Stannico Resources Inc.

Consolidated Unaudited Interim Financial Statements

Periods Ended December 31, 2010 and 2009

Under National Instrument 51-102, part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Stannico Resources Inc.
(An Exploration Stage Company)

Consolidated Balance Sheets

	December 31, 2010 (Unaudited)	December 31, 2009 (Audited)
Assets		
Current assets		
Cash	$ 1,928,938	$ 309,831
Sundry receivables and prepaid expenses	73,505	84,842
	2,056,443	394,673
Equipment	7,674	6,523
Mineral properties and deferred exploration expenditures *(note 4)*	2,479,324	698,761
	$ 4,543,411	$ 1,099,957
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 222,039	$ 224,201
Due to shareholder	15,632	154,249
Due to Eurotin Inc.	180,000	25,000
	417,671	403,450
Convertible debt *(note 5)*	-	440,582
Accrued interest *(note 5)*	-	30,221
	417,671	874,253
Shareholders' equity (deficiency)		
Share capital (*note 6 (b)*)	5,012,077	411,920
Common shares to be issued (*note 6 (b)*)	-	281,360
Equity portion of convertible debt *(note 5)*	131,846	131,846
Warrants (*note 6(c)*)	419,054	223,478
Contributed surplus *(note 7)*	386,338	-
Deficit	(1,823,575)	(822,900)
	4,125,740	225,704
	$ 4,543,411	$ 1,099,957

Going concern *(note 1)*
Subsequent events *(note 10)*

The accompanying notes are an integral part of these unaudited interim consolidated financial statements

Approved by the Board

Signed: ***" Peter Miller "***
Chief Executive Officer

Signed: ***" David Danziger "***
Acting Chief Financial Officer

Stannico Resources Inc.
(An Exploration Stage Company)

Consolidated Statements of Loss, Comprehensive Loss and Deficit
for the period ended December 31, 2010 and 2009

	December 31, 2010 (Unaudited)	For the Three Months Ended December 31, 2010 (Unaudited)	December 31, 2009 (Audited)
Expenses			
Stock based compensation *(note 7)*	$ 386,338	$ -	$ -
Professional fees	182,999	31,557	261,079
Office and general	176,983	78,212	134,304
Occupancy costs	52,790	-	19,174
Salary expense	83,109	36,520	50,525
Accretion expense *(note 5)*	44,510	-	54,389
Interest on long-term debt	13,592	10,244	15,125
Bank charges	3,143	896	1,919
Advertising and promotion	2,461	2,104	3,614
Amortization	565	565	565
	946,490	160,098	540,694
Other item			
Foreign exchange loss	(53,885)	(60,382)	(3,898)
Net loss and comprehensive loss for the period	(1,000,375)	(220,480)	(544,592)
Deficit, beginning of period	(822,900)	(1,602,795)	(278,308)
Deficit, end of period	$ (1,823,275)	$(1,823,275)	$ (822,900)

Loss per share *(note 8)*

The accompanying notes are an integral part of these unaudited interim consolidated financial statements

Consolidated Statements of Cash Flows
for the period ended December 31, 2010 and 2009

