STANNICO RESOURCES INC.
(An Exploration Stage Company)

Consolidated Financial Statements

Fifteen Months Ended March 31, 2011 and

Year Ended December 31, 2009

(Expressed in Canadian Dollars)

Management's Responsibility for Consolidated Financial Statements

The accompanying consolidated financial statements of Stannico Resources Inc. (An exploration stage company as defined by the Canadian Institute of Chartered Accountants Accounting Guideline 11) were prepared by management in accordance with Canadian generally accepted accounting principles. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 2 to the consolidated financial statements.

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 consolidated 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 consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company 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 financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

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

"Peter Miller"

President and Chief Executive Officer

"Harvey McKenzie"

Chief Financial Officer

Toronto, Canada
July 26, 2011

DALE MATHESON CARR-HILTON LABONTE LLP
DMCL CHARTERED ACCOUNTANTS

Partnership of:
Vancouver: Robert J. Burkart, Inc. James F. Carr-Hilton Ltd. Kenneth P. Chong Inc. Alvin F. Dale Ltd. Barry S. Hartley, Inc. Reginald J. LaBonte Ltd. Robert J. Matheson, Inc. Rakesh I. Patel Inc. F.M. Yada FCA Inc.
South Surrey: Michael K. Braun Inc. Peter J. Donaldson, Inc.
Port Coquitlam: Wilfred A. Jacobson Inc. G.D. Lee Inc. Fraser G. Ross, Ltd. Brian A. Shaw Inc.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Stannico Resources Inc.

We have audited the accompanying consolidated financial statements of Stannico Resources Inc. which comprise the consolidated balance sheets as at March 31, 2011 and December 31, 2009, and the consolidated statements of loss, comprehensive loss and deficit and cash flows for the periods then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence that we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Stannico Resources Inc. and its subsidiary as at March 31, 2011 and December 31, 2009, and the results of its operations and its cash flows for the periods then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describe certain conditions that give rise to doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from this uncertainty.

"DMCL"

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
July 26, 2011

Vancouver (Head Office) Suite 1500 - 1140 West Pender Street, Vancouver, B.C., Canada V6E 4G1, Tel: 604 687 4747 • Fax: 604 689 2778 - Main Reception
South Surrey Suite 301 - 1656 Martin Drive, White Rock, B.C., Canada V4A 6E7, Tel: 604 531 1154 • Fax: 604 538 2613
Port Coquitlam Suite 700 - 2755 Lougheed Highway, Port Coquitlam, B.C., Canada V3B 5Y9, Tel: 604 941 8266 • Fax: 604 941 0971

Stannico Resources Inc.

(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Dollars)

		March 31, 2011		December 31 2009
Assets				
Current assets				
Cash	**$**	**1,984,846**	$	309,831
Sundry receivables and prepaid expenses		**280,684**		84,842
		2,265,530		394,673
Equipment (Note 7)		**62,844**		6,523
Mineral properties and deferred expenditures (Note 6)		**3,751,456**		698,761
Total assets	**$**	**6,079,830**	$	1,099,957
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**696,919**	$	224,201
Due to shareholder (Note 14)		**43,348**		154,249
Due to Eurotin Inc. (Note 8)		**100,000**		25,000
		840,267		403,450
Convertible debt (Note 9)		-		440,582
Accrued interest (Note 9)		-		30,221
Total liabilities		**840,267**		874,253
Shareholders' Equity				
Share capital (Note 10)		**5,104,857**		411,920
Common shares to be issued (Note 10)		**1,207,078**		281,360
Equity portion of convertible debt (Note 9)		**131,846**		131,846
Warrants (Note 11)		**419,054**		223,478
Contributed surplus (Note 12)		**534,143**		-
Deficit		**(2,157,415)**		(822,900)
Total equity		**5,239,563**		225,704
Total liabilities and equity	**$**	**6,079,830**	$	1,099,957

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Notes 6 and 16)
Subsequent Events (Note 17)

Approved by the Board of Directors:

"David Danziger"
Director

"Peter Miller"
Director

See accompanying notes to consolidated financial statements

Stannico Resources Inc.

