

ERIN VENTURES INC.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2004

(Unaudited)

THE ACCOMPANYING FINANCIAL STATEMENT FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2004 AND 2003 HAVE NOT BEEN REVIEWED OR AUDITED BY THE COMPANY'S AUDITORS.

ERIN VENTURES INC.
INTERIM CONSOLIDATED BALANCE SHEETS
December 31, 2004 and June 30, 2004
(Unaudited)

	December 31, <u>2004</u>	June 30, <u>2004</u>
<u>ASSETS</u>		
Current		
Cash	\$ 312,758	\$ 335,398
Mining tax credit receivable	3,700	3,700
GST receivable	2,962	1,308
Prepaid expense	<u>-</u>	<u>745</u>
	319,420	341,151
Capital assets	3,262	3,711
Investment	1	1
Resource properties	<u>254,329</u>	<u>254,329</u>
	<u>\$ 577,012</u>	<u>\$ 599,192</u>
<u>LIABILITIES</u>		
Current		
Accounts payable – Note 3	\$ 196,122	\$ 232,176
Note payable	<u>440,837</u>	<u>511,903</u>
	<u>636,959</u>	<u>744,079</u>
<u>SHAREHOLDERS' DEFICIENCY</u>		
Share capital – Note 2	8,406,920	8,190,920
Shares subscribed – Note 2	192,499	28,000
Deficit	<u>(8,659,366)</u>	<u>(8,363,807)</u>
	<u>(59,947)</u>	<u>(144,887)</u>
	<u>\$ 577,012</u>	<u>\$ 599,192</u>

SEE ACCOMPANYING NOTES

ERIN VENTURES INC.
INTERIM CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
for the three and six months ended December 31, 2004 and 2003
(Unaudited)

	Three months ended December 31,		Six months ended December 31,	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Administrative Expenses				
Accounting and audit fees	\$ 6,400	\$ 2,000	\$ 9,400	\$ 6,413
Amortization	224	240	449	480
Consulting fees– Note 3	7,667	3,500	10,000	9,365
Filing fees	1,515	3,215	1,515	5,540
Interest	15,387	17,330	32,777	46,043
Investor relations	10,000	14,158	30,000	49,133
Legal fees	875	-	5,957	-
Management fees – Note 3	15,000	15,000	30,000	35,000
Office and miscellaneous – Note 3	14,183	12,856	24,430	28,572
Rent	3,926	4,235	8,161	8,470
Telephone	9,378	6,740	11,775	11,810
Transfer agent fees	1,204	1,393	2,422	2,151
Travel and promotion – Note 3	16,614	1,781	32,071	15,049
Web site	<u>497</u>	<u>297</u>	<u>600</u>	<u>400</u>
Loss before other items	(102,870)	(82,745)	(199,557)	(218,426)
Other items:				
Interest income	-	-	2	405
Foreign exchange loss	(5,852)	-	(14,422)	-
Gain on settlement of accounts payable	-	-	-	7,032
Write-off of advance receivable	-	(17,439)	-	(17,439)
Property investigation costs – Note 3	(58,782)	-	(66,282)	-
Development plan – Piskanja property - Note 3	<u>(6,800)</u>	<u>(19,884)</u>	<u>(15,300)</u>	<u>(82,681)</u>
Net loss for the period	<u>\$ (174,304)</u>	<u>\$ (120,068)</u>	(295,559)	(311,109)
Deficit, beginning of the period			<u>(8,363,807)</u>	<u>(7,784,534)</u>
Deficit, end of the period			<u>\$ (8,659,366)</u>	<u>\$ (8,095,643)</u>
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>

SEE ACCOMPANYING NOTES

ERIN VENTURES INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
for the three and six months ended December 31, 2004 and 2003
(Unaudited)

	Three months ended December 31,		Six months ended December 31,	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Operating Activities				
Net loss for the period	\$ (174,304)	\$ (120,068)	\$ (295,559)	\$ (311,109)
Items not affecting cash:				
Amortization	224	240	449	480
Foreign exchange loss	5,852	-	14,422	-
Gain on settlement of accounts payable	-	-	-	(7,032)
Accrued interest payable	<u>13,619</u>	<u>-</u>	<u>28,934</u>	<u>-</u>
	(154,609)	(119,828)	(251,754)	(317,661)
Changes in non-cash working capital accounts related to operations				
Mining tax credit receivable	-	-	-	7,954
GST receivable	(1,470)	(452)	(1,654)	129
Prepaid expenses	4,667	745	745	-
Accounts payable	<u>(36,172)</u>	<u>(50,024)</u>	<u>(50,476)</u>	<u>(68,163)</u>
	<u>(187,584)</u>	<u>(169,559)</u>	<u>(303,139)</u>	<u>(377,741)</u>
Financing Activities				
Issuance of common shares	216,000	-	216,000	258,070
Shares subscribed, net of fees paid	(8,501)	(11,606)	164,499	151,654
Repayment of notes payable	<u>(100,000)</u>	<u>(200,934)</u>	<u>(100,000)</u>	<u>(196,399)</u>
	<u>107,499</u>	<u>(212,540)</u>	<u>280,499</u>	<u>213,325</u>
Decrease in cash during the period	(80,085)	(382,099)	(22,640)	(164,416)
Cash, beginning of the period	<u>392,843</u>	<u>493,010</u>	<u>335,398</u>	<u>275,327</u>
Cash, end of the period	<u>\$ 312,758</u>	<u>\$ 110,911</u>	<u>\$ 312,758</u>	<u>\$ 110,911</u>
Supplemental disclosure of cash flow information:				
Cash paid for:				
Interest	<u>\$ -</u>	<u>\$ 8,043</u>	<u>\$ 19,017</u>	<u>\$ 14,436</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Non-cash Transactions – Note 4