	December 31, 2010 (Unaudited)	For the Three Months Ended December 31, 2010 (Unaudited)	December 31, 2009 (Unaudited)
Cash flows used in operating activities			
Net loss for the period	$ (1,000,375)	$ (220,480)	$ (544,592)
Items not involving cash:			
Stock-based compensation	386,338	-	-
Foreign exchange	1,272	-	-
Amortization	565	565	565
Accretion expense	44,510	-	54,389
Non-cash interest	3,348	-	15,127
	(564,342)	(219,915)	(474,511)
Net changes in non-cash working capital items:			
Increase (decrease) in sundry receivables and prepaids	11,337	(17,673)	(42,757)
Increase in accounts payable and accrued liabilities	(2,165)	(54,462)	146,536
	(555,170)	(292,050)	(370,732)
Cash flows used in investing activities			
Purchase of equipment	(1,149)	-	(2,629)
Mineral properties and deferred exploration expenditures	(1,332,234)	(668,459)	(378,807)
	(1,333,383)	(668,459)	(381,436)
Cash flows used in financing activities			
Increase (decrease) in due to shareholder	(138,617)	(195,093)	154,249
Proceeds from common share issuance	3,491,277	3,054,275	836,360
Advance from Eurotin	155,000	-	25,000
	3,507,660	2,859,182	1,015,609
Increase (decrease) in cash	1,619,107	1,898,673	263,441
Cash, beginning of period	309,831	30,265	46,390
Cash, end of period	$ 1,928,938	**$** 1,928,938	$ 309,831
Non-cash activities:			
Shares issued for mineral property Expenditures	$ 346,000	$270,000	$ 76,000
Other cash flow information			
Interest paid	$ -		$ -
Taxes paid	$ -		$ -

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

1. Nature of Operations and Going Concern

Stannico Resources Inc. ("the Company" or "Stannico") was incorporated on October 9, 2008 under the laws of the province of Ontario. The Company acquired 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 acquisition was accomplished through an exchange of shares which resulted in the former shareholders of MEE obtaining control of the Company. Stannico was formed by the principal shareholders of MEE for the purposes of the MEE acquisition and to raise and facilitate funding in capital markets for the MEE exploration and development programs. In accordance with EIC 124 "Definition of a Business" of the CICA Handbook, the transaction is accounted for as a capital transaction, that is, a financing and recapitalization of MEE. The results of operations of Stannico are included in the financial statements from October 8 2008, the date of completion of the transaction. For accounting purposes, the Company is considered to be a continuation of MEE except with regard to the authorized and issued share capital, which is that of the legal parent company, Stannico.

These financial statements have been prepared on the basis that the Company 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 Company 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 Company be unable to continue as a going concern.

Management believes the Company has, or will have access to sufficient capital resources and funding to facilitate the Company's financial commitments and needs for the ensuing year. Accordingly, the going concern assumption is appropriate. Subsequent to December 31, 2010 the Company entered into a transaction whereby it becomes a wholly owned subsidiary of a publicly traded company. Refer to Note 10. Concurrently with this transaction the Company changed its year end to March 31.

2. Significant Accounting Policies

The unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP) for interim financial information. Accordingly, they do not include all the information and notes to the consolidated financial statements required by Canadian generally accepted accounting principles for annual consolidated financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the twelve month periods ended December 31, 2010 may not necessarily be indicative of the results that may be expected for the year ended March 31, 2011. The balance sheet at December 31, 2010 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by Canadian GAAP for annual consolidated financial statements. The interim consolidated financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual audited consolidated financial statements for the year ended December 31, 2009, except as noted below. For further information, refer to the audited consolidated financial statements and notes thereto for the year ended December 31, 2009.

3. Future Accounting Pronouncements

International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that IFRS will replace Canadian GAAP in 2011 for Canadian publicly accountable companies. The Company became a publicly accountable enterprise through an initial public offering of its shares (note 10). Accordingly, the Company will be required to report its financial positions and results in accordance with IFRS beginning in 2011. This will also require the restatement for comparative purposes of amounts reported by the Company for the period ended March 31, 2011. The Company has begun assessing and reviewing the impact of IFRS adoption. Management plans for the initial adoption of IFRS include training, securing additional expertise, board level oversight and review of the options and impacts involved. Management believes that the Company will be adequately prepared for the conversion to IFRS by the implementation date.

