

ERIN VENTURES INC.
MANAGEMENT DISCUSSION & ANALYSIS
For the year ended June 30, 2012

Introduction

The following discussion and analysis is management's assessment of the results and financial condition of Erin Ventures Inc. (the "Company", the "Issuer", or "Erin") for the year ended June 30, 2012 and should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2012 prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's reporting currency is Canadian dollars. The date of this Management's Discussion and Analysis is October 29, 2012. Additional information on the Company is available on SEDAR at www.sedar.com.

Description of Business

Erin Ventures Inc. (the "Issuer", "Erin", or the "Company") is a TSX Venture Exchange listed company (symbol – EV). Erin is an exploration stage company engaged in the acquisition, exploration and development of exploration and evaluation assets in the United States, Serbia and Canada with the aim of developing them to a stage where they can be exploited at a profit or to arrange joint ventures whereby other companies provide funding for development and exploitation.

Forward Looking Statements

This MD&A includes some statements that may be considered "forward-looking statements". All statements in this discussion that address the Company's expectations about future exploration and development are forward-looking statements. Although the Company believes the expectations presented in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, availability of capital and financing, and general economic, market, and business conditions. Readers are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Resource Properties & Description of Activities

Deep River Project, North Carolina

Erin announced on July 5, 2006 that it entered into a strategic alliance with Triangle Minerals, Inc. ("TMI"), a North Carolina based corporation. The objective of this alliance is to acquire, explore and develop specifically targeted exploration and evaluation assets of merit, within the south eastern United States ("the Area of Interest").

Key terms of the Strategic Alliance Agreement are:

- The term of the Agreement is 5 years.
- Erin acquires a 100% interest in the project, subject to completion of a minimum work program totalling US \$400,000, during the first year of the Agreement.
- Additionally, Erin has committed US \$50,000 for land acquisition within the Area of Interest.
- A five year management contract with TMI, whereby TMI will manage the land acquisition and exploration program, under Erin's supervision.
- TMI is to receive from Erin: annual share-based payments of US \$30,000, with respect to facilities rental; 600,000 stock options per year, to a maximum of 1.8 million stock

options; competitively priced management fees; and a 0.8% production royalty from any eventual production of gold, silver and/or other metals.

Erin has completed its work commitment, and as a result has acquired 100% interest in the project.

Subsequent to June 30, 2012, the Company announced that it has entered into a non-binding Letter of Intent, which outlines the terms of an Earn-in Option Agreement whereby Mountain Man Minerals Corp. (“MMM”), a private BC company, may acquire the Deep River Gold project from the Company. MMM may earn 100% interest in Deep River in consideration for a total of \$250,000 cash, \$600,000 worth of shares, a \$3,000,000 work expenditure over 4 years, and an ongoing NSR payment based on production.

During the year ended June 30, 2012, Erin did not report any new exploration activity on the Deep River Project. Further, Erin is actively seeking a buyer for this project.

Volujski Kljuc Gold Project, Serbia

As Erin has been unable to secure a sufficient number of land leases with the landowners in the Volujski Kljuc region, Erin has chosen to allow its exploration license to lapse and has abandoned the Volujski Kljuc project. As a result, Erin has written down the value of this project to \$Nil.

Piskanja Property, Serbia

On May 11, 2010, Erin reported that it has entered in to a binding agreement with the Serbian state-owned mining company, JP PEU, for the joint development of the Piskanja boron deposit, located in Serbia.

