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

## For the Year Ended March 31, 2018

**Introduction**

The following Management Discussion & Analysis ("**MD&A**") of the financial condition and results of the operations of Eurotin Inc. (the "**Company**" or "**Eurotin**") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended March 31, 2018.

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51- 102F1, in accordance with National Instrument 51- 102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended March 31, 2018 ("**FY 2018**") and March 31, 2017 ( "**FY 2017**") together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. 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 year ended March 31, 2018 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at July 18, 2018 unless otherwise indicated.

The audited consolidated financial statements for the year ended March 31, 2018, have been prepared using accounting policies consistent with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

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; or (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.

Further information about the Company and its operations is available on SEDAR at www.sedar.com.

**Caution Regarding Forward-Looking Statements**

This Interim 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 from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. Dollar amounts in this MD&A are in Canadian Dollars unless otherwise indicated.

| Forward-looking statements | Assumptions | Risk factors |
|---|---|---|
| For fiscal year 2019, the Company will continue to pursue strategic alternatives. The priority is to complete the metallurgical test work and a feasibility study for its Oropesa Tin project. | The Company has anticipated all material costs; the operating activities of the Company for the year ended March 31, 2019, and the costs associated therewith, will be consistent with Eurotin's current expectations. | Unforeseen costs to the Company will arise; any particular operating and evaluating costs may increase or decrease from the date of the estimation; changes in economic conditions. |
| The Company will be required to raise additional funds in order to meet its ongoing operating expenses and complete its planned exploration and evaluation activities on its projects for the year ended March 31, 2019. | The operating and exploration activities of the Company for the year ended March 31, 2019 and the costs associated therewith, will be consistent with Eurotin's' current expectations; debt and equity markets and exchange rates and other applicable economic conditions are favourable to Eurotin. | Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions. |

| | | |
|---|---|---|
| Eurotin's' properties may contain economic deposits of precious, base metals and principally Tin. | Financing will be available for future exploration and development of Eurotin's properties; the actual results of Eurotin's' exploration and development activities will be favourable; operating, exploration and development costs will not exceed Eurotin's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Eurotin, and applicable political and economic conditions are favourable to Eurotin; the price of precious, base metals and principally Tin and applicable interest and exchange rates will be favourable to Eurotin; no title disputes exist with respect to the Company's properties. | Precious, base metal and principally Tin price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Eurotin's' expectations; availability of financing for and actual results of Eurotin's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff. |

| | | |
|---|---|---|
| The Company will be able to carry out anticipated business plans, including achieving costs and timing for future exploration on its property interests. | The exploration activities of the Company for the year ended March 31, 2019, and the costs associated therewith, will be consistent with Eurotin's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to Eurotin; Financing will be available for Eurotin's exploration and development activities and the results thereof will be favourable; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Eurotin; the Company will not be adversely affected by market competition; the price of precious and base metals will be favourable to Eurotin; no title disputes exist with respect to Eurotin's properties. | Precious and base metal price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Eurotin's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company may be unable to retain and attract skilled staff; receipt of applicable permits. |
| Sensitivity analysis of financial instruments. | Based on management's knowledge and experience of the financial markets, the Company believes that there would be no material changes to its results for the year ended ended March 31, 2018 as a result of a change in the foreign currency exchange rates or interest rates. | Changes in debt and equity markets; interest rate and exchange rate fluctuations |

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Eurotin's ability to predict or control. Please also make reference to those risk factors referenced in the "**Risks and Uncertainties**" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. 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.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Eurotin'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, unless required by law.

**Description of Business**

Eurotin is currently engaged in the exploration of mineral resources properties in Spain. Substantially all of the Company's efforts are devoted to financing and developing these properties.

The Company's head office and principal address in Canada is 320 Bay St, Suite 1600, Toronto, Ontario M5H 4A6. The Company's common shares are listed on the TSX Venture Exchange ("**TSX-V**", or the "**Exchange**") under the symbol "**TIN**".

The Company currently has a 100% interest in the Oropesa Investigation permit property in Spain ("**Oropesa**") which is held by its wholly-owned subsidiary, Minas de Estaño de España ("**MESPA**"), and also has a 60% interest in the Santa Maria Investigation permit property in Spain ("**Santa Maria**") which is held by its subsidiary, Minas de Estaño de Extremadura ("**MESEX**"), both are private Spanish limited liability partnership companies. Please look at the Subsequent events section regarding the sale of the MESEX Investigation Permits.