4. Mineral Properties and Deferred Exploration Expenditures

	January 1, 2010	Additions	December 31, 2010
Oropesa Property (i)	$ 426,858	$ 1,606,752	$ 2,033,610
Santa Maria Property (ii)	271,903	173,811	445,714
	$ 698,761	$ 1,780,563	$ 2,479,324

	January 1, 2009	Additions	December 31, 2009
Oropesa Property (i)	$ 190,371	$ 236,487	$ 426,858
Santa Maria Property (ii)	53,583	218,320	271,903
	$ 243,954	$ 454,807	$ 698,761

4. Mineral Properties and Deferred Exploration Expenditures - continued

(i) On February 15, 2008, the Company acquired the right to earn a 50% direct interest in the Oropesa Investigation Permit No. 13.050 ("IP Oropesa") from Sondeos y Perforaciones Industriales del Biezro, SA ("SPI"). IP Oropesa is situated in Spain within the North East part of the Region of Adalucia.

The Company can earn a 50% direct interest by spending €1,500,000 on exploration over a three year period. A further 50% interest can be acquired by:

(a) granting SPI a 1.35% net smelter royalty, paying the vendor 0.90% of the value of metal in reserves at the time of feasibility;

(b) paying the vendor 0.90% of the value of the metal reserves at the time of feasibility; and

(c) in the event of commercial production the Company has committed to issue to SPI 4% of the equity of the entity developing and mining Oropesa.

In order to keep the right in good standing the Company must make annual lease payments of €18,000 (C$27,074 as at December 31, 2009)

On March 18, 2008, the Company entered into an option agreement with Minas Tenidas S.A.U ("MATSA") whereby MATSA can earn a 25% interest in the Orespea property. In order to earn its interest, within 45 days of receiving a pre-feasibility study, MATSA must reimburse the Company double the amount of expenses incurred by the Company in bringing the Oropesa property to pre-feasibility status.

The purpose of this Option agreement is to provide MATSA the opportunity to participate directly in the Oropesa property at the time of completion of a Pre Feasibility Study. This agreement is in effect for 36 months from the date of signing, automatically renewable on a one year basis. In the event MATSA exercises the right granted in this option agreement, then MATSA irrevocably commits to refund its 25% direct share of expenditures required to complete a bankable feasibility study.

(ii) On August 8, 2008, the Company entered into a Letter of Intent to Form a Joint Venture between the Company and Quercus Explorations y Mining S.A. (“QEM”). QEM owns the title and exploration permits named “Gloria” and “Santa Maria”. The term of the letter of intent was 18 months. If the Company exercises its option, then on the effective date of a Joint Venture agreement, the Company will pay to QEM the equivalent of US$200,000 in shares of the Company. The number of shares to be delivered to QEM will be determined by the average price of the shares of the Company trading in the TSX Venture Exchange during the last 10 days prior to exercise of the option. The Company was not yet trading on the TSX Venture Exchange. Subsequent to December 31, 2009 the Company informed QEM of its intent to exercise its option. On December 11, 2010 as effective January 1, 2011, the Company and QEM entered into a definitive agreement whereby the two will form and enter into a joint venture.

5. Convertible Debt

	December 31, 2010	December 31, 2009
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 2015. Payment of interest is deferred until fiscal 2011 with the 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	116,938	72,428
Shares issued for debt	($485,092)	72,428
	$ -	$ 440,582

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 of approximately 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 is a loan, with a face value of $50,000, owed to a company controlled by a director of the Company.

6. Share Capital

(a) Authorized

Unlimited number of common shares with no par value

(b) Issued

	Shares	Amount
Balance December 31, 2007 - MEE	301,200	$ 4,398
Common shares of MEE exchanged for common shares of Stannico	(301,200)	-
Issue of shares and recapitalization on acquisition of MEE (i)	7,000,000	-
Balance, December 31, 2008	7,000,000	4,398
Shares issued on private placements (ii), (iv), (v)	6,649,998	555,000
Shares issued for mineral property services provided (iii)	1,024,000	76,000
Valuation of warrants issued	-	(223,478)
Balance, December 31, 2009	14,673,998	411,920
Shares issued on private placements (vii), (viii), (ix), (x), (xiii)	27,591,458	4,035,125
Shares issued as finders' fees (vii)	383,334	46,000
Shares issued for debt (ix), (xi)	8,297,490	694,624
Shares issued pursuant to a drilling services arrangement (xii)	1,200,000	270,000
Share issue costs	-	(249,975)
Valuation of warrants issued	-	(195,677)
Balance, December 31, 2010	**52,146,280**	**$ 5,012,117**

