EUROTIN INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED

DECEMBER 31, 2011

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Management's Responsibility for Condensed Consolidated Interim Financial Statements

The accompanying unaudited condensed consolidated interim financial statements of Eurotin Inc. (the "Corporation") are the responsibility of management and the Board of Directors.

The unaudited condensed consolidated interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed consolidated interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed consolidated interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed consolidated interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed consolidated interim financial statements and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed consolidated interim financial statements together with other financial information of the Corporation and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed consolidated interim financial statements together with other financial information of the Corporation. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed consolidated interim financial statements together with other financial information of the Corporation for issuance to the shareholders.

Management recognizes its responsibility for conducting the Corporation’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) "Peter Miller"

Chief Executive Officer

(signed) ″Carlos Pinglo″

Chief Financial Officer

Toronto, Canada
February 28, 2011

Eurotin Inc.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

		As at December 31, 2011		As at March 31, 2011 (note 22)		As at January 1 2010 (note 22)
ASSETS						
Current assets						
Cash and cash equivalents	**$**	**8,062,767**	$	1,984,846	$	309,831
Amounts receivable and other assets (note 9)		**613,606**		280,684		84,842
		8,676,373		2,265,530		394,673
Property, Plant and Equipment (note 10)		**73,515**		62,844		6,523
Mineral properties and deferred expenditures (note 11)		**8,281,258**		3,751,456		698,761
Total assets	**$**	**17,031,146**	$	6,079,830	$	1,099,957
EQUITY AND LIABILITIES						
Current liabilities						
Amounts payable and other liabilities	**$**	**1,248,016**	$	796,919	$	403,450
Convertible debt (note 12)		**-**		-		470,803
Due to shareholders		**-**		43,348		-
		1,248,016		840,267		874,253
Equity						
Share capital (note 13)		**23,878,433**		5,236,703		411,920
Common shares to be issued		**-**		1,207,078		281,360
Equity portion of convertible debt (note 12)		**-**		-		131,846
Warrants (note 16)		**890,599**		419,054		223,478
Contributed surplus		**1,425,990**		534,143		-
Non-controlling interest		**(3,789)**		-		-
Deficit		**(10,408,103)**		(2,157,415)		(822,900)
Total equity		**15,783,130**		5,239,563		225,704
Total equity and liabilities	**$**	**17,031,146**	$	6,079,830	$	1,099,957

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)
Contingencies and commitments (note 21)

Approved on behalf of the Board:

(Signed) "David Danziger", Director

(Signed) "John Hick", Director

Eurotin Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2011	**2010** (note 22)	**2011**	**2010** (note 22)
Operating expenses				
General and administrative (note 18)	$ **853,830**	$ **149,854**	$ **2,912,785**	$ **771,109**
Operating loss before the following items	**(853,830)**	**(149,854)**	**(2,912,785)**	**(771,109)**
RTO transaction cost	-	**-**	**(5,186,347)**	**-**
Foreign exchange gain (loss)	**(96,581)**	**(60,382)**	**(156,616)**	**(67,204)**
Interest income	**1,271**	-	**1,271**	-
Interest, accretion and financing fees	-	**(10,244)**	**-**	**(42,150)**
Net loss and comprehensive loss for the period	**(949,140)**	**(220,480)**	**(8,254,477)**	**(880,463)**
Net loss and comprehensive loss attributable to				
Parent company	**(945,351)**	**(220,480)**	**(8,250,688)**	**(880,463)**
Non-controlling interest	**(3,789)**	**-**	**(3,789)**	**-**
Basic and diluted net loss per share attributed to parent company (note 15)	$ **(0.01)**	$ **(0.01)**	$ **(0.13)**	$ **(0.03)**
Weighted average number of common shares outstanding	**74,731,553**	**33,243,056**	**63,199,819**	**30,371,292**

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Eurotin Inc.

Condensed Consolidated Interim Statement of Cash Flows (Note a)
(Expressed in Canadian dollars)
(Unaudited)

	Nine Months Ended December 31, 2011	Fifteen Months Ended March 31, 2011 (note 22)
Operating activities		
Net loss for the period	**$ (8,254,477)**	$ (1,334,515)
Adjustments for:		
Depreciation	**25,281**	2,687
Share-based payments	**632,597**	534,143
Reverse acquisition transaction cost	**5,186,347**	-
Foreign exchange gain on non-cash item	**-**	69
Accretion expenses and non-cash interests	**-**	79,129
	(2,410,252)	(718,487)
Non-cash working capital items:		
Amounts receivable and other assets	**(332,922)**	(195,842)
Amounts payable and other liabilities	**371,295**	(30,425)
Net cash used in operating activities	**(2,371,879)**	(944,754)
Investing activities		
Acquisition of equipment	**(35,951)**	(59,008)
Expenditures on mineral properties	**(4,185,221)**	(2,161,553)
Net cash used in investing activities	**(4,221,172)**	(2,220,561)
Financing activities		
Proceeds from issuance of common shares and common shares to be issued, net of issue costs	**11,585,954**	4,731,607
Proceeds from exercise of warrants and stock options	**1,118,118**	-
Advances (repayments) of shareholders' loan	**(43,348)**	33,723
Advances from Eurotin Inc.	-	75,000
Net cash provided by financing activities	**12,660,724**	4,840,330
Net change in cash and cash equivalents	**6,067,673**	1,675,015
Cash and cash equivalents, beginning of period	**1,984,846**	309,831
Cash acquired upon Reverse Takeover of Eurotin	**10,248**	-
Cash and cash equivalents, end of period	**$ 8,062,767**	$ 1,984,846

Note a: In accordance with IFRS 1.32, an entity is required to provide a cash flow statement of the comparable interim period of the immediately preceding financial year, only if it presented an interim financial report for that period. Stannico did not publish any financial information for the twelve months ended December 31, 2010 as it was not a public entity at that time. Consequently, the Corporation has not presented a cash flow statement for the period ending December 31, 2010.

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Eurotin Inc.

Condensed Consolidated Interim Statement of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited)

Equity attributable to shareholders

	Number of shares	Share capital	Equity portion of convertible debt	Share-based payment reserve: Common shares to be issued	Share-based payment reserve: Contributed surplus	Warrants	Accumulated deficit	Non-controlling interest	Total
Balance, January 1, 2010	**11,005,496**	**$ 411,920**	**$ 131,846**	**$ 281,360**	**$ -**	**$ 223,478**	**$ (822,900)**	**$ -**	**$ 225,704**
Shares issued on private placements	20,693,594	4,035,124	-	-		-	-	-	4,035,124
Shares issued as finder's fee	287,501	46,000	-	-		-	-	-	46,000
Shares issued for debt	6,223,118	826,470	(131,846)	-		-	-	-	694,624
Shares issued pursuant to a drilling service arrangement	900,000	180,000	-	-		-	-	-	180,000
Share issue costs	-	(275,235)	-	-		-	-	-	(275,235)
Valuation of warrants issued	-	(195,576)	-	-		195,576	-	-	-
Shares issued to QEM	1,040,000	208,000	-	-		-	-	-	208,000
Deposits received for warrant exercise	-	-	-	925,718		-	-	-	925,718
Share-based payment	-	-	-	-	534,143	-	-	-	534,143
Net loss for the period	-	-	-	-		-	(1,334,515)	-	(1,334,515)
Balance, March 31, 2011	**40,149,709**	**$ 5,236,703**	**$ -**	**$ 1,207,078**	**$ 534,143**	**$ 419,054**	**$ (2,157,415)**	**$ -**	**$ 5,239,563**

Eurotin Inc.
Condensed Consolidated Interim Statement of Changes in Equity (continued) (note a)
(Expressed in Canadian dollars)
(Unaudited)

