaries on a "as needed" basis to avoid significant exposure to currency fluctuations. There can be no assurance that steps taken by management to address foreign currency fluctuations will eliminate all adverse effects and, accordingly, the Issuer may suffer losses due to adverse foreign currency fluctuations.

### Exploration and Mining Risks

Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. The long-term profitability of the Issuer's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metals from the ore and, in the case of new properties, to develop the mining and processing facilities at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

If the Issuer proceeds to production on a particular property, commercial viability will be affected by factors that are beyond the Issuer's control, including the particular attributes of the deposit, the fluctuation in mineral prices, the costs of mining, processing and refining facilities, the availability of economic sources of energy, government regulations including regulations relating to prices, royalties, restrictions on production, quotas on exportation of minerals, as well as the protection of the environment and agricultural lands. It is impossible to assess with certainty the impact of these factors.

### Competition Risks

The Issuer competes with major mining companies and other smaller natural resource companies in the acquisition, exploration, financing and development of new properties and projects. Many of these companies are more experienced, larger and better capitalized than the Issuer. The Issuer's competitive position will depend upon its ability to successfully explore, acquire and develop new and existing mineral resource properties or projects. The Issuer is also in competition with other companies insofar as they produce the same product in a market where pricing and quality advantages can be claimed by all of the market participants. Factors which allow producers to remain competitive in the market over the long term are the quality and the size of the ore body, cost of production, and proximity to market. In all of these factors, the Issuer is competitive to greater or lesser degrees but because of the limited number of companies and variables involved, an individual group of producers can be pointed to as being in direct competition.

### Financing Risks

The Issuer has limited financial resources and there is no assurance that additional funding would be available to the Issuer for further exploration or development of its properties or to fulfill its obligations under any applicable agreements. Although the Issuer has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Issuer will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Issuer's properties with the possible loss of properties.

The Issuer has no source of revenue and must rely on equity financing to support its operations.

### Uninsurable Risks

In the course of exploration, development and production of mineral properties, several risks, and in particular, unusual geological or unexpected operating conditions including rockbursts, cave-ins, fires and flooding, may occur. The Issuer may also incur liability as a result of pollution and other casualties. It is not always possible to fully insure against such risks and the Issuer may decide not to take out insurance against such risks as a result of high premiums or other reasons. Paying compensation for obligations resulting from such liability may entail significant costs for the Issuer.

### Permits and Licenses Risks

The operations of the Issuer may require licenses and permits from various governmental authorities. There can be no assurance that the Issuer will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

### Mineral Prices Risks

Factors beyond the control of the Issuer may affect the marketability of any minerals discovered. Mineral prices have fluctuated wildly, particularly in recent years. The effect of these factors cannot accurately be predicted.

### Environmental Regulations Risks

The Issuer's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environment legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcements, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Issuer intends to fully comply with all environmental regulations in Yugoslavia and in the areas in which it is active as well as with the sometimes higher standards set by North American environmental regulations.

The Issuer's Canadian operations as conducted through 766072 subject it to obligations to fund reclamation and abandonment expenses. There is no assurance that funds posted as bond with public authorities will be sufficient to fund any obligations arising from property reclamation and abandonment expenses.

### Conflicts of Interest

Certain of the directors and officers of the Issuer are also directors and/or officers and/or shareholders of other natural resource companies. Such associations may give rise to conflicts of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his or her interest and abstain from voting on such matter. In determining whether or not the Issuer will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Issuer may be exposed and its financial position at the time.

### Directors and Assets Outside Canada

Certain of the directors are resident outside of Canada, and it may not be possible to effect service of process upon such directors and since all or a substantial portion of the assets of such directors are located outside of Canada, there may be difficulties in enforcing against such directors the judgments obtained in Canadian courts. Similarly, substantially all of the Issuer's non-monetary assets are located outside of Canada and there may be difficulties in enforcing against the Issuer judgments obtained in Canadian courts.

## Glossary

Certain terms used in this Annual Information Form are defined below:

“**alteration**” means any change in the mineralogic composition of a rock brought about by physical or chemical means.

“**andesite**” means a dark-colored, fine-grained extrusive rock.

“**anomaly (geophysical)**” means a deviation from uniformity or regularity in geophysical quantities.