**Trends**

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. During the current period, equity markets in Canada continued its signs of improvement, with a number of financings being completed as well as mergers and acquisitions activities. Apart from these factors and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations. See "Risks and Uncertainties" below.

**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 320 Bay Street East, Suite 1600, Toronto, Ontario, Canada M5H 4A6

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 Estaño De España, S.L.U. ("**MESPA**" or "**MEE**"), a private 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 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.

As general economic conditions continue to be challenging, along with the ability to raise equity for mining companies and projects generally, and exploration companies in particular, significant uncertainty concerning the short and medium term outlook mining companies 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**

On April 3, 2017, the Company completed its previously announced private placement offering of 20,000,000 common shares in the capital of the Company for gross proceeds of $1,000,000 at a price of $0.05 per Share. In conjunction with the Offering, Eurotin also completed a proposed share for debt transaction in which the Company issued 24,000,000 Shares at a price of $0.05 per Share in exchange for the cancellation of accounts payable totaling $1,200,000 owing to Mark Wellings, a current shareholder, director and officer of the Company. The Fair Market value of the issued shares at the date of the Transaction was $0.12, creating a non-cash loss for $1,680,000.

On October 23, 2017, the Company announced that it has submitted an application to the Junta de Andalucía for an Exploitation License at its Oropesa tin project in Spain.

On December 21, 2017, the Company completed its previously announced private placement offering of 19,047,619 common shares in the capital of the Company for gross proceeds of $1,000,000 at a price of $0.0525 per Share.

The funds raised pursuant to the Offering were used by the Company for general working capital purposes and the continued development of the Company's Oropesa tin property in southwestern Spain.

On January 10, 2018, Eurotin announced that the Company and certain debtholders, including Lions Bay Capital Inc ("**Lions Bay**"), have entered into agreements to settle some of the indebtedness of the Company (the "**Shares for Debt Transactions**") through conversion of such debt into common shares of the Company (the "**Common Shares**"). Pursuant to the Shares for Debt Transactions, the Company issued 19,704,763 Common Shares, at a price of $0.0525 per Common Share. After completion of the Shares for Debt Transactions, the Company have 106,741,330 Common Shares issued and outstanding.

The Company owed Mark Wellings ("**Wellings**"), the Company's Chief Executive Officer and President, approximately $1,400,000 (the "**Wellings Debt**"), representing indebtedness for cash advances previously made by Wellings to the Company for working capital purposes. Wellings has assigned $500,000 of the Wellings Debt to Lions Bay (the "**Lions Bay Debt**") in exchange for 4,166,667 common shares of Lions Bay, at a price of $0.12 per common share. Wellings and Lions Bay have both converted $500,000 of the Wellings Debt and Lions Bay Debt, respectively, into Common Shares of the Company, at a price of $0.0525 per Common Share. As a result, each of Wellings and Lions Bay received 9,523,810 Common Shares. The Fair Market value of the issued shares at the date of the Transaction was $0.07, creating a non-cash loss for $333,333.

Additionally, Peter Miller ("**Mille**r"), a director of the Company, is owed $34,500 by the Company (the "**Miller Debt**") for services previously rendered to the Company. Miller has agreed to satisfy the Miller Debt owed by the Company in exchange for 657,143 Common Shares at a price of $0.0525 per share. The Fair Market value of the issued shares at the date of the Transaction was $0.07, creating a non-cash loss for $11,500.

Upon completion of the Shares for Debt Transactions, Wellings hold, directly and indirectly, 42,793,139 Common Shares or 40.09% of the issued and outstanding Common Shares. Lions Bay hold, directly and indirectly, 13,333,334 Common Shares or 12.49% of the issued and outstanding Common Shares.

As Messrs. Wellings and Miller are both directors and/or officers of Eurotin, their respective shares for debt transactions each constitute a "related party transaction" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). Each of the transactions is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, as the fair market value of the Common Shares that will be issued to and the consideration that will be paid by each of Messrs. Wellings and Miller does not exceed 25% of the Company's market capitalization

**Exploration and Evaluation Activities**

During FY 2018, the Company spent $1,890,743 on its exploration and evaluation programs at the Oropesa property compared with $817,904 during FY 2017. Since inception the Company have spent $16,337,382 as ta March 31,2018 compared with $14,446,639 as at March 31,2017.

