

**ERIN VENTURES INC.**  
**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
March 31, 2006  
(Unaudited)

---

THE ACCOMPANYING FINANCIAL STATEMENT FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2006 AND 2005 HAVE NOT BEEN REVIEWED OR AUDITED BY THE COMPANY'S AUDITORS.

---

**ERIN VENTURES INC.**  
**INTERIM CONSOLIDATED BALANCE SHEETS**  
 March 31, 2006 and June 30, 2005  
 (Unaudited)

<b><u>ASSETS</u></b>	March 31, <u>2006</u>	June 30, <u>2005</u>
Current		
Cash	\$ 212,734	\$ 289,561
Mining tax credit receivable	3,700	3,700
GST receivable	6,204	2,767
Prepaid expenses and deposit	8,744	10,564
Deposit – Piskanja bid	-	-
Due from related party – Note 5	<u>21,015</u>	<u>-</u>
	252,397	306,592
Equipment – Note 2	48,581	3,995
Investment	1	1
Resource properties – Notes 3 and 5	<u>114,609</u>	<u>21,973</u>
	<u>\$ 415,588</u>	<u>\$ 332,561</u>
 <b><u>LIABILITIES</u></b>  		
Current		
Accounts payable – Note 5	\$ 255,128	\$ 243,979
Note payable	<u>410,527</u>	<u>368,360</u>
	<u>665,655</u>	<u>612,339</u>
 <b><u>SHAREHOLDERS' DEFICIENCY</u></b>  		
Share capital – Notes 4 and 6	9,040,900	8,599,419
Shares subscribed – Note 6	267,740	353,481
Contributed surplus – Note 4	33,000	-
Deficit	<u>(9,591,707)</u>	<u>(9,232,678)</u>
	<u>(250,067)</u>	<u>(279,778)</u>
	<u>\$ 415,588</u>	<u>\$ 332,561</u>

SEE ACCOMPANYING NOTES

**ERIN VENTURES INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT**  
for the three and nine months ended March 31, 2006 and 2005  
(Unaudited)

	Three months ended March 31,		Nine months ended March 31,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Administrative Expenses				
Accounting and audit fees	\$ 5,000	\$ 4,300	\$ 14,350	\$ 13,700
Amortization	5,633	225	6,283	674
Consulting fees– Note 5	-	-	-	10,000
Filing fees	4,325	2,741	6,533	4,256
Interest	284	13,532	4,402	-
Interest on long-term debt	14,463	-	42,168	46,309
Investor relations	15,000	15,000	81,000	45,000
Legal fees	273	1,721	2,697	7,678
Management fees – Note 5	15,000	15,000	45,000	45,000
Office and administrative Note 5	15,017	15,147	39,087	39,577
Rent – Note 5	2,329	2,235	13,799	10,396
Stock-based compensation – Note 4	-	-	33,000	-
Telephone	3,765	3,736	10,347	15,511
Transfer agent fees	1,144	936	2,762	3,358
Travel and promotion – Note 5	11,049	18,056	32,154	50,127
Web site	<u>1,692</u>	<u>201</u>	<u>2,390</u>	<u>801</u>
Loss before other items	(94,974)	(92,830)	(335,972)	(292,387)
Other items:				
Interest income	-	-	-	2
Foreign exchange loss	(8,893)	(67)	(12,225)	(14,489)
Recovery of advance receivable – Note 5	2,516	-	5,566	-
Write-down of resource property costs – Note 2	(1,642)	(22,500)	(16,398)	(37,800)
Property investigation costs – Note 5	<u>-</u>	<u>(18,804)</u>	<u>-</u>	<u>(85,086)</u>
Net loss for the period	<u>\$ (102,993)</u>	<u>\$ (134,201)</u>	(359,029)	(429,760)
Deficit, beginning of the period			<u>(9,232,678)</u>	<u>(8,363,807)</u>
Deficit, end of the period			<u>\$ (9,591,707)</u>	<u>\$ (8,793,567)</u>
Basic and diluted loss per share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of shares outstanding	<u>39,736,424</u>	<u>33,362,037</u>	<u>38,925,413</u>	<u>35,769,390</u>

SEE ACCOMPANYING NOTES

**ERIN VENTURES INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
for the three and nine months ended March 31, 2006 and 2005  
(Unaudited)

