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**EUROTIN INC.**  
**CONDENSED INTERIM**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**THREE MONTHS ENDED JUNE 30, 2020**  
**(EXPRESSED IN CANADIAN DOLLARS)**

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**(UNAUDITED)**

**Notice to Reader**

The accompanying unaudited condensed interim consolidated financial statements of the Corporation have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three months ended June 30, 2020 have not been reviewed by the Corporation's auditors.

# Management's Responsibility for Consolidated Financial Statements

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

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

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

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the 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 unaudited condensed interim 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 unaudited condensed interim 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  
August 25, 2020

(signed) "Carlos Pinglo"

Chief Financial Officer

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

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	<b>As at June 30, 2020</b>	<b>As at March 31, 2020</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 56,145	\$ 2,700
Amounts receivable and other assets (note 6)	17,265	35,326
<b>Total assets</b>	<b>\$ 73,410</b>	<b>\$ 38,026</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Amounts payable and other liabilities	\$ 1,496,170	\$ 1,376,692
<b>Total liabilities</b>	<b>1,496,170</b>	<b>1,376,692</b>
<b>Equity</b>		
Share capital (note 8)	31,495,696	31,495,696
Contributed surplus	3,768,236	3,768,236
Deficit	(36,686,692)	(36,602,598)
<b>Total equity</b>	<b>(1,422,760)</b>	<b>(1,338,666)</b>
<b>Total equity and liabilities</b>	<b>\$ 73,410</b>	<b>\$ 38,026</b>

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

Nature of operations and going concern (note 1)

**Approved on behalf of the Board:**

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

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

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

<b>Three Months Ended June 30,</b>	<b>2020</b>	<b>2019</b>
<b>Operating expenses</b>		
General and administrative (note 10)	\$ 84,094	\$ 164,233
<b>Operating loss before the following items</b>	<b>(84,094)</b>	<b>(164,233)</b>
<b>Total loss and comprehensive loss from continuing operations</b>	<b>(84,094)</b>	<b>(164,233)</b>
<b>Total loss and comprehensive loss from discontinued operations (note 5)</b>	<b>-</b>	<b>(43,524)</b>
<b>Total loss and comprehensive loss for the period</b>	<b>\$ (84,094)</b>	<b>\$ (207,757)</b>
<b>Total loss and comprehensive loss attributable to</b>		
Parent company	\$ (84,094)	\$ (115,051)
Non-controlling interest	\$ -	\$ (92,706)
<b>Basic and diluted loss per share - continuing operations (note 9)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Basic and diluted loss per share - discontinued operation (note 9)</b>	<b>\$ 0.00</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b>106,741,332</b>	<b>106,741,332</b>

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

## Eurotin Inc.

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

Three Months Ended June 30,	2020	2019
<b>Operating activities</b>		
Net loss from continuing operations for the period	\$ (84,094)	\$ (164,233)
Adjustments for:		
Loss on disposition of MESEX	-	-
Gain on sale of mineral properties and equipment	-	-
Unrealized foreign exchange (gain)	-	(10,380)
	<b>(84,094)</b>	<b>(174,613)</b>
Non-cash working capital items:		
Amounts receivable and other assets	<b>18,061</b>	(23,343)
Amounts payable and other liabilities	<b>39,478</b>	57,803
<b>Net cash used in operating activities</b>	<b>(26,555)</b>	<b>(140,153)</b>
<b>Financing activities</b>		
Advance from related party for shares to be issued	<b>80,000</b>	-
<b>Net cash provided by financing activities</b>	<b>80,000</b>	-
<b>Net change in cash and cash equivalents for continuing operations</b>	<b>53,445</b>	<b>(140,153)</b>
<b>Cash and cash equivalents, beginning of the period for continuing operations</b>	<b>2,700</b>	<b>193,479</b>
<b>Cash and cash equivalents, end of the period for continuing operations</b>	<b>\$ 56,145</b>	<b>\$ 53,326</b>
Cash provided by (used in) operating activities for discontinued operations	\$ -	\$ 1,512
Cash used in investing activities for discontinued operations	-	(144,333)
<b>Net change in cash and cash equivalents for discontinued operation</b>	<b>-</b>	<b>(142,821)</b>
<b>Cash and cash equivalents, beginning of the period for discontinued operation</b>	<b>-</b>	<b>143,349</b>
<b>Cash and cash equivalents, end of the period for discontinued operation</b>	<b>\$ -</b>	<b>\$ 528</b>

