



AVRUPA MINERALS LTD.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2015
(UNAUDITED)

AVRUPA MINERALS LTD.

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**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

AVRUPA MINERALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Presented in Canadian Dollars)

	Note	March 31, 2015 (Unaudited)	December 31, 2014 (Audited)
Assets			
Current assets			
Cash		\$ 184,188	\$ 761,932
Restricted cash	5	28,508	299,305
Prepaid expenses and advances		195,319	240,602
Due from optionees	5	72,019	195,855
Receivables		37,456	44,451
Bank guarantees	13	135,549	139,678
		<u>653,039</u>	<u>1,681,823</u>
Non-current assets			
Exploration and evaluation assets	5	1,479,204	1,479,204
Property, plant and equipment	4	67,784	74,658
		<u>1,546,988</u>	<u>1,553,862</u>
Total assets		\$ 2,200,027	\$ 3,235,685
Liabilities			
Current liabilities			
Funds held for optionees	5	28,508	299,305
Accounts payable and accrued liabilities		309,670	756,930
Due to related parties	7	48,864	53,301
		<u>387,042</u>	<u>1,109,536</u>
Equity			
Share capital	6	\$ 5,633,560	\$ 5,633,560
Reserves	6	4,361,859	4,427,290
Deficit		(8,182,434)	(7,934,701)
		<u>1,812,985</u>	<u>2,126,149</u>
Total equity and liabilities		\$ 2,200,027	\$ 3,235,685

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on May 28, 2015. They are signed on the Company's behalf by:

/s/Paul W. Kuhn
Director

/s/Mark T. Brown
Director

AVRUPA MINERALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Presented in Canadian Dollars)
(Unaudited)

	Note	Three months ended	
		March 31, 2015	March 31, 2014
Mineral exploration expenses			
Mineral exploration expenses	5	\$ 561,690	\$ 1,140,410
Advances from optionees	5	(482,836)	(1,051,359)
		<u>(78,854)</u>	<u>(89,051)</u>
General administrative expenses			
Bank charges		4,767	2,842
Consulting		22,849	28,790
Depreciation		1,419	225
Insurance		2,300	2,300
Investor relations		64,920	55,406
Listing and filing fees		6,100	6,150
Office and administrative fees		11,406	4,733
Professional fees		50,382	73,158
Rent		4,561	7,249
Share-based payment		-	29,141
Telephone		-	491
Transfer agent fees		872	1,063
Travel		10,417	8,835
		<u>(179,993)</u>	<u>(220,383)</u>
Other items			
Foreign exchange gain/(loss)		10,084	(2,410)
Interest income		1,030	3,105
Other income		-	125
Property investigation cost		-	(168)
		<u>11,114</u>	<u>652</u>
Net loss for the period		<u>(247,733)</u>	<u>(308,782)</u>
Exchange difference arising on the translation of foreign subsidiaries		<u>(65,431)</u>	<u>61,051</u>
Comprehensive loss for the period		\$ (313,164)	\$ (247,731)
Basic and diluted loss per share	8	\$ (0.01)	\$ (0.01)

AVRUPA MINERALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Presented in Canadian Dollars)

	Share capital		Reserves					Total equity
	Number of shares	Amount	Warrants	Finder's options	Equity-settled employee benefits	Exchange	Deficit	
Balance as at December 31, 2013 (Audited)	38,543,571	\$ 4,647,712	\$ 3,278,495	\$ 195,230	\$ 575,936	\$ 30,522	\$ (6,683,745)	\$ 2,044,150
Share issues:								
Shares issued for warrants exercised	280,000	65,790	(23,790)	-	-	-	-	42,000
Shares issued for options exercised	150,000	28,030	-	-	(13,030)	-	-	15,000
Revaluation of extended warrants	-	(579,150)	579,150	-	-	-	-	-
Share-based payment	-	-	-	-	29,141	-	-	29,141
Comprehensive loss	-	-	-	-	-	61,051	(308,782)	(247,731)
Balance as at March 31, 2014 (Unaudited)	38,973,571	4,162,382	3,833,855	195,230	592,047	91,573	(6,992,527)	1,882,560
Share issues:								
Shares issued for private placement	4,400,000	612,371	487,629	-	-	-	-	1,100,000
Share issue costs	-	(101,805)	-	34,534	-	-	-	(67,271)
Shares issued for property license fees	515,560	128,890	-	-	-	-	-	128,890
Shares issued for warrants exercised	666,666	156,641	(56,641)	-	-	-	-	100,000
Revaluation of extended warrants	-	675,081	(675,081)	-	-	-	-	-
Comprehensive loss	-	-	-	-	-	(75,856)	(942,174)	(1,018,030)
Balance as at December 31, 2014 (Audited)	44,555,797	5,633,560	3,589,762	229,764	592,047	15,717	(7,934,701)	2,126,149
Comprehensive loss	-	-	-	-	-	(65,431)	(247,733)	(313,164)
Balance as at March 31, 2015 (Unaudited)	44,555,797	\$ 5,633,560	\$ 3,589,762	\$ 229,764	\$ 592,047	\$ (49,714)	\$ (8,182,434)	\$ 1,812,985

AVRUPA MINERALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Presented in Canadian Dollars)
(Unaudited)