“**anomaly (geochemical)**” means a deviation from uniformity or regularity in geochemical quantities.

“**biotite**” means a widely distributed and important rock-forming mineral of the mica group.

“**borate**” means a generic term for boron compounds that contain oxygen.

“**borax**” means natural or refined sodium tetraborate decahydrate. This term is also used for pentahydrate (five molecules of water) and anhydrous (without water) forms of the refined mineral.

“**boric acid**” means a compound formed from the reaction of borates with acid and was formerly called boracic acid. Its formula is  $H_3BO_3$ .

“**boric oxide**” means anhydrous boric acid,  $B_2O_3$ . The boron content of materials is usually measured by their percentage of  $B_2O_3$ .

“**boron**” means a non-metallic element, fifth in the atomic table. In nature, boron always occurs in combination with oxygen and other elements, notably sodium and/or calcium.

“**claystones**” means fine, compact equigranular rock composed of clay particles.

“**colemanite**” means the principal calcium borate mineral, used mainly for making boric acid.

“**contiguous**” means touching or joining at the edge or boundary; adjacent.

“**deposit**” means a mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; such a deposit does not qualify as a commercially mineable ore body or as containing ore reserves, until final legal, technical and economic factors have been resolved.

“**diorite**” means a group of plutonic rocks intermediate in composition between acidic and basic rocks.

“**epigenetic**” is said of a mineral deposit of origin later than that of the enclosing rocks.

“**fracture**” means any break in a rock, includes, cracks, joints and faults.

“**geochemical survey**” means the sampling of rocks, stream sediments, and soils in order to locate abnormal concentrations of metallic elements or minerals. The samples are usually assayed by various methods to determine the quantities of elements or minerals in each sample.

“**geophysical survey**” means the exploration of an area in which physical properties relating to geology are used. Geophysical methods include seismic, magnetic, gravity and induced polarization techniques.

“**granodiorite**” means a group of coarse-grained plutonic rocks intermediate in composition between quartz diorite and quartz monzonite, containing quartz, plagioclase and potassium feldspar, with biotite, hornblende.

“**hornblende**” refers to the commonest minerals of the amphibole group. It has a variable composition, and may contain potassium and appreciable fluorine.

“**induced polarization survey**” means a method of ground geophysical surveying employing current to determine indications of mineralization through electrical conductivity.

“**intermontaine belt**” refers to the north-south trending tectonic belt bordered by the Coast Crystalline belt to the west and the Omineca belt to the east in the province of British Columbia.

“**kernite**” means a sodium borate mineral with four molecules of water, used for the manufacture of boric acid.

“**marls**” means fine compact water impervious clays.

“**mineralization**” means a natural aggregate of one or more metalliferous minerals.

“**monzonite**” means a group of plutonic rocks intermediate in composition between syenite and diorite.

“**plagioclase**” means a group of triclinic feldspars of general formula. Plagioclase minerals are among the commonest rock-forming minerals.

“**reverse circulation drilling**” means a drilling method used in geological appraisals whereby the drilling fluid passes inside the drill stem to a down-the-hole precision bed and returns to the surface outside the drill stem carrying chips of rock.

“**sediment**” means a solid fragmental material that originates from weathering of rocks.

“**siltstone**” means an indurated silt having the texture and composition of shale but lacking its fine lamination.

“**syenite**” means a group of plutonic rocks containing alkali feldspar (usually orthoclase, microcline, or perthite), a small amount of plagioclase (less than in monzonite), one or more mafic minerals.

“**tincal**” means the historic name of decahydrate borax, the principal sodium borate mineral.

“**tuff**” means a compacted pyroclastic deposit of volcanic ash and dust which may or may not contain up to 50% sediments such as sand or clay.

“**ulexite**” means a sodium-calcium borate mineral, often called “cottonball” in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries because of the silky, felted appearance of its crystals.

“**VLF- EM survey**” means a very low frequency electromagnetic geophysical survey.



