

Vena Resources Inc.
(formerly Oceanus Water Purity Inc.)
Unaudited Financial Statements for the Period ending
June 30, 2004

Notice to Reader

Management has compiled the unaudited interim financial information of Vena Resources Inc.(formerly Oceanus Water Purity Inc.) consisting of the interim Consolidated Balance Sheet as at June 30, 2004 and the Consolidated Statements of Operations and Deficit and Cash Flows for the three months ended June 30, 2004. All amounts are stated in Canadian Dollars. An accounting firm has not reviewed or audited this interim financial information.

Vena Resources Inc.
(formerly Oceanus Water Purity Inc.)

Consolidated Balance Sheet
(Unaudited)

As at June 30,

2004

Assets

Current Assets

| | |
|---------------------|------------|
| Cash | \$ 102,908 |
| Short-term deposits | 264,000 |
| Receivables | 179,313 |
| | 546,221 |

| | |
|--|---------------------|
| Mineral Properties and Deferred Expenditures (Note 4) | 1,143,065 |
| | \$ 1,689,286 |

Liabilities

Current Liabilities

| | |
|--|------------|
| Accounts payable and accrued liabilities | \$ 232,754 |
| | 232,754 |

Shareholders' Equity

| | |
|-------------------------------|---------------------|
| Capital Stock (Note 3) | 1,923,696 |
| Deficit | (467,164) |
| | 1,456,532 |
| | \$ 1,689,286 |

Vena Resources Inc.
(formerly Oceanus Water Purity Inc.)

Consolidated Statements of Operations and Deficit
(Unaudited)

| | Three Months Ended June 30, 2004 | Period From December 11, 2003 <i>(date of incorporation)</i> to June 30, 2004 |
|---------------------------------|---|--|
| Operating Expenses | | |
| Consulting | \$ 108,031 | \$ 134,579 |
| Professional fees | 53,598 | 103,776 |
| Travel | 63,336 | 92,196 |
| Office and general | 2,934 | 64,330 |
| Promotion | 25,667 | 40,021 |
| Foreign exchange loss (gain) | (535) | 32,262 |
| Net Loss | 253,031 | 467,164 |
| Deficit at beginning of period | 214,133 | - |
| Deficit at End of Period | \$ 467,164 | \$ 467,164 |
| Net Loss Per Share | 1.2¢ | 4.5¢ |

Vena Resources Inc.
(formerly Oceanus Water Purity Inc.)

Consolidated Statements of Cash Flow
(Unaudited)

| | Three Months Ended June 30, 2004 | Period From December 11, 2003 (date of incorporation) to June 30, 2004 |
|--|---|---|
| Operating | | |
| Net loss | \$ (253,031) | \$ (467,164) |
| Adjustments to reconcile net loss to cash flow from operating activities: | | |
| Unrealized exchange loss (gain) | (535) | 2,718 |
| Net change in non-cash working capital items: | | |
| Taxes recoverable | (8,863) | (176,152) |
| Accounts payable and accruals | (41,297) | 87,568 |
| Cash Flow Provided by (Used in) Operating Activities | (303,726) | (553,030) |
| Financing | | |
| Issuance of common shares | - | 1,616,947 |
| Advance from shareholder | - | 4,660 |
| Cash Flow Provided by (Used in) Financing Activities | - | 1,621,607 |
| Investing | | |
| Mineral properties and deferred exploration expenditures | (645,784) | (704,669) |
| Net purchases of short-term investments | (264,000) | (264,000) |
| Cash acquired on acquisition of business (Note2) | - | 3,000 |
| Cash Flow Provided by (Used in) Investing Activities | (909,784) | (965,669) |
| Increase (Decrease) in Cash | (1,213,510) | 102,908 |
| Cash at beginning of period | 1,316,418 | - |
| Cash at End of Period | \$ 102,908 | \$ 102,908 |

Vena Resources Inc.
(formerly Oceanus Water Purity Inc.)

Notes to Consolidated Financial Statements
(Unaudited)

Period From December 11, 2004 (date of incorporation) to June 30, 2004

General

On March 31, 2004, the corporation filed Articles of Amendment changing its name from Oceanus Water Purity Inc. to Vena Resources Inc. (Vena, or the Company). During fiscal 2004 Vena acquired, through a series of transactions, 100% of the outstanding Common Stock of Compañía Las Dunas De Oro S.A.C., a Peruvian-based mineral exploration company. This acquisition has been accounted for as a reverse takeover (see Note 2), as such, these consolidated financial statements reflect the continuation of the Peruvian-based legal subsidiary and not that of the legal parent.

