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AVRUPA MINERALS LTD.
(An Exploration Stage Company)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

INTRODUCTION

This is Management's Discussion and Analysis ("MD&A") for Avrupa Minerals Ltd. ("Avrupa" or the "Company") and has been prepared based on information known to management as of April 29, 2015. This MD&A is intended to help the reader understand the consolidated financial statements of Avrupa.

The following information should be read in conjunction with the audited consolidated financial statements as at December 31, 2014 and December 31, 2013 and the related notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A provides a review of the performance of the company for the year ended December 31, 2014. Additional information relating to the Company can be found on SEDAR www.sedar.com.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management also ensures that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable.

The Company's board of directors follows recommended corporate-governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management regularly to review the consolidated financial statements, including the MD&A, and to discuss other financial, operating and internal-control matters.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

FORWARD LOOKING STATEMENTS

Certain sections of this MD&A provide, or may appear to provide, a forward-looking orientation with respect to the Company's activities and its future financial results. Consequently, certain statements contained in this MD&A constitute express or implied forward-looking statements. Terms including, but not limited to, "anticipate", "estimate", "believe" and "expect" may identify forward-looking statements. Forward-looking statements, while they are based on the current knowledge and assumptions of the Company's management, are subject to risks and uncertainties that could cause or contribute to the actual results being materially different than those expressed or implied. Readers are cautioned not to place undue reliance on any forward-looking statement that may be in this MD&A.

The following forward looking statements have been made in this MD&A:

- Impairment of long-lived assets;
- The Company's assumptions and estimates used in its Technical Report filed on July 5, 2010, as well as the potential resource estimates and interpretations from that Technical Report;
- The progress, potential and uncertainties of the Company's mineral properties in Portugal, Germany and Kosovo; and
- Expectations regarding the ability to raise capital and to continue its exploration and development plans on its properties.

ADDITIONAL INFORMATION

Financial statements, MD&A's and additional information relevant to the Company and the Company's activities can be found on SEDAR at www.sedar.com, and/or on the Company's website at www.avrupaminerals.com.

SUMMARY AND OUTLOOK

The Company is a growth-oriented junior exploration and development company focused on aggressive exploration, 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^2, two (one under application) in Kosovo covering 47 km^2, and one in Germany covering 307 km^2. Avrupa operates three joint ventures, including:

- The **Alvalade JV**, with Antofagasta Minerals SA ("Antofagasta"), 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; and

- The **Slivovo JV**, with Byrnecut International Limited ("Byrnecut"), covering one license in central Kosovo, for gold and base metals related to carbonate-hosted massive sulfide deposits in the Vardar Mineral Trend.

Avrupa is currently upgrading precious and base metal targets to JV-ready status in a variety of districts on their other licenses, with the idea of attracting potential partners to project-specific and/or regional exploration programs.

During the year ended December 31, 2014, the Company continued to carefully manage its cash and corporate overhead. Detailed Mineral Property information, including 2014 activity, can be found in Section 3.

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Management's overall expectations for the Company are positive, due in part to the following factors:

- The Company established a joint venture with Antofagasta on its Alvalade property in Portugal after Antofagasta spending US$6.3 million to earn 60% and amended the joint venture agreement.
- The Company established a joint venture with Blackheath on its Covas property in Portugal after Blackheath spending €1,320,000 in exploration on the property to earn 75%.
- The Company signed an earn-in and shareholder agreement ("Earn-In Agreement") with Byrnecut International Limited ("Byrnecut") on its Slivovo property in Kosovo.
- 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 financing in August 2014.
- The Company is highly experienced in Europe and is negotiating additional ventures on its existing portfolio of properties.

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TABLE OF CONTENTS

1. Background

The Company is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia.

On July 13, 2010, the Company acquired (a) 90% of the issued and outstanding shares in MAEPA and (b) 92.5% of the issued and outstanding shares of Innomatik Exploration Kosovo LLC, a private Kosovo company ("Innomatik") and began trading on the TSX Venture Exchange under the symbol "AVU" as of July 14, 2010. In April 2012, the Company acquired the remaining 10% of MAEPA to own 100% interest in MAEPA from its non-controlling interest owner.

On August 20, 2013, the Company acquired the remaining 7.5% of Innomatik to own 100% interest in Innomatik from its non-controlling interest owners ("NCI owners") with the following term:

- Issued 450,000 common shares of the Company to the NCI owners.

- For a previous land payment extension granted in June 2012 by IEK on the two licenses in Kosovo, namely Kamenica and Glavej, the Company will provide, by December 31, 2013, the agreed-upon payments equivalent to €50,000 in cash or shares per license, as stipulated by the June 2012 agreement.

With the purchase of the remaining 7.5% interest in Innomatik, the Company now owns 100% interest in Innomatik.

The Company and its subsidiaries' principal activities are to locate, explore and develop the mineral resources properties in Europe.

In September 2012, the Company secured a listing in Europe and began trading on the Frankfurt Stock Exchange under the trading symbol "8AM".

2. Overview

2(a) Company Mission and Focus

The Company is focused on exploring and developing economic mineral projects in Europe as a "prospect generator" company. The Company plans to explore different stages exploration projects, and to acquire and option out these exploration projects, while keeping a retained interest.

2(b) Qualified Person

Mr. Paul W. Kuhn, M.Sc., a Licensed Professional Geologist and a Registered Member of The Society of Mining Engineers, is a Qualified Person, as defined by National Instrument 43-101. Mr. Kuhn has reviewed the technical contents of this MD& A.

2(c) Description of Metal Markets

Gold prices have remained above their long term averages, albeit with high levels of volatility. Market interest in gold exploration remains strong.

Market interest for other metals such as copper is volatile and the Company will monitor its resources relative to its opportunities during the coming fiscal year.

2(d) Use of the terms “Mineral Resources” and “Mineral Reserves”

Any reference in this MD&A to Mineral Resources does not mean Mineral Reserve.

A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

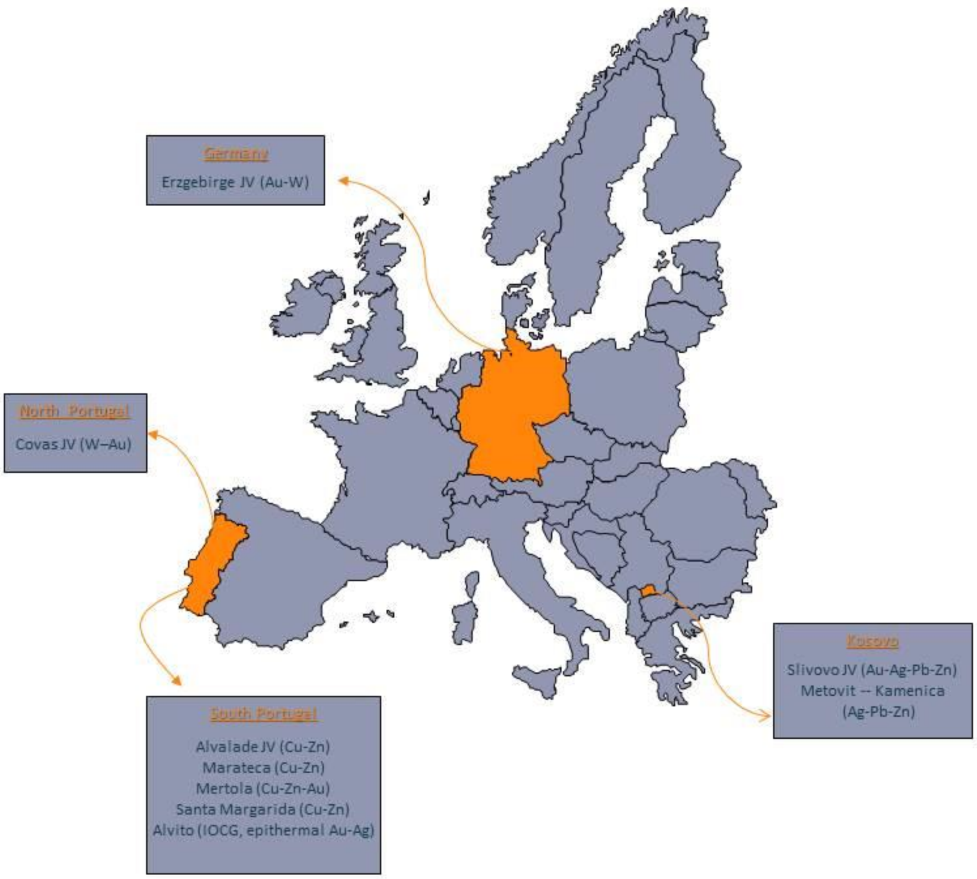
Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

2(e) Historical estimates are not NI 43-101 compliant

The historical estimates contained in this MD&A have not been calculated in accordance with the mineral resources or mineral reserves classifications contained in the CIM Definition Standards on Mineral Resources and Mineral Reserves, as required by National Instrument 43-101 ("NI 43-101"). Accordingly, the Company is not treating these historical estimates as current mineral resources or mineral reserves as defined in NI 43-101, and such historical estimates should not be relied upon. A qualified person has not done sufficient work to date to classify the historical estimates as current mineral resources or mineral reserves.

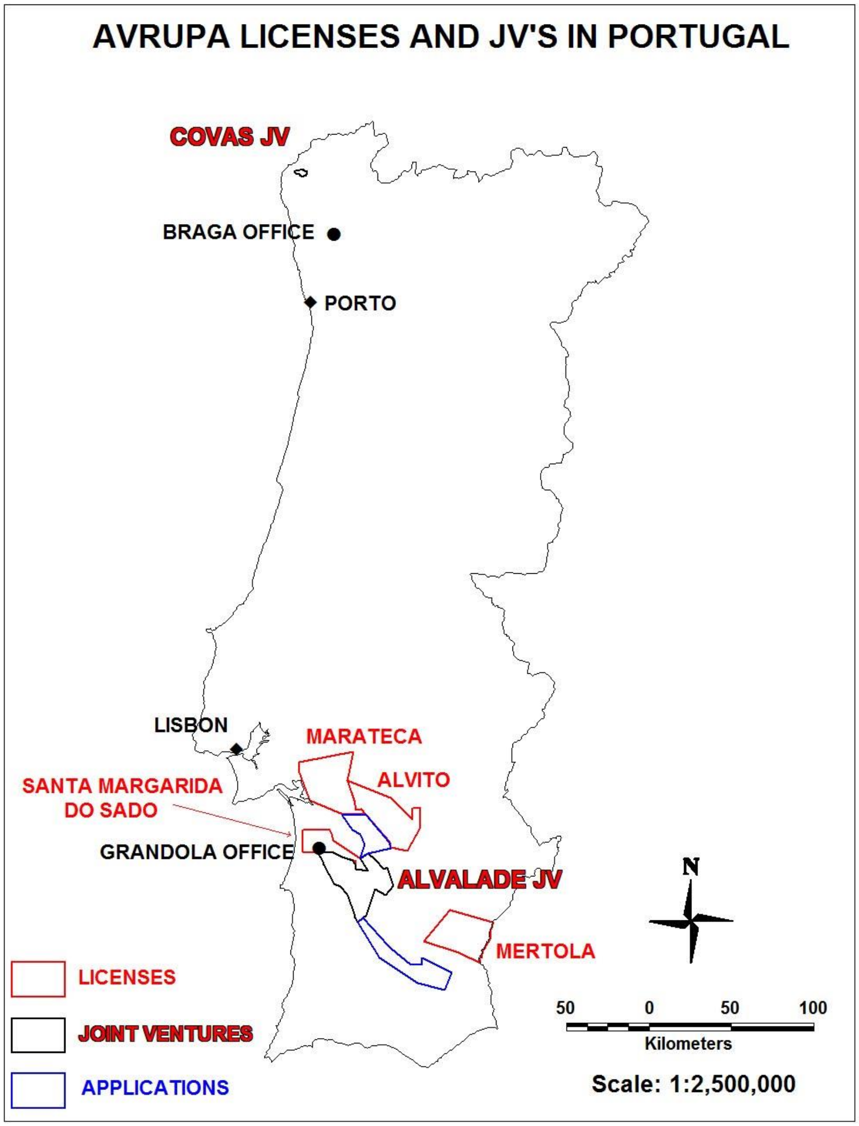
3. Mineral Properties

The following is a brief description of the Mineral Properties owned by the Company. Additional information can be obtained from the Company's website (www.avrupaminerals.com).