	Three months ended March 31,		Nine months ended March 31,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<b>Operating Activities</b>				
Net loss for the period	\$ (102,993)	\$ (134,201)	\$ (359,029)	\$ (429,760)
Items not affecting cash:				
Amortization	5,633	225	6,283	674
Stock-based compensation	-	-	33,000	-
Foreign exchange loss	8,893	67	12,225	14,489
Write-down of resource property	1,642	-	16,398	-
Accrued interest payable	<u>14,463</u>	<u>12,751</u>	<u>42,168</u>	<u>41,685</u>
	(72,362)	(121,158)	(248,955)	(372,912)
<b>Changes in non-cash working capital accounts related to operations</b>				
GST receivable	(1,047)	748	(3,437)	(906)
Prepaid expenses and deposit	(1,242)	(2,625)	1,820	(1,880)
Accounts payable	6,829	(17,181)	(1,076)	(67,657)
Increase in deposit – Piskanja bid	72,832	-	-	-
Increase in due from related party	(1,894)	-	(21,015)	-
Amount receivable	<u>-</u>	<u>(160,120)</u>	<u>-</u>	<u>(160,120)</u>
	<u>3,116</u>	<u>(300,336)</u>	<u>(272,663)</u>	<u>(603,475)</u>
<b>Financing Activities</b>				
Issuance of common shares	353,481	192,499	441,481	408,499
Shares subscribed, net of fees paid	(85,741)	(164,499)	(85,742)	-
Repayment of notes payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
	<u>267,740</u>	<u>28,000</u>	<u>355,739</u>	<u>308,499</u>
<b>Investing Activities</b>				
Increase in resource properties	(40,158)	-	(109,034)	-
Purchase of equipment	<u>(49,054)</u>	<u>-</u>	<u>(50,869)</u>	<u>-</u>
	<u>(89,212)</u>	<u>-</u>	<u>(159,903)</u>	<u>-</u>
Decrease in cash during the period	181,644	(272,336)	(76,827)	(294,976)
Cash, beginning of the period	<u>31,090</u>	<u>312,758</u>	<u>289,561</u>	<u>335,398</u>
Cash, end of the period	<u>\$ 212,734</u>	<u>\$ 40,422</u>	<u>\$ 212,734</u>	<u>\$ 40,422</u>

SEE ACCOMPANYING NOTES

Continued

**ERIN VENTURES INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
for the three and nine months ended March 31, 2006 and 2005  
(Unaudited)

	Three months ended		Nine months ended	
	March 31,		March 31,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Supplemental disclosure of cash flow information:				
Cash paid for:				
Interest	\$ <u>          </u> -	\$ <u>          </u> -	\$ <u>          </u> -	\$ <u>          </u> -
Income taxes	\$ <u>          </u> -	\$ <u>          </u> -	\$ <u>          </u> -	\$ <u>          </u> -

SEE ACCOMPANYING NOTES

**ERIN VENTURES INC.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
 March 31, 2006  
(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, 2005 financial statements. These statements follow the same accounting policies and methods of their application as the Company's June 30, 2005 annual financial statements.

Note 2 Equipment

	March 31, 2006		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Office equipment	\$ 7,555	\$ 4,207	\$ 3,348
Mining equipment	47,009	5,171	41,838
Computer equipment	18,171	14,776	3,395
	<u>\$ 72,735</u>	<u>\$ 24,154</u>	<u>\$ 48,581</u>
	June 30, 2005		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Office equipment	\$ 5,511	\$ 3,797	\$ 1,714
Computer equipment	16,356	14,075	2,281
	<u>\$ 21,867</u>	<u>\$ 17,872</u>	<u>\$ 3,995</u>

Note 3     Resource Properties – Note 5

	Piskanja Borate Property <u>Serbia</u>	Stope Baby <u>B.C.</u>	Ceiba <u>Belize</u>	<u>Total</u>
Balance, June 30, 2005	\$ <u>1</u>	\$ <u>1</u>	\$ <u>21,971</u>	\$ <u>21,973</u>
Acquisition costs	<u>-</u>	<u>-</u>	<u>2,831</u>	<u>2,831</u>
Deferred exploration costs				
Consulting	16,398	-	-	16,398
Fuel and vehicle	-	-	6,353	6,353
General and administrative	-	-	383	383
Geological consulting	-	-	68,720	68,720
Road clearing	-	-	6,417	6,417
Supplies	-	-	3,925	3,925
Wages	<u>-</u>	<u>-</u>	<u>4,007</u>	<u>4,007</u>
	<u>16,398</u>	<u>-</u>	<u>89,805</u>	<u>106,203</u>
	16,399	1	114,607	131,007
Less: write-downs	<u>(16,398)</u>	<u>-</u>	<u>-</u>	<u>(16,398)</u>
Balance, March 31, 2006	<u>\$ <u>1</u></u>	<u>\$ <u>1</u></u>	<u>\$ <u>114,607</u></u>	<u>\$ <u>114,609</u></u>

The Piskanja borate property is located in the Ibar region of the Republic of Serbia (“Serbia”). The Company entered into a joint venture agreement dated October 4, 1996 whereby the Company can earn a 50% interest in the property through direct exploration expenditures (drilling and testing) totalling \$2,670,000 to conduct a research and reserves study leading to the preparation of a feasibility study. As at March 31, 2006, the cumulative total of direct exploration expenditures of \$2,670,000 has not been completed.