**Exploration and Development Costs**

| | Three Months Ended March 31, | | Year Ended March 31, | |
|---|---|---|---|---|
| | 2018 ($) | 2017 ($) | 2018 ($) | 2017 ($) |
| **Oropesa** | | | | |
| Drilling | 183,559 | 415,393 | 8,748,246 | 8,564,687 |
| Lab & Consultants | 1,707,184 | 402,511 | 7,589,136 | 5,881,951 |
| **Total Oropesa** | **1,890,743** | **817,904** | **16,337,382** | **14,446,639** |

**Mineral Resource Estimate Highlights**

The Company provided a technical report prepared in accordance with National Instrument 43-101 ("**NI 43-101**") which was filed on SEDAR on December 16, 2015 (the "**Updated Mineral Resource Estimate**"). The previous resource estimate and an NI 43-101 technical report was filed on SEDAR on July 24, 2015.

Improved geological interpretation resulted in in better grades. The table below highlights the differences between the higher grade portions (above a cut-off of 0.2% Sn) reported in the Updated Mineral Resource Estimate and the previous estimate.

| **Resource Type** | **Sn Grade 2015** | **Sn Grade 2014** | **% Difference** |
|---|---|---|---|
| Indicated | 0.56% | 0.41% | +37.6% |
| Inferred | 0.52% | 0.41% | +26.6% |
| **Resource Type** | **Tonnes 2015 (Mt)** | **Tonnes 2014 (Mt)** | **%Difference** |
| Indicated | 9.16 | 12.30 | -25.5% |
| Inferred | 3.33 | 3.59 | - 7.1% |
| **Resource Type** | **Sn Metal (kt) 2015** | **Sn Metal (kt) 2014** | **%Difference** |
| Indicated | 51.7 | 50.4 | + 2.5% |
| Inferred | 17.4 | 14.8 | +17.5% |

The differences between the two resource estimates are primarily the result of:

- The updated geological interpretation, independently confirmed by SRK, which reflects a more strata bound and folded mineralisation model.
- An increase in the assay cut-off grade boundaries between mineralized zones and the lower grade host rock from 0.1% Sn to 0.25% Sn, retaining good continuity.
- Reporting of additional block model material at depth, supported by the greater depth considered to be reasonable for eventual open pit mining, which has allowed the full extent of the geological model (to 265 m from surface) to be reported as part of the Updated Mineral Resource Estimate.
- The inclusion of results from previously drilled, but only recently assayed drill core.
- The addition of the results of the April 2015 drill program.

**Mineral Resource Estimate Statement**

The Updated Mineral Resource Estimate has been reported 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 table below is the Updated Oropesa Mineral Resource Estimate broken out per weathering zone and grade category. 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.

| Category | Weathering Zone | Grade Category %Sn | Tonnes (kt) | Tin | |
|---|---|---|---|---|---|
| | | | | % Sn | Metal (Sn t) |
| Indicated | Oxide | >0.2 | 68 | 0.53 | 365 |
| | | 0.1-0.2 | 11 | 0.14 | 15 |
| | Transition | >0.2 | 1,957 | 0.59 | 11,490 |
| | | 0.1-0.2 | 127 | 0.14 | 180 |
| | Fresh | >0.2 | 7,135 | 0.56 | 39,845 |
| | | 0.1-0.2 | 149 | 0.16 | 245 |
| Inferred | Oxide | >0.2 | 70 | 0.46 | 320 |
| | | 0.1-0.2 | 8 | 0.17 | 15 |
| | Transition | >0.2 | 1,191 | 0.43 | 5,120 |
| | | 0.1-0.2 | 36 | 0.19 | 70 |
| | Fresh | >0.2 | 2,073 | 0.58 | 11,995 |
| | | 0.1-0.2 | 0.1 | 0.14 | 0.2 |
| Subtotal Indicated | Oxide | >0.1 | 80 | 0.48 | 380 |
| | Transition | >0.1 | 2,084 | 0.56 | 11,670 |
| | Fresh | >0.1 | 7,284 | 0.55 | 40,090 |
| Subtotal Inferred | Oxide | >0.1 | 78 | 0.43 | 335 |
| | Transition | >0.1 | 1,227 | 0.42 | 5,190 |
| | Fresh | >0.1 | 2,074 | 0.58 | 11,995 |

| | | | |
|---|---|---|---|
| **Total Indicated >0.1** | **9,448** | **0.55** | **52,140** |
| **Total Inferred >0.1** | **3,379** | **0.52** | **17,520** |