Equity attributable to shareholders

	Number of shares	Share capital	Equity portion of convertible debt	Share-based payment reserve: Common shares to be issued	Share-based payment reserve: Contributed surplus	Share-based payment reserve: Warrants	Accumulated deficit	Non-controlling interest	Total
Balance, March 31, 2011	**40,149,709**	**$ 5,236,703**	**$ -**	**$ 1,207,078**	**$ 534,143**	**$ 419,054**	**$ (2,157,415)**	**$ -**	**$ 5,239,563**
Advances received for warrants exercise	-	-		45,000	-	-	-	-	45,000
Issue of common shares for warrants exercise	5,527,675	1,252,078	-	(1,252,078)	-	-	-	-	-
Fair value of warrants exercised	-	164,247	-	-	-	(164,247)	-	-	-
Conversion of Stannico shares and Consideration for RTO transaction	10,092,500	5,046,250	-	-	145,700	-	-	-	5,191,950
Exercise of warrants	1,360,000	423,042	-	-	-	-	-	-	423,042
Fair value of warrants exercised	-	14,247	-	-	-	(14,247)	-	-	-
Exercise of stock options	1,291,750	218,750	-	-	-	-	-	-	218,750
Fair value of options exercised	-	155,867	-	-	(155,867)	-	-	-	-
Issue of common shares in private placement, net of costs	15,625,000	11,585,954	-	-	-	-	-	-	11,585,954
Valuation of warrants issued in private placement	-	(669,466)	-	-	-	669,466	-	-	-
Valuation of broker warrants issued in private placement	-	(104,766)	-	-	-	104,766	-	-	-
Exercise of warrants	3,317,955	431,334	-	-	-	-	-	-	431,334

Eurotin Inc.
Condensed Consolidated Interim Statement of Changes in Equity (continued) (note a)
(Expressed in Canadian dollars)
(Unaudited)

Equity attributable to shareholders

				Share-based payment reserve					
	Number of shares	**Share capital**	**Equity portion of convertible debt**	**Common shares to be issued**	**Contributed surplus**	**Warrants**	**Accumulated deficit**	**Non-controlling interest**	**Total**
Fair value of warrants exercise	-	124,193	-	-	-	(124,193)	-	-	-
Share-based payments	-	-		-	902,014	-	-	-	902,014
Net loss and comprehensive loss for the period	-	-		-	-	-	(8,250,688)	(3,789)	(8,254,477)
Balance, December 31, 2011	**77,364,589**	**$ 23,878,433**	**$ -**	**$ -**	**$ 1,425,990**	**$ 890,599**	**$(10,408,103)**	**$ (3,789)**	**$ 15,783,130**

Note a: In accordance with IFRS 1.32, an entity is required to provide a reconciliation of its equity at the end of the comparable interim period of the immediately preceding financial year, and of its comprehensive income for that comparable interim period, only if it presented an interim financial report for that period. Stannico did not publish any financial information for the twelve months ended December 31, 2010 as it was not a public entity at that time. Consequently, the Corporation has not presented a reconciliation of its Equity for the period ending December 31, 2010.

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

1. Nature of operations and going concern

Eurotin Inc. (“the Corporation” or “Eurotin”) was incorporated under the Ontario Business Corporations Act on July 31, 2008 as a "Capital Pool Corporation" ("CPC"), as this term is defined in the policies of the TSX Venture Exchange (the "Exchange"). On April 18, 2011, Stannico Resources Inc. (“the Company” or "Stannico") completed a reverse takeover ("RTO") of Eurotin (see note 14). Eurotin had no significant assets other than cash with no commercial operations at the time. On April 18, 2011, Eurotin changed its year end to March 31.

Stannico Resources Inc. was incorporated on October 9, 2008 under the laws of the province of Ontario. The Company controls 100% of the issued common shares of Minas De Estano De Espana, S.L.U. ("MEE"), a private corporation incorporated on November 29, 2006 whose business is the exploration, research, exploitation and utilization of mineral deposits, resources and substances, as well as the establishment of industries related to them, to obtain mining, industrial and chemical products and processed products in general.

The unaudited condensed consolidated interim financial statements of the Corporation for the three and nine months ended December 31, 2011 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on February 28, 2012. They were approved by the Board of Directors on February 28, 2012.

These financial statements have been prepared on the basis that the Corporation is a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. The exploration, development and financing of mineral properties involves substantial risks and several phases of exploration, evaluation and financing. The ability of the Corporation to continue operations and achieve profitability is dependent upon obtaining the necessary financing to complete the successful development of its mineral properties and ultimately upon the discovery and commercialization of mineral resources. These financial statements do not include any adjustments related to the carrying values and classifications of assets and liabilities that would be necessary should the Corporation be unable to continue as a going concern.

As at December 31, 2011, the Corporation had recorded losses and net cash outflows from operations since its incorporation. The Corporation, as a result of an equity financing associated with the Reverse Acquisition, has sufficient funding to finance its planned exploration program over the next 12 months.

The Corporation operates from its headquarters in Ontario, Canada and also through two wholly-owned subsidiaries: Stannico Resources Inc. and Minas de Estano De Espana, S.L.U.. These subsidiaries represent the interest of Eurotin Inc. in Spain. The address of the registered office is 25 Adelaide Street East, Suite 818, Toronto, Ontario, Canada, M5C 3A1

Although the Corporation has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Corporation's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Corporation's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

2. Basis of preparation

Statement of compliance

The condensed consolidated interim financial statements for the period ended December 31, 2011 have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated interim financial statements are the Corporation's third interim financial statements prepared under International Financial Reporting Standards ("IFRS") in the first year after transition to IFRS. The Corporation adopted IFRS in accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1") with a transition date to IFRS of January 1, 2010. Consequently the comparative figures for 2010 and the Corporation's statement of financial position as at January 1, 2010 have been restated from accounting principles generally accepted in Canada ("Canadian GAAP") to comply with IFRS.

The reconciliations to IFRS from the previous Canadian GAAP financial statements are summarized in Note 22. In addition, IFRS 1 allows certain exemptions from retrospective application of IFRS in the opening statement of financial position. Where these have been used they are explained in Note 22.

These condensed consolidated interim financial statements should be read in conjunction with the Corporation's March 31, 2011 annual consolidated financial statements prepared in accordance with Canadian GAAP and in consideration of the IFRS transition disclosures included in Note 22.

Basis of measurement

These condensed consolidated interim financial statements are stated in Canadian dollars and were prepared on a historical cost basis except for certain items which may be accounted for at fair value as further discussed in subsequent notes, using the significant accounting policies and measurement basis summarized below.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the condensed consolidated interim financial statements are disclosed in Note 4.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars which is the Corporation's functional currency.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

3. Summary of significant accounting policies (continued)

(a) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by Eurotin. Control is achieved where the Corporation has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the period are included in the condensed consolidated interim statement of comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

Intra-group balances and transactions, and any unrealized gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the condensed consolidated interim financial statements. Unrealized gains arising from transactions with associates are eliminated to the extent of the Corporation's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment

(b) Cash and cash equivalents

Cash in the condensed consolidated interim statements of financial position comprise cash at banks. The Corporation's cash is invested with major financial institutions in business accounts that are available on demand by the Corporation for its programs.

(c) Foreign currency translation

Items included in the financial statements of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the statement of comprehensive income.

Additionally, foreign exchange gains and losses related to certain intercompany loans are recorded in profit and loss.

The functional currency, as determined by management, of Eurotin and its subsidiaries is the Canadian Dollar. For the purpose of the unaudited condensed consolidated interim financial statements, the results and financial position are expressed in Canadian Dollars.

3. Summary of significant accounting policies (continued)

(d) Mineral properties

General exploration and evaluation ("E&E") expenditures incurred prior to acquiring the legal right to explore are charged to the consolidated statement of comprehensive loss as incurred.

