

ERIN VENTURES INC.
MANAGEMENT DISCUSSION
for the period ended December 31, 2005

Management Discussion and Analysis

1.1 Date of Report: February 27, 2005

1.2 Overall Performance

Description of Business

Erin Ventures Inc. (the "Issuer") is a TSX Venture Exchange listed company. It has interests in resource prospects located in British Columbia, Canada and Belize, C.A. The Canadian resource prospect in British Columbia is an early stage exploration property hosting a polymetallic epithermal discovery with a showing of lead, zinc, copper, gold and silver. The Belize property is an early stage exploration property with geology consisting of intrusive and meta-sedimentary rocks, with the potential to yield gold bearing gravel. Additionally, the Issuer, maintains that it has a valid joint venture contract with Elektroprivreda (the government owned power corporation of Serbia) with respect to the development of the Piskanja boron property, located within the Jarandol Basin of Serbia, in spite of the fact that the Serbian government has granted a concession for the mineral rights to boron to another party.

During the period under review the Issuer achieved the following objectives:

Current Status and Future plans for the Stope Baby Property in British Columbia

As of the year ended June 30, 2005, the Issuer reduced the Carrying Value of the Stope Baby Property in B.C., and its associated capitalized amounts, to \$1.

Erin Ventures Inc., through its wholly owned subsidiary 766072 Alberta Ltd., holds a 30% equity interest in the Stope Baby Property, located in the Quesnel mining district, British Columbia.

Phase two of the exploration program, was completed in July of 2003, with the geologists report complete in November of that same year. The project in 2003 was successful in suggesting exploration targets both from the magnetic geophysical survey and from the enzyme leach soil geochemical survey. No additional work has been conducted on the Stope Baby Property since the completion of the 2003 work program.

The next recommended work program includes IP (induced polarization) as the next exploration method in the northeast grid area of the property.

The Issuer is pursuing a potential joint venture partners to continue exploration on this property.

Current Status and Future plans re Serbia

In a news release dated November 29, 2005, Erin reported the following update:

Erin has received correspondence directly from the Serbian government, announcing their official decision in accordance with the public tender process for the granting of a concession for the mineral rights to boron for the Jarandol Basin in Serbia. According to Serbian government correspondence, Erin was unsuccessful in its bid attempt for the boron mineral rights.

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In light of this decision by the Serbian government, Erin's legal counsel is preparing to commence legal action on behalf of Erin, which will seek monetary compensation for Erin's loss and damages. Further information respecting these matters will be provided as it becomes available. There can be no assurance that any legal or other action pursued by Erin regarding this matter will be successful.

Further to its news release dated November 29, 2005, Erin reports the following:

Erin Ventures Inc. has commenced the process of legal action against Elektroprevreda-Serbia (the Serbian government's wholly owned, national power corporation). Erin is seeking compensation regarding the Piskanja boron property in Serbia. This claim, the first step in an anticipated larger litigation strategy, seeks monetary compensation for losses and certain damages, totalling approximately US\$15 million.

Current Status and Future plans for the Ceibo Chico Property in Belize

Erin, through its wholly owned subsidiary Ceiba Resources Ltd., announced on June 1, 2005 that it has entered into an option agreement to acquire up to 90% equity of the Ceibo Chico Gold Prospect, located in Belize. Erin may acquire up to 90% equity in the prospect by making payments of up to US \$100,000 over 5 years to the optionor, Boiton Minerals Ltd., a Belizean mining company. The agreement is currently in good standing with all commitments having been met to date.

