

FORTUNA VENTURES INC.
(An Exploration Stage Company)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2005

(Expressed in Canadian Dollars)

UNAUDITED FINANCIAL STATEMENTS: In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended March 31, 2005.

FORTUNA VENTURES INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED BALANCE SHEETS
AS AT MARCH 31, 2005
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	March 31, 2005	September 30, 2004
ASSETS		
CURRENT		
Cash	\$ 43,702	\$ 396,321
GST receivable	3,448	8,095
Advances and other receivables	12,582	-
Prepaid expenses and deposits	6,374	8,039
	66,106	412,455
PLANT & EQUIPMENT	2,910	-
RESOURCE PROPERTIES	471,237	87,686
	\$ 540,253	\$ 500,141
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 140,014	\$ 67,921
Due to related parties (Note 5)	141,769	-
	281,783	67,921
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (Note 6)	3,690,359	3,697,482
CONTRIBUTED SURPLUS	85,769	-
DEFICIT	(3,517,658)	(3,265,262)
	258,470	432,220
	\$ 540,253	\$ 500,141

APPROVED BY THE DIRECTORS:

"signed" _____, Director
Peter Thiersch

"signed" _____, Director
Simon Ridgway

FORTUNA VENTURES INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF DEFICIT
FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2005
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	Three Month Period Ended March 31,		Six Month Period Ended March 31,	
	2005	2004	2005	2004
DEFICIT - BEGINNING OF PERIOD	\$ (3,370,771)	\$ (3,157,872)	\$ (3,265,262)	\$ (3,143,448)
Net loss for the period	(146,887)	(54,850)	(252,396)	(69,274)
DEFICIT - END OF PERIOD	\$ (3,517,658)	\$ (3,212,722)	\$ (3,517,658)	\$ (3,212,722)

FORTUNA VENTURES INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2005
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	Three Month Period Ended March 31,		Six Month Period Ended March 31,	
	2005	2004	2005	2004
EXPENSES				
Bank charges and interest	480	36	480	162
Consulting	17,786	1,000	22,286	2,000
Interest on loans payable	-	-	-	2,299
Accounting & Legal	41,176	51,095	44,696	52,634
Management fees	-	(7,500)	2,629	-
Office and miscellaneous	8,859	(793)	9,815	707
Investor relations	25,371	1,026	31,407	1,026
Transfer agent and regulatory fees	11,021	9,986	13,356	10,446
Rent and utilities	1,914	-	1,914	-
Salaries	25,285	-	25,285	-
Telephone and fax	1,813	-	1,813	-
Travel and accommodation	13,182	-	19,069	-
	<u>146,887</u>	<u>54,850</u>	<u>172,750</u>	<u>69,274</u>
LOSS BEFORE OTHER ITEMS	<u>\$ (146,887)</u>	<u>\$ (54,850)</u>	<u>\$ (172,750)</u>	<u>\$ (69,274)</u>
Stock based compensation charge (Note 6)	-	-	(79,646)	-
	<u>-</u>	<u>-</u>	<u>(79,646)</u>	<u>-</u>
NET LOSS FOR THE PERIOD	<u>\$ (146,887)</u>	<u>\$ (54,850)</u>	<u>\$ (252,396)</u>	<u>\$ (69,274)</u>
LOSS PER SHARE	<u>\$ (0.023)</u>	<u>\$ (0.030)</u>	<u>\$ (0.039)</u>	<u>\$ (0.038)</u>
Weighted average number of shares outstanding	<u>6,518,349</u>	<u>1,831,487</u>	<u>6,440,654</u>	<u>1,831,487</u>

FORTUNA VENTURES INC.
(An Exploration Stage Company)
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2005
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	Three Month Period Ended March 31,		Six Month Period Ended March 31,	
	2005	2004	2005	2004
OPERATING ACTIVITIES				
Net loss for the period	\$ (146,887)	\$ (54,850)	\$ (252,396)	\$ (69,274)
Item not involving cash				
Stock based compensation charge	-	-	79,646	-
	(146,887)	(54,850)	(172,750)	(69,274)
Changes in non-cash working capital items	78,273	65,479	64,823	87,155
	(68,614)	10,629	(107,927)	17,881
FINANCING ACTIVITIES				
Due to related parties	141,769	-	141,769	-
INVESTING ACTIVITIES				
Deferred exploration costs	(297,702)	-	(383,551)	-
Purchase of plant & equipment	(2,910)	-	(2,910)	-
	(300,612)	-	(386,461)	-
INCREASE/(DECREASE) IN CASH	(227,457)	10,629	(352,619)	17,881
Cash - beginning of period	271,159	8,630	396,321	1,378
CASH - END OF PERIOD	<u>\$ 43,702</u>	<u>\$ 19,259</u>	<u>\$ 43,702</u>	<u>\$ 19,259</u>
Supplementary disclosure of cash flow information:				
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Non-cash Transactions - Note 8

