



**Eurotin Inc.**

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

**For the Three Months Ended June 30, 2020**



# Eurotin Inc.

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## Introduction

The following interim Management Discussion & Analysis (“interim **MD&A**”) of the financial condition and results of the operations of Eurotin Inc. (the “**Company**” or “**Eurotin**”) has been prepared to provide material updates to the business operations, liquidity and capital resources of the Corporation since its last management discussion & analysis, being the Management Discussion & Analysis (“**Annual MD&A**”) for the fiscal year ended March 31, 2020. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, the audited annual consolidated financial statements of the Company for the years ended March 31, 2020 and March 31, 2019 (“**FY 2020**” and “**FY 2019**”, respectively) and the unaudited condensed interim consolidated financial statements for the three months ended June 30, 2020 (“**Q1 2021**”), together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three months ended June 30, 2020 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at August 26, 2020 unless otherwise indicated.

The unaudited condensed interim consolidated financial statements for Q1 2021, have been prepared using accounting policies consistent with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Eurotin’s common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on SEDAR at [www.sedar.com](http://www.sedar.com).



## Caution Regarding Forward-Looking Statements

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. Dollar amounts in this MD&A are in Canadian Dollars unless otherwise indicated.

<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
For fiscal year ending March 31, 2021 (“FY 2021”), the Company will continue to pursue strategic alternatives.	The Company has anticipated all material costs; the operating activities of the Company for FY 2021, and the costs associated therewith, will be consistent with Eurotin's current expectations.	Unforeseen costs to the Company will arise; any particular operating and evaluating costs may increase or decrease from the date of the estimation; changes in economic conditions.
The Company will be required to raise additional funds in order to meet its ongoing operating expenses and complete its planned evaluation activities and strategic alternatives for FY 2021.	The operating and evaluating activities of the Company for FY 2021 and the costs associated therewith will be consistent with Eurotin's current expectations; debt and equity markets and exchange rates and other applicable economic conditions are favourable to Eurotin.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.



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Sensitivity analysis of financial instruments.	Based on management's knowledge and experience of the financial markets, the Company believes that there would be no material changes to its results for FY 2021 as a result of a change in the foreign currency exchange rates or interest rates.	Changes in debt and equity markets; interest rate and exchange rate fluctuations
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Inherent in forward-looking statements are risks, uncertainties and other factors beyond Eurotin's ability to predict or control. Please also make reference to those risk factors referenced in the "**Risks and Uncertainties**" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Eurotin's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

## Description of Business

Eurotin is currently pursuing and analyzing strategic alternatives

The Company's head office and principal address in Canada is 77 King Street West, TD North Tower Suite 700, Toronto, Ontario M5K 1G8. The Company's common shares are listed on the NEX board of TSX Venture Exchange ("**TSX-V**", or the "**Exchange**") under the symbol "**TIN.H**".

## Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. During the current period, equity markets in Canada continued its signs of improvement, with



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a number of financings being completed as well as mergers and acquisitions activities. Apart from these factors and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations. See "Risks and Uncertainties" below.

## **Outlook**

As of June 30, 2020, the Company had a net working capital deficiency of \$1,422,760 which increased as compared to a net working capital of \$1,338,666 as at March 31, 2020.

The Company will continue to pursue strategic alternatives. The Company is looking to acquire further financing through a right offering or private placement and continues to operate as prudently as possible with an emphasis on cost containment.

## **Off-Balance-Sheet Arrangements**

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

## **Financial assets**

Financial assets not measured at fair value through profit or loss or fair value through other comprehensive income are measured at amortized cost using the effective interest method, less any impairment losses, with interest expense recognized on an effective yield basis. Assets in this category include cash and cash equivalents and amounts receivable and other assets. As at June 30, 2020, the Company's financial assets were \$56,145 compared with \$2,700 as at March 31, 2020.

## **Other financial liabilities**

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. Any gains or losses arising from the realization of other financial liabilities are included in the profit (loss) statement. Liabilities in this category include amounts payable and other liabilities. As at June 30, 2020, the Company's financial liabilities were \$1,496,170 compared with \$1,376,692 as at March 31, 2020.



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## **Commitments and contingencies**

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

As at June 30, 2020, the Company has \$Nil commitments and contingencies.

## **Discussion of Operations**

Three months ended June 30, 2020 ("Q1 2021") compared with the three months ended June 30, 2019 ("Q1 2020").

Eurotin's total loss for Q1 2021 was \$284,094 with basic and diluted loss per share of \$0.00. This compares with a net loss for Q1 2020 of \$207,757 with basic and diluted loss per share of \$0.00 in Q1 2020 for its continuing operations.

