



**Eurotin Inc.**

---



**MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CONSOLIDATED  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**For the Year Ended March 31, 2014**



# Eurotin Inc.

## Introduction

This management discussion and analysis (“**MD&A**”), dated July 28, 2014 provides a review of the financial condition and the results of operations of Eurotin Inc. (the “**Company**” or “**Eurotin**”). The review is provided to enable the reader to assess the significant changes in the financial condition of the Company as at and for the year ended March 31, 2014. This MD&A constitutes management’s review of the factors that affected the Company’s financial and operating performance for the year ended March 31, 2014 and subsequent to year end. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited consolidated financial statements of the Corporation for the fiscal years ended March 31, 2014 (**FY 2014**) and March 31, 2013 (**FY 2013**) together with the accompanying notes thereto. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the interim periods presented are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at July 28, 2014, unless otherwise indicated.

The Company’s audited consolidated financial statements (the “**Financial Statements**”) and MD&A have been reviewed by the Audit Committee of the board of directors of the Company and approved by the board of directors on July 28, 2014. The financial information in this MD&A is derived from the Company’s Financial Statements, which are prepared in accordance with International Financial Reporting Standards (“**IFRS**”). All amounts presented are stated in Canadian dollars, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Eurotin’s common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information about the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com)

## Cautionary Statements:

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “**forward-looking statements**”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially



# Eurotin Inc.

from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, price volatility for precious metals, changes in equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data, the possibility that future exploration results will not be consistent with the Company's expectations, increases in costs, environmental compliance and changes in environmental legislation and regulation, exchange rate fluctuations, changes in economic and political conditions and other risks involved in the mining industry, as well as those risk factors listed in the "Risk Factors" section below. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for the Company's exploration and acquisition activities; operating and exploration and development costs; its ability to retain and attract skilled staff and consultants; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

## **Background**

On April 18, 2011, Eurotin, a capital pool company, completed its qualifying transaction (the "**Qualifying Transaction**") originally announced on February 6, 2009 and subsequently amended on September 18, 2009. The Qualifying Transaction involved the acquisition of Stannico Resources Inc. ("**Stannico**") through an amalgamation completed on May 18, 2011. The Company's stock symbol was changed from "ERT.P" to "TIN" in connection with the completion of the Qualifying Transaction. Concurrent with the completion of the Qualifying Transaction the Company changed its fiscal year end to March 31, 2011.

The head office and registered office of each of the Company and Stannico are located at 25 Adelaide Street East, Suite 818, Toronto, Ontario, Canada M5C 3A1

Stannico was incorporated on October 9, 2008 as 2187223 Ontario Inc. under the Business Corporations Act (Ontario). Articles of amendment were subsequently filed on December 18, 2008 to change the name to Stannico Resources Inc. Stannico acquired 100% of the issued common shares of Minas De Estañó De España, S.L.U. ("**MESPA**" or "**MEE**"), a private



## Eurotin Inc.

corporation incorporated on November 29, 2006, whose business is the exploration, research, exploitation and utilization of mining 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 Stannico. 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.

On July 26, 2011, Eurotin closed a private placement, with a syndicate of agents (the “**Private Placement**”). 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 Private Placement are being used primarily to accelerate the exploration and 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, was exercisable into one unit of Eurotin, with each unit comprised of one common share of Eurotin (a “**Common Share**”) and one half of one Common Share purchase warrant of Eurotin, for no additional consideration. Each full warrant (a “**Warrant**”) entitled the holder to purchase one Common Share for a period of 2 years following the closing at an exercise price of \$1.20 per Warrant.

All unexercised special warrants were 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. As such final receipts were issued on September 21, 2011, the special warrants were deemed to be exercised on September 26, 2011.

As consideration for services in connection with the Private Placement, Eurotin 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 Private Placement. The compensation options were deemed to be exercised into broker warrants on the same date as the exercise of the special warrants. Each broker warrant is exercisable into one broker unit at an exercise price of \$0.80 per broker unit. The broker units were issued on the same terms as the special warrant units and shall be subject to the same penalty provision.

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

On September 21, 2011, a receipt was issued for the final prospectus filed in connection with the qualification for distribution of the securities underlying the 15,625,000 special warrants issued on July 26, 2011. 15,625,000 Common Shares and 7,812,500 Warrants were issued on September 26, 2011, being the third business day following the issuance of this receipt, as each Special Warrant automatically converted into one free trading Common Share and one-half of one free trading Warrant. The fair value of the 7,812,500 Warrants was estimated to be \$722,169 using a



## Eurotin Inc.

fair market technique incorporating Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk free rate 0.89%; and expected life of 1.84 years.

The authorized capital of the Company consists of an unlimited number of common shares without nominal or par value. Since the date of incorporation, the Company has completed a number of private placements for common shares and units consisting of common shares and warrants to raise the working capital for its exploration work in Spain and general corporate activities.

The business activities of the Company are primarily focused on the acquisition, exploration and development of resource properties in Spain.

While general economic conditions continue to improve and stability appears to be returning to financial and commodity markets, significant uncertainty concerning the short and medium term global economic outlook persists. The Board of Directors and management of the Company will continue to monitor these developments and their effect on its business.

### Corporate Development Highlights

- (i) On May 7, 2013, 95,000 Stock Options expired unexercised.
- (ii) On July 26, 2013, 8,593,749 warrants expired unexercised.
- (iii) As at July 26, 2013, MESPA had 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, as a shareholder loan, and the Line of Credit was repaid in full and cancelled.
- (iv) On August 13, 2013, Mark Thompson resigned as a Director of the Company and, as a result of his resignation, 133,333 out of the 400,000 stock options granted to him were forfeited and the remaining 266,667 options expired unexercised on November 13, 2013.
- (v) During July 2013, the agreements with two consultants: John Shaw and Outsourced Resources expired therefore 183,334 Options were forfeited.
- (vi) On October 15, 2013, the Company announced the appointment of Trevor Richardson as the new President and CEO and a Director of the Company, replacing Peter Miller who resigned as President and CEO. Mr. Miller remains a Director of the Company.
- (vii) On November 6, 2013, the Company provided drill results and an update on its Oropesa tin project, located in SW Spain. The Company has recently completed an infill drilling program consisting of 22 holes, totaling 4,097 metres. The results and the most recent assays are posted on SEDAR at [www.sedar.com](http://www.sedar.com)
- (viii) On November 11, 2013 the Company announced that it entered into an agreement with PowerOne Capital Markets Limited ("PowerOne") to complete a private placement financing (the "Offering") of up to 60,000,000 common shares at an issue price of C\$0.05 per common share for gross proceeds of up to \$3,000,000. The Company intends to use the net proceeds from the Offering to continue development of the Oropesa tin project and for general working capital purposes.



