EUROTIN INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED JUNE 30, 2013 AND 2012

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed consolidated interim financial statements of the Corporation have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements as at and for the three months ended June 30, 2013 have not been reviewed by the Corporation's auditors.

Management's Responsibility for Consolidated 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 compliance with all applicable International Financial Reporting Standards.

Management has established processes, which are in place to provide it with 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
August 27, 2013

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

	As at June 30, 2013	As at March 31, 2013
ASSETS		
Current assets		
Cash and cash equivalents	**$ 95,761**	$ 225,213
Amounts receivable and other assets (note 6)	**214,949**	778,647
	310,710	1,003,860
Property, plant and equipment (note 7)	**106,687**	118,719
Mineral properties and deferred expenditures (note 8)	**14,274,046**	14,123,542
Total assets	**$ 14,691,443**	$ 15,246,121
EQUITY AND LIABILITIES		
Current liabilities		
Bank loan (note 9)	**$ -**	$ 249,075
Amounts payable and other liabilities	**696,821**	660,638
Total liabilities	**696,821**	909,713
Equity		
Share capital (note 10)	**24,593,649**	24,593,649
Warrants (note 12)	**774,232**	774,232
Contributed surplus	**1,813,608**	1,805,314
Non-controlling interest	**(107,698)**	(148,696)
Accumulated other comprehensive loss	**(282,251)**	(281,057)
Deficit	**(12,796,918)**	(12,407,034)
Total equity	**13,994,622**	14,336,408
Total equity and liabilities	**$ 14,691,443**	$ 15,246,121

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

Nature of operations and going concern (note 1)
Contingencies and commitments (note 17)
Subsequent events (note 18)

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 June 30,		2013		2012
Operating expenses				
General and administrative (note 14)	**$**	**353,659**	$	508,317
Operating loss before the following items		**(353,659)**		(508,317)
Interest income		**4,773**		10,668
Net loss for the period		**(348,886)**		(497,649)
Other comprehensive income (loss):				
Items that will not subsequently be reclassified to net loss:				
Foreign currency translation differences from foreign operations		**(1,194)**		(34,625)
Total comprehensive loss for the period	**$**	**(350,080)**	$	(532,274)
Net loss attributable to				
Parent company	**$**	**(389,884)**	$	(466,413)
Non-controlling interest	**$**	**40,998**	$	(31,236)
Total comprehensive loss attributable to				
Parent company	**$**	**(391,078)**	$	(501,038)
Non-controlling interest	**$**	**40,998**	$	(31,236)
Basic and diluted net loss per share (note 11)	**$**	**(0.00)**	$	(0.01)
Basic and diluted net comprehensive loss per share (note 11)	**$**	**(0.00)**	$	(0.01)
Weighted average number of common shares outstanding		**79,641,760**		79,335,249

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

Eurotin Inc.

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

Three months ended June 30,	2013	2012
Operating activities		
Net loss for the period	**$ (348,886)**	$ (497,649)
Adjustments for:		
Amortization	**12,032**	11,826
Share-based payments	**21,714**	88,958
Foreign exchange gain	**(75,542)**	-
	(390,682)	(396,865)
Non-cash working capital items:		
Amounts receivable and other assets	**563,699**	(70,925)
Amounts payable and other liabilities	**36,181**	266,955
Net cash provided by (used in) operating activities	**209,198**	(200,835)
Investing activities		
Acquisition of equipment	**-**	(52,500)
Expenditures on mineral properties	**(163,923)**	(2,147,397)
Net cash used in investing activities	**(163,923)**	(2,199,897)
Financing activities		
Proceeds from exercise of warrants and stock options	**-**	113,475
Repayment of bank loan	**(249,075)**	-
Net cash (used in) provided by financing activities	**(249,075)**	113,475
Effect of foreign currency translation	**74,348**	(34,625)
Net change in cash and cash equivalents	**(129,452)**	(2,321,882)
Cash and cash equivalents, beginning of the period	**225,213**	5,634,167
Cash and cash equivalents, end of the period	**$ 95,761**	$ 3,312,285
Supplemental cash flow information:		
Share based compensation capitalized to mineral properties	**$ (13,420)**	$ 28,921