E&E expenditures incurred subsequent to acquisition of the legal right to explore, including license and property acquisition costs, geological and geophysical expenditures, costs of drilling exploratory holes and directly attributable overhead including salaries and employee benefits, are initially capitalized as E&E assets. E&E assets are not depleted and are moved into property, plant and equipment when they are determined to meet certain technical feasibility and commercial viability thresholds as determined by management. Upon transfer to property, plant and equipment the assets are considered available for use and amortization begins to be recorded. When events and or changes in circumstances indicate that carrying amount may not be recoverable, E&E assets are assessed for impairment in addition to regular impairment reviews to ensure they are not carried at amounts above their estimated recoverable values.

(e) Property, plant and equipment ("PPE")

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is charged on a straight line basis so as to write-off the cost of these assets less residual value over their estimated useful economic lives, which is estimated to be 2 to 5 years. Starting from the three months ended December 31, 2011, the Corporation amortizes software on a straight line basis based on useful life of 2 years.

(f) Non-derivative financial instruments

Non-derivative financial instruments are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

At initial recognition, all financial instruments are classified in one of the following categories depending on the purpose for which the instruments were acquired:

Loans and receivables
Loans and receivables are subsequently measured at amortized cost using the effective interest method, less any impairment losses, with interest expense recognized on an effective yield basis. Assets in this category include cash and amounts receivable and other assets.

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. Any gains or losses arising from the realization of other financial liabilities are included in the profit (loss) statement. Liabilities in this category include amounts payable and other liabilities and due to related parties.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

3. Summary of significant accounting policies (continued)

(g) Impairment

Financial assets
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Significant financial difficulties of a debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the financial asset is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the consolidated statement of comprehensive loss. When a financial asset is uncollectible, it is written off against the allowance account for trade receivables.

Non-financial assets
At the end of each reporting period, the Corporation reviews the carrying amounts of its long lived assets which includes PPE and mineral properties to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU's, or otherwise they are allocated to the smallest group of CGU's for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the cash flows expected to be derived from the asset or CGU are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in comprehensive loss. Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of an impairment loss is recognized immediately in comprehensive loss.

(h) Shared-based payments

The Corporation operates an equity-settled compensation plan under which it receives services from employees, directors and consultants as consideration for equity instruments of the Corporation.

The fair value of share options granted is recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Corporation.

The fair value of share-based payments to employees is measured at the grant date and recognized over the period during which the options vest. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are measured and recorded at the date the goods or services are received.

The Corporation uses the Black-Scholes pricing model to estimate the fair value of equity-settled awards to employees at the grant date. The expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period.

3. Summary of significant accounting policies (continued)

(h) Shared-based payments (continued)

When recognizing the fair value of each tranche over its respective vesting period, the Corporation incorporates an estimate of the number of options expected to vest and revises that estimate when subsequent information indicates that the number of options expected to vest differs from previous estimates.

No expense is recognized for awards that do not ultimately vest, except for equity-settled awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

(i) Provisions

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Corporation expects some or all of the provision to be reimbursed, the expense relating to any provision is presented in the consolidated statement of comprehensive loss net of the reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the consolidated statement of comprehensive income

(j) Taxes

Tax expense comprises current and deferred tax. Tax is recognized in the condensed consolidated interim statement of comprehensive loss except to the extent it relates to items recognized in other comprehensive loss or income or directly in equity.

Current Income tax
Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax
Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the consolidated statement of financial position and their corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities:

- are generally recognized for all taxable temporary differences;
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future; and
- are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes.

3. Summary of significant accounting policies (continued)

(j) Taxes (continued)

Deferred tax assets:

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and adjusted to the extent that it is now probable or no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

(k) Finance expenses

Finance expenses comprise interest expense on borrowings, accretion of provisions and any impairment losses recognized on financial assets.

Borrowing costs incurred for the construction of qualifying assets are capitalized during the period of time that is required to complete and prepare the assets for their intended use or sale. All other borrowing costs are recognized in the condensed consolidated interim statement of comprehensive loss using the effective interest method. Interest has been capitalized at the rate of interest applicable to the specific borrowings financing the asset, or where financed through general borrowings, at a capitalization rate representing the average interest rate on such borrowings.

(l) Earnings per share ("EPS")

Basic EPS is calculated by dividing profit or loss attributable to owners of the Corporation (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. The denominator (number of units) is calculated by adjusting the shares in issue at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential units. The effects of anti-dilutive potential units are ignored in calculating diluted EPS. All options are considered anti-dilutive when the Corporation is in a loss position

(m) Segment reporting

An operating segment is a component of the Corporation that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Corporation’s other components. All operating segments’ operating results are reviewed regularly by the Corporation’s President and Chief Executive Officer (“CEO”) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. Critical judgments and accounting estimates

The preparation of the consolidated interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the consolidated interim financial statements are:

Useful lives of equipment
The Corporation estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

Share-based payment transaction
The Corporation measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the share option.

Fair value of financial instruments
The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Taxes
Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Financial assets
Financial assets include cash and cash equivalents and amounts receivable. A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Significant financial difficulties of a debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

4. Critical judgments and accounting estimates (continued)

Impairment of non-financial assets
Non-financial assets include PPE and mineral properties and deferred exploration expenditures. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Corporation is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

5. Recent accounting pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2012 or later periods. The standards impacted that are applicable to the Corporation are as follows:

a) IFRS 9, 'Financial Instruments' was issued in November 2009 as the first step in its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2013, with early adoption permitted. The IASB intends to expand IFRS 9 during the intervening period to add new requirements for classifying and measuring financial liabilities, de-recognition of financial instruments, impairment and hedge accounting. The Corporation is currently assessing the impact of this standard.

b) IFRS 10, 'Consolidated Financial Statements' was issued in May 2011 and will supersede the consolidation requirements in SIC-12 'Consolidation – Special Purpose Entities' and IAS 27 'Consolidated and Separate Financial Statements' effective for annual periods beginning on or after January 1, 2013, with early application permitted. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard also provides additional guidance to assist in the determination of control where this is difficult to assess. The Corporation is currently assessing the impact of this standard.

c) IFRS 11, 'Joint Arrangements' was issued in May 2011 and will supersede existing IAS 31, 'Joint Ventures' effective for annual period beginning on or after January 1, 2013, with early application permitted. IFRS 11 provides for the accounting of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard also eliminates the option to account for jointly controlled entities using the proportionate consolidation method. The Corporation is currently assessing the impact of this standard.

d) IFRS 12, 'Disclosure of Interests in Other Entities' was issued in May 2011 and is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Corporation is currently assessing the impact of this standard.

e) IFRS 13, 'Fair Value Measurement' was issued in May 2011 and sets out in a single IFRS a framework for measuring fair value. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This definition of fair value emphasizes that fair value is a market-based measurement, not an entity-specific measurement. In addition, IFRS 13 also requires specific disclosures about fair value measurement. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Corporation is currently assessing the impact of this standard.

6. Capital risk management

The Corporation manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Corporation monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Corporation may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Corporation considers its capital to be equity, which comprises share capital, warrants, contributed surplus and deficit.

The Corporation manages capital through its financial and operational forecasting processes. The Corporation reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors of the Corporation. The Corporation's capital management objectives, policies and processes have remained unchanged during the three and nine months period ended December 31, 2011.

The Corporation is not subject to any capital requirements imposed by a lending institution.

7. Financial risk management

Financial risk

The Corporation's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Corporation's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There were no changes to credit risk, liquidity risk or market risk for the three and nine months period ended December 31, 2011.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Corporation's credit risk is primarily attributable to cash. Cash is held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Corporation will not have sufficient cash resources to meet its financial obligations as they come due. The Corporation's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Corporation. The Corporation generates cash flow primarily from its financing activities. The Corporation prepares annual capital expenditure budgets, which are monitored and updated as required. In addition, the Corporation requires authorization for expenditures on projects to assist with the management of capital. The Corporation's financial liabilities comprise accounts payable and accrued liabilities, which are due within 12 months.