3(a) Portugal

The Company through its wholly-owned subsidiary MAEPA, is currently focused in the Portuguese portion of the Iberian Pyrite Belt, a district with over 2,000 years of mining history from at least Roman times.



a) Alvalade JV Project with Antofagasta

On June 6, 2011, the Company announced that it signed a Memorandum of Understanding ("MOU") with Antofagasta Minerals S.A. ("Antofagasta") to undertake exploration for copper-zinc massive sulfide deposits on the Alvalade project and on December 22, 2011, the Company entered into the Alvalade Joint Venture agreement with Antofagasta, whereas 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 Company and Antofagasta signed an amended Joint Venture agreement. 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 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).
- 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.

The Company operates the joint venture through Option 3 with Antofagasta supervising.

The discovery of massive sulfide mineralization occurred in the second drill hole at the new Sesmarias West target area, which is covered by approximately 100 meters of young cover sediments that completely obscure visual sighting of the target rocks. Sesmarias West is located approximately seven kilometers south of the past-producing Lousal Mine and 50 kilometers northwest of Lundin Mining's Neves Corvo Mine, along the Neves Corvo trend of the Iberian Pyrite Belt in Portugal. The massive sulfide intercept is the first greenfields success in the Pyrite Belt of both Portugal and Spain since 1994.

The mineralized intercept in SES002 totals 16.85 meters, as described in the table below. The intercept includes a zone of massive sulfide mineralization, then underlain by a zone of semi-massive sulfides and strong stockwork sulfide veining. There follows a narrow shear zone, which is, in turn, underlain by a further zone of strong alteration with anomalous disseminated and stockwork sulfide mineralization. The analytical results for each of the three zones follow:

SULFIDE TYPE	FROM	TO	TOTAL	Cu %	Ag ppm	Pb %	Zn %	Sn %	Co %
Massive	151.65	159.60	7.95	2.21	89.8	3.05	4.82	0.15	0.084
Semi-massive/stockwork	159.60	162.50	2.90	0.71	35.45	1.27	3.17	0.092	0.051
TOTAL			10.85	1.81	75.27	2.57	4.38	0.13	0.075
	FROM	**TO**	**TOTAL**	**Cu ppm**	**Ag ppm**	**Pb ppm**	**Zn ppm**	**---**	**Co ppm**
Weak/moderate stockwork	162.50	168.50	6.00	4514	10.57	1886	4838	---	528

The discovery of the Sesmarias West mineralization is exciting, as this is the first greenfields VMS intersect the Pyrite Belt in 20 years. This discovery of massive sulfide mineralization is the result of three years of study, drilling, re-study, more drilling, reliance on the still-evolving structural and geological model for mineralization in the Pyrite Belt, full dedication from both the Avrupa and Antofagasta teams, and a willingness by Antofagasta to continue the necessary funding for the program.

Avrupa and Antofagasta then drilled another six holes in the Sesmarias area in the immediate vicinity of the initial Sesmarias massive sulfide intersection (SES002). Results of this JV drilling clearly indicate the potential for a large-scale mineralized system.

Ongoing review of historic drilling around the peripheries of these eight holes supports this idea and the key points to take from analyzing the results from these eight holes include:

- The large scale of the Sesmarias system, with previously-documented sulfide mineralization around the peripheries of the present target area;

- Comparison of the size of the potential Sesmarias system to the size of the giant Neves-Corvo system, located 50 kilometers southeast of Sesmarias and presently mined by Lundin Mining Company;

- Historic drilling completely missed the actual target rock package, leaving a 2,500-meter strike length of never-before-been drilled target area at Sesmarias.

Important analytical results from sampling of massive, semi-massive, and stockwork sulfide mineralization are summarized in the table below. Four of the seven holes (including SES002) intersected massive sulfide mineralization at variable depths below the surface. Massive sulfide mineralization in three of those holes was sent to the lab for geochemical analyses (SES002, SES006, and SES008). A detailed in-house study of the SES003 massive sulfide mineralization was completed using a hand-held XRF (x-ray fluorescence) analytical tool, and XRF studies of SES004, SES005, and SES007 were also performed. The XRF results are considered informative and scientifically supportive to the study and interpretation of the Sesmarias system, but should not be confused with analytical results obtained from an accredited assay laboratory. The XRF study of SES003 indicated similar VMS mineralization to that of SES002, which was approximately six meters away at the intersection of mineralization at depth.

Geochemical and geological results from all the work, to date, indicate that massive sulfide mineralization at Sesmarias is hosted within a specific package of black shale rocks located within the general volcanic-sedimentary rock sequence where mineralization in the Pyrite Belt is typically found. The sulfide mineralization is fault-bound at both the upper and lower boundaries, suggesting that mineralization could be cut-off and moved laterally along strike, and/or vertically along dip, making exploration and delineation of a potential deposit difficult. However, successful identification of the target host package in this phase of the drilling is a significant and positive step forward for exploration in the Sesmarias area, and for other target locations within the Alvalade Joint Venture license.

Sesmarias intercepts and drill hole summaries:

Hole ID	Total Depth	Description					
SES008	334.1 meters	Hole intersected **5.5 meters of massive sulfide mineralization** and 27.6 meters of sulfides + black shales. Massive sulfide mineralization cut off by faulting at 309.1 meters depth. Additional, weak massive sulfide mineralization located between 276 and 303.6 meters.					
Massive sulfide mineralization @ 303.6 - 309.1 meters, total of 5.5 meters							
	Au (ppm)	Ag (ppm)	Cu (%)	Pb (%)	Zn (%)	Sn (%)	Co (%)
5.5 meters (303.6-309.1) @	1.17	36.8					
incl 3 meters (306.1-309.1) @	1.62	41.8					
5.5 meters (303.6-309.1) @			0.59	0.88	1.41	0.045	0.01
incl 5 meters (304.1-309.1) @			0.64	0.94	1.54	0.046	0.011
incl 3.5 meters (304.1-307.6) @					2.05		
SES007	279.7 meters	Hole intersected wide fault zone at 206 - 222 meters at predicted depth of potential massive sulfide mineralization; massive sulfide fragments observed in fault zone; no analyses					

SES006	253.1 meters	Hole intersected **1.5 meters of massive sulfide mineralization** at 208.6 - 210.1 meters, but cut off by fault, as in SES007.					
Massive sulfide mineralization @ 208.6 - 210.1 meters, total of 1.5 meters							
	Au (ppm)	Ag (ppm)	Cu (%)	Pb (%)	Zn (%)	Sn (%)	Co (%)
1.5 meters (208.6-210.1) @	0.22	54	1.66	2.3	3.66	0.091	0.1
SES005	320.3 meters	Strong sulfides and stockwork at predicted depth of potential massive sulfide mineralization, but zone appears to be cut by faulting, as in SES006 and SES007					
SES004	183.9 meters	Hole collared underneath and drilled into the footwall of the Sesmarias system					
SES003	160.2 meters	Vertical hole intersected 13.1 meters of massive sulfide mineralization. However, the top of the intercept is located only six meters from the top of the SES002 mineral intercept and was not sampled by geochemical assay methods. The hole was used, however, for geophysical studies of the mineralization. XRF analytical results confirmed SES002 geochemical results.					
SES002	274.7 meters	Initial intercept, as reported in earlier news release					
Total mineralization zone @ 151.65 - 168.50 meters, total of 16.85 meters							
SULFIDE TYPE	From-To	Cu %	Ag ppm	Pb %	Zn %	Sn %	Co %
Massive: 7.95 meters	151.65-159.60	2.21	89.8	3.05	4.82	0.15	0.084
Semi-massive/stockwork: 2.9 m	159.60-162.50	0.71	35.45	1.27	3.17	0.092	0.051
TOTAL	10.85 meters	1.81	75.27	2.57	4.38	0.13	0.075
	From-To	Cu ppm	Ag ppm	Pb ppm	Zn ppm		Co ppm
Weak/moderate stockwork: 6 m	162.50-168.50	4514	10.57	1886	4838		528

Note that at this time, true widths of the sulfide intercepts cannot be determined with the information presently available.

The Company and Antofagasta then drilled a further five holes in the Sesmarias area, to follow-up on the initial eight-hole program completed earlier. The highlight of this follow-up program is a thick massive sulfide intercept in drill hole SES010, which started at a depth of 228.40 meters, and continued for 57.85 meters to 286.25 meters depth. Average grades for the entire massive sulfide intercept are: 0.32% copper, 0.61% lead, 1.95% zinc, 0.45 g/t gold, and 25.1 g/t silver. True thickness of the intercept is estimated to be approximately 35 to 40 meters. The Joint Venture has now completed 13 holes, over a total strike length of 1,700 meters, at Sesmarias, for a total of 3,807 meters in the general target area. The Sesmarias target zone is heavily faulted, and the rocks are strongly contorted and displaced, which makes exploration extremely difficult. Despite these difficulties, the results from the drill programs continue to clearly indicate the potential for a large-scale mineralized system.

Recent Sesmarias intercepts and drill hole summaries:

Hole ID	Total Depth	Description
SES013	401.5 meters	Located 165 meters SE of SES010. Did not intercept massive sulfide mineralization, probably due to heavy faulting throughout the entire drill hole. Some **massive sulfide** fragments located in fault zone, indicating prior presence. Elevated sulfides in target shale horizons.
SES012	438.1 meters	Target depth contained strong sulfides in black shales above an 11-meter wide fault zone containing abundant pyritic **massive sulfide** fragments, confirming massive sulfides were present, but were later displaced. Located approximately half way between SES002 and SES010.
SES011	372.1 meters	Located 750 meters SE of SES010, and 1550 meters SE of SES002. Did not intercept massive sulfide mineralization, possibly due to heavy faulting in/around the target horizon.
SES010	371.1 meters	**57.85 meters of massive sulfide mineralization.** Located 800 meters SE of SES002. Lower boundary of the massive sulfide mineralization appears to be faulted off.

Massive sulfide mineralization @ 228.40 - 286.25 meters, total of 57.85 meters							
	Au (g/t)	Ag (g/t)	Cu %	Pb %	Zn %		
57.85 meters (228.40-286.25) @	0.45	25.1	0.32	0.61	1.95		
incl 1.1 meters (228.40-229.50) @			1.48				
incl 6.5 meters (234.00-240.50) @			0.39				
incl 4.4 meters (281.85-286.25) @			0.4				
incl 3.5 meters (234.00-237.50) @					4.65		
incl 9.0 meters (244.00-253.00) @					3.18		
incl 9.5 meters (257.00-266.50) @					2.68		
incl 1.0 meter (274.50-275.50) @					3.10		

SES009	263.1 meters	Located approximately halfway between SES008 and SES002. Intercepted **2.3 meters of massive sulfide mineralization**, mostly pyrite, in graphitic black shales.

