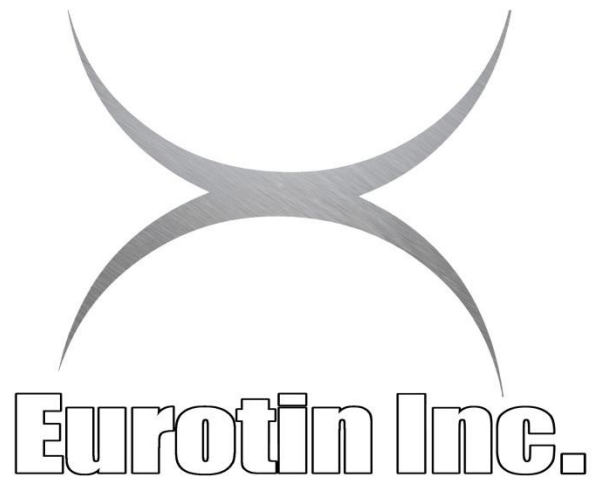




**Eurotin Inc.**

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

**For the Year Ended March 31, 2019**



# Eurotin Inc.

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## 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, 2019.

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, 2019 (“**FY 2019**”) and March 31, 2018 (“**FY 2018**”) 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, 2019 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at July 24, 2019 unless otherwise indicated.

The audited consolidated financial statements for the years ended March 31, 2019 and 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](http://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,



# Eurotin Inc.

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.

<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
For fiscal year 2020, the Company will continue to pursue strategic alternatives. The priority is to complete the transfer of MESPA to Elementos Limited as per the Plan of Arrangement described below.	The Company has anticipated all material costs; the operating activities of the Company for the year ending March 31, 2020, 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 evaluation activities and strategic alternatives for the year period ending March 31, 2020.	The operating and evaluating activities of the Company for the year ending March 31, 2020 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.
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 period ending March 31, 2020 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



# Eurotin Inc.

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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 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 NEX board of TSX Venture Exchange ("**TSX-V**", or the "**Exchange**") under the symbol "**TIN.H**".

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



# Eurotin Inc.

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

Further to its announcement on July 31, 2018 of the signing of a Binding Heads of Agreement with Elementos Limited (ASX:ELT) ("**Elementos**"), the Company announced on October 22, 2018 that it entered into the arrangement agreement (the "**Arrangement Agreement**") with Elementos providing for the purchase by Elementos of the Oropesa tin deposit in Spain ("**Oropesa**").

The Acquisition Agreement provided for the transfer of Oropesa to take place by way of a plan of arrangement under Canadian laws (the "**Arrangement**") and pursuant thereto Eurotin shall transfer to Elementos 100% of the issued and outstanding securities in Minas De Estaño De España S.L.U. ("**MESPA**"), a wholly owned subsidiary of Eurotin and the holder of Oropesa.

In consideration for the acquisition of Oropesa, Elementos issued one billion convertible redeemable preference shares (the "**CRP Shares**"), which were distributed pro-rata to Eurotin's shareholders. Each CRP Share will automatically convert into one ordinary share of Elementos on the Final Completion Date (as defined below). 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 Wellings Loan is in respect of capital advanced by Mr. Wellings to fund operations of the Company and is for a principal amount of \$1 million.

The change in control that will result from the transfer of MESPA to Elementos requires approval from the relevant regional mining authority in Spain (the "**Regional Mining Approval**"), which may take a number of months to be completed. Accordingly, completion of the transaction will take place in two stages:

1. upon obtaining shareholder and Canadian court approvals and satisfaction or waiver of all other conditions as set out in the Arrangement Agreement (excluding the Regional Mining Approval and certain other conditions which by their nature cannot be satisfied prior to the Final Completion Date, as defined below), Elementos will distribute the CRP Shares to the shareholders of Eurotin (the "**Interim Completion**"); and
2. upon receipt of the Regional Mining Approval, Eurotin and Elementos will complete the transfer to Elementos of the shares in MESPA (the "**Final Completion**") and the CRP Shares shall automatically convert into ordinary shares of Elementos (the "**Final Completion Date**"). The Final Completion Date must occur within 12 months of distribution of the CRP Shares to Eurotin shareholders.

On October 22, 2018 Mr. Wellings executed a voting agreement in support of any resolutions at any shareholder meeting of Eurotin to affect the Arrangement Agreement. Andrew Greig, a principal and major shareholder of Elementos, entered into a similar voting agreement with respect to his shares in Elementos on October 31, 2018.



# Eurotin Inc.

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On December 12, 2018, the Company held its annual general and special meeting where the Arrangement, amongst other items, was approved by all shareholders present in person or by proxy at the meeting, as well as by a majority of the minority.