## Metric Equivalents and Abbreviations

For ease of reference, the following conversion factors are provided:

1 acre	= 0.4047 hectares
1 foot	= 0.3048 metres
1 gram per tonne	= 0.0291 ounces per ton
1 ton	= 0.9072 tonnes (2000 pounds)
1 mile	= 1.6093 kilometres
1 troy ounce	= 31.1035 grams
1 square mile	= 2.59 square kilometers (259 hectares)
1 tonne	= metric tonne (2204.6 pounds)
short ton	= ton

The following abbreviations of measurements are used herein:

g	= grams	mg	= milligrams
g/t	= grams per tonne	mg/m <sup>3</sup>	= milligrams per cubic metre
km	= kilometers	t	= tones
m	= metre	oz.	= Troy ounces
m <sup>2</sup>	= square metre	oz./t	= Troy ounces per tonne
ha	= hectares	ppb	= parts per billion
m <sup>3</sup>	= cubic metre	ppm	= parts per million

The following abbreviations are used herein:

B <sub>2</sub> O <sub>3</sub>	= boric oxide	Au	= gold
SiO <sub>2</sub>	= silica	Zn	= zinc
MgO	= magnesium oxide	Cu	= copper
CaO	= calcium oxide		
Na <sub>2</sub> O	= sodium oxide		
K <sub>2</sub> O	= potassium oxide		

**SCHEDULE A**  
**TO ANNUAL INFORMATION FORM**  
of Erin Ventures Inc. dated January 23, 2001

**Assay results from hole #B-9 as published by Issuer on February 5, 1998**

Four main borite beds were intersected for a total of 23 metres of compact (high grade) borite. The top bed returned a 10 metre intersection of 35.36% B<sub>3</sub> (boron) including 3.5 metres of 43.18% B<sub>2</sub>O<sub>3</sub>; the next bed returned a 2.5 metre intersection with an average grade of 30.94% B<sub>2</sub>O<sub>3</sub>; the third bed included a 3 metre intersection with an average grade of 22.25% B<sub>2</sub>O<sub>3</sub>; and the last bed included a 3 metre intersection with an average grade of 24.92% B<sub>2</sub>O<sub>3</sub>.

As well, these results confirm that the upper two borite beds, discovered during earlier wide spaced drilling, have continuity.

In accordance with the policies of The Alberta Stock Exchange, the following technical information is provided.

Results are stated as a percentage concentration.

All measurements are metric.

Chemical analysis was conducted by Geozavod-nemetali (Geological Institute of Yugoslavia).

Analytical Methodology : standard chemical analysis.

Duplicate sample splits and pulps have been sent to Lakefield Research in Lakefield, Ontario for check analysis.

Samples were collected between 06/11/97 and 11/11/97.

Analysis was conducted between 26/01/98 and 28/01/98.

Results presented are from drill hole B-9/97.

All results are expressed as per cent.

Location: Piskanja Project, Baljevac, Yugoslavia.

Sample type: Reverse circulation - centre line sampling system.

Azimuth/dip: vertical hole, 90 degree dip.  
sample interval is 0.5 metres.

Lithology is typical of sedimentary basins, primarily shales, marls and limestone with two primary gently undulating borate beds, mineralization is primarily dense, compact colemanite with some ulexite.

sample widths: 0.5 metres.

Weighted average grades:

10 m of 35.36% B<sub>2</sub>O<sub>3</sub>, includes 3.5 m of 43.18% B<sub>2</sub>O<sub>3</sub>; 2.5 m of 30.94% B<sub>2</sub>O<sub>3</sub>; 3 m of 22.25% B<sub>2</sub>O<sub>3</sub>; 3 m of 24.92% B<sub>2</sub>O<sub>3</sub>

GEOZAVOD-NEMETALI  
(Geological Institute of Yugoslavia)