FORTUNA VENTURES INC.
(An Exploration Stage Company)
CONSOLIDATED SCHEDULE OF DEFERRED EXPLORATION COSTS
FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2005
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	<u>General Exploration</u>	<u>Guatemala El Tambor</u>	<u>Peru Caylloma</u>	<u>Canada Isle-Dieu</u>	<u>Period Ended Mar 31, 2005</u>	<u>Year Ended Sept. 30, 2004</u>
<u>ACQUISITION COSTS</u>						
BALANCE - BEGINNING OF PERIOD	\$ -	\$ -	\$ -	\$ 3,457	\$ 3,457	\$ -
Cash	-	-	122,390	-	122,390	3,457
BALANCE - END OF PERIOD	-	-	122,390	3,457	125,847	3,457
<u>DEFERRED EXPLORATION COSTS</u>						
BALANCE - BEGINNING OF PERIOD	\$ -	\$ -	\$ 18,019	\$ 66,210	\$ 84,229	\$ 4,673
Automobile	-	1,451	8,601	-	10,052	-
Camp, equipment and supplies	-	927	11	-	938	-
Drafting, maps and printing	-	-	-	-	-	28,995
Exploration administration	-	861	12,234	-	13,095	-
Geochemistry	-	-	-	3,441	3,441	27,141
Geological consulting	3,471	16,693	54,167	-	74,330	13,019
Other consulting	-	4,224	32,467	-	36,691	-
Licenses, rights and taxes	-	13,336	-	-	13,336	-
Miscellaneous	-	922	-	-	922	-
Medical expenses	-	512	424	-	936	-
Geological research	-	-	31,992	-	31,992	5,401
Rent and utilities	-	4,132	4,392	-	8,524	-
Salaries and wages	-	6,657	32	-	6,688	-
Shipping	-	-	15	-	15	-
Telephone and communications	-	2,163	1,631	-	3,794	-
Travel and accommodation	5,000	6,517	44,889	-	56,406	5,000
	<u>8,471</u>	<u>58,394</u>	<u>190,855</u>	<u>3,441</u>	<u>261,161</u>	<u>79,556</u>
BALANCE - END OF PERIOD	<u>\$ 8,471</u>	<u>\$ 58,394</u>	<u>\$ 331,264</u>	<u>\$ 73,108</u>	<u>\$ 471,237</u>	<u>\$ 87,686</u>

Fortuna Ventures Inc.

Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

Six Month Period Ended March 31, 2005

1. Basis of Presentation

The consolidated financial statements contained herein include the accounts of Fortuna Ventures Inc. and its wholly-owned subsidiary located in Guatemala.

The interim period consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the annual financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These interim period statements should be read together with the audited financial statements and the accompanying notes included in the Company's latest annual report. In the opinion of the Company, its unaudited interim consolidated financial statements contain all adjustment necessary in order to present a fair statement of the results of the interim periods presented.

2. Nature of Operations

The Company is engaged in acquisition and exploration of mineral properties in Peru, Guatemala and Canada. The amounts shown for the mineral properties represent costs incurred to date and do not reflect present or future values. The Company presently owns a 100% interest in the Dunlop Bay Property, Matagami area, Quebec. The Company is in the process of exploring its mineral properties in Guatemala and Canada and has not yet determined whether the properties contain reserves that are economically recoverable. Accordingly, the recoverability of these capitalized costs is dependant upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete their development and upon future profitable production.

3. Change in Accounting Policy**Stock-Based Compensation**

The Company grants options in accordance with the policies of the TSX Venture Exchange ("TSX-V"). The Company has adopted the CICA Handbook Section 3870 "Stock-Based Compensation and Other Stock-Based Payments", which recommends the fair value-based methodology for measuring all compensation costs. Commencing February 1, 2004 the fair value of stock options awarded is recognized as an expense.