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

Eurotin Inc.
Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited)

Equity attributable to shareholders

	Number of shares	Share capital	Contributed surplus	Warrants	Deficit	Accumulated other comprehensive loss	Non-controlling interest	Total
Balance, March 31, 2012	**79,049,260**	**$ 24,365,581**	**$ 1,562,759**	**$ 815,105**	**$ (10,326,549)**	**$ (358,263)**	**$ (21,355)**	**$ 16,037,278**
Exercise of stock options	425,000	113,475	-	-	-	-	-	113,475
Fair value of stock options exercised	-	59,672	(59,672)	-	-	-	-	-
Share-based payments	-	-	117,879	-	-	-	-	117,879
Net loss and comprehensive loss for the period	-	-	-	-	(466,413)	(34,625)	(31,236)	(532,274)
Balance, June 30, 2012	**79,474,260**	**$ 24,538,728**	**$ 1,620,966**	**$ 815,105**	**$ (10,792,962)**	**$ (392,888)**	**$ (52,591)**	**$ 15,736,358**

	Number of shares	Share capital	Contributed surplus	Warrants	Deficit	Accumulated other comprehensive loss	Non-controlling interest	Total
Balance, March 31, 2013	**79,641,760**	**$ 24,593,649**	**$ 1,805,314**	**$ 774,232**	**$ (12,407,034)**	**$ (281,057)**	**$ (148,696)**	**$ 14,336,408**
Share-based payments	-	-	8,294	-	-	-	-	8,294
Net loss and comprehensive loss for the period	-	-	-	-	(389,884)	(1,194)	40,998	(350,080)
Balance, June 30, 2013	**79,641,760**	**$ 24,593,649**	**$ 1,813,608**	**$ 774,232**	**$ (12,796,918)**	**$ (282,251)**	**$ (107,698)**	**$ 13,994,622**

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

1. Nature of operations and going concern

Nature of operations

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. 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. ("MESPA" or "MEE"), a private corporation incorporated on November 29, 2006 in Spain 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 condensed consolidated interim financial statements of the Corporation for the three months ended June 30, 2013 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on August 27, 2013.

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.

Going concern

These condensed consolidated interim financial statements have been prepared based upon accounting principles applicable to a going concern, which assume that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment, of material uncertainties related to events or conditions, such as those described herein, that may cast significant doubt upon the Corporation’s ability to continue as a going concern.

As at June 30, 2013, the Corporation had negative working capital of $(386,111) (March 31, 2013 - $94,147), had not yet achieved profitable operations, had accumulated losses of $12,796,918 (March 31, 2013 - $12,407,034) and expects to incur further losses in the development of its business. Given the Corporation's negative working capital and the current operations on care and maintenance, it will not have sufficient capital to operate over the next 12 months and additional funding will be necessary to complete the scoping study for the Oreposa Tin Property by July 2014 (Note 8(i)) and/or fund payments to the extend the deadline for the scoping study beyond July 2014.

1. Nature of operations and going concern (continued)

Going concern (continued)

Management acknowledges that uncertainty remains over the ability of the Corporation to meet its funding requirements but believes that financing will be available and continues to explore debt and equity financing options that would provide the Corporation with sufficient cash to continue with its exploration activities.

There is, however, no assurance that the sources of funding described above will be available to the Corporation, or that they will be available on terms and timely basis that are acceptable to the Corporation. Accordingly, these condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used that would be necessary should the Corporation be unable to continue as a going concern. These adjustments could be material.

2. Significant accounting policies

Statement of compliance

The Corporation applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these condensed consolidated interim financial statements are based on IFRSs issued and outstanding as of August 27, 2013, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these condensed consolidated interim financial statements as compared with the most recent annual financial statements as at and for the year ended March 31, 2013. Any subsequent changes to IFRS that are given effect in the Corporation's annual financial statements for the year ending March 31, 2014 could result in restatement of these condensed consolidated interim financial statements.