The key terms in the agreement are as follows:

1. Erin’s wholly-owned Serbian subsidiary, Balkan Gold d.o.o. (“Balkan”) will apply for an exclusive exploration license on the Piskanja property, and conduct a geological study on the deposit. If results are positive, Balkan will then compose a feasibility study for mine development. Balkan is responsible for 100% of the costs related to these studies, and retains 100% ownership at this stage.
2. When the feasibility study is complete, Balkan and JP PEU will form a joint venture company that will apply for an exploitation license. However, in the event that JP PEU’s corporate structure does not allow for it to enter into this joint venture (as is currently the case), Balkan will retain the right to apply for the exploitation license on its own, and retain 100% interest in the project.
3. Ownership in the joint venture company will be directly proportional to the value of the assets contributed by each party.
 - a. Balkan will be responsible for providing all the funding required to develop the mine and ore processing facilities.
 - b. JP PEU will contribute certain existing infrastructure assets in its possession (such as a power substation, access roads, rail spur, office and maintenance buildings in strategic proximity to the property) and historical research data from previous exploration programs at Piskanja. The determination of the assets to be

contributed by JP PEU to the joint venture shall be at the sole discretion of Balkan. These assets will be contributed at their established fair market value.

4. An official determination of percentage ownership will occur at the completion of the mine development, and be based upon the amount that has been actually spent by Balkan on exploration and mine development, and the fair market value of the assets contributed by JP PEU.
5. Balkan and JP PEU agree that the joint venture company will primarily employ manpower from the Ibarski Mine, as qualified and required.
6. Each party will have representation on the board of directors of the joint venture company on a basis that reflects their prorata ownership of the joint venture company.

About Piskanja

In 2005, a report prepared by the government of the Republic of Serbia (Ministry of Mining and Energy) for the granting of a concession for the exploration and development of the Piskanja Boron Deposit cited a resource at Piskanja of “**more than 7,500,000 tons with the useful component of 36.39% B₂O₃**”.

- ◇ This historical resource estimate is based upon 31 historical boreholes totalling 9,300 metres of drilling (with an average hole depth of 300 metres).
- ◇ No author or source are cited for this resource and no statement is issued on the resource classification used. The list of references of this report lists possible original government reports from 1996 to 2003 that may be the source of this resource estimate, but the exact reference used cannot be verified.
- ◇ The historical estimate does not state the key assumptions, parameters and methods used to prepare the estimate, nor the does it state the categories for the resource.
- ◇ No more recent valid historical estimates are known to Erin.
- ◇ Erin considers this historic estimate to be relevant based in part upon the Company’s own experience on the property, and it is considered to be highly relevant to current operations.

This is a “historical estimate” by definition and cannot be treated as a current resource. A Qualified Person has not done sufficient work to classify this historical estimate as current. Erin is not treating this historical estimate as such, and the historical estimate should not be relied upon.

Lithology at Piskanja 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. The Piskanja deposit has the potential of hosting additional borate tonnage beyond the historical estimates, based on the ongoing compilation of assay data showing other zones of possible borate mineralization, and given that the property remains undefined in two directions.

Piskanja is located in a historical mining region that has good infrastructure for mining including roads, rail, electric power, experienced miners, and support services. The site is approximately 250 km south of Belgrade, Serbia by good paved roads.

On August 31, 2010, the Company reported that it has been granted an exploration license for the Piskanja boron deposit in Serbia, by the Serbian Ministry of Mining and Energy. The license covers an area of approximately 3 square kilometres, and includes the entire known historical mineralized area along with a substantial amount of previously unexplored ground.

Erin Ventures Inc.
Management Discussion and Analysis
For the year ended June 30, 2012

Under Serbian law, a mineral exploration license is granted exclusively, for a 3 year period (extendable at the request of the license holder). Upon successful completion of the exploration program, the license holder has the sole right to apply for an exploitation (mining) license.

Current exploration program for the year to date:

Erin's exploration at Piskanja includes a diamond drill program of HQ and larger diameter vertical core drilling, consisting of in-fill drilling across the known mineralized area at Piskanja, on a 100 metre by 100 metre grid (with a tighter pattern already drilled over a portion of the license area). To date, Erin has completed 35 drill holes totalling approximately 12,000 metres. Engineering, hydrogeology, environmental and other studies are also underway in conjunction with this drill program, in the anticipation of a mining license application, and the transition into feasibility and mine development phases.