# Eurotin Inc.

In addition to and contemporaneous with closing of the Offering, the Company also intends to complete debt conversions with certain creditors of the Company whereby certain payables of the Company will be converted into common shares at a deemed issue price of \$0.05 per common share.

The Offering will be made on a best efforts basis by PowerOne.

PowerOne will be paid a cash commission of 6% of the gross proceeds of the Offering and will receive warrants to purchase up to 6% of the total number of common shares issued pursuant to the Offering, with each warrant being exercisable at a price of \$0.05 per common share for a period of two years.

- (ix) On March 10, 2014, the Company announced that it completed a private placement for gross proceeds of \$835,000 through the issuance of 16,700,000 common shares at a price of \$0.05 per share.

In connection with the private placement, the Company paid to PowerOne a cash commission of \$27,600 and issued warrants to purchase up to 552,000 common shares at a price of \$0.05 per common share for a period of two years.

Certain subscribers to the private placement were non-arm's length parties. The securities issued under the private placement were subject to a hold period expiring on July 7, 2014.

- (x) On March 25, 2014, the Company announced that it completed its previously announced shares for debt private placement through the issuance of 11,800,000 common shares at a deemed issuance price of \$0.05 per share.

The securities issued under the private placement were subject to a hold period expiring on July 19, 2014.

## **The 2013/2014 Oropesa Drill Program**

During fiscal year 2014, the Company had completed Phase 1 of its drill program of 233 core holes at Oropesa, totalling 49,563 metres.

The Company reported its resource update on June 10, 2014, as shown below:

## **Highlights**

- At a 0.3% cut-off, the updated Mineral Resource contains 7.44 million tonnes at 0.52% Sn (38,430 tonnes of contained tin) and 2.14 million tonnes at 0.53% Sn (22,261 tonnes of contained tin) in the Indicated and Inferred classification categories, respectively.
- At a 0.1% Sn cut off, the updated Mineral Resource contains 54,690 and 16,078 tonnes of contained tin in the Indicated and Inferred classification categories, respectively, compared to 28,764 and 22,871 tonnes of contained tin in the Indicated and Inferred



## Eurotin Inc.

classification categories, respectively, in the October 2012 Mineral Resource. This represents an aggregate increase of 37% in contained tin.

- At a 0.1% cut-off, the average grade has increased to 0.37% Sn from 0.32% Sn and 0.26% Sn in each of the Indicated and Inferred classification categories, respectively.
- Resource confirms the positive open pit potential of the Oropesa tin deposit.

The updated Oropesa Mineral Resource Estimate was completed by SRK Consulting (UK) Ltd (“SRK”) and has been restricted to all classified material within 200 metres from the topographic surface and above a marginal cut-off grade of 0.1% Sn. This represents the material which has a reasonable prospect for eventual economic extraction by open pit mining methods. The Mineral Resource statement has been prepared by SRK in accordance with Canadian Securities Administrators’ National Instrument 43-101 “Standards of Disclosure for Mineral Projects” (“NI 43-101”).

The table below shows the resulting Mineral Resource Statement for Oropesa at a marginal cut-off grade of 0.1% Sn. The statement is based on calculations to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material.

<b>MATERIAL TYPE</b>	<b>CATEGORY</b>	<b>TONNES (Mt)</b>	<b>Sn%</b>	<b>CONTAINED TIN (t)</b>
<b>OXIDE</b>	<b>INDICATED</b>	3.3	0.35	11,447
	<b>INFERRED</b>	1.1	0.35	3,948
<b>FRESH</b>	<b>INDICATED</b>	11.6	0.37	43,243
	<b>INFERRED</b>	3.2	0.38	12,130

*Notes:*

*(1) Mineral Resources which are not Mineral Reserves have no demonstrated economic viability.*

*(2) The effective date of the Mineral Resource is June 5, 2014.*

*(3) The Mineral Resource Estimate for the Oropesa project was constrained within grade based solids and above an elevation of 200m below the topographic surface.*

*(4) The incremental cut-off grade is based on a Sn price of US\$23,000/t and a process recovery of 76%. For incremental material, mining costs were ignored and a combined processing and G&A cost of US\$12/t were assumed.*

The geological model, statistical and geostatistical analysis, selection of resource estimation parameters, construction of the block model and estimation of grade was undertaken by Mr. Oliver Jones, FGS, under the guidance of Mr. Howard Baker, FAusIMM(CP), both employees of SRK. By virtue of his education, work experience that is relevant to the style of mineralization and deposit type under consideration and to the activity undertaken, and membership to a recognized professional organization, Mr. Baker is considered a Qualified Person pursuant to National Instrument 43-101 and is wholly independent from Eurotin. Mr. Baker has verified the technical data contained in this news release and has reviewed and approved the contents of this news release with respect to the Mineral Resource Estimation.



# Eurotin Inc.

A comparison between the updated Mineral Resource Estimate and the previous Mineral Resource Estimate, reported in October 2012, at incremental cut off grades is illustrated in the tables below.

<b>Indicated Resource – 2014</b>				<b>Indicated Resource - 2012</b>		
<b>Sn Cut Off Grade</b>	<b>Tonnes (Mt)</b>	<b>Tin Grade (%)</b>	<b>Contained Sn (t)</b>	<b>Tonnes (Mt)</b>	<b>Tin Grade (%)</b>	<b>Contained Tin (t)</b>
0.00%	14.96	0.37	54,733	9.62	0.30	28,856
<b>0.10%</b>	<b>14.87</b>	<b>0.37</b>	<b>54,690</b>	<b>9.00</b>	<b>0.32</b>	<b>28,764</b>
0.20%	12.30	0.41	50,436	6.39	0.38	24,288
0.30%	7.44	0.52	38,430	3.25	0.51	16,559
0.40%	4.90	0.61	29,683	1.84	0.64	11,763

<b>Inferred Resource – 2014</b>				<b>Inferred Resource - 2012</b>		
<b>Sn Cut Off Grade</b>	<b>Tonnes (Mt)</b>	<b>Tin Grade (%)</b>	<b>Contained Sn (t)</b>	<b>Tonnes (Mt)</b>	<b>Tin Grade (%)</b>	<b>Contained Tin (t)</b>
0.00%	4.36	0.37	16,089	9.40	0.25	23,512
<b>0.10%</b>	<b>4.34</b>	<b>0.37</b>	<b>16,078</b>	<b>8.80</b>	<b>0.26</b>	<b>22,871</b>
0.20%	3.59	0.41	14,839	5.35	0.34	18,185
0.30%	2.14	0.53	11,261	2.54	0.43	10,921
0.40%	1.30	0.64	8,374	1.13	0.54	6,126

At a 0.1% Sn cut off, the updated Mineral Resource contains 70,768 tonnes of contained tin in the combined Indicated and Inferred classification categories, compared to 51,635 tonnes of contained tin in the combined Indicated and Inferred classification categories in the October 2012 Mineral Resource. This represents an increase of 37% in contained tin. The principal reasons for the significant increase of contained tin, plus the increase in the amount of material in the Indicated Resource category in the new resource, are:

1. The inclusion of results from an additional 36 holes drilled in 2012 and 2013; and
  2. A re-interpretation of the lithological and structural controls on the tin mineralisation that has resulted in a more selective and tighter control on the mineralisation domains created. This has resulted in a reduction in the amount of diluting material from within the mineralisation domains and has improved the overall continuity of the interpretation.
- The updated Mineral Resource Estimate is currently being used in the production of a Preliminary Economic Assessment (“PEA”) for the Oropesa project.
  - The resource figures are reported only for a potential open pit with a maximum depth of 200 metres and exclude all drill intercepts of mineralisation below that depth.