1. The marginal cut-off grade used for resource reporting is 0.1% tin. Almost all of the resource is situated above

the maximum depth reached by a conceptual pit shell based on the following parameters, which remain consistent with the Company's 2014 PEA study:
   a. A tin price of USD23,250/t derived from market consensus long term price forecasts, with a 30% uplift as appropriate for assessing eventual economic potential of Mineral Resources;
   b. A tin process recovery of 71%;
   c. A cost of USD15/t for processing, USD4/t G&A and USD5/t for mining;
   d. A slope angle of 52$^{0}$.
2. All figures are rounded to reflect the relative accuracy of the estimate.
3. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
4. The reporting standard adopted for the reporting of the MRE uses the terminology, definitions and guidelines given in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101.

The following two tables show comparative grade-tonnage gradations for the December 2015 and the July 2014 models at a variety of cut off grades.

| 2015 model | Indicated | | Inferred | |
|---|---|---|---|---|
| **Cut Off (Sn%)** | **Tonnes (Mt)** | **Sn Grade** | **Tonnes (Mt)** | **Sn Grade** |
| 0.1% | 9.45 | 0.55% | 3.38 | 0.52% |
| 0.2% | 9.16 | 0.56% | 3.33 | 0.52% |
| 0.3% | 8.14 | 0.60% | 2.99 | 0.55% |
| 0.4% | 6.68 | 0.66% | 1.99 | 0.65% |
| 0.5% | 4.90 | 0.73% | 1.22 | 0.79% |
| 0.6% | 3.39 | 0.81% | 0.93 | 0.86% |

| 2014 model | Indicated | | Inferred | |
|---|---|---|---|---|
| **Cut Off (Sn%)** | **Tonnes (Mt)** | **Sn Grade** | **Tonnes (Mt)** | **Sn Grade** |
| 0.1% | 14.87 | 0.37% | 4.34 | 0.37% |
| 0.2% | 12.30 | 0.41% | 3.59 | 0.41% |
| 0.3% | 7.44 | 0.52% | 2.14 | 0.53% |
| 0.4% | 4.90 | 0.61% | 1.30 | 0.64% |
| 0.5% | 3.03 | 0.70% | 0.92 | 0.73% |
| 0.6% | 1.87 | 0.80% | 0.61 | 0.82% |

The Mineral Resource Estimate for the Oropesa Project is based on 50,699 metres of drilling for a total of 240 drill holes. In comparison to the previous Mineral Resource estimate for June 2014, the database includes an additional three holes for 980 metres of diamond core drilling completed during the latest phase of exploration, with an additional 4 holes for some 754 metres which were not available in time for the 2014 Mineral Resource Estimate. In addition, some 47 samples from six drill holes were submitted for analysis from previously non-sampled drill core.

On August 6, 2014, the Company received the results of a positive independent Preliminary Economic Assessment (the "PEA") from SRK, the highlights of which are:

- After tax NPV (5%) is US$99 million and IRR is 20.2% assuming a tin price of US$27,000 per tonne.
- Mine life of 11.7 years at a production rate of 1 million tonnes per annum.
- Open pit mining operations restricted to a depth of 200 meters with the potential of further expanding the deposit to depth and along strike particularly to the east.
- Initial capital cost of 106.4 million

The PEA methodology, details, appendix, appendix and accompanying Mineral Resource Estimate Report are posted at 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 23.4km2.

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.

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 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. The transfer application was submitted on May 30, 2016. On November 11, 2016 the transfer was authorized, and the title is currently registered to the Company's wholly owned subsidiary.

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. The positive Scoping Study was delivered to SPIB within the agreed period and no payment was necessary.

3. MESPA agrees to deliver a feasibility study for the Oropesa Tin Property (the "**Feasibility Study**") by December 31, 2015 and start-up the mine on July 1, 2017. The terms contemplated herein shall be deemed suspended by force majeure and for the time needed by MESPA to comply with any corresponding administrative proceedings, including, without limitation, the filling of documents and remedying deficiencies.

4. MESPA shall pay to SPIB a 1.35% NSR from the sale of tin concentrate from the Oropesa Tin Property.

5. 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.