Quartz Claims, Yukon Canada

During the year ended June 30, 2010 the company entered into an agreement to purchase a 100% interest in a Yukon property, which has 36 Quartz Claims, in exchange for:

- Cash payment of \$25,000 (paid);
- 1,500,000 common shares of the Company (issued);
- 1,500,000 warrants, exercisable into one common share of the Company for \$0.10 for two years (granted);
- payment of 3% net smelter royalty;
- \$20,000 expenditure of exploration on the property by June 1, 2010 (completed); and
- a further \$100,000 expenditure of exploration on the property by May 15, 2011 (during the year ended June 30, 2011 the Company was given an extension to July 1, 2012). Subsequent to the year ended June 30, 2012, a further extension was provided to July 15, 2013).

The 36 lode Quartz mineral claims are adjacent to the White Gold Property held by Underworld Resources (TSX Venture: UW) located in the Yukon. The Erin Ventures' claims (known as the AU Claims) are directly to the northeast, approximately 14 km from Underworld's White Gold discovery (since acquired by Kinross Gold).

During the year ended June 30, 2012, Erin did not report any new exploration activity on the Quartz Claims.

Selected Annual Information

	Year ended June 30,		
	2012	2011	2010
	IFRS	IFRS	CGAAP
Total revenues	\$ -	\$ -	\$ -
Loss before discontinued operations	(1,136,747)	(1,162,458)	(608,455)
Basic and diluted loss per share before discontinued operations	(0.01)	(0.01)	(0.01)
Net loss	(1,136,747)	(1,254,580)	(1,365,375)
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)
Total assets	5,224,047	4,712,528	2,498,017
Total long-term liabilities	-	-	-
Cash dividends per share	-	-	-

Erin Ventures Inc.
Management Discussion and Analysis
For the year ended June 30, 2012

Selected Quarterly Information

The following selected financial information is derived from the unaudited interim financial statements of the Company.

	Q4 June 30 2012 IFRS	Q3 Mar 31 2012 IFRS	Q2 Dec 31 2012 IFRS	Q1 Sept 30 2012 IFRS	Q4 Jun 30 2011 IFRS	Q3 Mar 31 2011 IFRS	Q2 Dec 31 2010 IFRS	Q1 Sept 30 2010 IFRS
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net loss before discontinued operations:								
Total	\$(560,440)	\$(294,478)	\$(161,190)	\$(120,639)	\$(541,324)	\$(121,235)	\$(363,192)	\$(136,707)
Per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Per share, fully diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Net loss:								
Total	\$(560,440)	\$(294,478)	\$(161,190)	\$(120,639)	\$(290,807)	\$(463,874)	\$(363,192)	\$(136,707)
Per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Per share, fully diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

Results of Operation

Year ended June 30, 2012

During the year ended June 30, 2012, the Company incurred a net loss of \$1,136,747 (2011 - \$1,254,580). Significant fluctuations during the year included:

- i) Accounting and audit fees of \$79,390 (2011 - \$75,471). The increase is primarily a result of accounting expenses related to the transition from cGAAP to IFRS.
- ii) Consulting fees of \$189,762 (2011 - \$31,690). The increase is a result of a consultant engaged midway through fiscal 2011 as well as bonus paid to consultants, including value of shares issued.
- iii) Filing fees of \$12,499 (2011 - \$30,565). The decrease is primarily due to decreased filings with the exchange during the current period.
- iv) Management fees of \$201,900 (2011 - \$156,000). The increase is primarily due to value of shares issued to management for services rendered during the period.
- v) Share-based payments of \$27,008 (2011 - \$235,300) decreased due to a decrease in stock options granted and the fair value attributed to them.
- vi) Travel and promotion of \$82,923 (2011 - \$90,684). Erin's travel fees will continue to be significant as the Company maintains projects in places like Serbia, Canada and Carolina, requiring significant travel.

Liquidity and Solvency

The Company's activities have been funded primarily through equity financing and unsecured loans along with the incidental mining revenues, and the Company expects that it will continue to be able to utilize these sources of financing until it develops significant cash flow from operations. There can be no assurance, however, that the Company will be successful in its efforts. If such

funds are not available or other sources of finance cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available or can be obtained. The Issuer has and continues to maintain good relations with its creditors and suppliers.