(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS AND DEFICIT
(Expressed in Canadian Dollars)

	Fifteen months ended March 31, 2011	Year ended December 31, 2009
	(Note 1)	
Operating Expenses		
Stock based compensation (Note 12)	**$ 519,976**	$ -
Professional fees	**372,077**	261,079
Office and general	**195,347**	134,304
Salary expenses	**102,746**	50,525
Occupancy costs	**21,494**	19,174
Accretion expense (Note 9)	**59,346**	54,389
Interest on long-term debt (Note 9)	**19,780**	15,125
Bank charges	**6,591**	1,919
Advertising and promotion	**2,552**	3,614
Amortization	**2,687**	565
	(1,302,596)	(540,694)
Other item		
Foreign exchange loss	**(31,919)**	(3,898)
Net loss and comprehensive loss for the period	**(1,334,515)**	(544,592)
Deficit, beginning of period	**(822,900)**	(278,308)
Deficit, end of period	**$ (2,157,415)**	$ (822,900)

Loss per share (note 13)

See accompanying notes to consolidated financial statements

Stannico Resources Inc.

(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Fifteen months ended March 31, 2011 (Note 1)	Year ended December 31, 2009
Cash (used in) provided by:		
Operating Activities		
Net loss	**$ (1,334,515)**	$ (544,592)
Items not affecting cash:		
Stock-based compensation	**534,143**	-
Foreign exchange loss	**69**	-
Amortization	**2,687**	565
Accretion expense	**59,349**	54,389
Non-cash interest	**19,780**	15,127
	(718,487)	(474,511)
Net change in non-cash working capital:		
Increase (decrease) in sundry receivables and prepaids	**(195,842)**	(42,757)
Increase (decrease) in accounts payable and accrued liabilities	**(30,425)**	146,536
	(944,754)	(370,732)
Investing Activities		
Purchase of equipment	**(59,008)**	(2,629)
Mineral properties and deferred exploration expenditures	**(2,161,553)**	(378,807)
	(2,220,561)	(381,436)
Financing Activities		
Increase (decrease) in due to shareholder	**33,723**	154,249
Proceeds from common share issuance and shares to be issued, net of share issue costs	**4,731,607**	836,360
Advance from Eurotin, Inc.	**75,000**	25,000
	4,840,330	1,015,609
Net increase in cash	**1,675,015**	263,441
Cash, beginning of period	**309,831**	46,390
Cash, end of period	**$ 1,984,846**	$ 309,831
Supplemental cash information		
Shares issued for mineral property expenditures	**$ 208,000**	$ 76,000
Shares issued for debt	**$ 874,624**	$ -
Interest paid	$ -	$ -
Taxes paid	$ -	$ -

See accompanying notes to 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 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 March 31, 2011 the Company was acquired by a publicly traded company. Concurrently, the Company changed its year end to March 31. As a result these financial statements present the results of operations for the fifteen months period ended March 31, 2011. The comparatives figures are for the year ended December 31, 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company are in accordance with Canadian generally accepted accounting principles ("GAAP") as set out by the Canadian Institute of Chartered Accountants ("CICA"). Outlined below are those policies considered significant:

Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary MEE. All inter company transactions and balances have been eliminated upon consolidation.

Equipment:

Equipment is recorded at cost and is amortized over its estimated useful economic life. Equipment is amortized using the declining balance method at annual rates of 5% to 16%.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in Mineral Properties and Deferred Exploration Expenditures

Mineral property acquisition costs and related direct exploration and development expenditures, net of recoveries, are deferred until the properties are placed into production. These net costs will be amortized against income using the unit of production method based on estimated recoverable reserves if the properties are brought into commercial production, or written down if the properties are abandoned or impaired., The cost of mineral properties includes any cash consideration paid, and the fair market value of shares and other consideration issued, if any, on the acquisition of property interests. Costs related to properties acquired under option agreements or joint ventures, whereby payments or other considerations are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. For properties held jointly with other parties the Company only records its proportionate share of acquisition and exploration costs. The proceeds from options or participation rights granted to third parties are deducted from the cost of the related property and any excess is deducted from other remaining capitalized property costs. The recorded amounts of property acquisition costs and their related deferred exploration costs represent actual expenditures incurred and may not reflect actual, present or future values.

