European Metals Corp.

Management's Discussion and Analysis

For the three month period ended March 31, 2015

As at May 28th 2015

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This Management Discussion and Analysis ("MD&A") of European Metals Corp. ("EMC" or the "Company") is dated May 28th, 2015, and provides an analysis of the Company's performance and financial condition for the three month period ended March 31, 2015 as well as an analysis of future prospects. The Board of Directors carries out its responsibility for review of this disclosure principally through its audit committee, comprised of independent directors. The audit committee reviews this disclosure and recommends its approval by the Board of Directors.

This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 F1– Continuous Disclosure Obligations. This MD&A should be read in conjunction with our audited financial statements and related notes for the year ended December 31, 2014, prepared in accordance with International Financial Reporting Standards. All figures are in Canadian dollars unless stated otherwise. The financial statements and additional information, including the Company's Certifications of Annual and Interim Filings and press releases, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

Overall Performance

Principal Business and Corporate History

European Metals Corp. (the "Company")(formerly Gondwana Oil Corp.), is the company formed as a result of the reverse takeover between Gondwana Energy Corp.("GEC"). GEC was incorporated on September 6, 2013 in Ontario and Mantis Mineral Corp. ("Mantis") was incorporated on May 30, 1997 in Ontario. EMC is carrying on the business of the acquisition and exploration of properties for mining of precious and base metals. EMC has not earned any revenue to date from its mining operations and is therefore considered to be in the exploration ("exploration") stage.

The financial statements, references to notes and discussion presented within this report make reference to the unaudited interim consolidated financial statements for the period ended March 31, 2015 together with the audited consolidated year ended financial statements at December 31, 2014 of European Metals Corp. and its wholly-owned subsidiaries: Mantis Explorations Inc., Mantis Explorations Ltd., Avenue Bancorp Ltd., University Avenue Management Ltd. In addition, the Company owns a 70% interest in Miura Petroleum Limited. On consolidation, all intercompany transactions and balances have been eliminated.

The interim consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern, as described in the following paragraphs.

The Company is in the exploration stage and is subject to the risks and challenges similar to other companies in a comparable stage of exploration. These risks include, but are not limited to, dependence on key individuals, successful exploration results and the ability to secure adequate financing to meet the minimum capital required to successfully advance the projects and continue as a going concern.

On November 6, 2014 the Company announced that Articles of Amendment under the Business Corporations Act were issued to reflect the Change of Name of the Company from "Gondwana Oil Corp." to "European Metals Corp." effective on September 18, 2014.

The name of the Company was changed to better reflect the ongoing operations of the Company, in particular, because of an option to acquire an 80% interest in the Berehaven Copper Mines located in the Allihies Mining District, County Cork, Ireland, for consideration of 300 million shares at a deemed price of $0.05 per common share in the Company and work commitments of $250,000 on or before October 1, 2015 and $2,000,000 on or before March 31, 2016.

The address of the head office is at 131 Bloor Street West, Suite 202, Toronto, Ontario. M5S 3L7.

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The Company has incurred losses in previous years, with a current net loss of $115,571 for the three month period ended March 31, 2015 (March 31, 2014 $1,370,743) and has an accumulated deficit of $740,640 (December 31, 2014 – $625,069). In addition, the Company had a working capital deficit of $744,323 at March 31, 2015 (December 31, 2014–$628,886).

The consolidated financial statements attached do not reflect the adjustments that would be necessary if the going concern assumptions were not appropriate. If the going concern basis was not appropriate, then adjustments would be necessary to the carrying value of the assets, the reported revenues and expenses, and the statement of financial position classifications used.

Due to continuing operating losses and a working capital deficit , the Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop mineral projects and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. The financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

These interim consolidated financial statements of the Company for the three month period ended March 31, 2015 were authorized for issuance by the board of Directors of the Company on May 28th, 2015.

This discussion contains forward-looking statements that involve risks and uncertainties. Exploration expenditures are deferred and included on the balance sheet unless the value is impaired or the projects are abandoned which results in such expenditures being written off.

BASIS OF PRESENTATION

Adoption of International Financial Reporting Standards ("IFRS")

(a) 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 three month period ended March 31, 2015.

(b) Basis of Presentation

The financial statements have been prepared on the historical cost basis. Current assets are recorded at fair value. The comparative figures presented in these financial statements are in accordance with IFRS and have been audited.

These financial statements have been prepared on the basis that the Company is a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. The ability of the Company to continue operations is dependent upon obtaining the necessary financing to complete the development of its property. These financial statements do not include any adjustments related to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

Future Outlook

European Metals Corp. acquired an option to acquire an 80% interest in the Berehaven Copper Mines located in the Allihies Mining District, County Cork, Ireland. The Company is in the exploration stage and is engaged principally in the acquisition and exploration of mineral properties in Ireland and Ontario. These Ontario properties arise from the previous properties which the Company had acquired in prior years and in which an interest has been maintained although these properties have been written off in the financial statements.