On October 22, 2014, the Company announced that the Company and Antofagasta completed another successful round of drilling resulting in a further increase of the strike length of the Sesmarias West target, and revealing the potential of a 10-kilometer-long basin, located immediately south of the Sesmarias basin, all of which resulted in an exciting new model for potential massive sulfide mineralization in the Sesmarias East sub-basin. The Joint Venture then drilled an additional deep hole to test the Sesmarias East concept during Q4 of 2014. Weakly anomalous copper and zinc values and the presence of alteration around the target depth between 500 and 600 meters, suggest the possible presence of a mineralizing system in the Sesmarias East sub-basin. Further vector drilling is necessary to close in on a potential target, but basinal structural complexities will add to the difficulties in targeting.

This latest work in the Sesmarias basin increased the length of the target area to nearly 2 kilometers in the Sesmarias West zone. Geological and analytical results from all phases of drilling at Sesmarias indicate that the near-vertical oriented mineralization, above a depth of 300 meters, including cover gravel material, is interrupted by faults which have apparently displaced significant portions of the massive sulfide material.

Also, during this latest drilling program, the Joint Venture identified another new target basin in the Pombal area, some 15 kilometers south of Sesmarias. POM005, which reached a depth of 725 meters, penetrated through the layer of surface gravels and then overlying volcanic rocks to intercept a target horizon similar to the host unit of mineralization at Sesmarias. Although the hole did not intercept massive sulfide mineralization, geological information gathered from the drilling has helped to improve the understanding of the tectono-mineral model for the area, which will assist in future targeting in both the Sesmarias and Pombal basins. Weak to moderate alteration and thin beds of up to 35% iron sulfide mineralization, as well as narrow intervals of slightly elevated levels of copper and zinc in the target horizon, help to support the positive potential for the Pombal basin area.

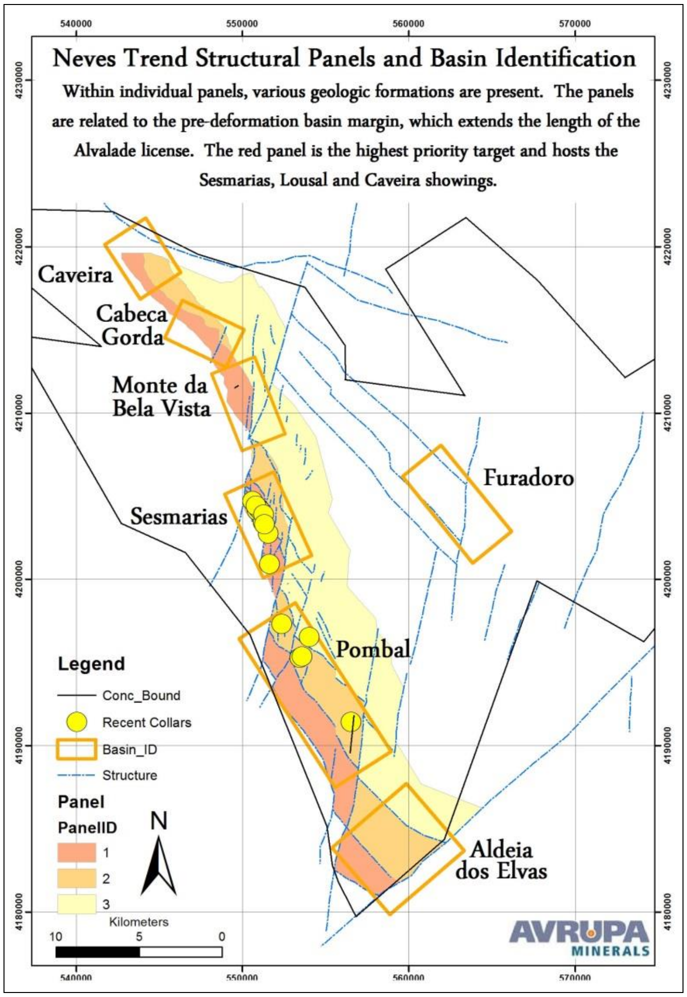


Figure 1. Location of various target basins within the Alvalade license, sub-basins (panels), and drilling locations at Sesmarias and Pombal. Recent work has led to the identification of potential sub-basin mineral targets at Sesmarias East in Panel 3 and at Pombal in Panels 1 and 2.

Work during the past two drilling phases of 2014 led to construction of an upgraded structure-controlled model for mineralization that suggests further VMS exploration potential in the Sesmarias East zone, located 1-2 kilometers to the east of, and oriented sub-parallel to, Sesmarias West. It is the Joint Venture's understanding that the Sesmarias West and East basins are two of potentially several sub-basins developed within the overall Sesmarias zone.

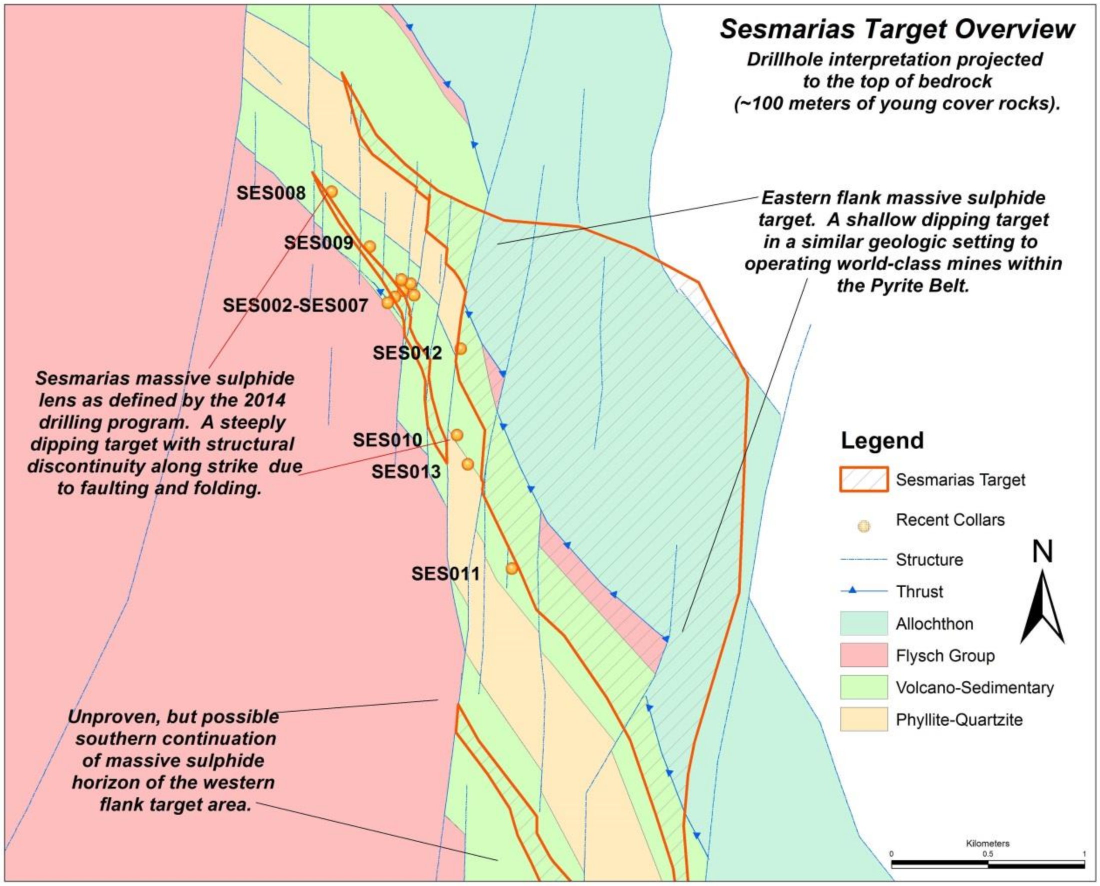


Figure 2. Sesmarias Basin, with Sesmarias West target zone delineated by earlier 2014 drilling, and new Sesmarias East target area suggested by stippled pattern. SES014 will be collared about 2 kilometers NE of SES010, in the area of overlying cover rocks (blue-green color).

As of December 31, 2014, Antofagasta had forwarded a total of $6,527,251 (US$6,306,676) for the Alvalade project, including the US$300,000 for the initial study of the project. The Company spent an additional amount of $45,942 (US$39,995) in December 2014 which was reimbursed in January 2015 by Antofagasta. 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.

For further information about the drill results, please refer to the Company's news releases (particularly dated February 27, 2014, April 17, 2014, May 12, 2014, July 24, 2014 and October 22, 2014) on www.sedar.com or on the Company's website.

b) Covas JV with Blackheath

On May 18, 2011, the Company announced the signing of an agreement to option out the Covas tungsten project in northern Portugal to Blackheath Resources Inc. ("Blackheath"). Under the terms of the agreement, Blackheath had 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) was a firm commitment and must be spent by March 20, 2012. Blackheath earned in an additional 19% by spending a further €700,000 (spent) for a total interest of 70% for total expenditures of €1,000,000, 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.

On February 18, 2014, the Company reported the results from the Phase 2 drilling program at the Covas Tungsten Joint Project. The Phase 2 drilling program greatly expanded the skarn-related zones of tungsten mineralization in each of the four areas tested and discovered a new mineralized zone, as well. The program included fourteen diamond drill holes, totaling 1,183 meters, drilled in the five different target zones: Muito Seco, Lapa Grande, Telheira, Castelo, and a new zone lying between the historic Cerdeirinha Pit area and the Muito Seco zone. Step-out drilling ranged from 50 to 550 meters, averaging over 200 meters in distance from previously known zones of mineralization. Results from both the first and second phases of drilling at Covas clearly indicate that there is further potential for expansion at all five target areas, as well as for discovery of new mineralization near and around the known mineral zones. In addition, new geological and structural interpretation of the data from the combined recent and historical drilling indicates the presence of potential vectors towards further high grade tungsten zones. There are still a number of outstanding, under-explored target areas around the Skarn Ring, as well as in the Covas Dome, itself.

Highlights of the Phase 2 program include 3.05 meters of 1.26% WO_3, including 1.05 meters of 2.07% WO_3, starting at a depth of 12.75 meters at Muito Seco and 3.25 meters of 0.19% WO_3, including 1.25 meters of 0.38% WO_3, starting at a depth of 82.55 meters at Telheira. Drilling at Castelo extended tungsten-mineralized skarn in both the southwest and southeast directions in previously unexplored areas around the previously-known mineral zone. All holes were drilled vertically, and intercepts are considered to represent close to true thickness of the mostly flat-lying mineralized zones. Following is a summary of results from the Phase 2 drill program.