The Company enters into option agreements for mineral property interests by earn in and expenditure arrangements. No initial cost or fair value amount is initially determined or allocated as acquisition cost unless such amounts can be reliably determined.

The recoverability of carrying amounts for mineral properties and deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future profitable production or proceeds from the disposition thereof.

Mineral properties are reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When events or changes in circumstances indicate possible impairment, estimated future cash flows from a mine or development project are calculated using estimated future prices, mineral resources and operating and capital costs on an undiscounted basis. When estimated future undiscounted cash flows are less than the carrying amount, the asset is considered impaired. Reductions in carrying amount of assets or groups of assets are recorded to the extent the carrying value exceeds the fair value.

Environmental expenditures and asset retirement obligations

The business conducted by the Company may be affected by environmental legislation and possible future changes thereto, the impact of which is subject to uncertainty. Environmental expenditures that relate to ongoing environmental and reclamation programs are charged against earnings as incurred or capitalized and amortized depending on their future economic impacts.

The Company recognizes the fair value of a liability for an asset retirement obligation only in the period in which it is identified and when a reasonable estimate of fair value can be made.

The Company has determined that there are no identified significant asset retirement obligations nor any other identified environmental obligations associated with its mineral properties, and therefore no liability has been recognized in these financial statements.

Environmental laws and regulations are complex and subject to uncertainty. There can be no assurance that all situations in the Company’s exploration program that may give rise to a liability have been identified.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint Venture Accounting

A portion of the Company's exploration activities will be conducted jointly with others when the Company enters into agreements that provide for specific percentage interests in mineral properties. Joint venture accounting, which reflects the Company's proportionate interest in a joint venture, is applied by the Company when the parties enter into formal comprehensive agreements for ownership and mining participation terms.

Stock-based Compensation

The Company follows the CICA Handbook Section 3870 "Stock-based Compensation and Other Stock-based Payments" which requires fair value accounting for all stock options issued during the year. For employees, the fair value of each option is expensed in the statement of operations as the awards vest with the offsetting amounts recognized as contributed surplus.

For non-employees, the value is based on the fair value of the consideration received, or the fair value of the equity instruments, whichever is more reliably measured.

Income Taxes

The Company follows the asset and liability method of accounting for future income taxes. Under this method, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and the income tax bases of assets and liabilities, and are measured using the substantively enacted income tax rates and laws that are expected to be in effect when the temporary differences are expected to reverse. The effect on future income tax assets and liabilities of change in income tax rates is recognized in income in the period that includes the date of enactment or substantive enactment of the change. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of the potential future benefit is taken and no net asset is recognized.

Basic and diluted Loss per Share

Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share is calculated using the treasury stock method. In order to determine diluted loss per share, the treasury stock method assumes that net proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earning per share or decrease loss per share.

Foreign currency translation

All of the Company's foreign operations are considered integrated foreign operations and the temporal method is used to convert these operations into Canadian dollars. Under the temporal method, monetary assets and liabilities are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date and non monetary assets and liabilities are translated into Canadian dollars at historical exchange rates. Transactions are translated into Canadian dollars at the rate of exchange in effect on the dates they occur. Amortization of assets is translated at the same historical exchange rate as the assets to which they relate. Exchange gains and losses arising on the translation of integrated foreign operations are included in the determination of net loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement uncertainty

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Significant estimates used in the preparation of these financial statements include, but are not limited to the estimated net realizable value of the mineral properties, deferred exploration expenditure allocations of costs to mineral properties, stock based transactions and composition of future income tax assets and related valuation allowance.

Future income taxes are based on estimates as to timing of the reversal of temporary differences and tax rates currently substantively enacted.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Financial Instruments and Comprehensive Income (Loss)

All financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in the statement of operations in the period which they arise; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is de-recognized or impaired at which time the amounts would be recorded in the statement of operations.

