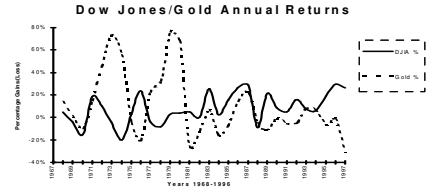




Gold



Energy & Tech Stocks

Weekly Hotline Message

(Now in our 36th Year)

June 16, 2017

New Coverage

Avrupa Minerals Ltd.



Business: Gold and base metals prospect generator in Portugal, Germany, and Kosovo.

Trades Toronto:	AVU
USOTC:	AVPMF
Shares Outstanding:	76,748,797
Price 6/16/17	US\$0.072
Market Cap:	US\$5.5 million
Public Float:	~46 million shares
Fully Diluted Shares:	125 million
Working Capital 3/31/17	~C\$100,000
Telephone Number:	1-604-687-3520
Website:	http://www.avrupaminerals.com/

Avrupa Minerals Ltd. (Avrupa) currently holds nine exploration licences in three European countries, including six in Portugal covering 3,268 square kilometres, two in Kosovo covering 47 square km and one in Germany covering 307 square km. Avrupa has three joint ventures, two in Portugal and one in Kosovo, including:



- The Alvito option agreement with Oz Minerals Ltd. covering one licence in the Ossa Morena zone in southern Portugal, for iron-oxide-copper-gold deposits;
- The Alvalade JV, with Colt Resources, covering one licence in the Iberian pyrite belt of southern Portugal, for zinc-copper-rich massive sulphide deposits. The partner is currently in default according to the terms of the JV agreement, and Avrupa is working on a route to consolidation of the property;
- The Covas JV, with Blackheath Resources, covering one licence in northern Portugal, for intrusion-related W deposits;
- Avrupa's partner at the Slivovo gold project in Kosovo is fully financing the program, allowing Avrupa to dilute its ownership in the JV operating company Peshter Mining JSC. If AVU ownership goes below 10% as I expect it will, the interest in the project converts to a 2% net smelter royalty.

In addition, Avrupa has four properties in Portugal, one in Kosovo, and one in Germany that are available for joint venture partners.

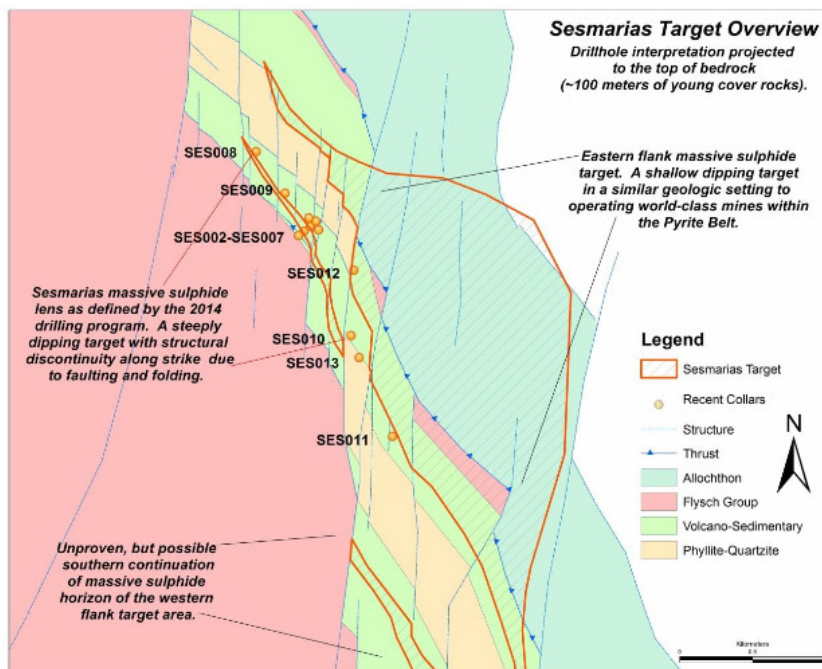
Portugal

Alvalade Copper-Zinc Property – At this time, this property may be the most promising project in Avrupa’s portfolio. Avrupa currently holds a 40% interest in this VMS target, and Colt Resources owns a 60% interest that it had been earning from Antofagasta. Unfortunately for Colt, it has been in serious default of its agreement with Antofagasta. But Avrupa and its largest shareholder have been working to ensure that Avrupa doesn’t lose its interest in the project due to Colt’s default. More on that later but for now let’s take a look at the potential value of the Alvalade VMS deposit.