HOLE ID	EASTING	NORTHING	LENGTH	INTERCEPT DEPTH	INTERCEPT % WO3	SUMMARY EXTENSIONS DISTANCES
CO 22/13	525160	4635105	40.60	28.70	1.00 m @ 0.04% WO3	Extended Lapa Grande target over 80 meters to the SE
CO 23/13	525515	4634892	149.50	128.40	2.20 m @ 0.21% WO3	

CO 24/13	525030	4634800	40.00	12.75	3.05 m @ 1.26% WO3	Extended Muito Seco target area over 200 meters to the SE
CO 25/13	525180	4634670	58.60	N/A	Thick skarn, no significant tungsten values	
CO 26/13	524808	4634970	89.40	N/A	No skarn – collared in lower schist	Expanded known tungsten mineralization 550 meters in new discovery target area at Muito Seco/ Cerdeir-inha.
CO 27/13	524640	4634720	70.10	22.40	2.00 m @ 0.17% WO3	
CO 28/13	524780	4634665	41.30	35.50	0.75 m @ 0.15% WO3	
CO 29/13	524947	4634658	54.30	13.80	1.80 m @ 0.20% WO3	
CO 30/13	524201	4634026	118.10	88.20 & 101.20	1.00 m @ 0.21 and 1.00 m @ 0.19% WO3	Extended Castelo target area over 100 meters SW
CO 31/13	522720	4635435	105.10	82.55	3.25 m @ 0.19% WO3	
CO 32/13 A	522773	4635244	141.30	125.50	1.00 m @ 0.12% WO3	Extended Telheira target area over 180 meters NW and 130 meters to the S/SW
CO 33/13	522847	4635164	54.30	N/A	no significant tungsten values	
CO 34/13	522725	4635514	53.60	N/A	no significant tungsten values	
CO 35/13	524525	4633885	166.70	142.30	9.20 m @ 0.143% WO3	Extended Castelo target area over 75 meters SE

The joint venture partners were encouraged with the overall results from the Phase 2 drilling at Covas as the joint venture partners were able to expand and upgrade a number of important target areas. The follow-up geological and structural analyses of the new work, combined with all of the historic data, allows the joint venture partners to better target potential high grade tungsten zones, as well as target further expansions of known mineralization.

Phase 3 drilling at Covas was completed during Q4 of 2014. A total of 1,337.4 meters in 18 holes was drilled during the 2014 program in the Lapa Grande, Muito Seco, Boundary, Castelo, and Valdarcas Extension zones. Targeting was weighted towards in-fill drilling and incremental extension of potential tungsten resources at these known deposits. Geological interpretations and geochemical analyses were underway at the end of 2014 from this work, in order to compile a first resource estimate for the Project. Following is a summary of all significant Phase 3 tungsten intercepts, followed by a map of all historical drilling at Covas:

Target area	Hole ID	Intercept			
			Top (m)	Total thickness (m)	% WO3
Lapa Grande	CO 36/14		34.20	2.60	0.180
			42.60	1.00	0.165
	CO 37/14		71.25	1.05	0.350
			76.30	2.00	0.200
	CO 38/14		59.55	6.00	0.283
	CO 39/14		62.00	3.00	0.125
			71.00	1.15	0.561
	CO 40/14	No sampling			
Lapa Grande Nº1	CO 41/14A		50.40	6.30	0.217
		included	50.40	2.00	0.460
Muito Seco	CO 42/14		15.30	1.70	0.146
	CO 43/14		13.90	3.10	0.142
	CO 44/14		14.60	5.20	0.990
Boundary	CO 45/14	No sampling			
	CO 46/14		24.90	1.95	0.700
Castelo	CO 47/14	analyses in progress			
	CO 48/14	analyses in progress			
	CO 49/14	analyses in progress			
NW Valdarcas	CO 50/14	sending to sampling			
N Telheira	CO 51/14	sending to sampling			
N Telheira	CO 52/14	sending to sampling			

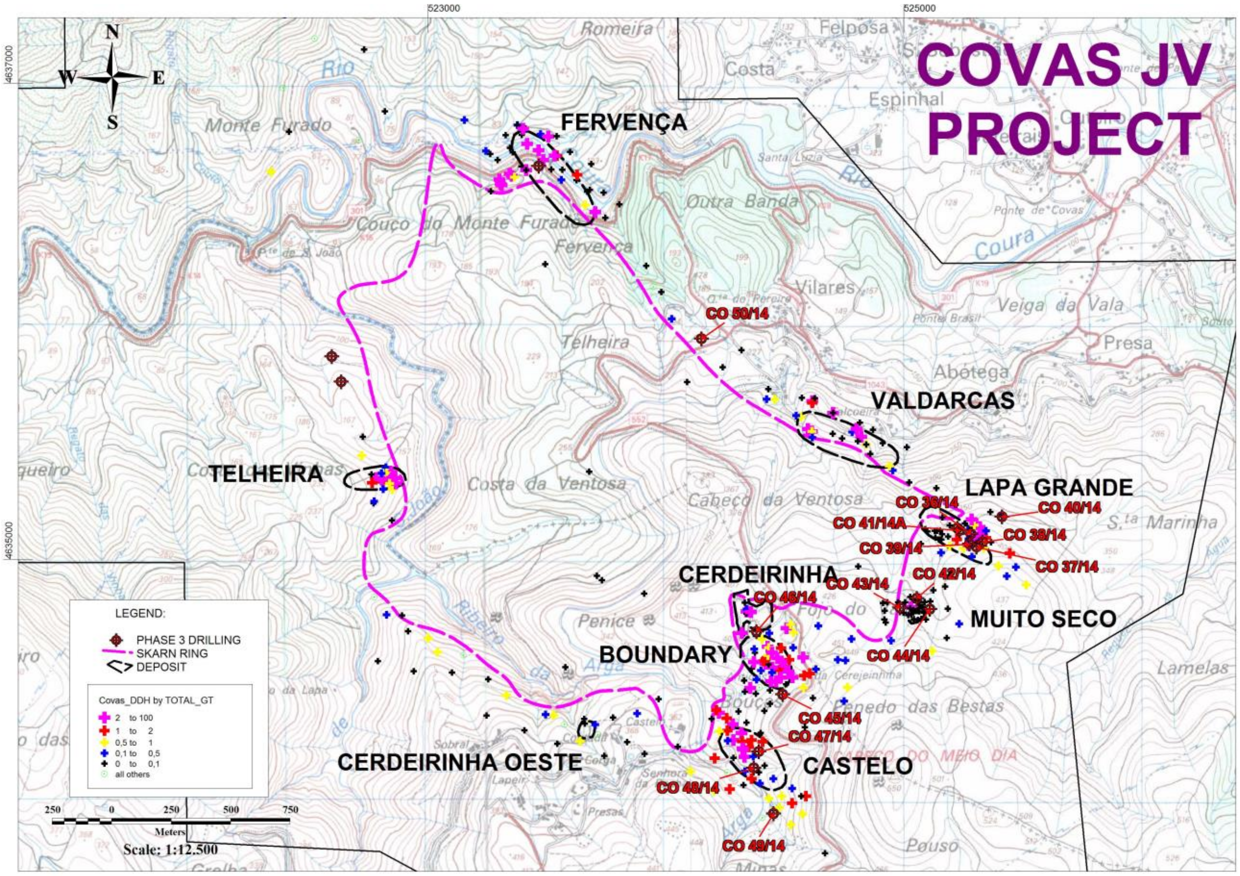


Figure 3. Map of Covas Project with historic drilling results represented as grade-thicknesses, with purple, red, and yellow being the best results, in that order. Note concentrations of good results at Lapa Grande, Boundary, Cerdeirinha, Castelo, Telheira, and Valdarcas.

On March 31, 2015, Blackheath Resources announced the completion of an initial NI 43-101 compliant resource calculation for the Covas project. The following, taken from the Blackheath news release, is a summary of the resource at Covas:

"The Covas Tungsten Project, which consists of seven separate deposits in close proximity, is estimated to contain:

- **449,800 MTUs WO_3 indicated mineral resource based on 1,081,000 tonnes at an average grade of 0.42% WO_3**

- **767,100 MTUs WO3 inferred mineral resource based on 2,211,000 tonnes at an average grade of 0.35% WO3**

The current indicated and inferred mineral resources are stated using a cut-off grade of 0.10%. 19 total drill holes had interval grades capped to a lower average grade, allowing for a more conservative average grade. The price of tungsten is currently approximately \$270 per metric tonne unit (MTU) (10kg) of contained tungsten trioxide (WO_3)."

Again, quoting the Blackheath news release, "highlights of the resource estimate include:

- **Substantial increase in MTUs over previous historical estimates**
- **Shallow depth. Over 80% of the resource is located within 60 metres of surface**
- **Mineralization remains open in multiple directions including high-grade potential areas that will be tested during the next drill campaign focussing on resource growth and grade increase**
- **Higher grade resource using a 0.25% WO3 cut-off**
    - **375,200 MTUs WO_3 indicated based on 686,000 tonnes at an average grade of 0.55% WO_3, and**
    - **584,900 MTUs WO3 inferred based on 1,281,000 tonnes at an average grade of 0.46% WO3."**

Further details are contained in the Blackheath news release, and the full report will be included a National Instrument 43-101 Technical Report for the Covas Tungsten Project mineral estimate to be filed on Sedar, by Blackheath, within 45 days.

Covas is a past-producing tungsten mine, and remaining historic resources on the property have been estimated at 922,900 metric tonnes of 0.78% WO_3 by Union Carbide in 1980, based on work including 327 drill holes on the property. Mineralization is open to expansion. The price of tungsten has increased significantly in recent years and is currently approximately $270 per metric tonne unit (MTU – 10 kg) of contained tungsten trioxide (WO_3). *These resources are historic in nature, prepared by Union Carbide Corp. in 1980, but are considered relevant. However, a qualified person has not done sufficient work to classify the historical estimates as current mineral resources, and the Joint Venture is not considering the historical estimates as current mineral resources.*

As of December 31, 2014, Blackheath forwarded a total $1,919,234 (€1,405,512) for the Covas property. The Company spent an additional amount of $110,208 (€78,484) in December 2014 which was subsequently reimbursed by Blackheath.

For further information, please refer to the Company's news releases on www.sedar.com or on the Company's website.

c) Marateca

On July 26, 2013, the Mining Bureau of Portugal issued the new Marateca license to the Company covering approximately 742 square kilometers and is located 40 kilometers north of the Company's Alvalade JV project. The Marateca license surrounds the northernmost known volcanic center on the Neves Corvo trend in the Iberian Pyrite Belt (IPB). The spatial relationship between other volcanic centers in the IPB and the location of massive sulfide deposits is well-documented. Of all known felsic volcanic centers, the Serrinha center has seen little previous comprehensive, systematic review. Thus, with only a moderate amount of exploration, prospecting and research work, on a small portion of the Marateca license area, the Company has identified at least 13 potential, and separate, copper-zinc, volcanogenic massive sulfide-style target areas. Several of the target areas have outcropping mineralization including iron, manganese, and silica at Serrinha and copper, lead, manganese and silica at Cordoeira. Previous drilling at Serrinha intercepted stockwork silver-bearing sulfide mineralization in two holes.

On December 18, 2013, the Company announced the Company discovered an outcropping gossan zone in volcanic-sedimentary rock units that typically host massive sulfide mineralization in other parts of the IPB in Portugal and Spain. Follow-up mapping has extended the Pego do altar gossan zone to nearly 1,000 meters in strike length with a possible thickness of up to 50 meters. Limited rock chip sampling along strike (11 samples) returned copper values up to 0.12% and lead values to 0.08%. Anomalous bismuth, molybdenum, and gold values further indicate the hydrothermal nature of the metals' presence, thus providing early support for further geological mapping, sampling, and drill targeting. In addition, the Company discovered a second gossan zone in the Pego do Altar target area, with visible copper oxide staining at several locations. The Company plans additional mapping and sampling at these and at other targets around the license to continue to upgrade the project's attractiveness for joint venture.

d) Alvito

The Alvito exploration license covers 1,035 square kilometers of prospectable land straddling the northeastern margin of the Pyrite Belt, adjacent to the Marateca license, and the Ossa Morena zone of southern Portugal.