The Company has made the following classifications:

Cash	Held-for-trading
Sundry receivables	Loans and receivables
Accounts payable	Other liabilities
Due to shareholder and related party	Other liabilities

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Hierarchy and Liquidity Risk Disclosure

In June 2009, the Canadian Accounting Standards Board issued an amendment to CICA Section 3862, "Financial Instruments – Disclosures" in an effort to make Section 3862 consistent with International Financial Reporting Standards Section 7 – Disclosures ("IFRS 7"). The purpose was to establish a framework for measuring fair value in Canadian GAAP and expand disclosures about fair value measurements. To make the disclosures an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at March 31, 2011:

	Level 1	Level 2	Level 3	Total
Cash	$ 1,984,846	$ -	$ -	$ 1,984,846
Sundry receivable	$ 259,049	$ -	$ -	$ 259,049

Recent 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 the acquisition transaction with Eurotin, Inc. (Note 3) and changed its year end to March 31. Accordingly, upon completion of the planned transactions, the Company will be required to report its financial positions and results in accordance with IFRS beginning from the quarter ended June 30, 2011. This will also require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. 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.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests
The CICA issued three new accounting standards in January 2009: Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling interests". These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company has completed the evaluation of the requirements of the new standards.

Sections 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 - Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, "Consolidated Financial Statements". Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 - Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years

beginning on or after January 1, 2011.

3. ACQUISITION AND CHANGE OF YEAR END

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.

This transaction will be accounted for as a reverse takeover whereby the Company is deemed to be the acquirer and continuing entity with Eurotin as the legal parent. The consolidated entity, under reverse takeover accounting, will result in financial statement presentation under the name and capital structure of Eurotin, with the accounts and operations being those of the Company. The comparative numbers for the prior year will also be those of the Company. Pro-forma information is not presented in these financial statements, Pro-forma financial information has been presented in a public filing statement posted on the SEDAR disclosure system.

4. CAPITAL MANAGEMENT

The Company 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 Company 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 Company 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 Company considers its capital to be equity, comprising share capital, warrants, contributed surplus, shares to be issued and deficit which at March 31, 2011 totalled $5,239,563 (December 31, 2009 - $225,704). The Company manages capital through its financial and operational forecasting processes. The Company 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 exploration and development activities. Selected information is provided to the Board of Directors of the Company. The Company is not subject to any capital requirements imposed by a regulator or lending institution

5. FINANCIAL INSTRUMENTS

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

Risk management is carried out by the Company'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.

(a) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities and interest income earned on its cash and short-term investments. The Company has cash of $1,984,846 (December 31, 2009 - $309,831) to settle current liabilities of $840,267 (December 31, 2009 - $403,450). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

As at March 31, 2011, all of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(b) Market risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as: interest rates, the trading price of equity and other securities, and foreign currency exchange rates. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. Following is a discussion of the Company's primary market risk exposures and how they are currently managed.

Interest rate risk

Fluctuations in interest rates can have a direct impact on interest earned on deposits as interest amounts are linked to the prime interest rate. . Cash is subject to floating interest rates. Sensitivity to a plus or minus 1% change in interest rates would not have a material impact on the reported net loss and comprehensive loss for the fifteen months ended March 31, 2011.

Currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using cash flow forecasting. The Company incurs expenditures in Canada and Spain and its functional and reporting currency is the Canadian dollar. Purchases are transacted in Canadian dollars and Euro. The Company maintains a Canadian dollar bank account in Canada and a Euro bank account in Spain. The Company does not undertake currency hedging activities.

5. FINANCIAL INSTRUMENTS (Continued)

(c) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and sundry receivables. The Company has no significant concentration of credit risk arising from operations. Cash are held with reputable banks in Canada and Spain from which management believes the risk of loss to be minimal. Sundry receivables consist of goods and services tax due from government of Spain. Management believes that the credit risk concentration with respect to sundry receivables is minimal. Sundry receivables are in good standing as of March 31, 2011.

(d) Fair value

The Company, for accounting purposes, has designated its cash as held-for-trading, which are measured at fair value. Sundry receivables are classified for accounting purposes as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified for accounting purposes as other financial liabilities, which are measured at amortized cost.

As at March 31, 2011, the Company estimates that the fair value of its financial instruments approximates carrying value.