Change in accounting policies

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods after March 31, 2013. The following new standards have been adopted:

(i) IFRS 11 - Joint arrangement ("IFRS 11") was issued by the IASB in May 2011. IFRS 11 is a new standard which focuses on classifying joint arrangement by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns. At April 1, 2013, the Corporation adopted this pronouncement and there was no material impact on the Corporation's unaudited condensed consolidated interim financial statements.

(ii) IFRS 12 - Disclosure of interests in other entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles, and off balance sheet vehicles. At April 1, 2013, the Corporation adopted this pronouncement and there was no material impact on the Corporation's unaudited condensed consolidated interim financial statements.

2. Significant accounting policies (continued)

(iii) IFRS 13 – Fair value measurement is effective for the Corporation beginning on April 1, 2013, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy. The Corporation's adoption of IFRS 13, on April 1, 2013, did not have a material financial impact upon the unaudited condensed consolidated interim financial statements.

(iv) IAS 1 - Presentation of financial statements ("IAS 1") was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive loss with US GAAP standards. Items in other comprehensive loss will be required to be presented in two categories: items that might be reclassified into profit or loss and those that will not be reclassified. The flexibility to present the statement of comprehensive loss as one statement or two separate statements of profit and loss and other comprehensive loss remains unchanged. At April 1, 2013, the Corporation adopted this pronouncement and there was no material impact on the Corporation’s unaudited condensed consolidated interim financial statements.

New standards not yet adopted and interpretations issued but not yet effective

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent annual statements as at and for the year ended March 31, 2013.

3. 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, non-controlling interest, accumulated other comprehensive loss and deficit, which at June 30, 2013, totaled $13,994,622 (March 31, 2012 - $14,336,408).

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 and deferred expenditures. 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 months ended June 30, 2013.

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

4. 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 months ended June 30, 2013.

(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 other liabilities, which are due within normal trade terms, generally 30 days.

(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 bank loan that is interest bearing and, as such, the Corporation's current exposure to interest rate risk is minimal as at June 30, 2013.

(b) Foreign currency risk

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

4. Financial risk management (continued)

(iii) Market risk (continued)

(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 June 30, 2013, 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 June 30, 2013, $67,625 was held in Canadian Dollars and €19,320 was held in Euro. Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are reasonably possible over a three 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 $22,000.

(Expressed in Canadian dollars)

5. Categories of financial instruments

	As at June 30, 2013	As at March 31, 2013
Financial assets:		
Loans and receivables		
Cash and cash equivalents	$ 95,761	$ 225,213
Amounts receivable	$ 158,876	$ 722,698
Financial liabilities:		
Other financial liabilities		
Amounts payable and other liabilities	$ 696,821	$ 660,638
Bank loan	$ -	$ 249,075

As at June 30, 2013 and March 31, 2013, the fair value of all the Corporation's financial instruments approximates the carrying value, due to their short-term nature.

6. Amounts receivable and other assets

	As at June 30, 2013	As at March 31, 2013
Amounts receivable	$ 133,674	$ 125,851
Sales tax receivable - (Spain)	25,202	596,847
Prepaid expenses	56,073	55,949
	$ 214,949	$ 778,647

7. Property, plant and equipment

Property, plant and equipment is represented by the following:

Cost	Software	Automobiles	Machinery	Furniture and fixtures	Computer equipment	Total
Balance at March 31, 2013	$ 21,674	$ 55,332	$ 91,711	$ 12,987	$ 20,808	$ 202,512
Balance at June 30, 2013	$ 21,674	$ 55,332	$ 91,711	$ 12,987	$ 20,808	$ 202,512

Accumulated Amortization	Software	Automobiles	Machinery	Furniture and fixtures	Computer equipment	Total
Balance at March 31, 2013	$ 21,674	$ 23,907	$ 19,620	$ 5,851	$ 12,741	$ 83,793
Amortization	-	4,592	4,914	1,057	1,469	12,032
Balance at June 30, 2013	$ 21,674	$ 28,499	$ 24,534	$ 6,908	$ 14,210	$ 95,825