# Eurotin Inc.

- The Oropesa resource has been estimated from within a zone of tin mineralisation with the following approximate parameters: i) a length of 1,500 metres, ii) a width of 250 metres, and iii) a vertical depth of 270 metres. Mineralisation remains open to the west, east and at depth.
- The combined resource figures demonstrate some 30,000 tonnes of contained tin within the first 100 metres from surface and 40,000 tonnes of contained tin between 100 metres and 200 metres from surface.
- SRK has modelled a high grade, vertically dipping domain averaging 0.6% Sn in the western part of the project. Due to the low waste : ore stripping ratio and the presence of near surface mineralization within this domain, the opportunity for a starter pit operation will be tested as part of the on-going PEA.

The Mineral Resource Estimation methodology, details, appendix, appendix and accompanying Mineral Resource Statement are posted at [www.sedar.com](http://www.sedar.com)

## Mineral Properties

### *Oropesa*

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

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

- (1) granting SPIB a 1.35% net smelter royalty; or
- (2) paying to SPIB 0.90% of the value of the metal reserves at the time of feasibility; and

in the event of commercial production, the issuance by the Company to SPIB of 4% of the equity of the entity which holds IP Oropesa.

MESPA has also agreed to make annual lease payments to SPIB of €18,000.

In January 2013, MESPA exercised its right to acquire the remaining 50% interest in IP Oropesa by granting to SPIB a 1.35% net smelter royalty

On January 30, 2013, the necessary agreements for the transfer to Eurotin of a 100% interest in IP Oropesa were finalized and signed by the parties. Pursuant to a Sale and Purchase Agreement (the “SPA”) dated January 30, 2013, SPIB has now transferred to Eurotin’s wholly-owned subsidiary MESPA, a 100% interest in IP Oropesa. Also, as of January 30, 2013, MESPA and



## Eurotin Inc.

SPIB have entered into a Shareholder Agreement (the Sale and Purchase Agreement and the Shareholder Agreement collectively referred to herein as the “Agreements”) relating to their respective continuing interests in the Oropesa Tin Property.

The salient terms of the Agreements include:

1. A transfer to MESPA of a 100% interest in IP Oropesa.
2. 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.
3. MESPA shall pay to SPIB a 1.35% NSR from the sale of tin concentrate from the Oropesa Tin Property.
4. Upon determination of the feasibility of the project, 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.
5. MESPA and SPIB shall establish a technical committee consisting of three individuals, two of which shall be appointed by MESPA and one by SPIB. Until delivery of the Scoping Study, all decisions of the technical committee must be unanimous; however, any lack of unanimity cannot delay advancement of the Scoping Study or other project related work. Following delivery of the Scoping Study, all decisions of the technical committee shall be effective if taken by a majority of its members.
6. SPIB shall be contracted by MESPA for all drilling on the Oropesa Tin Property subject to SPIB’s capacity to fulfil MESPA’s requirements and competitive pricing for its services.
7. For all other works and matters to do with the commercial exploitation of the Oropesa Tin Property, excluding plant construction, SPIB shall be given the opportunity to participate in an open tender process. The results from the open tender process will be kept confidential from SPIB and, to the extent that SPIB has presented a bid, SPIB will not participate in the decision making process of the technical committee. If however (i) SPIB’s quotes for any contract or work are competitive and not more than 2% greater than those of an unrelated third party, and (ii) SPIB can demonstrate that it has equal or better technical ability and equipment to fulfil the contract or work, MESPA agrees to give preferential treatment to use SPIB as the contractor.

### *Santa Maria*

On December 11, 2010, MEE and Quercus Explorations y Mining S.A. (“QEM”) entered into an agreement (which amended and replaced a previous agreement between the parties dated August 8, 2008) (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



## Eurotin Inc.

in West Central Spain. The Santa Maria Property is comprised of Investigation Permit Ampliacion Retamar n° 10.220 and Investigation Permit Retamar n° 10.201 (“**IP Santa Maria**”), both of which were held by QEM. Pursuant to the terms of the agreement, a new company – Minas De Estaño De Extremadura, S.L. (“**MESEX**”) – was incorporated on February 25, 2011, and the parties agreed that the IP Santa Maria shall be transferred to MESEX. The parties further agreed that Eurotin and QEM will own an initial interest of 60% and 40%, respectively, of MESEX and that Eurotin may increase its interest up to 85%. In consideration for its interest in MESEX, Eurotin (or Stannico) has paid to QEM:

- (a) US\$200,000 through the issuance of 1,386,667 common shares of Stannico (which were exchanged for 1,040,000 Common Shares of the Company upon completion of the Qualifying Transaction) at an issue price of CDN\$0.15 per share; and
- (b) €145,000 in cash.

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

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 Company 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 Company’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 Company 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.

On October 19, 2011, MEE sold its 60% participation in MESEX to Stannico and the transfer was executed and notarized as a deed.

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 company received such authorization on March 9, 2012.

### **Selected Financial Information**

The following table sets forth selected financial information of the Company for the past eight quarters.



# Eurotin Inc.

	Twelve Months ended March 31, 2014 (audited)	Quarter ended March 31, 2014	Quarter ended Dec. 31, 2013	Quarter ended Sept. 30, 2013	Quarter ended June 30, 2013
Revenue	Nil	Nil	Nil	Nil	Nil
Income from Operations	Nil	Nil	Nil	Nil	Nil
Net loss for the period	\$(4,684,491)	\$(3,487,624)	\$(599,197)	\$(248,784)	\$(348,886)
Diluted loss per share	\$(0.06)	\$(0.04)	\$(0.01)	\$(0.003)	\$(0.004)
Total Assets	\$13,173,113	\$13,173,113	\$15,619,721	\$15,283,208	\$14,691,443
Accounts Payable and Accrued Liabilities	\$2,306,217	\$2,306,217	\$2,210,119	\$1,588,055	\$688,821
Cash	\$89,401	\$89,401	\$63,084	\$205,251	\$95,761
Mineral Properties and Deferred Expenditure	\$12,766,749	\$12,766,749	\$15,360,773	\$14,877,872	\$14,274,046
Total equity	\$10,866,896	\$10,866,896	\$15,619,721	\$13,695,153	\$14,002,622