Redni broj	B-9	Od - do		ANALIZA				
		m	%	%	%	%	%	%
			SiO(2)	MgO	CaO	Na(2)O	K(2)O	B(2)O(3)
1.	B-9	76.0--76.5	34.80	10.31	9.67	2.80	2.06	0.13
2.	B-9	77.5--78.0	32.00	10.74	14.92	1.45	2.00	0.12
3.	B-9	105.0--105.5	3.90	4.0	50.75	0.48	0.23	0.23
4.	B-9	105.5--106.0	4.21	10.38	40.00	0.34	0.37	0.22
5.	B-9	106.0--106.5	10.36	7.84	37.00	0.71	1.37	0.21
6.	B-9	106.5--107.0	3.68	8.11	44.80	0.11	0.38	0.18
7.	B-9	107.0--107.5	7.56	6.08	41.50	0.38	0.65	0.27
8.	B-9	121.5--122.0	31.90	10.09	11.76	1.73	2.95	14.00
9.	B-9	122.0--122.5	29.64	11.00	12.57	1.83	3.22	0.14
10.	B-9	122.5--123.0	25.80	11.10	16.50	1.72	2.62	0.88
11.	B-9	123.0--123.5	8.30	6.04	32.30	0.57	0.93	25.70
12.	B-9	123.5--124.0	2.60	1.16	26.80	0.50	0.32	51.00
13.	B-9	124.0--124.5	6.05	7.00	23.60	0.56	0.68	37.20
14.	B-9	124.5--125.0	7.86	10.70	22.80	0.23	0.97	26.60
15.	B-9	125.0--125.5	3.66	2.74	28.70	0.11	0.63	49.80
16.	B-9	125.5--126.0	4.00	1.50	25.80	0.13	0.77	44.20
17.	B-9	126.0--126.5	2.47	1.37	27.50	0.10	0.53	50.33
18.	B-9	126.5--127.0	10.20	5.13	26.80	0.36	1.24	28.65
19.	B-9	127.0--127.5	15.30	6.16	24.00	0.55	1.55	26.00
20.	B-9	127.5--128.0	15.30	4.93	22.00	0.58	1.40	35.47
21.	B-9	128.0--128.5	6.10	3.10	22.90	0.26	0.37	40.31
22.	B-9	128.5--129.0	9.38	4.70	22.00	0.70	0.98	32.00
23.	B-9	129.0--129.5	13.30	4.72	16.20	4.00	1.26	30.60
24.	B-9	129.5--130.0	14.70	4.64	16.20	3.48	1.30	29.00

25.	B-9	130.0--130.5	14.40	6.00	16.50	3.92	1.24	32.70
26.	B-9	130.5--131.0	13.20	4.50	15.20	5.14	1.00	35.85
27.	B-9	131.0--131.5	8.50	2.65	16.60	5.57	0.60	36.83
28.	B-9	131.5--132.0	17.60	6.20	13.30	4.62	1.14	25.52
29.	B-9	132.0--132.5	8.23	2.45	16.10	5.75	1.07	34.50
30.	B-9	132.5--133.0	7.70	2.43	16.20	5.70	0.88	35.00
31.	B-9	133.0--133.5	10.90	18.30	12.90	1.63	1.15	13.50
32.	B-9	133.5--134.0	20.80	22.90	7.66	1.26	0.54	7.06
33.	B-9	134.0--134.5	14.30	17.90	14.00	1.13	0.36	12.18
34.	B-9	134.5--135.0	6.04	21.40	16.80	0.46	0.28	4.80
35.	B-9	135.0--135.5	12.00	20.20	16.20	0.64	0.47	5.66
36.	B-9	135.5--136.0	20.60	17.90	14.50	1.02	0.87	1.95
37.	B-9	136.0--136.5	26.40	12.70	6.45	2.23	2.20	6.28
38.	B-9	136.5--137.0	27.50	13.00	8.84	2.61	1.90	12.54
39.	B-9	141.5--142.0	20.75	11.80	18.10	2.11	3.54	6.40
40.	B-9	142.0--142.5	9.62	2.95	23.58	0.40	0.91	38.71
41.	B-9	142.5--143.0	29.50	7.65	15.27	1.61	2.92	14.13
44.	B-9	144.0--144.5	12.73	5.65	19.16	1.70	1.67	26.51
45.	B-9	152.0--152.5	42.30	6.55	9.20	2.68	2.80	2.12
46.	B-9	152.5--153.0	43.20	6.15	7.66	4.22	2.70	4.90
47.	B-9	153.0--153.5	44.00	5.63	8.84	3.00	2.65	5.30
48.	B-9	153.5--154.0	44.80	5.50	8.58	3.45	3.32	5.35
49.	B-9	154.0--154.5	39.60	5.45	10.24	3.08	3.45	6.73
50.	B-9	181.0--182.0	31.00	11.04	12.08	1.75	3.45	6.48
51.	B-9	182.0--183.0	8.64	8.32	23.30	0.60	1.24	27.80
52.	B-9	183.0--184.0	4.27	4.04	25.74	0.20	0.40	38.80
53.	B-9	183.5--184.0	33.65	12.52	12.16	1.68	4.32	0.48
54.	B-9	184.0--184.5	9.80	7.45	22.50	1.25	1.75	28.77
55.	B-9	184.5--185.0	17.70	15.26	21.00	1.44	2.53	2.66
56.	B-9	185.0--185.5	7.85	3.97	24.23	0.72	0.86	35.00