The Company's liquid asset position decreased to \$326,593 as at June 30, 2012 compared to \$2,245,152 as at June 30, 2011. This represents a decrease in liquid assets of \$1,918,559 and was the result of fewer private placement financings and option and warrant exercises in the current period compared to prior year. Current liabilities stood at \$405,910 as at June 30, 2012 compared with \$344,276 as at June 30, 2011.

The Company had a working capital deficit of \$79,317 as at June 30, 2012 as compared with a working surplus of \$1,900,876 as at June 30, 2011.

The Company's exploration and evaluation assets increased to \$4,882,403 as at June 30, 2012 (2011 - \$2,445,875) primarily as a result of exploration work done in Serbia.

Capital Expenditures

As at June 30, 2012, the Company's capital assets were valued at \$4,897,454 compared to \$2,467,376 as at June 30, 2011. This represents an increase of \$2,436,528 or 50% of long term assets and reflects the increased carrying value of the Company's exploration and evaluation assets with the acquisitions in Serbia.

Off Balance Sheet Arrangements

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

Capital Resources

During July 2012, the Company completed its private placement of units at a price of \$0.06 per unit. A total of 19,214,996 units have been issued for total proceeds in the amount of \$1,152,899.76. Each unit consists of one common share and one warrant. The warrants have a two year term with an exercise price of \$0.12 in the first year and \$0.25 in the second year. Finder's fees totaling \$51,160 are being paid with respect to this placement. The proceeds of this placement will be used by Erin Ventures Inc. to fund exploration expenses, in addition to general and administrative expenses and working capital. The securities issued in this placement are subject to a hold period expiring November 27, 2012.

During the year ended June 30, 2012 the Company:

- i. issued 193,547 common shares pursuant to an exploration and evaluation asset agreement for the Deep River Gold Project, valued at \$0.12 per share for total value of \$23,226.
- ii. issued 150,000 shares for proceeds of \$22,500 for warrants exercised.
- iii. issued 9,555,000 units at \$0.10 per unit for private placements. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at \$0.25 per share until February 10, 2014. All of the proceeds have been allocated to shares issued and none to the warrants. At June 30, 2012, the Company had not collected \$20,000 in respect to shares issued (collected subsequently).

Related Party Transactions

The Company incurred the following costs charged by directors of the Company and companies controlled by Directors of the Company:

	<u>2012</u>	<u>2011</u>
Exploration and evaluation assets costs		
Consulting and geological consulting	\$ 178,580	\$ -
Administration and rent	6,599	5,630
Acquisition costs	150,063	74,175
Consulting fees	38,000	68,000
Office and miscellaneous	67,500	60,000
Management fees	202,500	156,000
Rent	4,800	9,000
Recovery of advances receivable	-	(4,500)
Travel and promotion	2,400	3,000
	<u>\$ 650,442</u>	<u>\$ 371,305</u>

Key Management Compensation

	<u>2012</u>	<u>2011</u>
Management fees – short term benefits	\$ 236,500	\$ 156,000
Management fees – share based payments	\$ 40,000	\$ -

As at June 30, 2012 accounts payable includes \$265,873 (June 30, 2011: \$177,587) due to directors of the Company and companies with common directors. This amount is comprised of unpaid geological fees, consulting fees, office costs, royalties and travel costs. All amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

Financial Instruments and Other Instruments

The Company designated cash as held for trading assets, measured at fair value. Accounts payable and accrued liabilities are designated as other financial liabilities and measured at amortized cost. Management did not identify any material embedded derivatives, which require separate recognition and measurement. The Company had neither available-for-sale, nor held-to-maturity instruments during the year ended June 30, 2012.