The Company's major mineral property is now the Berehaven Copper Property Option (see Note 8(3) on the consolidated December 31, 2014 financial statements). Unless the Company acquires or develops additional mineral properties, the Company will be mainly dependent upon this project. If no additional major mineral exploration properties are acquired by the Company, any adverse development affecting this project would have a material adverse effect on the Company's financial condition and results of operations. The Company is maintaining the key projects from those mineral exploration projects in good standing.

Financial Overview

The Company does not earn any significant revenue from consolidated operations. Interest is derived from the investment of funds for the period between the receipt of funds from equity placements and the disbursement of exploration expenditures.

Results of Operations

Projects Overview

The mineral property acquisition costs and direct exploration expenditures are capitalized as incurred. If a property is abandoned or continued exploration is not deemed appropriate in the foreseeable future, the related costs and expenditures are written down.

	Berehaven Property
Acquisition costs (i)	15,000,000
Exploration costs	
Amortization	703
Geosciences	3,817
Total	15,004,520
Deduct: Impairment of exploration and evaluation assets	(15,004,520)
Balance, March 31, 2015 and December 31, 2014	-

(i) The property was acquired on a non-cash basis through the issuance of 300,000,000 common shares of the Company at $0.05 per share.

(1) Berehaven Copper Property

On August 1, 2014 the Company entered into a letter of intent to enter into an option agreement to acquire an 80% interest in the historically producing Berehaven Copper Mines located in the Allihies mining district, County Cork, Ireland. Pursuant to the letter of intent, the Company was to acquire the interest from Westcork Copper Mining Company, Limited (“Westcork”).

Completion of acquisition

On September 9, 2014 the Company completed its acquisition of the above option agreement for an 80% interest in the Berehaven Copper Mines, for the consideration of 300 million shares at a deemed price of $0.05 per common share in the Company (issued on October 1 ,2014) being $15,000,000, and work commitments of $250,000 on or before February 1, 2015, in March 2015, the Company received an extension to October 1, 2015, and $2,000,000 on or before March 31, 2016.

The Mines

Westcork successfully consolidated the entire district including 5 historic mines - the Mountain, Dooneen, Kealogue,Caminches, and Coom Mines.(“the Mines”), Westcork holds 65.25 sq km under its permits. Historical figures of estimatesof mined material from these mines range from 962,000 tonnes to 1,219,000 tonnes with grades ranging from 2.3% to3.0%. The average historical copper grade for the ore zone at the Caminches Mine, which varied in average width from2.4 to 4.0-meters, was reported to be 10% along a 174-meter vertical section, (Mathews 1964). Between 1813 and 1913, published figures indicate that 290,170 tonnes of concentrate were produced from the Allihies Mines, yielding 28,615 tonnes of copper metal. (1 metric tonne = 2,204.6 lbs). Cautionary note: a qualified person has not been able to independently verify the above information and that the information is not necessarily indicative of the mineralization on the properties. The information was sourced from public archives residing with the Department Of Communications, Energy And Natural Resources, Ireland.

A 2011 technical report prepared for Westcork Copper Mining Company, Limited, which is being updated to comply with National instrument 43-101 standards of disclosure for mineral projects, concludes that;

"The Allihies District and the immediate mine environments of the area are very much underexplored. On a local scale, old Mine environments offer excellent exploration targets, for down dip extensions of known zones and for potential subparallel Zones. The Mountain, Caminches and Kealogue Mines present such potentials, and being located within a 900- meter radius of each other having the advantage of being developed by a central infrastructure. On a regional scale, the favourable geological setting of the Allihies District warrants regional contemporary geological and geophysical assessment."Gold mineralization can be associated with vein copper deposits, contributing significantly to total recoverable metal. At Allihies, the gold concentration of the vein systems has never been thoroughly determined."

Recent work

Over two years, 2013 and 2014, Westcork performed various work including a ground magnetometer survey between the Mountain Mine and Coom Mine, and between the Caminches and Kealogue Mines. In addition, Westcork undertook a structural lineament, satellite imagery study, and conducted a VLF survey between the Caminches and Kealogue Mines, as well as VLF surveys over the Mountain Mine, and other select areas. This work generated targets which the Company intends to further explore. Ireland is one of the few countries in the European Union where significant mineral exploration work is currently being undertaken.

The Company recorded an impairment of $15,004,520 to the value of its Berehaven property for the year ended December 31, 2014. This impairment was based on identified indicators of impairment that resulted from a downturn in the junior mining exploration sector, in particular, unfavourable changes in the property or project economics, inability to raise financing necessary to continue exploration or development of the property and significant decreases in the current or expected future prices of mineral resources. A further significant factor was the curtailment of exploration activities for an indefinite period due to lack of finances.