	Note	Three months ended	
		March 31, 2015	March 31, 2014
Cash flows from operating activities			
Net loss for the period	\$	(247,733)	\$ (308,782)
Items not involving cash:			
Depreciation		1,419	3,994
Mineral exploration expenses		3,873	-
Share-based payment		-	29,141
Changes in non-cash working capital items:			
Receivables		6,995	(81,693)
Due from optionees		123,836	-
Bank guarantees		4,129	(8,552)
Prepaid expenses and advances		45,283	10,635
Other assets		-	-
Accounts payable and accrued liabilities		(447,260)	(25,979)
Due to related parties		(4,437)	25,539
Funds held for optionees		(270,797)	(278,331)
Exchange difference arising on the translation of foreign subsidiaries		(63,355)	60,034
Net cash (used in) operating activities		(848,047)	(573,994)
Cash flows from investing activities			
Purchase of property, plant and equipment		(494)	(41,544)
Net cash (used in) investing activities		(494)	(41,544)
Cash flows from financing activities			
Proceeds from issuance of common shares		-	57,000
Net cash provided by financing activities		-	57,000
Change in cash for the period		(848,541)	(558,538)
Cash, beginning of the period		1,061,237	1,079,658
Cash, end of the period	\$	212,696	\$ 521,120
Cash comprised of:			
Cash	\$	184,188	\$ 158,947
Restricted Cash		28,508	362,173
	\$	212,696	\$ 521,120
Supplementary information:			
Interest received	\$	1,030	\$ 3,105

Supplemental disclosure with respect to cash flows (Note 10)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Avrupa Minerals Ltd. (the "Company") was incorporated on January 23, 2008 under the Business Corporations Act of British Columbia and its registered office is Suite 2610 – 1066 West Hastings Street, Vancouver, BC, Canada, V6E 3X1. The Company changed its name on July 7, 2010 and began trading under the symbol "AVU" on the TSX Venture Exchange (the "Exchange") on July 14, 2010. On September 20, 2012, the Company listed in Europe on the Frankfurt Stock Exchange under the trading symbol "8AM". The Company is primarily engaged in the acquisition and exploration of mineral properties in Europe.

These condensed consolidated interim financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. There are material uncertainties that cast significant doubt about the appropriateness of the going concern assumption.

If the Company is to advance or develop its mineral properties further, it will be necessary to obtain additional financing and while it has been successful in the past, there can be no assurance that it will be able to do so in the future. Failure to raise sufficient funds would result in the Company's inability to make future required property payments, which would result in the loss of those property options.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement on financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS34") using accounting policies consistent with the IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except certain financial instruments which are measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

2. BASIS OF PREPARATION *(Continued)*

c) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the March 31, 2015 reporting period. The Company has not early adopted the following new and revised standard, amendment and interpretation that has been issued but is not yet effective:

- IFRS 9 (Amended 2010) Financial Instruments (effective January 1, 2018)

The Company anticipates that the application of the above new and revised standard, amendment and interpretation will have no material impact on its results and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statement for the year ended December 31, 2014.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2014. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three month period ended March 31, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015.

AVRUPA MINERALS LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014
(Presented in Canadian Dollars)
(Unaudited)

4. PROPERTY, PLANT AND EQUIPMENT

	Furniture and other equipment Vehicles Other assets Total			
Cost				
As at January 1, 2014	\$ 69,975	\$ 153,482	\$ 20,249	\$ 243,706
Additions during the year	45,964	21,899	660	68,523
Disposals during the year	(3,744)	-	-	(3,744)
Exchange adjustment	(2,946)	(6,462)	(853)	(10,261)
As at December 31, 2014	109,249	168,919	20,056	298,224
Additions during the period	494	-	-	494
Exchange adjustment	(3,230)	(4,994)	(593)	(8,817)
As at March 31, 2015	\$ 106,513	\$ 163,925	\$ 19,463	\$ 289,901
Accumulated depreciation				
As at January 1, 2014	\$ 50,129	\$ 153,482	\$ 13,354	\$ 216,965
Depreciation for the year	18,026	763	1,570	20,359
Depreciation for the year related to disposals	(3,744)	-	-	(3,744)
Exchange adjustment	(2,888)	(6,495)	(631)	(10,014)
As at December 31, 2014	61,523	147,750	14,293	223,566
Depreciation for the period	3,672	1,089	531	5,292
Exchange adjustment	(1,909)	(4,395)	(437)	(6,741)
As at March 31, 2015	\$ 63,286	\$ 144,444	\$ 14,387	\$ 222,117
Net book value				
As at January 1, 2014	\$ 19,846	\$ -	\$ 6,895	\$ 26,741
As at December 31, 2014	\$ 47,726	\$ 21,169	\$ 5,763	\$ 74,658
As at March 31, 2015	\$ 43,227	\$ 19,481	\$ 5,076	\$ 67,784

AVRUPA MINERALS LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014
(Presented in Canadian Dollars)
(Unaudited)

