

**ERIN VENTURES INC.**  
**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2007

(Unaudited)

---

THE ACCOMPANYING FINANCIAL STATEMENT FOR THE QUARTERS ENDED MARCH 31, 2007 AND 2006 HAVE NOT BEEN REVIEWED OR AUDITED BY THE COMPANY'S AUDITORS.

---

**ERIN VENTURES INC.**  
**INTERIM CONSOLIDATED BALANCE SHEETS**  
 March 31, 2007 and June 30, 2006  
 (Unaudited)

	March 31, <u>2007</u>	June 30, <u>2006</u>
<b><u>ASSETS</u></b>		
Current		
Cash	\$ 971,507	\$ 201,120
GST receivable	9,676	2,977
Prepaid expenses	45,264	16,645
Due from related party	<u>-</u>	<u>17,449</u>
	1,026,447	238,191
Equipment	380,028	65,093
Resource properties – Notes 2, 4 and 6	<u>807,639</u>	<u>245,509</u>
	<u>\$ 2,214,114</u>	<u>\$ 548,793</u>
<b><u>LIABILITIES</u></b>		
Current		
Accounts payable – Note 4	\$ 180,140	\$ 157,192
Note payable	<u>214,457</u>	<u>395,399</u>
	<u>394,597</u>	<u>552,591</u>
<b><u>SHAREHOLDERS' EQUITY (DEFICIENCY)</u></b>		
Share capital – Notes 3 and 7	11,896,737	9,707,735
Contributed surplus	407,750	33,000
Deficit	<u>(10,484,970)</u>	<u>(9,744,533)</u>
	<u>1,819,517</u>	<u>(3,798)</u>
	<u>\$ 2,214,114</u>	<u>\$ 548,793</u>

SEE ACCOMPANYING NOTES

**ERIN VENTURES INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT**  
for the three and nine months ended March 31, 2007 and 2006  
(Unaudited)

	Three months ended March 31,		Nine months ended March 31,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Administrative expenses				
Accounting and audit fees	\$ 5,222	\$ 5,000	\$ 34,387	\$ 14,350
Amortization	1,554	5,633	11,197	6,283
Consulting fees– Note 4	8,098	-	30,597	-
Filing fees	6,891	4,325	19,424	6,533
Interest	1,113	284	8,013	4,402
Interest on long-term debt	7,567	14,463	189,058	42,168
Investor relations	36,000	15,000	99,000	81,000
Legal fees	8,998	273	14,624	2,697
Management fees – Note 4	21,000	15,000	63,000	45,000
Office and administrative – Note 4	17,876	15,017	47,475	39,087
Rent – Note 4	2,875	2,329	8,600	13,799
Stock-based compensation – Note 3	-	-	117,000	33,000
Telephone	5,406	3,765	21,812	10,347
Transfer agent fees	2,394	1,144	6,190	2,762
Travel and promotion – Note 4	21,047	11,049	69,399	32,154
Web site	<u>238</u>	<u>1,692</u>	<u>1,216</u>	<u>2,390</u>
Loss before other items	(146,279)	(94,974)	(740,992)	(335,972)
Other items:				
Foreign exchange loss	(3,203)	(8,893)	(3,945)	(12,225)
Recovery of advance receivable – Note 4	1,500	2,516	4,500	5,566
Write-down of resource property costs	<u>-</u>	<u>(1,642)</u>	<u>-</u>	<u>(16,398)</u>
Net loss for the period	<u>\$ (147,982)</u>	<u>\$ (102,993)</u>	(740,437)	(359,029)
Deficit, beginning of the period			<u>(9,744,533)</u>	<u>(9,232,678)</u>
Deficit, end of the period			<u>\$ (10,484,970)</u>	<u>\$ (9,591,707)</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>64,809,116</u>	<u>39,736,424</u>	<u>56,531,982</u>	<u>38,925,413</u>

SEE ACCOMPANYING NOTES

**ERIN VENTURES INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
for the three and nine months ended March 31, 2007 and 2006  
(Unaudited)

