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**EUROTIN INC.**  
**CONDENSED INTERIM CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**THREE MONTHS ENDED**  
**JUNE 30, 2017**  
**(EXPRESSED IN CANADIAN DOLLARS)**

**(UNAUDITED)**

**Notice to Reader**

The accompanying unaudited condensed interim consolidated financial statements of the Corporation have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three months ended June 30, 2017 have not been reviewed by the Corporation's auditors.

# Management's Responsibility for Consolidated Financial Statements

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

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

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence to ensure that (i) the unaudited condensed interim 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 unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation, as of the date of and for the periods presented by the consolidated financial statements.

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

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

(signed) "Mark Wellings "

Chief Executive Officer

Toronto, Canada  
August 21 , 2017

(signed) "Carlos Pinglo"

Chief Financial Officer

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

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	As at June 30, 2017	As at March 31, 2017
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 128,131	\$ 251,241
Amounts receivable and other assets (note 7)	372,021	366,629
	<b>500,152</b>	617,870
Mineral properties and deferred expenditures (note 8)	15,055,120	14,446,639
<b>Total assets</b>	<b>\$ 15,555,272</b>	<b>\$ 15,064,509</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Amounts payable and other liabilities	\$ 1,389,128	\$ 2,703,100
<b>Equity</b>		
Share capital (note 9)	31,851,661	28,004,899
Contributed surplus	3,768,236	3,768,236
Non-controlling interest	(390,715)	(389,856)
Deficit	(21,063,038)	(19,021,870)
<b>Total equity</b>	<b>14,166,144</b>	<b>12,361,409</b>
<b>Total equity and liabilities</b>	<b>\$ 15,555,272</b>	<b>\$ 15,064,509</b>

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

Nature of operations and going concern (note 1)  
Contingencies and commitments (note 14)

**Approved on behalf of the Board:**

(Signed) "David Danziger", Director \_\_\_\_\_

(Signed) "John Hick", Director \_\_\_\_\_

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**Eurotin Inc.****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian dollars)  
(Unaudited)**

<b>Three months ended June 30,</b>	<b>2017</b>	<b>2016</b>
<b>Operating expenses</b>		
General and administrative (note 12)	\$ 362,908	\$ 178,252
<b>Operating loss before the following items</b>	<b>(362,908)</b>	<b>(178,252)</b>
Interest and other income	881	-
Loss on debt settlement for shares	(1,680,000)	-
<b>Total loss and comprehensive loss for the period</b>	<b>\$ (2,042,027)</b>	<b>\$ (178,252)</b>
<b>Total loss and comprehensive loss attributable to</b>		
Parent company	\$ (2,041,168)	\$ (146,983)
Non-controlling interest	\$ (859)	\$ (31,269)
<b>Basic and diluted loss and comprehensive loss per share (note 10)</b>	<b>\$ (0.03)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding</b>	<b>66,538,401</b>	<b>23,988,950</b>

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

## **Eurotin Inc.**

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

<b>Three Months ended June 30,</b>	<b>2017</b>	<b>2016</b>
<b>Operating activities</b>		
Net loss for the period	\$ (2,042,027)	\$ (178,252)
Adjustments for:		
Amortization	-	5,062
Loss on debt settlement for shares	1,680,000	-
	<b>(362,027)</b>	<b>(173,190)</b>
Non-cash working capital items:		
Amounts receivable and other assets	(5,392)	23,978
Amounts payable and other liabilities	(113,972)	670,960
<b>Net cash (used in) provided by operating activities</b>	<b>(481,391)</b>	<b>521,748</b>
<b>Investing activities</b>		
Expenditures on mineral properties	(608,481)	(77,451)
<b>Net cash used in investing activities</b>	<b>(608,481)</b>	<b>(77,451)</b>
<b>Financing activities</b>		
Proceeds from issuance of common shares, net of transaction costs	966,762	-
<b>Net cash provided by financing activities</b>	<b>966,762</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>(123,110)</b>	<b>444,297</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>251,241</b>	<b>11,901</b>
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 128,131</b>	<b>\$ 456,198</b>
<b>Supplemental cash flow information:</b>		
Debt settled through issuance of shares	\$ 1,200,000	\$ -

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

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

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**Equity attributable to shareholders**