On November 20, 2013, the Company received $150,000 funding from 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 recently announced Exploration Alliance Agreement between the Company and Callinan (see below).

The Company, with the funding from Callinan, completed another stage of exploration work on the Alvito license. The work brings the project up to JV-ready status, and the Company is actively engaging a potential partner for this property. Work over the past year at Alvito has identified eight separate copper and copper-gold targets in the Alcaçovas copper belt and another 14 poly-metallic targets of various types around the license. Less than half of the Ossa Morena portion of the license has been reviewed, and virtually none of the Pyrite Belt portion has been visited by Company explorationists, to date, which leaves a large, open prospective area. By request from Avrupa, the Pyrite Belt part of the Alvito license has now been reorganized by the Mining Bureau of Portugal into the Marateca license, to assist in marketing the two projects to prospective partners with varying interests. The Alvito license area now totals 853.4 km^2, while the Marateca license area totals 923.2 km^2.

As of December 31, 2014, Callinan had forwarded a total $150,000 (€103,609) for the Alvito property. Subsequently, Callinan terminated the Agreement.

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.

As of December 31, 2014, the optionee has forwarded a total $23,656 (US$20,973) for the Alvito property. The Company spent an additional amount of $39,705 (US$34,565) in December 2014, which was reimbursed in January 2015 by the optionee. The Company held $696 (€495) on behalf of the optionee to be spent on the Alvito project, which is recorded as restricted cash. Subsequent to December 31, 2014, the restricted cash was spent for Alvito matters. On February 5, 2015, the optionee terminated the Agreement.

At present, a third party is reviewing the license for potential targets related to possible iron oxide copper-gold mineralization (IOCG).

e) Sines

On December 11, 2012, the Company announced the acquisition of Sines, located in southern Portugal in a relatively unexplored part of the Portuguese Pyrite Belt.

On December 18, 2013, the Company announced that follow-up mapping and sampling of several target areas on this license identified outcropping favorable horizons for massive sulfide-style mineralization. The Company collected 15 samples from these volcanic-sedimentary rock units, with anomalous copper results to 0.12%, as well as lead to nearly 500 ppm, and zinc to 350 ppm. Several samples contained over 10% manganese, and other samples contained anomalous barium, molybdenum and cobalt. Taken together, as at Pego do Altar on the Marateca property, the results support the presence of hydrothermal systems that could have produced massive sulfide mineralization. However, there has been virtually no JV interest in the project from third parties, and the Company has now relinquished the license.

f) Santa Margarida do Sado

In June 2014, the Company received a new license in the Pyrite Belt of southern Portugal: the Santa Margarida do Sado license covering potential northward extensions of mineralization from the historic Canal Caveira Mine, located on the Alvalade Joint Venture license, immediately adjacent to the south. All four VMS target belts in Portugal -- Neves Corvo, Aljustrel, São Domingos, and Santa Margarida de Serra -- pass through the Santa Margarida license, suggesting strong exploration potential over a large area. Already, based on historic exploration, the Company has recognized several general drill target areas within the license, as noted in the figure below.

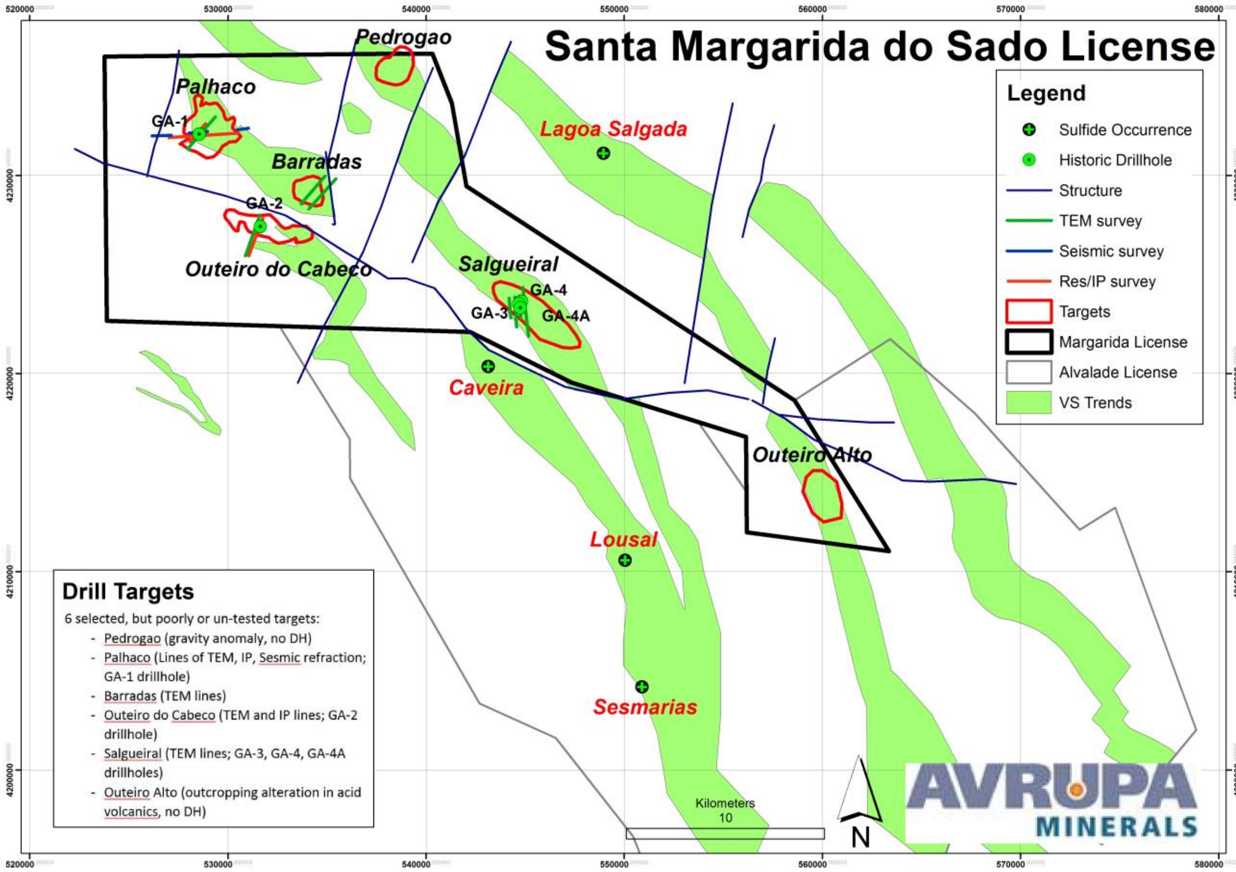


Figure 4. The Santa Margarida do Sado license with VMS target belts, and potential target areas delineated from previous exploration work. There are several historic drill holes available for review, and almost no exploration on the license since the late 1990's.

g) Mertola

In June 2014, the Company received a new license in the Pyrite Belt of southern Portugal: the Mertola license, located east of Neves Corvo, and covering the eastern portion, in Portugal, of the São Domingos VMS target belt. The past-producing São Domingos Mine is located close to the east end of the license, and is central to an area of good copper- and zinc-bearing massive sulfide targets. The following map shows numerous other prospects around the license. Core from over 35 holes of historic drilling is available for re-logging and re-sampling.

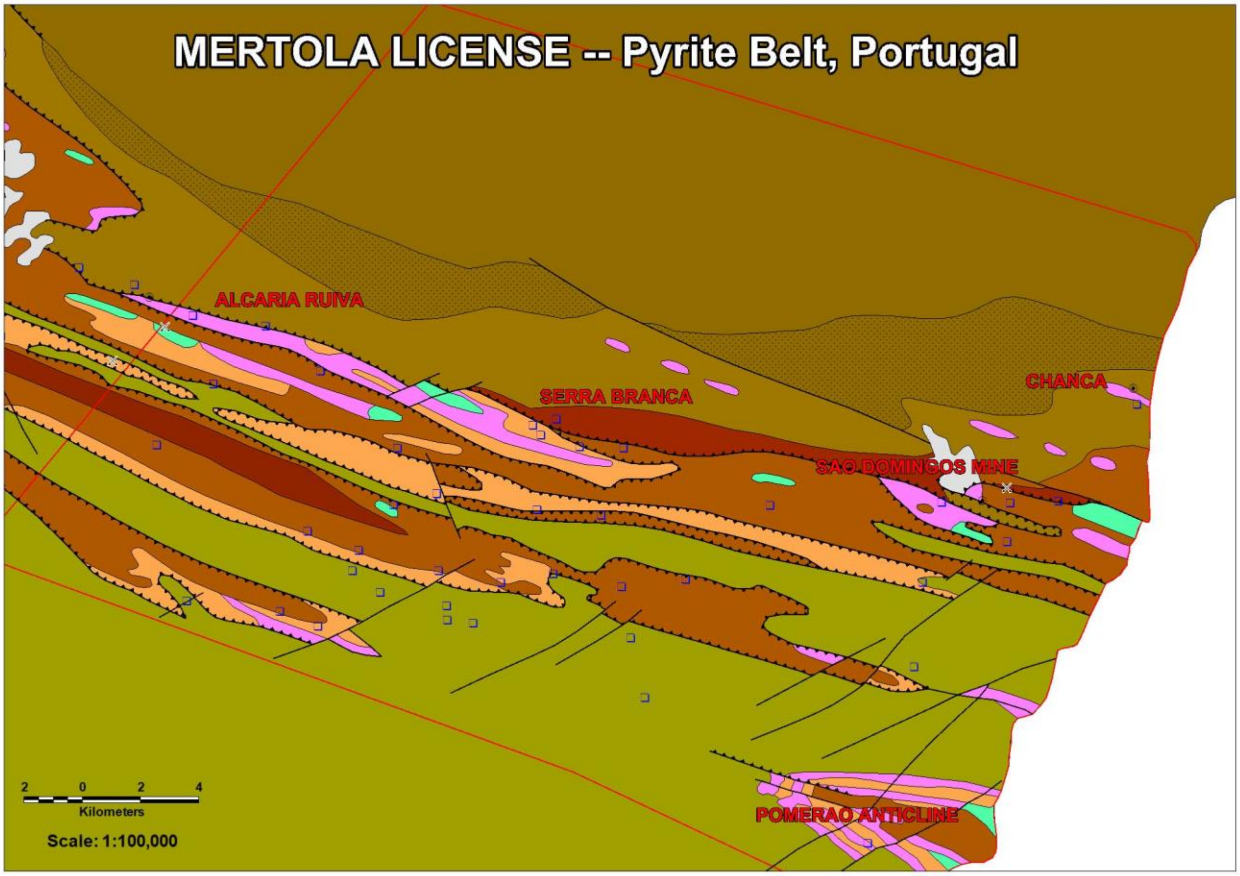


Figure 5. Mertola license, with numerous prospects located along the length of the license. The São Domingos Mine reportedly contained (non NI 43-101–compliant) historic resources of > 25 mt of 1.25% copper and 2-3% zinc in lenses of volcanogenic massive sulfide material.

Work is planned for both Santa Margarida do Sado and Mertola licenses during 2015 in order to bring them to JV-ready status. The Company is already actively marketing the two licenses, as well as the Marateca license, also in the Pyrite Belt, and also containing drill-ready targets.

h) Exploration and prospect generation (countrywide)

The Company and Callinan signed a three-year 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.