Net book value	Software	Automobiles	Machinery	Furniture and fixtures	Computer equipment	Total
March 31, 2013	$ -	$ 31,425	$ 72,091	$ 7,136	$ 8,067	$ 118,719
June 30, 2013	$ -	$ 26,833	$ 67,177	$ 6,079	$ 6,598	$ 106,687

(Expressed in Canadian dollars)

8. Mineral properties and deferred expenditures

	March 31, 2013	Additions	June 30, 2013
Oropesa Property (i)	$11,463,306	$ 87,046	$11,550,352
Santa Maria Property (ii)	2,660,236	63,458	2,723,694
	$14,123,542	$ 150,504	$14,274,046

	March 31, 2012	Additions	March 31, 2013
Oropesa Property (i)	$ 8,366,792	$ 3,096,514	$11,463,306
Santa Maria Property (ii)	1,809,046	851,190	2,660,236
	$10,175,838	$ 3,947,704	$14,123,542

(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 and the milestone was achieved by March 31, 2011. 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.

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 C$23,476 (€18,000) as at June 30, 2013.

On January 30, 2013, pursuant to a Sale and Purchase Agreement (the “SPA”) and a Shareholder Agreement (the Sale and Purchase Agreement and the Shareholder Agreement collectively referred to herein as the “Agreements”) between MESPA and SPIB, SPIB transferred to MESPA of a 100% interest in the Oropesa IP. MESPA agrees to deliver a scoping study for the Oropesa Tin Property (the “Scoping Study”) by July 2014. In the event that MESPA does not deliver the Scoping Study by July 2014, or the Scoping Study is not positive, a 50% interest in the IP Oropesa shall revert back to SPIB. MESPA, at its option, may extend the deadline for delivery of the Scoping Study by payment to SPIB of €20,000 on a quarterly basis until such time as the Scoping Study is delivered. MESPA shall pay to SPIB a 1.35% net smelter royalty from the sale of tin concentrate from the Oropesa Tin Property. Upon determination of the feasibility of the Oropesa Tin Property, SPIB shall be issued common shares of MESPA so that SPIB becomes a 4% shareholder of MESPA, which percentage ownership shall be fixed and not subject to further dilution.

8. Mineral properties and deferred expenditures (continued)

(i) (continued) On March 13, 2008, the Corporation entered into an option agreement with Minas Tenidas S.A.U ("MATSA") a wholly 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 was required to pay to MEE an amount equal to double the amount of the expenses incurred by MEE to bring the Oropesa property to pre-feasibility status.

Following the delivery of a notice of termination by MEE to MATSA on October 6, 2011, the option agreement terminated on March 13, 2012.

(ii) On December 11, 2010, MEE and Quercus Explorations Mining S.A. ("QEM") entered into an agreement (which amended and replaced a previous agreement between the parties dated August 8, 2008) (the "Santa Maria Agreement") 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 were 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 Corporation 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 Corporation at an issue price of CDN$0.15 per share (CDN$0.20 per share post RTO); 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. On December 9, 2011, MESEX submitted all relevant documents and information required by law and formally applied to the Extremadura Mining Authority for the mandatory authorization of the transfer. The transfer was completed on March 9, 2012.

In addition to the Santa Maria Agreement, the two shareholders of MESEX have also entered into a shareholders' agreement with respect to their shareholdings in MESEX. The Santa Maria Agreement and the shareholders' agreement will govern the relationship between parties with respect to their shareholdings in MESEX and the Santa Maria Property. 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.

9. Bank loan

On January 25, 2013, MESPA signed off a line of credit with La Caixa (the "Line of Credit") of up to €200,000. As at June 30, 2013, the balance of the loan withdrawn against the Line of Credit was $nil (March 31, 2013 - $249,075 (€190,979)) and the interest rate on the loan is subject to quarterly reviews and from May 1, 2013 to July 31, 2013, the annual interest rate on the loan was Euribor + 2.75%. During the three months ended June 30, 2013, the Corporation recorded a total interest expense of $1,122 (three months ended June 30, 2012 - $nil) and as at June 30, 2013 , a total interest of $nil (March 31, 2013 - $1,374) was accrued and included in amounts payable and other liabilities.