	<b>Number of shares</b>	<b>Share capital</b>	<b>Contributed surplus</b>	<b>Warrants</b>	<b>Deficit</b>	<b>Non-controlling interest</b>	<b>Total</b>
<b>Balance, March 31, 2016</b>	<b>23,988,950</b>	<b>\$ 28,004,899</b>	<b>\$ 3,768,236</b>	<b>\$ -</b>	<b>\$ (18,419,390)</b>	<b>\$ (366,378)</b>	<b>\$ 12,987,367</b>
Net loss and comprehensive loss for the period	-	-	-	-	(146,983)	(31,269)	(178,252)
<b>Balance, June 30, 2016</b>	<b>23,988,950</b>	<b>\$ 28,004,899</b>	<b>\$ 3,768,236</b>	<b>\$ -</b>	<b>\$ (18,566,373)</b>	<b>\$ (397,647)</b>	<b>\$ 12,809,115</b>
<b>Balance, March 31, 2017</b>	<b>23,988,950</b>	<b>\$ 28,004,899</b>	<b>\$ 3,768,236</b>	<b>\$ -</b>	<b>\$ (19,021,870)</b>	<b>\$ (389,856)</b>	<b>\$ 12,361,409</b>
Shares issued in private placement	20,000,000	1,000,000	-	-	-	-	1,000,000
Shares issued for debt settlement	24,000,000	2,880,000	-	-	-	-	2,880,000
Transaction costs in private placement	-	(33,238)	-	-	-	-	(33,238)
Net loss and comprehensive loss for the period	-	-	-	-	(2,041,168)	(859)	(2,042,027)
<b>Balance, June 30, 2017</b>	<b>67,988,950</b>	<b>\$ 31,851,661</b>	<b>\$ 3,768,236</b>	<b>\$ -</b>	<b>\$ (21,063,038)</b>	<b>\$ (390,715)</b>	<b>\$ 14,166,144</b>

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

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# **Eurotin Inc.**

## **Notes to Condensed Interim Consolidated Financial Statements**

**June 30, 2017**

**(Expressed in Canadian dollars)**

**(Unaudited)**

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### **1. Nature of operations and going concern**

#### Nature of operations

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

Stannico Resources Inc. was incorporated on October 9, 2008 under the laws of the province of Ontario. The Company controls 100% of the issued common shares of Minas De Estano De Espana, S.L.U. ("MESPA" or "MEE"), a private corporation incorporated on November 29, 2006 in Spain whose business is 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 Corporation operates from its headquarters in Ontario, Canada and also through two wholly-owned subsidiaries: Stannico Resources Inc. and MESPA. These subsidiaries represent the interest of Eurotin Inc. in Spain. The address of the registered office is 25 Adelaide Street East, Suite 818, Toronto, Ontario, Canada, M5C 3A1.

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

#### Share Consolidation

On March 11, 2016, the Corporation completed the consolidation of the Corporation's issued and outstanding common shares on a 1 for 10 basis ("Share Consolidation"). As part of the Share Consolidation and the stock options were also consolidated and the exercise price adjusted to reflect the Share Consolidation. The Share Consolidation has been reflected in these consolidated financial statements and all applicable references to the number of shares and stock options and their strike price and per share information has been adjusted.

#### Going concern

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

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

As at June 30, 2017, the Corporation had negative working capital of \$888,976 (March 31, 2017 - negative working capital of \$2,085,230), had not yet achieved profitable operations, had accumulated losses of \$21,063,038 (March 31, 2017 - \$19,021,870) and expects to incur further losses in the development of its business. The Corporation will need further financing to operate over the next 12 months.

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# **Eurotin Inc.**

## **Notes to Condensed Interim Consolidated Financial Statements**

**June 30, 2017**

**(Expressed in Canadian dollars)**

**(Unaudited)**

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### **1. Nature of operations and going concern (continued)**

#### *Going concern (continued)*

The unaudited condensed interim consolidated financial statements of the Corporation for the three months ended June 30, 2017 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on August 21, 2017.

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

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

### **2. Basis of presentation and statement of compliance**

#### *Statement of compliance*

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

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of August 21, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended March 31, 2017, except as noted below. Any subsequent changes to IFRS that are given effect in the Corporation's annual financial statements for the year ending March 31, 2018 could result in restatement of these unaudited condensed interim consolidated financial statements.

### **3. Recent accounting pronouncements**

#### *Change in accounting policies*

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after March 31, 2017. The following new standards have been adopted:

#### **IAS 7, Statement of Cash Flows ("IAS 7")**

The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments apply prospectively for annual periods beginning on or after January 1, 2017, with earlier application permitted. On April 1, 2017, the Company adopted the amendments to IAS 7 and there was no material impact on the Corporation's unaudited condensed interim consolidated financial statements.