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

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

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**Equity attributable to shareholders**

	Number of shares	Share capital	Contributed surplus	Deficit	Non-controlling interest	Total
<b>Balance, March 31, 2019</b>	<b>106,741,332</b>	<b>\$ 34,200,496</b>	<b>\$ 3,768,236</b>	<b>\$ (33,480,340)</b>	<b>\$ (299,290)</b>	<b>\$ 4,189,102</b>
Net loss and comprehensive loss for the period	-	-	-	(115,051)	(92,706)	(207,757)
<b>Balance, June 30, 2019</b>	<b>106,741,332</b>	<b>\$ 34,200,496</b>	<b>\$ 3,768,236</b>	<b>\$ (33,595,391)</b>	<b>\$ (391,996)</b>	<b>\$ 3,981,345</b>
<b>Balance, March 31, 2020</b>	<b>106,741,332</b>	<b>\$ 31,495,696</b>	<b>\$ 3,768,236</b>	<b>\$ (36,602,598)</b>	<b>\$ -</b>	<b>\$ (1,338,666)</b>
Net loss and comprehensive loss for the period	-	-	-	(84,094)	-	(84,094)
Disposition of MESEX	-	-	-	-	-	-
<b>Balance, June 30, 2020</b>	<b>106,741,332</b>	<b>\$ 31,495,696</b>	<b>\$ 3,768,236</b>	<b>\$ (36,686,692)</b>	<b>\$ -</b>	<b>\$ (1,422,760)</b>

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

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# Eurotin Inc.

## Notes to Condensed Interim Consolidated Financial Statements

June 30, 2020

(Expressed in Canadian dollars)

(Unaudited)

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### 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. The address of the registered office is 77 King Street West, TD North Tower, Suite 700, Toronto ON M5K 1G6.

On January 4, 2019, the Company completed its plan of arrangement with Elementos Limited ("Elementos"). The plan provided 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\$0.005 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 assumed 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.

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.

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.

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# Eurotin Inc.

## Notes to Condensed Interim Consolidated Financial Statements

June 30, 2020

(Expressed in Canadian dollars)

(Unaudited)

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

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 unaudited condensed interim 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 June 30, 2020, the Company had working capital deficiency of \$1,422,760 (March 31, 2020 - working capital deficiency of \$1,338,666), had not yet achieved profitable operations, had accumulated losses of \$36,686,692 (March 31, 2020 - \$36,602,598) 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.



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# Eurotin Inc.

## Notes to Condensed Interim Consolidated Financial Statements

June 30, 2020

(Expressed in Canadian dollars)

(Unaudited)

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

#### *Statement of compliance*

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

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of August 25, 2020, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended March 31, 2020, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending March 31, 2021 could result in restatement of these unaudited condensed interim consolidated financial statements.

#### *Change in accounting policies*

#### *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

The Company adopted the amendment to IFRS 3 effective April 1, 2020 which did not have a material impact on the Company's unaudited condensed interim consolidated financial statements.

#### *Accounting standards and interpretations issued by not yet effective*

#### *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.

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# **Eurotin Inc.**

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

**June 30, 2020**

**(Expressed in Canadian dollars)**

**(Unaudited)**

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### **3. 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 June 30, 2020, totaled negative \$1,422,760 (March 31, 2020 - \$1,338,666).

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 period ended June 30, 2020.

### **4. 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.

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# **Eurotin Inc.**

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

**June 30, 2020**

**(Expressed in Canadian dollars)**

**(Unaudited)**

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### **4. 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 June 30, 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 June 30, 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 June 30, 2020, \$2,700 (March 31, 2020 - \$2,700) was held in Canadian Dollars and €nil (March 31, 2020 - €nil) 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.

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## Eurotin Inc.