SES002	10.85 meters @ 1.81% Cu, 75.27 ppm Ag, 2.57% Pb, 4.38% Zn, 0.13% Sn
SES006	1.5 meters @ 1.61% Cu, 54 ppm Ag, 2.30% Pb, 3.66% Zn, 0.091% Sn -- mineralization cut off by faulting
SES008	5.0 meters @ 0.64% Cu, 36.8 ppm Ag, 0.94% Pb, 1.54% Zn – mineralization cut off by faulting
SES009	2.3 meters of massive pyrite (did not analyze)
SES010	57.85 meters @ 0.45 g/t Au, 25.1 g/t Ag, 0.32% Cu, 0.61% Pb, 1.95% Zn
SES007/SES011/SES012	Massive sulfide fragments in fault zones at target depth, indicating tectonic re-mobilization of massive sulfide mineralization.
SES019	51.70 meters @ 0.44% Cu, 2.71% Zn, 0.40 g/t Au

The Alvalade is located along the Iberian Pyrite Belt in southern Portugal and extends into Spain. Promising values from several holes drilled on this property are displayed on your left. The values shown here are from the Sesmarias West Target on the Alvalade Property. These values have been drilled over an 1,800-meter strike length to a depth of 300 meters in a single, structurally deformed sedimentary rock unit.

Meanwhile Avrupa has re-logged 50,000 meters of available core and collected more than 5,500 samples of all types and drilled 43 holes over 17,086 meters. With this work, management has derived a new geological model that I expect will be applied to exploration efforts going forward. One target that is likely to be tested in the not-too-distant future is the possible faulted extension of the Sesmarias West Target illustrated on your left. In addition, massive sulfides have been identified on the shallow dipping eastern flank of this structure in a setting similar to operating world-class mines within the Iberian Pyrite Belt. Management is clearly excited about the prospects of discovering a sizeable VMS deposit here.



Resources Ltd., will also be unable to meet required government exploration expenditure requirements on the project, and Avrupa can now either repurchase the project or dilute Colt.

Avrupa has been working with Colt for the past 17 months to eliminate the issues, but has continued to experience numerous delays in managing the expenditures. Avrupa's largest shareholder invested funds into Colt to pay the Alvalade property licence fees in the spring of 2016, as Colt was unable to make that payment. A final extension for

payment to Avrupa of all required expenditures was granted to Colt in September, 2016, with deadlines set at the end of 2016. These deadlines were not met.

To date, Colt has still not provided funds for payment of Avrupa's fees, for suppliers' invoices, care/maintenance costs for the project and now for the 2017 property fees. Colt has not met the 2015 and 2016 annual work plans and expenditure requirements set by the DGEG, the Portuguese mining bureau. Colt has now missed two periods of required project exploration expenditures under the earn-in agreement. In addition, Colt has not made the payments required under its assignment agreement with the former partner, and is in default under that agreement also.

Avrupa reported in that March press release that it is working to ensure that Colt's defaults in financing the work expenditure commitments will not cause Avrupa to lose its interest in the Alvalade licence. I'm expecting a resolution to be forthcoming very soon that would likely give Avrupa the lion's share if not complete control of the Alvalade Project. Given the fact that management is so high on the prospects of this project, I would expect Avrupa will find a way to move it forward. A resolution of this default problem would likely start to gain the attention of some investors and move these shares to considerably higher levels. That shouldn't be too hard to do, given the fact that the market has totally fallen asleep with this story and given that the company's share structure is quite tight.

The Alvito Project located in southern Portugal is an Iron Oxide Copper Gold (IOCG) prospect that was optioned out to OZ Minerals Ltd. OZ is an Australian mining company that is experienced with IOCG deposits around the world. The agreement allows for OZ to earn up to a total 75% interest in the project by spending AUS\$4 million over approximately 2½ years.

Avrupa, along with earlier partners, spent over 450,000 euros on the licence and developed a central IOCG target area covering an area measuring 4km long by 2.5 km wide along the 24 km long Alcacovas copper belt. Exploration work led to the discovery of mineralized stratigraphy beneath three to 10 metres of soil cover through a 29-hole, top-of-bedrock, drilling program completed during 2015. Other IOCG target areas occur along the Alcacovas trend but have not been explored to date on this property that covers some 300 sq. kilometers. Subsequent to the 211-2012 discovery of this trend, fieldwork identified the potential for significant copper-gold-silver mineralization discoveries in several new areas.

