

ANNUAL INFORMATION FORM

For financial year ended December 31, 2015

July 12, 2016

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1. GENERAL INFORMATION

1.1 Date of Information

All information in this annual information form ("**AIF**") is as of December 31, 2015, unless otherwise indicated. The effective date of this AIF is July 12, 2016 (the "**Effective Date**").

1.2 Technical Information

The scientific or technical information in this AIF with respect to the Ilovica Project (as defined below) is based on the technical report entitled, "Ilovica Gold-Copper Project – Feasibility Study Technical Report" with an effective date of February 16, 2016 (the "**FS**") prepared by Robert Davies, BSc, EurGeol, CGeol, Richard Hope, BSc, CEng MIMMM, Hugh Browner, PrEng, MA, MBA, FSAIMM, Dean David, FAusIMM, CP(Met), Berno Dippenaar, PrEng, BEng, Pieter Zietsman, PrEng, BSc(Eng), Peter Critcher, PrEng, BEng, Jeff White, CEng, PrEng, BEng, Roger White, ARSM, BSc, MSc, CEng MIMMM, Gareth Digges La Touche, MSc, FGS, CGeol, EurGeol, Angelo Papaioannou, BA, MCIWEM, FGS, CGeol, Gavin Chamberlain, PrEng, BSc(Eng). The FS is available on the System for Electronic Document Analysis and Retrieval at www.sedar.com. The scientific or technical information in this AIF has been reviewed and approved by Patrick Forward, FIMMM, Chief Operating Officer of the Company and a Qualified Person within the meaning of *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

1.3 Forward-Looking Statements

Certain statements and information contained in this document, including any information as to the future financial or operating performance of Euromax Resources Ltd. ("**Euromax**" or the "**Company**") and other statements that express management's expectations or estimates of future performance, constitute forward-looking information under provisions of Canadian provincial securities laws. When used in this document, the words "anticipate", "expect", "will", "intend", "estimate", "forecast", "planned" and similar expressions are intended to identify forward-looking statements or information. Forward-looking statements include, but are not limited to: the estimation of mineral reserves and mineral resources; the timing and amount of estimated future production and costs and the timing of the development of new deposits; permitting time lines; and expectations regarding metal recovery rates. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Company has made assumptions regarding, among other things: the future capital expenditures of the Company; the Company's performance and business prospects and opportunities; the Company's ability to obtain additional financing on satisfactory terms; timing and receipt of regulatory and governmental approvals for continued operations and future development projects; currency exchange rates; the accuracy of the Company's mineral reserve and resource estimates and the geological and metallurgical assumptions and operational and price assumptions on which the mineral reserve and resource estimates are based; and the Company's ability to attract and retain qualified personnel. The Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Company to be materially different from its estimated future results, performance or achievements expressed or

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implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. These risks, uncertainties and other factors include, but are not limited to: global economic conditions; fluctuations of commodity prices; the fact that the Company currently has negative cash flow; dependence on third party financing; future issuances of Company securities; the fact that the Company has never paid cash dividends; currency fluctuations; legislative, political, social or economic developments in the jurisdictions in which the Company carries on business; operating or technical difficulties in connection with exploration; the risks normally involved in the exploration, development and mining business; uncertainty of mineral reserves, mineral resources, grades and recovery estimates; capital expenditures and operating cost risks; operating hazards inherent in the mining industry; limitations on the transfer of cash or other assets through foreign subsidiaries; the successful and timely permitting of the Company's Ilovica and KMC projects (as defined below); title matters; environmental and other regulatory requirements; the risks associated with health, safety and community relations matters; tax residency; litigation risk; competition in the mining industry; risks associated with maintaining title to each mineral property; the level of insurance available; the carrying value of property; dependence on key management; conflicts of interest and related party transactions; legal proceedings; and the fact that substantially all of the assets of the Company are located outside Canada. For a more detailed discussion of such risks and material factors or assumptions underlying these forward-looking statements, see information under the heading "Risk Factors". The Company does not intend, and does not assume any obligation, to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

Cautionary Note to United States Investors Regarding Estimates of Measured, Indicated and Inferred Mineral Resources

This AIF uses the terms "measured", "indicated" and "inferred" mineral resources. United States investors are advised that while such terms are recognised and required by Canadian regulations, the United States Securities and Exchange Commission does not recognise them. "Inferred mineral resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. **United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. United States investors are also cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable.**

1.4 Currency

All dollar amounts referred to herein are in Canadian dollars, unless stated otherwise. The following table reflects the rates of exchange for certain foreign currencies, expressed in Canadian dollars, in effect at the end of the periods noted and the Bank of Canada noon spot rate of exchange in effect on day prior to the Effective Date.

Currency	As of the Effective Date, $1.00 CAD equals	Year ended December 31, 2015
Macedonian Denar	42.3238	40.9333
US Dollar	0.76457	0.72132
British Pound	0.59018	0.48660
Euro	0.69204	0.66022

2. CORPORATE STRUCTURE

2.1 Name, Address and Incorporation

Euromax was originally incorporated under the Business Corporation Act (British Columbia) ("**BCBA**") and established as a legal entity in the name of "Omax Resources Ltd." on May 1, 1990. In August 1996, the company changed its province of registration from British Columbia, Canada to Yukon, Canada. In 2000, Omax Resources Ltd. continued into the province of Alberta, Canada. In 2004, Omax Resources Ltd. changed its province of registration again and continued into the province of British Columbia, Canada and changed its name from Omax Resources Ltd. to Euromax Resources Ltd. On January 1, 2010 Euromax Resources Ltd. was amalgamated under the BCBCA with a company called 0869310 B.C. Ltd. (formerly Silk Road Resources Ltd.) as one company under the name "Euromax Resources Ltd." and has continued as such since that date. The Company registered as an extra provincial corporation in Alberta on April 14, 2010.

The Company's registered office is located on the 10th Floor, 595 Howe Street, Vancouver, British Columbia, V6C 2T5, Canada. The Company has a corporate office is located on the 5th Floor, 12 Berkeley Street, London, W1J 8DT, United Kingdom. The Company, through its subsidiaries, also maintains offices in Skopje, Macedonian and Sofia, Bulgaria.

Euromax is a minerals development company with its core gold and copper development project located in Macedonia. Euromax, through its local subsidiaries, has been involved in the exploration and development of a number projects in south-eastern Europe since January 2011; however, since May 2012, when a new management team was appointed, Euromax has centred its corporate strategy on the development of the Ilovica gold-copper project in Macedonia ("**Ilovica**" or "**Ilovica Project**").

Substantial progress has been made in the development of Ilovica including:

- Granting of two 30-year conjoined mining exploitation concessions (Ilovica 6 and Ilovica 11) for the Ilovica Project from the Government of Macedonia;
- Approval of Environmental Impact Study for Ilovica 6 by the Macedonian Ministry of Environment and Physical Planning ("**MEPP**");
- Completion of a positive pre-feasibility study ("**PFS**") for Ilovica, announced in June 2014; and,
- Completion of the FS for the Ilovica Project, announced in January 2016, which demonstrates the economic robustness of Ilovica and highlights the attractiveness of the investment opportunity.

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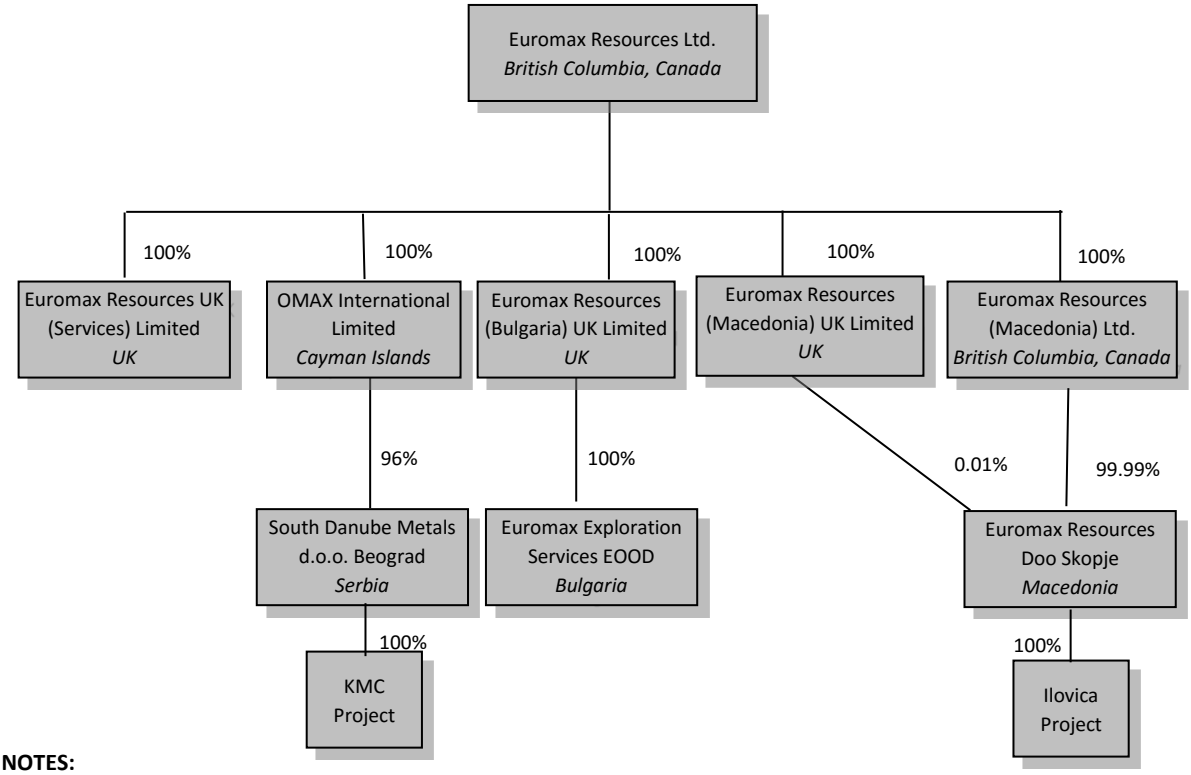
Euromax also owns the Karavansalija Mineralized Centre project located in Serbia ("**KMC**" or "**KMC Project**") which it is currently exploring to determine its development potential.

Euromax also owns an exploration services company, Euromax Exploration Services EOOD ("**EES**"), in Bulgaria which provides exploration services to other minerals exploration companies operating in south-eastern Europe.

Currently, neither the KMC Project nor EES comprise a material aspect of the Company's business operations.

2.2 Intercorporate Relationships

The diagram below sets forth the intercorporate relationships between the Company and its subsidiaries (the "**Group**") as at the Effective Date. For each subsidiary, the jurisdiction of incorporation, the percentage of voting securities or ownership held by the Company and the principal mineral properties owned is shown:



NOTES:

1. The following companies have been excluded from the above organisational chart as they are dormant entities:
    a. Euromax Resources Limited – a United Kingdom registered company (100% owned by Euromax Resources UK (Services) Limited); and,
    b. Silk Road Exploration Ltd. – British Virgin Island registered company (100% owned by Euromax Resources Ltd.)
2. On April 2, 2015, OMAX International Limited sold a 4% interest in South Danube Metals d.o.o. Beograd to a third party Bulgarian company.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Three Year History

Year ended December 31, 2013

$8 million private placement

In March 2013, the Company closed an $8.0 million non-brokered private placement for the issuance of 14,814,815 common shares of the Company at a price of $0.54 per common share. Additionally, Investec Bank plc was appointed as Global Project Finance Coordinator and Treasury Arranger for the Group. In connection with such appointment, Investec has been issued 12,195,122 share purchase warrants, with each warrant exercisable to acquire one common share of the Company at a price of $0.41 until July 18, 2019.

Updated measured and indicated mineral resource for Ilovica

In December 2013, the Group announced an upgraded NI-43-101 mineral resource estimate for the Ilovica Project reporting a sulphide measured and indicated resource of 237 million tonnes at 0.33g/t Au and 0.22g/t Cu.

Renegotiated sale of Thrace Resources

In September 2013, the Group received an additional $1.025 million in full and final settlement of all further cash payment obligations under renegotiated terms of the sale of Thrace (originally agreed in May 2012), which held the mineral rights to the Breznik and Rakitovo projects in Bulgaria. The Group retained a net smelter return royalty over the first 330,000 ounces of gold and 970,000 ounces of silver produced from the Breznik project.

Year ended December 31, 2014

Announcement of Ilovica PFS

In June 2014, the Company announced the results of the Ilovica PFS, including a maiden mineral reserve for the Ilovica Project. The key highlights of the PFS were:

- Maiden Total Probable Reserve[1] of 225 million tonnes containing;
  - 2.45 million ounces of gold;
  - 905 million pounds of copper;
- Average annual payable production of 95,000 ounces of gold and 16,000 tonnes of copper;
- Throughput of 10 million tonnes per annum and mine life of 23 years;
- Pre-tax NPV$^{(5\%)}$ of US$675 million and post-tax NPV$^{(5\%)}$ of US$558 million;
- Pre-tax IRR of 18.6%; post-tax IRR of 16.5%;
- Initial capital expenditure of US$502 million including contingency.

1 Based on US$1,250 /oz gold price and US$3.00/lb copper price.

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Sale of Bulgarian projects

In April 2014, the Group sold its remaining Bulgarian exploration project via the sale of its subsidiary company Euromax Services (as defined below) for cash consideration of US$ 3.5 million and the cancellation of the Breznik NSR. US$2.6 million was received in May 2014 with a further US$0.9 million receivable assuming no claims under the warranties of the sale and purchase agreement by the purchaser.

Establishment of an exploration services company

In March 2014, the Group established a new exploration services company in Bulgaria, EES, into which a number of key Euromax Services EOOD ("**Euromax Services**") personnel were transferred with Mr. Dimitar Dimitrov taking the role as managing director of EES.

In April 2014, EES signed a five-year framework agreement with the purchaser of Euromax Services to provide exploration services on their Bulgarian exploration projects. EES received its first work order, under the framework agreement, for exploration work on the Babjak and Zlataritza projects in 2014.

Total revenue of $2.7 million was reported for the year ended December 31, 2014 which generated gross profits of $0.4 million for the Group.

Gold purchase and sale agreement with RGLD Gold AG

In October 2014, the Group entered into a US$175 million gold purchase and sale agreement ("**Streaming Agreement**") with RGLD Gold AG, a wholly-owned subsidiary of Royal Gold, Inc. ("**Royal Gold**") to finance the next stages of development and construction of the Ilovica Project.