	Three months ended March 31,		Nine months ended March 31,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<b>Operating Activities</b>				
Net loss for the period	\$ (147,982)	\$ (102,993)	\$ (740,437)	\$ (359,029)
Items not affecting cash:				
Amortization	1,554	5,633	11,197	6,283
Stock-based compensation	-	-	117,000	33,000
Interest on long-term debt	-	-	160,000	-
Foreign exchange loss	3,203	8,893	3,945	12,225
Write-down of resource property	-	1,642	-	16,398
Accrued interest payable	7,566	14,463	29,058	42,168
Consulting fees	<u>2,120</u>	<u>-</u>	<u>2,120</u>	<u>-</u>
	(133,539)	(72,362)	(417,117)	(248,955)
<b>Changes in non-cash working capital accounts related to operations</b>				
GST receivable	(2,011)	(1,047)	(6,699)	(3,437)
Prepaid expenses	1,864	(1,242)	1,011	1,820
Accounts payable	(34,557)	6,829	(58,398)	(1,076)
Deposit – Piskanja bid	-	72,832	-	-
Due from/to related party	<u>6,114</u>	<u>(1,894)</u>	<u>94,850</u>	<u>(21,015)</u>
	<u>(162,129)</u>	<u>3,116</u>	<u>(386,353)</u>	<u>(272,663)</u>
<b>Financing Activities</b>				
Issuance of common shares	1,235,674	353,481	1,918,002	441,481
Shares subscribed, net of fees paid	<u>(161,730)</u>	<u>(85,741)</u>	<u>-</u>	<u>(85,742)</u>
	<u>1,073,944</u>	<u>267,740</u>	<u>1,918,002</u>	<u>355,739</u>
<b>Investing Activities</b>				
Increase in resource properties	(166,900)	(40,158)	(390,175)	(109,034)
Purchase of equipment	<u>(370,563)</u>	<u>(49,054)</u>	<u>(371,087)</u>	<u>(50,869)</u>
	<u>(537,463)</u>	<u>(89,212)</u>	<u>(761,262)</u>	<u>(159,903)</u>
Increase (decrease) in cash during the period	374,352	181,644	770,387	(76,827)
Cash, beginning of the period	<u>597,155</u>	<u>31,090</u>	<u>201,120</u>	<u>289,561</u>
Cash, end of the period	<u>\$ 971,507</u>	<u>\$ 212,734</u>	<u>\$ 971,507</u>	<u>\$ 212,734</u>

.../cont'd

SEE ACCOMPANYING NOTES

**ERIN VENTURES INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
for the three and nine months ended March 31, 2007 and 2006  
(Unaudited)

Continued

	Three months ended March 31,		Nine months ended March 31,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Supplemental disclosure of cash flow information:				
Cash paid for:				
Interest	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Income taxes	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

Non-cash Transactions – Note 5

SEE ACCOMPANYING NOTES

**ERIN VENTURES INC.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
 March 31, 2007  
 (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, 2006 financial statements. These statements follow the same accounting policies and methods of their application as the Company's June 30, 2006 annual financial statements.

Note 2 Resource Properties

	Triangle <u>USA</u>	Ceiba <u>Belize</u>	<u>Total</u>
Balance, June 30, 2006	\$ -	\$ 245,509	\$ 245,509
Acquisition costs			
Cash	59,728	-	59,728
Shares	-	26,000	26,000
Share purchase options	<u>66,000</u>	<u>-</u>	<u>66,000</u>
	<u>125,728</u>	<u>26,000</u>	<u>151,728</u>
Deferred exploration costs			
Administration and rent	40,049	7,920	47,969
Amortization	-	44,955	44,955
Drilling	66,857	-	66,857
Fuel and vehicle	-	21,547	21,547
Geological consulting – Note 4	52,004	61,308	113,312
Geophysical	10,508	-	10,508
Supplies	-	26,092	26,092
Trenching and excavating	-	37,362	37,362
Wages	<u>-</u>	<u>44,822</u>	<u>44,822</u>
	<u>169,418</u>	<u>244,006</u>	<u>413,424</u>
Advances	7,992	42,100	50,092
Less: incidental revenue on mineral sales	<u>-</u>	<u>(53,114)</u>	<u>(53,114)</u>
Balance, March 31, 2007	<u>\$ 303,138</u>	<u>\$ 504,501</u>	<u>\$ 807,639</u>

