
EUROTIN INC.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2020 AND 2019
(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

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**To the Shareholders of
Eurotin Inc.**

Opinion

We have audited the consolidated financial statements of Eurotin Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2020 and 2019, and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the financial position of Eurotin Inc. as at March 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 1 to the financial statements which indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mark Irwin.



Toronto, Canada
July 24, 2020

Chartered Professional Accountants
Licensed Public Accountants

Management's Responsibility for Consolidated Financial Statements

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

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

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the consolidated financial statements and (ii) the 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 by the consolidated financial statements.

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

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

(signed) "Mark Wellings "

Chief Executive Officer

Toronto, Canada
July 24, 2020

(signed) "Carlos Pinglo"

Chief Financial Officer

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

| | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------------------|-------------------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 2,700 | \$ 193,479 |
| Amounts receivable and other assets (note 8) | 35,326 | 94,553 |
| Assets held for sale (note 7) | - | 6,136,289 |
| Total assets | \$ 38,026 | \$ 6,424,321 |
| EQUITY AND LIABILITIES | | |
| Current liabilities | | |
| Amounts payable and other liabilities | \$ 1,376,692 | \$ 840,430 |
| Liabilities related to assets held for sale (note 7) | - | 1,394,789 |
| Total liabilities | 1,376,692 | 2,235,219 |
| Equity | | |
| Share capital (note 10) | 31,495,696 | 34,200,496 |
| Contributed surplus | 3,768,236 | 3,768,236 |
| Non-controlling interest | - | (299,290) |
| Deficit | (36,602,598) | (33,480,340) |
| Total equity | (1,338,666) | 4,189,102 |
| Total equity and liabilities | \$ 38,026 | \$ 6,424,321 |

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

Nature of operations and going concern (note 1)
Subsequent event (note 16)

Approved on behalf of the Board:

(Signed) "David Danziger", Director _____

(Signed) "John Hick", Director _____

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

| Years ended March 31, | 2020 | 2019 |
|--|-----------------------|------------------------|
| Operating expenses | | |
| General and administrative (note 12) | \$ 876,415 | \$ 650,557 |
| Operating loss before the following items | (876,415) | (650,557) |
| Gain on sale of mineral properties and equipment (note 13) | - | 306,457 |
| Loss on disposition of MESEX | (377,177) | - |
| Total loss and comprehensive loss from continuing operations | (1,253,592) | (344,100) |
| Total loss and comprehensive loss from discontinued operations (note 7) | (1,949,177) | (11,210,131) |
| Total loss and comprehensive loss for the year | \$ (3,202,769) | \$ (11,554,231) |
| Total (loss) income and comprehensive (loss) income attributable to | | |
| Parent company | \$ (3,122,258) | \$ (11,478,370) |
| Non-controlling interest | \$ (80,511) | \$ 91,344 |
| Basic and diluted loss per share - continuing operations (note 11) | \$ (0.01) | \$ (0.00) |
| Basic and diluted loss per share - discontinued operation (note 11) | \$ (0.02) | \$ (0.11) |
| Weighted average number of common shares outstanding | 106,741,332 | 106,741,332 |

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

Eurotin Inc.

Consolidated Statements of Cash Flows (Expressed in Canadian dollars)