57.	B-9	185.5--186.0	37.46	11.23	10.03	1.75	4.67	0.90
58.	B-9	186.0--186.5	46.50	7.73	4.73	2.00	5.18	0.80
59.	B-9	186.5--187.0	41.87	9.35	4.95	1.96	5.10	0.60
60.	B-9	187.0--187.5	32.65	12.18	10.70	2.26	2.92	1.00
61.	B-9	221.5--220.0	51.08	5.35	4.55	1.98	3.41	2.60
62.	B-9	220.0--222.5	49.04	4.70	7.00	2.90	3.38	2.53
63.	B-9	222.5--223.0	50.75	5.03	4.73	2.00	3.58	0.68
64.	B-9	223.0--223.5	49.50	5.48	3.68	2.48	3.66	0.75
65.	B-9	254.0--254.5	40.20	11.50	5.10	2.05	3.07	2.10
66.	B-9	254.5--255.0	26.00	9.60	13.50	1.50	2.27	14.00
67.	B-9	255.0--255.5	9.00	7.31	24.00	0.65	0.57	35.00
68.	B-9	255.5--256.0	6.90	8.56	21.60	0.55	0.40	27.00
69.	B-9	256.0--256.5	5.30	9.65	22.00	0.26	0.54	31.00
70.	B-9	256.5--257.0	3.00	10.65	22.80	0.10	0.17	31.40
71.	B-9	257.0--255.5	5.75	14.50	21.50	0.21	0.58	21.10
72.	B-9	257.5--258.0	27.50	16.60	18.00	0.71	0.47	0.93
73.	B-9	258.0--258.5	29.80	11.78	5.50	1.26	2.34	0.83
74.	B-9	258.5--259.0	40.06	8.87	2.40	1.67	4.40	0.90

>>

**SCHEDULE B TO ANNUAL INFORMATION FORM**  
of Erin Ventures Inc. dated November 13, 2001

**BORON**

(Data in thousand metric tons of boric oxide (B<sub>2</sub>O<sub>3</sub>), unless otherwise noted)

**Domestic Production and Use:** The estimated value of boric oxide contained in minerals and compounds produced in 2000 was \$498 million. Domestic production of boron minerals, primarily as sodium borates, by four companies was centered in southern California. The largest producer operated an open pit tincal and kernite mine and associated compound plants. A second firm, using Searles Lake brines as raw material, accounted for the majority of the remaining output. A third company continued to process small amounts of calcium and calcium sodium borates. A fourth company used an in-situ process. Principal consuming firms were in the North Central United States and the Eastern United States. The reported distribution pattern for boron compounds consumed in the United States in 1999 was as follows: glass products, 73%; soaps and detergents, 6%; agriculture, 3%; fire retardants, 4%; and other, 14%.

<b>Salient Statistics—United States:</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000<sup>e</sup></b>
Production <sup>1</sup>	581	604	587	618	627
Imports for consumption, gross weight:					
Borax	11	54	14	8	1
Boric acid	25	26	23	30	37
Colemanite	44	44	47	42	63
Ulexite	136	157	170	178	104
Exports, gross weight:					
Boric acid	42	92	106	107	40
Refined sodium borates	381	473	453	450	380
Consumption:					
Apparent	234	483	412	534	503
Reported	367	403	NA	416	NA
Price, dollars per ton, granulated pentahydrate borax in bulk, carload, works <sup>2</sup>	375	340	340	376	376
Stocks, yearend <sup>3</sup>	NA	NA	NA	NA	NA
Employment, number	900	900	900	900	900
Net import reliance <sup>4</sup> as a percent of apparent consumption	E	E	E	E	E