(e) Sensitivity Analysis

Financial instruments denominated in Euro are subject to foreign currency risk. As at March 31, 2011, had the Euro weakened/strengthened by 10% against the Canadian dollar with all other variables held constant, the Company's loss for the fifteen months ended March 31, 2011 would have been approximately $36,000 higher/lower as a result of foreign exchange losses/gains on translation of Euro dollar denominated financial instruments. Similarly, as at March 31, 2011, reported shareholders' equity would have been approximately $36,000 lower/higher, had the Euro weakened/strengthened by 10% as a result of foreign exchange losses/gains on translation of Euro denominated financial instruments.

6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

	December 31, 2009	Additions	March 31, 2011
Oropesa Property (i)	$ 426,858	$ 2,004,387	$ 2,431,245
Santa Maria Property (ii)	271,903	1,048,308	1,320,211
	$ 698,761	$ 3,052,695	$ 3,751,456

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

(i) On February 15, 2008, MEE 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 ("SPIB"). IP Oropesa is situated in Spain within the North East part of the Region of Adalucia.

MEE may earn a 50% interest under the agreement by spending €1,500,000 on exploration. 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).

On March 18, 2008, MEE entered into an option agreement with Minas Tenidas S.A.U ("MATSA") whereby MATSA can earn a 25% interest in IP Oropesa. In order to earn its interest, within 45 days of receiving a pre-feasibility study, 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.

This agreement is in effect for 36 months from the date of signing and is automatically renewable annually. In the event MATSA exercises the right granted in this agreement, then MATSA also agrees to enter into a joint venture agreement with respect to the Oropesa property and to fund 25% of the expenditures required to complete a bankable feasibility study for the Oropesa property.

During the fifteen months ended March 31, 2011 the Company incurred $30,677 in acquisition costs and $2,181,710 in exploration costs (year ended December 31, 2009 - $102,657 in acquisition costs and $352,151 in exploration costs).

Subsequent to March 31, 2011 the Company earned its 50% interest in the IP Oropesa.

6. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

(ii) On August 8, 2008 MEE entered into a Letter of Intent to Form a Joint Venture between MEE 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 MEE exercises its option, then on the effective date of a Joint Venture agreement, MEE was to pay to QEM the equivalent of US$200,000 in shares of the Company. In December, 2010 MEE informed QEM of its intent to exercise its option.

On December 11, 2010, effective January 1, 2011, MEE and QEM entered into an agreement whereby both parties agree to form and enter into a joint venture as it relates to the Santa Maria Property. In lieu of the US$200,000 payment noted in the original agreement, the Company issued 1,386,667 common shares with a fair value of $208,000, or $0.15 per share. The Company also paid a total of €410,000 to QEM under the agreement, which included rights to all the information provided in connection with the Retamar investigation permit.

The terms of the joint venture agreement are still being finalized and are expected to be completed and signed in August, 2011. The payments made to date have been accounted for as mineral property expenditures until such time as the terms of the joint venture are finalized.

7. EQUIPMENT

March 31, 2011	Cost	Accumulated Amortization	Net book value
Furniture and fixtures	$ 894	$ 150	$ 744
Automobile	24,515	1,429	23,086
Computer software	21,674	-	21,674
Machinery and equipment	6,817	134	6,683
Computer equipment	13,512	2,855	10,657
	$ 67,412	$ 4,568	$ 62,844

December 31, 2009	Cost	Accumulated Amortization	Net book value
Furniture and fixtures	$ 894	$ 98	$ 796
Computer equipment	7,509	1,782	5,727
	$ 8,403	$ 1,880	$ 6,523

8. DUE TO EUROTIN INC.

The amount due to Eurotin Inc. is non-interest bearing, due on demand and fully secured against all of the assets of the Company.

9. CONVERTIBLE DEBT

	March 31, 2011	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 year 2015. Payment of interest was 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	72,428
Conversion to common shares	(500,000)	-
	$ -	$ 440,582

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

During the period ended March 31, 2011 interest of $19,780 including a settlement bonus of $15,622 (year ended December 31, 2009 - $15,125) was accrued using the EURIBOR rate of 1.23% (December 31, 2009 – 3.03%). During the period, the convertible loans and accrued interest were fully converted into common shares (Note 10).