Subsequently, on October 13, 2005 Erin reported:

Erin's wholly owned subsidiary, Ceiba Resources Ltd., has reported that geological mapping and prospecting designed to define the geologic formation that hosts the free gold mineralization within the Ceibo Chico drainage system continues. Specifically, the following progress has been reported:

- Demarcation of the northern boundary of the Mining License area, as required by regulations, is now complete.
- Bulk sampling from the central portion of the Mining License area and from the high grade area near the southern boundary, in order to confirm the recoverable grade of the alluvial gold values, is currently underway, utilizing an 8-inch suction dredge.
- Collection of fist sized samples of each different geologic rock type encountered during the geochemical survey is in progress.
- A geologic mapping program continues.
- Volumetric sampling of the fan gravel on the lower portion of the Rio Ceibo Chico continues.
- Collection of soil samples @ 100 meter intervals from the lower pool to the headwaters of the Ceibo Chico (70 to 90 samples) is on hold until drier weather permits continuation.
- A hand trenching and sampling program in the area of the Ceibo Chico that produced the coarse and highest grade gold values during the earlier dredge testing program is on hold until drier weather permits continuation.

Work to date has produced the following geological information:

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Bedrock geology in the upper Ceibo Chico drainage is primarily a carbonaceous black argillite with some thin, local beds of pyrite and siltstone. Andesite flows with strong sericite and jarosite alteration also occur locally in proximity to clastic rocks. A number of white quartz-carbonate veins occur in the clastic rocks on both sides of the Ceibo Chico fault north of a large volcanic block. Commonly these veins carry minor pyrite and galena and in some cases massive arsenopyrite.

The upper Ceibo Chico drainage cuts a wide zone (approximately 2 km) of clastic – metasedimentary rocks. Some areas show intensive quartz – carbonate veining with massive arsenopyrite, chalcopyrite, and minor galena and zinc minerals. One sample collected carries some fine visible gold. It is this geologic feature which is assumed to be responsible for the alluvial gold in the drainage system.

Subsequently, on December 20, 2005, the Issuer reported that bulk testing results to a depth of 1 meter, over a portion of the low grade fan gravel, completed during the 2005 season returned recoverable placer gold values varying from \$2.82/cu yd to \$3.40/cu yd (at \$500 Au/oz). Although the upstream gravel appears to be more limited in volume, initial bulk testing results indicate that recoverable gold grades may be significantly higher (\$15 - \$21.50/ cu yd). Prospecting and bedrock mapping on the property has identified a wide zone (up to 2 km) of clastic rocks with considerable narrow quartz veining hosting massive arsenopyrite mineralization which is thought to be the source of the free gold in the watershed.

Investor Relations Activities

Blake Fallis provided investor relations services to the Issuer at a remuneration of \$66,000 for the six months ended December 31, 2005 as compared to \$30,000 for the same six month period during 2004.

The investor relation activities of Mr. Fallis include such activities as:

- a) corporate and shareholder communications and investor relations including preparation of press releases and other material and responding to shareholder inquiries on a timely basis;
- b) public relations and promotional matters;
- c) assisting in fund raising;
- d) corporate administration and record keeping, including inter-corporate communications and handling accounts payable.
- e) Preparation, design, layout and implementation of marketing materials, web site design, corporate logos, design, implementation and management of marketing campaigns.

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Management Services and Fees

Mr. Tim Daniels, President and CEO is the only full time member of management. He receives \$5,000 per month remuneration for his services. His services include, but are not limited to, all general administrative functions such as bookkeeping, bill payment, audit preparation, regulatory filings, as well as aiding in Investor Relations, attending meetings, strategic planning, negotiation of acquisitions, coordinating and aiding in fund raising activities, and representing Erin Ventures Inc. on the Board of Directors of Ras Borati. Mr. Daniels received remuneration in the amount of \$30,000 for the six month period ended December 31, 2005 as compared to \$30,000 for the same period during 2004.

Mr. James Wallis, Director of the corporation is a professional mining engineer who provides services to the corporation on a consulting basis. Mr. Wallis is remunerated at a monthly rate of \$5,000 per month for those periods when his services are required. Duties of Mr. Wallis include planning and overseeing all exploration and development of the corporation's mineral properties, aiding in the assessment and negotiation of new potential acquisitions, attending investor and analyst meetings, as well as representing Erin Ventures Inc. on the Board of Directors of Ras Borati. Mr. Wallis received remuneration in the amount of \$Nil for the six month period ended December 31, 2005 as compared with \$15,000 for the same six month period during 2004.