Many of the copper-gold-silver occurrences that were visited during the recon program, starting in 2012, lie within a 24-kilometre-long, four-kilometre-wide belt, designated as the Alcacovas copper belt (ACB), and defined by anomalous copper and zinc soil geochemistry from over 66,000 soil samples collected by previous operators in the district. Avrupa's review of the area suggested that classification of the deposits should be interpreted as IOCG type.

Avrupa geologists collected 274 rock chip samples on the original licence between 2012 and 2015, centering around 16 separate prospect areas. A total of 32 (11.7 per cent) of these samples contained greater than 0.4 part per million gold, up to 6.43 ppm gold. Forty (15 per cent) of the samples contained greater than five ppm silver, up to a high value of 829 g/t silver. One hundred five (38 per cent) of the samples carried greater than 0.1 per cent copper, including 40 samples with greater than 1 per cent copper, up to a maximum value of 27.4 per cent copper. Others carry strongly anomalous lead, zinc and molybdenum values.

In 2015, Avrupa, financed by a previous partner, drilled 29 top-of-bedrock core holes in the central Alcacovas target zone. Twenty-two of these holes intersected visible copper mineralization, associated with magnetite veining and alteration normally found with IOCG systems, beneath the shallow cover to a depth of less than 20 metres below the surface.

Terms of the agreement

Avrupa and OZ Minerals signed the option agreement on April 5, 2017, under the following terms:

- For OZE to earn a 51-per-cent interest in year 1: finance \$1-million (Australian) in exploration expenditures;
- For OZE to earn a further 24-per-cent interest (total of 75-per-cent interest) by Sept. 30, 2019: finance a further \$3-million (Australian) in exploration expenditures;

-
- Avrupa will be the operator during the first earn-in stage with active technical support and oversight from OZE's experienced IOCG team.

This is clearly a very exciting early exploration project with some very good signs and an experienced IOCG operator. Some blockbuster drill results could provide a huge boost to Avrupa's shares.

The Covas Tungsten Project – This is a previous mine where operators mined 366,000 metric tons of 0.61 WO₃ in this skarn structure. Currently, based on work through 2015, the Covas Tungsten project has an indicated resource of 449,800 metric tonnes from material grading 0.43% WO₃ and an inferred resource of 767,100 metric tonnes grading 0.35% WO₃. With a price of US\$185/metric tonne, but with only about 40% of the tungsten-hosted skarn targets yet explored, the project has as of 2015, an in-situ value of around US\$225 million. Of course value will be based on the economics of production and market prices. But with 80% of the resource occurring within 60 meters of the surface, and with knowledge metallurgy gained from past production, prospects would seem to be good. Meantime a considerable amount of near surface exploration has taken place since the last resource calculation, so I would anticipate a larger resource number will be forthcoming.

The joint-venture partner here is Blackheath Resources which trades in Toronto under the symbol BHR. That company's management has had experience at the Panasquiera tungsten mine with Primary Metals in 2003-2007 where they monetized considerable profits in a sale to Sojitz Corp. The hope is that the company can do it again with the Covas project.

Blackheath has earned a 75% interest in the project thus far by spending 1.3 million euros on the project. It can earn an additional 10% by spending another \$1.33 million euros on the project. More information can be obtained on this project from Blackheath's website at <http://www.blackheathresources.com/s/Covas.asp>. Assuming a dilution down to 15%, which appears likely, this is another example of a project in Avrupa's portfolio that I believe largely or perhaps fully justifies the company's current miniscule market cap.

The Slivovo Project (Kosovo)

On January 13, 2017, the Company announced that it has received the Slivovo Gold Project Study (the "Study") from Byrncut. The study contains detailed geological, geochemical, and geophysical information about the Slivovo gold deposit, as well as chapters covering environmental, social, metallurgical, mining, infrastructure and surface facilities, waste management, capital costs, and other studies.

On February 6, 2017, the Company announced that the Study was reviewed both internally and by an independent mining engineer and formally accepted by Avrupa. This triggered a change in the ownership levels of Peshter Mining, the operator of the Slivovo Gold Project. Avrupa now holds 15% of Peshter Mining, while Byrncut holds 85%, per the original JV agreement signed in April 2014.