6. 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.

7. 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.

8. 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.

On June 1, 2016 MESPA and SPIB agreed to modify such dates while the rest of the Agreement remained valid and binding. Under the terms of the modified agreement the Feasibility Study must be completed on July 1, 2017 and the mine Start-up Three (3) years after the resolution of the Administration granting the exploitation permit. MESPA shall finance the Feasibility Study with a maximum amount of €1,200,000 or such a lower amount to complete a Feasibility Study that satisfies the Administration requirements to grant the exploitation permit.

In the event the Feasibility Study is not completed by the 1st July 2017 due to lack of funding by MESPA then SPIB will have the right to recover up to 50% of the Oropesa Permit for no further consideration and with the rights and liabilities attached to it, unless the lack of funding was due to force majeure.

Lack of financing as force majeure is defined in Clause 6.3 of the Sale Purchase Agreement dated 30 January 2013 as follows: Absolute impossibility of both MESPA and SPIB obtaining finance in the market for the project. Otherwise it will not be understood lack of financing as Force Majeure"

On November 11, 2016, the Company, through MESPA received the approval from the Andalucía mining authorities to register under the Spanish Mining Act the ownership of the 100% interest in the Oropesa property.

On April 3, 2017, Eurotin completed a private placement for gross proceeds of $1,000,000 and shares for debt conversion of $1,200,000 representing indebtedness for cash advances previously made by a shareholder to the Company over the last year. The aggregate amount of $2,200,000 will be used to provide MESPA the necessary funds to complete the Feasibility Study described above and exceeds largely the amount agreed with SPIB.

On October 23, 2017, the Company announced that it has applied to the Junta de Andalucía for an Exploitation License at its Oropesa tin project in Spain.

*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 in West Central Spain. The Santa Maria Property is comprised of Investigation Permit Ampliacion Retamar nº 10.220 and Investigation Permit Retamar nº 10.201 ("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.

At March 31, 2014, as there was no planned activity for the next twelve months, the Company wrote off the 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 fiscal year ended March 31, 2014. As at March 31, 2018 as there is not planned activity for the next twelve months, the Santa Maria Property continues to be valued at nil.

On May 22, 2018, MESEX sold to a third party the Santa Maria Investigation permit properties. Please see Subsequent events section.

**Outlook**

As of March 31, 2018, the Company had a net working capital deficiency of $594,049 which decreased as compared to a net working capital deficiency of $2,085,230 as at March 31, 2017, mainly due to the private placement offering and the Shares for Debt Transactions described above. The Company will continue to pursue strategic alternatives. The Company's priority is to complete the metallurgical test work and a feasibility study for its Oropesa tin project. Achievement of this objective remains dependent on the Company's ability to access necessary financing, as required. The Company is looking to acquire further financing through a right offering or private placement and continues to operate as prudently as possible with an emphasis on cost containment.

**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.

***Functional currency***

The functional currency for the Company and each of the Company's subsidiaries is the currency of the primary economic environment in which each entity operates. The Company has determined the functional currency of the parent company and its material subsidiaries is the Canadian dollar. Determination of functional currency may involve certain judgments about indicators like the currency that mainly influences costs and the currency in which those costs will be settled, and the currency in which funds from financial activities are generated. The Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

***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 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

**Off-Balance-Sheet Arrangements**

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

**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 cash equivalents. As at March 31, 2018, the Company's financial assets were $140,664 compared with $251,241 as at March 31, 2017.

**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, 2018, the Company's financial liabilities were $996,966 compared with $2,703,100 as at March 31, 2017.

**Commitments and contingencies**

The Company's exploration activities are subject to various laws and regulations, including foreign tax laws including tax laws on value added tax and laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

As at March 31, 2018, the Corporation is committed to future minimum payments in Euros under warehouse rents as follows: For the fiscal year ended March 31, 2019, €7,650.

## Selected Financial Information

As Eurotin has no revenue, the Company's ability to fund its operations is dependent upon its ability to secure financing through equity or debt issues. The value of any resource property assets is dependent upon the existence of economically recoverable mineral reserves, the ability to obtain the necessary financing to complete exploration and development, and the future profitable production or proceeds from disposition of such properties.