**Recycling:** Insignificant.

**Import Sources (1996-99):** Boric acid: Chile, 37%; Turkey, 30%; Bolivia, 19%; Italy, 6%; Peru, 5%; other, 3%.

<b>Tariff:</b>	<b>Item</b>	<b>Number</b>	<b>Normal Trade Relations 12/31/00</b>
Borates:			
Refined borax:			
Anhydrous		2840.11.0000	0.3% ad val.
Other		2840.19.0000	0.1% ad val.
Other		2840.20.0000	3.7% ad val.
Perborates:			
Sodium		2840.30.0010	3.7% ad val.
Other		2840.30.0050	3.7% ad val.
Boric acids		2810.00.0000	1.5% ad val.
Natural borates:			
Sodium		2528.10.0000	Free.
Other:			
Calcium		2528.90.0010	Free.

Other

2528.90.0050

Free.

**Depletion Allowance:** Borax, 14% (Domestic and foreign).

**Government Stockpile:** None.

**Events, Trends, and Issues:** The United States was the world's largest producer of boron compounds during 2000 and exported about one-half of domestic production. All production was from California. Exported materials competed with borax, boric acid, colemanite, and ulexite primarily from Turkey, the largest producer of boron ore in the world.

The large surface mine increased its stripping ratio to 36 to 1 during the year. An unforeseen slide involving some 32 million tons of material during 1999 increased the quantity of stripped overburden during the year to 100 million tons. The increased overburden removal is a result of a plan to increase the stability by constructing less steep benches. An agreement between the largest producer of borates and a large producer of flame retardants was signed to develop and expand the use of borates in plastics and as polymer additives. Potential opportunities for growth include the use of zinc borates in styrenics, engineering plastics and other compounds that take advantage of the low toxicity and flame-retardant performance of zinc borates.

The production of boron, sodium bicarbonate, and sodium sulfate production from underground brines in California continued, and the company planned a sale of the assets.

**World Production, Reserves, and Reserve Base:**<sup>5</sup>

	Production—all forms		Reserves <sup>6</sup>	Reserve base <sup>6</sup>
	1999	2000 <sup>e</sup>		
United States	1,220	1,120	40,000	80,000
Argentina	350	350	2,000	9,000
Bolivia	10	10	4,000	19,000
Chile	200	200	8,000	41,000
China	110	110	27,000	36,000
Iran	1	1	1,000	1,000
Kazakhstan	1	1	14,000	15,000
Peru	30	30	4,000	22,000
Russia	1,000	1,000	40,000	100,000
Turkey	<u>1,410</u>	<u>1,400</u>	<u>30,000</u>	<u>150,000</u>
World total (rounded)	4,370	4,270	170,000	470,000

**World Resources:** Large domestic reserves of boron materials occur in California, chiefly in sediments and their contained brines. Extensive resources also occur in Turkey. Small deposits are being mined in South America. At current levels of consumption, world resources are adequate for the foreseeable future.

**Substitutes:** Substitution for boron materials is possible in such applications as soaps, detergents, enamel, and insulation. In soaps, sodium and potassium salts of fatty acids are the usual cleaning and emulsion agents. Borates in detergents can be replaced by chlorine bleach or enzymes. Some enamels use other glass-producing substances, such as phosphates. Insulation substitutes include foams and mineral wools.

<sup>0</sup> Estimated. E Net exporter. NA Not available.

<sup>1</sup> Minerals and compounds sold or used by producers; includes both actual mine production and marketable products.

<sup>2</sup> Chemical Market Reporter.

<sup>3</sup> Stocks data are not available and are assumed to be zero for net import reliance and apparent consumption calculations.

<sup>4</sup> Defined as imports - exports + adjustments for Government and industry stock changes.

<sup>5</sup> Gross weight of ore in thousand metric tons.

<sup>6</sup> See Appendix C for definitions.