| Years ended March 31, | 2020 | 2019 |
|--|------------------|-------------------|
| Operating activities | | |
| Net loss from continuing operations for the year | \$ (1,253,592) | \$ (344,100) |
| Adjustments for: | | |
| Loss on disposition of MESEX | 377,177 | - |
| Gain on sale of mineral properties and equipment | - | (306,457) |
| Unrealized foreign exchange (gain) | 90,147 | - |
| | (786,268) | (650,557) |
| Non-cash working capital items: | | |
| Amounts receivable and other assets | 59,227 | 45,803 |
| Amounts payable and other liabilities | 157,215 | 548,439 |
| Net cash used in operating activities | (569,826) | (56,315) |
| Investing activities | | |
| Proceeds from sale of mineral properties and equipment | - | 306,457 |
| Cash invested in discontinued operations from continuing operations | - | (1,098,819) |
| Net cash used in investing activities | - | (792,362) |
| Financing activities | | |
| Advance from related party for shares to be issued | 379,047 | 972,000 |
| Net cash provided by financing activities | 379,047 | 972,000 |
| Net change in cash and cash equivalents for continuing operations | (190,779) | 123,323 |
| Cash and cash equivalents, beginning of the year for continuing operations | 193,479 | 70,156 |
| Cash and cash equivalents, end of the year for continuing operations | \$ 2,700 | \$ 193,479 |
| Cash provided by (used in) operating activities for discontinued operations | \$ 369,071 | \$ (586,129) |
| Cash used in investing activities for discontinued operations | (603,537) | (439,849) |
| Cash provided by financing activities for discontinued operations | - | 1,098,819 |
| Net change in cash and cash equivalents for discontinued operation | (234,466) | 72,841 |
| Cash and cash equivalents, beginning of the year for discontinued operation | 234,466 | 70,508 |
| Cash and cash equivalents, end of the year for discontinued operation | \$ - | \$ 143,349 |

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

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

Equity attributable to shareholders

| | Number of shares | Share capital | Contributed surplus | Deficit | Non-controlling interest | Total |
|--|-----------------------------|--------------------------|--------------------------------|------------------------|-------------------------------------|-----------------------|
| Balance, March 31, 2018 | 106,741,332 | \$ 34,200,496 | \$ 3,768,236 | \$ (21,834,765) | \$ (390,634) | \$ 15,743,333 |
| Net loss and comprehensive loss for the year | - | - | - | (11,645,575) | 91,344 | (11,554,231) |
| Balance, March 31, 2019 | 106,741,332 | \$ 34,200,496 | \$ 3,768,236 | \$ (33,480,340) | \$ (299,290) | \$ 4,189,102 |
| Return of capital | - | (2,704,800) | - | - | - | (2,704,800) |
| Net loss and comprehensive loss for the year | - | - | - | (3,122,258) | (80,511) | (3,202,769) |
| Disposition of MESEX | - | - | - | - | 379,801 | 379,801 |
| Balance, March 31, 2020 | 106,741,332 | \$ 31,495,696 | \$ 3,768,236 | \$ (36,602,598) | \$ - | \$ (1,338,666) |

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

Eurotin Inc.

Notes to Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian dollars)

1. Nature of operations and going concern

Nature of operations

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

Stannico Resources Inc. was incorporated on October 9, 2008 under the laws of the province of Ontario. The Company controlled 100% of the issued common shares of Minas De Estano De Espana, S.L.U. ("MESPA" or "MEE"), a private corporation incorporated on November 29, 2006 in Spain whose business is exploration, research, exploitation and utilization of mineral deposits, resources and substances, as well as the establishment of industries related to them, to obtain mining, industrial and chemical products and processed products in general.

On December 28, 2018, Eurotin Inc. and Stannico Resources Inc. amalgamated.

The Company operates from its headquarters in Ontario, Canada and also through two wholly-owned subsidiaries: Stannico Resources Inc. and MESPA. These subsidiaries represent the interest of Eurotin Inc. in Spain. The address of the registered office is 77 King Street West, TD North Tower, Suite 700, Toronto ON M5K 1G6.

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

On January 4, 2019, the Company completed its plan of arrangement with Elementos Limited ("Elementos"). The plan provides for the transfer by Eurotin to Elementos of 100% of the issued and outstanding securities in MESPA, a wholly owned subsidiary of Eurotin and holder of Eurotin's Oropesa tin project in Spain. In consideration for the acquisition of Oropesa, Elementos issued one billion convertible redeemable preference shares (the "CRPS") which were distributed pro-rata to Eurotin's shareholders. Holders of common shares of Eurotin (the "TIN Shareholders") as of December 31, 2018 (the "Record Date") received their pro-rata portion of the CRPS resulting in the issuance of 9.37 CRPS for every-common share of Eurotin (the "Common Shares") held by a TIN Shareholder. On the Record Date the shares of Elementos were trading on the Australian Stock Exchange at AUD\$0.05 per share, therefore the fair value of the consideration at that date was AUD\$5,000,000 which was equivalent to \$4,741,500.