Dr. Dragoljub Jujic, Director of the corporation is a professional mining engineer who provides services to the corporation on a consulting basis. Dr. Jujic is remunerated at a monthly rate of \$5,000 per month for those periods when his services are required. Duties of Dr. Jujic include aiding in the sourcing, assessment and negotiation of new potential acquisitions in the Balkan region, coordinating and attending meetings, gathering of documentation, translation, as well as representing Erin Ventures Inc. on the Board of Directors of Ras Borati. Mr. Jujic received remuneration in the amount of \$8,042 for the six month period ended December 31, 2005 as compared to \$10,000 for the same six month period in 2004.

Significant Events and Transactions

During the three month period ending December 31, 2005:

1. In a news release dated November 29, 2005, Erin reported the following update:

Erin has received correspondence directly from the Serbian government, announcing their official decision in accordance with the public tender process for the granting of a concession for the mineral rights to boron for the Jarandol Basin in Serbia. According to Serbian government correspondence, Erin was unsuccessful in its bid attempt for the boron mineral rights.

November 29, 2005, the Issuer reported it has commenced the process of legal action against Elektroprivreda-Serbia (the Serbian government's wholly owned, national power corporation). Erin is seeking compensation regarding the Piskanja boron property in Serbia. This claim, the first step in an anticipated larger litigation strategy, seeks monetary compensation for losses and certain damages, totalling approximately US\$15 million.

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2. 1,000,000 common shares were issued pursuant to a private placement at \$0.09 for gross proceeds of \$90,000.
3. December 20, 2005, the Issuer reported that bulk testing results on the Ceibo Chico property to a depth of 1 meter, over a portion of the low grade fan gravel, completed during the 2005 season returned recoverable placer gold values varying from \$2.82/cu yd to \$3.40/cu yd (at \$500 Au/oz). Although the upstream gravel appears to be more limited in volume, initial bulk testing results indicate that recoverable gold grades may be significantly higher (\$15 - \$21.50/ cu yd).
4. 1,100,000 stock options were granted with an exercise price of \$0.15 per share with an expiry date of October 12, 2007.

Foreign Exchange Loss

The corporation recorded a foreign exchange loss of \$3,332 for the six month period ended December 31, 2005 vs. a loss of \$14,422 for the same six month period during 2004. This is due to the fact that certain obligations of the Issuer are carried in foreign currency, and deposits re: tenders for potential acquisitions are made in foreign currencies.

Selected Annual Information

The following financial data are selected information for the Issuer for the three most recently completed financial years:

	Year ended June 30,		
	2005	2004	2003
Total revenues	\$ -	\$ -	\$ -
Loss before discontinued operations and extraordinary items	\$ (868,871)	\$ (579,273)	\$ (55,577)
Basic and diluted loss per share before discontinued operations and extraordinary items	\$ (0.02)	\$ (0.02)	\$ (0.00)
Net loss	\$ (868,871)	\$ (579,273)	\$ (55,577)
Basic and diluted loss per share	\$ (0.02)	\$ (0.02)	\$ (0.00)
Total assets	\$ 332,561	\$ 599,192	\$ 572,675
Total long-term liabilities	\$ -	\$ -	\$ -
Cash dividends per share	\$ -	\$ -	\$ -

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Summary of Quarterly Results

	Q2 Dec 31 <u>2005</u>	Q1 Sept 30 <u>2005</u>	Q4 June 30 <u>2005</u>	Q3 Mar 31 <u>2005</u>	Q2 Dec 31 <u>2004</u>	Q1 Sept 30 <u>2004</u>	Q4 June 30 <u>2004</u>	Q3 Mar 31 <u>2004</u>
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net loss before discontinued operations and extraordinary items:								
Total	(154,173)	\$ (101,863)	\$ (439,111)	\$ (134,201)	\$ (174,304)	\$ (121,255)	\$ (153,653)	\$ (114,511)
Per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Per share, fully diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Net loss:								
Total	(154,173)	\$ (101,863)	\$ (439,111)	\$ (134,201)	\$ (174,304)	\$ (121,255)	\$ (153,653)	\$ (114,511)
Per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Per share, fully diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)