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES

	Portugal					Kosovo		Germany	Others	Total
	Alvalade	Covas	Alvito	Callinan Generative	Others	Slivovo	Others			
Exploration and evaluation assets										
Acquisition costs										
As of January 1, 2015	\$ 167,920	\$ 71,289	\$ -	\$ -	\$ 1,096,840	\$ 143,155	\$ -	\$ -	\$ -	\$ 1,479,204
Additions during the period	-	-	-	-	-	-	-	-	-	-
As of March 31, 2015	\$ 167,920	\$ 71,289	\$ -	\$ -	\$ 1,096,840	\$ 143,155	\$ -	\$ -	\$ -	\$ 1,479,204
Mineral exploration expenses for the period ended March 31, 2015										
Assaying	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,930	\$ -	\$ -	\$ -	\$ 20,930
Concession fees and taxes	123	5,241	201	-	17,367	-	-	-	-	22,932
Depreciation	-	-	383	-	3,490	-	-	-	-	3,873
Drilling	-	-	-	-	-	63,784	-	-	-	63,784
Geological salaries and consulting	12,971	70,783	11,413	-	97,448	848	-	-	22,389	215,852
Geology work	-	-	-	976	-	127,626	-	-	-	128,602
Insurance	-	-	-	-	-	2,095	-	-	-	2,095
Legal and accounting	-	-	4	-	26	-	-	-	-	30
Office and administrative fees	751	700	3,578	366	3,316	5,707	-	-	7,340	21,758
Rent	8,012	2,095	883	-	11,843	3,995	-	-	4,157	30,985
Site costs	108	310	465	-	2,693	21,672	-	-	2,436	27,684
Travel	172	261	801	-	2,798	16,298	-	-	2,835	23,165
Advances from optionee	-	(72,019)	(696)	(1,342)	-	(408,779)	-	-	-	(482,836)
	\$ 22,137	\$ 7,371	\$ 17,032	\$ -	\$ 138,981	\$ (145,824)	\$ -	\$ -	\$ 39,157	\$ 78,854
Cumulative mineral exploration expenses since acquisition										
Assaying	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,182	\$ 8,116	\$ 10,846	\$ -	\$ 147,144
Concession fees and taxes	132,320	160,328	35,622	55	229,364	6,755	191,370	4	-	755,818
Depreciation	-	-	5,518	-	28,034	-	-	-	-	33,552
Drilling	-	-	-	-	-	343,709	-	-	-	343,709
Geological salaries and consulting	5,573,564	1,896,714	328,972	91,032	1,692,439	37,023	509,379	7,064	22,389	10,158,576
Geology work	-	-	-	32,377	-	523,432	402,515	193,998	-	1,152,322
Insurance	16,841	10,457	2,008	758	8,765	7,286	14,583	-	-	60,698
Legal and accounting	296	-	33	-	270	24,895	-	-	-	25,494
Office and administrative fees	169,157	21,875	17,696	5,068	75,495	21,042	16,180	5,255	7,340	339,108
Rent	286,077	25,064	28,546	3,187	143,337	19,645	44,992	-	4,157	555,005
Site costs	95,465	55,989	13,127	3,054	55,030	116,552	189,975	-	2,436	531,628
Travel	206,068	53,233	21,146	14,469	65,147	27,037	9,257	-	2,835	399,192
Trenching and road work	-	-	-	-	-	18,168	-	-	-	18,168
Advances from optionee	(6,573,193)	(2,101,461)	(213,361)	(150,000)	(83,125)	(1,328,434)	-	-	-	(10,449,574)
	\$ (93,405)	\$ 122,199	\$ 239,307	\$ -	\$ 2,214,756	\$ (54,708)	\$ 1,386,367	\$ 217,167	\$ 39,157	\$ 4,070,840

AVRUPA MINERALS LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014
(Presented in Canadian Dollars)
(Unaudited)

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES

	Portugal							Kosovo					Germany	Total
	Marateca	Alvalade	Covas	Arga	Alvito	Callinan Generative	Others	Glavej	Kamenica	Selac	Slivovo	Others		
Exploration and evaluation assets														
Acquisition costs														
As of January 1, 2014	\$ 1,096,840	\$ 167,920	\$ 71,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,155	\$ -	\$ -	\$ 1,479,204
Additions during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As of December 31, 2014	\$ 1,096,840	\$ 167,920	\$ 71,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,155	\$ -	\$ -	\$ 1,479,204
Mineral exploration expenses for the year ended December 31, 2014														
Assaying	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,252	\$ -	\$ 10,846	\$ 118,098
Concession fees and taxes	30,679	37,285	25,949	3,668	5,134	55	34,216	(1,906)	(1,906)	2,054	2,249	3,668	-	141,145
Depreciation	8,088	-	-	-	3,107	-	3,263	-	-	-	-	-	-	14,458
Drilling	-	-	-	-	-	-	-	-	-	-	279,925	-	-	279,925
Geological salaries and consulting	157,049	1,988,160	690,958	-	195,244	85,498	18,331	-	4,039	-	6,636	2,658	-	3,148,573
Geology work	-	-	-	-	-	31,401	-	-	-	-	382,799	4,039	-	418,239
Insurance	2,224	11,046	8,176	-	1,213	758	1,367	73	73	-	4,033	130	-	29,093
Legal and accounting	95	-	-	-	29	-	62	-	-	-	24,895	-	-	25,081
Office and administrative fees	18,025	64,982	4,172	261	8,511	4,600	12,061	-	40	-	13,016	2	-	125,670
Rent	37,167	99,886	11,267	-	19,142	3,187	20,661	-	-	-	11,878	-	-	203,188
Site costs	6,316	22,889	16,378	-	8,388	2,912	5,128	-	59	-	58,256	-	-	120,326
Travel	2,136	55,103	12,910	-	11,523	14,401	5,345	-	359	-	10,548	359	-	112,684
Trenching and road work	-	-	-	-	-	-	-	-	-	-	18,168	-	-	18,168
Advances from optionee	-	(2,279,351)	(769,369)	(299)	(183,292)	(114,904)	-	-	-	-	(919,655)	-	-	(4,266,870)
	\$ 261,779	\$ -	\$ 441	\$ 3,630	\$ 68,999	\$ 27,908	\$ 100,434	\$ (1,833)	\$ 2,664	\$ 2,054	\$ -	\$ 10,856	\$ 10,846	\$ 487,778
Cumulative mineral exploration expenses since acquisition														
Assaying	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,292	\$ 3,569	\$ -	\$ 107,252	\$ 1,255	\$ 10,846	\$ 126,214
Concession fees and taxes	98,347	132,197	155,087	26,531	35,421	55	87,119	76,597	79,309	10,044	6,755	25,420	4	732,886
Depreciation	10,152	-	-	1,041	5,135	-	13,351	-	-	-	-	-	-	29,679
Drilling	-	-	-	-	-	-	-	-	-	-	279,925	-	-	279,925
Geological salaries and consulting	967,059	5,560,593	1,825,931	112,677	317,559	91,032	515,255	65,963	161,565	75,875	36,175	205,976	7,064	9,942,724
Geology work	-	-	-	-	-	31,401	-	52,790	97,813	55,733	395,806	196,179	193,998	1,023,720
Insurance	3,034	16,841	10,457	408	2,008	758	5,323	1,908	4,383	1,986	5,191	6,306	-	58,603
Legal and accounting	110	296	-	-	29	-	134	-	-	-	24,895	-	-	25,464
Office and administrative fees	32,137	168,406	21,175	3,113	14,118	4,702	36,929	493	4,998	3,266	15,335	7,423	5,255	317,350
Rent	63,705	278,065	22,969	4,748	27,663	3,187	63,041	2,199	12,943	8,546	15,650	21,304	-	524,020
Site costs	30,361	95,357	55,679	1,817	12,662	3,054	20,159	27,206	123,867	10,154	94,880	28,748	-	503,944
Travel	33,973	205,896	52,972	5,126	20,345	14,469	23,250	-	2,841	2,413	10,739	4,003	-	376,027
Trenching and road work	-	-	-	-	-	-	-	-	-	-	18,168	-	-	18,168
Advances from optionee	-	(6,573,193)	(2,029,442)	(83,125)	(212,665)	(148,658)	-	-	-	-	(919,655)	-	-	(9,966,738)
	\$ 1,238,878	\$ (115,542)	\$ 114,828	\$ 72,336	\$ 222,275	\$ -	\$ 764,561	\$ 230,448	\$ 491,288	\$ 168,017	\$ 91,116	\$ 496,614	\$ 217,167	\$ 3,991,986