1. Summary of Significant Accounting Policies

Consolidation

The consolidated financial statements include the accounts of the Company together with its wholly-owned subsidiaries, Vena Resources (2004) Inc. and Compañía Las Dunas De Oro S.A.C.

Foreign Currency Translation

Vena uses the temporal method of foreign currency translation in accounting for its integrated foreign operations. Under this method foreign currency denominated monetary assets and liabilities are translated into Canadian dollars at the exchange rate prevailing at the balance sheet date while non-monetary assets and liabilities are translated into Canadian dollars at the exchange rate prevailing on the date of the transaction. Revenue and expenditures denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing on the date of the transaction. Foreign exchange gains and losses arising from the translation of these foreign currency denominated transactions are reflected in operations for the period.

Short-Term Deposits

Short-term deposits are represented by redeemable Guaranteed Investment Certificates maturing in April 2005.

Mineral Properties

Vena defers the costs of exploration and capital assets on existing projects and carries them as assets until production commences. Mineral properties and the deferred exploration expenditures are recorded at cost and do not necessarily reflect present or future values. If a project is successful, the related mineral properties and deferred exploration expenditures will be amortized over the estimated economic life of the project. If a project is unsuccessful, or if exploration has ceased because continuation is not economically feasible, the mineral properties and the related deferred exploration expenditures are written off.

Stock-Based Compensation

Vena has a stock-based compensation plan for its directors, officers, key employees and consultants to the Company. Vena records stock-based compensation using the fair value method. Under this method, stock-based payments are measured at the fair value of the equity instruments issued, and are amortized over the vesting period. The offset to the recorded cost is to contributed surplus. As at June 30, 2004, Vena has not awarded any options to its directors, officers, key employees or consultants to the Company.

Vena Resources Inc.
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Notes to Consolidated Financial Statements
(Unaudited)

Period From December 11, 2004 (date of incorporation) to June 30, 2004

2. Acquisitions of Businesses

In fiscal 2004, Vena entered into a series of share-for-share exchange transactions that resulted in the acquisition of Vena Resources (2004) Inc. (VRI) and its wholly owned subsidiary, Compañía Las Dunas De Oro S.A.C. (Las Dunas). Due to the structure of the transactions, this acquisition has been accounted for as a reverse takeover of Vena by Las Dunas as the original Las Dunas shareholders own 62% of the issued and outstanding Common Shares of Vena immediately after closing of the acquisition. A summary of the transactions culminating in the acquisition is as follows:

Acquisition of Compañía Las Dunas De Oro S.A.C.

Effective February 27, 2004, Vena Resources (2004) Inc. (VRI) acquired 99.8% of the outstanding Common stock of Las Dunas for a total cost of \$1,916. As consideration for Las Dunas' shares VRI issued 12,300,000 Common Shares plus 2,500,000 share purchase warrants with each warrant entitling the holder to purchase one common share for \$0.25 for a period of one year from the issue date. Las Dunas was incorporated on December 11, 2003 under the laws of Peru and began active operations shortly thereafter. Las Dunas operates principally as a mineral exploration company in Peru, South America.

The acquisition has been accounted for by the purchase method as a reverse takeover of VRI by Las Dunas since the then existing shareholders of Las Dunas own 75% of the issued and outstanding Common Shares of VRI immediately after closing of the acquisition. Accordingly, for accounting purposes Las Dunas has been treated as the acquiror of VRI.

The consolidated balance sheet of the Company is based upon the accounts of Las Dunas at its historic net book value, which have been consolidated with the accounts of VRI at the estimated fair value of net assets acquired at the time of the acquisition. The consolidated statement of operations and deficit and changes in cash flow represent the results of operations and changes in cash flow of Las Dunas for the period December 11, 2003 (*date of incorporation*) to June 30, 2004 together with the results of operations and changes in cash flow of VRI from February 27, 2004 to June 30, 2004.

The deemed acquisition of VRI. is recorded at an ascribed value of \$1,961, and is based on the fair value of the assets and liabilities acquired, which are summarized as follows:

| | | |
|-----------------------------------|----|---------|
| Cash | \$ | 3,000 |
| Other current assets | | 2,557 |
| Current liabilities | | (3,596) |
| Fair value of net assets acquired | \$ | 1,961 |

Vena Resources Inc.
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Notes to Consolidated Financial Statements
(Unaudited)

Period From December 11, 2004 *(date of incorporation)* to June 30, 2004

2. Acquisitions of Businesses *(Continued)*

Acquisition of Vena Resources (2004) Inc.