The key highlights of the Streaming Agreement are:

- Subject to conditions precedent, including requisite security documentation, advances under the Streaming Agreement will be available in three tranches:
    - Initial tranche of US$7.5 million within 90 days of date of signing (the "**Initial Tranche**");
    - Second tranche of US$7.5 million on the first anniversary of the signing date (the "**Second Tranche**");
    - Third tranche of US$160.0 million towards the capital cost of the Ilovica Project (the "**Third Tranche**").
- Receipt of the Initial Tranche is subject to the Company raising not less than $5.0 million in equity;
- Receipt of the Second Tranche and Third Tranche is subject to certain condition precedents related to the ongoing development of the Ilovica Project;
- The Initial Tranche and Second Tranche are to be used to further develop the Ilovica Project including permitting, the completion of a definitive feasibility study and front-end engineering and design planned for 2016;
- The Third Tranche is to be used pro-rata with other sources of finance, to fund all capital expenditure on the Ilovica Project;

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- The Group will deliver physical gold in an amount equal to 25% of payable gold produced from the Ilovica Project until 525,000 ounces have been delivered to Royal Gold, and 12.5% thereafter for life of mine;
- Royal Gold will purchase the gold delivered at a cash purchase price of 25% of the London PM gold fixing price as quoted by the London Bullion Market Association on the date of delivery for each ounce delivered and shall apply the balance as a reduction against the US$175 million advance payment; and,
- No interest shall be payable on the advance payments.

Year ended December 31, 2015

Non-brokered private placement of $7.874 million

On January 12, 2015, the Company closed a non-brokered private placement consisting of 31,495,397 common shares of the Company issued to the European Bank for Reconstruction and Development ("**EBRD**") and to certain other investors at a price of $0.25 per share for total proceeds of $7.874 million. Additionally, the investors received 7,946,713 share purchase warrants. Each share purchase warrant is exercisable to acquire one common share of the Company at a price of $0.40 until January 12, 2020.

Royal Gold Streaming Agreement

On March 2, 2015 the Group entered into a First Amendment to the Streaming Agreement with Royal Gold and closed the initial stage of the transaction. Euromax received the initial tranche of US$7.5 million in two equal instalments of US$3.75 million on March 2 and March 23, 2015.

On November 4, 2015, under the Second Amendment to the Streaming Agreement, the Group received part of the first anniversary payment of US$3.75 million. The remaining part of US$3.75 million is expecting to be received during 2016, once Royal Gold has completed all due diligence on the Ilovica Project's FS and front end engineering and design ("**FEED**") work.

In-Principle UFK Eligibility

On February 16, 2015, a UFK in-principle eligibility ("**UFK Support**") was received for the German Untied Loan Guarantee Scheme (UFK – Garantien für Ungebundene Finanzkredite) to provide cover for a project finance facility on the assumption that a copper concentrate offtake agreement is entered into with a German owned smelter and subject to due diligence and approval by the German Government.

Mandating of Société Générale S.A., UniCredit Bank AG and Caterpillar Financial to arrange and provide a US$240 million Debt Package

On April 24, 2015 Euromax and Euromax Resources DOO Skopje executed a Mandate Letter and Term Sheet with Société Générale S.A., UniCredit Bank AG and Unicredit Bank Austria AG to provide up to US$215 million of Senior Secured Project Finance ("**Project Facility**"), subject to due diligence and all necessary approvals, which alongside the GPSA shall be used to finance the development of the Ilovica Project.

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The key terms of the Project Facility are:

- Facility amount of up to US$215 million;
- Tenor of up to 12 years, subject to the UFK Support;
- Pre-completion Margin of 3.75% - 4.25% above Libor; Post-completion Margin of 2.75% - 3.25% above Libor; and
- Customary financial ratios, security, completion support and covenants for a facility of this nature.

On April 28, 2015 Euromax and Euromax Resources DOO Skopje executed a Mandate Letter and Term Sheet with Caterpillar Financial to arrange an equipment financing facility for up to US$25 million ("**Equipment Facility**"), to finance any Caterpillar equipment purchased for the Ilovica Project. Key terms of the Equipment Facility:

- Facility amount of up to US$25 million;
- Tenor of up to 5 years;
- Margin of 4.50% - 5.50% above Libor; and
- Customary financial ratios, security, completion support and covenants for a facility of this nature.

*Offtake Term Sheet signed with Aurubis AG ("**Aurubis**")*

On December 8, 2015, the Company announced that it had entered into a Term Sheet for the offtake of its copper-gold concentrate production from the Ilovica mine with Aurubis. As explained above, the UKF in-principle eligibility for any project finance was on the assumption that a copper concentrate offtake agreement was entered into with a German owned smelter.

Subject to the requirements of the UFK, the Group has agreed to sell up to 100% of the copper-gold concentrate production for up to 10 years at standard terms to Aurubis. The delivery will be made under DAP conditions (as per Incoterms 2010) to the Pridop Smelter in Bulgaria.

Corporate appointments

In March 2015, Mr. Bill Abel was appointed as a non-executive director of the Company as a nominee of the EBRD.

In June 2015, Euromax announced the appointment of Jana Nikodinovska as Vice President Legal Affairs and Company Secretary and Borche Ilioski as Assistant Vice President Corporate Development & Investor Relations.

In August 2015, Euromax announced the appointment of Alan Baker as Vice President, Project & Construction Manager.

*Option Agreement for Karavansalija Mineralised Complex ("**KMC**")*

On October 19, 2015, the Company announced that it had entered into an option agreement ("**Option Agreement**") whereby upon exercise a third party optionee ("**Optionee**") will acquire Euromax's 96% shareholding in South Danube Metals d.o.o. Beograde ("**SDM**"), which has title to the KMC exploration permit. The key terms of the Option Agreement are as follows:

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- A one-year option ("**Option**") to purchase Euromax's 96% shareholding in SDM for a cash payment of US$0.500 million;
- The Optionee to fund a minimum of 1,200 metres of drilling required to secure the extension of the KMC exploration permit by March 2016; and
- Euromax will be responsible for fixed costs related to SDM until the extension of the KMC exploration permit has been secured. Thereafter, the Optionee will be responsible for SDM's fixed costs.

On exercise of the Option, the Net Smelter Returns Royalty Agreement between Euromax and Freeport-McMoran Exploration Company will be assigned to the Optionee.

The Optionee satisfied the remaining minimum work programme on the KMC exploration permit in December 2015 and Euromax submitted a request for a two year extension on January 20, 2016 to Serbian authorities, which was granted during March 2016.

EES growth

EES has continued delivering its exploration services under a five-year framework agreement on the Babjak and Zlataritza projects in Bulgaria. In September 2015, EES secured a work programme with the Optionee of SDM to perform the minimum work programme required on the KMC exploration licence in Serbia, which was performed during the quarter ended December 31, 2015.

These two clients resulted in EES delivering record revenue of $4.729 million (FY14: $2.695 million) and generated gross profits $0.724 million (FY14: $0.444 million) which have contributed to reducing the Group's overall cash costs.

Subsequent to December 31, 2015

Announcement of Ilovica FS

On January 6, 2016 Euromax announced the results of the Ilovica Project FS, prepared in compliance with NI 43-101. A full copy of this FS is available on SEDAR.

The key highlights of the FS are:

- Total proven and probable mineral reserve[2] of 198.1 million tonnes containing:
  - 2.01 million ounces of gold at an average grade of 0.32g/t Au; and,
  - 898.9 million pounds (408 thousand tonnes) of copper at an average grade of 0.21% Cu;
- Throughput of 10 million tonnes per annum and mine life of 20 years with average annual production of 83,000 ounces of gold and 16,000 tonnes of copper;
- Pre-tax NPV$^{(5\%)}$ of US$513 million; Post-tax NPV$^{(5\%)}$ of US$440.1 million;
- Pre-tax IRR of 19.8%; Post-tax IRR of 17.8%; and,
- Initial Capex of US$474.3 million including 10% contingency.

2 Based on US$ 1,220/oz gold price and US$ 2.90/pound copper price.

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Submission of the Environmental Impact Assessment for approval

On April 26, 2016 Euromax submitted a draft Environmental Impact Assessment ("**EIA**") for the Ilovica Project to the Ministry of Environment and Physical Planning ("**MOEPP**") for approval.

The Non-Technical Summary was available on the MOEPP website while the full EIA documentation was available on Euromax websites and at various physical locations in Macedonia for a review period of 30 days.

During that period, various meetings were held with local stakeholders to explain the project, its effects and to answer stakeholder queries.

Closing of convertible debt financing with EBRD and CCC Mining

On May 20, 2016 the Company announced that it has satisfied the required disbursement conditions under a convertible loan agreement (the "**Convertible Loan Agreement**") with the EBRD and the gross loan proceeds of USD$5,000,000 (the "**Loan Disbursement**") have been disbursed by the EBRD.

The Company also confirmed the completion of the private placement of convertible debentures (the "**Convertible Debentures**") pursuant to a convertible debenture subscription and investor rights agreement (the "**Subscription Agreement**"). The Convertible Debentures were issued to an affiliate of Consolidated Contractors Company Group ("**CCC Group**").

The Convertible Loan, the Convertible Debentures and any securities converted into thereunder are subject to the customary four month hold period for a private placement.

Prior to the completion of the Loan Disbursement, the EBRD had ownership and control over a total of 23,368,547 common shares of the Company, representing 19.99% of the issued and outstanding common shares.

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4. GENERAL DESCRIPTION OF BUSINESS

4.1 General

Euromax is a minerals development company with its core development gold and copper project located in Macedonia. The Company holds a 100% interest in Euromax Resources DOO Skopje ("**Euromax Macedonia**"), a Macedonian incorporated company which is developing the Ilovica Project.

In 2007, Euromax acquired an option to acquire the Macedonian subsidiaries of FMEC for an initial consideration of US$600,000 and 100,000 Euromax common shares. On completion of the US$ 1.5 million exploration program in Macedonia as per this option during 2011, Euromax exercised its option on November 2, 2011 and in January 2012 Euromax gained 100% control of Euromax Macedonia and the Ilovica Project.

The Ilovica 6 exploration concession was originally issued in May 2006. In July 2012 the Government of the Republic of Macedonia ("**Macedonian Government**") issued to Euromax Macedonia an exploitation concession for Ilovica 6, thereby granting Euromax the right of exploitation of mineral resources for an initial term of 30 years. Further, the EIA for Ilovica 6 was formally approved in September 2012 by the MEPP. Euromax Macedonia was granted an exploration concession for Ilovica 11 in February 2011.

In January 2016, the Macedonian Government issued to Euromax Macedonia an exploitation concession for Ilovica 11, thereby granting Euromax the right of exploitation of mineral resources for an initial term of 30 years. Based on management's plans, the EIA for Ilovica 11 is expected to be submitted for approval during 2016, after which Euromax Macedonia will lodge a Main Mining Project submission under the Macedonian Minerals Law to obtain an exploitation permit.

Employees, consultants and contractors

As at the Effective Date, the Group had 55 employees and full time consultants, of which 32 were located in Macedonia, 15 in Bulgaria, 4 in the United Kingdom and 4 in Serbia.

Euromax is dependent on the services of its key executives. Further, the Group is dependant for much of its operational support, including drilling and preparation of resource estimates and technical reports, on external contractors.

Competitive Conditions

The metal exploration and mining business is competitive. The Company competes with numerous other companies, including those that are large established companies having substantial capabilities and greater financial and technical resources than Euromax. As a result of such competition, the Company may sometimes be disadvantaged in the acquisition of attractive mineral properties. The Company also faces competition in sourcing supplies and service providers in connection with its mining operations.

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Environmental Protection

Euromax and the Group are obliged to comply with the environmental provisions of the Minerals Law (as defined below) and environmental law and other environmental regulations in Macedonia and the other jurisdictions in which it operates. Euromax is further subject to EBRD performance requirements concerning mine safety, subsoil and land use, permitting, mine closure and environmental protection.

Within Macedonia, there are no environmental bonds for exploration concessions regulated in the Minerals Law. If environmental damage occurs, the exploration concessionaire is obliged to compensate and remediate for any damage in accordance with the environmental law. On completion, Euromax is required to conduct remediation of the area of the Ilovica Project in accordance with the Macedonian environmental provisions. In terms of exploitation concession, according to the Minerals Law, the cost for eliminating the harmful effects on the environment from the operations should be funded upfront, i.e. the Ministry of Economy ("**MoE**") will require a confirmation for a financial guarantee (available funds for remediation of the land affected by the installation as described in the waste management plan) prior to issuing the exploitation permit.

Health and Safety, Community and Environmental Policies

Environmental management and corporate social responsibility are corporate priorities of Euromax. Euromax is committed to the integration of environmental and social considerations in its strategy and the establishment of sustainable relationships with the communities surrounding all its projects at all levels of project development and operations. Euromax's programs and procedures are aimed at minimising and mitigating any adverse environmental impact in accordance with international best practices.

Euromax's community, environmental and health and safety policies (updated and approved by the Board in June 2014) are designed for setting and meeting high standards as a prerequisite for carrying on business in a sustainable society and the protection of life, safety, health and the environment.

Euromax aims to build relationships with the communities that foster mutual respect and understanding, active partnership and long term commitment. Euromax acknowledges that it is operating in environments with different cultures, lifestyles and heritage and also recognizes that at every stage of operations and development potential negative effects may occur due to lack of communication and stakeholder engagement. Good management of communication and relationships with local communities, both in the short and long terms, is essential to business success. Thus in order to promote positive effects and to mitigate any negative effects and impacts the Company manages community relationships based on respect for these communities, and full transparency and openness in communication process with local communities.

Regulatory Overview

The Group's operations are located in different countries and are subject to various levels of government controls and regulations which are amended from time to time in these countries.

Below are some of the more significant aspects of such controls and regulations that materially affect the principal areas of business of the Company, which are located in Macedonia.

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Taxes and exchange control on Mining Companies

Euromax Macedonia is subject to the Macedonian Profit Tax Law. Under this law, the financial profit realised by Euromax Macedonia adjusted for tax purposes represents the tax base. The tax rate is flat and set at 10% of the tax base. Under the Profit Tax Law dividends and income earned by foreign legal entities are subject to a 10% withholding tax.

Foreign exchange control applies in transactions between residents and non-residents and is subject to reporting requirements and in certain cases approval. Transfers of profit and proceeds of sale of ownership of shares in investments can be freely transferred outside the country.

Macedonian Mining Law and Mineral Ownership

The law governing the mining sector in Macedonia is the Minerals Law, published in the Official Gazette No.136 on November 5, 2012 (the "**Minerals Law**"), which was entered into force on November 13, 2012, and amended during the course of 2013, 2014, 2015 and 2016. The Minerals Law is subject to supervision by the MoE, while the state inspectorate for technical inspection supervises the implementation. Under the Minerals Law, the Macedonian Government does not have any entitlement to an equity interest in mining companies.

Under the Minerals Law, exploration concessions may be converted into exploitation concessions upon request to the MoE following submission of the required documentation. The Macedonian Government grants exploitation concessions over an area of up to 30km^2, which area may be increased to accommodate mining infrastructure, for a period of up to 30 years. The Company currently holds, through Euromax Macedonia, two conjoined exploitation concessions (Ilovica 6 granted in July 24, 2012 and Ilovica 11 granted in January 13, 2016). The concession agreement for the Ilovica 6 exploitation concession was harmonized with the new Minerals Law currently in place by the signing of a new concession agreement on September 23, 2014.