On May 3, 2017, the Company announced that the 2017 drilling campaign on the Slivovo Project in Kosovo has started. Peshter Mining has two core rigs running on the property drilling multiple targets. The drilling is planned as a 3-phase, results-dependent program. The drilling program is designed to discover, delineate, and define further high grade (defined in the Slivovo Project Study as 5 g/t gold or greater) gold resources at the Slivovo deposit in order to potentially create an economic mining solution for the Project. Assuming continued success, the 3-phase program aims to add at least 250,000 ounces of gold from a number of previously-known and new targets located close to and around the present deposit. Cost estimate for the full 3-phase program, totaling 30,000 meters, is approximately C\$ 8.3 million. Byrncut International is fully funding the program. Avrupa's portion of the Slivovo Project will therefore be diluted as funds are spent by our Partner.

At this time, Phase One is planned for 17 diamond drill holes, totaling close to 5,700 meters. The targets to be tested include a deep (between 100 and 300+ meters from the surface) geophysical anomaly discovered during the 2016 work program, several shallow (less than 100 meters from the surface) geophysical anomalies, the Sandstone Gossan, Gossan Extension SE, Main Gossan Offset, the Buena Oro soil anomaly zone, and the Dzemail Zone.

If Avrupa's share in Peshter Mining goes below 10%, as I expect it will, Avrupa's interest will convert into a 2% Net Smelter Royalty (NSR).

At last report on May 5, 2016, applying a 1 g/t gold cutoff, this project had an indicated resource of 98,700 ounces of gold and 302,000 ounces of silver. Those are relatively small numbers but the grades are good and subsequent drilling will no doubt increase these numbers considerably. The average gold grade was 4.8 g/t, and silver graded 14.68 g/t. With subsequent ongoing drilling I expect Peshter Mining can achieve its goal of adding an additional 250,000 high grade ounces. At this point in time this prospect doesn't look like a major sized deposit. But without spending any more for exploration, Avrupa will be left with a 2% NSR. If one assumes 250,000 ounces of close to 350,000 ounces of gold turn out to be recovered, a 2% royalty on 250,000 ounces with gold selling at \$1,250 would result in \$6,250,000 million to the company over the life of the mine. To put that in perspective, that's about equal to the company's current market cap. Of course my supposition is akin to *counting your chickens before they are hatched*. I'm just saying that without putting any more money into this prospect it may be worth something as management preserves its capital for projects that have the potential to become large. At this point, that prospect would seem to be the *Alvalade Copper-Zinc Property*.

Projects Up for Option

As noted above, management has another four properties in Portugal, one in Germany, and another in Kosovo that are available to option out. I won't say much about them until such a time as one or more of them gain joint venture partners.

MANAGEMENT

Paul Kuhn, CEO & Director – Mr. Kuhn joined Avrupa Minerals in July 2010 after working with Metallica Mining in Oslo, Norway since August 2008. He has more than 35 years of experience in the minerals exploration business in North America, Central Asia and Europe. He earned an A.B. Degree from Dartmouth College, US, in 1978, and an M.S. Degree from the University of Montana, US, in 1983. Mr. Kuhn has worked in a variety of geological terrains, exploring for gold, silver, base metals, uranium, and phosphate deposits, and has spent time as a production geologist in the deep underground mines of the Coeur d'Alene Mining District, historically one of the world's most important silver districts. Mr. Kuhn has managed successful exploration programs in the US and Turkey, and was involved in a number of base and precious metal discoveries in Turkey, including the Taç and Çorak polymetallic deposits, the Cerattepe Cu-Au volcanogenic massive sulfide deposit, the Altintepe epithermal Au deposit, the Diyadin Carlin-style Au deposit, and the Karakartal porphyry Cu-Au deposit. Mr. Kuhn was also involved with the original mapping and description of the Çöpler porphyry Au deposit (a 10 million ounce gold deposit now being mined by Alacer Gold).

Winnie Wong, CFO – Ms. Winnie Wong received a Bachelor of Commerce Degree (Honours) from Queen's University in 1996 and is a member of the Institute of Chartered Accountants of British Columbia. She is currently Vice President of Pacific Opportunity Capital Ltd. Prior to joining Pacific Opportunity Capital Ltd., Ms. Wong was the controller of Pivotal Corporation, a company providing software, services, and support to a variety of businesses. Between 1996 and 1999, Ms. Wong worked with Deloitte & Touche, Chartered Accountants.