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES

(Continued)

Portugal

The Company, through its 100% holding in MAEPA, holds six exploration licenses in Portugal, spread from the north to the south in the country. The licenses have been issued to MAEPA by the government of Portugal, and are as follows:

- Alvalade
- Covas
- Alvito
- Marateca
- Santa Margarida do Sado
- Mertola

Licenses have varying work commitments, as approved by the government of Portugal, and all licenses carry a 3% Net Smelter Return (“NSR”), payable to the government of Portugal.

Alvalade:

On June 3, 2011, the Company signed a Memorandum of Understanding (“MOU”) with Antofagasta Minerals S.A. (“Antofagasta”) to undertake exploration on the Alvalade project. Antofagasta completed a US\$300,000 initial study of the project. Upon successful completion of the initial study, on December 22, 2011, the Company entered into the Alvalade Joint Venture agreement with Antofagasta whereby the Company granted to Antofagasta the option to acquire an undivided 51% interest in the project, which can be exercised by Antofagasta funding or incurring expenditures of an additional US\$4 million over three years (spent by February 2014). On February 25, 2014, the two parties signed an amended Joint Venture agreement. Subsequent to year end, on January 27, 2015, the two parties signed a second amended Joint Venture agreement, which allows for more interim funding by Antofagasta, an expanded time frame in which to get a feasibility study decision, and a means for the Company to be carried to production, if there is a production decision to be made for the project. The amended agreement carries the following terms (in summary):

- After due diligence, exploration funding of US\$300,000 (completed).
- Antofagasta must spend US\$4 million on exploration to earn-in to 51% of the joint venture (“JV”) (Option 1 completed).
- To earn a further 9% of the JV (for an aggregate total of 60%), Antofagasta must fund US\$2 million in exploration by December 31, 2015, for a total of US\$6,300,000 (Option 2 completed).
- To earn a further 2.5% of the JV (for an aggregate total of 62.5%), Antofagasta must fund US\$1.75 million by December 31, 2015 (Option 3 Year 1).
- To earn a further 2.5% of the JV (for an aggregate total of 65%), Antofagasta must fund US\$1.75 million by December 31, 2016 (Option 3 Year 2).
- To earn a further 2.5% of the JV (for an aggregate total of 67.5%), Antofagasta must fund US\$1.75 million by December 31, 2017 (Option 4 Year 1).
- To earn a further 2.5% of the JV (for an aggregate total of 70%), Antofagasta must fund US\$1.75 million by December 31, 2018 (Option 4 Year 2).
- To earn a further 5% of the JV (for an aggregate total of 75%), Antofagasta must fund US\$25 million in exploration by December 31, 2022 with an option to partially earn in 1% for every US\$5 million spent (Option 5).

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES

(Continued)

Portugal (Continued)

Alvalade: (Continued)

- If Option 5 expenditures are not sufficient to fund a Feasibility Study, Antofagasta will fund 100% of additional exploration but will be reimbursed for the Company's proportionate share (being 25% of Work Programs and Budgets) following the commencement of commercial production (Feasibility Study Phase).
- To earn a further 5% of the JV (for an aggregate total of 80%), Antofagasta must have completed a Feasibility Study, funded 100% of all work programs during this phase and make a Development Decision within one year of the date of delivery of the Feasibility Study (Option 6).
- Antofagasta will carry the Company through to production, and the Company will repay Antofagasta from proceeds, dividends, and sales generated by the actual production from any mine within the project area.