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 several months to be completed. Accordingly, completion of the transaction will take place in two stages:

- 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

Eurotin Inc.

Notes to Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian dollars)

1. Nature of operations and going concern (continued)

Nature of operations (continued)

- 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 December 20, 2018, the Company received final approval from the Ontario Superior Court of Justice for the Arrangement.

On December 6, 2019, the Company and Elementos waived the Regional Mining Approval requirement described above.

On January 14, 2020, the Company announced that it had completed the final step in its transaction with Elementos and consequently the one billion convertible redeemable preference shares of Elementos previously issued to Eurotin's shareholders have now been converted into common shares of Elementos.

Since January 1, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, organizations and businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to organizations worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. Management believes COVID-19 has had no material impact on the Company.

Going concern

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

As at March 31, 2020, the Company had working capital deficiency of \$1,338,666 (March 31, 2019 - working capital of \$4,189,102), had not yet achieved profitable operations, had accumulated losses of \$36,602,598 (March 31, 2019 - \$33,480,340) and expects to incur further losses in the development of its business. The Company will need further financing to operate over the next 12 months.

Management acknowledges that uncertainty remains over the ability of the Company to meet its funding requirements but believes that financing will be available and continues to explore debt and equity financing options that would provide the Company with sufficient cash to continue with its exploration activities. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. These circumstances indicate the existence of material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern.

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

Eurotin Inc.

Notes to Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian dollars)

2. Basis of presentation and statement of compliance

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended March 31, 2020.

The consolidated financial statements of the Company for the year ended March 31, 2020 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on July 24, 2020.

Basis of measurement

These consolidated financial statements are stated in Canadian dollars and were prepared on a historical cost basis except for certain items which may be accounted for at fair value as further discussed in subsequent notes, using the significant accounting policies and measurement basis summarized below.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the consolidated financial statements are disclosed in Note 4.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars which is the Company's functional currency. The functional currencies of Eurotin is the Canadian dollar and the functional currency of Minas De Estano De Espana and Minas De Estano De Extremadura are the Canadian dollar.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of consolidation

Subsidiaries are entities controlled by Eurotin. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

Intra-group balances and transactions, and any unrealized gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with subsidiaries are eliminated to the extent of the Company's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Eurotin Inc.

Notes to Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian dollars)

3. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

The consolidated financial statements of the Company set out the assets, liabilities, expenses, and cash flows of the Company and its subsidiaries, namely:

| Entity | Country of incorporation | Ownership interest at March 31 | |
|--|--------------------------|--------------------------------|------|
| | | 2020 | 2019 |
| Minas De Estano De Espana --subsidiary | Spain | NA | 100% |
| Minas De Estano De Extremadura--subsidiary | Spain | NA | 60% |

(b) Cash

Cash in the consolidated statements of financial position comprise cash at banks. The Company's cash is invested with major financial institutions in business accounts that are available on demand by the Company for its programs.

(c) Foreign currency translation

Items included in the financial statements of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the statement of loss and comprehensive loss.

Foreign exchange gains and losses on intercompany loans receivable from foreign operations, for which settlement is neither planned nor likely to occur in the foreseeable future are recognized in other comprehensive loss and accumulated in a separate component of equity, irrespective of the currency the intercompany loan is denominated in. In substance, such an item forms part of the Company's net investment in the foreign operation. Such items are reclassified from equity to profit or loss on disposal of the net investment in foreign operations. Additionally, foreign exchange gains and losses related to certain intercompany amounts are recorded in profit and loss.

(d) Exploration and evaluation assets

General exploration and evaluation ("E&E") expenditures incurred prior to acquiring the legal right to explore are charged to the consolidated statement of comprehensive loss as incurred.