On December 20, 2018, the Company announced that it received final approval from the Ontario Superior Court of Justice for the Arrangement and also requested a business halt of trading of its common shares on the TSX Venture Exchange pending finalization of the Interim Completion.

On January 3, 2019, the Company completed the Interim Completion portion of the Arrangement pursuant to the provisions of the Arrangement Agreement. Eurotin filed its articles of arrangement and ancillary documents thereto pursuant to the provisions of the *Business Corporations Act* (Ontario) to give effect to the plan of arrangement (the “**Plan**”). Pursuant to the Plan and the Arrangement Agreement, Elementos issued one billion CRP Shares pro-rata to Eurotin shareholders, being 9.37 CRPS for every Eurotin share held.

The Final Completion portion of the Arrangement has not yet been concluded, being the transfer of the shares of MESPA to Elementos following receipt of the Regional Mining Approval. On the Final Completion Date the CRP Shares will automatically convert into ordinary shares of Elementos trading on the Australian Securities Exchange under the symbol “ELT.” Shares of Eurotin resumed trading on the NEX board of the TSX Venture Exchange on January 15, 2019.

As required under IFRS 5 – Non Current Assets Held for Sale and Discontinued Operations, the Oropesa Tin project in Spain have been impaired for \$ 10,995,658 and the \$ 5,859,291 Mineral Properties and Deferred Expenditures balance have been classified as discontinued operations for the year ended March 31, 2019 and the associated comparative prior periods. For the purposes of discussing our operating results in this MD&A, we have presented our financial information based on our continuing operations unless otherwise noted. Although the MESPA subsidiary is treated in this MD&A as a discontinued operation, readers should understand that we currently still own the business and will continue to own it until we complete one or more divestiture transactions relating to this business segment. The discontinued operations do not impact our continuing operations and therefore have not been discussed in this MD&A. At this point, there can be no assurance that we will ultimately be successful.

## **Exploration and Development Cost**

During Q4 2019, the Company spent \$158,473 (FY 2019-\$519,567) on its exploration and evaluation programs at the Oropesa property compared with \$109,814 during Q4 2018 (FY 2018-\$1,890,743).

## **Mineral Properties and Deferred Expenditures**



# Eurotin Inc.

Oropesa	As up at March 31, 2018	From April 01, 2018 to June 30, 2018	From July 01, 2018 to September 30, 2018	From October 01, 2018 to December 31, 2018	From January 01, 2019 to March 31, 2019	As up at March 31, 2019
Drilling	\$ 8,748,246	\$ -	\$ -	\$ -	\$ -	\$ 8,748,246
Lab & Consultants	5,774,765	184,794	116,946	57,354	158,473	6,292,332
Other Expenses	1,814,370	-	-	-	-	1,814,370
Sub Total	16,337,382	184,794	116,946	57,354	158,473	16,854,949
Impairment		-	-	-10,878,434	-117,224	-10,995,658
Assets Held for Sale		-	-	-5,818,042	-41,249	-5,859,291
<b>Total</b>	<b>\$ 16,337,382</b>	<b>\$ 184,794</b>	<b>\$ 116,946</b>	<b>-\$ 16,639,122</b>	<b>-\$ 0</b>	<b>-\$ 0</b>

## Outlook

As of March 31, 2019, the Company had a net working capital of \$4,189,102 which increased as compared to a net working capital deficiency of \$594,049 as at March 31, 2018. As per the Plan of Arrangement, as of March 31, 2019, Elementos had issued the one billion Elementos CRP Shares to Eurotin's shareholders, however the Regional Mining Approval have not being granted, therefore such consideration was removed from Current Assets and the Company's net working capital shows a deficiency of \$1,947,187 as a result.

The Company will continue to pursue strategic alternatives. The Company's priority is to complete the transfer of MESPA to Elementos as per the Plan of Arrangement described above. 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.

## Recent accounting pronouncements

### Change in accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after March 31, 2018. The following new standards have been adopted:

#### IFRS 15 - Revenue From Contracts With Customers ("IFRS 15")

IFRS 15 proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing

of revenue recognized. On April 1, 2018, the Company adopted IFRS 15 and has determined that the adoption of this new standard does not have any impact on its financial statements.

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

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

On July 24, 2014, the IASB issued the completed IFRS 9, Financial Instruments, (IFRS 9 (2014)) to come into effect on January 1, 2018 with early adoption permitted.

IFRS 9 (2014) includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: recognition and measurement, for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its consolidated financial statements on April 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on January 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the year. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.



The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for future accounting periods beginning after April 1, 2018. Those pronouncements that are not applicable or do not have a significant impact to the Company have been excluded from the below. The following have not yet been adopted and are being evaluated to determine the impact on the Company:

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

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

### **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.



# Eurofin Inc.

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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.