As of March 31, 2015, Antofagasta had forwarded a total of \$6,573,193 (US\$6,346,671) for the Alvalade property, including the US\$300,000 for the initial study of the project. In addition, Antofagasta paid directly to its own consultants seconded to the project an amount of US\$109,700 which contributes further to Antofagasta's funding to the project.

Covas:

On May 18, 2011, the Company signed an agreement to option out the Covas Tungsten Project to Blackheath Resources Inc. ("Blackheath"). Under the terms of the agreement, Blackheath has the option to earn a 51% interest in the project by spending €300,000 (spent) in exploration on the project before March 20, 2013, of which €150,000 (spent) is a firm commitment and must be spent by March 20, 2012. Blackheath can then earn an additional 19% by spending an additional €700,000 (spent) by March 20, 2014

On May 7, 2014, the Company and Blackheath signed an amended Joint Venture agreement. The amended agreement carries the following terms (in summary):

- To earn 51% of the joint venture ("JV"), Blackheath must spend €300,000 on exploration by March 20, 2013 (completed).
- To earn a further 19% of the JV (for an aggregate total of 70%), Blackheath must fund €700,000 on exploration by March 20, 2014 (completed).
- To earn a further 5% of the JV (for an aggregate total of 75%), Blackheath must fund €320,000 on exploration by March 20, 2015 (completed).
- To earn a further 5% of the JV (for an aggregate total of 80%), Blackheath must fund €498,000 on exploration by March 20, 2016.
- To earn a further 5% of the JV (for an aggregate total of 85%), Blackheath must fund €833,000 on exploration by March 20, 2017.

As of March 31, 2015, Blackheath had forwarded a total \$2,029,442 (€1,483,996) for the Covas property. The Company spent an additional amount of \$72,019 (€52,866) as of March 31, 2015 which will be reimbursed by Blackheath.

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES

(Continued)

Portugal *(Continued)*

Alvito:

On November 20, 2013, the Company received \$150,000 in funding from Callinan Royalties Corporation (“Callinan”) to fund exploration at the Alvito license to better attract potential joint venture partners in exchange for a 1.5% NSR royalty. The project is designated as an “Alliance Property” under the Exploration Alliance Agreement between the Company and Callinan (see Callinan Generative below).

Callinan had forwarded a total \$150,000 (€103,609) for the Alvito property. On March 10, 2015, Callinan terminated the Agreement and retains the 1.5% BSR royalty.

On October 22, 2014, the Company and an optionee signed an exclusivity agreement (the “Agreement”) which calls for the optionee to fund various work programs during a two-stage review period. The optionee will fund for stage 1 work program of up to US\$61,500 with the Company providing a technical report by January 20, 2015. Within 30 days of receipt of the report, the optionee can proceed to commercial negotiations toward a potential transaction; or fund the stage 2 work program; or terminate the Agreement.

The optionee had forwarded a total \$63,361 (US\$55,538) for the Alvito property. On February 5, 2015, the optionee terminated the Agreement.

Callinan Generative:

On October 3, 2013, the Company and Callinan signed a three-year Generative Exploration Alliance Agreement (the “Agreement”) which calls for Callinan to fund \$150,000 of generative exploration in Portugal during the first year of the Agreement and, at Callinan’s option, to fund up to \$100,000 in each of the two subsequent years. In return for such funding, the Company will grant Callinan the option to receive a 0.5% NSR royalty on any new projects acquired as a result of the generative exploration work, or, if Callinan funds an additional \$150,000 in further exploration on any of the new projects, an option to receive a 1.5% NSR royalty on such projects. If the Company determines that further value can be generated for the new project after spending the additional \$150,000, Callinan has the option to contribute subsequent funding with the Company on a joint 50/50 basis, with Callinan’s NSR and interest in the new project unchanged.

Callinan also has the option to fund additional exploration on the Company’s existing mineral properties, if proposed by the Company, and would earn a 1.5% NSR royalty in return for funding \$150,000 in exploration on those projects (the “Alliance Property”).

Callinan had forwarded a total \$150,000 (€106,114) for the Callinan Generative exploration project. On March 10, 2015, Callinan terminated the Agreement.

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES

(Continued)

Kosovo

The Company, through its 100% holding in Innomatik, holds two exploration licenses in Kosovo:

- Slivovo
- Metovit

The Slivovo license was issued during 2012. The license carries a work commitment, and there is a 5% NSR payable to the government of Kosovo attached to the Slivovo license. Kamenica license was dropped but replaced by the Metovit application. The Company is awaiting approval from the Kosovo mining bureau (ICMM).

Slivovo:

On April 10, 2014, the Company signed an earn-in and shareholders agreement ("Earn-In Agreement") to option out the Slivovo property to Byrncut International Limited ("Byrncut"). Under the Earn-In Agreement, Byrncut has the option to earn a 51% interest in the Slivovo property by spending €1,000,000 in exploration on the project by April 10, 2015 (completed by April 2015), of which €360,000 is a firm commitment to be spent by October 10, 2014. Byrncut can then earn a further 24% by spending an additional €1,000,000 for a total interest of 75% with total expenditures of €2,000,000, by April 10, 2016. Byrncut can further earn an additional 10% by completing a Preliminary Feasibility Study on the Slivovo Project for a total interest of 85% by April 10, 2017.

As of March 31, 2015, Byrncut had forwarded a total \$1,356,942 (€935,000) for the Slivovo property. The Company held \$28,508 on behalf of Byrncut to be spent on the Slivovo property, which is recorded as restricted cash.

