



Eurotin Inc.



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

For the Three Months Ended June 30, 2018



Eurotin Inc.

Introduction

The following Interim Management Discussion & Analysis (“**Interim MD&A**”) of Eurotin Inc. (the “**Company**” or “**Eurotin**”) has been prepared to provide material updates to the business operations, liquidity and capital resources of the Corporation since its last management discussion & analysis, being the Management Discussion & Analysis (“**Annual MD&A**”) for the fiscal year ended March 31, 2018. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim 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 Annual MD&A, the audited annual consolidated financial statements of the Company for the years ended March 31, 2018 and March 31, 2017 (“**FY 2018**” and “**FY 2017**”, respectively) and the unaudited condensed interim consolidated financial statements for the three months ended June 30, 2018 (“**Q1 2019**”), 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 three months ended June 30, 2018 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at August 28, 2018 unless otherwise indicated.

The unaudited condensed interim consolidated financial statements for Q1 2019, 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. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this Interim 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



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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 twelve-month period ending June 30, 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 be 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 twelve-month period ending June 30, 2019.	The operating and exploration activities of the Company for the twelve-month period ending June 30, 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.



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<p>Eurotin's' properties may contain economic deposits of precious, base metals and principally Tin.</p>	<p>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.</p>	<p>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.</p>
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<p>The Company will be able to carry out anticipated business plans, including costs and timing for future exploration on its property interests.</p>	<p>The exploration activities of the Company for the twelve-month period ending June 30, 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.</p>	<p>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.</p>
<p>Sensitivity analysis of financial instruments.</p>	<p>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 three months ended June 30, 2018 as a result of a change in the foreign currency exchange rates or interest rates.</p>	<p>Changes in debt and equity markets; interest rate and exchange rate fluctuations</p>



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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 Interim 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 77 King Street West, TD North Tower Suite 700, Toronto, Ontario M5K 1G8. 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 which is held by its wholly-owned subsidiary, Minas de Estaño de España ("**MESPA**"), and also has a 60% interest in Minas de Estaño de Extremadura ("**MESEX**"), both are private Spanish limited liability partnership companies.

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



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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.

Corporate Development Highlights

On May 22, 2018, the Company's subsidiary MESEX, sold to a third party the Santa Maria Investigation permit properties in Spain for gross consideration of 200,000 Euros. 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 fiscal year ended March 31, 2014.

Exploration and Evaluation Activities

During Q1 2018, the Company spent \$184,794 on its exploration and evaluation programs at the Oropesa property compared with \$608,481 during Q1 2017. The Santa Maria property remains on a care and maintenance basis.

Exploration and Development Costs

	Three Months Ended June 30,	
	2018 (\$)	2017 (\$)
Oropesa		
Drilling	-	119,092
Lab & Consultants	184,794	489,389
Total Oropesa	184,794	608,481

Outlook

As of June 30, 2018, the Company had a net working capital deficiency of \$603,963, which increased as compared to a net working capital deficiency of \$594,049 as at March 31, 2018. During 2018, the Company will continue to pursue strategic alternatives. The Company's priority is to complete 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 rights offering or private placement and continues to operate as prudently as possible with an emphasis on cost containment.



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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.

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 June 30, 2018, the Corporation is committed to future minimum payments in Euros under warehouse rents as follows: For the fiscal year ended March 31, 2019, €5,355.

Discussion of Operations

Three months ended June 30, 2018 ("Q1 2019") compared with the three months ended June 30, 2017 ("Q1 2018")

Eurotin's net gain for Q1 2019 was \$174,880, with basic and diluted gain per share of \$0.00. This compares with a net loss of \$2,042,027 with basic and diluted loss per share of \$0.03 for Q1 2018. The decrease of \$2,216,907 in net loss was principally because:

- During Q1 2018, 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 compared with \$ Nil in Q1 2019.
- During Q1 2019, the Company sold the aforementioned Santa Maria Investigation permit creating a \$340,299 gain compared with \$Nil in Q1 2018
- During Q1 2019, General and Administrative expenses decreased to \$174,880 in Q1 2019 from \$362,908 in Q1 2018. The decrease is due mainly to an Exchange Rate change between the Canadian Dollar and the Euro creating a loss of \$ 1,532 in Q1 2019 compared to a loss of \$ 115,977 in Q1 2018.