10. SHARE CAPITAL

(a) Authorized
Unlimited number of common shares

(b) Common shares issued	**Number of Shares**	**$ Amount**
Balance, December 31, 2008 (i)	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 finder's fee (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	180,000
Share issue costs	-	(275,235)
Valuation of warrants issued	-	(195,577)
Shares issued to QEM (Note 6 (ii))	1,386,667	208,000
Balance, March 31, 2011	53,532,947	5,104,857

(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.

(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.

10. SHARE CAPITAL (Continued)

(b) Common shares issued (Continued)

(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 period ended March 31, 2011. 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 October 6, 2010 and 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 October 6, 2010 or 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 $0.15 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.

(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.

(xiv) As noted in note 6 (ii), effective January 10, 2011, the Company issued 1,386,667 common shares in lieu of a payment of US$208,000 with a fair value of $0.15 per share.

(xv) During the period ended March 31, 2011, the Company received proceeds of $1,207,078 for shares issued in April 2011 on the exercise of 7,170,035 warrants.

11. WARRANTS

The following table reflects the continuity of warrants for the periods ended March 31, 2011 and December 31, 2009:

	Number of Warrants	Fair Value
Balance, December 31, 2008	-	$ -
Issuance of warrants	7,673,998	223,478
Balance, December 31, 2009	7,673,998	223,478
Issuance of warrants	16,987,709	195,576
Balance, March 31, 2011	24,661,707	$ 419,054

Details of the warrants outstanding at March 31, 2011 are as follows:

Fair Value	Number of Warrants	Exercise Price	Expiry Date
$ 180,340	6,423,998	$ 0.10	December 31, 2011
23,250	625,000	0.15	December 31, 2011
19,888	625,000	0.18	December 31, 2011
67,138	1,918,231	0.15	February 10, 2012
55,628	1,918,231	0.18	February 10, 2012
18,810	696,667	0.23	May 20, 2012
17,648	840,413	0.23	July 14, 2012
16,085	2,680,834	0.23	November 3, 2012
3,600	600,000	0.23	November 3, 2012
16,667	8,333,334	0.23	December 15, 2012
$ 419,054	24,661,708	0.18	

On April 18, 2011 concurrently with the completion of the acquisition by Eurotin, 7,370,233 warrants were exercised for proceeds of $1,252,078. The majority of the cash for this exercise was received prior to March 31, 2011 (note 10(xv) and note 17).

The fair value of warrants issued during the fifteen months ended March 31, 2011 and twelve months ended December 31, 2009 have been estimated using the Black-Scholes model for pricing options. The following weighted average assumptions were used:

	March 31, 2011	December 31, 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

12. STOCK OPTIONS AND CONTRIBUTED SURPLUS

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 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 period.

On January 25, 2011, the Company 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 0%; volatility 100%; risk free interest rate 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 period.

On December 15, 2010 the Company 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 0%; volatility 100%; risk free interest rate 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 period.

Stock option transactions and the number of options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Life Remaining (Years)	Weighted Average Grant Date Fair Value
Balance, December 31, 2008 and 2009	-	-	-	-
Granted	5,774,999	$ 0.19	-	0.09
Exercised	-	-	-	-
Balance, March 31, 2011	5,774,999	$ 0.19	4.06	0.09s

13. LOSS PER SHARE

The following table sets forth the computation of basic and diluted (loss) per share:

	Fifteen months ended March 31, 2011	Year ended December 31, 2009
Numerator:		
Loss for the period	$ (1,334,515)	$ (544,592)
Denominator:		
Weighted average number of common shares	28,647,046	11,503,035
Basic (loss) per share	$ (0.05)	$ (0.05)

The stock options and warrants were not included in the computation of diluted (loss) per share for 2011 and 2009 because their inclusion would be anti-dilutive.