Summary table of the Group's mineral interest rights

A summary of the existing mineral interest rights of Euromax and its controlled entities are set out below:

Nature of permit/concession	Date Granted	Term (and extensions)	Area (km^2)	Minerals covered	Percentage interest
Macedonia					
Ilovica 11 Exploitation Concession	January 13, 2016	30 years extendable for up to a further 30 years	17.1	Copper and gold	100
Ilovica 6 Exploitation Concession	July 24, 2012	30 years extendable for up to a further 30 years	1.68	Copper and gold	100

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Serbia					
KMC	Renewed effective December 31 2014	Two years	23	Poly-metallic mineralization (copper, gold, molybdenum, lead and zinc)	100

Royalty

Pursuant to Minerals Law and applicable regulations, royalties payable for metals produced from the exploitation concession are:

- 2% of the market value of the metal of copper per tonne and for each tonne of copper concentrate produced; and
- 2% of the market value of the gold produced and for each tonne of gold concentrate produced.

4.2 Risk Factors

The following risk factors, as well as risks not currently known to the Group, could materially adversely affect the Group's future business, operations and financial position and could cause them to differ materially from the estimates described in the forward-looking statements and information contained herein. The risks set out below include those that are widespread and associated with any form of business and those that are specific risks associated with the Group's business and its involvement in the exploration and mining industry generally, and in south-eastern Europe in particular. Shareholders and prospective investors should carefully consider, in light of their own financial circumstance, the factors set out herein.

Dependence on Third Party Financing

The Group currently has no source of operational cash flow. As a result, the Group will continue to depend on third party financing to fund future working capital, capital expenditures, operating and exploration costs and other general corporate requirements. The success and the pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions at that time for junior exploration and development companies to attract significant amounts of debt and/or equity. There can be no assurance that such financing will be available to the Group or, if it is, that it will be offered on acceptable terms. Failure to obtain sufficient financing, as and when required, may result in a delay or indefinite postponement of exploration or development on any or all of the Group's properties.

Fluctuation of Commodity Prices

The Group's exploration and other mining activities have previously been, and may in the future be, significantly adversely affected by declines in commodity prices, particularly gold and copper. Commodity prices are volatile and are affected by numerous factors beyond the Group's control such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major mining countries throughout the world.

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Any future serious drop in commodity prices or sustained low commodity prices could adversely impact the Group's future revenues, profits and cash flows. In particular, sustained low, or further reductions in, commodity prices could:

- reduce or eliminate the Group's ability to finance the exploration of existing and future mineral projects;
- force the Group to lose its interest in, or to sell, all or some of its properties;
- halt or delay the development of existing or new projects; and
- reduce the value of the Group's securities.

Furthermore, declining or sustained low commodity prices could impact the Group's operations by requiring a reassessment of the feasibility of any existing or new projects. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Mineral Exploration

Mineral resource exploration is highly speculative, involves substantial expenditures, and is frequently unsuccessful. Few prospects that are explored are ultimately developed into producing mines. To the extent that the Group continues to be involved in exploration, the long-term success of its operations will be related to the cost and success of its exploration programmes. There can be no assurance that the Group's exploration efforts will be successful. The success of exploration is determined in part on the following factors:

- the identification of potential mineralization based on superficial analysis;
- availability of prospective land;
- availability of government-granted exploration and exploitation permits;
- the quality of management and geological and technical expertise; and
- the capital available for exploration and development.

Substantial expenditures are required to determine if a project is economically feasible. It could take several years to establish proven and probable mineral reserves and to develop and construct mining and processing facilities. As a result of these uncertainties, there can be no assurance that current and future exploration programmes will result in the discovery of mineral reserves and the development of mines.

Carrying Value of Unproven Mineral Right Interests

Based on annual impairment reviews made by management, in the event that the long-term expectation is that the net carrying amount of certain capitalised development and exploration costs will not be recovered, then the carrying amount is written down to the appropriate fair value, with the write-down amount charged to the income statement. These write-downs could occur if: the carrying amounts of the capitalised costs exceed the related undiscounted net cash flows of reserves and/or its fair value less costs to sell; exploration activities have ceased; exploration results are not promising such that exploration will not be planned for the foreseeable future; or insufficient funding is available to complete the development and exploration programme.

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Expected future cash flows are inherently uncertain, and could materially change over time. They are significantly affected by reserve and production estimates, together with economic factors such as spot and forward gold and copper prices, discount rates, currency exchange rates, estimates of costs to produce reserves and future capital expenditures. If any of these uncertainties occur either alone or in combination, it could require management to recognise an impairment, which could adversely affect the Group's business, results of operations and financial position.

Dilution

The Group may require additional funds to fund development and exploration programmes and potential acquisitions. The Group cannot predict the size of future issuances of common shares or the issuance of debt instruments or other securities convertible into shares or the effect, if any, that future issuances and sales of the Group's securities will have on the market price of the common shares. If it raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of existing shareholders. Sales of substantial amounts of common shares, or the availability of such common shares for sale, could adversely affect the prevailing market prices for the Group's securities.

Share Price Volatility

In recent years, the world securities markets, including those in Canada, have experienced a high level of price and volume volatility and the market price of securities of many companies, including the Company, have experienced wide fluctuations in price which have not necessarily been related to operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in share price will not occur.

Resource Estimates

The mineral resource estimates presented herein are made by Group personnel and independent geologists. These estimates depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance estimates will be accurate. The inclusion of mineral resource estimates should not be regarded as a representation that these amounts can be economically exploited and no assurances can be given that such resource estimates will be converted into reserves. Different experts may provide different interpretations of resource estimates.

Dependence on Key Personnel

The success of the Group and its ability to continue to carry on operations is dependent upon its ability to retain the services of certain key personnel. The loss of their services to the Group may have a material adverse effect on the Group. The Group does not presently have "key person" life insurance for any of its officers.

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Capital and Operating Cost Risks

The Group's forecasts and technical reports are based on a set of assumptions current as at the date of completion of these forecasts and studies. The realised operating and capital costs achieved by the Group may differ substantially owing to factors outside the control of the Group, including currency fluctuations, supply and demand factors for the equipment and supplies, global commodity prices, transport and logistics costs and competition for human resources. Though the Group incorporates a level of contingency in its assumptions, these may not be adequate depending on market conditions.

The mining business is capital intensive and the development, exploration and exploitation of mineral reserves and resources and the acquisition of machinery and equipment require substantial capital expenditure. The Group has a number of exploration and development projects which will involve significant capital expenditure to progress.

Further, the Group relies on certain key third-party suppliers and contractors for equipment, raw materials and services used in, and the provision of services necessary for, the continuing exploration and development of its projects. As a result, the Group's operations at its sites are subject to a number of risks, some of which are outside of the Group's control, including negotiating agreements with suppliers and contractors on acceptable terms, the inability to replace a supplier or contractor and its equipment, raw materials or services in the event that either party terminates the agreement, interruption of operations or increased costs in the event that a supplier or contractor ceases its business due to insolvency or other unforeseen events and failure of a supplier or contractor to perform under its agreement with the Group. The occurrence of one or more of these risks could have a material adverse effect on the Group's business, results of operations and financial position.

Currency Risk

The Group maintains most of its working capital in US dollars. The Group currently operates in Bulgaria, Macedonia and Serbia and its operating costs are incurred in a combination of Bulgarian Lev, Macedonian Denar, Serbian Dinar, Canadian Dollars, British Pounds or Euros. Accordingly, the Group is subject to fluctuations in the rates of currency exchange between these currencies. The Group has not hedged its exposure to currency fluctuations.

Global Economic Conditions

Global financial conditions in recent years have been characterised by volatility and several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to financing has been negatively impacted by many factors as a result of the global financial crisis. This may impact the Group's ability to obtain financing in the future at all, or on reasonable terms. Additionally, global economic conditions may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses

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Economic and Political Instability in Foreign Jurisdictions

The Group currently operates in Bulgaria, Macedonia and Serbia. There are risks to conducting business in foreign countries. These risks may include, among others, invalidation of governmental orders and permits, uncertain political and economic environments, sovereign risk, war, civil disturbances, arbitrary changes in laws or policies, the failure of foreign parties to honour contractual relations, delays in obtaining or the inability to obtain necessary governmental permits, authorizations and consents, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on exports, instability due to economic under-development, inadequate infrastructure and increased financing costs. In addition, the enforcement by the Group of its legal rights to exploit its properties may not be recognised by any foreign government or by the court system of a foreign country. These risks may limit or disrupt the Group's operations, restrict the movement of funds or result in the deprivation of mining related rights or the taking of property by nationalization or expropriation without fair compensation.

Permitting Requirements

Mining operations require mining and other permits from the government. These permits may not be issued on a timely basis or at all, and such permits, when issued, may be subject to requirements or conditions with which it is burdensome or expensive to comply. Furthermore, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of existing permits, additional permits for any possible future changes to operations, or additional permits associated with new legislation.

Government Regulation

Mineral businesses are subject to regulation and intervention by governments in such matters as the imposition of specific exploration, drilling and development obligations; environmental protection controls and control over the development and abandonment of resource (including restrictions on production). As well, governments may regulate or intervene with respect to prices, taxes, royalties and the exportation of commodities. Such regulation may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the minerals industries could reduce demand for commodities produced, increase the Group's operating costs and have a material adverse impact on the Group's results of operations and financial position.

Title Matters

The Group periodically confirms the validity of its title to, or contract rights with respect to, each mineral property in which it has a material interest. However, the Group cannot guarantee that title to its properties will not be challenged. The Group's mineral properties could be subject to prior unregistered agreements, transfers or claims, and title could be affected by, among other things, undetected defects. In addition, the Group might be unable to operate its properties as permitted or to enforce its rights with respect thereto.

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Operating Hazards and Other Uncertainties

The Group's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- labour disputes and shortages;
- supply and shipping problems and delays;
- shortage of equipment and contractor availability;
- unusual or unexpected geological or operating conditions;
- fire;
- changes in the regulatory environment; and
- natural phenomena such as inclement weather conditions, floods and earthquakes.

These or other occurrences could result in damage to, or destruction of, mineral properties, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Group could also incur liabilities as a result of pollution and other casualties all of which could be very costly and could have a material adverse effect on the Group's financial position and results of operations.

Health, Safety and Community Relations

The Group's operations are subject to various health and safety laws and regulations that impose various duties on the Group's operations relating to, among other things, worker safety and surrounding communities. These laws and regulations also grant the authorities broad powers to, among other things, close unsafe operations and order corrective action relating to health and safety matters. The costs associated with the compliance of such health and safety laws and regulations may be substantial and any amendments to such laws and regulations, or more stringent implementation thereof, could cause additional expenditure or impose restrictions on, or suspensions of, the Group's operations. The Group has made, and expects to make in the future, significant expenditure to comply with the extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and other special status species, and, to the extent reasonably practicable, create social and economic benefit in the surrounding communities.

As a mining business, the Group may come under pressure in the jurisdictions in which it operates, or will operate in the future, to demonstrate that other stakeholders (including employees, communities surrounding operations and the countries in which they operate) benefit and will continue to benefit from the Group's commercial activities, and/or that the Group operates in a manner that will minimise any potential damage or disruption to the interests of those stakeholders. The Group currently maintains good relations with local communities in the areas in which it operates and has a demonstrable track record of promoting community and social relations activities for the benefit of local communities. However, the Group may face opposition with respect to its current and future development and exploration projects which could materially adversely affect the Group's business, results of operations and financial position.

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Further, certain non-governmental organisations ("**NGOs**"), some of which oppose globalisation and resource development, are often vocal critics of the mining industry and its practices, including the use of hazardous substances in processing activities. Adverse publicity generated by such NGOs or others related to extractive industries generally, or the Group's operations specifically, could have an adverse effect on the Group's reputation and financial position and may impact its relationship with the communities in which it operates. The Group seeks to mitigate this risk by its commitment to operate in a socially responsible manner. However, there can be no guarantee that the Group's efforts in this respect will mitigate this potential risk.

The Group may also be held responsible for the costs of addressing contamination at the site of current or former activities and could be held liable for exposure to hazardous substances. The costs associated with such responsibilities and liabilities may be significant.

Environmental Risks

All phases of the Group's operations are subject to environmental regulation in the various jurisdictions in which it operates. There is no assurance that the Group will have or be able to obtain all necessary environmental approvals, licenses, permits or consents or be in compliance therewith or that notwithstanding its precautions, breaches of environmental laws (whether inadvertent or not) will not occur. The lack of or inability to obtain any such approvals, licences, permits or consents or any breaches of environmental laws, may result in penalties including fines or other sanctions, breach of the conditions of a mining concession or other consent or permit with possible revocation of the concession, consent or permit. In this regard, environmental hazards may exist on the properties in which the Group has an interest which are unknown to the Group at present and which have been caused by previous or existing owners or operators of the properties.

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Group's operations, or its ability to develop its properties economically.

No Dividends

The Group has never paid cash dividends. It currently intends to retain future earnings, if any, to fund the development and growth of its business, and may not pay any cash dividends for the foreseeable future. Furthermore, the Group may in the future become subject to contractual restrictions on, or prohibitions against, the payment of dividends. As a result, investors will have to rely on capital appreciation, if any, to earn a return on their investment in common shares in the foreseeable future. The payment of future dividends, if any, will be reviewed periodically by the Group's board of directors and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and such other factors deemed by the board of directors to be relevant at the time.

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Tax Matters

Euromax's tax residency is affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If ever Euromax was assessed to be not a tax resident in Canada, it may be liable to pay additional Canadian taxes, including, but not limited to, capital gains tax based on the difference between the fair market value and tax cost of its assets at the relevant time. If such taxes were to become payable, this could have a material adverse effect on the Group's business, results of operations and financial condition. Further, the income tax consequences to holders of common shares would be different from those applicable if Euromax were tax resident in Canada.

Insurance Coverage Could Be Insufficient

While the Group maintains insurance to protect against certain risks, the nature of these risks is such that liability could exceed policy limits or could be excluded from coverage. There are also risks against which the Group cannot insure or against which it may elect not to insure. Losses from these events may cause substantial delays and require significant capital outlays, adversely affecting future results of operations and financial position.

Conflicts of Interest

Certain of the directors and officers of the Group are directors or officers of other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Group may participate, the directors of the Group may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the directors of the Group, a director who has such a conflict will abstain from voting for or against the approval of such matter. Furthermore, in appropriate cases the Group will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

Litigation Risks

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding could have a material adverse effect on the Group's financial position and results of operations.

Competition

The Group faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious or base metals. The majority of these companies have greater financial resources, operational experience and technical capabilities. As a result, there can be no assurance that the Group will be able to compete successfully against other companies in acquiring new prospecting, development or mining rights.

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Shortage of qualified skilled labour workers in Macedonia

An increase in worldwide demand for skilled labor may cause unanticipated cost increases and delays in delivery times, thereby impacting operating costs, capital expenditures and production schedules.