7. Financial risk management (continued)

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

(a) Interest rate risk

The Corporation currently does not have any short-term or long-term debt that is interest bearing and, as such, the Corporation's current exposure to interest rate risk is minimal as at December 31, 2011.

(b) Foreign currency risk

The Corporation's functional and reporting currency is the Canadian dollar and the Corporation holds cash balances in Euros which could give rise to exposure to foreign exchange risk. It is not the Corporation's policy to hedge its foreign currency.

(c) Commodity and equity price risk

The Corporation is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Corporation closely monitors commodity prices, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Corporation.

Commodity price risk could adversely affect the Corporation. In particular, the Corporation's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them. As of December 31, 2011, the Corporation was not a precious mineral, base metals and other minerals producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Corporation's liquidity and its ability to meet its ongoing obligations.

Sensitivity analysis

As at December 31, 2011, $7,677,206 was held in Canadian Dollars and $385,561 was held in Euros. Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are reasonably possible over a six month period:

(i) The Corporation is exposed to currency risk to the extent that monetary assets and liabilities held by the Corporation are not denominated in Canadian dollars. The Corporation has not entered into any foreign currency contracts to mitigate this risk.

The Corporation holds balances in foreign currencies which could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in the foreign exchange rate of the Euro against the Canadian dollar would affect the reported loss and comprehensive loss by approximately $34,000.

(Expressed in Canadian dollars)

8. Categories of financial instruments

	As at December 31, 2011	As at March 31, 2011	As at January 1 2010
Financial assets:			
Loans and receivables			
Cash	$ 8,062,767	$ 1,984,846	$ 309,831
Amounts receivable	$ 613,606	$ 280,684	$ 84,842
Financial liabilities:			
Other financial liabilities			
Amounts payable and other liabilities	$ 1,248,016	$ 796,919	$ 403,450
Convertible debt	-	-	470,803
Due to shareholder	$ -	$ 43,348	$ -

As at December 31, 2011 and March 31, 2011, the fair value of all the Corporation's financial instruments approximates the carrying value, due to their short-term nature.

9. Amounts receivable and other assets

	As at December 31, 2011	As at March 31, 2011	As at January 1, 2010
Amounts receivable	$ 60,623	$ -	$ -
Sales tax receivable - (Spain)	491,669	259,049	84,842
Prepaid expenses	61,314	21,635	-
	$ 613,606	$ 280,684	$ 84,842

(Expressed in Canadian dollars)

10. PPE

Equipment is represented by the following:

	Cost	Accumulated Amortization	Net Book Value
Software	$ 21,674	$ (14,901)	$ 6,773
Automobiles	34,690	(7,462)	27,228
Machinery	11,556	(1,227)	10,329
Furniture and fixtures	12,988	(1,138)	11,850
Computer equipments	22,456	(5,121)	17,335
Balance, December 31, 2011	**$ 103,364**	**$ (29,849)**	**$ 73,515**
Software	$ 21,674	$ -	$ 21,674
Automobiles	24,515	(1,429)	23,086
Machinery	6,817	(134)	6,683
Furniture and fixtures	894	(150)	744
Computer equipments	13,512	(2,855)	10,657
Balance, March 31, 2011	**$ 67,412**	**$ (4,568)**	**$ 62,844**
Furniture and fixtures	$ 894	$ (98)	$ 796
Computer equipments	7,509	(1,782)	5,727
Balance, January 1, 2010	**$ 8,403**	**$ (1,880)**	**$ 6,523**

(Expressed in Canadian dollars)

11. Mineral properties and deferred exploration expenditures

	March 31, 2011	Additions	December 31 2011
Oropesa Property	$ 2,431,245	$ 3,880,367	$ 6,311,612
Santa Maria Property	1,320,211	649,435	1,969,646
	$ 3,751,456	$ 4,529,802	$ 8,281,258

	January 1, 2010	Additions	March 31 2011
Oropesa Property	$ 426,858	$ 2,004,387	$ 2,431,245
Santa Maria Property	271,903	1,048,308	1,320,211
	$ 698,761	$ 3,052,695	$ 3,751,456

	January1, 2009	Additions	January 1 2010
Oropesa Property	$ 190,371	$ 236,487	$ 426,858
Santa Maria Property	53,583	218,320	271,903
	$ 243,954	$ 454,807	$ 698,761

(i) On February 15, 2008, MEE acquired the right to earn a 100% interest in Oropesa Investigation Permit No. 13.050 ("IP Oropesa") from Sondeos y Perforaciones Industriales del Biezro, SA ("SPIB"). The property (the “Oropesa Property”) is situated in Spain within the North East part of the Region of Andalucía and totals 23.4km^2.

MEE satisfied the terms to earn 50% interest in IP Oropesa by spending €1,500,000 on exploration on the Oropesa Property over a three year period. A further 50% interest can be acquired by either:

(a) granting SPIB a 1.35% net smelter royalty; or
(b) paying SPIB 0.90% of the value of the metal reserves at the time of feasibility;

and in the event of commercial production MEE has committed to issue to SPIB 4% of the equity of the entity developing and mining IP Oropesa.

In order to keep the right in good standing MEE must make annual lease payments of €18,000 (C$24,660 as at March 31, 2011).

11. Mineral properties and deferred exploration expenditures (continued)

(i) (continued) On March 18, 2008, the Company entered into an option agreement with Minas Tenidas S.A.U ("MATSA") a wholy owned subsidiary of Iberian Minerals Corp. whereby MATSA was granted the right to earn a 25% interest in IP Oropesa. In order to earn its interest, MATSA must pay to the MEE an amount equal to double the amount of the expenses incurred by MEE to bring the Oropesa property to pre-feasibility status.

The initial term of this Option Agreement was the 36 months period from March 13, 2008 to March 13, 2011. Thereafter, the Option Agreement automatically renews for subsequent one year terms unless the Option Agreement is terminated by either party by providing written notice not less than 90 days prior to the expiration of the initial term or any renewal term, the agreement is in effect.

In the event MATSA exercises the right granted in the Option Agreement, the parties have agreed that they will enter into a joint venture agreement with respect to the Oropesa Property which shall provide, amongst other things that MATSA will fund 25% of the expenditures required to complete a bankable feasibility study for the Oropesa property.

The option was not renewed. On October 6, 2011, Eurotin issued a notice of termination to Minas de Aguas Tenidas, S.A in connection with the Option Agreement (see “Mineral Properties – Oropesa”). The notice was delivered on November 29, 2011.

(ii) On December 11, 2010, MEE and Quercus Explorations y Mining S.A. (“QEM”) entered into an agreement (which amended and replaced a previous agreement between the parties dated August 8, 2008) whereby both parties agreed to form and enter into a joint venture as it relates to the “Santa Maria” property (the “Santa Maria Property”). The Santa Maria Property is located approximately 50 kilometers north of Caceres in Extremadura Province in West Central Spain. The Santa Maria Property is comprised of Investigation Permit Ampliacion Retamar nº 10.220 and Investigation Permit Retamar nº 10.201, both of which are held by QEM. Pursuant to the terms of the agreement, a new company – Minas De Estano De Extremadura, S.L. (“MESEX”) – was incorporated on February 25, 2011, and the parties agreed that both Investigation Permit Ampliacion Retamar nº 10.220 and Investigation Permit Retamar nº 10.201 shall be transferred to MESEX. The parties further agreed that MEE and QEM will own 60% and 40%, respectively, of MESEX. In consideration for its interest in MESEX, MEE (or the Company on behalf of MEE) has paid to QEM:

(a) US$200,000 through the issuance of 1,386,667 (pre RTO) (1,040,000 post RTO) common shares of the Company at an issue price of CDN$0.15 per share; and
(b) €145,000 in cash.