## **Financial assets**

Financial assets not measured at fair value through profit or loss or fair value through other comprehensive income are 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 and amounts receivable and other assets. As at March 31, 2018, the Company's financial assets were \$193,479 compared with \$140,664 as at March 31, 2018.

## **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. As at March 31, 2019, the Company's financial liabilities were \$840,430 compared with \$996,966 as at March 31, 2018.

## **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, 2019, the Company is committed to future minimum payments in Euros under warehouse rents as follows: For the fiscal year ended March 31, 2020, €6,000.

## **Discussion of Operations**

Three months ended March 31, 2019 ("**Q4 2019**") and Twelve months ended March 31, 2019 ("**FY 2019**") compared with the three months ended March 31, 2018 ("**Q4 2018**") and Twelve months ended March 31, 2018 ("**FY 2018**").



## Eurotin Inc.

Eurotin's net loss for Q4 2019 was \$7,706 (FY 2019 – Net Loss \$650,557) with basic and diluted loss per share of \$0.00 in Q4 2019 (FY 2019 - \$0.00) for its continuing operations and a net loss of \$168,277 in Q4 2019 (FY 2019 - \$11,554,231) with a basic and diluted loss per share of \$ 0.00 in Q4 2019 (FY 2019 - \$0.11) including its discontinued operations. This compares with a net loss for Q4 2018 of \$539,786 (FY 2018 – \$1,096,993) with basic and diluted gain per share of \$0.00 in Q4 2018 (FY 2018 - \$0.00) for its continuing operations and a net loss of \$600,204 in Q4 2018 (FY 2018 - \$2,813,673) with a basic and diluted loss per share of \$0.00 in Q4 2018 (FY 2018 - \$0.04) including its discontinued operations.

The net loss in Q4 2019 was \$7,706 compared with \$539,786 in Q4 2018 in the continuing operations the reduction was principally because:

- During Q4 2019, General and Administrative expenses in the continuing operations reduced to \$7,706 from \$539,786 in Q4 2018. The \$532,080 decrease is due mainly to an Exchange Rate change between the Canadian Dollar and the Euro creating a gain of \$124,878 in Q4 2019 compared to a loss of \$373,122 in FQ42018 and partially offset by an increase of \$11,071 in legal and Professional fees in connection with the Plan of Arrangement described in the Corporate Development Highlights section above

The net loss in FY 2019 was \$650,557 compared with \$3,116,708 in FY 2018 in the continuing operations the reduction was principally because:

- During FY 2019, General and Administrative expenses in the continuing operations reduced to \$650,557 from \$1,096,933 in FY 2018. The \$557,147 decrease is due mainly to an Exchange Rate change between the Canadian Dollar and the Euro creating a gain of \$64,938 in FY 2019 compared to a loss of \$536,149 in FY 2018 and partially offset by an increase of \$131,863 in legal and Professional fees and \$27,450 in Investor Relations expenses in connection with the Plan of Arrangement described in the Corporate Development Highlights section above.
- During FY 2019, the Company realized a gain of \$306,457 on the sale on Mineral properties and equipment compared with \$Nil in FY 2018.

The driver for the discontinued operations loss in FY 2019 is a \$10,878,434 impairment in mineral properties and deferred expenditures compared with \$Nil in FY 2018.

### **Selected Financial Information**

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



# Eurotin Inc.

	Twelve Months ended March 31, 2019 (audited)	Quarter ended March 31, 2019	Quarter ended Dec. 31, 2018	Quarter ended September 30, 2018	Quarter ended June 30, 2018
Revenue	Nil	Nil	Nil	Nil	Nil
Income from Operations	Nil	Nil	Nil	Nil	Nil
Net loss for the period	\$(11,554,231)	\$(168,277)	\$(11,341,210)	\$(219,624)	\$174,880
Diluted Gain ( Loss) per share	\$(0.11)	\$(0.11)	\$(0.10)	\$(0.00)	\$(0.00)
Total Assets	\$6,424,321	\$6,424,321	\$6,310,771	\$17,097,436	\$17,154,377
Accounts Payable and Accrued Liabilities	\$2,235,219	\$2,235,219	\$1,953,392	\$1,398,847	\$1,236,164
Cash	\$193,479	\$193,479	\$20,210	\$42,230	\$117,689
Mineral Properties and Deferred Expenditure	Nil	Nil	Nil	\$16,639,122	\$16,522,176
Total equity	\$4,189,102	\$4,189,102	\$4,357,379	\$15,698,589	\$15,918,213

	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

During the last eight quarters the Company does not have any Revenue or Income from Operations

During the last eight quarters the Company has accumulated losses for \$14,367,904 the drivers for the loss are the impairment of exploration and evaluation assets for \$ 10,878,434 posted in the quarter ended December 31, 2018 increased to \$10,995,658 in the quarter ended March 31, 2019 and a non-cash loss for \$1,680,000 in connection with a shares for debt conversion during the quarter ended June 30, 2017.