Non-Canadian Assets and Management

While the Company is incorporated under the laws of British Columbia and its registered office is located in Vancouver, the Company also has offices in London, Skopje and Sofia. Furthermore, its officers and directors and substantially all of the assets of the Company are located outside Canada. It may not be possible for holders of securities to effect service of process within Canada upon such officers and directors who reside outside Canada. There may be difficulty in enforcing against the Company's assets and judgments obtained in Canadian courts predicated upon the provisions of applicable Canadian provincial securities legislation may not be recognised or enforceable in jurisdictions where the Company's officers or directors reside or where the Company's assets are located.

4.3 Description of Ilovica Project in Macedonia

Project Description and Location

Property Location

The property is located in the southeast of Macedonia, approximately 15 km to the west of the border with Bulgaria, Figure 1. The centre of the mineralised zone is located at coordinates 7 654 000 E, 4 595 500 N Hermannskogel Projection.



Source: Nations Online Project

The project lies within the municipality of Bosilovo, approximately 20 km to the east of the town of Strumica and is situated on the western slopes of the Maleševske mountain range. The project area is part of Mount Ograzhden and ranges from 450 m above mean sea level (AMSL) to a maximum elevation of approximately 860 m AMSL.

Property Details

A letter from Euromax's lawyer in Skopje, Macedonia, Mens Legis, dated February 8, 2016, states the following regarding title information:

"The Company for production, trade and services EUROMAX RESOURCES DOO Skopje ("the Company") is a limited liability company duly registered with the Central Registry of the Republic of Macedonia on 01.12.2005 under registry number 6061800 and registered address at Boulevard Partizanski Odredi No. 14-1/2/3 Center, 1000 Skopje, Macedonia, and validly exists under the Macedonian law and is in good standing.

Shareholders of EUROMAX RESOURCES DOO Skopje, each one holding both legally and beneficially a share of the issued share capital of EUROMAX RESOURCES DOO Skopje, are as follows:

- *EUROMAX RESOURCES (MACEDONIA) LTD, with incorporation number BC0915327 and address at 10th Floor, 595 Howe Street, Vancouver BC V6C 2T5, Canada, holding 99,99% of the Company's shares; and*
- *EUROMAX RESOURCES (MACEDONIA) UK LIMITED, with company number 8300380 and address at Fifth Floor, 12 Berkeley Street, London W1J 8 DT, UK, holding 0,01% of the Company's shares .*

EUROMAX RESOURCES DOO Skopje has complied with all the legal requirements of the applicable legislation of the Republic of Macedonia and operates in compliance with the applicable laws and regulations referring to its business activities in Macedonia and the requirements of the granted concessions for exploitation of minerals – copper and gold for the locality of Ilovica in the municipality Bosilovo and Novo Selo, Macedonia, i.e. the requirements of the Licenses.

There are no options, warrants, subscriptions or any other agreements that would entitle a third person other than the existing shareholders to acquire any shares or other securities of EUROMAX RESOURCES DOO Skopje, except for:

- *Share Pledge Agreement by and between EUROMAX RESOURCES (MACEDONIA) LTD and EUROMAX RESOURCES (MACEDONIA) UK LIMITED and RGLD GOLD AG dated 28 November 2014, as amended and supplemented by the First Amendment Agreement dated 03 March 2015 and the Second Amendment Agreement dated 29 July 2015;*
- *Share Pledge Agreement by and between EUROMAX RESOURCES (MACEDONIA) UK LIMITED and RGLD GOLD AG dated 28 November 2014, as amended and supplemented by the First Amendment Agreement dated 03 March 2015.*

Whereas, EUROMAX RESOURCES (MACEDONIA) LTD and EUROMAX RESOURCES (MACEDONIA) UK LIMITED as existing shareholders of EUROMAX RESOURCES DOO Skopje established in favour of RGLD GOLD AG as the Pledgee and for its benefit, a first priority pledge over their shares in EUROMAX RESOURCES DOO Skopje, as a security for the obligations deriving from the Gold Purchase and Sale Agreement.

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EUROMAX RESOURCES DOO Skopje up to date has the corporate power and has obtained all Government Authorizations to carry out the activities it currently carries out or, so far as we are aware, proposes to carry out, including, without limitation, holding the Licenses and its property in the Republic of Macedonia, dealing with its bank accounts inside and outside the Republic of Macedonia, prosecute financial transactions and hold and deal in foreign currency.

After due and careful enquiry, EUROMAX RESOURCES DOO Skopje is not in breach or violation of or in default under its constitutional documents or any law, regulation or rule or any decree, judgment or order applicable to it, including for the avoidance of doubt any environmental laws or regulations.

The searches we have carried out do not reveal that the Company for production, trade and services EUROMAX RESOURCES DOO Skopje is in liquidation, administration, receivership or administrative receivership or that a winding-up petition has been presented against it or is pending, threatened or contemplated.

In our best knowledge we have not revealed any material litigation claims against or involving EUROMAX RESOURCES DOO Skopje or their assets. No such proceedings are pending, threatened or contemplated.

The Licenses confer on EUROMAX RESOURCES DOO Skopje for the term of its validity, the exclusive right to carry on the development, extraction and drilling of copper and gold minerals and to occupy the surface area of the Licenses, free and clear of any encumbrances.

Without prejudice to the above, transportation and sales of, and exportation of copper and gold minerals are subject to special permits and conditions required according to the applicable laws, which EUROMAX RESOURCES DOO Skopje should provide in the regular course of business before starting with such activities.

For the activities of exploitation of copper and gold minerals EUROMAX RESOURCES DOO Skopje shall regulate the ownership right over the land within the concession field. For the part of the land which is state owned EUROMAX RESOURCES DOO Skopje shall be required to register the right of use at the Agency for Real Estate Cadastre of the Republic of Macedonia, and regarding the part of the land which is a private land on the concession field, a procedure of expropriation of property should be initiated. If the concession field encompasses forests, EUROMAX RESOURCES DOO Skopje as a concessioner shall notify the Public Enterprise for management with forests "Makedonski Sumi".

The Licenses have been validly issued to, and are legally and beneficially owned by the Company for production, trade and services EUROMAX RESOURCES DOO Skopje.

The Licenses are in full force and effect and have not been revoked, suspended, cancelled or terminated and there is no basis for such revocation, suspension, cancellation or termination.

Based on the provisions of the Law on minerals (Official Gazette of Republic of Macedonia No.136/2012…192/15), the concession for detailed geological explorations of minerals can be granted for one concession period (up to 6 years for metallic minerals) and may not be extended, and the concession for exploitation of minerals can be granted for up to 30 years with possibility to extend it for up to 30 years.

The Concession Agreement is valid until 24.07.2042. The New Concession Agreement is valid for 30 years as of the day of signing, i.e. until 13.01.2046.

The terms of the Licenses have been complied with in all material respects and there has been no breach of the Licenses and there are no circumstances which are likely to give rise to the Licenses being breached, revoked or not renewed, in whole or in part, in the ordinary course of events.

EUROMAX RESOURCES DOO Skopje has, or has the benefit of, all necessary rights and interests deriving from the Licenses in the manner in which they are currently exercised.

Any covenants (negative or positive), restrictions, notices or other obligations of EUROMAX RESOURCES DOO Skopje pursuant to the Licenses and Macedonian legislation (including the obligations to commence/maintain work on the Licenses and pay the relevant fees) have been fully complied with as of the date of this opinion.

EUROMAX RESOURCES DOO Skopje has full and unrestricted title to the Licenses with the benefit of quiet possession and free from lawful interruption and disturbance and there are no laws, regulations or other provisions which will restrict the right of the Company for production, trade and services EUROMAX RESOURCES DOO Skopje to use the Licenses.

Subject to the terms and conditions of the Gold Purchase and Sale Agreement and the Assignment Agreement, EUROMAX RESOURCES DOO Skopje, as a security for payment and discharge of the secured obligations under the Gold Purchase and Sale Agreement, assigned to Royal Gold's benefit all of its rights, title and interest in and to, and obligations under, the Concession Agreement and shall, within 30 days as of the day when an annex to the New Concession Agreement or as the case may be, the extended and/or merged Concession Agreement, that enables the assignment by way of security of rights and obligations in respect of the New Concession Agreement is to be concluded, assign by way of security all of its rights and obligations arising there from ("Encumbrance").

The Licenses are sufficient to allow EUROMAX RESOURCES DOO Skopje to search and explore copper and gold minerals, and after exploitation permit from the Ministry of Economy of the Republic of Macedonia is granted (EUROMAX RESOURCES DOO Skopje is obliged to apply for exploitation permit in term of 4 years from concluding the concession agreement for exploitation) to exploit, extract, remove and process copper and gold minerals on Ilovica locality, Municipality of Bosilovo and Municipality of Novo Selo, Macedonia.

Except for the concession fee for exploitation of minerals (consisted of annual fee for usage of the land depending on the type of the minerals and fee for the exploited amount of the minerals), there are no application, registration, renewal or other official statutory or regulatory fees or any stamp, registration or similar taxes or charges payable and outstanding in relation to the Licenses.

It is not a legal requirement for the holder of the concession for the Licenses to be registered, recorded, notarized or filed at any public office or elsewhere, but the Ministry of Economy of the Republic of Macedonia as authorized body in the field of the minerals, that keeps a registry of granted mining concessions in Macedonia.

None of the area covered by the Licenses is included in any register of contaminated land maintained by any enforcing authority pursuant to the relevant environmental laws.

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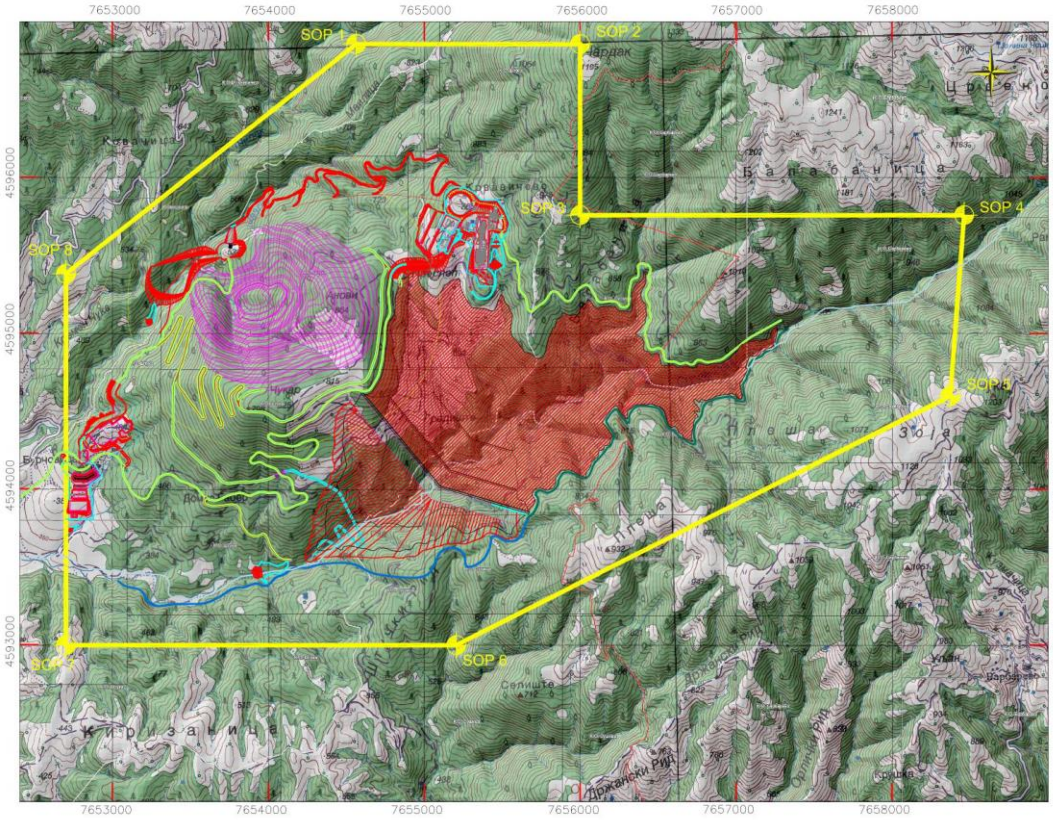
There are no laws of Macedonia which would materially alter the terms of the Licenses of EUROMAX RESOURCES DOO Skopje. However, in addition to the obligation of EUROMAX RESOURCES DOO Skopje to comply in full with the requirements, measures, obligations and liabilities of the Licenses, it shall obey all other legal requirements of the laws regulating separate areas such as environmental protection, water protection, work safety requirements, safety and protection of people's health and property, road infrastructure and other similar requirements.

There are no exchange control restrictions on the provision of loans (including shareholder loans), except for reporting requirements to the Macedonian National Bank and Central Registry of the Republic of Macedonia (Registry of Foreign Direct Investments) or on foreign currency being held or transferred from Republic of Macedonia or the transfer of shares of EUROMAX RESOURCES DOO Skopje. Without prejudice to the above, transfer of exploitation concession or transfer of shares in EUROMAX RESOURCES DOO Skopje that entails change of control in EUROMAX RESOURCES DOO Skopje (meaning acquiring majority share of the issued share capital of EUROMAX RESOURCES DOO Skopje) as holder of the concession for exploitation of copper and gold minerals requires prior written consent by the Government of Republic of Macedonia as grantor of the concession as well as payment of a fee in amount of 7% of the appraised value of the concession based on an appraisal report for obtaining consent for transfer of concession for exploitation of minerals or consent for transfer of shares, as applicable.

There are no restrictions on a company incorporated outside Republic of Macedonia being a shareholder of EUROMAX RESOURCES DOO Skopje as Macedonian incorporated company and owning legal and beneficial title to a controlling interest in the issued shares of such company.

Unless the applicable Double Tax Treaty, if any, does not state otherwise, withholding taxes are payable in case of any distribution of dividend or management fee made by EUROMAX RESOURCES DOO Skopje to its overseas shareholders at the rate of 10%. According to the Double Tax Treaty between Macedonia and UK, the tax on dividend shall not exceed 5% if the beneficial owner is a company that owns directly at least 10% of the capital of EUROMAX RESOURCES DOO Skopje and dividends shall not be taxed if the beneficial owner of the dividends is a company that owns directly at least 25% of the capital of EUROMAX RESOURCES DOO Skopje for an uninterrupted twelve-month period ending on the date the dividend is paid."

The property boundaries and map coordinates are determined by paper staking and the figure below shows the concessions on a topographic map.



Concession Area

Taxes and Royalties

There are no special rules applicable to the taxation of exploration mining entities. The only exception is prescribed in that the turnover of gold and other precious metals towards the central bank is exempted from value added tax (VAT).

The concessionaire performing detailed geological explorations of mineral resources is obliged to pay fees for the use of an area, depending on the type of mineral resource.