(2) Other Projects

The Company continues to monitor its projects that were acquired in prior years and for which a full impairment charge has been provided for in prior years:

(i) The East Lingman Lake Gold Property

On October 25, 2012, European Metals Corp.(Formerly as Mantis Mineral Corp.)("EMC") announced that it had entered into an option agreement (the "agreement") to acquire a 100% registered undivided interest in the East Lingman Lake gold property consisting of twelve (12) staked claims, totalling 538.3-hectares and located in the Kenora district, province of Ontario, approximately 325-kilometers north of the Town of Red Lake. The twelve (12) staked claims surround the Lingman Lake gold property.

Option agreement

The Agreement provides that EMC may acquire a 100% registered undivided interest in the East Lingman Lake Gold Property subject to a 3% Net Smelter Royalty, by making an initial payment of 1,000,000 common shares (issued) within 10 days of the signing of the Agreement, and further paying an aggregate of $800,000 in cash, or equivalent value in common shares of EMC over four years. Any common shares issued by EMC under the terms of the Agreement are to be priced at $ 0.05, subject to regulatory approval and a four month regulatory hold period from date of issue. In November 2013, the Company entered into an option agreement to grant an option to acquire a 100% registered undivided interest in the East Lingman Lake to Signature Resources Ltd. (SGU: TSX-V) ("Signature"). In order to acquire the option currently held by the Company, Signature agreed to pay $127,500 or the number of common shares in the capital of SGU equal to $127,500, each such common share at an attributed value of $0.085 or such value allowable under the TSXV Exchange policies on or before June 30, 2014.The original agreement stated that the payment would be made on June 30, 2014, the Company has agreed to an extension for the receipt of these shares to April 30, 2015.

The Company has recorded an impairment of $257,300 in prior years.

(ii) Orphan Gold Mine Property

The Company acquired in 2007, 100% interest in the mineral rights in the former Orphan Gold mine. In November 2007, the Company acquired the surface rights for the property, additionally; the Company increased its land holdings at the Orphan mine project by staking five contiguous claims totalling 1,280-hectares, located 3,000-meters north east of EMC's Orphan mine.

On September 30, 2014 an agreement to sell this property to an arm's length third party was completed. The sale price consisted of the following:

(i) on closing, 983,500 common shares in Signature Resources Ltd. with a value of $0.015 per share(received) for a total value of $14,753. An impairment to the value of the project of $1,780,890 had been recorded in prior years; the $14,753 received has been recorded as a recovery against these expenses.

(ii) on or before eighteen months (18) months following the closing date, at the purchasers sole election:

(a) the transfer of an aggregate of a further one million (1,000,000) common shares of Signature Resources ltd.
(b) cash payment of fifty thousand dollars ($50,000).

(iii) Cree Lake Property

On October 4, 2012 the Company entered into an arm's length binding letter of intent with Elcora Resources Corp. ("Elcora") for the right to acquire a 51% undivided interest in the 100% owned Cree Lake Gold Property located in Swayze Township, Ontario, consisting of 18 mining claims covering approximately 3904 hectares, which claims are subject to a 1.5% net smelter return royalty ("NSR") on mining claim numbers 4203295, 4203275, 4203296, 4209811.

Under the terms of the Letter of Intent, Elcora has the exclusive right to earn up to a 51% undivided interest in the Cree Lake Claims by making cash payments, issuing common shares of Elcora and conducting work programs on the Cree Lake Claims. Elcora may earn a 51% interest in the Cree Lake Claims by making cash payments totaling $50,000, issuing 3,000,000 common shares and completing work programs on the Cree Lake Claims with a total value of a minimum of $1,000,000 over a four year period.

Date	Common Shares	Work commitment/Expenditures
Within 10 days of the closing date	300,000	$ 25,000 cash payment to Mantis
On or before December 31,2013	400,000	$200,000 exploration expenditures and $25,000 cash payment to Mantis
On or before December 31,2014	600,000	$250,000 exploration expenditures
On or before December 31,2015	700,000	$250,000 exploration expenditures
On or before December 31,2016	1,000,000	$300,000 exploration expenditures

In March 2013, 300,000 shares of Elcora and $25,000 in cash were received pursuant to the agreement.

The original agreement stated that the payment of 600,000 shares of Elcora would be made on December 31, 2014, these shares were not issued and in January 2015, Elcora notified the Company that it would be terminating the option.

The Company still maintains the option on the above property and will perform the required work on the property to maintain the option in good standing, and will review this position in the coming year. Elcora did not earn a 51% interest in the Creek Lake claims.

The original agreement stated that the payment of 600,000 shares of Elcora would be made on December 31, 2014, since the option was terminated, no payment was received. The Company had recorded an impairment of $804,171 in prior years.