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2020

(Expressed in Canadian dollars)

(Unaudited)

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#### 5. 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 June 30, 2020, the consideration of \$2,755 (€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:

Unaudited condensed interim consolidated statements of loss and comprehensive loss for the discontinued operation for the three months ended June 30, 2020 and 2019:

<b>Three Months Ended June 30,</b>	<b>2020</b>	<b>2019</b>
Salaries and benefits	\$ -	\$ 16,387
Professional fees	-	16,354
Administrative	-	11,612
Foreign exchange loss	-	(829)
	\$ -	\$ 43,524

Statements of cash flows of the discontinued operation for the three months ended June 30, 2020 and 2019:

<b>Three Months Ended June 30,</b>	<b>2020</b>	<b>2019</b>
Cash used in operating activities for discontinued operations	\$ -	\$ 1,512
Cash used in investing activities for discontinued operations	-	(144,333)
Net change in cash and cash equivalents for discontinued operations	-	(142,821)
Cash and cash equivalents, beginning of the period for discontinued operations	-	143,349
Cash and cash equivalents, end of the period for discontinued operations	\$ -	\$ 528

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**Eurotin Inc.****Notes to Condensed Interim Consolidated Financial Statements****June 30, 2020****(Expressed in Canadian dollars)****(Unaudited)**

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**6. Amounts receivable and other assets**

	<b>As at June 30, 2020</b>	<b>As at March 31, 2020</b>
Amounts receivable	\$ 2,755	\$ 2,624
Value-added taxes receivable	23,012	22,264
Prepaid expenses	4,252	10,438
	<b>\$ 30,019</b>	<b>\$ 35,326</b>

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**7. Exploration and evaluation assets**

Continuity of exploration and evaluation assets under discontinued operation:

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

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Exploration and evaluation assets remained unchanged at \$nil during the three months ended June 30, 2020.

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.

**8. Share capital**

## a) Authorized share capital

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

## b) Common shares issued

At June 30, 2020, the issued share capital amounted to \$31,495,696. The changes in issued share capital for the periods were as follows:

	<b>Number of common shares</b>	<b>Amount</b>
Balance, March 31, 2019 and June 30, 2019	106,741,332	\$ 34,200,496
Return of capital (i)	-	(2,704,800)
Balance, March 31, 2020 and June 30, 2020	106,741,332	\$ 31,495,696

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## Eurotin Inc.

### Notes to Condensed Interim Consolidated Financial Statements

June 30, 2020

(Expressed in Canadian dollars)

(Unaudited)

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#### 8. Share capital (continued)

(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 7).

#### 9. Net loss per common share

The calculation of basic and diluted loss per share for the three months ended June 30, 2020 was based on the loss related to continuing operations of \$84,094 (three months ended June 30, 2019 - loss of \$164,233) and the loss related to discontinued operations of \$nil (three months ended June 30, 2019 - \$43,524) and the weighted average number of common shares outstanding of 106,741,332 (three months ended June 30, 2019 - 106,741,332).

#### 10. General and administrative

Three months ended June 30,	2020	2019
Salaries and benefits	\$ 41,250	\$ 42,208
Directors fees	10,000	10,000
Professional fees	9,499	43,967
Administrative	19,756	27,233
Investor relations	3,764	3,156
Travel	-	2,161
Foreign exchange (gain) loss	(175)	35,508
	<b>\$ 84,094</b>	<b>\$ 164,233</b>

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#### 11. 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 three months ended June 30, 2020, Mark Wellings director and officer of the Company advanced \$80,000 (three months ended June 30, 2019 - \$nil) to the Company for shares to be issued in the future. As at June 30, 2020, \$1,003,229 (March 31, 2020 - \$923,229) was outstanding for shares to be issued and this amount was included in the accounts payable and accrued liabilities on the unaudited condensed interim consolidated statements of financial position as at June 30, 2020.

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**Eurotin Inc.****Notes to Condensed Interim Consolidated Financial Statements****June 30, 2020****(Expressed in Canadian dollars)****(Unaudited)**

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**11. Related party balances and transactions (continued)**

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

<b>Three months ended June 30,</b>	<b>2020</b>	<b>2019</b>
Salaries, benefits and director fees <sup>(1)</sup>	<b>\$ 51,250</b>	<b>\$ 51,250</b>

<sup>(1)</sup> Other than the Chief Financial Officer, the board of directors and select officers do not have employment or service contracts with the Company. Directors are entitled to directors fees and stock options for their services and officers are also entitled to stock options for their services. During the three months ended June 30, 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 June 30, 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.