Increase in Expenses

The Issuer incurred an increase in overall expenses to \$145,910 for the three month period ended December 31, 2005 from \$102,870 for the same three month period in 2004, or an increase to \$240,998 from \$199,557 for the corresponding six month period of 2005 and 2004 ending December 31. (an increase of \$41,441). This represents an increase of 20.8%. Consulting fees decreased by \$10,000 for the six month period (from \$10,000 in 2004 to Nil in 2005) reflecting the seasonal nature of the Issuers mining activities. Interest payments overall remained relatively unchanged but shifted from short term to long term as a result of renegotiations of debt to long term. Investor relations increased by \$36,000 for the six month period as the result of an aggressive marketing plan to redo the Issuers marketing materials, website, etc and undertake a campaign to increase public awareness and the market capitalization of the Issuer. This was a one time expense for the Issuer. Stock based compensation increased from Nil for the six month period ending December 31, 2004 to \$33,000 for the same period in 2005. This reflects to value placed upon the 1,100,000 stock options issued during the period. This was a one time expense for the Issuer. Travel and promotion costs was \$21,105 for the six month period ending December 31, 2005 compared with \$32,071 for the same six month period ending December 31, 2004. This decrease of \$10,966 or 34% again reflects the seasonal nature of the Issuers work programs.

Discussion of Operations and Financial Condition

The following discussion should be read in conjunction with the consolidated financial statements and related notes thereto for the period ended December 31, 2005 (the "Period") that is attached. There have been no major changes in accounting policies during the Period.

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During the Period, the Issuer experienced a net loss of \$154,173 for the three months ended December 31, 2005 compared to \$174,340 for the same three month period in 2004. This represents a decrease of \$20,167 or 12%. Along with the increase in administrative expenses explained earlier, this reduction in overall loss primarily reflects the fact that during the period in question of 2004, \$58,782 was spent towards the Serbian property while there was \$9,756 spent during the same 2005 period. The Issuers cash position fell to \$31,090 as at December 31, 2005 compared to \$289,561 from June 30, 2005. This reduction in cash in part reflected a refundable deposit that the issuer made while bidding for an acquisition. US\$55,823 of this deposit of \$72,832 has been returned to the Issuer subsequent to the end of December 31, 2005. Total current assets fell to \$139,402 as at December 31, 2005 compared with \$306,592 as at June 30, 2005. This represents a decrease in current assets of \$167,190 but includes a non-recurring expense of \$36,000 relating to marketing and investor relations expense. The Issuers ability to meet its obligations and maintain operations is contingent upon financing arrangements and the support of its creditors. The Issuer does foresee significant expenses relating to the ongoing development of the Ceibo Chico property in 2006, along with the Serbian law suit.

Risks and Uncertainties

The reader is advised that the following is merely a summary of the risks and uncertainties faced by the Issuer.

Mining exploration is an inherently risky business with no guarantees that further exploration will result in an economically viable mine. Amongst the risks faced by the Issuer are such things as foreign government risks; title risks; currency fluctuations and deflationary risks; exploration and mining risks; competition risks; financing risks; uninsurable risks; permits and licences risks; mineral prices risks; and environmental regulations risks.

The Serbian government has announced the results of a public tender for the granting of a concession for the mineral rights to boron for the Jarandol Basin in Serbia. Serbia's Official Gazette stated that Serbia has granted Rio Tinto the concession to explore and mine boron in Baljevac, southern Serbia. It is Erin's contention that it maintains a valid joint venture contract with Elektroprevreda (the government owned power corporation of Serbia) with respect to the development of the Piskanja boron deposit, located within the Jarandol Basin. Erin Ventures Inc. has commenced the process of legal action against Elektroprevreda-Serbia (the Serbian government's wholly owned, national power corporation). Erin is seeking compensation regarding the Piskanja boron property in Serbia. This claim, the first step in an anticipated larger litigation strategy, seeks monetary compensation for losses and certain damages, totalling approximately US\$15 million, but there can be no assurance that any legal action, taken, will be successful or properly compensate Erin for its losses.