Selected Annual Information

	December 31 2014	December 31 2013
	$	$
Total revenues		
Net Income(Loss) and comprehensive income(loss) before income taxes		
Total	(16,834,991)	(3,241,740)
Per share basis	(0.014)	(0.018)
Net Income(Loss) and comprehensive income(loss)		
Total	(16,834,991)	(3,241,740)
Per share basis	(0.014)	(0.02)
Diluted - per share basis (i)		-
Total assets	87,553	570,587
Total long term financial liabilities	-	-

(i) Fully diluted loss per common share has not been provided as the effect would be anti–dilutive.

Summary of quarterly results

Quarterly variances occur mainly due to seasonal factors, administrative costs and fees related to new property acquisitions, business partnerships and combinations and levels of exploration activities.

The information presented below highlights the Company's unaudited quarterly results for the past five quarters. The financial information referenced below has been prepared in accordance with IFRS.

	Net Earnings(Loss) and Comprehensive Earnings (Loss)					
Quarter ended	**Total**	**Write down and impairment of evaluation and exploration assets**	**Income(Loss) before income taxes and write down of exploration and evaluation assets**	**Per Share (i)**	**Total assets**	**Working Capital(Deficiency)**
	$	$	$	$	$	$
March 31,2015	(115,571)	-	(115,571)	(0.0001)	49,651	(744,323)
Dec 31,2014	(1,714,419)	1,504,520	(1,830,471)	(0.0012)	87,553	(628,886)
Sept 30,2014	(13,617,612)	13,500,000.00	(117,612)	0.012	1,540,778	(577,594)
June 30,2014	(132,217)	-	(132,217)	(0.0001)	90,768	(476,019)
March 31,2014	(1,370,743)	-	(1,370,743)	(0.001)	130,722	(347,242)

(i) On a non-diluted basis

Factors Affecting Quarterly Results:

The Company has no revenue. As a result of its activities, the Company continues to incur net losses. The Company had cash flow resulting from the sales of marketable securities.

There is no comparison between the results for the first quarter in 2014 and the first quarter in 2015. 2014 reported the transactions resulting from the Reverse Takeover Transaction ("RTO") that took place in February 2014. The costs incurred in that period were extraordinary to the normal operations of the Company.

(a) The largest category in 2015 was amounts paid to consultants for $82,232 and consisted of the following:

> (i) Consulting fees of $23,000; these fees were paid to consultants in 2014 and recorded as a prepayment in 2014. They were expensed in this quarter.
>
> (ii) Consulting fees accrued but not paid of $45,000; $30,000 to an arm's length consultant and $15,000 to the prior CEO of the Company to complete a contract that expired on March 31, 2015.
>
> (iii) Consulting fees paid to the current CEO/CFO of $14,000.

(b) Insurance costs of $18,711 were for the Directors and Officers Liability policy. This policy was cancelled in May 2015 due to non-payment.

(c) All other costs have been reduced to a bare minimum while retaining the costs associated with the parallel need to manage a compliant public company and the maintenance of its assets in good standing. The office premises for the Company have been downsized, administration costs for telephone, investor relations and as many other costs as possible have been reduced to their absolute minimum in the first quarter of 2015 and going forward.

Course of Business Transactions

Related Party Transactions

(a) The Company incurred the following related party transactions during the period ended March 31, 2015:

(a) Related parties include the Board of Directors, officers, 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).

(i) A consulting contract with the Chief Executive Officer ("CEO") engaged from the date of amalgamation for $5,000 per month payable in cash or in equal value of common shares, for one year from March 14, 2014, subject to a four month regulatory hold and regulatory approval. Although the CEO resigned on August 1, 2014, the contract remained in effect until its completion in March 2015.

(ii) A consulting contract with the current Chairman and CEO/CFO for services for $5,000 per month payable in cash or in equal value of common shares, subject to a four month regulatory hold and regulatory approval. The term of the contract is automatically renewed on an annual basis subject to the approval of the Board of Directors.

(b) In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key management of the Company was as follows:

	Three month period ended March 31, 2015
	$
Consulting fees (i)	14,500
Consulting fees (ii)	15,000

(i) Current Chairman and Chief Executive Officer /Chief Financial Officer
(ii) Former Chief Executive Officer- resigned August 1, 2014, contract completed March 31, 2015.

