

LATIN AMERICAN MINERALS INC.

FINANCIAL STATEMENTS

JUNE 30, 2004

(Unaudited – prepared by management)

LATIN AMERICAN MINERALS INC.
BALANCE SHEETS
(Unaudited – prepared by management)

	June 30, 2004	December 31, 2003
ASSETS		
Current		
Cash	\$ 419,940	\$ -
Deferred financing costs (Note 5)	<u>39,323</u>	<u>-</u>
	\$ 459,263	\$ -

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	\$ <u>1,000</u>	\$ <u>-</u>
Shareholders' equity		
Capital stock (Note 6)	500,000	-
Deficit	<u>(41,737)</u>	<u>-</u>
	<u>458,263</u>	<u>-</u>
	\$ 459,263	\$ -

Continuance of operations (Note 3)

Subsequent event (Note 7)

On behalf of the Board:

<u>“John Prochnau”</u>	Director	<u>“Robert Giustra”</u>	Director
John Prochnau		Robert Giustra	

The accompanying notes are an integral part of these financial statements.

LATIN AMERICAN MINERALS INC.
STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – prepared by management)

	Three Month Period Ended June 30, 2004	Six Month Period Ended June 30, 2004	Period from Incorporation on December 9, 2003 to December 31, 2003
EXPENSES			
Audit	\$ -	\$ 4,500	\$ -
Legal	29,010	29,010	-
Office and miscellaneous	2,981	4,126	-
Transfer agent and filing fees	3,745	3,745	-
Travel	752	752	-
	<u>(36,488)</u>	<u>(42,133)</u>	<u>-</u>
OTHER			
Interest income	<u>327</u>	<u>396</u>	<u>-</u>
Loss for the period	(36,161)	(41,737)	-
Deficit, beginning of period			
Deficit, end of period	(5,576)	-	-
	\$ (41,737)	\$ (41,737)	\$ -
Loss per share	\$ (0.01)	\$ (0.01)	\$ -
Weighted average number of common shares used in the calculation of loss per share	10,000,000	10,000,000	-

The accompanying notes are an integral part of these financial statements.

LATIN AMERICAN MINERALS INC.
STATEMENTS OF CASH FLOWS
(Unaudited – prepared by management)

	Three Month Period Ended June 30, 2004	Six Month Period Ended June 30, 2004	Period from Incorporation on December 9, 2003 to December 31, 2003
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period	\$ (36,161)	\$ (41,737)	\$ -
Changes in non-cash working capital item:			
Increase in accounts payable and accrued liabilities	_____ -	_____ 1,000	_____ -
Net cash used in operating activities	_____ (36,161)	_____ (40,737)	_____ -
CASH FLOWS FROM FINANCING ACTIVITIES			
Subscriptions received in advance	-	500,000	-
Due to Related Parties	(7,962)	-	-
Deferred financing costs	_____ (10,700)	_____ (39,323)	_____ -
Net cash provided by (used in) financing activities	(18,662)	460,677	-
Increase (decrease) in cash	(54,823)	419,940	-
Cash position, beginning of period	_____ 474,763	_____ -	_____ -
Cash position, end of period	\$ 419,940	\$ 419,940	\$ -

The accompanying notes are an integral part of these financial statements.

1. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

It is recommended that these interim financial statements be read in conjunction with the year end audited financial statements as at December 31, 2003. The accounting policies applied to the preparation of the interim financial statements are consistent with those applied to the previous year end.

2. INCORPORATION

The Company was incorporated under the Canada Business Corporations Act on December 9, 2003. The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange (“TSX-V”) Listings Policy 2.4.

3. CONTINUANCE OF OPERATIONS

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an investment in an interest in properties, assets or businesses. Such an acquisition will be subject to shareholder and regulatory approval.

4. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

Financial instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the period.

5. DEFERRED FINANCING COSTS

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

LATIN AMERICAN MINERALS INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004
(Unaudited – prepared by management)

6. CAPITAL STOCK

	Number of Shares	Amount
Authorized		
Unlimited number common shares without par value		
Issued		
As at December 9, 2003 and December 31, 2003	-	-
Subscriptions received in advance	<u>10,000,000</u>	<u>\$ 500,000</u>
As at June 30, 2004	<u>10,000,000</u>	<u>\$ 500,000</u>

The Company received \$500,000 towards the issuance of 10,000,000 common shares. The common shares will be subject to an escrow agreement and may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

The Company has granted stock options to directors, officers, employees and consultants of the Company, enabling them to acquire up to 1,200,000 common shares of the Company at a price of \$0.10 per share, exercisable for a period of five years commencing the date the Company's common shares commence trading on the TSX-V, subject to regulatory approval.

7. SUBSEQUENT EVENT

Subsequent to June 30, 2004, pursuant to a prospectus filed with the British Columbia and Alberta Securities Commissions, the Company is offering up to 2,500,000 common shares at \$0.10 per share for gross proceeds of \$250,000 as an initial public offering. The Agent will receive a commission of \$25,000 being 10% of the gross proceeds and a sponsorship fee of \$20,000. The Company will grant the Agent non-transferable warrants entitling the Agent to purchase up to 250,000 common shares at \$0.10 per share, exercisable for a period of 18 months from the date the Company's common shares commence trading on the TSX-V. The transaction is subject to regulatory approval.