(Expressed in Canadian dollars)

10. 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 June 30, 2013, the issued share capital amounted to $24,593,649. The changes in issued share capital for the periods were as follows:

	Number of common shares	Amount
Balance, March 31, 2012	79,049,260	$ 24,365,581
Exercise of stock options	425,000	113,475
Fair value of stock options exercised	-	59,672
Balance, June 30, 2012	79,474,260	24,538,728
Exercise of warrants	167,500	50,231
Fair value of warrants exercised	-	4,690
Balance, March 31, 2013 and June 30, 2013	79,641,760	$ 24,593,649

11. Net loss per common share

The calculation of basic and diluted loss per share for the three months ended June 30, 2013 was based on the losses attributable to common shareholders of $348,886 (three months ended June 30, 2012 - $497,649) and the weighted average number of common shares outstanding of 79,641,760 (three months ended June 30, 2012 - 79,335,249). Diluted loss per share did not include the effect of 8,593,750 warrants and 4,911,250 stock options as they are anti-dilutive.

12. Warrants

The following table reflects the continuity of warrants:

	Number of warrants	Amount ($)
Balance, March 31, 2012 and June 30, 2012	14,989,684	815,105
Exercise of warrants	(167,500)	(4,690)
Expiration of warrants	(6,228,434)	(36,183)
Balance, March 31, 2013 and June 30, 2013	8,593,750	774,232

(Expressed in Canadian dollars)

12. Warrants (continued)

The following table reflects the warrants issued and outstanding as of June 30, 2013:

Number of Warrants Outstanding	Amount ($)	Exercise Price ($)	Expiry Date
7,812,500	669,466	1.20	July 26, 2013
781,250 (i)	104,766	0.80	July 26, 2013
8,593,750	774,232	1.16	

(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.

13. Stock options

The Corporation's outstanding stock options and the changes for the period are as follows:

	Number of Stock Options	Weighted Average Exercise Price ($)
Balance, March 31, 2012	5,931,250	0.54
Options exercised	(425,000)	0.27
Options expired/forfeited	(100,000)	1.05
Balance, June 30, 2012	5,406,250	0.53
Options expired/forfeited	(400,000)	0.46
Balance, March 31, 2013	5,006,250	0.54
Options expired/forfeited	(95,000)	0.84
Balance, June 30, 2013	4,911,250	0.53

[a] 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. As at June 30, 2013, 1,080,000 stock options remain outstanding. During the three months ended June 30, 2013, $9,083 was recorded as share-based payments in the condensed consolidated interim statements of loss and comprehensive loss (three months ended June 30, 2012 - $51,018) and ($13,420) was capitalized in mineral properties and deferred exploration expenditures (three months ended June 30, 2012 - $28,921).

(Expressed in Canadian dollars)

13. Stock options (continued)

(b) On November 9, 2011, the Corporation granted 400,000 stock options to an officer of the Corporation, 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 months ended June 30, 2013, $5,793 was recorded as share-based payments in the condensed consolidated interim statements of loss and comprehensive loss (three months ended June 30, 2012 - $17,394).

(c) On November 28, 2011, the Corporation 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. 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 1.28%; 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 months ended June 30, 2013, $1,852 was recorded as share-based payments in the condensed consolidated interim statements of loss and comprehensive loss (three months ended June 30, 2012 - $5,560).

(d) On March 1, 2012, the Corporation granted 400,000 stock options to a director of the Corporation, 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 1.32%; and an expected life of 5 years. As a result, the fair value of the stock options was estimated at $120,000. During the three months ended June 30, 2013, $4,986 was recorded as share-based payments in the condensed consolidated interim statements of loss and comprehensive loss (three months ended June 30, 2012 - $14,986). Subsequent to June 30, 2013, the director resigned and 133,333 of the optinos were forfeited and 266,667 of the options will expire on November 13, 2013 (note 18 (iii)).