E&E expenditures incurred subsequent to acquisition of the legal right to explore, including license and property acquisition costs, geological and geophysical expenditures, costs of drilling exploratory holes and directly attributable overhead including salaries and employee benefits, are initially capitalized as E&E assets. E&E assets are not depleted and are moved into property, plant and equipment when they are determined to meet certain technical feasibility and commercial viability thresholds as determined by management. Upon transfer to property, plant and equipment the assets are considered available for use and amortization begins to be recorded on the basis of unit of production when commercial production commences. When events and or changes in circumstances indicate that carrying amount may not be recoverable, E&E assets are assessed for impairment in addition to regular impairment reviews to ensure they are not carried at amounts above their estimated recoverable values.

Eurotin Inc.

Notes to Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian dollars)

3. Summary of significant accounting policies (continued)

(e) Property, plant and equipment ("PPE")

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is charged on a straight line basis so as to write off the cost of these assets less estimated residual value over their estimated useful economic lives, which is expected to be 2 to 5 years.

(f) Financial instruments

Classification and measurement

IFRS 9 requires financial assets and liabilities to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss ("FVTPL"), those measured at fair value through other comprehensive loss ("FVOCI") and those measured at amortized cost. Measurement and classification of financial assets and financial liabilities is dependent on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset and liabilities.

The Company classified cash and cash equivalents, amounts receivable and amounts payable and other liabilities at amortized cost.

Financial assets and liabilities at amortized costs are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Investments in equity instruments are required to be measured by default at fair value through profit or loss, unless the Company makes an irrevocable election to present subsequent changes in the fair value of its equity investments in other comprehensive (income) loss.

De-recognition

The Company derecognizes financial assets when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risk and rewards of ownership to another entity. A financial liability is derecognized when the obligation under the liability is discharged, canceled or expired. Gains and losses on de-recognition of financial assets and liabilities are generally recognized in the consolidated statements of income (loss).

Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Significant financial difficulties of a debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the financial asset is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the consolidated statement of comprehensive loss. When a financial asset is uncollectible, it is written off against the allowance account for receivables.

Eurotin Inc.

Notes to Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian dollars)

3. Summary of significant accounting policies (continued)

Impairment (continued)

A loss allowance for expected credit losses is recognized in net income (loss) for financial assets measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair value at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income. At each balance sheet date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model does not apply to investment in equity instruments.

The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

(g) *Impairment of non-financial assets*

At the end of each reporting period, the Company reviews the carrying amounts of its long lived assets which includes PPE and exploration and evaluation assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the cash flows expected to be derived from the asset or CGU are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss. Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

(h) *Share-based payments*

The Company operates an equity-settled compensation plan under which it receives services from employees, directors and consultants as consideration for equity instruments of the Company.

The fair value of share options granted is recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

Eurotin Inc.

Notes to Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian dollars)

3. Summary of significant accounting policies (continued)

(h) *Share-based payments (continued)*

The fair value of share-based payments to employees is measured at the grant date and recognized over the period during which the options vest. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services received cannot be reliably measured, and are measured and recorded at the date the goods or services are received.

The Company uses the Black-Scholes pricing model to estimate the fair value of equity-settled awards to employees at the grant date. The expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period.

When recognizing the fair value of each tranche over its respective vesting period, the Company incorporates an estimate of the number of options expected to vest and revises that estimate when subsequent information indicates that the number of options expected to vest differs from previous estimates.

No expense is recognized for awards that do not ultimately vest, except for equity-settled awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

(i) *Provisions*

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of the provision to be reimbursed, the expense relating to any provision is presented in the consolidated statement of comprehensive loss net of the reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the consolidated statement of loss and comprehensive loss.

(j) *Taxes*

Tax expense comprises current and deferred tax. Tax is recognized in the consolidated statement of income (loss) and comprehensive income (loss) except to the extent it relates to items recognized in other comprehensive loss or income or directly in equity.

Current income tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Eurotin Inc.