Outstanding Share Data

Share Capital

	Note	Number of shares	Amount
		#	$
Balance, December 31, 2013		**111,564,115**	**29,502,521**
Elimination of share capital of Mantis Mineral Corp. on RTO		-	(29,502,521)
Shares issued to effect RTO	(i)	900,972,201	3,504,861
Less: amounts attributable to warrants			(1,065,621)
Shares issue costs attributable to the shares issued to effect the RTO		-	(165,758)
Issued on exercise of options - Cash	(ii)	46,000,000	230,000
- Black Scholes Value			4,728
Issued on exercise of compensation options - Cash	(iii)	5,036,000	25,180
- Black Scholes Value			(17,304)
Issued on conversion of debt	(iv)	29,190,248	150,185
Shares to be issued	(v)	10,000,000	50,000
Evaluation and exploration expenditures	(vi)	300,000,000	15,000,000
Balance, March 31 2015 and December 31, 2014		**1,402,762,564**	**17,716,271**

(i) Private Placement

Gondwana issued 700,972,200 Special Warrants at $0.005 per Special Warrant to raise aggregate gross proceeds of $3,504,861. Each Special Warrant is exercisable, for no additional consideration, to acquire one Gondwana Unit, consisting of one Gondwana Share and one Gondwana warrant exercisable at $0.05 for a period of five years from the closing date of the Private Placement into one Gondwana Share.

The warrants are valued using the Black-Scholes option pricing model with the following assumptions: Term - 5 years; Volatility – 138%; Interest rate – 1.63%; Dividend yield - Nil

Eligible registrants received a cash commission up to 7% of the gross proceeds they raised in connection with the Private Placement as well as Compensation Options entitling them to acquire such number of units as is up to 7% of the aggregate number of Special Warrants they sold in the Private Placement. Each such Compensation Option entitles the holder to acquire one Gondwana Unit at a price of 0.005 for a period of five years. The Gondwana Unit consists of one common share and one warrant, the warrant is exercisable at $0.05 for a period of five years from the closing date of the Private Placement. The Compensation Option warrants will be valued when they are exercised.

The share issue costs were comprised of cash commissions - $112,127 and other costs - $53,631.

(ii) In November 2013, 45,000,000 options were exercised at $0.005 for total proceeds of $225,000. On March 10, 2014, 1,000,000 options were exercised at $0.005 per common share for total proceeds of $5,000.

(iii) On March 20, 2014 - 3,300,000 compensation units for $16,500 and on March 26, 2014 – 686,000 compensation units were exercised at $0.005 per unit for $3,430, with the issuance of 3,986,000 common shares. On April 4, 2014 1,050,000 compensation units were exercised at $0.005 per unit for $5,250.

(iv) In 2014, debts owing to two arms length creditors were settled by an amount of $150,185 by the issuance of 29,190,248 common shares.

(v) In 2014, $50,000 was received for 10,000,000 shares to be issued.

(vi) On September 9, 2014 the Company completed its acquisition of the above option agreement for an 80% interest in the Berehaven Copper Mines, for the consideration of 300 million shares at a price of $0.05 per common share in the Company and work commitments of $250,000 on or before February 1, 2015 and $2,000,000 on or before March 31, 2016. The shares were issued October 1, 2014.

Stock options

European Metals Options may be granted under the European Metals Plan only to directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the European Metals shares may be listed or may trade from time to time. The number of European Metals shares reserved for issue to any one person pursuant to the European Metals Plan within any one year period may not exceed 5% of the issued and outstanding European Metals Shares. The maximum number of European Metals shares which may be reserved for issuance to insiders under the European Metals Plan, any other employer stock option plans or options for services, shall be 10% of the total number of European Metals shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of European Metals options which may be granted to any one consultant under the European Metals Plan, any other employer stock options plans or options for services, within any 12 month period, must not exceed 2% of the total number of European Metals shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of European Metals options which may be granted to investor relations persons under the European Metals Plan, any other employer stock options plans or options for services, within any 12 month period must not exceed, in the aggregate, 2% of the total number of European Metals shares issued and outstanding at the time of the grant (on a non-diluted basis). The exercise price of European Metals options issued under the European Metals Plan may not be less than the fair market value of the European Metals shares at the time the option is granted, subject to any discounts permitted by applicable legislative and regulatory requirements.

The Company applies the fair value method of accounting for all stock-based compensation awards.

The following table summarizes information about stock options outstanding and exercisable at December 31, 2014:

March 31, 2015			
	Number of options outstanding	**Weighted Average Exercise Price**	**Fair Value of Options**
	#	$	$
Stock options assumed on RTO	112,500,000	0.005	532,000
Stock options assumed on RTO	2,450,000	0.05	83,049
Exercised during the year (i)	(46,000,000)	0.005	(217,529)
Expired during the year (ii)	(2,350,000)	(0.05)	(79,659)
Outstanding, December 31, 2014	66,600,000	0.005	317,861
Outstanding, March 31, 2015	66,600,000	0.005	317,861

(i) 46,000,000 stock options were exercised during the 2014 year for $0.005 per option.

(ii) 2,350,000 stock options from the RTO expired during the year ended December 31, 2014.