	Twelve Months ended March 31, 2013 (audited)	Quarter ended March 31, 2013	Quarter ended Dec. 31, 2012	Quarter ended Sept. 30, 2012	Quarter ended June 30, 2012
Revenue	Nil	Nil	Nil	Nil	Nil
Income from Operations	Nil	Nil	Nil	Nil	Nil
Net loss for the period	\$(2,207,826)	\$(457,103)	\$(619,775)	\$(598,674)	\$(532,274)
Diluted loss per share	\$(0.02)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)
Total Assets	\$15,246,121	\$15,246,121	\$15,491,262	\$16,137,413	\$16,989,662
Accounts Payable and Accrued Liabilities	\$909,713	\$909,713	\$732,008	\$900,808	\$1,253,304
Cash	\$225,213	\$225,213	\$471,646	\$1,585,796	\$3,312,285
Mineral Properties and Deferred Expenditure	\$14,123,542	\$14,123,542	\$13,892,450	\$13,403,698	\$12,352,156
Total equity	\$14,336,408	\$14,336,408	\$14,759,254	\$15,236,605	\$15,736,358



## Results of Operations

### *Consolidated Operating Results*

This section should be read in conjunction with the Audited Consolidated Financial Statements for the years ended March 31, 2014 and March 31, 2013, respectively, and the notes associated therewith. All references to FY 2014 refer to the year ended March 31, 2014 and all the references to FY 2013 refer to the year ended March 31, 2013, unless otherwise stated. Note: the Company does not have any material revenues as it is an exploration company.

The Company reported a comprehensive loss of \$4,765,428 and net loss of \$0.06 per share during the FY 2014, compared to a comprehensive loss of \$2,130,620 and net loss of \$0.03 per share for the comparable FY 2013.

During 2014, there were significant changes included in the Audited Consolidated Statement of Comprehensive Loss as compared to 2013. Some of these major changes were as follows:

- an impairment by \$2,854,623 for all the mineral properties and deferred exploration expenses in the Santa Maria property during FY 2014 compared to \$Nil in FY 2013 since there were no direct exploration activities carried out since Q1 2013 and there are no planned activities for the next twelve months;
- an increase in consulting and professional fees from \$681,342 in FY 2013 compared to \$1,154,897 in FY 2014, primarily due to the professional fees \$ 206,250 and termination agreement provision \$ 600,000 accrued to the former CEO who resigned on October 15, 2013, those accruals are included in the Company's current liabilities;
- a reduction in administrative expenses from \$334,250 in FY 2013 to \$230,650 in FY 2014 due primarily to savings initiatives;
- a reduction in stock option expense from \$213,776 in FY 2013 to a recovery of \$8,316 in FY 2014; this is due to no new options has being granted, 795,000 options expired/forfeited and resulting a reduction in the stock options vested and during FY 2014;
- a reduction in travel expenses from \$229,537 in FY 2013 to \$78,501 in FY 2014, primarily due to reduced activities in Toronto and Spain and savings initiatives.
- a reduction in investor relations expenses from \$108,734 in FY 2013 to \$44,549 during FY 2014, primarily due to reduced activities in promotion;
- a reduction in director fees from \$185,297 in FY 2013 to \$167,254 during FY 2014 due the resignation of one Director; the aforementioned fees have been accrued and are included in the Company's current liabilities;
- a reduction in salaries and benefits from \$332,400 in FY 2013 to \$167,254 in FY 2014, primarily due to employees and salary reductions;



## Eurotin Inc.

---

### *Consolidated Financial Position*

This section should be read in conjunction with the Audited Consolidated Statements of Financial Position and the Statements of Changes in Equity as at March 31, 2014 and 2013 and the Consolidated Statement of Cash Flows for years ended 2014 and 2013.

Note 2 to the Audited Consolidated Financial Statements for the year ended March 31 2014 sets out the IFRS accounting principles applied in preparing the financial statements.

The Company's cash balance as at March 31, 2014 was \$89,401 (March 31, 2013 – \$225,213).

Current assets of the Company as at March 31, 2014, were \$337,225 (March 31, 2013 - \$1,003,860 representing cash balances of \$89,401 (March 31, 2013 - \$225,213) VAT receivable and prepaid expenses of \$247,824 (March 31, 2013 - \$778,647). Total consolidated assets as at March 31, 2014 were \$13,173,113 (March 31, 2013 - \$15,246,121), which are comprised of current assets of \$337,225 (March 31, 2013- \$1,003,860), equipment of \$69,139 (March 31, 2013- \$118,719) and mining properties and deferred exploration expenditures of \$12,766,749 (March 31, 2013 - \$14,123,542). These assets were financed by proceeds from the various private placements of shares and units in the Company and the issuance of shares in exchange for the acquisition of mineral properties, and loans.

Pursuant to Spanish regulations, as an exploration stage company, the VAT is recoverable by the Company within six months of the submission of the refund application provided that the application is not still under review by the Spanish taxation authorities. After such period, if the amount is not refunded, interest will begin to accrue on the amount payable. The Company is confident that 100% of outstanding VAT refunds will be recovered under these rules. During FY 2014, the Company recovered €487,130. (2013 €649,721)

Current liabilities as at March 31, 2014 were \$2,306,217 (March 31, 2013 - \$909,713) which are comprised largely of expenditures incurred relating to exploration, drilling and evaluation costs, general and administrative expenses including professional fees and termination provision accrued for the Company's former CEO.

During 2014, the Company spent \$1,497,830 on its exploration programs the Oropesa and Santa Maria properties compared with \$3,947,704 in 2013. The cost including the following:



# Eurotin Inc.

Oropesa	From Apr.		From July		From October		From January	
	01,2013 to June 30,2013	As up to June 30, 2013	01,2013 to September 30,2013	As up to Sept. 30, 2013	01,2013 to December 31,2013	As up to December. 31, 2013	01,2014 to March 31,2014	As up at March 31,2013
Drilling	\$ -	\$ 7,729,169	\$ 420,125	\$ 8,149,294	\$ -	\$ 8,149,294	\$ -	\$ 8,149,294
Lab & Consultants	94,655	2,230,715	70,419	2,301,134	369,406	2,670,540	152,362	2,822,902
Other Expenses	0	1,598,077	32,804	1,630,881	76,664	1,707,545	87,007	1,794,552
Sub Total	94,655	11,557,961	523,349	12,081,310	446,070	12,527,380	239,369	12,766,749
Impairment	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$ 94,655</b>	<b>\$ 11,557,961</b>	<b>\$ 523,349</b>	<b>\$ 12,081,310</b>	<b>\$ 446,070</b>	<b>\$ 12,527,380</b>	<b>\$ 239,369</b>	<b>\$ 12,766,749</b>