Outstanding Share Capital – As at October 29, 2012

Outstanding common shares – 183,674,853

Outstanding stock options

<u>Options</u>	<u>Price</u>	<u>Expiry Date</u>
300,000	\$0.15	January 1, 2013
330,000	\$0.10	September 16, 2013
300,000	\$0.16	October 13, 2013
300,000	\$0.16	October 13, 2014
1,500,000	\$0.16	December 7, 2015
<u>75,000</u>	\$0.10	January 24, 2017
<u>2,805,000</u>		

Erin Ventures Inc.
Management Discussion and Analysis
For the year ended June 30, 2012

Outstanding share purchase warrants

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
16,350,000	\$0.25	December 2, 2012
6,000,000	\$0.25	January 7, 2013
<u>9,555,000</u>	\$0.25	February 10, 2014
<u>31,905,000</u>		

Protection Rights Plan

On October 11, 2011, the Company announced that it has now officially adopted the Shareholder Protection Rights Plan previously approved by shareholders. The Shareholder Protection Rights Plan (commonly known as a “Poison Pill”) is intended to provide shareholders of the Corporation with protection against hostile take-over bids. The Rights Plan attaches to all common shares but is not exercisable or independently transferable until separation, which will only occur following a time that a bidder acquires or seeks to acquire 20% or more of the outstanding shares of the Corporation. Upon separation all shareholders except the bidder will have the right to acquire additional shares at a substantial discount, effectively diluting the holdings of the bidder. Separation of the rights will not occur in the event of a “permitted bid”, being a bid that, among other things, requires the bid to be open for at least 35 days and be subject to acceptance by shareholders holding at least 50% of the shares not owned by the bidder. The Shareholder Protection Rights Plan will expire September 20, 2014 unless it is renewed or replaced by the Corporation with the approval of the shareholders.

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 mineral industry is intensely competitive in all its phases. The Company competes with many other companies who have greater financial resources and experience. The market price of precious metals and other minerals is volatile and cannot be controlled. Exploration for minerals is a speculative venture. There is no certainty that the money spent on exploration and development will result in the discovery of an economic ore body. The Company’s activities outside of Canada make it subject to foreign currency fluctuations and this may materially affect its financial position and results. The Company has limited financial resources, no source of operating cash flows and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its projects or to fulfill its obligations under the terms of any option or joint venture agreements. If the Company’s generative exploration programs are successful, additional funds will be required for development of one or more projects. Failure to obtain additional financing could result in the delay or indefinite postponement of further exploration and development or the possible loss of the Company’s properties.

Foreign Currency Risk

The Company has operations in Canada, the United States and Serbia subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian dollars, United States dollars ("US dollars") and Serbian dinars, and the fluctuation of the Canadian dollar in relation to these other currencies will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks.

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.

Legal Proceedings

Erin Ventures Inc. has undertaken 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 seeks monetary compensation for losses and certain damages, totalling approximately US\$15 million. Erin has retained Serbian legal council that has agreed to conduct their services on a contingency basis, receiving 5% of any financial reward received by Erin regarding this matter. All court fees and other miscellaneous costs regarding this matter have been advanced and Erin does not expect any further material costs relating to this settlement of this matter.

Qualified Persons Review

Pursuant to NI 43-101, the Issuer confirms that James E Wallis, M.Sc. (Eng), P. Eng., a consultant to the company, who is a Qualified Person under National Instrument 43-101 has reviewed the technical information contained herein.

Approval

The Board of Directors of Erin has approved the disclosure contained in this Management Discussion & Analysis. A copy of this Management Discussion & Analysis will be provided to anyone who requests it.

Controls and Procedures

Disclosure controls and procedures ('DC&P') are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ('ICFR') are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. TSX Venture listed companies are not required to provide representations in their annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument MI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding absence of

misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Transition to International Financial Reporting Standards

Please refer to the June 30, 2012 audited consolidated financial statements on www.sedar.com for details on the Company's transition to IFRS.

- Note 3 – Significant Accounting Policies
- Note 14 – Transition to IFRS

Other Matters

Additional information relating to the Company can be found on SEDAR at www.sedar.com and also on the Company's website at www.erinventures.com.