The number of common shares issuable under options and the average option prices per share, are as follows:

Weighted Average Remaining Contractual Life	**Fair Value of Options**	**Number of options and exercisable options**	**Exercise price**	**Expiry Date**
Years	**$**	**#**	**$**	
0.50	3,390	100,000	0.05	October 4,2015
3.63	314,471	66,500,000	0.005	November 18,2018
2.07	317,861	66,600,000	0.005	

The options are valued using the Black-Scholes option pricing model with the following assumptions:

Term - 5 years; Volatility – 138%; Interest rate – 1.63%; Dividend yield- Nil

Warrants

The following tables summarize information about warrants outstanding at March 31, 2015:

Warrants outstanding as at March 31, 2015:

	Number of Warrants	**Weighted Average Exercise Price**
	31-Mar	**31-Mar**
	2015	**2015**
	#	$
Outstanding,beginning of period	704,958,200	0.05
Granted during period	-	-
Cancelled or expired during period	-	-
Outstanding,end of period	704,958,200	0.05

Expiry date	Exercise price $	Number of warrants outstanding and exercisable	Black Scholes value $
February-19	0.05	700,972,200	1,065,621
March-19	0.05	3,986,000	13,704
Apr-19	0.05	1,050,000	3,600
Balance, March 31, 2015		704,958,200	1,082,925

(i) In 2014, warrants were issued on the conversion of the Special Warrants into the common shares of European Metals Corp amounting to 700,972,200 warrants.

(ii) On March 20, 2014 - 3,300,000 compensation units and on March 26, 2014 - 686,000 compensation units were exercised at $0.005 per unit which resulted in the issuance of 3,986,000 warrants.

(iii) Compensation Options were issued on the completion of funds raised for the completion of the RTO of 48,342,854. The total number warrants included in the issuance of these Compensation Options amounted to 48,342,854. These warrants are exercisable for $0.05 up to February 24, 2019. On April 4, 2014 1,050,000 compensation units were exercised at $0.005 per unit for $5,250.

The Compensation Option warrants will be valued when they are exercised.

No warrants were exercised in this period.

The warrants are valued using the Black-Scholes option pricing model with the following assumptions:

Term - 5 years; Volatility – 138%; Interest rate – 1.63%; Dividend yield- Nil

Environmental Liabilities

The Company is not aware of any environmental liabilities, obligations or responsibilities associated with the Company's mining interests.

Liquidity and Capital Resources

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2015 the Company has not generated any revenues from operations, has a working capital deficit of $744,323 and an accumulated deficit of $710,856 attributable to the owners of the parent.

Current funds may not be sufficient to explore existing projects, and in due course, further funding will be required. In the event that the Company is unable to secure further financing it may not be able to complete the development of its projects. Due to continuing operating losses and a working capital deficit, the Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop mineral projects and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. The financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The properties held by the Company are not income generating. The Company is reliant on equity markets over the long term to raise capital to fund its exploration activities. In the past, the Company has been successful in raising funds through equity offerings, and while there is no guarantee that this will continue, there is no reason either to believe that this capacity will diminish.

The Company has generated cash flows by selling investments in various securities.

Accounts payable balances vary from quarter-to-quarter depending on the season and the amount of work performed during the quarter. The balance at March 31, 2015 was $790,291 (December 31, 2014 of $712,622).

The Company does not hold, and has never held, any Asset-Backed Commercial Paper (ABCP).

The Company is in the exploration stage and is subject to risks and challenges similar to other companies in a comparable stage of exploration.

Management continues to evaluate various financing alternatives in order to fund its ongoing exploration activities as well as for general administrative costs. There is no assurance that such additional financings will be available as required, or under favourable terms. If the Company does not secure additional financing, exploration activities will be seriously curtailed and the Company may not be able to meet its ongoing commitments.

Balance-Sheet Arrangements

The Company has no off-balance-sheet arrangements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These 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 period for the three months ended March 31, 2015.

b) Basis of presentation

The consolidated financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of May 28th, 2015, the date the Board of Directors approved the statements. These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

i) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

ii) Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets or liabilities recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

iii) Share-based payments

Management determines costs for share-based payments using the Black-Scholes option pricing model. The fair value of the market-based and performance-based share awards are determined at the date of grant and incorporates certain input assumption's including the future volatility of the stock price, expected dividend yield, and expected life. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

c) Principles of Consolidation

The consolidated financial statements include the accounts of European Metals Corp. (the "Company") and it's wholly owned subsidiaries Mantis Explorations Inc., Mantis Explorations Ltd., Avenue Bancorp Ltd., and University Avenue Management Ltd. In addition, the Company owns a 70% interest in Miura Petroleum Limited. On consolidation, all intercompany transactions and balances have been eliminated

d) Business Combinations

Business combinations are accounted for using the acquisition method of accounting. The cost of an acquisition is measured as cash paid and the fair value of other assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The acquired identifiable assets and liabilities assumed, including contingent liabilities, are measured at their fair values at the date of acquisition. Associated transaction costs are expensed when incurred.

e) Financial Instruments

Financial assets:

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following categories: financial assets 'at fair value through profit or loss' ["FVTPL"], 'held-to-maturity investments', 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial liabilities:

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities:

Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or [where appropriate] to the net carrying amount on initial recognition.