(i) MEE and Stannico completed a share for share exchange whereby Stannico issued 7,000,000 common shares for 100% of the issue and outstanding common shares of MEE. The share exchange was treated as an issuance of common shares by the continuing entity MEE. The net assets of Stannico on October 18, 2008 were $NIL and accordingly no value was attributed to the 7,000,000 common shares exchanged in the transaction.

(ii) On February 20, 2009, the Company issued 4,999,999 units of the Company at a price of $0.075 per unit. Each unit comprises one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase a common share of the Company at a price of $0.10 per share until December 31, 2011.

(iii) On September 30, 2009, the Company issued 490,667 and 533,333 units of the Company for services rendered at a market value of $36,000 and $40,000 respectively. Each unit comprises one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase a common share of the Company at a price of $0.10 per share until December 31, 2011.

6. Share Capital - continued

(b) Issued - continued

(iv) On November 11, 2009, the Company issued 399,999 units of the Company at a price of $0.075 per unit. Each unit comprises one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase a common share of the Company at a price of $0.10 per share until December 31, 2011.

(v) On December 1, 2009, the Company issued 625,000 units of the Company at a price of $0.12 per unit. Each unit comprises one common share and one warrant. Each whole warrant entitles the holder to purchase a common share of the Company at a price of $0.15 per share until December 31, 2011. The Company also issued an additional 625,000 units comprising one common share and one warrant. Each warrant entitles the holder to purchase a common share of the Company at a price of $0.18 per share until December 31, 2011.

(vi) During the year ended December 31, 2009, the Company received proceeds of $281,360 related to 2,334,667 common shares issued in connection with the February 10, 2010 private placement which closed during the nine months ended September 30, 2010. This was reflected on the balance sheet as shares to be issued at December 31, 2009.

(vii) On February 10, 2010, the Company issued 3,453,125 units of the Company at a price of $0.12 per unit. Each unit comprises one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase a common share of the Company at a price of $0.15 per share until February 10, 2012. In connection with the financing the Company issued an additional 383,334 units as a finder's fee to two arms length parties.

(viii)On May 20, 2010, the Company issued 1,393,334 units of the Company at a price of $0.15 per unit. Each unit comprises one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase a common share of the Company at a price of $0.225 per share until May 20, 2012.

(ix)On July 14, 2010, the Company issued 716,665 units of the Company at a price of $0.15 per unit. Each unit comprises one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase a common share of the Company at a price of $0.225 per share until July 14, 2012. On this same date the Company also issued 964,160 units as a share for debt exchange as it relates to the due to shareholder balance. The units have the same terms as those noted above.

(x) On November 3, 2010, the Company issued 5,361,667 units of the Company at a price of $0.15 per unit. Each unit comprises one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase a common share of the Company at a price of $0.225 per share until November 3, 2012.

(xi) On November 3, 2010, the Company issued 7,333,330 common shares on conversion of convertible debt and accrued interest totalling $550,000 at $0.075 per share.

(xii) On November 3, 2010, the Company issued 1,200,000 units of the Company at a price of $0.225 per unit pursuant to a drilling services arrangement. Each unit comprises one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase a common share of the Company at a price of $0.225 per share until November 3, 2012.

6. Share Capital - continued

(b) Issued - continued

(xiii) On December 15, 2010, the Company issued 16,666,667 units of the Company at a price of $0.15 per unit. Each unit comprises one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase a common share of the Company at a price of $0.225 per share until December 15, 2012. The broker received a commission of $100,000 and also received 833,333 compensation options. Each compensation option is exercisable into a unit of the Company. Each unit consists of one common shares and a half warrant with terms as described above.