Notes to Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian dollars)

3. Summary of significant accounting policies (continued)

(j) Taxes (continued)

Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the consolidated statement of financial position and their corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities:

- are generally recognized for all taxable temporary differences;
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future; and
- are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets:

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and adjusted to the extent that it is now probable or no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

(k) Finance expenses

Finance expenses comprise interest expense on borrowings, accretion of provisions and any impairment losses recognized on financial assets.

Borrowing costs incurred for the construction of qualifying assets are capitalized during the period of time that is required to complete and prepare the assets for their intended use or sale. All other borrowing costs are recognized in the consolidated statement of loss and comprehensive loss using the effective interest rate method. Interest has been capitalized at the rate of interest applicable to the specific borrowings financing the asset, or where financed through general borrowings, at a capitalization rate representing the average interest rate on such borrowings.

(l) Earnings per share ("EPS")

Basic EPS is calculated by dividing profit or loss attributable to owners of the Company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. The denominator (number of units) is calculated by adjusting the shares in issue at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential units. The effects of anti-dilutive potential units are ignored in calculating diluted EPS. All options are considered anti-dilutive when the Company is in a loss position.

Eurotin Inc.

Notes to Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian dollars)

3. Summary of significant accounting policies (continued)

(m) Segment reporting

The Company operates in one business segment, mineral exploration.

The group has identified its operating segments based on the internal reports that are reviewed and used by management in assessing performance and in determining the allocation of resources. Management considers the business from a geographic perspective and assesses the performance of geographic segments based on measures of profit and loss as well as assets and liabilities. These measures include operating expenditures, expenditures on exploration, property and equipment, non-current assets and total debt, if any.

The Company operates under a single geographic segment engaged in mineral exploration and development in Spain. Financial information about each of these operating segments is reported to management on at least a monthly basis. As the operations comprise a single segment, amounts disclosed in the consolidated financial statements also represent segment amounts.

(n) Change in accounting policies

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, 2019.

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 adopted IFRS 16 on April 1, 2019 and has determined that the adoption of this new standard does not have a significant impact on its financial statements.

Eurotin Inc.

Notes to Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian dollars)

3. Summary of significant accounting policies (continued)

(n) *Change in accounting policies (continued)*

IFRIC 23- Uncertainty over Income Tax Treatments

IFRIC 23, Uncertainty over Income Tax Treatments provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The interpretation is applicable for periods beginning on or after January 1, 2019. The Corporation has adopted the Interpretation in its financial statements for the annual period beginning on April 1, 2019 and has determined that there is no material impact or disclosures required.

Accounting Standards and Interpretations Issued but Not Yet Effective

Definition of a Business (Amendments to IFRS 3)

The IASB has issued Definition of a Business (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs
- narrow the definition of a business and the definition of outputs
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business

This amendment is effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined. There is currently a proposal outstanding that would defer the effective date until January 1, 2023.

Eurotin Inc.

Notes to Consolidated Financial Statements

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(Expressed in Canadian dollars)

4. Critical judgments and accounting estimates

The preparation of the consolidated 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 judgments 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 most significant critical judgments that members of management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements are the policies on exploration and evaluation assets and functional currency.

Exploration and evaluation assets

In particular, management is required to assess exploration and evaluation assets for impairment. Note 9 discloses the carrying values of such assets. As part of this assessment, management has carried out an assessment whether there are indicators of impairment. If there are indicators, management performs an impairment test on the major assets within this balance.

The recoverability of exploration and evaluation assets is dependent on a number of factors common to the natural resource sector. These include the extent to which the Company can continue to renew its exploration and future development licenses with local authorities, establish economically recoverable reserves on its properties, the availability of the Company to obtain necessary financing to complete the development of such reserves and future profitable production or proceeds from the disposition thereof. The Company will use the evaluation work of professional geologists, geophysicists and engineers for estimates in determining whether to commence or continue exploration, development, mining and processing. These estimates generally rely on scientific and economic assumptions, which in some instances may not be correct, and could result in the expenditure of substantial amounts of money on a deposit before it can be determined whether or not the deposit contains economically recoverable mineralization.