During the last eight quarters the total assets of the Company had been reduced by \$9,130,951 and the main reason is the reduction in Mineral Properties and Deferred Expenditures by \$15,055,120 as per the impairment described above and the reclassification of \$5,859,291 as Assets held for sale during the quarter ended March 31, 2019.

## Liquidity and Financial Position

Cash used in operating activities was \$56,315 for FY 2019 compared to \$960,818 in FY 2018. Operating activities were affected a negative change in non-cash working capital balances largely because of an



## Eurotin Inc.

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increase in accounts payable of \$548,439 and a decrease in the Accounts receivable of \$45,803, and for the gain on sale of minerals properties and equipment of \$306,457

At March 31, 2019, Eurotin had \$193,479 in cash and cash equivalents (March 31, 2018 - \$140,664).

Cash used in investing activities during FY 2019 was \$792,362 compared with \$2,229,796 during FY 2018, the increase was mainly attributable to cash invested in discontinued operations from continuing operations

Cash provided for financing activities during FY 2019 was \$972,000 from advances from a related party for shares to be issued compared with \$ 2,937,944 FY 2018 comprised of \$1,032,178 from advances from a related party for shares to be issued, \$1,905,766 net proceeds from two Private placements completed in April 3, 2017 and December 20,2017.

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 for the year ended March 31, 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 March 31, 2019, the Company had 106,741,332 common shares issued and outstanding. There were no warrants or stock options outstanding.

As at December 31, 2018, the Company maintains \$1,544,183 in advances from a related party included the \$1,000,000 to be assumed by Elementos in amount payable and other liabilities and Liabilities Related to assets held for sale. 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.

Removing the Elementos consideration the Company's working capital is in a deficit of \$1,947,187 at March 31, 2019, this includes the related party advance of \$1,544,183 from a major shareholder of the Company committed to the long-term financial health of the Company, therefore, in reality the working capital position is in a deficit of \$403,004. The Company will be required to raise additional capital in order



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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 March 31,		Twelve Months Ended March 31,	
	2019 (\$)	2018 (\$)	2019 (\$)	2018 (\$)
Salaries and benefits <sup>(1)</sup>	51,250	51,250	205,000	205,000

(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 FY 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 Q4 2019, the Company received \$53,000 (FY 2019 - \$972,00) and \$130,000 during Q4 2018 (FY 2018 - \$ 1,028,428) in advances from Mark Wellings a Director, Officer and Shareholder of the Company, which have been included in the amount payable and other liabilities and Liabilities Related to other assets held for sale. This amount is unsecured, noninterest bearing and due on demand.

## 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.



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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 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 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





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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 Property (the “**Property**”) is the Company’s only material property and is 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 Property will result in discoveries of commercial quantities of ore. Furthermore, unless the Company acquires additional properties or projects, any adverse developments affecting the Property or the Company’s rights to develop the Property 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 property 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



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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



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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.

## Property May be Subject to Defects in Title

The Company has investigated its rights to explore and exploit the Oropesa Property 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 Property, 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



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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 Property. 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



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development of the Oropesa Property 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.



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## 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



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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.



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## Additional Disclosure for Venture Issuers without Significant Revenue

Continuing Operations	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2019 (\$)	2018 (\$)	2019 (\$)	2018 (\$)
Salaries and Benefits	39,557	45,620	164,509	179,287
Director Fees	10,000	10,000	40,000	40,000
Professional Fees	62,059	50,988	320,596	188,733
Administrative Expenses	2,835	40,044	90,940	91,708
Investor Relations	10,570	15,583	53,678	26,228
Travel Expenses	7,563	4,429	45,772	34,888
Foreign Exchange (gain) loss	(124,878)	373,122	(64,938)	536,149
	7,706	539,786	650,557	1,096,993

Discontinued Operations	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2019 (\$)	2018 (\$)	2019 (\$)	2018 (\$)
Salaries and Benefits	15,546	15,532	48,769	70,271
Professional Fees	20,814	32,872	149,251	115,969
Administrative Expenses	7,106	8,532	30,947	32,398
Travel Expenses	(5)	2,240	2,511	4,003
Foreign Exchange (gain) loss	(114)	(343,578)	60,712	(524,528)
Gain on Sale of Mineral Properties and Equipment	57,885	-	(19,991)	-
Other Income	(57,726)	-	(57,726)	-
Interest Income	-	(1,148)	-	(1,148)
Impairment of Mineral Properties and Deferred Expenditures	117,224	-	10,995,658	-
	160,730	(285,550)	11,210,131	(303,035)

### Other information

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