## APPENDIX A

### Abbreviations and Units of Measure

1 carat (metric) (diamond)	= 200 milligrams
1 flask (f)	= 76 pounds, avoirdupois
1 karat (gold)	= one twenty-fourth part
1 kilogram (kg)	= 2.2016 pounds, avoirdupois
1 long ton (lt)	= 2,240 pounds, avoirdupois
1 long ton unit (ltu)	= 1% of 1 long ton or 22.4 pounds avoirdupois
long calcined ton (let)	= excludes water of hydration
long dry ton (ldt)	= excludes excess free moisture
Mcf	= 1,000 cubic feet
1 metric ton (t)	= 2,204.6 pounds, avoirdupois or 1,000 kilograms
1 metric ton (t)	= 1.1023 short ton
1 pound (lb)	= 453.6 grams
1 short ton (st)	= 2,000 pounds, avoirdupois
1 short ton unit (stu)	= 1% of 1 short ton or 20 pounds, avoirdupois
1 short dry ton (sdt)	= 2,000 pounds, avoirdupois, excluding moisture content
1 troy ounce (tr oz)	= 1.09714 avoirdupois ounces
1 troy pound	= 12 troy ounces



## APPENDIX B

### Terms Used for Materials in the National Defense Stockpile

**Uncommitted inventory**, as used by the Department of Defense, refers simply to material currently in the stockpile, whether stockpile-grade or nonstockpile-grade. In the tables for this report, only the stockpile-grade material is listed; nonstockpile-grade material, if any, is cited in the text.

**Committed inventory** refers to both stockpile-grade materials and nonstockpile-grade materials that have been sold or traded from the stockpile, either in the current fiscal year or in prior years, but not yet removed from stockpile facilities.

**Authorized for disposal** refers to quantities that are in excess of the stockpile goal for a material, and for which Congress has authorized disposal over the long term at rates designed to maximize revenue but avoid undue disruption of the usual markets and loss to the United States.

**Disposal plan FY 1999** refers the Defense Logistics Agency's Annual Materials Plan for the fiscal year. Fiscal year 1999 is the period 10/1/98 through 9/30/99.

**Disposals FY 1998** refers to material sold or traded from the stockpile in fiscal year 1999; it may or may not have been removed by the buyers.

## APPENDIX C

### A Resource/Reserve Classification for Minerals<sup>1</sup>

#### INTRODUCTION

Through the years, geologists, mining engineers, and others operating in the minerals field have used various terms to describe and classify mineral resources, which as defined herein include energy materials. Some of these terms have gained wide use and acceptance, although they are not always used with precisely the same meaning.

The U.S. Geological Survey collects information about the quantity and quality of all mineral resources. In 1976, the Survey and the U.S. Bureau of Mines developed a common classification and nomenclature, which was published as U.S. Geological Survey Bulletin 1450-A—*“Principles of the Minerals Resource Classification System of the U.S. Bureau of Mines and U.S. Geological Survey.”* Experience with this resource classification system showed that some changes were necessary in order to make it more workable in practice and more useful in long-term planning. Therefore, representatives of the U.S. Geological Survey and the U.S. Bureau of Mines collaborated to revise Bulletin 1450-A. Their work was published in 1980 as U.S. Geological Survey Circular 831—*“Principals of a Resource/Reserve Classification for Minerals.”*

Long-term public and commercial planning must be based on the probability of discovering new deposits, on developing economic extraction processes for currently unworkable deposits, and on knowing which resources are immediately available. Thus, resources must be continuously reassessed in the light of new geologic knowledge, of progress in science and technology, and of shifts in economic and political conditions. To best serve these planning needs, known resources should be classified from two standpoints: (1) purely geologic or physical/chemical characteristics—such as grade, quality tonnage, thickness, and depth—of the material in place, and (2) profitability analyses based on costs of extracting and marketing the material in a given economy at a given time. The former constitutes important objective scientific information of the resource and a relatively unchanging foundation upon which the latter more valuable economic delineation can be based.

The classification of mineral and energy resources is necessarily arbitrary, because definitional criteria do not always coincide with natural boundaries. The system can be used to report the status of mineral and energy-fuel resources for the Nation or for specific areas.

#### RESOURCE/RESERVE DEFINITIONS

A dictionary definition of resource, “something in reserve or ready if needed,” has been adapted for mineral and energy resources to comprise all materials, including those only surmised to exist, that have present in anticipated future value.

**Resource.**—A concentration of naturally occurring solid, liquid, or gaseous material in or on the Earth's crust in such form and amount that economic extraction of commodity from the concentration is currently or potentially feasible.

**Original Resource.**—The amount of a resource before production.

**Identified Resources.**—Resources whose location, grade quality, and quantity are known or estimated from specific geologic evidence. Identified resources include economic, marginally economic, and sub-economic components. To reflect varying degrees of geologic certainty, these economic divisions can be subdivided into measured, indicated, and inferred.