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.

Eurotin Inc.

Notes to Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian dollars)

4. Critical judgments and accounting estimates (continued)

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 and directors 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, dividend yield of the share option and forfeiture rate.

Fair value of financial instruments

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

Taxes

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

Impairment of non-financial assets

Non-financial assets include PPE and exploration and evaluation 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.

Eurotin Inc.

Notes to Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian dollars)

5. Capital risk management

The Company manages its capital with the following objectives:

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

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

The Company considers its capital to be equity, which comprises share capital, contributed surplus, non-controlling interest, and deficit, which at March 31, 2020, totaled negative \$1,338,666 (March 31, 2019 - \$4,189,102).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its exploration and evaluation assets. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended March 31, 2020.

6. Financial risk management

Financial risk

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

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

(i) Credit risk

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

(ii) Liquidity risk

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

Eurotin Inc.

Notes to Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian dollars)

6. Financial risk management (continued)

(iii) Market risk

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

(a) Interest rate risk

The Company currently does not have any interest bearing debt and, as such, the Company's current exposure to interest rate risk is minimal as at March 31, 2020.

(b) Foreign currency risk

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

(c) Commodity and equity price risk

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

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them. As of March 31, 2020, the Company was not a precious mineral, base metals and other minerals producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity analysis

As at March 31, 2020, \$2,700 (March 31, 2019 - \$102,363) was held in Canadian Dollars and €nil (March 31, 2019 - €156,289) was held in Euro. Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over one year:

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

Eurotin Inc.

Notes to Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian dollars)

7. Discontinued operation

On January 4, 2019, the Company completed its plan of arrangement with Elementos Limited ("Elementos"). The plan provides for the transfer by Eurotin to Elementos of 100% of the issued and outstanding securities in MESPA, a wholly owned subsidiary of Eurotin and holder of Eurotin's Oropesa tin project in Spain.

Pursuant to IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, the consolidated financial statements of the Company have been reclassified to reflect discontinued operation of the MESPA. Accordingly, assets, liabilities, net loss and cash flows of discontinued operation have been segregated in the consolidated statements of financial positions, the consolidated statements of (income) loss and comprehensive (income) loss and the consolidated statements of cash flows.

On December 6, 2019, the Company sold its 60% ownership in Minas De Estano De Extremadura (MESEX) to an external third party for €1,800. During the year ended March 31, 2020, the Company recorded a loss on disposition of MESEX of \$377,177. As at March 31, 2020, the consideration of \$2,624 (€1,800) was included in amounts receivable and other assets.

On January 14, 2020, the Company announced that it had completed the final step in its transaction with Elementos and consequently the one billion convertible redeemable preference shares of Elementos previously issued to Eurotin's shareholders have now been converted into common shares of Elementos.

The following tables present summarized financial information related to discontinued operation in MESPA:

Statements of financial position of discontinued operation as at March 31, 2020 and March 31, 2019:

| | March 31, 2020 | March 31, 2019 |
|--|-------------------|---------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ - | \$ 143,349 |
| Amounts receivable and other assets | - | 133,649 |
| | - | 276,998 |
| Exploration and evaluation assets | - | 5,859,291 |
| Total assets held for sale | \$ - | \$ 6,136,289 |
| Liabilities related to assets held for sale | | |
| Amounts payable and other liabilities | \$ - | \$ 1,394,789 |

Eurotin Inc.**Notes to Consolidated Financial Statements****March 31, 2020****(Expressed in Canadian dollars)**

7. Discontinued operation (continued)

Consolidated statements of loss and comprehensive loss for the years of discontinued operation ended March 31, 2020 and 2019:

| Years ended March 31, | 2020 | 2019 |
|--|---------------------|----------------------|
| Salaries and benefits | \$ 49,747 | \$ 48,769 |
| Professional fees | 97,076 | 149,251 |
| Administrative | 23,422 | 30,947 |
| Travel | - | 2,511 |
| Foreign exchange loss | (481) | 60,712 |
| Gain on sale of mineral properties and equipment | - | (19,991) |
| Other income | - | (57,726) |
| Impairment of exploration and evaluation assets | 1,779,413 | 10,995,658 |
| | \$ 1,949,177 | \$ 11,210,131 |