All costs incurred with respect to the property are being written-off pending obtaining acceptable agreements for mining concessions from the Serbian government.

In April 2005, the Serbian government announced a public tender regarding a concession for the mineral rights. The Company believes it has a valid agreement for the mineral rights and is preparing to defend its position as required, however, the outcome of such actions and the status of the Company’s agreements is unknown.

Note 3 Resource Properties – Note 5 – (cont'd)

During the period ended March 31, 2006, the Company tendered a bid in accordance with the public tender process and paid a deposit of 4 million Dinars (Cdn\$72,832) to the Serbian government in accordance with the bid instructions. The Company considers that participation in this tender process in no way mitigates its position regarding the validity of the previous agreement with the Serbian government with respect to the development of the Piskanja Borate property. The Company lost its bid and recovered US\$55,823 for the deposit. The Company intends to seek compensation for its financial loss, if any, in this matter, however, the outcome of this matter cannot be determined at this time.

Note 4 Share Capital – Note 6

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, 2005		36,625,425	\$ 8,599,419
For cash:			
Pursuant to private placements	- at \$0.18	2,110,999	379,980
	- at \$0.09	1,000,000	90,000
Less: issue costs		-	(28,499)
Balance, March 31, 2006		<u>39,736,424</u>	<u>\$ 9,040,900</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 4 Share Capital – Note 6 – (cont'd)

c) Commitments: – (cont'd)

Stock-based Compensation Plan – (cont'd)

A summary of the stock option plan is presented below:

	Nine months ended March 31,			
	2006		2005	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding and exercisable at beginning of period	300,000	\$0.25	300,000	\$0.25
Granted	1,100,000	\$0.15	-	-
Expired	<u>(300,000)</u>	\$0.25	<u>-</u>	-
Outstanding and exercisable at end of period	<u>1,100,000</u>	\$0.15	<u>300,000</u>	\$0.25

The fair value of the share purchase options granted during the nine months ended March 31, 2006 of \$33,000 (2004: \$Nil) was determined using the Black-Scholes option pricing model with the following assumptions:

	<u>2006</u>	<u>2005</u>
Risk-free interest rate	2%	-
Dividend yield	0	-
Expected volatility	109%	-
Weighted average expected stock option life	2 years	-

At March 31, 2006, the Company has 1,100,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held for \$0.15 until October 12, 2007. During the period ended March 31, 2006, 300,000 share purchase options exercisable at \$0.25 expired.

Note 4 Share Capital – Note 6 – (cont'd)

c) Commitments: – (cont'd)

Share Purchase Warrants

At March 31, 2006, the Company has 500,000 common share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held for \$0.15 until September 16, 2006.

During the nine months ended March 31, 2006, 3,616,661 common share purchase warrants, previously outstanding and exercisable at \$0.31 - \$0.50 per share, expired unexercised.

Note 5 Related Party Transactions

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

	Nine months ended March 31,	
	<u>2006</u>	<u>2005</u>
Resource property costs		
Consulting	\$ 8,042	\$ 7,000
Geological consulting	-	10,500
Property investigation costs	36,757	14,700
Management fees	45,000	45,000
Consulting fees	-	7,000
Office and administrative	50	2,438
Rent	4,500	-
Travel and promotion	<u>2,250</u>	<u>14,538</u>
	<u>\$ 96,599</u>	<u>\$ 94,176</u>

During the nine months ended March 31, 2006, the Company recovered \$5,566 in respect to advances receivable previously written off to a company with a common director.

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

As at March 31, 2006 accounts payable includes \$36,540 (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. These amounts are unsecured, non-interest bearing and have no specific terms for repayment.

Note 6      Subsequent Events

Subsequent to March 31, 2006, the Company issued 4,000,000 units at \$0.075 per unit pursuant to private placements. Each unit consists of one common share and one warrant entitling the holder to purchase one common share at \$0.12 per share until February 9, 2007. At March 31, 2006, the Company had received share subscriptions of \$267,740 in respect to the private placements.