Subsequently on April 15, 2015, Byrncut forwarded \$86,554 (€65,000) to the Company to complete earning into 51% interest in the Slivovo property. Byrncut and the Company are in the process of setting up a joint-venture entity. Byrncut also notified that it would fund the next phase to earn into the 75% interest level.

Germany

On January 23, 2012, the Company announced the signing of a Memorandum of Understanding ("MOU") with Beak Consultants GmbH ("Beak") to explore for gold deposits in the Erzgebirge mining district near Oelsnitz in the Free State of Saxony in eastern Germany. The Company must spend €140,000 on exploration to gain an 85% interest in the Oelsnitz Exploration License, which was issued to Beak on January 12, 2012. There is no royalty attached to the license. Once the Company has earned into the project, the two companies will form a joint venture to explore for gold on the property. As of March 31, 2015, the Company had spent \$217,167 (€169,015) on the Oelsnitz property. The Company has completed its 85% earn-in and is working with Beak to set up the joint-venture entity.

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5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES

(Continued)

	March 31, 2015	December 31, 2014
	(Unaudited)	(Audited)
Restricted cash & Funds held for optionees		
Alvito - Callinan	\$ -	\$ 696
Generattive Exploration Alliance - Callinan	-	1,342
Byrne-cut - Slivovo	28,508	297,267
	<u>\$ 28,508</u>	<u>\$ 299,305</u>
Due from optionees		
Alvalade - Antofagasta	\$ -	\$ 45,942
Covas - Blackheath	72,019	110,208
Alvito - optionee	-	39,705
	<u>\$ 72,019</u>	<u>\$ 195,855</u>

6. CAPITAL AND RESERVES

(a) Authorized:

At March 31, 2015, the authorized share capital was comprised of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(b) Share issuances:

- i. During the year ended December 31, 2014, the Company issued common shares pursuant to the exercise of 150,000 stock options for cash proceeds of \$15,000 and the exercise of 946,666 warrants for cash proceeds of \$142,000.
- ii. On August 22, 2014, the Company completed a non-brokered private placement issuing 4,400,000 units at a price of \$0.25 per unit for gross proceeds of \$1,100,000. Each unit consists of one common share and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase an additional common share at a price of \$0.40 for a period of 36 months. The warrants were ascribed a value of \$487,629.

A total of \$27,250 cash finder's fee was paid and 152,600 finder's options were issued as part of the financing. In addition, another \$40,021 was included in share issue costs. Each finder's option can be converted into a unit with the same term as the financing at a price of \$0.25 for a period of 36 months. The finder's options were ascribed a value of \$34,534. Insiders participated in the offering for a total of 735,000 units.

- iii. On December 17, 2014, a total of 515,560 common shares of the Company at a fair value of \$128,890 were issued to make the payment of two Kosovo licenses. The agreed-upon payment equivalent to €50,000 in cash or shares per license.

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6. CAPITAL AND RESERVES (Continued)

(c) Share Purchase Option Compensation Plan:

The Company has established a stock option plan whereby the Company may grant options to directors, officers, employees and consultants of up to 10% of the common shares outstanding at the time of grant. The exercise price, term and vesting period of each option are determined by the board of directors within regulatory guidelines.

Stock option transactions and the number of stock options for the three months ended March 31, 2015 are summarized as follows:

Expiry date	Exercise price	December 31, 2014	Granted	Exercised	Expired/ cancelled	March 31, 2015
July 8, 2015	\$0.35	770,000	-	-	-	770,000
July 15, 2015	\$0.35	10,000	-	-	-	10,000
January 27, 2017	\$0.30	100,000	-	-	-	100,000
April 10, 2017	\$0.30	755,000	-	-	-	755,000
October 16, 2018	\$0.10	1,400,000	-	-	-	1,400,000
March 3, 2019	\$0.165	200,000.00	-	-	-	200,000
Options outstanding		3,235,000	-	-	-	3,235,000
Options exercisable		3,235,000	-	-	-	3,235,000
Weighted average exercise price		\$0.22	\$Nil	\$Nil	\$Nil	\$0.22

As of March 31, 2015, the weighted average contractual remaining life is 2.37 years (December 31, 2014 – 2.62 years).

Stock options transactions and the number of stock options for the year ended December 31, 2014 are summarized as follows:

Expiry date	Exercise price	December 31, 2013	Granted	Exercised	Expired/ cancelled	December 31, 2014
July 8, 2015	\$0.35	820,000	-	-	(50,000)	770,000
July 15, 2015	\$0.35	10,000	-	-	-	10,000
January 27, 2017	\$0.30	100,000	-	-	-	100,000
April 10, 2017	\$0.30	775,000	-	-	(20,000)	755,000
October 16, 2018	\$0.10	1,550,000	-	(150,000)	-	1,400,000
March 3, 2019	\$0.165		200,000	-	-	200,000
Options outstanding		3,255,000	200,000	(150,000)	(70,000)	3,235,000
Options exercisable		3,255,000	200,000	(150,000)	(70,000)	3,235,000
Weighted average exercise price		\$0.22	\$0.165	\$0.10	\$0.34	\$0.22

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6. CAPITAL AND RESERVES (Continued)

(c) Share Purchase Option Compensation Plan: (Continued)

The weighted average assumptions used to estimate the fair value of options for the three months ended March 31, 2015 and 2014 were:

	Three months ended March 31, 2015	Three months ended March 31, 2014
Risk-free interest rate	Nil	1.60%
Expected life	Nil	5 years
Expected volatility	Nil	138.42%
Expected dividend yield	Nil	Nil

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

(d) Finder's Options:

The continuity of finder's options for the three months ended March 31, 2015 is as follows:

Expiry date	Exercise price	December 31, 2014	Issued	Exercised	Expired	March 31, 2015
October 4, 2015 ⁽¹⁾	\$0.15	545,500	-	-	-	545,500
September 24, 2016 ⁽²⁾	\$0.10	148,800	-	-	-	148,800
August 22, 2017 ⁽³⁾	\$0.25	152,600	-	-	-	152,600
Outstanding		846,900	-	-	-	846,900
Weighted average exercise price		\$0.16	\$Nil	\$Nil	\$Nil	\$0.16

(1) The finder's options are exercisable into units, with each unit consisting of one common share and one warrant exercisable until October 4, 2015 at \$0.25.