In addition, MEE paid to QEM €265,000 in cash for certain information relating to the Santa Maria Property.

On October 25, 2011 the Retamar and Ampliación a Retamar Investigation Permits Transfer Agreement was executed and notarized as a deed. This deed was confirmed and ratified by MESEX the following day. Currently, MESEX is preparing all relevant documents and information required by law to apply for the mandatory authorization of the transfer. The Company estimates that the transfer will completed in May 2012.

The joint venture agreement has not yet been completed. The Corporation has accounted for the joint venture as a subsidiary. Accordingly, the payments made to date have been accounted for as mineral property expenditures. The non-controlling interests in the net assets of the consolidated subsidiary are identified separately from the Corporation’s equity therein. Losses applicable to the non-controlling interests in excess of their interest in the subsidiary’s equity are allocated against the interests of the Corporation except to the extent that the non-controlling interests have a binding obligation and are able to make an additional investment to cover the losses.

12. Convertible debt

	March 31, 2011	January 1, 2010
Face value of loans denominated in Canadian dollars bearing interest at the one-year EURIBOR rate in force at the start date of each annual period, unsecured and maturing in fiscal year 2015. Payment of interest is deferred until fiscal 2011 with principal payment to be made in full in fiscal 2015. The loans are convertible, at the option of the holder, at any time into common shares of the Company at $0.075 per share.	$ 500,000	$ 500,000
Attributed equity value on face value of convertible debt	(131,846)	(131,846)
Accumulated accretion	131,846	102,649
Shares issue for debt	(500,000)	-
	$ -	$ 470,803

This debt was incurred in 2008. The fair value of the liability component of the note, calculated at issuance, in the amount of $368,154, was calculated as the present value of the principal and interest, discounted at 18%, a rate approximating the market interest rate that would have been applicable to non convertible debt at the time the notes were issued. This portion of the notes is accreted over the term to the full face value by recording accretion expense using the effective interest method. The equity component of the note, in the amount of $131,846, is comprised of the value of the exchange option, being the difference between the face value of the note and the fair value of the liability component.

Included in the convertible long-term debt balance was a loan, with a face value of $50,000, owed to a company controlled by a director of the Corporation.

During the fifteen months ended March 31, 2011, the convertible loans and accrued interest were fully converted into common shares.

During the three and nine months ended December 31, 2011, $nil interest was accrued using the EURIBOR rate of 1.23% (three and nine months ended December 31, 2010, $nil and $2,232)

(Expressed in Canadian dollars)

13. Share capital

a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

On April 18, 2011, Eurotin completed the acquisition of all the issued and outstanding securities of Stannico.

At December 31, 2011, the issued share capital amounted to $23,878,433. The change in issued share capital for the periods were as follows:

	Number of common shares (i)	Amount
Balance, January 1, 2010	**11,005,496**	**$ 411,920**
Shares issued on private placements	20,693,594	4,035,124
Shares issued as finder's fee	287,501	46,000
Shares issued for debt	6,223,118	826,470
Shares issued pursuant to a drilling services arrangement	900,000	180,000
Share issue costs	-	(275,235)
Valuation of warrants issued	-	(195,576)
Shares issued to QEM (note 8 (ii))	1,040,000	208,000
Balance, March 31, 2011	**40,149,709**	**5,236,703**
Issue of common shares for warrants exercise	5,527,675	1,252,078
Fair value of warrants exercised	-	164,247
Deemed consideration for RTO of Eurotin (note 14)	10,092,500	5,046,250
Exercise of warrants	4,677,955	854,376
Fair value of warrants exercised	-	138,440
Exercise of stock options	1,291,750	218,750
Fair value of stock options exercised	-	155,867
Issue of common shares in private placement (ii)	15,625,000	10,811,722
Balance, December 31, 2011	**77,364,589**	**$ 23,878,433**

(i) On April 18, 2011, Stannico completed the RTO of Eurotin through which Eurotin acquired of all the issued and outstanding securities of the Stannico. Concurrently with the completion of the acquisition by Eurotin, 7,370,233 warrants of the Company were exercised. Pursuant to the acquisition agreement, in exchange for obtaining all of the issued and outstanding securities of the Company, Eurotin issued to the former shareholders of the Company, at a conversion rate of the securities in the ratio of 1.33 to 1, a total of 45,677,384 common shares, 12,968,560 warrants, 3,821,250 options (with each warrant and each option entitling the holder to acquire one common share of Eurotin) and 624,500 compensation options. Each compensation option is exercisable into a unit of Eurotin (with each option entitling the holder to acquire one common share and one half warrant and each whole warrant entitling the holder to acquire one common share of Eurotin). The number of common shares, warrants (Note 16) and options (Note 17) issued and outstanding for periods prior to the RTO have been retroactively adjusted to reflect the share capital of Eurotin, the legal acquirer, based on the exchange ratio defined in the acquisition agreement.

13. Share capital (continued)

(ii) On July 26, 2011, Eurotin closed a private placement, with a syndicate of agents. Under the private placement Eurotin issued 15,625,000 special warrants (the "Special Warrants") at an issue price of $0.80 per special warrant for gross proceeds of $12,500,000. The proceeds of this placement will be used primarily to accelerate the development of the Corporation's Spanish properties.

Each special warrant, subject to the penalty provision (as outlined below) and subject to adjustments in certain circumstances, will be exercisable into one unit of Eurotin, with each unit comprised of one Common Share and one half of one Common Share purchase warrant, for no additional consideration. Each full Warrant will entitle the holder to purchase one Common Share for a period of 2 years following the closing at an exercise price of $1.20 per Warrant.

All unexercised special warrants will be deemed to be exercised at 4:00 pm (Toronto time) on the earlier of: (a) November 27, 2011; and (b) the third business day after the date a final receipt is issued by each of the applicable securities regulatory authorities in Canada (except Quebec), for a final prospectus qualifying the distribution of the securities issuable upon exercise or deemed exercise of the special warrants.

On September 21, 2011, a receipt was issued for the final prospectus filed in connection with the qualification for distribution of the securities underlying the 15,625,000 special warrants issued on July 26, 2011. 15,625,000 common shares in the capital of the Corporation (the "Common Shares") and 7,812,500 Common Share purchase warrants (the "Warrants") were issued on September 26, 2011, being the third business day following the issuance of this receipt, as each Special Warrant shall automatically convert into one free trading Common Share and one-half of one free trading Warrant. The fair value of the 7,812,500 warrants was estimated to be $722,169 using a fair market technique incorporating Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk free rate 0.89%; and expected life of 1.84 years.

As consideration for services in connection with the Private Placement, Eurotin has paid the syndicate of agents a cash commission equal to 6% of the gross proceeds of the offering and has issued 781,250 compensation options equal to 5% of the special warrants sold pursuant to the Private Placement. The compensation options will be deemed to be exercised into broker warrants on the same date as the exercise of the special warrants which is September 26, 2011. Each broker warrant is exercisable into one broker unit at an exercise price of $0.80 per broker unit. The broker units will be issued on the same terms as the special warrant units and shall be subject to the same penalty provision. The fair value of 781,250 broker warrants was estimated to be $104,766, using Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk free rate 0.89%; and expected life of 1.84 years.

The Corporation entered into an advisory services agreement effective June 24, 2011, in conjunction with the private placement described above wherein an amount equal to 1% of the gross proceeds of the private placement were payable to the advisor. The agreement terminated on the completion date of the offering, September 26, 2011.

The Corporation incurred total transaction costs of $914,046 including $750,000 of cash commission equal to 6% of the gross proceeds of the offering, of which $52,703 was allocated to warrants issued.