The compensation for the concession for exploitation of minerals (concession fee) is consisted of:

- An annual fee for use of the location, i.e. the area granted with the exploitation concession, depending on the type of the mineral that is subject to the concession; and,
- Compensation for exploitation of the minerals – ores of copper and gold, that are subject to the concession.

The amount and manner of payment of the concession fee is specified in the Tariff Book for determination of the amount of the compensation for issuing permits and concessions for detailed geological explorations and concessions for exploitation of minerals.

Royalties payable for metals produced from the exploitation concession are fixed at 2% of the market value for metal per tonne in each tonne of concentrate produced. Basis for calculation is the official report for the average fluctuation of the prices of metals on the LME in the past three months, which is considered to be market value. Payment of the royalty is made quarterly in arrears, by the 15th of the month following the quarter end.

Property Maintenance

The concessionaire is obliged to implement at its own expense measures for environmental protection and protection of nature and cultural heritage, as well as measures for re-cultivation of the land in accordance with the law.

The concessionaire is obliged to compensate in whole the damage caused to third persons during the exploitation of minerals and the damage caused to the environment.

After finishing the exploitation and the mining works, the concessionaire is obliged to perform reparation of the area and re-cultivation of the land. In case the concessionaire does not perform this activity, the grantor will perform the reparation at the expense of the concessionaire. All costs for reparation of eventually occurred deformations on the road and road zone, during the exploitation or from motion and operation of the mechanisation on the road infrastructure shall be covered by the concessionaire.

At this time there are no environmental liabilities identified on the property, nor are there any known material factors or risks that may affect access, title or the right or ability to perform work on the property.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Site Topography, Elevation and Vegetation

The project is situated on the western slopes of the Maleševske mountain range. The project area is part of Mount Ograzhden and ranges from 450 metres above mean sea level ("**AMSL**") to a maximum elevation of approximately 860 metres AMSL. The main valley where the village of Ilovica is located is at approximately 260 metres AMSL.

The area comprises an undulating mountainous topography, with moderately rugged steep slopes up to 30° and generally rounded mountain tops. The Strumica valley floor is flat.

The mountains of the area are relatively unspoiled and contain a combination of Sub-Mediterranean Balkan forests and Balkan Mid-European forests. The forests are natural and include oak, beech, chestnut, black and white pine and walnut trees, with Sessile Oak forests dominating. Clearing of the forest for livestock pasture has occurred creating steppes on the less steep saddles and lower slopes. Where this has occurred, meadow grassland now predominates.

Climate

Owing to its southerly, landlocked situation, Macedonia's regional meteorology is characterised by a combination of Mediterranean and continental-style climates.

The typical Mediterranean climate of warm, dry summers and mild, wet winters is modified by the proximity of continental Eurasia so that summers are hot with generally cold, but variable winters and a double peak in rainfall in late spring and autumn/winter.

The annual average rainfall at the plant site is approximately 715 millimetres. The monthly precipitation fluctuations are summarised in the following table:

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Estimates of annual rainfall (mm) in dry, average and wet years at the plant site based on synthesised data 1960/61 - 2013/14										
Dry Years					Mean	Wet Years				
Return Period (years)										
100	50	25	10	5	2	5	10	25	50	100
Annual Exceedance Probability										
0.99	0.98	0.96	0.90	0.80	0.5	0.2	0.1	0.04	0.02	0.01
396	433	475	539	600	715	830	891	955	997	1034

Local Population

The Maleševske mountain range in which the project is situated is largely unpopulated, with the vast majority of inhabitants residing within the Strumica valley to the west of the mountains.

The total population of the Strumica valley region is approximately 100,000 inhabitants. The villages of Shtuka and Ilovica have 1,500 to 2,000 inhabitants each and they belong to the municipality of Bosilovo.

The table below presents the statistics collected within the 2002 Census (the "**Census**") regarding the municipality of Bosilovo.

Population Statistics for Bosilovo Municipality				
Total Population	Economically Active			Economically Non-active
	All	Employed	Unemployed	
5 741	4 208	3 190	1018	1 533

NOTES:

Economically non-active are defined by the Census as follows: Housewives (engaged on duties within the household in their own house), persons that are serving a sentence in a prison or are in military service, those permanently incapable of work, children under 15 years of age, students and pensioners.

The Census states that the majority of the population (70.7%) work in agriculture; 12.6% work in industry and 16.7% work in the services.

Regional Infrastructure

The property is well served by asphalt-paved roads. The site is located in the hills approximately 3 km northeast of the village of Ilovica. The village of Ilovica is located 3 km to the north of road number M6, which is a two lane asphalt paved road that leaves Strumica to the east. To reach the village of Ilovica, a good quality 3 km single carriage asphalt paved road is taken from the M6.

The site is well linked to the road network in southern Europe. The E-75 International Road passes south through central Europe and Macedonia to the port of Thessaloniki. The E-75 passes some 50 km west of the site and is linked to the M6 Highway, which passes east to the south of Ilovica, by Route 604 over the Belasic Mountains.

The Macedonian railway network system is connected north-south with the railway network systems of Serbia and Greece. A further line is under construction to the north to Bulgaria. The railway transport system is managed by the publicly owned Macedonian Railways (Makedonski Železnici, MŽ) and at present, the only provider of railway services in the country. The main station in Skopje is approximately 160 km from Ilovica, although the railway follows the E-75 corridor, with

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loading sidings in Gevgelija, on the Greek border, approximately 70 km from the town of Ilovica. The M6 Highway also passes east to the border with Bulgaria and links with the town of Petrich (40 km away in south-western Bulgaria) and the Bulgarian road and rail networks.

The Bulgarian rail network extends as far as Petrich, and links to the Pirdorp smelter at Chelopech, the Black Sea ports and the Mediterranean port of Thessaloniki.

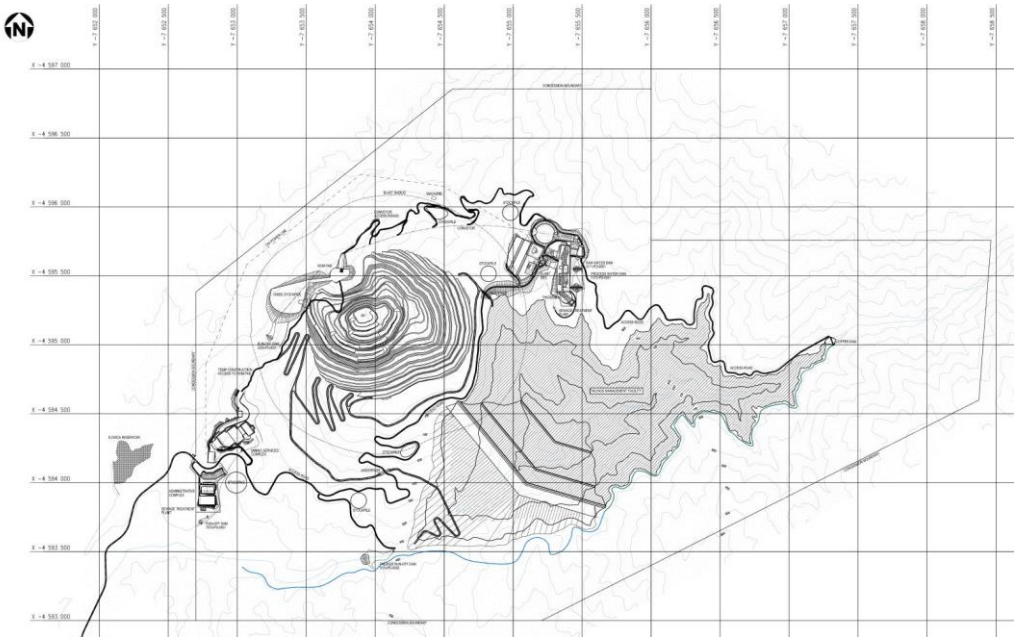
The Thessaloniki port is located 145 km away from the property and is understood to be the most suitable and operationally optimal option for all modes of shipping (containerised, break bulk, charter).

There is an existing water reservoir on the edge of the site, which is used for agricultural purposes. Hydrological and hydrogeological studies are ongoing on the property to establish local ground water conditions. There is a larger water reservoir at Turija, some 15 kilometres to the west-northwest which links to the area via a canal.

Macedonia is connected to the European power grid via the national grids of Bulgaria, Greece and Serbia. Bulk power shall be provided by the Macedonian Electricity Transmission System Operator ("**MEPSO**") via new 110 kV overhead transmission lines from existing substations at Berovo and Sushica., approximately 8 km from the site.

Plant and Mining Infrastructure

The site layout is shown in figure below.



The infrastructure design was done in accordance with the infrastructure engineering and design, design criteria and is based on South African Standards with due consideration given to site specific conditions likely to be encountered at the mine site in Macedonia.

The Ilovica site exhibits steep longitudinal gradients and steep crossfalls, impacting on the design of roads, terraces and other features that require earthworks.

A geotechnical site investigation was managed by Amec Foster Wheeler to determine, inter alia, foundation conditions and material quality.

Plant and other terraces have been designed to best fit in with topography and functional requirements. The tops of the terraces are finished at slopes of up to 7%.

The main access road from the M6 highway to the plant, provided with bitumen wearing course, was designed with a maximum centre line gradient of 8%.

Roads for the plant and mine infrastructure areas have been classed as primary and secondary, provided with bitumen wearing course, and designed with a maximum centre line gradient of 7%.

Single lane gravel access tracks with passing bays were designed to provide vehicle access to certain areas for operational and maintenance activities. These tracks were designed with a maximum centre line gradient of 14%. The principal of separating clean storm water from mine affected storm water has been applied to the design of the storm water management system. Diversion channels and containment structures (storm water dams) have been provided. Clean storm water is diverted around the process plant, mining services complex and administrative complex, including diversion of the Jazga River underneath the oxide ore stockpile by means of a culvert. Water collected in the dams is ultimately pumped into the process dam for use in the process. The storm water dams are lined and provided with silt traps and configured for periodic desludging.

Bulk power shall be provided by the Macedonian parastatal power utility company MEPSO via new 110 kV overhead transmission lines from existing substations at Berovo and Sushica. MEPSO have confirmed that adequate capacity is available for the project. Main medium voltage power is radially distributed within plant areas from the 10 kV main switchboard using above ground cables to the transformers and large motors.

Although blasting for mining operations will be done by a blasting contractor, provision has been made for an explosives magazine.

The final disposal of industrial and domestic waste will be off site at a licensed facility; however allowance has been made under civil infrastructure for the costs of an on-site storage and sorting facility.

Tailings Management Facility (TMF)

The proposed Ilovica TMF site is located approximately 3 km east-northeast of the villages of Ilovica and Shtuka, in the Shtuka valley, and southeast of the proposed open pit. The facility has been designed for the storage of 10 Mt of tailings per annum for 21 years, thus a total of 210 Mt of tailings, which based on an average deposited tailings density of 1.5 t/m3 represents a tailings volume of 140 Mm3.

The TMF comprises a valley impoundment and involves the construction of a main embankment (6.5 Mm3 starter wall) across the valley to the south of the process plant. The tailings in the facility will be contained along the northern, eastern and southern sides by the natural contours of the valley, and on the western side by the starter wall and future downstream wall raises to be constructed above the wall. Construction of the wall raises will be a continuous process over a 21 year period. At closure the TMF wall (including the starter wall) will have a volume of approximately 91 Mm3.

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The TMF will be constructed as an engineered embankment to retaining tailings, and due to its classification as a high risk/consequence facility, has been designed based on the 1 in 10 000 year MDE (as defined below) event, and not based on the requirements of an OBE (during the operating phase).

Static stability results indicate a factor of safety (FOS) >1.3 and therefore indicate the embankment will remain stable in the static condition. Additional seismic stability modelling indicates average settlements of 1.3 m during a maximum design earthquake ("**MDE**") event and therefore a minimum operational freeboard of 2.0 m has been adopted in order to comply with the recommendations of International Commission on Large Dams (ICOLD) 98, (1995) with reference to seismic activity to manage the associated risk, should such an event occur.

Based on the results of a Goldsim model there will be periods in which the supernatant pond cannot meet the plant water demand. The data indicates seasonally varying process water makeup water rates in the order of 0 m3/h - 330 m3/h will be required to meet plant demand. The demand for makeup water is anticipated to decrease as the tailings permeability decreases and the extent of tailings area on the footprint increases, leading to greater run-off and reduced seepage. The model indicates makeup water may not be required during the final years of operations.

Surface run-off entering the TMF facility from the northeast, will be minimised by construction of a river diversion dam (RDD) and river diversion channel. The river diversion will convey flow from the Shtuka River around the southern perimeter of the TMF, capturing run-off from the south and discharging downstream of the storm water dam. A diversion channel will be constructed to keep clean and dirty water separate. Supernatant water from the TMF will be returned to the process plant via a barge pumping system where it will be used as process water makeup. Process water will be supplemented by water from the Ilovica municipal reservoir as required.

At closure a concrete lined spillway and dissipater will be installed. The closure surface of the TMF will be shaped to direct water towards the south of the facility, from where it will be discharging via the spillway to the valley below. Depending on water quality, this system may be combined with the river diversion channel. The TMF will be capped with a system comprising of a minimum 500 mm thick mine waste layer and a minimum 150 mm thick topsoil layer, to promote vegetative growth.

Oxide Stockpile Storm Water Dam

The top of the oxide ore stockpile is graded to drain into the pit. Clean water from upstream of the stockpile is collected below the stockpile in a culvert which discharges into the Jazga River at a point downstream of the storm water dam. The dam therefore collects water only from the face of the South embankment of the stockpile. The operating parameters of the dam are as follows:

- Catchment area: 2.5 ha
- Estimated 1:100 year X 24 h inflow (design capacity): 1.4 Megalitres

A preliminary design was completed by Euromax together with the Faculty of Natural and Technical Sciences at the University of Shtp, Macedonia, for the culvert required under the Oxide stockpile. Detailed design will be required for this culvert taking into account the geological conditions, hydrology of the area and Macedonian regulations for this type of work.

Waste Rock Dumps

At this stage all waste rock is proposed to be used for the construction of the tailings and water storage dams. Excess waste rock totalling some 50 Mt will be placed as a buttress on the downstream face of the TMF embankment.

Site Water Balance

A site wide water balance model with a daily time step was developed in GoldSim in order to estimate water demand, water quantities that can be reclaimed from the TMF and quantities of makeup water that will be necessary to obtain from an external source over the life of the mine. At the time of writing, the GoldSim model comprised the process plant, the pit, the TMF and Ilovica reservoir, the basic components of the mine water supply system as defined in the PFS, each of which was individually modelled.

The total water requirement is 1.017 m3/t, which is equivalent to 10.17 Mm3/a. The minimum fresh water requirement (for gland seals and spray water) is 2.25 Mm3/a. Potable water demand is 0.23 Mm3/a.