Santa Maria	From Apr.		From July.		From October.		From January.	
	01,2013 to June 30,2013	As up to June 30, 2013	01,2013 to September 30,2013	As up to Sept. 30, 2013	01,2013 to December 31,2013	As up to December. 31, 2013	01,2014 to March 31,2014	As up at March 31,2013
Drilling	\$ -	\$ 567,842	\$ -	\$ 567,842	\$ -	\$ 567,842	\$ -	\$ 567,842
Lab & Consultants	55,849	1,146,073	80,477	1,226,550	0	1,226,550	0	1,226,550
Other Expenses	0	1,002,170	0	1,002,170	36,831	1,039,001	21,230	1,060,231
Sub Total	55,849	2,716,085	80,477	2,796,562	36,831	2,833,393	21,230	2,854,623
Impairment	0	0	0	0	0	0	(2,854,623)	(2,854,623)
<b>Total</b>	<b>\$ 55,849</b>	<b>\$ 2,716,085</b>	<b>\$ 80,477</b>	<b>\$ 2,796,562</b>	<b>\$ 36,831</b>	<b>\$ 2,833,393</b>	<b>-\$ 2,833,393</b>	<b>\$ 0</b>

Oropesa + Santa Maria	From Apr.		From July.		From October.		From January.	
	01,2013 to June 30,2013	As up to June 30, 2013	01,2013 to September 30,2013	As up to Sept. 30, 2013	01,2013 to December 31,2013	As up to December. 31, 2013	01,2014 to March 31,2014	As up at March 31,2013
Drilling	\$ -	\$ 8,297,011	\$ 420,125	\$ 8,717,137	\$ -	\$ 8,717,137	\$ -	\$ 8,717,137
Lab & Consultants	150,504	3,376,788	150,896	3,527,684	369,406	3,897,090	152,362	4,049,452
Other Expenses	0	2,600,247	32,804	2,633,051	113,495	2,746,546	108,237	2,854,783
Sub Total	150,504	14,274,046	603,826	14,877,872	482,901	15,360,773	260,599	15,621,372
Impairment	0	0	0	0	0	0	(2,854,623)	(2,854,623)
<b>Total</b>	<b>\$ 150,504</b>	<b>\$ 14,274,046</b>	<b>\$ 603,826</b>	<b>\$ 14,877,872</b>	<b>\$ 482,901</b>	<b>\$ 15,360,773</b>	<b>-\$ 2,594,024</b>	<b>\$ 12,766,749</b>

At March 31, 2014, as there is no planned activity for the next twelve months, the Company wrote off Santa Maria Property with an impairment of mineral properties and deferred expenditures of \$2,854,623 recorded in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2014.

The funds expended to date on the exploration program have been included in mineral properties and deferred expenditures on the statement of financial position.

As at March 31, 2014, the Company had completed its infill drill program of 22 core holes at Oropesa, totaling 4,097 meters, there was not planned drill activity at Santa Maria. The execution of both exploration projects during FY 2013 and FY 2014 are showed in the following table:



## Eurotin Inc.

Oropesa	DDH		RC	
	Holes Drilled	Meters	Holes Drilled	Meters
Q1 2013	39	8,190	10	1,448
Q2 2013	23	3,770	Nil	Nil
Q3 2013	Nil	Nil	Nil	Nil
Q4 2013	Nil	Nil	Nil	Nil
<b>FY 2013</b>	<b>62</b>	<b>11,960</b>	<b>10</b>	<b>1,448</b>
Q1 2014	Nil	Nil	Nil	Nil
Q2 2014	22	4,097	Nil	Nil
Q3 2014	Nil	Nil	Nil	Nil
Q4 2014	Nil	Nil	Nil	Nil
<b>FY 2014</b>	<b>22</b>	<b>4,097</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>84</b>	<b>16,057</b>	<b>10</b>	<b>1,448</b>

Santa Maria	DDH		RC	
	Holes Drilled	Meters	Holes Drilled	Meters
Q1 2013	Nil	Nil	10	2,838
Q2 2013	Nil	Nil	Nil	Nil
Q3 2013	Nil	Nil	Nil	Nil
Q4 2013	Nil	Nil	Nil	Nil
<b>FY 2013</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>2,838</b>
Q1 2014	Nil	Nil	Nil	Nil
Q2 2014	Nil	Nil	Nil	Nil
Q3 2014	Nil	Nil	Nil	Nil
Q4 2014	Nil	Nil	Nil	Nil
<b>FY 2014</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>2,838</b>

The last available results are described under “Corporate Development Highlights”, “Subsequent Events” and posted on SEDAR at [www.sedar.com](http://www.sedar.com).

### *Consolidated Cash Flows*

Cash provided by operating activities during FY 2014 of \$977,798 compared with \$1,962,552 used in operating activities in FY 2013, were primarily spent on general and administrative expenses of \$1,876,668 in FY 2014 (FY 2013 - \$2,228,607) and an increase in the amounts payable and other liabilities in FY 2014 of \$2,235,580 and by a reduction in amounts receivable and other assets in FY 2013 of \$530,822. There was no offsetting revenue during FY 2014.





---

## Eurotin Inc.

---

Cash used in investing activities during FY 2014 was \$1,475,760 compared with \$3,946,460 in FY 2013, which were mainly attributable to expenditures on exploration and evaluation assets.

Cash from financing activities for FY 2014 of \$478,577 was provided by the net proceeds in connection with the Private Placement related to the Corporate Development Highlights section above, of \$727,662, offset by the repayment of bank loan \$249,075, compared with \$412,781 for FY 2013, provided by the net proceeds from exercise of warrants and stock options of \$163,706 and the proceeds from bank loan of \$249,075.

### **Critical accounting estimates and judgments**

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

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

#### ***Share-based payment transactions***

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

#### ***Fair value of financial instruments***

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

#### ***Taxes***

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

#### ***Impairment of non-financial assets***

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The



## Eurotin Inc.

fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

### ***Financial Instruments***

The Company's financial instruments consist of cash, amounts receivables and amounts payable. Unless otherwise noted the Company does not expect to be exposed to significant interest, currency or credit risks arising from these financial instruments. The Company estimates that the fair value of these financial instruments approximates carrying value.

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

### ***Loans and receivables***

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less any impairment losses, with interest expense recognized on an effective yield basis. Assets in this category include cash and amounts receivable and other assets. As at March 31, 2014, the Company's financial assets were \$279,832 compared with \$947,911 as at March 31, 2013.

### ***Other financial liabilities***

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. Any gains or losses arising from the realization of other financial liabilities are included in the profit (loss) statement. Liabilities in this category include amounts payable and other liabilities and due to related parties. As at March 31, 2014, the Company's financial liabilities were \$2,306,217 compared with \$909,713 as at March 31, 2013.