14. INCOME TAXES

The reconciliation of income taxes attributable to operations computed at the statutory tax rates to the income tax recovery using a blended statutory tax rate of 26% (December 31, 2009 25%) are as follows:

	2010	2009
Statutory rate applied to loss for the year before income taxes	**$ (1,334,515)**	$ (544,592)
Expected income tax recovery at Spanish and Canadian blended statutory income tax rates	**(352,286)**	(138,979)
Non-deductible tax recovery	**20,555**	8,205
Foreign exchange on translation of foreign operations	**7,980**	(24,695)
Other differences	**155,243**	-
Share issue costs	**(68,799)**	-
Effect of change in tax rate	**34,415**	-
Increase in valuation allowance	**202,892**	155,469
Future income tax recovery (expense)	**$ -**	$ -

The Company's tax effected future income tax assets (liabilities) are summarized as follows:

	2010	2009
Non-capital losses	**$ 366,501**	$ 218,648
Share issue costs	**55,039**	-
Less: valuation allowance	**(421,540)**	(218,648)
Net future income tax assets	**-**	-

At March 31, 2011, the Company had unused non-capital losses of approximately $1,466,000 to offset future taxable income. These losses can only be utilized against future taxable income as follows:

2023	160,000
2024	561,000
2026	366,000
2029	49,000
2031	330,000
	$ 1,466,000

The Company has not filed Canadian income tax returns since inception in Canada. Inherent uncertainties arise over tax positions taken with respect to transfer pricing, related party transactions, tax credits, tax based incentives and stock based transactions. Management has considered the likelihood and significance of possible risks and penalties associated with its intended Canadian and international filing positions and has determined, based on their assessment, that such penalties, if any, would not be material.

14. RELATED PARTY TRANSACTIONS

The Company entered into an agreement, dated January 1, 2009, with a term of three years for consulting services with a shareholder who is also a director and officer of the Company. The Company is committed to paying €11,000 per month plus a yearly bonus of €13,300. At March 31, 2011 C$43,348 (December 31, 2010 C$154,249) was owing to this director. During the fifteen months ended March 31, 2011, the Company settled C$144,624 of the amount owing with units (Note 10 (ix)).

Amounts due to shareholder are unsecured, have no fixed terms of repayment and are non interest bearing. These transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

For fifteen months ended March 31, 2011 the shareholder charged management fees of €181,625 (December 31, 2009 €145,300) of which €108,750 (December 31, 2009 €65,385) was capitalized as deferred exploration expenditures and €72,875 (December 31, 2009 €43,950) was expensed as professional fees.

15. SEGMENTED REPORTING

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

December 31, 2009	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

16. COMMITMENTS

The Company is committed to future minimum payments in Euros under vehicle lease, rents, mineral property and consulting agreements as follows:

For the year ended March 31, 2012	€206,130
For the year ended March 31, 2013	€60,335
For the year ended March 31, 2014	€51,550

17. SUBSEQUENT EVENTS

On April 18, 2011, Eurotin completed the acquisition of all the issued and outstanding securities of the Company. Concurrently with the completion of the acquisition by Eurotin, 7,370,233 warrants of the Company were exercised (Note 11). 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, 12,968,565 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).

On July 26, 2011, Eurotin announced that it has closed a private placement, with a syndicate of agents. Under the private placement Eurotin issued 15,625,000 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 Company'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 in the capital of Eurotin 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 of Eurotin 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 .

Eurotin, as the new parent company of the Company, shall use its best efforts to obtain the final receipt before September 26, 2011. If Eurotin does not obtain the final receipt before September 26, 2011, the holders of the special warrants will be entitled to receive, under a penalty provision, 1.1 common shares (in lieu of 1 common share) and 0.55 of a warrant (in lieu of 0.5 of a warrant) upon the exercise or deemed exercise of the special warrants. In the event that a final receipt is not obtained prior to this deadline, Eurotin will continue to use its reasonable best efforts to obtain the final receipt as soon as possible and prior to November 27, 2011.

As consideration for services in connection with the offering, Eurotin has paid the syndicate of agents a cash commission equal to 6% of the gross proceeds of the offering and has issued compensation options equal to 5% of the special warrants sold pursuant to the offering. The compensation options will be deemed to be exercised into broker warrants on the expiry date. 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.