Multiple runs of the GoldSim model were made, each with different synthetic daily rainfall and evaporation series, to develop statistical distributions of model outputs. Reclaim water from the TMF is the main source of process water. The model suggests that 7.5 Mm3/a can be obtained from the TMF in Year 1 and that this amount reduces from Year 2 to Year 10 as seepage losses are high, but then increases as hydraulic conductivity of the tailings reduces, reducing seepage losses. Results indicate that the mine demand for water can be satisfied by reclaim operations in the winter months of the final years of mine life. Demand for water is never satisfied by reclaim operations in summer months, requiring a fresh water source to make up the difference.

The pit also provides a source of water for the process plant contributed by run-off and groundwater inflow. The pit contribution is expected to increase from about 0.1 Mm3/a in Year 1 to about 1.1 Mm3/a (at the 50th percentile) in the final year of operations.

The demand for makeup water varies over mine life from 2.5 Mm3/a to about 5.5 Mm3/a. The Ilovica reservoir is planned to be the main source of makeup water. Storage yield studies of the Ilovica reservoir assume that Euromax Resources would share this water resource with other users (public domestic and agricultural supplies). These studies show that Euromax Resources would need to supplement the Ilovica reservoir from an external source such as the Turija reservoir and/or groundwater from the Strumica valley. The amount of supplementary water required will vary seasonally from zero in winter, to the monthly equivalent of about 5 Mm3/a (at the 50th percentile) in summer. This assumes that augmentation is initiated when storage in the reservoir drops to the equivalent of 7 days' supply remaining.

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Water Supply Options

Water resources are scarce in the project catchments and in the project area generally, necessitating the following water management strategy:

- Use of available and unutilised water resources nearby
- Conservation of site run-off and recycling of wastewater
- Maintaining the reliability and water quality of existing public domestic and agricultural water supplies.

Several water resource/supply options are currently under appraisal for servicing the mine scheme. The currently preferred options for supplying the majority of additional requirements, subject to more detailed evaluation, entail development of local groundwater (from the Strumica plain) and/or connection to and utilisation of available supplies from Turija reservoir.

Geochemistry

Geochemical work performed to date has included the use of industry-standard static and kinetic geochemical testing to characterize the acid production and metal leaching propensity of each of the major rock types which will be mined and/or exposed in the walls of the proposed open pit.

Results of acid-base accounting (ABA) testing indicate that approximately 5% of the sample population is classifiable as net-acid consuming, with 49% classified as of 'low-reactivity', 13% classifiable as of weak potential acid generation (PAG) character and 38% classifiable as strong PAG.

A series of 16 field 'test pads' were established at Ilovica in 2013 to assess the long-term weathering behaviour of the waste rock stream (most of which is currently proposed for use in the construction of the TMF embankment). Most un-oxidised material shows evidence of strong net acid production, with un-oxidised hydrothermally altered granodiorite and dacite yielding leachate with a pH of below 3.

Further kinetic tests were initiated in July 2015 to assess the leachate chemistry likely to emanate from material to be placed on the oxide stockpile. Euromax Resources has confirmed that 'transitional' (sulphide bearing) rock will now not be stockpiled.

Results of preliminary static and kinetic leach tests on available rougher and cleaner scavenger tails generated from flotation test work suggest that the tailings will not generate low pH contact water due to the high residual alkalinity present within the slurry. Further confirmatory tests are being completed to verify this.

Based on results of the static and kinetic testing, acid rock drainage (ARD) risk codes have been incorporated into the Ilovica block model. The codes have then been applied to predict the proportions of PAG and non-PAG material to be exposed in the pit walls or contained in the waste rock stream throughout mine life.

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The proportion of high risk material in both the pit walls and the waste stream increases through mine life, with greater pit extension into un-oxidised rock units. A significant proportion of PAG material is projected to be exposed on the highwall above the level of water inundation within the pit following closure. This may impact the long-term quality of water within any future pit lake and therefore any outflow from the pit lake will have to be managed. Further work is planned for during the detailed design phase.

Most of the initial waste produced corresponds to sterile material and will be used for the initial TMF construction. Highly acid generative waste material begins to be produced from year 3 onwards, which is after the starter TMF embankment (end of life of mine ("**LOM**") year 2). Acid generative material is mostly produced in LOM years 7 to 18. The carbonate bearing material is located at depth within the pit and is mined later in mine life, from LOM year 6 to year 18. Acid generative material will therefore be effectively capped within the embankment and downstream buttress.

History

General

In 1958, T. Ivanovski and P. Chedomil mapped the south western slopes of the Ograzhen Mountain. They concluded that there were indicators of an ore body that included a deep sulphide deposit.

Mineralisation was discovered in 1973 by the Skopje Bureau of Geology team, headed by D. Denkovski. Copper (Cu), lead (Pb) and zinc (Zn) mineralisation was linked to the dacite intrusions at Ilovica.

Prior to Euromax, the property was held and explored by Phelps Dodge Exploration Corporation ("**PDX**"), who completed drilling campaigns between 2004 and 2006. Euromax has integrated the results of the PDX drilling into the drillhole database that has been provided to Tetra Tech.

Between 2004 and 2006, PDX completed the drilling shown in the table below.

Drillhole	Cu (%)	Au (g/t)	Mineralised Intercepts
PDIC-04-01	-	-	Very low values
PDIC-04-02	0.15	0.20	288 m (98 to 386 m) at a cut-off 0.1% Cu
PDIC-04-03	0.24	0.27	147.7 m (393 to 540.7 m) at a cut-off 0.1% Cu
PDIC-05-04	-	0.29	132 m (165 to 297 m) at a 0.1 g/t Au cut-off
PDIC-06-06	0.23	0.30	450 m (54 to 504 m) without a cut-off
PDIC-06-07	0.28	0.45	93 m (132 to 225 m) without a cut-off
PDIC-06-08	0.25	0.36	393 m (57 to 450 m) without a cut-off

Source: Euromax

In 2008 Euromax signed an option agreement with PDX to acquire 100% of the property.

Historical Mineral Resources

The maiden mineral resource for the property was estimated by Geoffrey S. Carter, Professional Engineer (P.Eng), of Broad Oak Associates, Toronto, on behalf of Euromax. The Resource was disclosed in a Technical Report, filed with the Canadian Securities Administrators, on August 12, 2008 (Carter 2008). The mineral resource was classified using CIM Definition Standards for Mineral Resources and Mineral Reserves.

The 2008 Resource estimate was superseded by a mineral resource estimate prepared by Moose Mountain Technical Services ("**Moose Mountain**"), with an effective date of February 15, 2012. The Moose Mountain Resource estimate was presented in a Technical Report released on May 17, 2012 and re-stated in a PEA prepared by Tetra Tech and filed with the Canadian Securities Administrators on March 22, 2013.

Tetra Tech prepared two subsequent mineral resource updates for the project with effective dates of July 26, 2013 and November 27, 2013. The most recent mineral resource estimate was disclosed within a technical report, filed with Canadian Securities Administrators on January 17, 2014.

Euromax is not treating the historical mineral resource estimates as current which have been superseded by the mineral resources contained in the Ilovica Project FS.

Historical Mineral Reserves

Historical mineral reserves were estimated by ACA Howe in 2014, and were disclosed as part of the PFS technical report filed with Canadian Securities Administrators on December 22, 2014. The mineral reserves have been entirely superseded by the estimates disclosed within the Ilovica FS.

For the historical mineral reserves, a mining plan and schedule was developed for mining the mineral resources that were estimated for the Project. The preliminary mine plan was based upon Measured and Indicated Mineral Resources (effective date November 27, 2013).

The report's prefeasibility level of detail required that both the Measured and Indicated Mineral Resources be classified as a Probable Mineral Reserve.

No Proven Mineral Reserves were designated.

Historical Production

No historical production has occurred on the property.

Geological Setting – The Regional, Local and Property Geology

Regional Geology

Ilovica is a porphyry copper-gold deposit, located in a northwest-southeast striking Cenozoic magmatic arc, that covers large areas of Central Romania, Serbia, Macedonia, Southern Bulgaria, Northern Greece and Eastern Turkey.

The porphyry deposits in the region are in close spatial and temporal association with intermediate to felsic, medium to high potassium calcium-alkaline igneous rocks.

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The Ilovica deposit, which was emplaced circa 29 million years, is an isolated porphyry copper-gold deposit located about 20 km west of the 33 - 38 million years Osogovo-Besna-Kobila lead-zinc belt and about 30 km east of the 22 to 27 million years Leche-Buchim-Chalkidiki copper-gold belt.

Property Geology

The Ilovica porphyry system is about 1.5 km in diameter and is associated with a poorly exposed dacite-granodiorite plug, emplaced along the north-eastern border of the northwest-southeast elongate Strumica graben. The exact location of the deposit is controlled by major north-south cross cutting faults and minor northwest-southeast faulting, parallel to the faulted border of the graben.

At surface, the Ilovica intrusive complex consists of a central dacitic breccia diatreme, approximately 1.3 km in diameter. The diatreme is intruded by at least one dacite and two granodiorite porphyry stocks that have generated several hydrothermal pulses, resulting in widespread multi-phase veining within a mineralised stockwork.

The Ilovica porphyry is centred on a hill of more than 400 m of absolute relief, surrounded at lower elevations by numerous small dykes and irregular bodies of dacitic tuff and breccias and intermediate volcanic rocks.

The Ilovica magmatic complex is emplaced into lower Palaeozoic granite. The granite is locally weakly foliated, coarsely porphyroblastic and forms a roughly northwest-elongate body some 4 by 12 km in size, intruding Precambrian mica schist and gneiss.

Numerous isolated outcrops of dacite porphyry elsewhere within the diatreme breccia commonly have vertical flow laminations but are too small to show as individual mapable units. Drilling demonstrates that dacite and granodiorite porphyries expand at shallow depths into a fairly continuous body.

Exploration

Field Mapping and Rock Chip Sampling

Detailed geological mapping was completed on 1:2,000 and 1:5,000 scales and comprised observations with respect to petrology, style of alteration and mineralisation.

Rock chip samples were collected from the outcrops which were identified as having potential to host mineralisation. The samples were submitted to the assaying laboratory described below. The laboratory completed multi-element analysis using inductively coupled plasma optical emission spectroscopy ("**ICP-OES**"). Outcrops and chip sample locations were delineated using a hand held Global Positioning System ("**GPS**"). In addition, all of the existing roads and trails were GPS tracked.

Soil Geochemistry Survey

In total, three phases of soil sampling have been undertaken on the property, resulting in a total of 540 sampling points arranged on a 100 x 100 m grid. The total area covered by the soil geochemistry sampling was approximately 5,000 m^2.

Results of soil sampling over the property indicate significant copper anomalies (>200 ppm Cu) to the northwest, southwest and south of the mineralised intrusive. These anomalies are believed to

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represent down slope dispersion of the copper from the central area of mineralisation. In contrast, significant gold (>0.10 ppm) and to a lesser extent molybdenum (>20 ppm), show less down slope dispersion and more accurately delineate the underlying mineralisation.

Geophysical Surveys - Magnetic Survey

A total magnetic intensity survey was conducted by PDX on behalf of Euromax between the 1st and 6th of April 2005. Twenty-four east-west lines spaced 100 m apart were surveyed with readings taken every 10 m.

A high amplitude magnetic anomaly was outlined; the magnetic susceptibility measurements demonstrated that the only magnetic rocks in the area are the secondary magnetite enrichment stockwork zones that are the source of the magnetic anomaly.

Geophysical Surveys - Induced Polarisation / Resistivity Survey

A high resolution pole dipole array survey was conducted by Euromax at Ilovica in July-August 2008.

The induced polarisation ("**IP**")/resistivity survey identified a number of intense IP anomalies, interpreted to be related to sulphide and magnetite mineralisation previously intersected in drill holes. The resistivity models revealed the presence of linear, almost vertical low resistivity features, interpreted as fault zones. The IP survey indicated that the porphyry system could extend to a depth of at least 550 m from surface. The core of the hydrothermal system as defined by the IP and magnetic surveys trends north-northeast and extends to about 800 to 1200 m along strike.

Mineralisation

The main sulphide mineral at Ilovica is chalcopyrite, followed by pyrite and secondary copper sulphides such as chalcocite, covellite and bornite. Molybdenite, galena and sphalerite are present in minor amounts, and occasional traces of sulphosalt minerals such as tetrahedrite-tennantite and tellurides of gold and silver are observed.

High temperature oxide mineralisation such as magnetite, dominates at depth, associated with pyrrhotite and chalcopyrrhotite in what is interpreted as the core of the system.

A variety of iron hydroxide group minerals are largely developed within the oxidation and cementation zones. Very occasionally gold nuggets are observed at the base of the oxidation zone.

The only visible evidence of copper mineralisation at surface includes: Traces of enargite found in one ledge; very rare green copper oxides, and thin chalcocite coatings on sparse un-oxidised pyrite deposits exposed in a creek below the leached cap to the west of the porphyry. Since the start of detailed exploration on the Ilovica Project, copper mineralisation has become more obvious on surface, on newly bulldozed drill-roads.

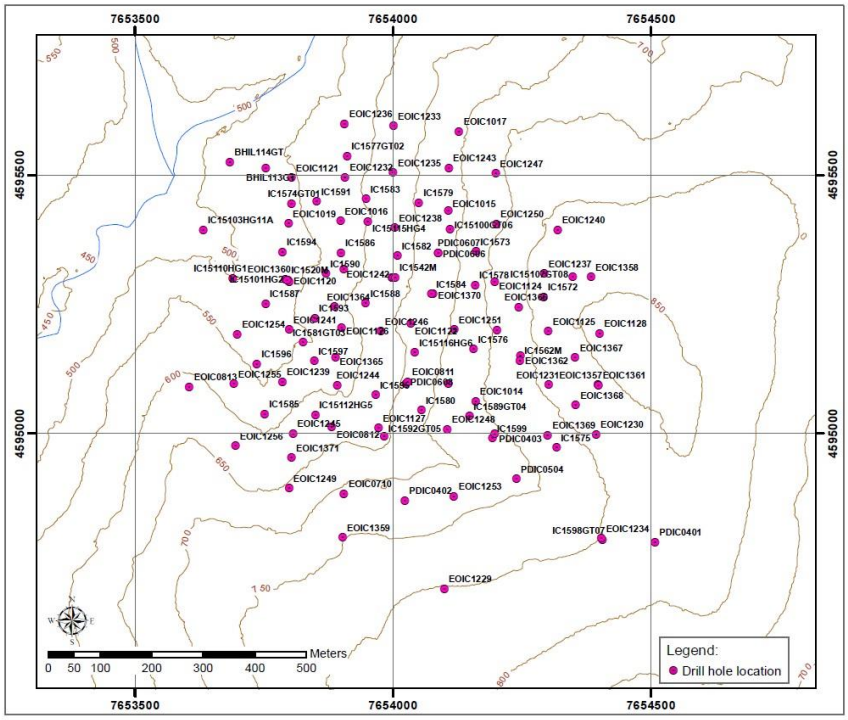
Drilling

A total 130 holes have been drilled over 10 campaigns between 2004 and July 2015. Of the 130 holes, 20 were drilled for geotechnical investigation, 15 were drilled for hydrogeological investigation, and 95 were drilled for mineral resource determination. In total, 42 032 m have been

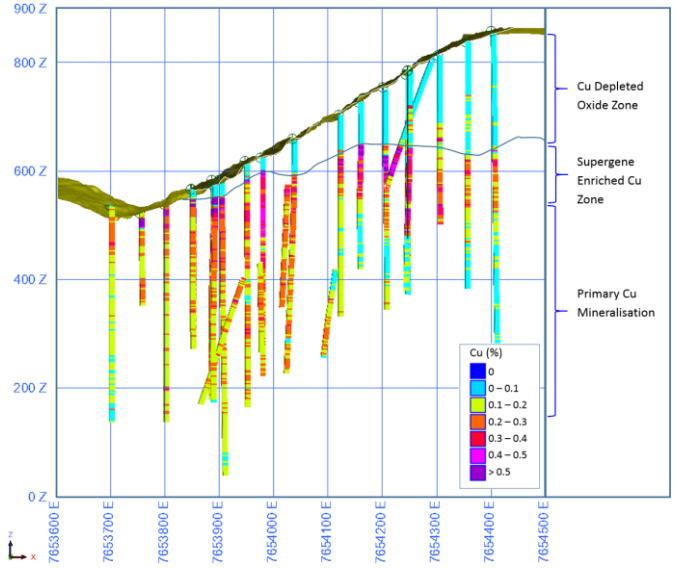
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drilled. The drill holes are generally vertical or steeply dipping; with 95 of the drill holes vertical and the remainder between 55° and 75°.