(Expressed in Canadian dollars)

14. Reverse Takeover

The share capital of each company prior to the Reverse Takeover ("RTO") was as follows:

Eurotin

	Number of shares	Amount $
Balance as at March 31, 2011	10,092,500	686,750
Balance as at April 18, 2011 prior to the RTO	10,092,500	686,750

Stannico

	Number of shares	Amount $
Balance as at March 31, 2011	53,532,947	5,236,703
Balance as at April 18, 2011 prior to the RTO	53,532,947	5,236,703

(i) On April 18, 2011, the Corporation completed its acquisition of all of the issued and outstanding securities of Stannico. Pursuant to the acquisition agreement, in exchange for obtaining all of the issued and outstanding securities of Stannico, Eurotin issued to the former Stannico security holders 45,677,384 common shares, 12,968,560 warrants, 3,831,250 options (with each warrant and each option entitling the holder to acquire one common share of Eurotin) and 624,500 compensation options. Each compensation option is exercisable into a unit of the Corporation (with each option entitling the holder to acquire one common share and one half warrant of Eurotin and each whole warrant entitling the holder to acquire one common share of Eurotin).

In accordance with IFRS 3, Business Combination, the substance of the transaction is a reverse takeover of a non-operating company. The transaction does not constitute a business combination as Eurotin does not meet the definition of a business under the standard. As a result, the transaction is accounted for as a capital transaction with the Stannico being identified as the acquirer and the equity consideration being measured at fair value. The resulting statement of financial position is presented as a continuance of the original Stannico and comparative figures presented in the financial statements after the reverse takeover are those of the original Stannico.

IFRS 2 applies to transactions where an entity grants equity instruments and cannot identify specifically some or all of the goods or service received in return. Because Stannico would have issued shares with a value in excess of the assets received, IFRS 2 would indicate that the difference is recognised in comprehensive loss as a transaction cost. The amount assigned to the transaction cost of $5,186,347 is the difference between the fair value of the consideration and the net identifiable assets of Eurotin acquired by Stannico and included in the consolidated statement of loss and comprehensive loss.

(Expressed in Canadian dollars)

14. Reverse Takeover (continued)

The fair value of the consideration is determined based on the percentage of ownership the legal parent's shareholders have in the amalgamated entity after the transaction. This represents the fair value of the shares that Stannico would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of Stannico acquiring 100% of the shares in Eurotin. The percentage of ownership Eurotin shareholders had in the combined entity is 18% after the issue of 45,677,384 shares of Eurotin shares. The fair value of the consideration in the Reverse Takeover is equivalent to the fair value of the 10,092,500 Eurotin shares controlled by original Eurotin shareholders and 364,250 stock options issued to Eurotin stock options holders. The fair value of the Eurotin shares was estimated to be $5,046,250 based on fair market value of $0.5 per share on the date of April 20, 2011, the first trading day of Eurotin shares after the Reverse Takeover. The fair value of the stock options was estimated to be $145,700 using Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk free interest rate 0.98%; and an expected life of 0.16 years.

Based on the statement of financial position of Eurotin at the time of the Reverse Takeover, the net assets at estimated fair value that were acquired by Stannico were $5,603 and the resulting transaction cost charged to the statement of loss and comprehensive loss is as follows:

	Amount $
Consideration	5,191,950
Identifiable assets acquired	
Cash	10,248
Other assets	100,000
Accounts payable and accrued liabilities	(104,645)
	5,603
Unidentifiable assets acquired	
Transaction cost	5,186,347
Total net identifiable assets and transaction cost	5,191,950

15. Net loss per common share

The calculation of basic and diluted loss per share for the three and nine months ended December 31, 2011 and for the three and nine months ended December 31, 2010 was based on the loss attributable to common shareholders of $945,351 and $8,250,688, respectively, ($220,480 and $880,463 for the three and nine months ended December 31, 2010, respectively) and the weighted average number of common shares outstanding of 74,731,553 and 63,199,819, respectively, (33,243,056 and 30,371,292 for three and nine months ended December 31, 2010, respectively). Diluted loss per share did not include the effect of 16,884,355 warrants and 5,906,250 stock options as they are anti-dilutive.

(Expressed in Canadian dollars)

16. Warrants

The following table reflects the continuity of warrants for the period ended December 31, 2011:

	Number of warrants (Note 13(i))	Amount ($)
Balance, January 1, 2010	5,755,507	223,478
Issuance of warrants	12,740,728	195,576
Balance, March 31, 2011	18,496,235	419,054
Exercised before the RTO (Note 13 and 14)	(5,527,675)	(164,247)
Exercised subsequent to the RTO (Note 14)	(4,677,955)	(138,440)
Issued in private placement (note 13(ii))	8,593,750	774,232
Balance, December 31, 2011	16,884,355	890,599

The following table reflects the warrants issued and outstanding as of December 31, 2011:

Number of Warrants Outstanding	Amount ($)	Exercise Price ($)	Expiry Date
405,061	18,903	0.20	February 10, 2012
1,299,609	50,251	0.24	February 10, 2012
127,500	4,590	0.30	May 20, 2012
627,810	17,578	0.30	July 14, 2012
1,330,625	10,645	0.30	November 3, 2012
450,000	3,600	0.30	November 3, 2012
4,050,000	10,800	0.30	December 15, 2012
7,812,500	669,466	1.20	July 26, 2013
781,250 (i)	104,766	0.80	July 26, 2013
16,884,355	890,599	0.92	

(i) Each broker warrant is exercisable into one broker unit at an exercise price of $0.80 per broker unit which is composed of one Common Share and one half of one Common Share purchase warrant.

(Expressed in Canadian dollars)

17. Stock options

The Corporation's outstanding stock options as at December 31, 2011 and the changes for the period then ended are as follows:

	Number of Stock Options (Note 13(i))	Weighted Average Exercise Price $
Balance, January 1, 2010	-	-
Granted[(a)(b)(c)]	4,331,250	0.19
Balance, March 31, 2011	4,331,250	0.19
Options granted[(d)(e)(f)(g)(h)]	2,564,250	0.83
Options exercised	(979,250)	0.23
Options expired	(10,000)	0.10
Balance, December 31, 2011	5,906,250	**0.49**

[(a)] On December 15, 2010 Stannico issued 833,333 broker compensation options. Each compensation option is exercisable into a unit of the Company. Each unit consists of one common shares and a half warrant at a price of $0.225 per share until December 15, 2012. The fair value of these options was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: dividend yield of 0%; volatility of 100%; risk free interest rate of 2.55%; and an expected life of one month. As a result, the fair value of the stock options was estimated as $14,167. This amount was recorded as share issue costs in the fifteen months ended March 31, 2001. On April 18, 2011, upon reverse takeover, these stock options were converted into 625,000 stock options of Eurotin at an exchange ratio of four for three.

[(b)] On August 1, 2010, Stannico granted to directors, officers and consultants of the Company 3,675,000 stock options to acquire common shares of the Company. The options vest immediately and are exercisable at a price of $0.20 per share for a period of five years from the date of issuance. The fair value of stock options was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: dividend yield of 0%; volatility of 100%; risk free interest rate of 2.29%; and an expected life of 5 years. As a result, the fair value of the stock options was estimated as $386,338. This amount has been recorded as stock-based compensation in the statement of comprehensive loss. On April 18, 2011, upon reverse takeover, these stock options were converted into 2,756,250 stock options of Eurotin at an exchange ratio of four for three. At the same time, the exercise price was changed to $0.27 with other terms remaining unchanged.

[(c)] On January 25, 2011, Stannico granted to directors, officers and consultants of the Company 1,266,666 stock options to acquire common shares of the Company. The options vest immediately and are exercisable at a price of $0.20 per share for a period of five years from the date of issuance. The fair value of stock options was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: dividend yield of 0%; volatility of 100%; risk free interest rate of 2.55%; and an expected life of 5 years. As a result, the fair value of the stock options was estimated as $133,638. This amount has been recorded as stock-based compensation in the fifteen months ended March 31, 2011. On April 18, 2011, upon reverse takeover, these stock options were converted into 950,000 stock options of Eurotin at an exchange ratio of four for three. At the same time, the exercise price was changed to $0.27 with other terms remaining unchanged.