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# **Eurotin Inc.**

## **Notes to Condensed Interim Consolidated Financial Statements**

**June 30, 2017**

**(Expressed in Canadian dollars)**

**(Unaudited)**

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### **3. Recent accounting pronouncements (continued)**

*Change in accounting policies (continued)*

#### **IAS 12, Income Taxes ("IAS 12")**

On January 19, 2016, the IASB issued Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12). The amendments apply retrospectively for annual periods beginning on or after January 1, 2017. Earlier application is permitted. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments also clarify the methodology to determine the future taxable profits used for assessing the utilization of deductible temporary differences. On April 1, 2017, the Company adopted the amendments to IAS 12 and there was no material impact on the Corporation's unaudited condensed interim consolidated financial statements.

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

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for future accounting periods beginning after April 1, 2017. Those pronouncements that are not applicable or do not have a significant impact to the Company have been excluded from the below. The following have not yet been adopted and are being evaluated to determine the impact on the Company:

#### **IFRS 9, Financial Instruments ("IFRS 9")**

IFRS 9 replaces the guidance in IAS 39 Financial Instruments: Recognition and Measurement and IFRIC 9 Reassessment of Embedded Derivatives. IFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Based on a preliminary evaluation, this standard is not expected to have a material impact on the Company.

#### **IFRS 15, Revenue from Contracts with Customers ("IFRS 15")**

The core principle of IFRS 15 is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. The standard will also address accounting for loyalty programs and breakage.

Application of IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018 and is to be applied using the retrospective or the modified transition approach. Early adoption is permitted. The Corporation will evaluate impact of IFRS 15 on its consolidated financial statements if and when revenues from operations should commence.

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# **Eurotin Inc.**

## **Notes to Condensed Interim Consolidated Financial Statements**

**June 30, 2017**

**(Expressed in Canadian dollars)**

**(Unaudited)**

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### **3. Recent accounting pronouncements (continued)**

*New standards not yet adopted and interpretations issued but not yet effective (continued)*

#### **IFRS 16, Leases ("IFRS 16")**

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, the customer ("lessee") and the supplier ("lessor"). This will replace IAS 17, Leases ("IAS 17") and related interpretations. IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right-of-use assets and lease liabilities for leases with terms of more than 12 months, unless the underlying asset is of low value, and depreciation of lease assets separately from interest on lease liabilities in the income statement. Under IFRS 16, lessor accounting for operating and finance leases will remain substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15, Revenue from Contracts with Customers. As the Company has contractual obligations in the form of operating leases under IAS 17, there may be an increase to both assets and liabilities upon adoption of IFRS 16, and material changes to the timing of recognition of expenses associated with the lease arrangements. The Corporation is currently evaluating the impact of this standard and amendments on its consolidated financial statements.

#### **IFRS 17, Insurance Contracts ("IFRS 17")**

On May 18, 2017, the IASB issued Insurance Contracts. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. The Corporation is currently evaluating the impact of this standard and amendments on its consolidated financial statements.

### **4. Capital risk management**

The Corporation manages its capital with the following objectives:

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

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

The Corporation considers its capital to be equity, which comprises share capital, contributed surplus, non-controlling interest, and deficit, which at June 30, 2017, totaled \$14,166,144 (March 31, 2016 - \$12,987,367).

The Corporation manages capital through its financial and operational forecasting processes. The Corporation reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties and deferred expenditures. Selected information is provided to the Board of Directors of the Corporation. The Corporation's capital management objectives, policies and processes have remained unchanged during the three months ended June 30, 2017.

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# **Eurotin Inc.**

## **Notes to Condensed Interim Consolidated Financial Statements**

**June 30, 2017**

**(Expressed in Canadian dollars)**

**(Unaudited)**

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### **4. Capital risk management (continued)**

The Corporation is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of: (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

As of June 30, 2017, the Corporation may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

### **5. Financial risk management**

#### Financial risk

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

Risk management is carried out by the Corporation's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

#### (i) Credit risk

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

#### (ii) Liquidity risk

Liquidity risk is the risk that the Corporation will not have sufficient cash resources to meet its financial obligations as they come due. The Corporation's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Corporation. The Corporation generates cash flow primarily from its financing activities. The Corporation prepares annual capital expenditure budgets, which are monitored and updated as required. In addition, the Corporation requires authorization for expenditures on projects to assist with the management of capital. The Corporation's financial liabilities comprise accounts payable and other liabilities, which are due within normal trade terms, generally 30 days.

#### (iii) Market risk

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

##### (a) Interest rate risk

The Corporation currently does not have any interest bearing debt and, as such, the Corporation's current exposure to interest rate risk is minimal as at June 30, 2017.

##### (b) Foreign currency risk

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

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# Eurotin Inc.

## Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017

(Expressed in Canadian dollars)

(Unaudited)

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### 5. Financial risk management (continued)

#### (iii) Market risk (continued)

##### (c) Commodity and equity price risk

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

Commodity price risk could adversely affect the Corporation. In particular, the Corporation's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them. As of June 30, 2017, the Corporation was not a precious mineral, base metals and other minerals producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Corporation's liquidity and its ability to meet its ongoing obligations.

### Sensitivity analysis

As at June 30, 2017, \$85,901 was held in Canadian Dollars and €28,509 was held in Euro. Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are reasonably possible over one year:

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

The Corporation holds balances in foreign currencies which could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in the foreign exchange rate of the Euro against the Canadian dollar would affect the reported loss and comprehensive loss by approximately \$29,000.

### 6. Categories of financial instruments

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	As at June 30, 2017	As at March 31, 2017
<b>Financial assets:</b>		
Loans and receivables		
Cash and cash equivalents	\$ 128,131	\$ 251,241
<b>Financial liabilities:</b>		
Other financial liabilities		
Amounts payable and other liabilities	\$ 1,389,128	\$ 2,703,100

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As at June 30, 2017 and March 31, 2017, the fair value of all the Corporation's financial instruments approximates the carrying value, due to their short-term nature.

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**Eurotin Inc.****Notes to Condensed Interim Consolidated Financial Statements****June 30, 2017****(Expressed in Canadian dollars)****(Unaudited)**

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**7. Amounts receivable and other assets**

	<b>As at June 30, 2017</b>	<b>As at March 31, 2017</b>
Amounts receivable	\$ 53,538	\$ 58,334
Value-added taxes receivable	240,533	222,289
Prepaid expenses	77,950	86,006
	<b>\$ 372,021</b>	<b>\$ 366,629</b>

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**8. Mineral properties and deferred expenditures**

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	<b>March 31, 2017</b>	<b>Additions</b>	<b>June 30, 2017</b>
Oropesa Property	\$14,446,639	\$ 608,481	\$15,055,120

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	<b>March 31, 2016</b>	<b>Additions</b>	<b>March 31, 2017</b>
Oropesa Property	\$13,628,735	\$ 817,904	\$14,446,639

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**Eurotin Inc.****Notes to Condensed Interim Consolidated Financial Statements****June 30, 2017****(Expressed in Canadian dollars)****(Unaudited)**

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**9. Share capital**

## a) Authorized share capital

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

## b) Common shares issued

At June 30, 2017, the issued share capital amounted to \$28,004,899. The changes in issued share capital for the periods were as follows:

	<b>Number of common shares</b>	<b>Amount</b>
Balance, March 31, 2015	11,507,666	\$ 26,309,363
Issue of common shares in private placement (i)	600,000	300,000
Shares issued for debt settlement (ii)(iii)(iv)	11,881,284	1,475,054
Transaction costs (v)	-	(79,518)
Balance, March 31, 2016, June 30, 2016 and March 31, 2017	23,988,950	\$ 28,004,899
Issue of common shares in private placement (vi)	20,000,000	1,000,000
Shares issued for debt settlement (vii)	24,000,000	2,880,000
Transaction costs (vi)	-	(33,238)
Balance, June 30, 2017	67,988,950	\$ 31,851,661

(i) On April 24, 2015, the Company completed a private placement for gross proceeds of \$300,000 through issuance of 600,000 common shares of the Company at a price of \$0.50 per common share (the "Offering").

(ii) On April 24, 2015, the Company issued 1,414,619 common shares of the Company in settlement of \$1,285,104 debt owed. The fair value of the shares issued was determined to be \$424,387 on the basis of the Company's stock price of \$0.03 per share on April 24, 2015, resulting in a gain of \$860,717, of which \$793,741 was recorded in contributed surplus due to its nature as an equity transaction with shareholders and the remaining amount of \$66,976 was recorded in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2016.

(iii) On September 4, 2015, the Company issued 799,987 common shares of the Company in settlement of \$80,399 debt owed. The fair value of the shares issued was determined to be \$12,000 on the basis of the Company's stock price of \$0.015 per share on September 4, 2015, resulting in a gain of \$68,399 which has been recorded in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2016.

(iv) The Company issued 10,386,665 common shares of the Company in settlement of \$1,558,000 debt owed. The fair value of the shares issued was determined to be \$1,038,667 on the basis of the Company's stock price of \$0.10 per share on March 24, 2016, resulting a gain of \$519,333 of which \$400,000 was recorded in contributed surplus due to its nature as an equity transaction with shareholders and the remaining amount of \$119,333 was recorded in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2016.

