



**AVRUPA MINERALS LTD.**  
*(An Exploration Stage Company)*

**MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2016**

**OVERVIEW AND INTRODUCTORY COMMENT**

Avrupa Minerals Ltd. ("Avrupa" or the "Company") is a growth-oriented junior exploration and development company listed on the TSX Venture Exchange under the trading symbol "AVU". The Company is currently focusing on discovery, using a prospect generator model, for valuable mineral deposits in politically stable and prospective regions of Europe, including Portugal, Kosovo and Germany.

The Company currently holds 9 exploration licenses in three European countries, including six in Portugal covering 3,821 km<sup>2</sup>, two in Kosovo covering 47 km<sup>2</sup>, and one in Germany covering 307 km<sup>2</sup>. Avrupa operates three joint ventures, two in Portugal and one in Kosovo:

- The **Alvalade JV**, with Colt Resources Inc. ("Colt"), covering one license in the Iberian Pyrite Belt of southern Portugal, for copper (Cu)-rich massive sulfide deposits;
- The **Covas JV**, with Blackheath Resources Inc. ("Blackheath"), covering one license in northern Portugal, for intrusion-related tungsten (W) deposits;
- Avrupa's partner at the **Slivovo Gold Project** in Kosovo is presently advancing the Project by funding and operating a pre-feasibility study.

This MD&A is dated May 30, 2016 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes for the three months ended March 31, 2016 and the Company's audited consolidated financial statements for the year ended December 31, 2015 and the related notes thereto

Additional information relevant to the Company and the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com), and/or on the Company's website at [www.avrupaminerals.com](http://www.avrupaminerals.com).

**MAJOR QUARTERLY OPERATING MILESTONES**

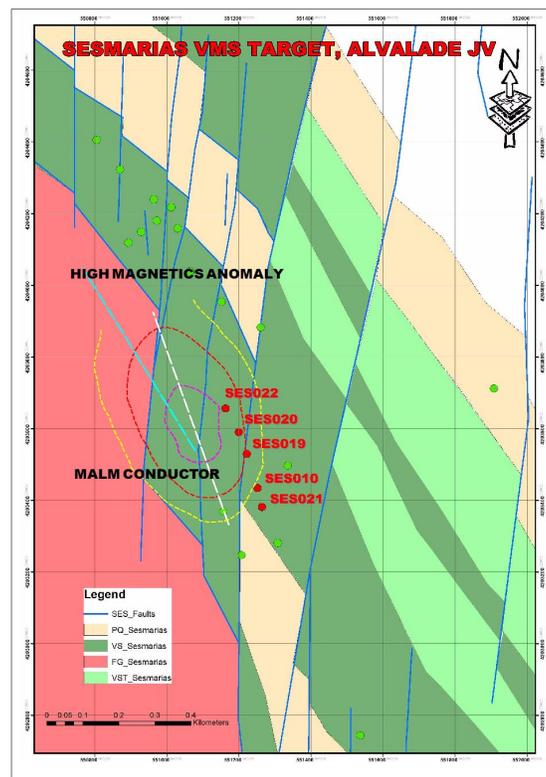
On February 3, 2016, the Company announced results from exploration drilling at the Sesmarias target area within the Alvalade Joint Venture in the Pyrite Belt of south Portugal which is presently operated by Avrupa and funded by partner Colt.

Analytical results from four diamond drill holes completed in late 2015 in the area of previously-drilled SES010 (58 meters @ 0.32% Cu, 0.61% Pb, 1.95% Zn, 0.45 g/t Au, 25 g/t Ag) confirm and extend the massive sulfide lens to a present length of 300 meters with a 35-40 meter thickness. The lens is open to the northwest and down dip to the northeast. Following are the results from the recent drilling.

Drill hole ID	From (m)	To (m)	Intercept (m)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (ppm)
<b>SES019</b>	263.50	315.20	51.70	0.44	0.75	2.71	0.40	17.35
including	264.15	299.05	34.90	0.40	0.99	3.46	0.38	20.67
and including	280.45	290.95	10.50	0.36	1.71	5.18	0.37	21.71
<b>SES020</b>	277.85	287.55	9.70	0.25	0.57	0.99	0.47	24.70
	297.70	319.95	22.25	0.55	0.59	0.66	0.53	20.54
	325.00	334.10	9.10	0.32	0.14	0.52	0.68	11.31
	337.85	356.65	18.80	0.33	0.14	0.64	0.26	6.40
<b>SES021</b>	262.85	277.65	14.80	0.36	0.29	0.40	0.43	9.82
<b>SES022</b>	323.90	376.00	52.10	0.43	0.49	0.98	0.62	17.31

Table 1. New drill intercepts from the SES010 lens at Sesmarias

Results from recently-completed downhole geophysics, utilizing the “mise-a-la-masse” (MALM) method, combined with historic ground magnetics data, suggest that the sulfide lens may continue another 300 meters or more to the northwest from SES022. Future drilling will be completed to test this target area.