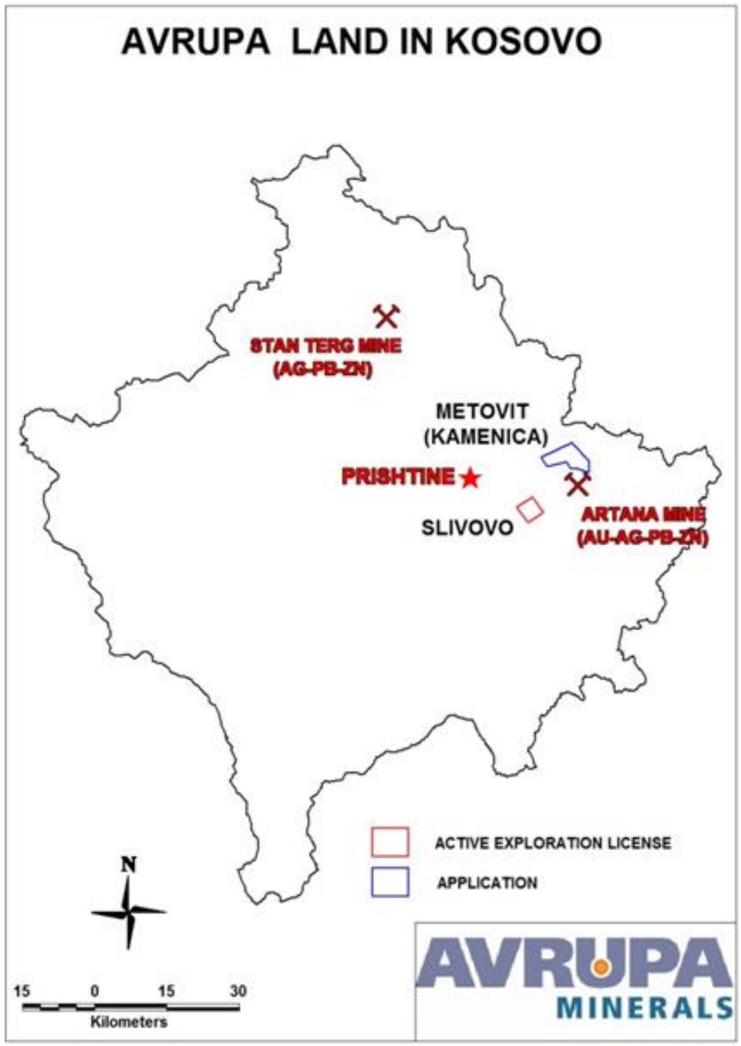
Callinan also has the option to fund additional exploration on the Company's existing mineral properties, if proposed by the Company, and would earn a 1.5% NSR royalty in return for funding $150,000 in exploration on those projects (the "Alliance Property").

As of December 31, 2014, Callinan had forwarded a total $150,000 (€106,114) for the generative exploration project. The Company held $1,342 on behalf of Callinan to be spent on the generative exploration project, which is recorded as restricted cash. These funds were spent in early 2015 for exploration purposes. Subsequently, Callinan terminated the Agreement.

The Company maintains excellent relations with both the Mining Bureau and the Geological Survey in Portugal. The Company intends to continue to generate high quality metal targets in Portugal, using innovative and aggressive exploration thinking and activities to upgrade the targets to JV-ready status. With a prospect generator business model, the Company will then attract larger, mining-oriented companies to take on the projects for further, higher-risk exploration, and hopefully development into metals' production.

3(b) Kosovo

The Company, through its subsidiary Innomatik Exploration Kosovo (Innomatik), has been advancing its prospects in Kosovo towards JV-ready status, and has now successfully attracted a JV partner for its Slivovo project.



The Company's senior Kosovo management has long-term experience with the democratically-elected Kosovo government, with the United Nations and European Union administrators of the pre-independent country, and with the metallogeny and mineral deposits of the region. The Company is currently the most active metals' exploration group in Kosovo. There has been little modern, systematic exploration performed in Kosovo to date, leaving an opportunity for successful prospect and project generation. The Company optioned one exploration license to a partner (**Slivovo**), while continuing to upgrade its other project at **Metovit** (**Kamenica)** exploration license to JV ready status.

The Company's Kosovo properties have outcropping base metal mineralization and/or significant alteration zones. Most of the targets have not been previously drilled and have old workings of perhaps Roman and certainly Saxon age, to possibly early 20th century age in a number of locales.

a) Slivovo

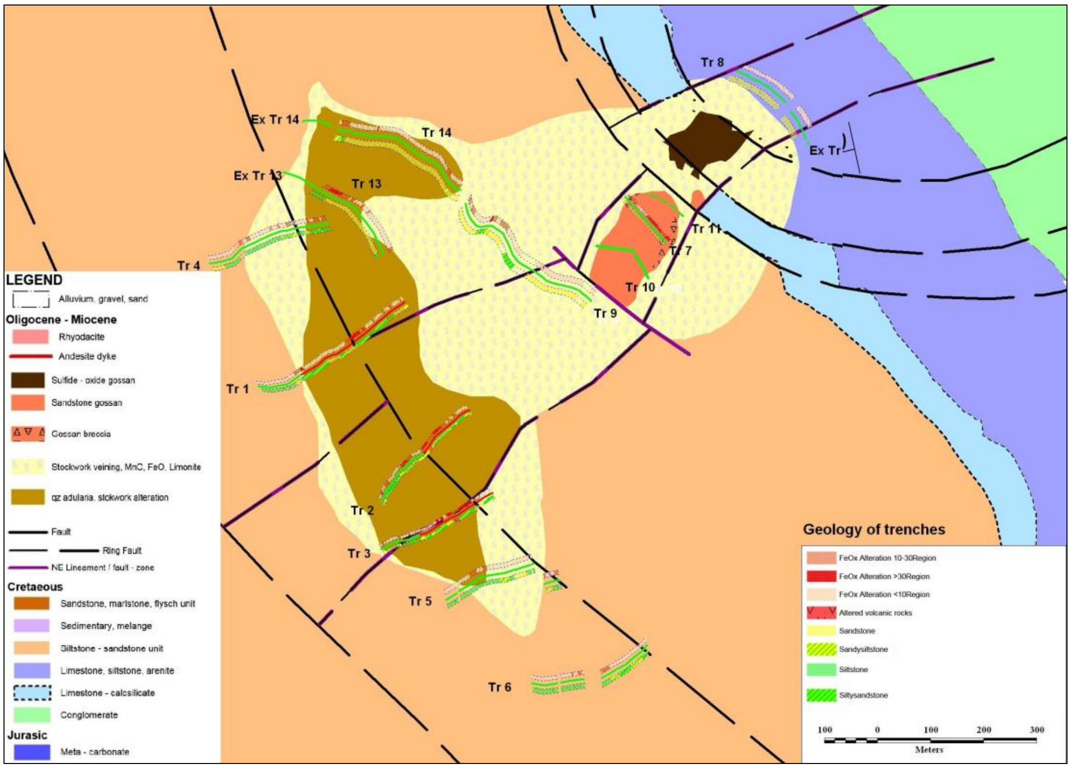
The Slivovo license, located approximately 15 km southeast of Prishtine, the capital city of Kosovo, and covering 15.2 km^2, was issued to the Company on June 27, 2012. Early rock chip sampling of the Pester gossan zone (22 samples) returned strongly anomalous lead (average 1,825 ppm), zinc (average 3,647 ppm), silver (average 11.47 ppm), and gold (average 2.09 ppm) results. Subsequent, wide-scale geological mapping of the area indicated potential for gold-bearing, massive sulfide mineralization of the style common in the Vardar Zone, which extends through east-central Europe.

Following the discovery of the Pester gossan zone, the Company then discovered several gold-bearing rock units in the Pester area. First-pass soil and rock chip sampling outlined two separate areas with anomalous gold results. One area surrounds the Pester gossan zone, measures approximately 500 x 150 meters in size, and is potentially open along strike. The other, more important anomalous gold-bearing zone, located approximately 1,000 meters from the Pester gossan, is related to beds of a strongly altered, calcareous sandstone unit, intruded by an altered and mineralized dike(s). At present, the length of this exposed mineralized zone is 900 meters, while known surface expression is 100-150 meters wide. The anomalous zone is open along strike in both directions, and appears to have potential for downdip mineralization. Trenching across the target zone shows geological potential for expansion of the mineralization. Trench sampling will be completed in the coming months.

On April 10, 2014, the Company signed an earn-in and shareholders agreement ("Earn-In Agreement") to option out the Slivovo property to Byrnecut International Limited ("Byrnecut"). Under the Earn-In Agreement, Byrnecut 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, of which €360,000 is a firm commitment and must be spent by October 10, 2014 (spent). Byrnecut 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. Byrnecut 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.

Avrupa started targeting work at Slivovo in mid-April, upon receipt of the first tranche of funding from Byrnecut. Since then, Avrupa geologists continue to work around two primary targets on the property, including a gold/silver/lead/zinc-bearing gossan, and an epithermal gold-polymetallic target located about one kilometer away. In addition, work in the field is in the process of adding several new zones of interest, all requiring further follow-up. In total, nearly 1,300 rock and soil samples have been collected, and 1,615 meters of trenches excavated for sampling and geological mapping purposes. Of greatest interest is the average gold value in a northeast-trending zone, of which the 39 samples collected there returned 2.9 g/t gold, with a top cut of 10 g/t gold. Five of these samples contained >10 g/t gold, ranging from 12.25 g/t to 389 g/t.

Work on the project has continued throughout the summer, and new targets around the Pester gossan zone have been identified. The gossan zone has been extended to the southwest by over 300 meters, and the so-called epithermal zone, located further to the west, has been extended northwards by several hundred meters. Geological work continues in the northern epithermal zone, as well as other targets on the license. Mapping and sampling indicate that the entire Pester mineral target area is likely related to a buried porphyritic intrusion.



The mineralization zone runs for over 1,000 meters along an ENE-trending corridor from the epithermal target (olive) to the sandstone gossan (orange) to the sulfide-oxide gossan (black). The epithermal zone now runs for over 800 meters, north-south.

Holes SLV004, SLV 005 and SLV006 were drilled approximately 200 – 250 meters to the northeast in the main Pester Gossan zone and contained the following gold and silver assay intervals:

Drill Hole #	From (m)	To (m)	Intercept (m)	Gold (g/t)	Silver (g/t)	Copper (%)	Zinc (%)
SLV004	0	126.5	126.5	6.2	15.0	0.092	0.45
SLV005	27.40	39.40	12.00	12.2	8.02		
incl.	32.00	39.40	7.40	19.3	9.32		
incl.	36.40	39.40	3.00	38.3	6.12		
	0.20	39.40	39.20			0.115	0.61

SLV006	50.00	55.55	5.55	1.1	12.8		
incl.	53.60	55.55	1.95	2.1	15.4		
	74.90	85.70	10.80	1.25	15.1		
	90.50	93.90	3.40	3.1	20.8		
	0	93.90	93.90			0.083	0.51

Holes SLV007 and SLV 008 were drilled in the southwest extension of the Pester Gossan, located about 200 meters south of SLV004. SLV007 was drilled to a depth of 97.4 meters at a dip angle of -55 degrees through sediments to 70 meters depth and then through intrusive rocks (possibly a parallel-to-sedimentary-bedding sill) to the final 97.4-meter depth. SLV008 was drilled to a depth of 183.6 meters at a dip angle of -85 degrees (nearly vertical). Much of the rock in this hole was intrusive sill material, as in the bottom of SLV007. The follow-up detailed review of the drill core now indicates that both drill holes were drilled more or less along the strike of the sedimentary rocks and intrusive sill material. Holes SLV007 and SLV008 contained the following gold and silver assay intervals:

Drill Hole #	From (m)	To (m)	Intercept (m)	Gold (g/t)	Silver (g/t)	Comment
SLV007	16.00	29.05	13.05	1.78	18.88	SW gossan -- sediments
within	16.00	69.60	53.60	0.91	8.07	SW gossan -- sediments
SLV008	75.00	77.65	2.65	1.06		SW gossan -- sediments

Geological model updated

Detailed review and re-logging of the core from the first eight holes at Slivovo is ongoing. The sedimentary beds hosting mineralization are strongly folded, but drilling in SLV004 crossed bedding at close to perpendicular, while SLV005 and SLV006 crossed bedding obliquely.