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

| | Twelve Months ended March 31, 2018 (audited) | Quarter ended March 31, 2018 | Quarter ended Dec. 31, 2017 | Quarter ended Sept. 30, 2017 | Quarter ended June 30, 2017 |
|---|---|---|---|---|---|
| Revenue | Nil | Nil | Nil | Nil | Nil |
| Income from Operations | Nil | Nil | Nil | Nil | Nil |
| Net loss for the period | $(2,813,673) | $(600,204) | $(119,191) | $(52,251) | $(2,042,027) |
| Diluted Gain ( Loss) per share | $(0.04) | $(0.04) | $(0.00) | $(0.00) | $(0.03) |
| Total Assets | $16,740,299 | $16,740,299 | $17,149,997 | $16,021,041 | $15,555,272 |
| Accounts Payable and Accrued Liabilities | $996,966 | $996,966 | $2,185,793 | $1,907,148 | $1,389,128 |
| Cash | $140,664 | $140,664 | $648,713 | $31,589 | $128,131 |
| Mineral Properties and Deferred Expenditure | $16,337,382 | $16,337,382 | $16,227,568 | $15,753,785 | $15,055,120 |
| Total equity | $15,743,333 | $15,743,333 | $14,964,204 | $14,113,893 | $14,166,144 |

| | Twelve Months ended March 31, 2017 (audited) | Quarter ended March 31, 2017 | Quarter ended Dec. 31, 2016 | Quarter ended Sept. 30, 2016 | Quarter ended June 30, 2016 |
|---|---|---|---|---|---|
| Revenue | Nil | Nil | Nil | Nil | Nil |
| Income from Operations | Nil | Nil | Nil | Nil | Nil |
| Net loss for the period (1) | $(625,958) | $(156,366) | $(117,053) | $(174,287) | $(178,252) |
| Diluted Gain ( Loss) per share | $(0.03) | $(0.01) | $(0.00) | $(0.01) | $(0.01) |
| Total Assets | $15,064,509 | $15,064,509 | $14,708,443 | $14,433,759 | $14,479,054 |
| Accounts Payable and Accrued Liabilities | $2,703,100 | $2,703,100 | $2,190,668 | $1,798,931 | $1,669,939 |
| Cash | $251,241 | $251,241 | $66,361 | $157,913 | $456,198 |
| Mineral Properties and Deferred Expenditure | $14,446,639 | $14,446,639 | $14,247,674 | $13,940,983 | $13,706,186 |
| Total equity | $12,361,409 | $12,361,409 | $12,517,775 | $12,634,828 | $12,809,115 |

## Discussion of Operations

Three months ended March 31, 2018 ("**Q4 2018**") compared with the three months ended March 31, 2017 ("**Q4 2017**")

Eurotin's net loss totaled $600,204 for Q4 2018 with basic and diluted loss per share of $0.01. This compares with a net loss of $156,366 for Q4 2017 with basic and diluted loss per share of $0.01. The increase of $443,838 was principally because:

- During Q4 2018, the Company completed a shares for debt transaction in which the Company issued 19,704,763 Shares at a price of $0.0525 per Share in exchange for accounts payable totaling $1,034,500 under IFRS 2 the Fair Market value of the issued shares at the date of the Transaction was $0.07, creating a non-cash loss for $344,833.

<u>Year ended March 31, 2018 compared with year ended March 31, 2017</u>

Eurotin's net loss totaled $2,813,673 for FY 2018 with basic and diluted loss per share of $0.04. This compares with a net loss of $625,958 for FY 2017 with basic and diluted loss per share of $0.03. The increase of $2,187,715 was principally because:

- In addition to the $344,833 loss described above, on April 3,2017 the Company completed a shares for debt transaction in which the Company issued 24,000,000 Shares at a price of $0.05 per Share in exchange for accounts payable totaling $1,200,000, under IFRS 2 the Fair Market value of the issued shares at the date of the Transaction was $0.12, creating a non-cash loss for $1,680,000.

**Liquidity and Financial Position**

Cash used in operating activities was $1,157,778 during FY 2018 compared to $1,057,244 provided by operating activities in FY 2017. Operating activities were affected by the net loss of $2,813,673 during FY 2018; the main driver was the non-cash loss on settlement in debt for shares of $2,024,833.

At March 31, 2018, Eurotin had $140,664 in cash and cash equivalents (March 31, 2017 - $251,241).