17. Stock options (continued)

(d) On April 18, 2011, the Corporation issued to directors, officers and consultants of the Corporation 125,000 stock options to acquire common shares of the Corporation. The options vest immediately and are exercisable at a price of $0.27 per share for a period of 5 years. The fair value of the stock options was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: dividend yield 0%; volatility of 100%; risk free interest rate of 2.55%; and an expected life of 4.78 years. As a result, the fair value of the stock options was estimated at $17,583 and the amount recorded as share-based payments in the condensed consolidated interim statements of loss and comprehensive loss for the three and nine months ended December 31, 2011 is $nil and $12,672 and $nil and $4,911 was capitalized in the mineral properties and deferred exploration expenditures.

(e) On May 4, 2011, the Corporation issued to directors, officers and employees of the Corporation 1,500,000 stock options to acquire common shares of the Corporation. The options vest one-third on the date of grant, one-third on the first anniversary of the date of grant and one-third one the second anniversary of the date of grant. These options are exercisable at a price of $1.05 per share for a period of 5 years. The fair value of the stock options was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: dividend yield of 0%; volatility of 100%; risk free interest rate of 2.20%; and an expected life of 5 years. As a result, the fair value of the stock options was estimated at $1,182,000. During the three and nine months ended December 31, 2011, $98,439 and $518,827 was recorded as share-based payments in the condensed consolidated interim statements of loss and comprehensive loss and $50,186 and $264,506 was capitalized in mineral properties and deferred exploration expenditures.

(f) 364,250 stock options of Eurotin outstanding as at April 18, 2011 was deemed as part of the consideration for the reverse takeover (see note 11), and these options were valued on April 18, 2011, the date of the reverse takeover, using Black Scholes option pricing model with the following assumptions: dividend yield of 0%; volatility of 100%; risk free interest rate of 0.98%; and an expected life of 0.16 years. As a result, the fair value of the stock options was estimated at $145,700 and the amount was recorded as part of the reverse takeover transaction cost in the condensed consolidated interim statements of loss and comprehensive loss for the nine months ended December 31, 2011.

(g) On November 9, 2011, the Company granted 400,000 stock options to an officer of the Company, with each option exercisable into one common share at a price of $0.70 per share. The options are exercisable for up to 5 years from the date of grant. The stock options vest as to one-third on the date of grant, one-third on the first anniversary of the date of grant and one-third on the second anniversary of the date of grant. The fair value of the stock options was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: dividend yield of 0%; volatility of 100%; risk free interest rate of 1.21%; and an expected life of 5 years. As a result, the fair value of the stock options was estimated at $139,600. During the three and nine months ended December 31, 2011, $56,473 was recorded as share-based payments in the condensed consolidated interim statements of loss and comprehensive loss.

(h) On November 28, 2011, the Company granted 175,000 stock options to Outsource Services Limited its Investor Relations representative in Europe, with each option exercisable into one common share at a price of $0.85 per share. The options are exercisable for up to 5 years from the date of grant and vested immediately. The fair value of the stock options was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: dividend yield of 0%; volatility of 100%; risk free interest rate of 1.28%; and an expected life of 5 years. As a result, the fair value of the stock options was estimated at $44,625. During the three and nine months ended December 31, 2011, $44,625 was recorded as share-based payments in the condensed consolidated interim statements of loss and comprehensive loss.

(Expressed in Canadian dollars)

17. Stock options (continued)

Details of the stock options outstanding at December 31, 2011 are as follows:

	Fair Value	Contractual Life (years)	Exercisable Options	Number of Options	Weighted Average Exercise Price ($)	Remaining Expiry Date
$	386,338	3.59	2,756,250	2,756,250	0.27	August 1, 2015
	151,221	4.09	1,075,000	1,075,000	0.27	February 1, 2016
	1,182,000	4.35	500,000	1,500,000	1.05	May 4, 2016
	139,600	4.86	133,333	400,000	0.70	November 9, 2016
	44,625	4.92	175,000	175,000	0.85	November 28, 2016
$	1,903,784	4.00	4,639,583	5,906,250	0.51	

18. General and administrative

	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2010
Salaries and benefits	**$ 50,535**	$ 36,520	**$ 165,271**	$ 67,578
Director fees	**45,604**	-	**112,417**	-
Share-based payments	**199,537**	-	**632,597**	386,338
Professional fees	**270,692**	31,557	**1,223,766**	132,519
Amortization	**7,614**	565	**25,281**	565
General and administrative	**170,418**	81,212	**379,362**	184,109
Reporting issuer costs	**-**	-	**49,833**	-
Investor relations	**33,565**	-	**182,901**	-
Travel expense	**75,865**	-	**141,357**	-
	$ 853,830	$ 149,854	**$ 2,912,785**	$ 771,109

19. Related party balances and transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

(a) The Corporation entered into the following transactions with related parties:

		Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Nine Months Ended December 31, 2011	Nine Months Ended December 31, 2010
MSCM LLP	(i)	**$ 2,000**	**$ -**	**$ 31,300**	**$ -**

(i) One of the directors of the Corporation is a partner of MSCM LLP. Fees relate to the accounting services provided. As at December 31, 2011, the total amount owed to MSCM LLP was $2,260, which has been included in amounts payable and other liabilities

(Expressed in Canadian dollars)

19. Related party balances and transactions (continued)

(b) Remuneration of Directors and key management personnel of the Corporation was as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2011	2010	2011	2010
	$	$	$	$
Salaries and benefits [(1)]	**146,194**	-	**327,592**	-
Share based payments	**180,328**	-	**720,609**	-

[(1)] Other than the Chief Financial Officer, the board of directors and select officers do not have employment or service contracts with the Corporation. Directors are entitled to director fees and stock options for their services and officers are entitled to stock options for their services.

As at December 31, 2011, the total amount owed to the CFO for his disbursement was $4,001 ($nil - March 31, 2011 and $nil - January 1, 2010), which have been included in amounts payable and other liabilities.

20. Segmented information

The Company primarily operates in one reportable operating segment, being the exploration of mineral properties in Spain. The Company has administrative offices in Toronto, Canada. Segmented information on a geographic basis is as follows:

December 31, 2011	Canada	Spain	Total
Current assets	$ 7,778,704	$ 897,669	$ 8,676,373
Mineral properties	-	8,281,258	8,281,258
Equipment	8,100	65,415	73,515
	$ 7,786,804	$ 9,244,342	$ 17,031,146

March 31, 2011	Canada	Spain	Total
Current assets	$ 1,925,821	$ 339,709	$ 2,265,530
Mineral properties	-	3,751,456	3,751,456
Equipment	-	62,844	62,844
	$ 1,925,821	$ 4,154,009	$ 6,079,830

January 1, 2010	Canada	Spain	Total
Current assets	$ 281,360	$ 113,313	$ 394,673
Mineral properties	-	698,761	698,761
Equipment	-	6,523	6,523
	$ 281,360	$ 818,597	$ 1,099,957

21. Contingencies and commitments

The Corporation's exploration activities are subject to foreign government laws and regulations, including foreign tax laws and laws and regulations governing the protection of the environment. The Corporation believes that its operations comply in all material respects with all applicable past and present laws and regulations. The Corporation records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

As at December 31, 2011, the Corporation is committed to future minimum payments in Euros under vehicle lease, rents, mineral property and consulting agreements and in Canadian dollars under office rent as follows:

	Amount C$	Amount Euro
For the year ended March 31, 2012	7,801	39,572
For the year ended March 31, 2013	31,206	69,957
For the year ended March 31, 2014	31,206	32,790
For the year ended March 31, 2015	23,404	-
Total	**93,617**	**142,319**

22. Conversion to IFRS

(i) Overview

As stated in Significant accounting policies note 3, these are the Corporation's third unaudited condensed consolidated interim financial statements prepared in accordance with IAS 34 based on IFRS as issued by the IASB.