### ***Contractual Commitments***

As at March 31, 2014, the Company is committed to future minimum payments in Euros under vehicle lease, rents, mineral property and consulting agreements and in Canadian dollars under office rent as follows:

	<b>Amount C\$</b>	<b>Amount Euro</b>
For the year ended March 31, 2015	15,600	22,756
For the year ended March 31, 2016	-	11,098
<b>Total</b>	<b>15,600</b>	<b>33,854</b>



# Eurotin Inc.

---

## **Liquidity and Capital Resources**

The Company's had a negative working capital as at March 31, 2014 of \$1,968,992 compared with a positive working capital at March 31, 2013 of \$94,147.

The Company funds its exploration activities through equity financing and bank loans. During FY 2014, the Company received net proceeds of \$727,652 in connection with the proceeds for the issuance of shares and have re-paid a bank loan by \$249,075 (Please refer to the Transactions with Related Parties section below) compared with \$412,781 in FY 2013, including \$163,706 as net proceeds from the exercise of warrants and stock options and \$249,075 proceeds from bank loan.

At this time, the Company is not anticipating an ongoing profit from operations; therefore, it will rely on its ability to obtain equity or debt financing to finance current and future exploration programs. The Company may need additional capital, and may raise additional funds should its management and board of directors deem it advisable.

As at March 31, 2014, the Company had working capital shortfall of \$1,968,992, compared with a positive working capital at March 31, 2013 of \$94,147 had not yet achieved profitable operations, had accumulated losses of \$17,107,087 (March 31, 2013 - \$12,407,034) and expects to incur further losses in the development of its business. Although the Company has negative working capital, it believes that with the current operations on care and maintenance and, continue converting some of its current liabilities into shares it will have sufficient capital to operate over the next 12 months. However additional funding will be necessary to complete the scoping study for the Oropesa Tin Property by July 2014 (please refer to the Mineral Properties-Oropesa section above for details,) and/or fund payments to extend the deadline for the scoping study beyond July 2014. Subsequent to March 31, 2014, \$46,496 in advances were received from current shareholders and a second tranche of debt conversion to shares was completed.

## **Off Balance Sheet Arrangements**

The Company had no off-balance sheet arrangements as at March 31, 2014 and March 31, 2013.

## **Outstanding Share Data**

### *Common Shares*

The Company has authorized an unlimited number of common shares, with no par value (the "**Common Shares**"), of which 108,141,760 were issued and outstanding as of March 31, 2014. The following table shows the movement in the number of Common Shares since March 31, 2011, including the impact of the RTO and the Private Placement:



# Eurotin Inc.

	Number of Common Shares
<b>Balance as at March 31, 2011</b>	<b>40,149,709</b>
Issue of Common shares for warrants exercise	5,527,675
Deemed consideration for RTO of Eurotin	10,092,500
Exercise of warrants	1,360,000
Exercise of stock options	1,291,750
<b>Balance as at June 30, 2011</b>	<b>58,421,634</b>
Private placement	15,625,000
<b>Balance as at September 30, 2011</b>	<b>74,046,634</b>
Exercise of warrants	3,317,955
<b>Balance as at December 31, 2011</b>	<b>77,364,589</b>
Exercise of warrants	1,459,671
Exercise of stock options	225,000
<b>Balance as at March 31, 2012</b>	<b>79,049,260</b>
Exercise of stock options	425,000
<b>Balance as at June 30, 2012</b>	<b>79,474,260</b>
Exercise of warrants	167,500
<b>Balance as at September 30, 2012</b>	<b>79,641,760</b>
<b>Balance as at December 31, 2012</b>	<b>79,641,760</b>
<b>Balance as at March 31, 2013</b>	<b>79,641,760</b>
<b>Balance as at June 30, 2013</b>	<b>79,641,760</b>
<b>Balance as at September 30, 2013</b>	<b>79,641,760</b>
<b>Balance as at December 31, 2013</b>	<b>79,641,760</b>
Private placement	16,700,000
Private placement	11,800,000
<b>Balance as at March 31, 2014</b>	<b>108,141,760</b>



# Eurotin Inc.

## Share Purchase Warrants

As at March 31, 2014, 552,000 Common Share purchase warrants (“**Warrants**”) were outstanding. The following table shows the movement in the number of Warrants since March 31, 2011:

	Number of Warrants
<b>Balance as at March 31, 2011</b>	<b>18,496,235</b>
Exercised before the RTO	(5,527,675)
Exercise of warrants	(1,360,000)
<b>Balance as at June 30, 2011</b>	<b>11,608,560</b>
Issued in Private placement	8,593,750
<b>Balance as at September 30, 2011</b>	<b>20,202,310</b>
Exercise of warrants	(3,317,955)
<b>Balance as at December 31, 2011</b>	<b>16,884,355</b>
Exercise of warrants	(1,459,671)
Warrants Expired	(435,000)
<b>Balance as at March 31, 2012</b>	<b>14,989,684</b>
<b>Balance as at June 30, 2012</b>	<b>14,989,684</b>
Exercise of warrants	(167,500)
Warrants Expired	(397,810)
<b>Balance as at September 30, 2012</b>	<b>14,424,374</b>
Warrants Expired	(5,830,625)
<b>Balance as at December 31, 2012</b>	<b>8,593,749</b>
<b>Balance as at March 31, 2013</b>	<b>8,593,749</b>
<b>Balance as at June 30, 2013</b>	<b>8,593,749</b>
Warrants Expired	(8,593,749)
<b>Balance as at September 30, 2013</b>	-
<b>Balance as at December 31, 2013</b>	-
<b>Private Placement</b>	<b>552,000</b>
<b>Balance as at March 31, 2014</b>	<b>552,000</b>

## Employee Stock options

As at March 31, 2014, 4,211,250,250 options (“**Options**”) were outstanding under the Company’s stock option plan for directors, officers and consultants of the Company. The following table shows the movement in the number of Options since March 31, 2011:



# Eurotin Inc.

	<b>Number of Stock Options</b>
<b>Balance as at March 31, 2011</b>	<b>4,331,250</b>
Exercised	(979,250)
Granted April 18, 2011 ( see note 17 in Q2,2012 Financial Statements)	1,989,250
Options Expired	(10,000)
<b>Balance as at June 30, 2011</b>	<b>5,331,250</b>
<b>Balance as at September 30, 2011</b>	<b>5,331,250</b>
Granted November 09, 2011 ( see note 17 in Q3,2012 Financial Statements)	400,000
Granted November 18, 2011 ( see note 17 in Q3,2012 Financial Statements)	175,000
<b>Balance as at December 31, 2011</b>	<b>5,906,250</b>
Granted March 01, 2012 ( see note 17 in 2012 Year End Financial Statements)	400,000
Exercised	(225,000)
Options Expired	(150,000)
<b>Balance as at March 31, 2012</b>	<b>5,931,250</b>
Exercised	(425,000)
Options Expired	(100,000)
<b>Balance as at June 30, 2012</b>	<b>5,406,250</b>
<b>Balance as at September, 30, 2012</b>	<b>5,406,250</b>
Options Expired	(400,000)
<b>Balance as at December, 31, 2012</b>	<b>5,006,250</b>
<b>Balance as at March, 31, 2013</b>	<b>5,006,250</b>
Options Expired/Forfeited	(95,000)
<b>Balance as at June, 30, 2013</b>	<b>4,911,250</b>
Options Expired	(316,668)
<b>Balance as at September, 30, 2013</b>	<b>4,594,582</b>
Options Expired	(383,332)
<b>Balance as at December, 31, 2013</b>	<b>4,211,250</b>
<b>Balance as at March, 31, 2014</b>	<b>4,211,250</b>