De-recognition of financial liabilities:
The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expired.

The Company's financial instruments consist of the following:

Financial assets:		Classification:
Cash Marketable securities		FVTPL FVTPL
Prepaid and sundry receivables		Receivables
Financial liabilities:		Classification:
Accounts payable and accrued liabilities		Other financial liabilities

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts or loan receivable, where the carrying amount is reduced through the use of an allowance account. When an accounts or loan receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices [unadjusted] in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly [i.e. as prices] or indirectly [i.e. derived from prices]; and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data [unobservable inputs]. As of March 31, 2015, cash was classified as Level 1 on the consolidated balance sheet.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at March 31, 2015:

	Financial assets at fair value as at March 31, 2015			
	Level 1	Level 2	Level 3	Total
Cash	$ 1,095	$ -	$ -	$ 1,095
Cash Equivalents	$ 5,000	$ -	$ -	5,000
Marketable securities	$ 6,095	$ -	$ -	$ 6,095

f) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment. The Company has assessed its assets and has determined that there is no impairment of its non-financial assets.

g) Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located . PPE is amortized using the declining-balance method using the following rates: Furniture and fixtures-20% ; Mining equipment - 30% and Computer equipment – 30%.

The Company compares the carrying value of PPE to estimated net recoverable amounts, based on estimated future cash flows, to determine whether there is any indication of impairment whenever events or circumstances warrant. An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the statements of comprehensive income or loss.

Where an item of PPE consists of major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

h) Exploration and Evaluation Assets

The Company is in the exploration stage with respect to its investment in mineral properties. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized on a property by property basis. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations.

Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

i) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The Company had no material provisions at March 31, 2015.

j) Share based payment transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period 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.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

k) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

(l) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. As at March 31, 2015 the Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

m) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options outstanding that may add to the total number of common shares.

n) Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future, that management have made, could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made. These relate to, but are not limited to, the following:

i) Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets.

Internal sources of information include the manner in which the assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future cash flows expected to be derived from the Company's properties, costs to sell the properties and the appropriate discount rate.

Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

For the period ended March 31, 2015, no impairment of exploration and evaluation assets was recorded.

ii) Income taxes and recoverability of potential deferred tax assets
In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible and are within management's ability to implement.

Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets or liabilities recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

iii) Share-based payments
Management determines costs for share-based payments using the Black-Scholes option pricing model. The fair value of the market-based and performance-based share awards are determined at the date of grant and incorporates certain input assumption's including the future volatility of the stock price, expected dividend yield, and expected life. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

iv) Provision for income taxes

Provisions for income 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 originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

v) Categorization of financial assets and liabilities

The categorization of financial assets and liabilities is an accounting policy that requires management to make judgements or assessments.

o) New accounting standards and interpretations

The following accounting pronouncements have been released but have not yet been adopted by the Company.

IFRS 9 - Financial instruments ("IFRS 9")
In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 as a first phase in its ongoing project to replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9, which is to be applied retrospectively, will be effective as of January 1, 2018.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Management has not yet determined the potential impact the adoption of IFRS 9 will have on the Company's consolidated financial statements.

IFRS 11 - Joint Arrangements ("IFRS 11")
IFRS 11 was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

IAS 1 - Presentation of Financial Statements ("IAS 1")
IAS 1 was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

3. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company considers its capital to be a deficit, comprising share capital, reserves and deficit which at March 31, 2015 totalled $710,856 attributable to the owners of the parent. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, and acquire or dispose of assets to adjust the amount of cash and cash equivalents.

4. PROPERTY AND FINANCIAL RISK FACTORS

The Company is exposed to property risk and a variety of financial risks: credit risk, liquidity risk and market risk [including interest rate and foreign exchange rate risks] as explained below. 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.

(a) Property risk

The Company acquired the rights to the option on the Berehaven Copper Property. The Company will be mainly dependent upon the Berehaven project and the prior mineral properties still held by the Company, being the Cree Lake, the Orphan Mine and the East Lingman Lake properties. If no additional major mineral exploration properties are acquired by the Company, any adverse development affecting this project would have a material adverse effect on the Company's financial condition and results of operations.

(b) Financial risk

Credit risk

The Company's credit risk is primarily attributable to cash and prepaid expenses. The Company has no significant concentration of credit risk arising from operations. Cash has been invested with reputable financial institutions, from which management believes the risk of loss to be minimal.

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 the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at March 31, 2015, the Company had cash and cash equivalents of $6,095 to settle current liabilities of $790,291. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

(i) Interest rate risk
The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

(ii) Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars.

iii) Commodity 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 of gold, copper, silver, lead, and zinc to determine the appropriate course of action to be taken by the Company.