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## **Eurotin Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**June 30, 2017**

**(Expressed in Canadian dollars)**

**(Unaudited)**

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#### **9. Share capital (continued)**

b) Common shares issued (continued)

(v) The Corporation incurred total transaction costs of \$79,518 for the Offerings.

(vi) On April 3, 2017, the Company completed a private placement of 20,000,000 common shares in the capital of the Company ("Shares") for gross proceeds of \$1,000,000 at a price of \$0.05 per Share (the "Offering"). The Company incurred a total transaction costs of \$33,238 for the private placement.

(vii) On April 3, 2017, the Company completed a shares for debt transaction (the "Shares for Debt Transaction") in which the Company issued 24,000,000 Shares at price of \$0.05 per Share in exchange for accounts payable totaling \$1,200,000.

#### **10. Net loss per common share**

The calculation of basic and diluted loss per share for the three ended June 30, 2017 was based on the loss attributable to common shareholders of \$2,041,168 (three months ended June 30, 2016 - loss of \$146,983) and the weighted average number of common shares outstanding of 66,538,401 (three months ended June 30, 2016 - 23,988,950). Diluted loss per share did not include the effect of nil stock options (three months ended June 30, 2016 - 40,000) and nil broker warrants (three months ended June 30, 2016 - nil) as they are anti-dilutive.

#### **11. Stock options**

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

	<b>Number of Stock Options</b>	<b>Weighted Average Exercise Price (\$)</b>
Balance, March 31, 2016	138,350	9.50
Options expired	(98,350)	10.50
Balance, June 30, 2016	40,000	7.00
Options expired	(40,000)	7.00
Balance, March 31, 2017 and June 30, 2017	-	-

As at June 30, 2017, no stock options were outstanding.

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**Eurotin Inc.****Notes to Condensed Interim Consolidated Financial Statements****June 30, 2017****(Expressed in Canadian dollars)****(Unaudited)**

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**12. General and administrative**

<b>Three Months Ended June 30,</b>	<b>2017</b>	<b>2016</b>
Salaries and benefits	\$ 87,857	\$ 45,838
Directors fees	10,000	10,000
Professional fees	92,583	75,401
Amortization	-	5,062
Administrative	30,845	38,380
Investor relations	7,343	2,831
Travel expense	18,303	6,951
Foreign exchange (gain) loss	115,977	(6,211)
	<b>\$ 362,908</b>	<b>\$ 178,252</b>

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**13. Related party balances and transactions**

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

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties) and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

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

During the three months ended June 30, 2017, the Company issued 24,000,000 common shares in settlement of \$1,200,000 accounts payable with one of the directors of the Company, resulting a loss on debt settlement for shares of \$1,680,000 (Note 9(b)(vii))

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

<b>Three Months Ended June 30,</b>	<b>2017</b>	<b>2016</b>
Salaries and benefits <sup>(1)</sup>	\$ 65,000	\$ 46,667

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<sup>(1)</sup> Other than the Chief Financial Officer, the board of directors and select officers do not have employment or service contracts with the Company. Directors are entitled to directors fees and stock options for their services and officers are also entitled to stock options for their services. During the quarter ended June 30,2017 the director fees have been accrued and included in the Company's current liabilities and since his appointment on November 2015 Mark Wellings , Director and CEO does not receive any compensation.



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## **Eurotin Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**June 30, 2017**

**(Expressed in Canadian dollars)**

**(Unaudited)**

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#### **13. Related party balances and transactions (continued)**

(c) To the knowledge of the directors and senior officers of the Corporation, as at June 30, 2017, no person or corporation beneficially owns or exercises control or direction over common shares of the Corporation carrying more than 10% of the voting rights attached to all of the common shares of the Corporation other than Mark Wellings, the President, CEO and a director of the Corporation.

None of the Corporation's major shareholders have different voting rights than other holders of the Corporation's common shares.

The Corporation is not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Corporation. To the knowledge of the directors and senior officers, the Corporation is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

#### **14. Contingencies and commitments**

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

As at June 30, 2017, the Corporation is committed to future minimum payments in Euros under warehouse rents as follows:

	<b>Amount Euro</b>
For the year ended March 31, 2018	4,590
For the year ended March 31, 2019	765
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Total	5,355
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On October 25, 2011, a Permits Transfer Agreement relating to IP Santa Maria was executed and notarized as a deed. This deed was confirmed and ratified by MESEX the following day. On December 9, 2011, MESEX submitted all relevant documents and information required by law and formally applied to the Extremadura Mining Authority for the mandatory authorization of the transfer. The Corporation received such authorization on March 9, 2012.

#### **15. Subsequent event**

Subsequent to June 30, 2017, the Company received advances totaling \$275,000 from Mark Wellings a current shareholder, director and officer of the Company.