(c) Warrants

A summary of the Company's warrant activity is as follows:

	Warrants		Average Exercise Price	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Outstanding, beginning of period	7,673,998	-	$ 0.11	$ -
Issued	16,987,709	7,673,998	0.19	0.11
Outstanding, end of period	24,661,707	7,673,998	$ 0.14	$ 0.11

A summary of the Company's warrants outstanding at December 31, 2010 is as follows:

Warrants	Exercise Price	Fair Value	Expiry Date
6,423,998	$ 0.10	$ 180,340	December 31, 2011
625,000	$ 0.15	23,250	December 31, 2011
625,000	$ 0.18	19,888	December 31, 2011
3,836,459	$ 0.15	122,767	February 10, 2012
696,667	$ 0.23	18,810	May 20, 2012
840,413	$ 0.23	17,648	July 14, 2012
2,680,834	$ 0.23	16,085	November 3, 2012
600,000	$ 0.23	3,600	November 3, 2012
8,333,334	$ 0.23	16,666	December 15, 2012
24,661,705		$ 419,054	

6. Share Capital - continued

(c) Warrants

The fair value of warrants issued during the twelve months ended December 31, 2010 and 2009 have been estimated using the Black-Scholes model for pricing options. The following weighted average assumptions were used:

	2010	2009
Risk free interest rate	0.6%	0.6%
Dividend yield	NIL	NIL
Expected stock volatility	100%	100%
Expected life	0.30 years	2 years

7. Stock Options

On August 1, 2010, the Company 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 0%; volatility 100%; risk-free interest rate 2.29%; and an expected life of 60 months. As a result, the fair value of the stock options was estimated as $386,338. And this amount was credited to contributed surplus.

8. Loss Per Share

The following table sets out the computation for basic and diluted loss per share:

	For the Twelve Months Ended December 30, 2010	For the Three Months Ended December 31, 2010	Year ended December 31, 2009
Numerator			
Net loss attributable to common shareholders	$ (1,000,375)	$ (220,480)	$ (544,592)
Denominator			
Weighted average number of common shares outstanding	22,670,455	33,625,725	11,503,035
Basic and diluted loss per share	$ (0.04)	$ (0.01)	$ (0.05)

9. Segmented Reporting

The Company operates in one reportable operating segment, being mineral exploration. As at December 31, 2010 and 2009, the Company's resource properties were located in Spain and its corporate assets are located in Spain and Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues during the periods ended December 31, 2009 and 2008.

December 31, 2010		**Canada**		**Spain**		**Total**
				$		
Current assets	$	1,653,438		403,005	**$**	**2,056,443**
Mineral properties		306,000		2,173,324		**2,479,324**
Equipment		-		7,644		**7,674**
	$	1,959,438	$	2,583,973	**$**	**4,543,441**

December 31, 2009		**Canada**		**Spain**		**Total**
Current assets	$	281,360	$	113,313	**$**	**394,673**
Mineral properties		-		698,761		**698,761**
Equipment		-		6,523		**6,253**
	$	281,360	$	818,597	**$**	**1,099,957**

10. Subsequent Events

(i) On April 18, 2011, Eurotin Inc. ("Eurotin") acquired 100% of the common shares of the Company (the "Acquisition). Pursuant to the acquisition and in exchange for obtaining all of the issued and outstanding securities of the Company, Eurotin issued to the Company's security holders 45,677,384 common shares, 12,968,565 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. (with each option entitling the holder to acquire one common share and one-half common share purchase warrant of Eurotin and each whole warrant entitling the holder to acquire one common share of Eurotin). Eurotin is a public company trading on the Toronto Venture Stock Exchange ("TSXV"). Concurrent with this transaction the Company changed its year end to March 31.