(2) The finder's options are exercisable into units, with each unit consisting of one common share and one warrant exercisable until September 24, 2016 at \$0.15.

(3) The finder's options are exercisable into units, with each unit consisting of one common share and one warrant exercisable until August 22, 2017 at \$0.40.

As of March 31, 2015, the weighted average contractual remaining life is 1.02 years (December 31, 2014 – 1.27 years).

The continuity of finder's options for the year ended December 31, 2014 is as follows:

Expiry date	Exercise price	December 31, 2013	Issued	Exercised	Expired	December 31, 2014
March 28, 2014	\$0.30	183,913	-	-	(183,913)	-
October 4, 2015 ⁽¹⁾	\$0.15	545,500	-	-	-	545,500
September 24, 2016 ⁽²⁾	\$0.10	148,800	-	-	-	148,800
August 22, 2017 ⁽³⁾	\$0.25	-	152,600	-	-	152,600
Outstanding		878,213	152,600	-	(183,913)	846,900
Weighted average exercise price		\$0.17	\$0.25	\$Nil	\$0.30	\$0.16

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6. CAPITAL AND RESERVES (Continued)

(d) Finder's Options: (Continued)

The weighted average assumptions used to estimate the fair value of finder's options for the three months ended March 31, 2015 and 2014 were:

	Three months ended March 31, 2015	Three months ended March 31, 2014
Risk-free interest rate	Nil	Nil
Expected life	Nil	Nil
Expected volatility	Nil	Nil
Expected dividend yield	Nil	Nil

(e) Warrants:

The continuity of warrants for the three months ended March 31, 2015 is as follows:

Expiry date	Exercise price	December 31, 2014	Issued	Exercised	Expired	March 31, 2015
October 4, 2015	\$0.25	7,990,000	-	-	-	7,990,000
September 24, 2016	\$0.15	5,720,000	-	-	-	5,720,000
October 15, 2016	\$0.15	2,833,334	-	-	-	2,833,334
March 28, 2017	\$0.40	4,000,000	-	-	-	4,000,000
August 22, 2017	\$0.40	4,400,000	-	-	-	4,400,000
Outstanding		24,943,334	-	-	-	24,943,334
Weighted average exercise price		\$0.27	\$Nil	\$Nil	\$Nil	\$0.27

As of March 31, 2015, the weighted average contractual life is 1.42 years (December 31, 2014 – 1.67 years).

The continuity of warrants for the year ended December 31, 2014 is as follows:

Expiry date	Exercise price	December 31, 2013	Issued	Exercised	Expired	December 31, 2014
October 4, 2015	\$0.25	7,990,000	-	-	-	7,990,000
September 24, 2016	\$0.15	6,000,000	-	(280,000)	-	5,720,000
October 15, 2016	\$0.15	3,500,000	-	(666,666)	-	2,833,334
March 28, 2017*	\$0.40	4,000,000	-	-	-	4,000,000
August 22, 2017	\$0.40	-	4,400,000	-	-	4,400,000
Outstanding		21,490,000	4,400,000	(946,666)	-	24,943,334
Weighted average exercise price		\$0.23	\$0.40	\$0.15	\$Nil	\$0.27

* On November 21, 2014, the Company extended the expiry date of 4,000,000 outstanding common share purchase warrants to March 28, 2017. The warrants were issued in March 2012, by way of private placement. Each warrant entitles the holder to acquire one common share of the Company at a price of \$0.40. The fair value of these extended warrants using the Black-Scholes pricing model assumes an average risk free rate of 1.09%, no dividend yield, average expected life of 27 months and an expected price volatility of 160.63%. As a result, \$95,931 was reallocated from fair value of warrants to share capital.

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6. CAPITAL AND RESERVES (Continued)

(e) Warrants: (Continued)

The weighted average assumptions used to estimate the fair value of warrants for the three months ended March 31, 2015 and 2014 were:

	Three months ended March 31, 2015	Three months ended March 31, 2014
Risk-free interest rate	Nil	Nil
Expected life	Nil	Nil
Expected volatility	Nil	Nil
Expected dividend yield	Nil	Nil

7. RELATED PARTY TRANSACTIONS AND BALANCES

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the three months ended March 31, 2015

	Short-term employee benefits	Post- employment benefits	Other long- term benefits	Termination benefits	Other expenses	Share- based payments	Total
Paul W. Kuhn Chief Executive Officer, Director	\$57,970	\$Nil	\$Nil	\$Nil	\$12,571	\$Nil	\$70,541
Winnie Wong, Chief Financial Officer	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil

For the three months ended March 31, 2014

	Short-term employee benefits	Post- employment benefits	Other long- term benefits	Termination benefits	Other expenses	Share- based payments	Total
Paul W. Kuhn Chief Executive Officer, Director	\$62,402	\$Nil	\$Nil	\$Nil	\$13,609	\$Nil	\$76,011
Winnie Wong, Chief Financial Officer	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil

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7. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

Related party liabilities

	Services	Three months ended		As at March 31, 2015	As at December 31, 2014
		March 31, 2015	March 31, 2014		
Amounts due to:					
Pacific Opportunity Capital Ltd. ^(a)	Rent, management and accounting services	\$ 60,700	\$ 56,925	\$ 22,312	\$ 27,562
Paul W. Kuhn	Consulting and housing allowance and share-based payment	\$ 70,541	\$ 76,011	\$ 5,472	\$ 5,105
Paul L. Nelles ^(b)	Salaries and share-based payment	\$ 23,175	\$ 3,780	\$Nil	\$Nil
Michael Diehl ^(b)	Salaries and share-based payment	\$ 46,488	\$ 3,780	\$Nil	\$Nil
Mineralia ^(c)	Consulting	\$ 62,671	\$ 66,677	21,080	20,634
TOTAL:		\$ 263,575	\$ 207,173	\$ 48,864	\$ 53,301

(a) Pacific Opportunity Capital Ltd., a company controlled by a director of the Company.

(b) Paul L. Nelles is a director of Innomatik while Michael Diehl was the former exploration manager of Innomatik. In February 2015, Mr. Diehl ceased to be the exploration manager of Innomatik. Commencing April 1, 2014, Mr. Nelles' and Mr Diehl's amounts were paid with Byrncut's funding for Slivovo.

(c) Mineralia, a private company partially owned by Adriano Barros, the general manager of MAEPA.

8. LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three months ended March 31, 2015 was based on the loss attributable to common shareholders of \$247,733 (March 31, 2014 – \$308,782) and a weighted average number of common shares outstanding of 44,555,797 (March 31, 2013 – 38,599,238).

Diluted loss per share did not include the effect of 3,235,000 share purchase options, 846,900 finder's options and 24,943,334 warrants for the three months ended March 31, 2015 (March 31, 2014 – 3,235,000 share purchase options, 694,300 finder's options and 21,210,000 warrants) as they are anti-dilutive.

9. FINANCIAL INSTRUMENTS

The fair values of the Company's cash and cash equivalents, receivables, due from optionees, accounts payables and accrued liabilities, and due to related parties approximate their carrying values because of the short-term nature of these instruments.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest risk and commodity price risk.

(a) Credit risk

The Company's cash and cash equivalents are held in financial institutions in Canada, Portugal, Kosovo and Barbados. The Company does not have any asset-backed commercial paper in its cash and cash equivalents

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

As at March 31, 2015, the Company had cash of \$184,188 (December 31, 2014 - \$761,932) and due from optionees of \$72,019 (December 31, 2014 - \$195,855) to settle current liabilities, net of funds held for optionees, of \$358,534 (December 31, 2014 - \$810,231).

Accounts payable and accrued liabilities are due within the current operating period.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash and cash equivalents is limited because they are generally held to maturity. A 1% change in the interest rate, with other variables unchanged, would not significantly affect the Company.

(d) Commodity price risk

The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to finance due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

(e) Currency risk

The Company's property interests in Portugal and Kosovo make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary assets of \$177,240 dominated in US dollars and Euros. A 1% change in the absolute rate of exchange in US dollars and Euros would affect its net loss by \$1,770.

9. FINANCIAL INSTRUMENTS *(Continued)*

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as at March 31, 2015 and December 31, 2014.

As at March 31, 2015	Level 1	Level 2	Level 3	Total
Assets:				
Cash	\$ 184,188	\$ -	\$ -	\$ 184,188
Restricted cash	28,508	-	-	28,508
	\$ 212,696	\$ -	\$ -	\$ 212,696
As at December 31, 2014				
Assets:				
Cash	\$ 761,932	\$ -	\$ -	\$ 761,932
Restricted cash	299,305	-	-	299,305
	\$ 1,061,237	\$ -	\$ -	\$ 1,061,237

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The non-cash transactions during the three months ended March 31, 2015 were as follows:

- \$3,873 (2014 - \$nil) in mineral exploration expenses was related to depreciation;
- \$Nil (2014 - \$36,820) was reclassified from equity reserves to share capital pursuant to the exercise of warrants and stock options;
- \$Nil (2014 - \$579,150) was reclassified from share capital to equity reserves pursuant to the revaluation of extended warrants.

11. MANAGEMENT OF CAPITAL RISK

The Company manages its cash and cash equivalents, common shares, warrants, finder's options and share purchase options as capital (see Note 6). The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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 attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents held.

In order to maximize ongoing operating efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry out its exploration and operations in the near term.

12. SEGMENTED FINANCIAL INFORMATION

The Company operates in one industry segment, being the acquisition and exploration of mineral properties. Geographic information is as follows:

	March 31, 2015	December 31, 2014
Non-current assets		
Portugal	\$ 1,381,483	\$ 1,386,250
Kosovo	165,505	167,612
	<u>\$ 1,546,988</u>	<u>\$ 1,553,862</u>
	Three months ended	
	March 31, 2015	March 31, 2014
Mineral exploration expenses		
Portugal	\$ 259,578	\$ 1,121,496
Kosovo	262,955	18,914
Others	39,157	-
	<u>\$ 561,690</u>	<u>\$ 1,140,410</u>

13. BANK GUARANTEES

As of March 31, 2015, the Company had a total of €99,500 (\$135,549) (December 31, 2014: €99,500 (\$139,678)) of cash pledged for its exploration licenses in Portugal. The advances to the Portuguese regulatory authorities are refundable to the Company, subject to completion of the work obligations described in the exploration license applications.