This detailed analysis also indicates that there are a number of phases of mineralization. The two most important are the early introduction of quartz-sericite-(gold-bearing) pyrite mineralization, and a subsequent strong acid leaching phase. This leaching phase liberated the gold from the pyrite and created spaces in the sedimentary rocks, allowing for the deposition of gold. In addition, there appears to be a strong correlation between gold values and those of accessory metals tellurium and bismuth, which is often indicative of epithermal/low temperature precious metals mineralization. It is not yet clear whether this is an additional phase of gold mineralization. A number of core samples are being analyzed to determine the characteristics of the gold mineralization and to begin a microscopic review of the history of the influx of mineralization.

Further, detailed follow-up mapping of the surface geology in the Gossan Zone will commence in April 2015, as the weather conditions permit. In addition to the Gossan Zone and the Dzemail area, the Avrupa team has identified at least three other target zones within the license boundaries.

Drill Program to start in April

Near-term plans are to re-start the drilling in the so-called "epithermal zone" -- now called by its locality name, the "Dzemail" (pronounced Jemahl) target area. Avrupa is planning up to four holes in the Dzemail area, totaling up to 1,000 meters, to test strong gold and base metal anomalism from soil and trench sampling. Possible mineralization may be hosted by altered sandstones and siltstones, similar to those encountered in the Gossan Zone target area.

At Pester, Avrupa will contract another drill rig to commence second phase testing of the Main gossan zone area around SLV004. The Company plans to drill approximately 2,000 meters in the Main Zone and a further 1,000 meters of drilling in the SW extension of the Main Zone, or other high quality targets.

On April 15, 2015, the Company announced that Byrnecut completed Phase 2 funding and has earned–in to 51% of the Slivovo project. Byrnecut also notified the Company that it will continue to fund the next phase of the Slivovo project to earn-in a total interest of 75%. With Byrnecut completing its 51% earn-in obligations, a new joint venture company will be formed to operate the Slivovo project. The partners are planning an aggressive drilling program for 2015, including a total of 4,000 meters, split between the main target areas, but with heavy emphasis in the Pester Gossan Zone area.

As of December 31, 2014, Byrnecut forwarded a total $1,216,923 (€835,000) for the Slivovo property. The Company held $297,267 on behalf of Byrnecut to be spent on the Slivovo property, which is recorded as restricted cash.

b) Metovit (Kamenica)

The Kamenica license was renewed for two years under the new Mining Law. The size of the license was reduced by 50% to approximately 45 km^2. Targets in the Kamenica license are located 2 to 5 kilometers, along strike, from the historic Artana (Novo Brdo) silver/lead/zinc/gold mine. The Artana Mine has operated intermittently since Saxon times in the 12^{th} to 14^{th} centuries. According to recently-acquired UNMIK (United Nations Mission in Kosovo) information, in modern times the Artana Mine has produced 4-5 million metric tonnes of +10% Pb and Zn, 140 g/t Ag, and 1 g/t Au, over its still-continuing operation. Production information was compiled during UNMIK (United Nations Mission in Kosovo) administration of Trepça Mines after the war in Kosovo. The historic production information for the Artana Mine is non - NI 43-101 – compliant, though Avrupa is of the opinion that the information is accurate with respect to available production records.

On February 14, 2012, the Company announced that it completed an initial round of exploratory drilling in late 2011 on the Kamenica license. Two core holes, totaling 382.6 meters, were completed at two separate targets located about three kilometers apart. The most interesting of the two holes, at the Metovic target, intercepted multiple generations of visible Fe-Zn-Pb sulfide mineralization in pervasive disseminations and stockwork quartz veining, hosted by strongly altered, calcareous silt and sandstones over the entire 193.3-meter length of the hole. The hole bottomed in altered quartz diorite porphyry and brecciated quartz diorite containing fragments of the porphyry. The widespread anomalous sulfide mineralization and strong alteration may indicate the presence of a possible large porphyry-style system within the Kamenica license.

The second hole, at the Grbes target, encountered pyritic gneisses from close to the surface to 120 meters depth, followed by sooty, pyritic black shales and graphitic schists to the bottom of the hole at 189.3 meters. These strongly altered rock units do not appear at the surface, and are of an older Vardar formation that has been uplifted in this portion of the exploration area. Further work is necessary to assist in targeting for a possible large mineral system.

The Kamenica license has been dropped, but replaced by the fully-overlapping new Metovit application. The Company is awaiting approval from the Kosovo mining bureau (ICMM).

c) Glavej

The Glavej license was also renewed for two years under the new 2010 Kosovo Mining Law. The size of the license was reduced by 50%, according to the law, to 8.1 km^2. The license lies close to the historic, and presently producing, Stan Terg base metal mine, which has operated intermittently for more than 1,000 years, and has reportedly produced more than 35 million metric tonnes of +10% Pb and Zn, and 80 g/t Ag. Production information was compiled during UNMIK (United Nations Mission in Kosovo) administration of Trepça Mines after the war in Kosovo. The historic production information for the Stan Terg Mine is non - NI 43-101 – compliant, though Avrupa is of the opinion that the information is accurate with respect to available production records.

On February 14, 2012, Avrupa announced that it completed a third hole late in 2011 at the Hazelnut Hill target on the Glavej exploration license. The hole intersected iron oxide-rich massive silica and silica breccia over the entire length of the hole to a depth of 139 meters. Anomalous base metal mineralization was present at the very bottom of the hole. Difficult drilling conditions and winter weather curtailed the drill hole before reaching total planned depth.

Subsequent to December 31, 2014, the Company dropped the Glavej license.

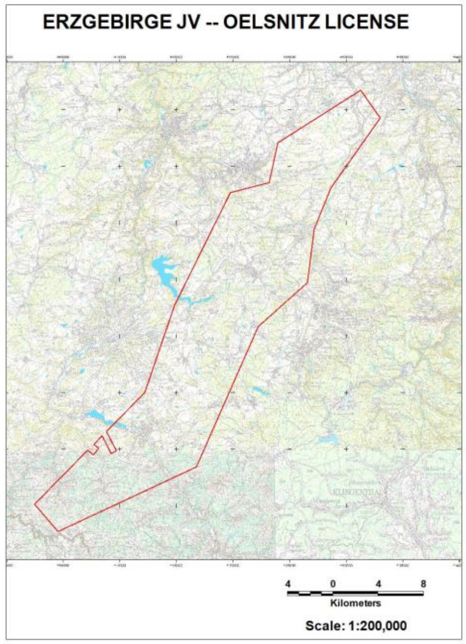
3(c) Germany

Oelsnitz

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 for exploration purpose to gain 85% of Oelsnitz Exploration License, which was issued to Beak on January 12, 2012. The license covers 307.2 square kilometers and has been issued for gold, silver, tin, tungsten, molybdenum, copper, lead, zinc, tellurium, barite and fluorite. The license is valid until March 31, 2016, and renewable upon proof of continued exploration activities. There is no royalty attached to the license.

The Company earned into 85% of the project (as of December 31, 2014 - $217,167 (€169,015)), and the two companies are setting up a joint venture to further explore for gold on the property.

The goal of the Company is to explore for and find gold targets related to the emplacement of large granitic intrusions. Previous work has not, at all, been dedicated to gold exploration in this region, and the Company is probably the first group to do so. The first-pass work completed at the end of 2012 indicated several areas of gold and tin anomalism that need further follow-up. Follow-up of gold and tin anomalism in a number of target areas is now currently underway. The Company will continue to look for joint venture partnerships in the coming year.



The Company's exploration expenses for the year ended December 31, 2014 and the cumulative exploration expenses since acquisition of MAEPA and Innomatik are:

	Portugal							Kosovo					Germany	
	Marateca	Alvalade	Covas	Arga	Alvito	Callinan Generative	Others	Glavej	Kamenica	Selac	Slivovo	Others		Total
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

4. Risks and Uncertainties

The Company is engaged in the exploration for mineral deposits. These activities involve significant risks which even with careful evaluation, experience and knowledge may not, in some cases, be eliminated. The Company's success depends on a number of factors, many of which are beyond its control. The primary risk factors affecting the Company include inherent risks in the mining industry, metal price fluctuations and operating in foreign countries and currencies.

Inherent risks within the mining industry

The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that will affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure and use, environmental protection and reclamation and closure obligations could also have a profound impact on the economic viability of a mineral deposit.

Mining activities also involve risks such as unexpected or unusual geological operating conditions, floods, fires, earthquakes, other natural or environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or for other reasons. The Company does not currently maintain insurance against political or environmental risks. Should any uninsured liabilities arise, they could result in increased costs, reductions in profitability, and a decline in the value of the Company's securities.

There is no assurance at this time that the Company's current mineral properties will be economically viable for development and production.

Prices for metals

Metals prices are subject to volatile price fluctuations and have a direct impact on the commercial viability of the Company's exploration properties. Price volatility results from a variety of factors, including global consumption and demand for metals, international economic and political trends, fluctuations in the US dollar and other currencies, interest rates, and inflation. The Company has not hedged any of its potential future metal sales. The Company closely monitors metal prices to determine the appropriate course of action to be taken by the Company.

Foreign currency risks

The Company uses the Canadian dollar as its measurement and reporting currency, and therefore fluctuations in exchange rates between the Canadian dollar and other currencies may affect the results of operations and financial position of the Company. The Company does not currently have any foreign currency or commercial risk hedges in place.

The Company raises the majority of its equity financings in Canadian dollars while foreign operations are predominately conducted in Euros and US dollars. Fluctuations in the exchange rates between the Canadian dollar, Euros and US dollar may impact the Company's financial condition.

Risks Associated with Foreign Operations

The Company's investments in foreign countries such as Portugal, Germany and Kosovo carry certain risks associated with different political, business, social and economic environments. The Company is currently evaluating various commodities in Portugal and Kosovo, but will undertake new investments only when it is satisfied that the risks and uncertainties of operating in different cultural, economic and political environments are manageable and reasonable relative to the expected benefits.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance and regulatory characteristics of property rights in certain foreign countries.

Future government, political, legal or regulatory changes in the foreign jurisdictions in which the Company currently operates or plans to operate could affect many aspects of the Company's business, including title to properties and assets, environmental protection requirements, labor relations, taxation, currency convertibility, repatriation of profits or capital, the ability to import necessary materials or services, or the ability to export produced materials.