Note 3 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, 2006		47,723,730	\$ 9,707,735
For cash:			
Pursuant to a private placement	- at \$0.10	5,000,000	500,000
	- at \$0.105	1,947,619	204,500
	- at \$0.12	2,000,000	240,000
	- at \$0.15	4,341,000	651,150
Less: issue costs		-	(155,198)
Pursuant to exercise of warrants	- at \$0.12	3,820,000	458,400
	- at \$0.14	260,000	36,400
Pursuant to debt settlement	- at \$0.105	2,000,000	210,000
Pursuant to a resource property acquisition	- at \$0.13	200,000	26,000
	- at \$0.14	<u>250,000</u>	<u>35,000</u>
		67,542,349	11,913,987
Less: share subscriptions receivable		<u>-</u>	<u>(17,250)</u>
Balance, March 31, 2007		<u>67,542,349</u>	<u>\$11,896,737</u>

c) Commitments:

Stock-based Compensation

The Company has granted directors and employees common share purchase options. Additional common share purchase options were also granted pursuant to resource property acquisition agreements. These options are granted with an exercise price equal to the market price of the Company's shares on the date of the grant. Unless otherwise stated, all share purchase options vest when granted.

Note 3 Share Capital – (cont'd)

c) Commitments: – (cont'd)

Stock-based Compensation – (cont'd)

A summary of the status of share purchase options outstanding is presented below:

	Nine months ended March 31,		2006	
	2007		2006	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of period	1,100,000	\$0.15	300,000	\$0.25
Granted*	2,660,000	\$0.15	1,100,000	\$0.15
Expired	-	\$ -	(300,000)	\$0.25
Options outstanding at end of period	<u>3,760,000</u>	<u>\$0.15</u>	<u>1,100,000</u>	<u>\$0.15</u>
Exercisable at end of period	<u>3,260,000</u>	<u>\$0.15</u>	<u>1,100,000</u>	<u>\$0.15</u>

\*Of the total, 500,000 stock options vest as to 25% on April 1, 2007 and 25% every three months thereafter.

At March 31, 2007, the Company has 3,760,000 share purchase options outstanding entitling the holder thereof the right to purchase one common share for each option held as follows:

<u>Number</u>	<u>Price</u>	<u>Expiry Date</u>
1,100,000	\$0.15	October 12, 2007
1,630,000	\$0.135	September 12, 2011
330,000	\$0.18	December 18, 2009
500,000	\$0.15	January 1, 2009
100,000	\$0.15	February 16, 2012
<u>100,000</u>	\$0.30	February 16, 2012
<u>3,760,000</u>		

The fair value of the share purchase options granted and vested during the nine months ended March 31, 2007 was \$214,250 (2005: \$33,000) of which \$117,000 (2005: \$33,000) was recognized as stock-based compensation expense, \$2,120 as consulting fee expense, \$29,630 as prepaid expenses and \$66,000 (2005: \$Nil) as acquisition costs related to a resource property (Note 2) for the vesting of these options. The Company uses the Black Scholes option pricing model to estimate the fair value of the options using the following assumptions:

Note 3 Share Capital – (cont'd)

c) Commitments: - (cont'd)

Stock-based Compensation – (cont'd)

	<u>2007</u>	<u>2006</u>
Risk-free interest rate	2.93-4.02%	2%
Dividend yield	Nil	Nil
Expected volatility	95-143%	109%
Expected life	2-5 years	2 years