4. Basic and Diluted Loss Per Share

Basic loss per share ("LPS") is calculated by dividing loss applicable to common shareholders by the weighted average number of common shares outstanding for the year. Diluted LPS reflects the potential dilution that could occur if potentially dilutive securities are exercised or converted to common stock. Due to the losses, potentially dilutive securities were excluded from the calculation of diluted LPS, as they were anti-dilutive and there was no difference in the calculation of basic and diluted LPS.

Fortuna Ventures Inc.

Notes to the Interim Consolidated Financial Statements
(Unaudited – Prepared by Management)
Six Month Period Ended March 31, 2005 – Page 2

5. Related Party Transactions

The Company incurred charges with companies having a common director or officer as follows:

	Three Month Period Ending March 31,	
	<u>2005</u>	<u>2004</u>
Deferred exploration costs – consulting fees	\$ 13,137	\$ 26,000
Consulting fees	\$ 9,180	-
Salaries and wages	\$ 18,000	-

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

At March 31, 2005, accounts payable included \$11,213 (Sept 2004: \$Nil) due to a director of the Company and to a company with a common director.

At March 31, 2005, due to related parties consists of amounts owing to a company with a common director totaling \$141,769 (Sept 2004: \$nil) which were incurred as a result of shared administrative costs and the loan of funds. This amount is unsecured, non-interest bearing and have no specific terms for repayment.

6. Capital Stock

	<u>Number of Shares</u>	<u>Price</u>	<u>Amount</u>
Authorized			
Unlimited common shares without par value			
Issued			
Balance, September 30, 2003	1,831,487		\$ 2,542,180
Issued During the Period			
Shares for debt	2,621,204	0.25	655,302
Private placement for cash	2,000,000	0.25	500,000
	<u>4,621,204</u>		<u>1,155,302</u>
Balance, September 30, 2004	6,452,691		3,697,482
Cancellation of shares for debt	(4,000)	0.25	(1,000)
Cancellation of escrow shares	<u>(87,470)</u>	0.07	<u>(6,123)</u>
	(91,470)		(7,123)
Balance, March 31, 2005	<u>6,361,221</u>		<u>\$ 3,690,359</u>

Fortuna Ventures Inc.

Notes to the Interim Consolidated Financial Statements
(Unaudited – Prepared by Management)
Six Month Period Ended March 31, 2005 – Page 3

6. Capital Stock (cont'd)**Stock Options**

The Company has established a formal stock option plan in accordance with the policies of the TSX-V under which it is authorized to grant options up to 10% of its outstanding shares to officers, directors, employees and consultants. The exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options are for a maximum term of five years.

The following stock options were outstanding at March 31, 2005:

<u>Number of shares</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
502,500	0.37	December 2, 2009

Warrants

The following share purchase warrants were outstanding at March 31, 2005:

<u>Number of shares</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
2,000,000	0.30	September 9, 2005

Escrow Shares

The 87,470 shares held in escrow were cancelled by the regulatory authorities on March 7, 2005. The issued share capital reflects the cancellation of these shares.

Stock-Based Compensation

The Company uses the fair value based method of accounting for share options granted to consultants, directors, officers and employees. The non-cash compensation charge of \$79,646 recognized for the six month period ended March 31, 2005 is associated with the granting of options to a consultant, directors and employees. These compensation charges have been determined under the fair value method using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	3.74%
Expected stock price volatility	43.2%
Expected term in years	5
Expected dividend yield	0.0%

Fortuna Ventures Inc.

Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

Six Month Period Ended March 31, 2005 – Page 4

7. Segmented Information

Details of identifiable assets by geographic segments are as follows:

	<u>March 31, 2005</u>	<u>Sept 30, 2004</u>
Canada		
Current Asset	\$ 58,302	\$ 412,455
Deferred Exploration Costs	73,108	69,667
	<u>\$ 131,410</u>	<u>\$ 482,122</u>
Peru		
Deferred Exploration Costs	\$ 339,735	\$ 18,019
Guatemala		
Current Asset	\$ 10,714	\$ -
Deferred Exploration Costs	58,394	-
	<u>\$ 69,108</u>	<u>\$ -</u>
	<u>\$ 540,253</u>	<u>\$ 500,141</u>

8. Supplementary Disclosure Of Non-cash Transactions

During the six months ended March 31, 2005 the following non-cash transactions occurred:

	<u>Number of shares</u>	<u>Amount</u>
Escrow shares cancelled per regulatory authorities	87,470	\$ 6,123
Shares for debt issued in error	4,000	1,000
	<u>91,470</u>	<u>\$ 7,123</u>