5. Impairment of Long-lived Assets

The Company completed an impairment analysis as at December 31, 2014 and concluded that no impairment charge was required because:

- the Company capitalized only its acquisition costs of MAEPA and Innomatik;
- there have been no significant changes in the legal factors or climate that affects the value of the properties in Portugal and Kosovo;
- all properties in Portugal and Kosovo remain in good standing; and
- the Company and its joint-venture partners intend to continue its exploration and development plans on the properties.

AVRUPA MINERALS

6. Material Financial and Operations Information

6(a) Selected Annual Financial Information

Selected Annual Information

	Year Ended December 31, 2014	**Year Ended December 31, 2013**	**Year Ended December 31, 2012**
Total revenues	$ -	$ -	$ -
General and administrative expenses	773,244	728,761	1,263,626
Loss for the year	1,250,956	1,882,598	1,529,054
Loss per share	(0.03)	(0.06)	(0.07)
Total assets	3,235,685	3,092,321	2,985,754
Total long-term financial liabilities	-	-	-
Cash dividends declared – per share	N/A	N/A	N/A

6(b) Summary of Quarterly Results

The following is a summary of the Company's financial results for the last eight quarters:

	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Total Revenues	$ -	$ -	$ -	$ -
Loss before other items	$ 497,215	$ 219,320	$ 235,053	$ 309,434
Net loss	$ 498,042	$ 211,314	$ 232,818	$ 308,782
Loss per share	$ 0.01	$ 0.01	$ 0.01	$ 0.01

	Three months ended			
	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Total Revenues	$ -	$ -	$ -	$ -
Loss before other Items	$ 620,937	$ 274,833	$ 100,905	$ 899,708
Net Loss	$ 623,842	$ 275,073	$ 94,960	$ 888,723
Loss per share	$ 0.02	$ 0.01	$ 0.00	$ 0.03

6(c) Review of Operations and Financial Results

For three months ended December 31, 2014 and three months ended December 31, 2013

During the three months ended December 31, 2014, the Company reported a loss of $498,042 ($0.01 loss per share) (2013 – $623,842 ($0.02 loss per share)).

Excluding the non-cash depreciation of $5,239 (2013 – a negative amount of $10,110) and share-based payment of $Nil (2013 - $134,642), the Company's general and administrative expenses amounted to $230,844 during the three months ended December 31, 2014 (2013 – a negative amount of $13,430), an increase of $244,274 as a result of reclassifying its Portuguese subsidiary's general and administrative expenses to mineral exploration expenses in 2013.

During the three months ended December 31, 2014, the Company expensed exploration costs totaling $1,214,664 including $204,437 on Covas, $109,078 on Marateca, $335,058 on Alvalade, $16 on Arga, $73,426 on Alvito, $66,236 on Callinan Generative, a negative amount of $143,261 on other projects in Portugal, a negative amount of $1,833 on Glavej, a negative amount of $1,881 on Kamenica, $2,054 on Selac, $556,898 on Slivovo, $3,590 on other projects in Kosovo, and $10,846 on its project in Germany. During the three months ended December 31, 2013, the Company expensed $1,153,169 in exploration costs which included $315,532 on Covas, $76,852 on Marateca, $201,027 on Alvalade, $32,037 on Arga, $59,408 on Alvito, $5,846 on Callinan Generative, $300,908 on other projects in Portugal, $68,894 on Glavej, $69,908 on Kamenica, $1,736 on Selac, $6,015 on Slivovo and $14,006 on other projects in Kosovo.

For year ended December 31, 2014 and year ended December 31, 2013

During the year ended December 31, 2014, the Company reported a loss of $1,250,956 ($0.03 loss per share) (2013 – $1,882,598 ($0.06 loss per share)).

Excluding the non-cash depreciation of $5,901 (2013 - $4,808) and share-based payment of $29,141 (2013 – $134,642), the Company's general and administrative expenses amounted to $738,202 during the year ended December 31, 2014 (2013 - $589,311), an increase of $148,891 as a result of the increase in professional fees of $258,688 (2013 - $ 220,640), salaries of $30,543 (2013 - $122) and travel of $57,618 (2013 - $28,390).

During the year ended December 31, 2014, the Company expensed exploration costs totaling $4,754,648 including $769,810 on Covas, $261,779 on Marateca, $2,279,351 on Alvalade, $3,929 on Arga, $252,291 on Alvito, $142,812 on Callinan Generative, $100,434 on other projects in Portugal, a negative amount of $1,833 on Glavej, $2,664 on Kamenica, $2,054 on Selac, $919,655 on Slivovo, $10,856 on other projects in Kosovo, and $10,846 on its project in Germany. During the year ended December 31, 2013, the Company expensed $3,565,119 in exploration costs which included $695,681 on Covas, $80,446 on Marateca, $1,696,618 on Alvalade, $128,694 on Arga, $125,887 on Alvito, $5,846 on Callinan Generative, and $515,103 on other projects in Portugal, $81,264 on Glavej, $121,782 on Kamenica, $12,909 on Selac, $30,637 on Slivovo and $75,464 on other projects in Kosovo, and a recovery of $5,212 on its project in Germany from its joint-venture partner.

6(d) Liquidity and Capital Resources

As at December 31, 2014, the Company's working capital was $572,287 (December 31, 2013 - $538,205). With respect to working capital, $761,932 was held in cash (December 31, 2013 - $439,154) and $299,305 was held in restricted cash (December 31, 2013 - $640,504). The increase in cash was mainly due to the proceeds from issuance of common shares during the period, offset by the general administrative expenses and exploration work expense.

As of the date of this MD&A, the Company has no outstanding commitments. The Company has not pledged any of its assets as security for loans other than €99,500 ($139,678) cash pledge for its exploration licenses in Portugal and is not subject to any debt covenants.

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 2015. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

6(e) Disclosure of Outstanding Share Data

The authorized share capital of the Company consists of an unlimited number of common shares without par value. As at December 31, 2014, the Company's share capital was $5,633,560 (December 31, 2013 - $4,647,712) representing 44,555,797 common shares (December 31, 2013 – 38,543,571 common shares).

Stock option transactions and the number of stock options 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

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.

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

(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.

If the remaining options, warrants, finder's options, including the warrants associated with the finder's options, were exercised, the Company's available cash would increase by $7,697,590.

As of the date of this MD&A, there were 44,555,797 common shares issued and outstanding and 74,427,931 common shares outstanding on a diluted basis.

6(f) Commitment and Contingency

As of December 31, 2014, the Company had a total of €99,500 ($139,678) (December 31, 2013: €149,500 ($219,092)) 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.

6(g) Off-Balance Sheet Arrangements

None.

6(h) Transactions with Related Parties

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 year ended December 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	$242,106	$Nil	$Nil	$Nil	$67,487	$Nil	$309,593
Winnie Wong, Chief Financial Officer	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil

For the year ended December 31, 2013

	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	$224,717	$Nil	$Nil	$Nil	$62,933	$21,716	$309,366
Winnie Wong, Chief Financial Officer	$Nil	$Nil	$Nil	$Nil	$Nil	$21,716l	$21,716

Related party assets / liabilities

		Years ended			
	Services	December 31, 2014	December 31, 2013	As at December 31, 2014	As at December 31, 2013
Amounts due to:					
Pacific Opportunity Capital Ltd. [(a)]	Rent, management and accounting services	$ 253,350	$ 199,600	$ 27,562	$ 7,613
Paul W. Kuhn	Consulting and housing allowance and share-based payment	$ 309,593	$ 309,366	$ 5,105	$ 8,854
Paul L. Nelles [(b)]	Salaries and share-based payment	$ 74,351	$ 36,374	$Nil	$Nil
Michael Diehl [(b)]	Salaries and share-based payment	$ 143,088	$ 39,110	$Nil	$Nil
Mineralia [(c)]	Consulting	$ 258,770	$ 269,915	20,634	$Nil
TOTAL:		$ 1,039,152	$ 854,365	$ 53,301	$ 16,467

(a) Pacific Opportunity Capital Ltd., a company controlled by a director of the Company.
(b) Paul L. Nelles and Michael Diehl were director and exploration manager of Innomatik respectively. Starting from April 1, 2014, Mr. Nelles' and Mr. Diehl's amounts were paid with Byrnecut's funding for Slivovo. Subsequently, in February 2015, Mr. Diehl ceased to be the exploration manager of Innomatik.
(c) Mineralia, a private company partially owned by the general manager of MAEPA.

6(i) Financial Instruments

The fair values of the Company's cash, receivables, due from optionee, accounts payables and accrued liabilities, other liabilities and due from/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 are held in financial institutions in Canada, Portugal, Kosovo and Barbados. The Company does not have any asset-backed commercial paper in its cash. The Company's receivable consists primarily of goods and services tax due from the federal government of Canada and the value-added taxes in Portugal and Kosovo.

(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 December 31, 2014, the Company had cash of $761,932 (December 31, 2013 - $439,154) and due from optionees of $195,855 (December 31, 2013 - $Nil) to settle current liabilities, net of funds held for optionees, of $810,231 (December 31, 2013 - $407,667).

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 the cash is limited because they are generally held to maturity.

(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.

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.

		Level 1		Level 2		Level 3		Total
Assets:								
Cash	$	761,932	$	-	$	-	$	761,932
Restricted cash	$	299,305	$	-	$	-	$	299,305
	$	1,061,237	$	-	$	-	$	1,061,237

6(j) Management of Capital Risk

The Company manages its cash and cash equivalents, common shares, warrants, finder's options and share purchase options as capital. 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.

7. Subsequent Events

None other than disclosed already in other sections.

8. Policies and Controls

8(a) Significant Accounting Policies and Estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, 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, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical judgments

- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent, management considered both the funds from financing activities and the currency in which goods and services are paid for. The functional currency of its wholly-owned subsidiaries in Europe is the Euros and that the functional currency of its wholly-owned subsidiaries in Barbados is the US dollar as management considered the currencies which mainly influence the cost of providing goods and services in those subsidiaries. The Company chooses to report in Canadian dollar as the presentation currency; and
- The assessment of indications of impairment of each mineral property and related determination of the net realized value and write-down of those properties where applicable; and
- The determination that the Company will continue as a going concern for the next year.

8(b) Future Accounting Pronouncements

Certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2014 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issue but are not yet effective:

- IFRS 9 (Amended 2010) Financial Instruments (mandatory adoption date has not yet been finalized)

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

8(c) Changes in Internal Controls over Financial Reporting ("ICFR")

Changes in Internal Control Over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Disclosure Controls and Procedures

The Company's CEO and CFO are responsible for establishing and maintaining the Company's disclosure controls and procedures. Management, including the CEO and CFO, have evaluated the procedures of the Company and have concluded that they provide reasonable assurance that material information is gathered and reported to senior management in a manner appropriate to ensure that material information required to be disclosed in reports filed or submitted by the Company is recorded, processed, summarized and reported within the appropriate time periods.

While management believes that the Company's disclosure controls and procedures provide reasonable assurance, they do not expect that the controls and procedures can prevent all errors, mistakes, or fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

9. Information on the Board of Directors and Management

Directors:
Mark T. Brown, B.Comm, C.A.
Paul Kuhn, M.Sc., P. Geo, SME Registered Member, QP
Paul Dircksen, M.S.
Ross Stringer, C.A.

Audit Committee members:
Mark T. Brown (Chair), Paul Dircksen and Ross Stringer

Management:
Paul Kuhn, M.Sc. – Chief Executive Officer, President
Winnie Wong, CA – Chief Financial Officer and Corporate Secretary