The drill locations are illustrated in the figure below.



Source: Euromax Resources



Source: Tetra Tech

NOTES:

West-east section at 4 595 200 N - The cross section presented in the figure illustrates the interpretation of the drilling results in relation to copper depletion in the oxide materials and supergene enrichment beneath. The gold assays show a similar but less pronounced distribution.

All of the holes were drilled using rotary diamond coring techniques. Drillholes were collared with PQ diameter (85 mm core) and then advanced with HQ (61.1 mm core) and then occasionally NQ (45.1 mm core) diameters. Occasionally, difficult ground conditions were encountered around the base of oxidation. Where this occurred, these sections were cemented and re-drilled.

A wireline system was used to hoist the core tube to surface to allow the drill core to be extracted. The drill core was placed into 1 m long aluminium core boxes, with the core laid out so that the order of drilling is retained. The core was placed with the top of the hole in the top left hand corner of the core box and the deepest core located in the bottom right hand corner of the core box.

Core Logging and Sampling

Once the core had been collected and transported to the logging facilities in Strumica, the core boxes were laid out on the logging racks for inspection by the exploration geologist. Core blocks were checked for consistency and core boxes were marked with the drill hole number and interval depths. High quality digital photographs of the core were taken both wet and dry. Logging included observations relating to lithology, alteration, mineralisation, structure, recovery and rock quality designation ("**RQD**"). Geologists initially logged the holes onto paper logging forms before entering the logs digitally on a daily basis.

Drill core recovery is very good, generally >95%, throughout the deposit. Within the oxide zone the core is general highly fractured and as such the RQD is low, however the overall core recoveries remain high.

Once logged, the core was marked for cutting. Core was cut with a diamond blade circular table saw. Samples were taken over variable intervals based upon lithology and alteration observations, collected during detailed logging of the core. Where there are no pertinent changes in lithology or alteration, the samples have generally been collected on the basis of 3 m intervals.

Generally half of the core samples were taken and processed for analysis. Where density samples were taken, one quarter of the core was collected for density determination and one quarter was taken for assaying. Half core samples have been retained and are stored in the facilities at Strumica.

Collar Surveys

In October 2011, Euromax engaged an independent company (DGU Geo Prem of Strumica) to complete a collar survey for drillholes 1 to 27. The survey was completed using a Topcon GPS (model reference: Hiper Pro RTK Base and Rover device). The measurements were collected using real time kinematics from a known trigonometric point with loaded parameters for the local site. The accuracy of measurements was 2 to 5 cm.

Collar surveys for drillholes 28 to 67 have been completed using a handheld GPS (Garmin GPS map 62s). The manufacturer specification states that the device accuracy is less than (<) 10 m.

The 2015 campaign drill holes from 70 to 130 have been completed using a Garmin GPS map 62s, specified as above.

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Downhole Surveys

Downhole surveys were completed by the drilling contractor as the drill string was extracted from the holes. Downhole surveys were completed using a digital survey instrument (JKH-R magnetic single shot inclinometer) with readings taken every 50m. Generally the drillholes show very low deviation from the planned hole paths, deeper holes show up to 5° variance from design for both dip and azimuth.

Sampling and Analysis

Euromax undertakes the bulk of the sample preparation activities in its facilities in Strumica. The activities include: sample selection, core cutting, sample drying and crushing. Milling of the samples is undertaken by the testing laboratories.

All assaying was completed by Eurotest Control AD ("**Eurotest**"), a laboratory with International Organisation for Standardisation ("**ISO**") 9000 accreditation in Sofia, Bulgaria. Eurotest does not have any previous relationship with Euromax or its management.

General Sampling Methodology

The mineralised zones at Ilovica have been sampled on the basis of the lithological and alteration observations collected during detailed logging of the core. Where there are no pertinent changes in lithology or alteration, the samples have generally been collected on the basis of 3 m intervals.

As of July 7, 2015, the drillhole database for the Project contained 12,695 samples, 11,847 of which are 3 m in length or less. The remaining 848 samples were between 3 and 6.5 m in length, with 759 being between 3 and 4 m in length. There is no correlation between grade and sample length.

Sample Preparation

After being logged, the sample intervals are marked and the core is sawn in half. The core is photographed after splitting. Tetra Tech was provided with the complete photographic database, which contains a high definition photograph of every box of drill core associated with the project.

The following sample preparation procedure is followed:

- Half core samples are crushed to < 2 mm grain size.
- Two 200 g representative sub-samples are split from the whole via several stages of quartering.
- One 200 g sample is sent to Eurotest, where it is pulverised and assayed.
- The second 200 g sample is retained and stored at Strumica.
- Pulp rejects (100 to 150 g) are returned to Euromax and stored at Strumica.
- Coarse rejects of (4 to 10 kg bags) are stored at Strumica.

All samples are securely stored in the core storage facility prior to transport by Euromax Resources personnel to the Eurotest Laboratory in Sofia, Bulgaria.

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Assaying

All assaying was completed by Eurotest. Assaying is undertaken on a pulverised 30 g sub-sample of the 200 g sample sent to the laboratory. Gold is assayed by Fire assay with an Atomic Absorption Spectroscopy ("**AAS**") finish. Unusually high values are checked by metallic screen assay.

All other elements including copper, molybdenum and silver are assayed by Inductively Coupled Plasma Atomic Spectroscopy. Any over limit samples (> 10,000 ppm for copper and molybdenum and >10 ppm for silver) are re-assayed by AAS.

Quality Assurance / Quality Control Program

Quality assurance / quality control ("**QA/QC**") samples, including crush duplicates, standard reference materials ("**SRM**"), and blanks were inserted approximately every 20th sample. This ensured that at least one set of QA/QC samples were included in every batch of samples issued to the testing laboratory.

The QA/QC program included inserting SRM into the sample stream. A standard was included approximately every 20 samples. This represents approximately 5% of the samples issued to the laboratory. For the 2015 drilling campaign four standard reference materials have been used.

Coarse Duplicates

Coarse duplicates were submitted to the laboratory approximately every 20th sample. The duplicates were created when the samples were crushed and split in the facilities in Strumica. To prevent the duplicate from being recognised by the laboratory, these samples were not identified as such when submitted. The total failure rate was 11% for gold and 3% for copper, which is well within acceptable limits for coarse duplicate analysis.

Blanks

Euromax has created blank materials out of construction limestone. The limestone is processed through the crushing and splitting procedure using the same techniques as those adopted for the genuine samples. A total of 99 blank samples were inserted for the 2015 campaign. No failures were reported for gold or copper.

Security of Samples

All samples are securely stored in the core storage facility prior to transport by Euromax personnel to the Eurotest laboratory in Sofia, Bulgaria. Samples of half core are placed into plastic bags and sealed with single use ties under the supervision of Euromax geologists. Bags are labelled with a unique sample number, as well as a sample interval and drill hole reference. The samples are then dried in the drying units at Strumica. Once fully dried, the samples are crushed to 2 mm using a jaw crusher. Once crushed and split to 200g, the samples are sent to the laboratory with associated chain of custody documentation. The duplicate sample is retained by Euromax and stored in Strumica.

The results of the laboratory analysis are strictly confidential and the sole property of Euromax. All information stored on computer systems is accessible via a password protected network drive, accessible only to a limited number of Euromax staff. One member of staff is responsible for the transfer of assay results to the drill hole database.

Mineral Resource and Mineral Reserve Estimates

Mineral Resources estimate

Independent consultants Tetra Tech estimated the mineral resources for the project, with an effective date of July 7, 2015. The most recent data included in the estimate was received on July 7, 2015.

Euromax provided geological and analytical data in Excel and Access database format and also provided a topographic survey in drawing exchange format file (.dxf) format and consisted of a satellite radar digital elevation model (DEM).

Statistical and grade continuity analyses were completed to characterise the mineralisation and subsequently used to develop grade interpolation parameters for the deposit.

Exploratory data analysis highlighted a number of statistically differentiated grade populations, which were interpreted to be controlled by the following:

- Stockwork intensity;
- Oxidation state; and
- Supergene leaching and enrichment.

Wireframe models were used to isolate grade populations into domains for the purpose of sample selection and to constrain the grade interpolation.

Grade estimation was completed using ordinary kriging. The search ellipsoid dimensions and orientations were chosen to reflect the continuity revealed by geostatistical studies and optimised using quantitative kriging neighbourhood analysis.

Estimates for silver and molybdenum were not made as the silver assays are not made with a sufficiently low detection limit in the majority of the deposit and Tetra Tech considers that the potential for incremental value to be added by molybdenum is limited.

A mineral resource classification scheme consistent with the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") guidelines (2010) was applied. The estimates are categorised in the inferred, indicated and measured mineral resource categories, reported above a dollar equivalent cut-off grade that defines the Resource as potentially mineable by open pit mining methods.

Dollar equivalent cut-offs were calculated based upon spot metal prices from Energy & Metals Consensus Forecasts published by Consensus Economics Incorporated on 12 July 2015. The forecast for September 2016 was US$1,244 /oz Au and US$2.87 /lb (US$6,333 /t) Cu, with a long term forecast of US$1,271 /oz Au and US$2.99 /lb (US$6,590 /t) Cu. For the purpose of assigning a dollar value to blocks so that a cut-off can be applied to show reasonable prospects of economic extraction, Tetra Tech adopted US$1,250 /oz Au and US$3.00 /lb Cu (US$6,612 /t).

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The dollar equivalent is calculated using the following formula:

Dollar eq = [Au * Recovery * Au Price] + [Cu * Recovery * Cu Price]

A pit optimisation was performed using the Lerchs & Grossman algorithm in the Geovia Whittle-4D™ v.4.6 Software. It is a two part procedure based on the block model and using mining, processing and G&A costs, selling prices and costs, pit slopes, process and mining recoveries, mining dilution, financial information such as discount rates and Capex values and other criteria. These are input at different stages of the optimisation.

In the first part, the mining, processing and G&A costs, selling price and cost, pit slopes, process and mining recoveries and mining dilution are input in the form of rates, percentages and angles. A series of economic pitshells are generated by the software, based on varying revenue factors (RF), typically from 0.3 to 2, which represent different commodity prices.

Waste and mineral quantities, strip ratios, grades and processing cut-offs are produced for each pitshell. The pitshells can then be used as a template for design purposes.

Resource grade / tonnage sensitivity tables were created based upon a range of dollar equivalent cut-offs for blocks within the overall Resource pit shell. A base case cut-off of US$16 per tonne (/t) was chosen for sulphide materials and US$8 /t for oxide materials.

For the purpose of Resource reporting, the transitional material has been grouped with either the oxidised or fresh material based upon the copper content. Where the transitional material has less than 0.2% copper, it is regarded as oxide and where greater than 0.2% it is considered as fresh. This approach reflects the fact that there would not be a separate process route for transitional material.

The mineral resource for fresh material is summarised in the table below.

Measured and Indicated Fresh Mineral Resource based upon a Dollar Equivalent cut-off of US$16/t (Effective 5th January 2016)

Classification	Tonnage (Kt)	Grade		Contained Metal	
		Au (g/t)	Cu (%)	Au (Koz)	Cu (Klb)
Measured	147,100	0.31	0.23	1,500	729,500
Indicated	109 700	0.33	0.20	1,100	479,000
Total M + I	256,800	0.32	0.21	2,600	1,208,500

The oxide mineral resources within the constraining pit shell are summarised within the two tables below.

Measured and Indicated Oxide Mineral Resource based upon a Dollar Equivalent cut-off of US$8/t

(Effective 5th January 2016)

Classification	Tonnage (Kt)	Grade Au (g/t)	Contained Metal Au (Koz)
Measured	12,500	0.41	160
Indicated	9,600	0.37	110
Total	22,100	0.39	280

NOTES (Effective January 2016):

1. g/t = grams per tonne
2. Koz = kilo ounces
3. Kt = kilotonne
    4. Dollar equivalent cut-offs are based upon the following calculation:
    a. *Dollar Eq = (Au * recovery *Au price) + (Cu * recovery *Cu price)*
5. The following assumptions were adopted for the calculation of the dollar equivalent:
    a. Au recovery in oxide of 74%
    b. Cu recovery in oxide of 0%
    c. Au recovery in mixed and fresh 88%
    d. Cu recovery in mixed and fresh 84%
6. Forecast metal prices of US$1 250 /oz Au and US$3.00 /lb Cu.
7. Recoveries are based on those quoted by Euromax Resources in the PFS (effective date of December 19, 2014). Numbers may not add exactly due to rounding.
8. Tonnages calculated using the densities outlined in the FS.
9. Mineral Resources that are not mineral reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

In addition to the dollar cut-off, in order to ensure that the Resource has reasonable prospects of economic extraction, the block model was constrained to a Resource pit shell. This does not represent a formal pit optimisation, as long term forecast metal prices have been adopted. The pit was generated using the Lerchs & Grossman algorithm as implemented in Maptek Vulcan™ 3D software (Version 8.2 64 bit).

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Mineral Reserves

The following quantities have been estimated to CIM standards from the final pit design. These have been converted from measured and indicated resources with the appropriate level of engineering work.