Adriano Barros, Managing Director, MAEPA – Mr. Adriano Barros received his Degree in Mining Engineering from the University of Oporto, Portugal in 1970. Since then, Mr. Barros has been one of Portugal's leading exploration and mining consultants, and has been deeply involved in the promotion of the Portuguese mining sector. In addition to working as a lecturer at several leading Portuguese universities, Mr. Barros has worked on tungsten, base metal, and precious metal projects from exploration to production stage. While working for Auspex Minerals and Eurozinc Mining Company in the 1990's and early 2000's, Mr Barros was the key person involved in the acquisition of the Aljustrel Mine in 2001 and the Neves Corvo Mine, Europe's largest copper mine, in 2004. Presently, Mr. Barros is president and general manager of MAEPA Lda., the 90%-owned subsidiary of Avrupa Minerals. His wide experience in the mining sector of Portugal and his extensive contact network in that sector give Avrupa Minerals a significant edge in the exploration business in Portugal. Mr. Barros currently resides in Moledo do Minho, Caminha, Portugal.

Jeff Geier, Chief Geologist, Kosovo – Mr. Geier joined Avrupa Minerals in March 2015 to manage the Slivovo Joint Venture project in Kosovo. He has 15 years of exploration experience after earning his B.S. and M.S. degrees from Arizona State University. He co-founded Metal Resource Development, a specialty geologic consulting group focused on early-stage exploration in structurally deformed terrains. His consulting firm has successfully led exploration projects in Arizona, Utah, Nevada, Mexico, Portugal, Spain, and Kosovo. Mr. Geier has experience working in porphyry copper exploration, VMS, Carlin-like and epithermal gold exploration, and iron deposits. In his role as Kosovo project manager, he has successfully guided the exploration and definition of the Slivovo gold project. Jeff was also involved in planning and carrying out exploration at the Santa Gertrudis gold project in Sonora, Mexico (presently being mined by GoGold Resources), along with writing his Master's Thesis on the project. His past experiences include a sub-economic porphyry copper discovery in northern Mexico, country management of a large-scale exploration program, and the successful formation of a geologic consulting group.

Directors

Paul Kuhn, CEO & Director – See **Management** above

Mark Brown, Director – Mr. Brown is the President of Pacific Opportunity Capital Ltd., headquartered in Vancouver B.C. Pacific Opportunity is a financial consulting and merchant banking firm active in venture capital markets in North America. Mr. Brown has assisted in the successful establishment of several private and public companies. In the mining and mineral exploration sector, Mr. Brown has played key roles in the success of Rare Element Resources Ltd., Sutter Gold Mining Ltd., Portal Resources Ltd., Pitchstone Exploration Ltd., Animas Resources, and other junior exploration companies. His corporate activities include merger and acquisition transactions, financing, strategic corporate planning, and corporate development. Prior to joining Pacific Opportunity, Mr. Brown managed the financial departments of two TSE 300 companies, Miramar Mining Corp. and Eldorado Gold Ltd. Mr. Brown has a Bachelor of Commerce from the University of British Columbia and qualified as a Chartered Accountant in 1993, while working with PricewaterhouseCoopers in Vancouver.

Ross Stringer, Director – Mr. Stringer is a Chartered Accountant and former senior partner of a national CA firm in Canada. He has extensive experience in the financial institutions market place and in the real estate industry, and in recent years, has expanded his area of focus to the mining industry, both at the exploration level, as well as in the production phases. Mr. Stringer has taken part in financings for real estate projects, including both public and private businesses. His financial institutions' expertise includes retail operations of banks, credit unions, pension funds and brokerage firms, as well as advising a foreign Central Bank and other industry regulators. He is also a Trustee of a large trust fund for First Nations people connected to the mineral resource industry.

Paul Dircksen, Director – Mr. Dircksen has over 35 years of experience in the mining and exploration industry, serving in executive, managerial, and technical roles at several companies. He has a strong technical background, serving as a team member on ten gold discoveries, seven of which later became operating mines. Mr. Dircksen has held senior management positions with a number of resource groups including Orvana Minerals, Lacana Gold, The Cordex Group, Brett Resources, and the Bravo Venture Group. He holds an M.S. in Geology from the Mackay School of Mines at the University of Nevada.