The policies set out in the Significant Accounting Policies note have been applied in preparing the unaudited condensed consolidated interim financial statements for the three and nine months ended December 31, 2011, as at March 31, 2011 and in the preparation of an opening IFRS balance sheet at January 1, 2010 (the Corporation's Transition Date).

(ii) First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1, which provides guidance for a Corporation's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Corporation has elected to apply the following optional exemption in its preparation of an opening IFRS statement of financial position as at January 1, 2010:

- IFRS 3 - Business Combinations ("IFRS 3"). The Corporation has elected not to retrospectively apply IFRS 3, Business combinations, to any business combinations that may have occurred prior to its transition date.
- IFRS 6 - Exploration for and Evaluation of Mineral Resources. The Corporation has elected to apply the exemption from full retrospective application of IFRS 6. As such the Corporation has at January 1, 2010, measured the exploration and evaluation assets at the amount previously determined under Canadian GAAP and measured the development and production assets by allocating the amount determined under Canadian GAAP to the underlying assets on a pro rata basis using reserve values at that date. As a result of using the IFRS 1 optional exemption, the exploration and evaluation assets and the development and production assets have been subject to an impairment test.

22. Conversion to IFRS (continued)

(ii) First-time adoption of IFRS (continued)

- IAS 23 - Borrowing Costs. IAS 23 has not been applied retrospectively. As at the transition date, the Corporation did not have any qualifying assets.
- IFRIC 4 - Determining whether an Arrangement contains a Lease. This IFRIC has not been applied retrospectively. The Corporation made an assessment as to whether an arrangement, existing at the Transition Date, contains a lease on the basis of the facts and circumstances existing at that date. The assessment was made in accordance with the requirements of IFRIC 4. The Corporation did not identify any arrangements containing a lease on the transition date.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Corporation's opening IFRS statement of financial position as at the Transition Date are consistent with those that were made under Canadian GAAP.

(iii) Reconciliation between IFRS and Canadian GAAP

In accordance with IFRS 1.32, an entity is required to provide a reconciliation of its equity at the end of the comparable interim period of the immediately preceding financial year, and of its comprehensive income for that comparable interim period, only if it presented an interim financial report for that period. Stannico did not publish any financial information for the period ended December 31, 2010 as it was not a public entity at that time. Consequently, the Corporation has not presented a reconciliation of its Equity for the period ending December 31, 2010.

(Expressed in Canadian dollars)

22. Conversion to IFRS (continued)

(iv) Reconciliation between IFRS and Canadian GAAP (continued)

The January 1, 2010 Canadian GAAP balance sheet has been reconciled to IFRS as follows:

	January 1, 2010		
	Canadian GAAP	**Effect of transition to IFRS**	**IFRS**
ASSETS			
Current assets			
Cash	$ 309,831	$ -	**$ 309,831**
Amounts receivable and other assets	84,842	-	**84,842**
	394,673	-	**394,673**
Equipment	6,523	-	**6,523**
Mineral properties and deferred expenditures	698,761	-	**698,761**
Total assets	1,099,957	-	**1,099,957**
EQUITY AND LIABILITIES			
Current liabilities			
Amounts payable and other liabilities	$ 403,450	$ -	**$ 403,450**
Convertible debt	470,803	-	**470,803**
	874,253	-	**874,253**
Equity			
Share capital	411,920	-	**411,920**
Common shares to be issued	281,360	-	**281,360**
Equity portion of convertible debt	131,846	-	**131,846**
Warrants	223,478	-	**223,478**
Accumulated deficit	(822,900)	-	**(822,900)**
Total equity	225,704	-	**225,704**
Total equity and liabilities	$ 1,099,957	$ -	**$ 1,099,957**

(Expressed in Canadian dollars)

22. Conversion to IFRS (continued)

(iv) Reconciliation between IFRS and Canadian GAAP (continued)

The March 31, 2011 Canadian GAAP balance sheet has been reconciled to IFRS as follows:

	March 31, 2011		
	Canadian GAAP	**Effect of transition to IFRS**	**IFRS**
ASSETS			
Current assets			
Cash	$ 1,984,846	$ -	**$ 1,984,846**
Amounts receivable and other assets	280,684	-	**280,684**
	2,265,530	-	**2,265,530**
Equipment	62,844	-	**62,844**
Mineral properties and deferred expenditures	3,751,456	-	**3,751,456**
Total assets	6,079,830	-	**6,079,830**
EQUITY AND LIABILITIES			
Current liabilities			
Amounts payable and other liabilities	$ 840,267	$ -	**$ 840,267**
	840,267	-	**840,267**
Equity			
Share capital	5,236,703	-	**5,236,703**
Common shares to be issued	1,207,078	-	**1,207,078**
Warrants	419,054	-	**419,054**
Contributed surplus	534,143	-	**534,143**
Accumulated deficit	(2,157,415)	-	**(2,157,415)**
Total equity	5,239,563	-	**5,239,563**
Total equity and liabilities	$ 6,079,830	$ -	**$ 6,079,830**

(Expressed in Canadian dollars)

22. Conversion to IFRS (continued)

(iii) Reconciliation between IFRS and Canadian GAAP (continued)

The Canadian GAAP interim statement of loss and comprehensive loss for the three month period ended December 31, 2010 has been reconciled to IFRS as follows:

	Three months ended December 31, 2010		
	Canadian GAAP	Effect of transition to IFRS	IFRS
Expenses			
General and administrative	$ 149,854	$ -	**$ 149,854**
Operating loss before the following items	(149,854)	-	**(149,854)**
Foreign exchange loss	(60,382)	-	**(60,382)**
Interest, accretion and financing fees	(10,244)	-	**(10,244)**
Net loss and comprehensive loss for the period	$ (220,480)	$ -	**$ (220,480)**

The Canadian GAAP interim statement of loss and comprehensive loss for the nine month period ended December 31, 2010 has been reconciled to IFRS as follows:

	Nine months ended December 31, 2010		
	Canadian GAAP	Effect of transition to IFRS	IFRS
Expenses			
General and administrative	$ 771,109	$ -	**$ 771,109**
Operating loss before the following items	(771,109)	-	**(771,109)**
Foreign exchange loss	(67,204)	-	**(67,204)**
Interest, accretion and financing fees	(42,150)	-	**(42,150)**
Net loss and comprehensive loss for the period	$ (880,463)	$ -	**$ (880,463)**

(Expressed in Canadian dollars)

22. Conversion to IFRS (continued)

(iv) Reconciliation between IFRS and Canadian GAAP (continued)

The Canadian GAAP statement of loss and comprehensive loss for the fifteen months ended March 31, 2011 has been reconciled to IFRS as follows:

	Fifteen months ended March 31, 2011		
	Canadian GAAP	**Effect of transition to IFRS**	**IFRS**
Operating expenses			
General and administrative	$ 1,223,470	-	**$ 1,223,470**
Operating loss before the following item	(1,223,470)	-	**(1,223,470)**
Foreign exchange loss	(31,919)	-	**(31,919)**
Interest, accretion and financing fees	(79,126)	-	**(79,126)**
Net loss and comprehensive loss for the period	$ (1,334,515)	-	**$ (1,334,515)**

Note a: In accordance with IFRS 1.32, an entity is required to provide a cash flow statement of the comparable interim period of the immediately preceding financial year, only if it presented an interim financial report for that period. Stannico did not publish any financial information for the twelve months ended December 31, 2010 as it was not a public entity at that time. Consequently, the Corporation has not presented a cash flow statement for the period ending December 31, 2010.