Statements of cash flows of the discontinued operation for the years ended March 31, 2020 and 2019:

| Years ended March 31, | 2020 | 2019 |
|---|-------------|--------------|
| Cash used in operating activities for discontinued operations | \$ 369,071 | \$ (586,129) |
| Cash used in investing activities for discontinued operations | (603,537) | (439,849) |
| Cash provided by financing activities for discontinued operations | - | 1,098,819 |
| Net change in cash and cash equivalents for discontinued operations | (234,466) | 72,841 |
| Cash and cash equivalents, beginning of the year for discontinued operations | 234,466 | 70,508 |
| Cash and cash equivalents, end of the year for discontinued operations | \$ - | \$ 143,349 |

8. Amounts receivable and other assets

| | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------|-------------------------------------|-------------------------------------|
| Amounts receivable | \$ 2,624 | \$ 74,580 |
| Value-added taxes receivable | 22,264 | 3,122 |
| Prepaid expenses | 10,438 | 16,851 |
| | \$ 35,326 | \$ 94,553 |

Eurotin Inc.

Notes to Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian dollars)

9. Exploration and evaluation assets

Continuity of exploration and evaluation assets under discontinued operation:

| | March 31, 2019 | Additions (net of recoveries) | Impairment | Disposed of | March 31, 2020 |
|--|-------------------|----------------------------------|----------------|----------------|-------------------|
| Oropesa Property (in assets held for sale) | \$ 5,859,291 | \$ 428,694 | \$ (1,779,413) | \$ (4,508,572) | \$ - |

Continuity of exploration and evaluation assets under continuing operations:

| | March 31, 2018 | Additions (net of recoveries) | Impairment | Transferred to discontinued operation | March 31, 2019 |
|------------------|-------------------|----------------------------------|-----------------|--|-------------------|
| Oropesa Property | \$16,337,382 | \$ 517,567 | \$ (10,995,658) | \$ (5,859,291) | \$ - |

The impairment of \$10,995,658 during the year ended March 31, 2019 was determined on the basis of the fair value of the consideration of AUD5,000,000 which was equivalent to \$4,741,500 for the sale to Elementos of 100% of the issued and outstanding securities in MESPA.

The impairment of \$1,779,413 during the year ended March 31, 2020 was determined on the basis of the fair value of the consideration of AUD3,000,000 which was equivalent to \$2,704,800 for the sale to Elementos of 100% of the issued and outstanding securities in MESPA. As the consideration is based on the number of Elementos shares rather than a certain amount, fair value of the consideration decreased from AUD5,000,000 to AUD3,000,000 due to the change of Elementos share price on the Australian Stock Exchange.

10. Share capital

a) Authorized share capital

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

b) Common shares issued

At March 31, 2020, the issued share capital amounted to \$31,495,696. The changes in issued share capital for the periods were as follows:

| | Number of common shares | Amount |
|--|-------------------------------|---------------|
| Balance, March 31, 2018 and March 31, 2019 | 106,741,332 | \$ 34,200,496 |
| Return of capital (i) | - | (2,704,800) |
| Balance, March 31, 2020 | 106,741,332 | \$ 31,495,696 |

(i) On January 14, 2020, the Company announced that it had completed the final step in its transaction with Elementos and consequently the one billion convertible redeemable preference shares of Elementos previously issued to Eurotin's shareholders have now been converted into common shares of Elementos with a fair value of \$2,704,800 (note 9).

Eurotin Inc.

Notes to Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian dollars)

11. Net loss per common share

The calculation of basic and diluted loss per share for the year ended March 31, 2020 was based on the income related to continuing operations of \$(1,253,592) (2019 - loss \$344,100) and the loss related to discontinued operations of \$1,949,177 (2019 - \$11,210,131) and the weighted average number of common shares outstanding of 106,741,332 (2019 - 106,741,332).