The net loss decreased by \$123,663 principally because:

- During Q1 2020 the Company loss 43,254 in his discontinued operations compared with \$ Nil in Q1-2021.
- The Foreign Exchange loss decreased by \$ 35,683 from a loss of \$35,508 in Q1 2020 to a gain of \$175 in Q1 2021 the Foreign Exchange gains and losses are mainly due to the change between the Canadian Dollar and the Euro.
- Reductions of \$34,468 in Professional Fees, \$ 7,477 in Administrative Expenses and \$2,161 in Travel expenses in Q1 2021 compared with Q1 2020 due to the drastic reduction of operations after the Arrangement Agreement.

## **Liquidity and Financial Position**

Cash used in operating activities was \$56,145 for Q1 2021 compared to \$53,326 in Q1 2020. Operating activities were affected for the changes in non-cash working capital balances.

At June 30, 2021, Eurotin had \$56,145 in cash and cash equivalents (March 31, 2020 - \$2,700).



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Cash provided for financing activities during Q1 2021 was \$80,000 from advances from a related party for shares to be issued compared with \$Nil in Q1 2020 from advances from a related party for shares to be issued.

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

The Company's interim unaudited consolidated financial statements for the three months ended June 30, 2020 have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of the business.

As of June 30, 2020, the Company had 106,741,332 common shares issued and outstanding. There were no warrants or stock options outstanding.

As at June 30, 2020, the Company maintains \$1,003,229 in advances from a related party. Those advances are included in amounts payable and other liabilities. The Company's credit and interest rate risk remains minimal. Accounts payable and accrued liabilities are short-term and non-interest bearing.

The Company's current and future uses of cash are principally in two areas; namely, funding of its general and administrative expenditures and funding of its evaluating activities. Management assesses its planned expenditures based on the Company's working capital resources, the scope of work required to advance exploration on its projects and the overall condition of the financial markets.

The Company's working capital is in a deficit of \$1,422,760 at June 30, 2020, this includes the related party advance of \$1,003,229 from a major shareholder of the Company committed to the long-term financial health of the Company, therefore, in reality the working capital position is in a deficit of \$419,531. The Company will be required to raise additional capital in order to meet its ongoing evaluation activities.

## **Related Party Transactions**

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

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



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	Three Months Ended June 30,	
	2020 (\$)	2019 (\$)
Salaries and benefits and Director Fees <sup>(1)</sup>	51,250	51,250

- (1) Other than the Chief Financial Officer, the board of directors and select officers do not have employment or service contracts with the Company. Directors are entitled to directors' fees and stock options for their services and officers are also entitled to stock options for their services. During Q1 2021, the director fees have been accrued and included in the Company's current liabilities. Since his appointment on November 2015, Mark Wellings, Director and CEO has not, and currently does not receive any compensation.

## (b) Transactions with related parties

During Q1 2021, the Company received \$80,000 compared with \$Nil during Q1 2020 in advances from Mark Wellings, a Director, Officer and Shareholder of the Company, which have been included in the amount payable and other liabilities and Liabilities Related to other assets held for sale. This amount is unsecured, non-interest bearing and due on demand.

## Share Capital

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

## Disclosure of Internal Controls

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

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

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or





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- submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

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

## **Risks Factors Relating to the Company's Business and Industry**

Due to the nature of the Company's business, the Company may be subject to significant risks. Readers should carefully consider all such risks, including those set out in the discussion below.

The Company's actual evaluation and operating results may be very different from those expected as of the date of this MD&A.

The following is a description of the principal risk factors that will affect Eurotin.

### ***COVID-19 Pandemic.***

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.



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## Additional Disclosure for Venture Issuers without Significant Revenue

G&A Continuing Operations	Three Months Ended June 30,	
	2019 (\$)	2018 (\$)
Salaries and Benefits	41,250	42,208
Director Fees	10,000	10,000
Professional Fees	9,499	43,967
Administrative Expenses	19,756	27,233
Investor Relations	3,764	3,156
Travel Expenses	-	2,161
Foreign Exchange (gain) loss	(175)	35,508
	84,094	164,233

  

Discontinued Operations	Three Months Ended June 30,	
	2020 (\$)	2019 (\$)
Salaries and Benefits	-	16,387
Professional Fees	-	16,354
Administrative Expenses	-	11,612
Travel Expenses	-	-
Foreign Exchange (gain) loss	-	(829)
Gain on Sale of Mineral Properties and Equipment	-	-
	-	43,524

### Subsequent events.

Subsequent to June 30, 2020, the Company received advances totaling \$80,000 from Mark Wellings a current shareholder, director and officer of the Company.

### Other information

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