Details of the stock options outstanding at June 30, 2013 are as follows:

Fair Value ($)	Remaining Contractual Life (years)	Exercisable Options	Number of Options	Weighted Average Exercise Price ($)	Expiry Date
312,750	2.09	2,231,250	2,231,250	0.27	August 1, 2015
70,335	2.59	500,000	500,000	0.27	February 1, 2016
17,584	2.77	125,000	125,000	0.27	April 7, 2016
851,040	2.85	1,080,000	1,080,000	1.05	May 4, 2016
139,600	3.36	266,666	400,000	0.70	November 9, 2016
44,625	3.42	116,667	175,000	0.85	November 28, 2016
120,000	0.37	266,667	400,000	0.70	November 13, 2013
1,555,934	2.33	4,586,250	4,911,250	0.53	

(Expressed in Canadian dollars)

14. General and administrative

Three months ended June 30,		2013		2012
Salaries and benefits	$	**59,232**	$	70,316
Directors fees		**54,771**		55,771
Share-based payments		**21,714**		88,958
Professional fees		**99,429**		71,033
Amortization		**12,032**		11,826
Administrative		**62,515**		103,139
Investor relations		**29,193**		27,917
Travel expense		**22,464**		76,918
Foreign exchange (gain) loss		**(7,691)**		2,439
	$	**353,659**	$	508,317

15. 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:

(i) On January 25, 2013, MESPA signed off a line of credit with La Caixa in Spain of up to €200,000 secured by Northern Gold Mines S.L, a company controlled by an officer and Director of the Corporation.

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

Three months ended June 30,		2013		2012
Salaries and benefits [(1)]	$	**103,771**	$	**96,890**
Professional fees[(2)]	$	**68,750**	$	**68,750**
Share-based payments	$	**21,774**	$	**98,044**

[(1)] Other than the Chief Executive Officer and 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 directors fees and stock options for their services and officers are entitled to stock options for their services.

[(2)] The Chief Executive Officer of the Corporation is paid through professional fees.

(Expressed in Canadian dollars)

16. Segmented information

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

June 30, 2013	**Canada**	**Spain**	**Total**
Current assets	$ 219,161	$ 91,549	$ 310,710
Mineral properties and deferred expenditures	-	14,274,046	14,274,046
Property, plant and equipment	4,227	102,460	106,687
Total assets	$ 543,006	$14,148,437	$14,691,443
Total liabilities	389,837	306,984	696,821

March 31, 2013	**Canada**	**Spain**	**Total**
Current assets	$ 336,558	$ 667,302	$ 1,003,860
Mineral properties and deferred expenditures	-	14,123,542	14,123,542
Property, plant and equipment	4,931	113,788	118,719
Total assets	$ 655,475	$14,590,646	$15,246,121
Total liabilities	346,868	562,845	909,713

Three months ended June 30, **Net loss**	**2013** **$**	**2012** **$**
Canada	227,362	301,721
Spain	121,524	195,928
Total	348,886	497,649

17. Contingencies and commitments

The Corporation's exploration activities are subject to foreign government laws and regulations, including foreign tax laws including tax laws on value added tax 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 June 30, 2013, the Corporation is committed to future minimum payments in Euro 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, 2014	23,400	29,885
For the year ended March 31, 2015	15,600	14,063
For the year ended March 31, 2016	-	11,098
Total	**39,000**	**55,046**

On October 25, 2011, a Permits Transfer Agreement relating to IP Santa Maria was executed and notarized as a deed. This deed was confirmed and ratified by MESEX the following day. On December 9, 2011, MESEX submitted all relevant documents and information required by law and formally applied to the Extremadura Mining Authority for the mandatory authorization of the transfer. The Corporation received such authorization on March 9, 2012.

18. Subsequent events

(i) On July 26, 2013, 8,593,750 warrants expired unexercised.

(ii) As at July 26, 2013, MESPA have used $35,575 (€26,051) from the approved €200,000 Line of Credit. On July 29 Northern Gold Mines S.L, a company controlled by an officer and Director of the Company deposited €200,000 in MESPA's Bank account and the Line of Credit was repaid in full and cancelled. Those funds were advanced in exchange for shares of the Company to be issued at a later date.

(iii) On August 15, 2013, one of the directors of the Corporation resigned and out of the 400,000 stock options granted to the director, 133,333 options were forfeited and the remaining 266,667 options will expire on November 13, 2013.