(c) Sensitivity analysis
Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

(i) Cash is subject to floating interest rates. The Company has no variable debt and receives low interest rates on its cash balances. As such, the Company does not have significant interest rate risk.

Exploration, Development and Mining Risks

Resource exploration, development and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Unusual or unexpected formations, formation pressures, fires, power and water outages, labour disruptions, flooding, explosions, cave-ins, land slides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company will rely upon consultants and others for exploration and development expertise.

The Company's projects are in the exploration stages only and are each without a known body of commercial ore. Development of the Company's projects would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The Company will carefully evaluate the political and economic environment in considering any properties for acquisition. There can be no assurance that additional significant restrictions will not be placed on the Company's projects and any other properties the Company may acquire or its operations. Such restrictions may have a material adverse effect on the Company's business and results of operation.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons.

Future Profits/Losses and Production Revenues/Expenses

There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration, development and, if warranted, commercial production of the Company's projects and any other properties the Company may acquire are added as needed. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, and the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control. The Company does not expect to receive revenues from operations in the foreseeable future, if at all. The Company expects to incur losses unless and until such time as the Company's projects and any other properties the Company may acquire enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Company's projects and any other properties the Company may acquire will require the commitment of substantial resources to conduct the time-consuming exploration and development of the properties. There can be no assurance that the Company will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

Competition

The international mining industry is highly competitive and the Company competes with other mining companies, many of which have greater resources and experience. Competition in the precious metals mining industry is primarily for: mineral rich properties which can be developed and can produce economically; the technical expertise to find, develop and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but also conduct refining and marketing operations on a worldwide basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Fluctuating Mineral Prices

Commodity prices are highly volatile and factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors cannot be predicted.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other natural resource companies or companies providing services to the Company or they may have significant shareholdings in other resource companies. Situations may arise where the directors and/or officers of the Company may be in competition with the Company. Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Key Employees

The Company will depend on a number of key employees, the loss of any one of whom could have an adverse effect on the Company.

Limited Operating History

There is no assurance that the Company will earn profits in the future, or that profitability, if achieved, will be sustained. If the Company does not have sufficient capital to fund its operations, it may be required to forego certain business opportunities. The Company may also have a reduced interest or lose its interest in the properties/CJVs.

Future Capital Requirements

The Company will require additional financing in order to grow and expand its operations. It is possible that required future financing will not be available or, if available, will not be available on favourable terms. If the Company issues treasury shares to finance its operations or expansion plans, control of the Company may change and shareholders may suffer dilution of their investment. If adequate funds are not available, or are not available on acceptable terms, the Company may not be able to take advantage of opportunities, or otherwise respond to competitive pressures and remain in business.

Management of Growth

Any expansion of the Company's business may place a significant strain on its financial, operational and managerial resources. There can be no assurance that the Company will be able to implement and subsequently improve its operations and financial systems successfully and in a timely manner in order to manage any growth it experiences. There can be no assurance that the Company will be able to manage growth successfully. Any inability of the Company to manage growth successfully could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may expand its operations through the acquisition of additional businesses, products or technologies that it believes will complement its current or future business. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional businesses or successfully integrate any acquired businesses, products or technologies into the Company without substantial expenses, delays or other operational or financial problems. Furthermore, acquisitions involve a number of special risks, including diversion of management's attention, failure to retain key acquired personnel, unanticipated events or circumstances, and legal liabilities, some or all of which could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, there can be no assurance that the Company can complete any acquisition it pursues on favourable terms, that any acquired businesses, products or technologies will achieve anticipated revenues and income, or that any acquisitions completed will ultimately benefit the Company's business. An acquisition could also result in a potentially dilutive issuance of equity securities. If a strategy of growth through acquisition is pursued, the failure of the Company to manage this strategy successfully could have a material adverse effect on the Company's business, results of operations and financial condition.

Government Regulations

The Company may be subject to various laws, regulations, regulatory actions and court decisions that may have negative effects on the Company. Changes in the regulatory environment imposed upon the Company could adversely affect the ability of the Company to attain its corporate objectives.

Share Price Volatility

The market price of the Company Shares is highly volatile and may be significantly affected by factors such as actual or anticipated fluctuations in the Company’s operating results, announcements of technological innovations, changes in estimates or analysis by securities analysts, new exploration projects by the Company or its competitors, government regulatory action, general market conditions and other factors.

OUTLOOK

The Company is dependent on obtaining financing for the exploration and development of its mineral properties and any new projects. Management is currently exploring various financing alternatives in order to fund its planned exploration activities. Given the current market in which junior exploration mining companies find themselves, this has been an incredibly difficult task. There is no assurance that such financing will be available when required, or under favourable terms.