Effective April 17, 2004, Vena acquired 100% of the outstanding common shares and warrants of Vena Resources (2004) Inc. (VRI) for a total cost of \$4,833. As consideration Vena issued 24,167,000 common shares for VRI's shares and 2,500,000 purchase warrant for VRI's warrants. Each Vena warrant issued entitles the holder to acquire one common share for \$0.25 for a period of one year from the issue date. VRI was incorporated on November 28, 2003 under the laws of Ontario and began active operations when it acquired Compañía Las Dunas De Oro S.A.C. (see above). VRI operates principally as a holding company as its principal asset is represented by the shares of Las Dunas.

The acquisition has been accounted for by the purchase method as a reverse takeover of Vena by VRI since the then existing shareholders of VRI own 91% of the issued and outstanding Common Shares of VRI immediately after closing of the acquisition . Accordingly, for accounting purposes VRI has been treated as the acquiror of Vena.

The consolidated balance sheet of the Company is based upon the accounts of VRI at its historic net book value, which have been consolidated with the accounts of Vena at the estimated fair value of net assets acquired at the time of the acquisition. The consolidated statement of operations and deficit and changes in cash flow represent the results of operations and changes in cash flow of VRI for the period from February 27, 2004 to June 30, 2004 together with the results of operations and changes in cash flow of Vena from April 17, 2004 to June 30, 2004.

The deemed acquisition of VRI. is recorded at an ascribed value of \$4,833, and is based on the fair value of the assets and liabilities acquired, which are summarized as follows:

| | | |
|---|----|---------|
| Cash | \$ | - |
| Other current assets | | 141 |
| Current liabilities | | (1,808) |
| Deficiency in net assets acquired | \$ | (1,667) |
| Fair value of consideration paid | \$ | 4,833 |
| Excess of purchase price over deficiency in net assets acquired | \$ | 6,500 |

The excess of the purchase price paid over the deficiency in net assets acquired was allocated to mineral properties.

3. Capital Stock

Share Capital

Vena is authorized to issue an unlimited number of common shares without par value. On March 31, 2004, the Company filed Articles of Amendment to consolidate each of the issued and outstanding common shares by changing up to every three issued and outstanding common shares into one common share with fractions to be rounded to the nearest whole number.

Vena Resources Inc.
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Notes to Consolidated Financial Statements
(Unaudited)

Period From December 11, 2004 (date of incorporation) to June 30, 2004

3. Capital Stock (Continued)

Share Capital (Continued)

Vena's issued and outstanding common shares is as follows:

| | No. | |
|---|-------------|--------------|
| Issuance of shares: | | |
| Cash upon incorporation on December 11, 2003 | 1,216,361 | \$ 197 |
| Deemed acquisition of Vena Resources (2004) Inc. (Note 2) | 3,562,201 | 1,916 |
| Private placements for cash consideration | 1,872,907 | 1,616,750 |
| Acquisition of mineral properties | 347,531 | 300,000 |
| | 6,999,000 | 1,918,863 |
| 3:1 stock consolidation | (4,666,000) | - |
| | 2,333,000 | 1,918,863 |
| Deemed acquisition of Vena Resources Inc. (Note 2) | 24,167,000 | 4,833 |
| | 26,500,000 | \$ 1,923,696 |

Warrants

As of June 30, 2004, Vena has 2,500,000 warrants outstanding, which expire in February 2005. Each warrant entitles the holder to acquire one common share for \$0.25.

4. Mineral Properties and Deferred Expenditures

| | Mineral Properties | Exploration Costs | Development Costs | Total |
|---|-----------------------|----------------------|----------------------|--------------|
| Balance at December 11, 2003 (date of incorporation) | \$ - | \$ - | \$ - | \$ - |
| Additions during the period | 981,378 | 18,746 | 142,941 | 1,143,065 |
| Balance at June 30, 2004 | \$ 981,378 | \$ 18,746 | \$ 142,941 | \$ 1,143,065 |

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Notes to Consolidated Financial Statements
(Unaudited)

Period From December 11, 2004 *(date of incorporation)* **to June 30, 2004**

5. Related Party Transactions

During the period, Vena incurred expenditures with its directors, senior officers and/or companies to which the directors and/or officers are related. These expenditures are summarized as follows:

| | Three Months Ended June 30, 2004 | Period From December 11, 2003 <i>(date of incorporation)</i> to June 30, 2004 |
|-------------------|---|--|
| Consulting fees | \$ 108,031 | \$ 134,579 |
| Professional fees | 63,055 | 63,508 |

As at June 30, 2004, there are related party balances in the amount of \$33,300 included in accounts payable and accruals.