# Eurotin Inc.

*Total Common Shares, Warrants and Options outstanding as at the date of this MD&A*

The following table shows the number of Common Shares, Warrants and Options issued and outstanding as at the date of this MD&A:

	Issued and Outstanding	WA Exercise Price)
Common Shares	111,431,734	NA
Warrants	552,000	\$ 0.05
Options	4,211,250	\$ 0.51
<b>Total Fully Diluted</b>	<b>116,194,984</b>	<b>NA</b>

## **Risks Factors Relating to the Company's Business and Industry**

Due to the nature of the Company's business and the present stage of exploration and development of the mineral properties in Spain, the Company may be subject to significant risks. Readers should carefully consider all such risks, including those set out in the discussion below.

The Company's actual exploration, development and operating results may be very different from those expected as of the date of this MD&A.

The following is a description of the principal risk factors that will affect Eurotin.

### ***Financial and Operating History***

#### Limited Business History

The Company has only recently commenced operations, is in the early stages of exploration and development, has no history of operating earnings and must be considered a start-up. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complication and delays frequently encountered in connection with the establishment of any business. As such, the Company is subject to many risks common to such enterprises, including cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The Company has limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

### ***Dependence on Exploration Projects***

The Oropesa and Santa Maria Properties (the "**Properties**") are the Company's only material properties and are in the early exploration stage without a known body of commercial ore. There is no certainty that



# Eurotin Inc.

---

the expenditures made by the Company towards the search and evaluation of mineral deposits on the Properties will result in discoveries of commercial quantities of ore. Furthermore, unless the Company acquires additional properties or projects, any adverse developments affecting the Properties or the Company's rights to develop the Properties, could materially adversely affect the Company's business, financial condition and results of operations.

## ***Cash Flow and Liquidity***

### Additional Funding Requirements

The Company has limited financial resources, has earned nominal revenue since commencing operations, and has no source of operating cash flow. The Company will require additional financing to continue its operations. There can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financing will be favourable for further exploration and development of its projects. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development and the property interests of the Company with the possible dilution or loss of such interests. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources.

### Property Commitments

The Company's mining properties may be subject to various land payments, royalties and/or work commitments. Failure by the Company to meet its payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests.

### Potential Joint Ventures

Due to the cost of establishing and operating mining operations, the Company may enter into joint ventures on one or more of its properties. Any failure of such joint venture partners to meet their obligations to the Company or to third parties could have a material adverse effect on the joint ventures and the Company as a result. In addition, the Company may be unable to exert influence over strategic decisions made in respect of such properties

## ***General Risks Inherent in the Business***

### Operational Risks

The Company will be subject to a number of operational risks and may not be adequately insured for certain risks, including: environmental pollution, accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labour disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena such as inclement weather conditions, floods,





## Eurotin Inc.

---

earthquakes, ground movements, cave-ins, and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the properties of the Company, personal injury or death, environmental damage or, regarding the exploration or development activities of the Company, increased costs, monetary losses and potential legal liability and adverse governmental action, all of which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Additionally, the Company may be subject to liability or sustain loss for certain risks and hazards against which the Company cannot insure or which the Company may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

### Competition for Mineral Acquisition Opportunities

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with larger, more established mining companies with substantial capabilities and greater financial and technical resources, the Company may be unable to acquire rights to exploit additional attractive mining properties on terms that the Company considers acceptable. If the Company is not able to acquire such interests, this could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of the Company.

### Exploration and Development Activities May Not be Successful

Exploration for, and development of, mineral properties involves significant financial risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling, constructing mining and processing facilities at a site, developing metallurgical processes and extracting minerals from the ore. The Company cannot ensure that its future exploration and development programs will result in profitable commercial mining operations.

Also, substantial expenses may be incurred on exploration projects which are subsequently abandoned due to poor exploration results or the inability to define reserves which can be mined economically. Development projects have no operating history upon which to base estimates of future cash flow. Estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon detailed geological and engineering analysis. There have been no feasibility studies conducted in order to derive estimates of capital and operating costs including, among others, anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of minerals from the ore, and anticipated environmental and regulatory compliance costs.

It is possible that actual costs and economic returns of future mining operations may differ materially from the Company's best estimates. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase and to require more capital than anticipated. These additional costs could have an adverse impact on the Company's future cash flows, earnings results of operations and financial condition.



# Eurotin Inc.

---

## Properties May be Subject to Defects in Title

The Company has investigated its rights to explore and exploit the Oropesa and Santa Maria Properties and, to the best of its knowledge, its rights are in good standing. However, no assurance can be given that such rights will not be revoked, or significantly altered, to its detriment. There can also be no assurance that the Company's rights will not be challenged or impugned by third parties.

Some of the Company's mineral claims may overlap with other mineral claims owned by third parties which may be considered senior in title to the Company's mineral claims. The junior claim is only invalid in the areas where it overlaps a senior claim. The Company has not determined which, if any, of the Company's mineral claims is junior to a mineral claim held by a third party.

Although the Company is not aware of any existing title uncertainties with respect to the Oropesa and Santa Maria Properties, there is no assurance that such uncertainties will not result in future losses or additional expenditures, which could have an adverse impact on the Company future cash flows, earnings, results of operations and financial condition.

## ***Environmental and Health Risks***

### Environmental, Health and Safety Risks

Mining and exploration companies such as the Company must comply with a complex set of environmental, health and safety laws, regulations, guidelines and permitting requirements (for the purpose of this paragraph, "laws") drawn from a number of jurisdictions. The historical trend toward stricter laws is likely to continue. The base metals industry is subject to not only the worker health, safety and environmental risks associated with all mining businesses, including potential liabilities to third parties for environmental damage, but also to additional risks uniquely associated with mineral mining and processing. The possibility of more stringent laws or more rigorous enforcement of existing laws exists in the areas of worker health and safety, the disposition of wastes, the decommissioning and reclamation of mining, milling, refining and conversion sites and other environmental matters, each of which could have a material adverse effect on the operations of the Company or the cost or the viability of a particular project.

### Decommissioning and Reclamation

Environmental regulators are increasingly requiring financial assurances to ensure that the cost of decommissioning and reclaiming sites is borne by the parties involved, and not by government. It is not possible to predict what level of decommissioning and reclamation (and financial assurances relating thereto) may be required in the future by regulators.