Share Purchase Warrants

At March 31, 2007, the Company had 14,674,925 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>
3,727,306	\$0.14	April 25, 2007
2,000,000*	\$0.15/\$0.20	September 13, 2007/2008
5,000,000	\$0.16	July 17, 2007
1,947,619	\$0.16	November 9, 2007
2,000,000	\$0.18	December 22, 2007
<u>4,341,000</u>	\$0.15	January 11, 2008
<u><u>14,674,925</u></u>		

\* These warrants were granted pursuant to a debt settlement agreement related to notes payable. The fair value of these warrants was \$160,000 and is included in interest expense. The fair value was determined using the Black-Scholes model using the assumptions as noted above.

During the nine months ended March 31, 2007, 2,610,999 common share purchase warrants, previously outstanding and exercisable at \$0.15 per share, and 180,000 common share purchase warrants, previously outstanding and exercisable at \$0.12 per share, expired unexercised.

Note 4 Related Party Transactions

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

	Nine months ended March 31,	
	<u>2007</u>	<u>2006</u>
Resource property costs		
Consulting	\$ -	\$ 8,042
Geological consulting	36,785	-
Property investigation costs	-	36,757
Management fees	63,000	45,000
Consulting fees	13,104	-
Office and administrative	-	50
Rent	8,600	4,500
Travel and promotion	<u>2,250</u>	<u>2,250</u>
	<u>\$ 123,739</u>	<u>\$ 96,599</u>

During the nine months ended March 31, 2007, the Company recovered \$4,500 in respect to advances receivable to a related company previously written off.

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

Included in accounts payable at March 31, 2007, is \$77,401 (June 30, 2006: \$65,454) due to directors of the Company for reimbursement of expenses incurred on behalf of the Company and for unpaid geological and consulting fees. These amounts are unsecured, non-interest bearing and have no specific terms for repayment.

Note 5 Non-cash Transactions

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statement of cash flows. The following transactions have been excluded from the statement of cash flows:

During the nine months ended March 31, 2007, the Company;

- a) issued 2,000,000 common shares valued at \$0.105 per share to partially settle a note payable;
- b) issued 200,000 common shares at \$0.13 per share as a finder's fee related to a resource property acquisition;
- c) issued 250,000 common shares at \$0.14 per share for one year of facilities rental on a resource property.

Note 6      Commitments

- a) The Company entered into a strategic alliance with another company to acquire, explore and develop mineral properties in the Southeastern United States. The term of the agreement is five years, in which the Company will acquire a 100% interest in the project subject to completion of a work program totalling US\$400,000, to be funded during the first year of the agreement. In addition, the Company is required to advance US\$50,000 (CDN\$55,897) for land acquisition costs (advanced).

The agreement also includes a five-year management contract with the other company, which requires the Company to make annual stock-based payments of US\$30,000 as compensation for facilities rental; issue 600,000 stock options per year up to a maximum of 1,800,000 unexercised stock options held at one time by the other company (600,000 granted); pay annual lease costs to third party owners as required; and pay consulting fees at a rate of US\$550 per day for a minimum of 100 days annually. The other company will retain a 0.08% production royalty on the property.

- b) The Company entered into a consulting services agreement dated January 1, 2007, whereby the company has agreed to pay \$6,000 per month for investor relations services and grant 500,000 stock options exercisable at \$0.15 for a term of two years (granted). The term of the agreement is six months ending September 30, 2007.

Note 7      Subsequent Events

Subsequent to March 31, 2007, the Company:

- a) issued 2,000,000 units at \$0.15 per unit for total proceeds of \$300,000. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant is exercisable into one common share at \$0.20 per share if exercised in the first year or \$0.25 per share if exercised in the second year. The Company paid finders' fees consisting of an 8% cash commission and issued agent's warrants to purchase 200,000 units at \$0.15 per unit for one year.
- b) issued 1,640,000 common shares at \$0.14 per share pursuant to the exercise of share purchase warrants for total proceeds of \$229,600.