**Figure 1.** Location of drill holes with reported results. The mise-à-la-masse (MALM) conductor extends 300 meters to the northwest past SES022, to the end of the survey. The coincident magnetics anomaly extends for another 200 meters beyond the MALM conductor. Drill logging followed by re-interpretation of the subsurface geology suggests potential for finding more VMS

mineralization under Tertiary and Paleozoic cover rocks, along the geophysical anomalies shown in this figure.

As at the nearby Aljustrel Mine (22 km SE) and at the past-producing Lousal Mine (7 km NW), it is usual for Iberian Pyrite Belt deposits to consist of multiple lenses of massive sulfide mineralization, some of which may be richer in base metals. Planned drilling in the Sesmarias area will also be directed towards the discovery of additional lenses, with the goal of finding an economic metals deposit.

On May 5, 2016, the Company announced that Giroux Consultants Ltd. (“Giroux”) has completed an initial Indicated Mineral Resource for the main Peshter Gossan Zone at the Slivovo Gold Project in Kosovo. The results of the Mineral Resources estimate are provided in the table below.

Au Cut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade>Cut-off		Contained Metal	
		Au (g/t)	Ag (g/t)	Au (ozs)	Ag (ozs)
0.50	660,000	4.66	14.61	98,900	310,000
<b>1.00</b>	<b>640,000</b>	<b>4.80</b>	<b>14.68</b>	<b>98,700</b>	<b>302,000</b>
1.50	590,000	5.07	14.85	96,200	282,000
2.00	540,000	5.39	15.09	93,500	262,000
2.50	490,000	5.71	15.32	89,900	241,000
3.00	440,000	6.08	15.55	86,000	220,000
3.50	380,000	6.49	15.75	79,300	192,000
4.00	340,000	6.87	16.03	75,100	175,000
4.50	290,000	7.32	16.18	68,300	151,000
5.00	240,000	7.79	16.39	60,100	126,000

As reported previously, Avrupa has also contracted Australian consultant group Mining Plus Pty Ltd (“Mining Plus”) to produce a NI 43-101 report on the Slivovo Project which includes the Giroux Mineral Resource Estimate. The full Slivovo report is being compiled by Mr. Richard Buerger B.Sc. and will be filed in June 2016.

On April 21, 2016, the Company announced the appointment of Dr. Paul Nelles as a director of the Company.

## QUARTERLY FINANCIAL CONDITION

### Capital Resources

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company’s current treasury and the future cash flows from warrants, finders’ warrants and options, along with the planned developments within the Company as well as with its JV partners will allow its efforts to continue throughout 2016. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

## Liquidity

As at March 31, 2016, the Company had working capital deficit of \$9,397 (December 31, 2015 – working capital of \$10,562). With respect to working capital, \$158,834 was held in cash (December 31, 2015 - \$161,926). The decrease in cash was mainly due to the general administrative expenses and exploration work expenses.

## Operations

Excluding the non-cash depreciation of \$1,407 (2015 - \$1,419) and share-based payment of \$5,258 (2015 - \$Nil), the Company's general and administrative expenses amounted to \$136,901 (2015 - \$178,574), a decrease of \$41,673 as a result of conserving cash.

During the three months ended March 31, 2016, the Company expensed exploration costs totaling \$283,264 including \$12,780 on Covas, \$182,657 on Alvalade, \$43,392 on Alvito, \$103,031 on other projects in Portugal, a negative amount of \$83,832 on Slivovo (due to adjustments to amounts recorded in previous year), \$4,344 on other projects in Kosovo, and \$20,892 on others. During the three months ended March 31, 2015, the Company expensed exploration costs totaling \$561,690 including \$79,390 on Covas, \$22,137 on Alvalade, \$17,728 on Alvito, \$1,342 on Callinan Generative, \$138,981 on other projects in Portugal, \$262,955 on Slivovo, and \$39,157 on others.

During the three months ended March 31, 2016, the Company reported a loss of \$57,280 (2015 – \$247,733), a decrease of \$190,453. This is a result of (a) a reduction in the general and administrative expenses as explained above; and (b) a decrease in expensed exploration costs as explained above.

## **SIGNIFICANT RELATED PARTY TRANSACTIONS**

During the quarter, there was no significant transaction between related parties.

## **COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES**

As of the date of the MD&A, the Company has no outstanding commitments. The Company has not pledged any of its assets as security for loans other than €169,500 (\$250,436) cash pledge for its exploration licenses in Portugal and is not subject to any debt covenants.

Other than disclosed in this MD&A – Quarterly Highlights, the Company does not have any commitments, expected or unexpected, or uncertainties.

## **RISK FACTORS**

In our MD&A filed on SEDAR April 29, 2016 in connection with our annual financial statements (the "Annual MD&A"), we have set out our discussion of the risk factors *Exploration risks*, *Market risks* and *Financing risk* which we believe are the most significant risks faced by Avrupa. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk



factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

## DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company's outstanding share data as at March 31, 2016:

	Issued and Outstanding	
	March 31, 2016	May 29, 2016
Common shares outstanding	55,475,797	55,475,797
Stock options	4,680,000	4,680,000
Warrants	35,863,334	35,863,334
Finder's options	769,400	769,400
Warrants associated with finder's options	301,400	301,400
Fully diluted common shares outstanding	97,089,931	97,089,931

### Cautionary Statements

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.