Further development on the Issuer's 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 that such arrangements can be secured.

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Related Party Transactions

During the six month period ending December 31, 2005, the Issuer incurred expenses of \$42,592 with related parties, as compared with \$67,549 for the same period ending in 2004. This decrease of \$24,957 or 36.9% included \$30,000 of management fees vs. \$30,000 for the same Period in 2004, and a decrease of Property investigation costs to \$Nil in 2005 from \$7500 in 2004 relating to the Issuers attempt to investigate other potential acquisitions in Macedonia and Serbia. Consulting fees decreased to \$Nil in the six month period ending December 31, 2005 from \$7000 during the same period in 2004, again reflecting the Issuer's efforts on new acquisitions in that Period. As at December 31, 2005 accounts payable includes \$21,286 (June 30, 2005: \$31,235) due to directors of the Company. This amount is comprised of unpaid geological fees, consulting fees and travel costs. The amount due from related party is comprised of advances for travel and promotion costs due in a future reporting period. Refer to Note 4 to the attached financial statements for further details.

Acquisition or Abandonment of Assets

During the Period in question, the Issuer did not acquire nor abandon any resource properties.

Legal Proceedings

Erin Ventures Inc. has commenced the process of legal action against Elektroprevreda-Serbia (the Serbian government's wholly owned, national power corporation). Erin is seeking compensation regarding the Piskanja boron property in Serbia. This claim, the first step in an anticipated larger litigation strategy, seeks monetary compensation for losses and certain damages, totalling approximately US\$15 million

Financings and Principal Purposes

During the Period, the Issuer did completed a financing consisting of 1,000,000 units priced at \$0.09 per unit. Each unit consisting of one common share and one half share purchase warrant. Each full warrant plus \$0.15 is exercisable into one common share until September 16, 2006.

Liquidity and Solvency

As at December 31, 2005 the Issuer had current assets of \$139,402. Current liabilities stood at \$239,406. Despite the working capital deficiency of \$100,004 the Issuer has and continues to maintain good relations with its creditors. The Issuer has funded its working capital needs primarily through equity sales as well as through unsecured loans. The Issuers ability to meet its obligations and maintain operations is contingent upon financing arrangements and the support of its creditors.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Issuer is committed.

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Critical Accounting Estimates

The recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Issuer's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

Financial Instruments and Other Instruments

The Issuer's financial instruments consist of cash, due from related party and accounts payable. The fair value of the financial instruments is considered to be equal to the carrying value due to the short-term maturities. It is management's opinion that the Issuer is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Disclosure of Outstanding Share Data

- a) Authorized:
 - Unlimited voting common shares without nominal or par value
 - Unlimited preferred shares without nominal or par value
- b) Common shares issued:

	<u>Number</u>	<u>\$</u>
Balance, December, 2005	<u>39,736,424</u>	<u>\$ 9,040,900</u>
- c) Share purchase options

At December 31, 2005, the Company has 1,400,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
300,000	\$0.25	January 18, 2006
1,100,000	\$0.15	October 12, 2007
1,400,000		

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d) Share purchase warrants

At December 31, 2005, the Company has 3,304,661 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>
693,662	\$0.50	January 17, 2006
2,110,999	\$0.31	March 24, 2006
<u>500,000</u>	\$0.15	September 16, 2006
<u>3,304,661</u>		

During the six months ended December 31, 2005, 812,000 common share purchase warrants, previously outstanding and exercisable at \$0.35 per share, expired unexercised. Subsequent to December 31, 2005, 693,662 common share purchase warrants, previously outstanding and exercisable at \$0.50 per share, expired unexercised.

Subsequent Events

See Note 5 of the consolidated financial statements and related notes thereto for the period ended December 31, 2005 (the "Period") that is attached.