**Demonstrated.**—A term for the sum of measured plus indicated.

**Measured.**—Quantity is computed from dimensions revealed in outcrops, trenches, workings, or drill holes; grade and(or) quality are computed from the results of detailed sampling. The sites for inspection, sampling, and measurements are spaced so closely and the geologic character is so well defined that size, shape, depth, and mineral content of the resource are well established.

**Indicated.**—Quantity and grade and(or) quality are computed from information similar to that used for measured resources, but the sites for inspection, sampling, measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for measured resources, is high enough to assume continuity between points of observation.

**Inferred.**—Estimates are based on an assumed continuity beyond measured and(or) indicated resources, for which there is geologic evidence. Inferred resources may or may not be supported by samples or measurements.

**Reserve Base.**—That part of an identified resource that meets specified minimum physical and chemical criteria related to current mining and production practices, including those for grade, quality, thickness, and depth. The reserve base is the in-place demonstrated (measured plus indicated) resource from which reserves are estimated. It may encompass those parts of the resources that have a reasonable potential for becoming economically available within planning horizons beyond those that assume proven technology and current economics. The reserve base includes those resources that are currently economic (reserves), marginally economic (marginal reserves), and some of those that are currently subeconomic (subeconomic resources). The term "geologic reserve" has been applied by others generally to the reserve-base category, but it also may include the inferred-reserve-base category/ it is not a part of this classification system.

**Inferred Reserve Base.**—The in-place part of an identified resource from which inferred reserves are estimated. Quantitative estimates are based largely on knowledge of the geologic character of a deposit and for which there may be no samples or measurements. The estimates are based on an assumed continuity beyond the reserve base, for which there is geologic evidence.

**Reserves.**—That part of the reserve base which could be economically extracted or produced at the time of determination. The term reserves need not signify that extraction facilities are in place and operative. Reserves include only recoverable materials; thus, terms such as "extractable reserves" and "recoverable reserves" are redundant and are not a part of this classification system.

**Marginal Reserves.**—That part of the reserve base which, at the time of determination, borders on being economically producible. Its essential characteristic is economic uncertainty. Included are resources that would be producible, given postulated changes in economic or technological factors.

**Economic.**—This term implies that profitable extraction or production under defined investment assumptions has been established, analytically demonstrated, or assumed with reasonable certainty.

**Subeconomic Resources.**—The part of identified resources that does not meet the economic criteria of reserves and marginal reserves.

**Undiscovered Resources.**—Resources, the existence of which are only postulated, comprising deposits that are separate from identified resources. Undiscovered resources may be postulated in deposits of such grade and physical location as to render them economic, marginally economic, or subeconomic. To reflect varying degrees of geologic certainty, undiscovered resources may be divided into two parts.

**Hypothetical Resources**—Undiscovered resources that are similar to known mineral bodies and that may be reasonably expected to exist in the same producing district or region under analogous geologic conditions. If exploration confirms their existence and reveals enough information about their quality, grade, and quantity, they will be reclassified as identified resources.

**Speculative Resources.**—Undiscovered resources that may occur either in known types of deposits in favorable geologic settings where mineral discoveries have not been made, or in types of deposits as yet unrecognized for their economic potential. If exploration confirms their existence and reveals enough information about their quantity, grade, and quality, they will be reclassified as identified resources.

**Restricted Resources/Reserves.**—That part of any resource/reserve category that is restricted from extraction by laws or regulations. For example, restricted reserves meet all the requirements of reserves except that they are restricted from extraction by laws or regulations.

**Other Occurrences.**—Materials that are too low grade or for other reasons are not considered potentially economic. In the same sense as the defined resource, may be recognized and their magnitude estimated, but they are not classified as resources. The boundary is obviously uncertain, but limits may be specified in terms of grade, quality, thickness, depth, percent extractable, or other economic-feasibility variables.

**Cumulative Production.**—The amount of past cumulative production is not, by definition, a part of the resource. Nevertheless, a knowledge of what has been produced is important to an understanding of current resources, in terms of both the amount of past production and the amount of residual or remaining in-place resource. Residual material left in the ground during current or future extraction should be recorded in the resource category appropriate to its economic-recovery potential.