Cash used in investing activities during FY 2018 was $1,890,743 compared with $817,904 during FY 2017, which was mainly attributable to expenditures on exploration and evaluation assets.

The Company has no operating revenues and therefore must utilize its funds obtained from the equity financing and other financing transactions to maintain its capacity to meet ongoing exploration and operating activities.

The Company's audited consolidated financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of the business.

During FY 2018, the Company completed two private placements for gross proceeds of $2,000,000. In conjunction with the private placements, Eurotin also completed two Transactions with related parties, which reduced its liabilities by $2,234,500.

As of March 31, 2018, the Company had 106,741,332 common shares issued and outstanding. There were no warrants or stock options outstanding.

As at March 31, 2018, the Company maintains $572,183 in advances from a related party included in amounts payable and other liabilities. The Company's credit and interest rate risk remains minimal. Accounts payable and accrued liabilities are short-term and non-interest bearing.

The Company's current and future uses of cash are principally in two areas; namely, funding of its general and administrative expenditures and funding of its investment activities. Those investing activities include the cash components of the cost of exploring and developing its tenements. Management assess its planned expenditures based on the Company's working capital resources, the scope of work required to advance exploration on its projects and the overall condition of the financial markets.

Although the Company's working capital is in a deficit of $594,049 at March 31, 2018, this includes the related party advance of $572,183 from a major shareholder of the Company committed to the long-term financial health of the Company and, therefore, in reality the working capital position is a deficit of $21,866. The Company will be required to raise additional capital in order to meet its ongoing operating expenses and complete its planned exploration activities on all of its current projects.

**Related Party Transactions**

**(a)** Compensation of key management personnel of the Company

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of the Board of Directors and corporate officers, including the Chief Executive Officer and Chief Financial Officer.

| | **Year Ended March 31,** | |
|---|---|---|
| | **2018 ($)** | **2017 ($)** |
| Salaries and benefits (1) | 205,000 | 163,750 |

(1) 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 FY 2018, the director fees have been accrued and included in the Company's current liabilities. Since his appointment on November 2015, Mark Wellings, Director and CEO has not, and currently do not receive any compensation.

(b) Transactions with related parties

During FY 2018, the Company received $1,032,178 (FY 2017 - $1,190,375) of advances from Mark Wellings a Director, Officer and Shareholder of the Company. As at March 31, 2018, after the debt for shares transactions described above, $572,183 was outstanding for shares to be issued this amount is unsecured, noninterest bearing, due on demand and was included in the accounts payable and accrued liabilities on the consolidated statements of financial position as at March 31, 2018.

**Share Capital**

As of the date of this MD&A, the Company had 106,741,332 issued and outstanding common shares.

**Disclosure of Internal Controls**

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that **(i)** the audited 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 consolidated financial statements; and **(ii)** the audited consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in **NI-52-109**. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

**ii)** a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

***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 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 favorable 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, 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.

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, 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, licenses 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, licenses 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, licenses 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 Company 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 Company 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 Company.

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 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.

**Additional Disclosure for Venture Issuers without Significant Revenue**

***General and Administrative***

| | Year End March 31, | |
|---|---|---|
| | **2018 ($)** | **2017 ($)** |
| Salaries and Bennefits | 249,558 | 213,918 |
| Director fees | 40,000 | 40,000 |
| Profesional fees | 312,952 | 188,237 |
| Amortization | - | 12,282 |
| Administrative Expenses | 115,856 | 118,872 |
| Investor Relations | 26,228 | 21,436 |
| Travel Expenses | 38,891 | 45,490 |
| Foreign Exchange | 11,621 | (11,579) |
| | 795,106 | 628,656 |

**Subsequent Events**

Subsequent to March 31, 2018, the Company received advances totaling $230,000 from Mark Wellings a current shareholder, director and officer of the Company.

On May 22, 2018 the Company's subsidiary MESEX, sold to a third party the Santa Maria Investigation permit properties in Spain for a gross 200,000 Euros consideration. 10,000 Euros were paid on execution of the agreement, 40,000 Euros will be paid in 60 days and the final 150,000 Euros once the Mineral Property transfer is registered in the Extremadura Mining Authority Records in Spain. The Company hold a 60% interest in MESEX and all the exploration expenditures on the properties were subject to a $2,854,623 impairment in the year ended March 31, 2014.

**Other information**

Additional information about the Company is available on www.sedar.com