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Liquidity and Financial Position

Cash provided by operating activities was \$68,181 for Q1 2019 compared to \$481,391 in Q1 2018. Operating activities were affected a positive change in non-cash working capital balances of \$285,013 largely because of a increase in accounts receivable of \$252,259.

At June 30, 2018, Eurotin had \$117,689 in cash and cash equivalents (March 31, 2018 - \$128.131).

Cash used in investing activities during Q1 2019 was \$184,794 compared with \$608,481 during Q1 2018, which was mainly attributable to expenditures on exploration and evaluation assets.

Cash provided for financing activities during Q1 2019 was \$230,000 from advances from a related party for shares to be issued compared with \$966,762 net proceeds of a Private placement completed in Q1 2018.

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 unaudited condensed interim consolidated financial statements for Q1 2019 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.

As of June 30, 2018, the Company had 67,998,950 common shares issued and outstanding. There were no warrants or stock options outstanding.

As at June 30, 2018, the Company maintains \$797,879 in advances from a related party included in amount 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 assesses 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 \$603,963 at June 30, 2018, this includes the related party advance of \$797,879 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 positive in the amount of \$193,916. 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.

	Three Months Ended June 30,	
	2018 (\$)	2017 (\$)
Salaries and benefits ⁽¹⁾	51,250	65,000

(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 Q1 2019 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 have not, and currently do not receive any compensation.

(b) Transactions with related parties

During Q1 2019, the Company received \$230,000 (Q1 2018 - \$Nil) in advances from Mark Wellings a Director, Officer and Shareholder of the Company, which have been included in the amount payable and other liabilities. This amount is unsecured, noninterest bearing and due on demand.

Share Capital

As of the date of this Interim 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 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 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 Company, as of the date of and for the periods presented.



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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 and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risks Factors Relating to the Company's Business and Industry" in the Company's Annual MD&A for the fiscal year ended March 31, 2017, available on SEDAR at www.sedar.com.

Additional Disclosure for Venture Issuers without Significant Revenue



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	Three Months Ended June 30,	
	2018 (\$)	2017 (\$)
Salaries and Bennefits	50,295	87,857
Director fees	10,000	10,000
Profesional fees	44,483	92,583
Administrative Expenses	42,055	30,845
Investor Relations	2,674	7,343
Travel Expenses	14,380	18,303
Foreign Exchange	1,532	115,977
	165,419	362,908

Subsequent Events

Subsequent to June 30, 2018, the Company received advances totaling \$100,000 from Mark Wellings a current shareholder, director and officer of the Company.

On July 31, 2018, the Company announced that it had entered into a binding heads of agreement (the “**Agreement**”) with Elementos Limited (ASX: ELT) (“Elementos”) for the sale of all of the issued and outstanding common shares of the Company’s wholly-owned Spanish subsidiary Minas de Estano de Espana, S.L.U. (“MESPA”), which has a 96% interest in the Oropesa tin project in Spain (“Oropesa”) (the “Transaction”). Pursuant to the Agreement, Elementos will issue one billion of its common shares (the “Elementos Shares”), representing approximately 43% of the post-closing outstanding common shares of Elementos (excluding any common shares issued in connection with the financing described below), in consideration for all of the issued and outstanding MESPA shares with such Elementos Shares to be distributed to shareholders of Eurotin on a pro rata basis. The Elementos Shares will be issued at a price of AUD\$0.006 per shares for an aggregate purchase price of AUD\$6 million. In addition, Elementos will assume a shareholder loan (the “**Wellings Loan**”) owing by the Company to the Company’s CEO and major shareholder, Mark Wellings. The loan is for monies advanced by Mr. Wellings to fund operations of the Company and is for CAD\$1 million. Elementos and the Company intend to complete the Transaction by way of Plan of Arrangement.

Other information

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