12. General and administrative

| Years Ended March 31, | 2020 | 2019 |
|------------------------------|-------------------|-------------------|
| Salaries and benefits | \$ 168,991 | \$ 164,509 |
| Directors fees | 40,000 | 40,000 |
| Professional fees | 383,859 | 320,596 |
| Administrative | 21,726 | 90,940 |
| Investor relations | 9,250 | 53,678 |
| Travel | 6,431 | 45,772 |
| Foreign exchange (gain) loss | 246,158 | (64,938) |
| | \$ 876,415 | \$ 650,557 |

13. Gain on sale of mineral properties and equipment

On May 22, 2018, the Company's subsidiary, Minas de Estaño de Extremadura ("MESEX"), sold to a third party the Santa Maria Investigation permit properties in Spain for gross \$306,457 (200,000 Euros) consideration. 10,000 Euros were paid on extension of the agreement, 40,000 Euros were be paid on August 8, 2018 and the final 150,000 Euros were paid on March 16, 2019 when the Mineral Property transfer was registered in the Extremadura Mining Authority Records in Spain. The Company held a 60% interest in MESEX and all exploration expenditures on the properties were subject to a \$2,854,623 impairment in the year ended March 31, 2014.

During the year ended March 31, 2019, the Company sold certain fully-depreciated equipments for \$19,991 (13,160 Euros).

14. Related party balances and transactions

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

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

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

During the year ended March 31, 2020, Mark Wellings director and officer of the Company advanced \$379,047 (2019 - \$972,000) to the Company for shares to be issued in the future. As at March 31, 2020, \$923,229 (March 31, 2019 - \$560,974) was outstanding for shares to be issued and this amount was included in the accounts payable and accrued liabilities on the consolidated statements of financial position as at March 31, 2020.

Eurotin Inc.**Notes to Consolidated Financial Statements****March 31, 2020****(Expressed in Canadian dollars)**

14. Related party balances and transactions (continued)

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

| Years Ended March 31, | 2020 | 2019 |
|---|-------------------|-------------------|
| Salaries, benefits and director fees ⁽¹⁾ | \$ 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 the year ended March 31, 2020, the director fees have been accrued and included in the Company's current liabilities and since his appointment on November 2015 Mark Wellings, Director and CEO does not receive any compensation.

(c) To the knowledge of the directors and senior officers of the Company, as at March 31, 2020, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all of the common shares of the Company other than Mark Wellings, the President, CEO and a director of the Company.

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

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

Eurotin Inc.**Notes to Consolidated Financial Statements****March 31, 2020****(Expressed in Canadian dollars)**

15. Income taxes

(a) Major items causing the Company's income tax rate to differ from the federal statutory rate of approximately 26.5% (2018 - 26.5%) are as follows:

| Years ended March 31, | 2020 | 2019 |
|---|----------------|-----------------|
| Loss before income taxes | \$ (3,202,769) | \$ (11,554,231) |
| Combined statutory income tax rate | 26.5% | 26.5% |
| Income tax expenses/(recovery) at statutory rates | (848,734) | (3,062,000) |
| Adjustments to benefit resulting from: | | |
| Non-deductible expenses/(non-taxable income) | 113,593 | 22,470 |
| Unrecognized/(recognized) temporary differences | 735,141 | 3,039,530 |
| Income tax expenses/(recovery) | \$ - | \$ - |

The enacted tax rate in Canada of 26.5% in 2020 (26.5% in 2019) was applied in the tax provision calculation.

The Company has operating losses expiring in 2030 to 2040 of approximately \$6,234,000 (2019 - \$5,604,000), the benefits of which are not recognized in these financial statements, as management does not consider their utilization in the foreseeable future to be probable.

16. Subsequent event

Subsequent to March 31, 2020, the Company received advances totaling \$80,000 from Mark Wellings, a current shareholder, director and officer of the Company.