## ***Regulatory Constraints***

### Governmental Regulation and Policy Risks

Mining operations and exploration activities, particularly base metal mining, refining, conversion and transport in Spain are subject to extensive laws and regulations. Such regulations relate to production, development, exploration, exports, imports, taxes and royalties, labour standards, occupational health,



## Eurotin Inc.

---

waste disposal, protection and remediation of the environment, mine decommissioning and reclamation, mine safety, toxic substances, transportation safety and emergency response, and other matters. Compliance with such laws and regulations increases the costs of exploring, drilling, developing, constructing, operating and closing mineral mines and refining and other facilities. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may impact decisions of the Company with respect to the exploration and development of properties such as the Oropesa and the Santa Maria Properties. The Company will be required to expend significant financial and managerial resources to comply with such laws and regulations. Since legal requirements change frequently, are subject to interpretation and may be enforced in varying degrees in practice, the Company is unable to predict the ultimate cost of compliance with these requirements or their effect on operations. Furthermore, future changes in governments, regulations and policies and practices, such as those affecting exploration and development of the Oropesa and Santa Maria Properties could materially and adversely affect the results of operations and financial condition of the Company in a particular period or in its long term business prospects.

The development of mines and related facilities is contingent upon governmental approvals, licences and permits which are complex and time consuming to obtain and which, depending upon the location of the project, involve multiple governmental agencies. The receipt, duration and renewal of such approvals, licences and permits are subject to many variables outside the control of The Company, including potential legal challenges from various stakeholders such as environmental groups or non-government organizations. Any significant delays in obtaining or renewing such approvals, licences or permits could have a material adverse effect on the Company.

### ***Economic or Political Conditions***

#### **Political and Socio-Economic Country Risks**

The Company's current operations are in Spain. As such, the Company is subject to governmental, political, economic, and other uncertainties, including, but not limited to, expropriation of property without fair compensation, changes in energy policies or the personnel administering them, nationalization, currency fluctuations and devaluations, exchange controls and royalty increases, changes in mineral pricing policy, renegotiation or nullification of existing concessions and contracts, changes in taxation policies, and other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations are conducted.

The Company's future operations may also be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with the Company's operations in Spain, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Corporation may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's exploration, development and production activities in Spain could be substantially affected by factors the Company's control, any of which could have a material adverse effect on the Corporation.



# Eurotin Inc.

---

The Company may in the future acquire mineral properties and operations outside of Spain and Canada, which expansion may present challenges and risks that the Company has not faced in the past, any of which could adversely affect the results of operations and/or financial condition of the Company.

## Industry Competition and International Trade Restrictions

The international precious metals and base metals industries are highly competitive. The value of any future resources discovered and developed by the Company may be limited by competition from other world precious and base metals mining companies, or from excess inventories. Existing international trade agreements and policies and any similar future agreements, governmental policies or trade restrictions are beyond the control of the Company and may affect the supply of and demand for minerals around the world.

## Commodity Price Fluctuations

The price of commodities varies on a daily basis but long term averages are the best method of estimating future prices. However, price volatility could have dramatic effects on the results of operations and the ability of the Company to execute its business plan.

## Currency Fluctuations and Foreign Exchange

The Company raises its equity in Canadian dollars and maintains the majority of its accounts in Canadian dollars. The operations of the Company are located in Spain and exploration expenses will be denominated primarily in Euros and, to a lesser extent, United States dollars. There are risks associated with the Canadian dollar/United States dollar and Canadian dollar/Euro exchange rate.

## ***Reliance on Key Personnel***

The senior officers of the Company are critical to its success. In the event of the departure of a senior officer, The Company believes that it will be successful in attracting and retaining qualified successors but there can be no assurance of such success. Recruiting qualified personnel as the Company grows is critical to its success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As The Company's business activity grows, it will require additional key financial, administrative and mining personnel as well as additional operations staff. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of the Company.

## ***Experience of Management***

### Conflicts of Interest

Directors and officers of the Company are or may become directors or officers of other reporting companies or have significant shareholdings in other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Company and its directors and officers will attempt to



# Eurotin Inc.

---

minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which one or more directors, or officers, may have a conflict. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

## ***Market Risks***

### Resale of Shares

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Company Shares would be diminished.

### Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Company Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Company Shares will be affected by such volatility. An active public market for the Company Shares might not develop or be sustained after completion of the proposed Transaction. If an active public market for the Company Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

## **Transactions with Related Parties**

- On January 25, 2013, MESPA obtained 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 Peter Miller an officer and Director of the Company.
- On July 29, 2013, Northern Gold Mines S.L, a company controlled by Peter Miller, an officer and Director of the Corporation deposited €200,000 (\$272,160) in MESPA's Bank account for the repayment and cancellation of the Line of Credit. The loan bore no interest, was due on demand and was advanced in exchange for shares of the Corporation issued on March 6, 2014. In addition, officers and directors of the Company subscribed for 3,182,609 common shares for gross proceeds of \$156,258 in the private placement on March 6, 2014.
- Remuneration of Directors and key management personnel of the Corporation was as follows:



# Eurotin Inc.

	<b>March 31, 2014</b>	<b>March 31, 2013</b>
Salaries and benefits <sup>(1)</sup>	\$308,785	\$401,866
Professional fees <sup>(2)</sup>	\$806,250	\$275,000
Share-based payments	\$3,546	\$211,384

- (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 also entitled to stock options for their services. During FY 2014 the director fees have been accrued and included in the Company's current liabilities.
- (2) This amount comprises the professional fees and termination agreement provision for Peter Miller who resigned as Chief Executive Officer of the Corporation on October 15, 2013 and has been accrued and included in the Company's current liabilities, Mr. Trevor Richardson who was appointed Chief Executive Officer of the Corporation on the same date did not receive any remuneration upon his resignation as a Chief Executive Officer and Director on May 21, 2014.

## Subsequent Events

1. On April 17, 2014, the Company announced that it had completed the second tranche of its previously announced shares for debt private placement through the issuance of 3,289,975 common shares at a deemed issuance price of \$0.05 per share. The securities issued under the private placement are subject to a hold period expiring on August 10, 2014.
2. On May 21, 2014, Trevor Richardson resigned as a CEO and Director, the Company appointed David Danziger as interim president and CEO on the same date.
3. On June 10, 2014, the Company provided a resource update on its Oropesa tin project.
4. On July 24, 2014, the Company announced that it has filed on SEDAR an updated National Instrument 43-101 complaint technical report for its Oropesa Property in respect of the mineral resource estimate announced on June 10, 2014.
5. Subsequent to March 31, 2014, the Company received advances of approximately \$146,496 from its current shareholders. The Company will issue shares against the advances in the next private placement.

## Other information

Additional information about the Company is available on [www.sedar.com](http://www.sedar.com)