Mr. Dircksen is currently the President and CEO of Timberline Resources Corporation which is listed on the NYSE Market Exchange under the symbol "TLR" and on the TSX Venture Exchange under the symbol "TBR". Timberline holds a 50-percent carried interest ownership stake in the Butte Highlands Joint Venture in Montana, USA. Timberline Resources focuses on exploration and development of precious metal deposits in the western United States.

Frank Högel, Director – Mr. Högel currently serves as the CEO of Peter Beck Performance Funds GbR and sits on the advisory board of Concept Capital Management. Concept Capital is an asset management company focused on evaluating and investing in Canadian resource companies through equity investments, convertible bonds and gold, silver and copper off-take agreements. Mr. Högel has a MBA with a focus on financial management, banking, and international business and management from the University of Nürtingen, Germany. He also sits on the board of several other public companies listed on the TSX Venture Exchange.

Dr. Paul Nelles, Director – Dr. Paul Nelles was one of the founders of the Company’s wholly-owned subsidiary Innomatik Exploration Kosovo LLC (IEK) and is currently a non-executive director of IEK. Dr. Nelles is the CEO of Peshter Mining Company JSC that holds the Slivovo licenses in which the Company has 25% interest. Dr. Nelles graduated from TU Berlin in 1972 with a degree in mining engineering and obtained a PhD in mineral processing in 1975. He worked internationally in base metal mining for Metallgesellschaft between 1975 and 1991, at which stage he held the position of General Manager Project Development. In 1991 he was employed as technical director and appointed to the executive board of DESTAG, a leading dimension stone producer and worldwide trader. He was subsequently appointed CEO of the company. Dr. Nelles joined Normandy LaSource in France, as executive director for gold production and industrial minerals in 1997. In 2002 he was appointed as the “Trepca Manager” by the United Nations Mission in Kosovo and was promoted to Deputy Managing Director of the Kosovo Trust Agency in 2004, in charge of all major publicly owned enterprises. Since 2006 he has worked as an independent mining industry advisor and has been instrumental in the formation of IEK.

The BOTTOM LINE

The case for adding this prospect/project generator to our list is quite simple. It is dirt cheap and valued at only a fraction of the intrinsic value of the projects Avrupa has optioned out. In fact, given a current market cap of under US\$6 million I would dare say that virtually all optioned projects individually are worth the company’s current market cap. Then there is the Alvalade project that appears to hold the potential to host a world class VMS deposit. Alvalade is likely to soon become the flagship project for Avrupa and one that I think will fire up the imagination of the market. Living within the prospect generator model, I would expect Avrupa to prudently advance this project along to the point where it would attract a major mining company’s interest. As far as I know, Avrupa has no illusions of becoming a producer. But by picking up the 60% piece of the project that Colt was unable to fund, I believe Avrupa can be in the driver’s seat to build considerable value with a modest drill program.

Keep in mind that this prospect is in the middle of a mining region with strong infrastructure and in politically stable Portugal. Not the least of my arguments for this stock is that it is dirt cheap right now. My suggestion is that you buy this stock with the intention of considering a 50% exit on a double. That shouldn’t be too difficult to expect given the entry price at around US\$0.08 and all else that this out-of-sight company has going for it.

J Taylor’s Gold, Energy & Tech Stocks (JTGETS), is published monthly as a copyright publication of **Taylor Hard Money Advisors, Inc. (THMA)**, Tel.: (718) 457-1426. Website: www.miningstocks.com. THMA provides investment ideas solely on a paid subscription basis. Companies are selected for presentation in JTGETS strictly on their merits as perceived by THMA. No fee is charged to the company for inclusion. The currency used in this publication is the U.S. dollar unless otherwise noted. The material contained herein is solely for information purposes. Readers are encouraged to conduct their own research and due diligence, and/or obtain professional advice. The information contained herein is based on sources, which the publisher believes to be reliable, but is not guaranteed to be accurate, and does not purport to be a complete statement or summary of the available information. Any opinions expressed are subject to change without notice. The editor, his family and associates and THMA are not responsible for errors or omissions. They may from time to time have a position in the securities of the companies mentioned herein. No statement or expression of any opinions contained in this report constitutes an offer to buy or sell the shares of the company mentioned above. Under copyright law, and upon their request companies mentioned in JTGETS, from time to time pay THMA a fee of \$250 to \$500 per page for the right to reprint articles that are otherwise restricted solely for the benefit of paid subscribers to JTGETS.

To Subscribe to J Taylor’s Gold, Energy & Tech Stocks Visit:

<https://www.miningstocks.com/select/gold>