SEE ACCOMPANYING NOTES

ERIN VENTURES INC.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2004
(Unaudited)

Note 1 Interim Reporting

While the information presented in the accompanying interim financial statements is unaudited, it includes all adjustments which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented. It is suggested that these interim financial statements be read in conjunction with the Company's audited June 30, 2004 financial statements. These statements follow the same accounting policies and methods of their application as the Company's June 30, 2004 annual financial statements.

Note 2 Share Capital

a) Authorized:

Unlimited voting common shares without par value
Unlimited preferred shares without par value

b) Issued and fully paid common shares:

	<u>Number</u>	<u>Amount</u>
Balance, June 30, 2004	35,039,763	\$ 8,190,920
For cash:		
Pursuant to private placements - at \$0.25	812,000	203,000
Less: issue costs	-	(15,000)
Exercise of warrants - at \$0.35	<u>80,000</u>	<u>28,000</u>
Balance, December 31, 2004	<u>35,931,763</u>	<u>\$ 8,406,920</u>

c) Commitments:

Stock-based Compensation Plan

The Company has granted directors and employees common share purchase options. These options are granted with an exercise price equal to the market price of the Company's shares on the date of the grant.

Note 2 Share Capital – (cont'd)

c) Commitments: - (cont'd)

Stock-based Compensation Plan – (cont'd)

A summary of the stock option plan is presented below:

	Six months ended December 31, 2004		2003	
	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding at beginning of period	300,000	\$0.25	960,000	\$0.45
Expired	<u>-</u>	-	<u>(100,000)</u>	\$0.45
Outstanding at end of period	<u>300,000</u>	\$0.25	<u>860,000</u>	\$0.45

At December 31, 2004 the Company has 300,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held for \$0.25 per share until January 18, 2006.

Shares Subscribed

At December 31, 2004, the Company had received \$192,499 net of commissions of \$15,600 with respect to a proposed private placement of 693,662 units at \$0.30 per unit. Each unit will consist of one common share of the Company and one common share purchase warrant to purchase one common share for each warrant held at \$0.50 per share until September 9, 2005. Subsequent to December 31, 2004, the Company issued the 693,662 units.

Note 2 Share Capital – (cont'd)

c) Commitments: – (cont'd)

Share Purchase Warrants

At December 31, 2004 the Company has 3,462,000 common share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
1,300,000	\$0.35	March 1, 2005
800,000	\$0.35	March 8, 2005
550,000	\$0.75	March 26, 2005
<u>812,000</u>	\$0.35	September 9, 2005
<u>3,462,000</u>		

During the six months ended December 31, 2004 130,000 common share purchase warrants, previously outstanding and exercisable at \$0.50 per share, expired unexercised.

Note 3 Related Party Transactions

The Company incurred the following costs charged by directors of the Company:

	Six months ended December 31,	
	<u>2004</u>	<u>2003</u>
Development plan – Piskanja property	\$ 10,500	\$ 15,000
Property investigation costs	7,500	-
Management fees	30,000	35,000
Consulting fees	7,000	5,000
Office and miscellaneous	2,438	-
Travel and promotion	<u>10,111</u>	<u>1,500</u>
	<u>\$ 67,549</u>	<u>\$ 56,500</u>

The charges were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

Note 3 Related Party Transactions – (cont'd)

As at December 31, 2004 accounts payable includes \$2,790 (June 30, 2004: \$26,217) due to directors of the Company. This amount is comprised of unpaid management fees, consulting fees and travel costs.

Note 4 Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statement of cash flows as follows:

During the period ended December 31, 2003:

- The Company issued 2,300,000 common shares to settle accounts payable totalling \$552,000.
- The Company overaccrued during the year ended June 30, 2003, mining tax credits in the amount of \$9,717. The mining tax credit available has been reduced by this amount and resource property costs were increased by the corresponding amount.