Diluted and Recoverable Reserves				
Description	**Units**	**Proven**	**Probable**	**Total**
Sulphide ore	Mt	112.6	85.5	198.1
Waste	Mt	-	-	199.9
Total	Mt			398
Strip ratio	t :t	-	-	1.01
Gold grade	g/t	0.32	0.30	0.32
Gold content	Moz	1.17	0.84	2.01
Copper grade	%	0.22	0.19	0.21
Copper content	Mlb	543.9	355.0	898.9

NOTES:

1. Mineral reserves are reported to a cut-off grade of 0.22 g/t Au and 0.17% Cu based on a gold price of US$1 200 /oz less US$59.52 /oz selling costs and copper of US$2.50 /lb less US$0.282 /lb selling costs
2. There may be minor differences in the totals due to rounding of figures
3. The reserve estimate assumes the construction of a process plant with 10 Mt/a capacity.

The mineral reserve estimate is classified in accordance with CIM Definition Standards on Mineral Resources and Mineral Reserves incorporated by reference into National Instrument 43-101 “Standards of Disclosure for Mineral Projects”.

Oxide ore is not included in the table above and is considered waste for the purposes of pit optimisation. However, it does have good grade on the contacts with the sulphide ore which enhances the sulphide ore grade in places when diluted. The waste, where it contacts with the sulphide ore, also has some grade as does the sulphide ore outside the pit limits, which reduces the sulphide ore grade but to a lesser extent than it would if it had zero grade. There is no viable copper content in the oxide ore. The combination of these effects means that although more tonnage is added the grades are not affected to the same degree.

However, although the oxide is treated as waste for optimisation, approximately 4.5 Mt of oxide ore with an average gold grade of 0.5 g/t will be stockpiled adjacent to the crusher and run of mine (ROM) pad. While it is envisaged that this material will be processed at the end of the LOM it is currently not included in the economic analysis and hence does not contribute to the economics of the project.

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Mining Operations

Mining Methods

The mining method will use conventional drilling and blasting together with shovel and trucks supported by a fleet of ancillary equipment.

Drilling will be done by tracked drills with 127 mm diameter bits to a depth of 11 m. Blasting will be done by contractors using ammonium nitrate and fuel oil (ANFO), slurry and non-electric detonation.

Two 300 t hydraulic face shovels with bucket capacities of 16.5 m3 will be used on ore and waste.

These will load a fleet of 90 t nominal payload rigid dump trucks. The number of trucks will vary between 9 at the start of operations and 19 at its peak. Haul routes, distances and speeds will vary depending on the location of the operation. When hauling from the top of the mine the haul roads will follow the contours to intersect with a permanent perimeter haul road with switchbacks. When hauling from the lower part of the mine in the open pit the trucks will haul along a switchback ramp. Haul road gradients vary from 1:10 to 1:12.

Ancillary equipment will include tracked and wheeled bulldozers for earthmoving, graders for road maintenance and water bowsers for dust suppression. A fleet of service vehicles will maintain the mobile mining fleet. There will also be a complement of utility excavators, lights, pumps and pick-up trucks. The total mining fleet will vary from 47 at the start of operations to 74 at its peak.

Labour Compliment

Labour has been split into Machine Operators, Maintenance, Management and Technical. The number of machine operators is dependent on the number of machines. The labour force will be mostly local, although some expatriot staff have been allowed for in the early years to allow for start-up and training.

The initial compliment of machine operators is estimated to be 108 growing to a peak of 183. Management, Technical and Operations staff are estimated to be 45. Maintenance personnel are estimated to be 60.

Mineral Processing and Metallurgical Testing

Metallurgical tests are reported from the Phase II (PII) samples. The work was undertaken on two drill holes which were used to generate an overall master composite (MC) sample. The PII work was extended as Phase II Residual (PIIR), using the PII MC and supplemented by two additional samples covering higher grade domains designated High (H) and Transitional (T), the latter so named because of the presence of secondary sulphides such as chalcocite and bornite. The PIIR work was essentially to evaluate and confirm the results obtained from the PII work to the level of locked cycle test (LCT), especially in the higher grade material which is encountered in the early years of production. The Phase III (PIII) work has to date focussed on the comminution, with flotation work to optimise reagents and flotation variability work in order to assess recoveries in the early years. PIII test work will continue in to the FEED phase in particular to investigate future optimisations of the leaching circuit.

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Flotation

A variety of flow sheets were simulated in the laboratory as individual open-circuit flotation tests during the PII and PIIR stages. Initially, the work concentrated on differential flotation, i.e. the production of a separate Cu concentrate to maximise Cu recovery at a saleable grade of Cu, followed by the recovery of a pyrite concentrate which would then be cyanide leached with Au recovery by carbon-in-leach ("**CIL**"). The alternative, which appeared to be more successful, was by bulk flotation, i.e. for the production of a single concentrate to maximise / optimise the recovery of both Cu and Au into the one concentrate. The objective was that the concentrate contained Cu of a saleable grade and that the rougher tails were at a relatively low grade for direct disposal to the tailings management facility ("**TMF**"). A relatively high Au grade was found in the cleaner scavenger tailing which will be treated by cyanide leaching and CIL. This flow sheet configuration reduced the capital cost estimate ("**Capex**") for the CIL section and appears to be the optimum recovery route.

The LCT results indicated a concentrate containing 24% Cu and 34 g/t Au at recoveries of 82% Cu and 65% Au. The latest PIII variability results indicate that during the initial years of production recoveries for oxide ore are marginally lower.

Cyanide Leaching and CIL

Tests were undertaken in both PII and PIIR. The results were promising and recoveries of Au into solution of approximately 90% for PII samples and 85% to 89% for PIIR samples were obtained. A recovery of 60% of the contained Ag was also indicated, however the silver content of the feed cannot be established yet. Euromax Resources plans to reassay existing coarse rejects from the entire drilling database in order to map the silver in to the geological block model using sufficiently low detection limits which will enable the value of silver reporting to the doré bars to be assessed. Regrinding of the material to 20 µm showed a small improvement from the 75 µm feed material. However the economic viability of regrinding cannot, as yet, be confirmed. This is to be re-examined in PIII.

Recovery Methods

The process plant will be constructed for a 10 million tonnes per annum ("**Mt/a**") capacity based on a flowsheet that produces a saleable copper concentrate (78.8 kt/a (dry)) and maximises the overall copper and gold recovery. The Ilovica ore is derived from a porphyry copper gold deposit, that is amenable to both flotation and cyanidation. The process flowsheet has been developed based on a program of metallurgical test work with the objective of producing a saleable copper concentrate and maximising the gold recovery.

The ROM ore is crushed to a product particle size P100 of 318 mm. The crushed ore size is further reduced in a semi-autogenous mill/ball mill/crusher circuit ("**SABC**") configuration. The milling circuit is designed to target a rougher flotation feed F80 of 75 µm.

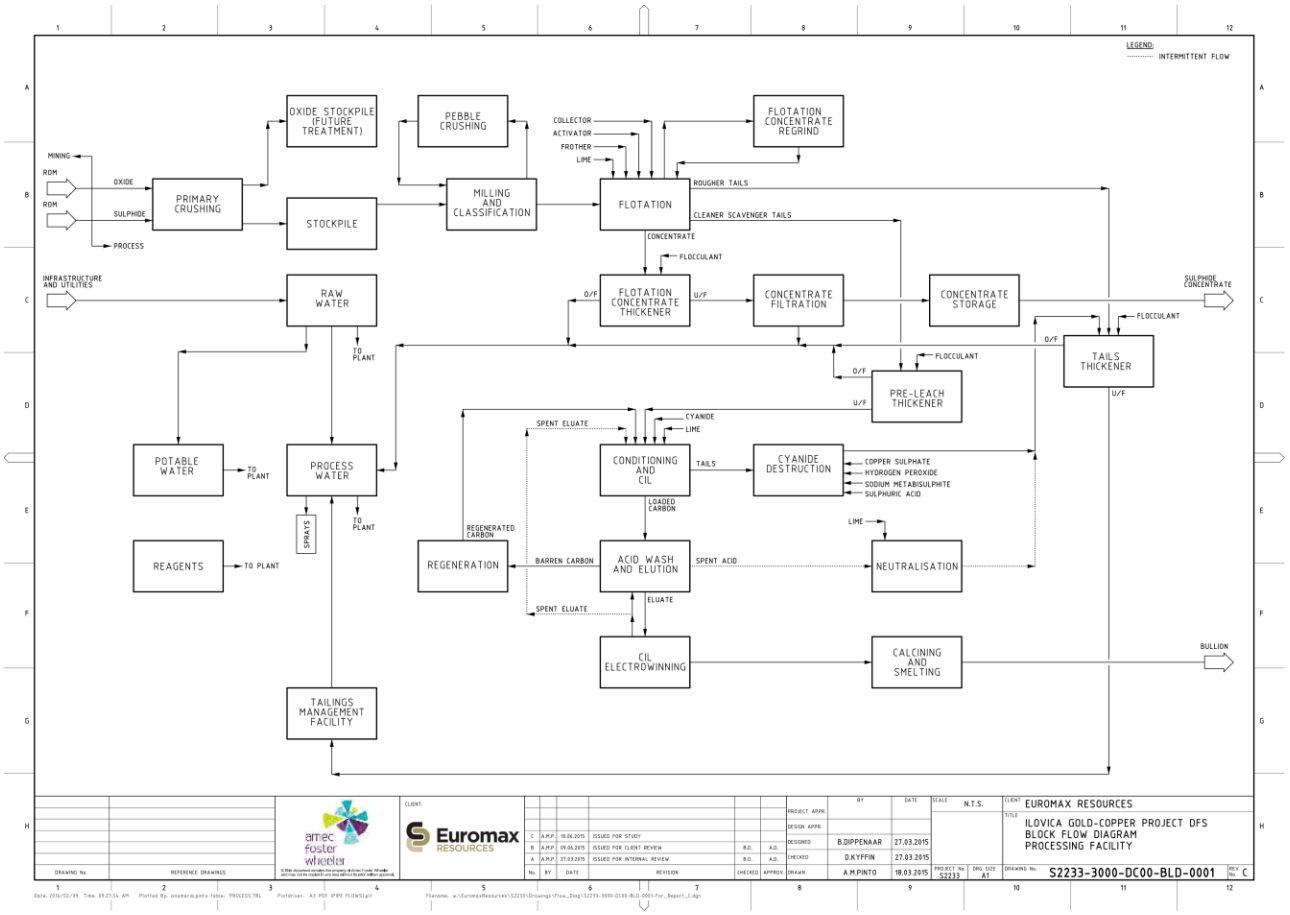
The milled slurry is fed to the rougher/scavenger flotation circuit. The rougher scavenger tails are discharged into the tails thickener for disposal to the TMF. Rougher and rougher scavenger concentrate is collected and feeds into the regrind circuit. The regrind circuit is designed to target a mill product P80 of 25 µm. Milled slurry feeds into the cleaner flotation circuit consisting of cleaner, cleaner scavenger and recleaner cells. Recleaner concentrate is dewatered and stored as

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concentrate. The cleaner tails feeds the cleaner scavenger cells. Cleaner scavenger tails feeds into the leach and CIL circuit for further processing.

Slurry from the cleaner scavenger tails is thickened and pumped through the counter-current CIL circuit for gold adsorption. Slurry from the last CIL tank is thickened. The thickened slurry is passed through a cyanide detoxification step before discharging the tails to the TMF. The loaded carbon is removed from CIL tank 1 and transferred to the elution circuit. During elution, the metals are removed that have then been adsorbed onto the carbon in the CIL. The metal rich solution is passed through an electro-winning circuit. The metal "sludge" plated on the cathodes is washed off the electrodes and filtered to remove excess water. Filter cake is calcined and smelted to produce doré bars.

The block flow diagram in the figure below graphically represents the selected flow sheet with a summarised mass balance.



Block Flow Diagram of the Process Plant

Environmental and Social Studies

The objective of the environmental and social impact assessment ("**ESIA**") is to identify and quantify impacts that the Project may have on the biophysical and socio-economic environments by comparison with the ESIA baseline and project environmental design criteria. The ESIA identifies potential mitigation and management processes to minimise negative impacts and maximise positive impacts.

The technical standards to be applied in the ESIA are a combination of Macedonian regulation and international standards, including the EBRD Environmental & Social Policy and Performance Requirements (2014).

ESIA baseline data gathering was completed in August 2015 and will inform the effects analysis and the assessment of impacts.

The key findings from the baseline include:

- Ambient air quality within the study area is good and sources of local atmospheric pollution are limited;
- The area has a mildly continental climate with typical seasonality;
- Measured noise levels are predominantly influenced by natural noise sources, except where communities are close to the regional highway (M6);
- Topsoil is very limited across the project footprint;
- The study area is prone to geohazards due to a mountainous landscape;
- Local surface and groundwater quality is good;
- Local communities are reliant on the Jazga and Shtuka watercourses for potable and non-potable water. Local communities also rely on spring water for potable supply;
- Presence of the Large blue butterfly triggers critical habitat under the definition in IFC Performance Standard 6 due to the endangered (EN, IUCN) status of the species. The concession sits within the prime butterfly area ("**PBA**") designated by Butterfly Conservation Europe. Large blue butterflies were not found within the mine footprint and the ESIA baseline identified that the likely large blue butterfly habitat which is a subset of the PBA will not be directly impacted by the mine footprint. Nevertheless, the Euromax Resources is committed to working with the regulator to preserve and enhance the PBA where they do occur;
- There are no fish in the upper reaches of the Shtuka and Jazga, but decapods and macro invertebrates are present; and,
- The local communities are heavily reliant on agriculture for income.

No fatal flaws have been identified within the impact assessment and an international ESIA for financing is currently being finalised in parallel with a local EIA that will accompany submissions for a construction permit in 2016.

Capital and Operating Costs

Capital Costs

The capital cost estimate includes engineering, procurement, construction, start-up and cold commissioning for the process plant, infrastructure, TMF and mining.

Provision is also made for owner's costs. The base date for pricing is September 2015, with some contractors amending rates subsequent to tender clarifications.

The estimate is within the required accuracy range of ±10% and is slightly lower than that produced in the PFS estimate by Tetra Tech. The estimate covers the direct field costs of executing the project, the indirect costs associated with the design, construction and commissioning of the new facilities

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and owner's support costs for items such as management teams, operational staff, environmental, permitting, insurance and utilities such as water supply, bulk power and construction power.

The method of project execution applied to the estimate calculation assumes an engineering, procurement and construction management (EPCM) contract. A summary of the capital cost estimate is presented in the table below (US$).

Capex Summary (US$)					
Description	**Total Project Cost**	**Growth and Project Risk**	**Contingency**	**Total (US$)**	**Total %**
Process Plant and Infrastructure	$315 699 942	$9 208 257	$18 633 519	$343 541 717	72.4%
TMF	$42 943 318	$1 252 560	$2 534 638	$46 730 516	9.9%
Mining	$75 273 356	$2 892 366	$5 852 895	$84 018 619	17.7%
Total	**$433 916 616**	**$13 353 183**	**$27 021 053**	**$474 290 852**	**100.0%**

Operating costs

The operating cost estimate base date is September 2015. The cost estimate was developed with a level of accuracy of ±10% of estimated final costs and is based on the following cost centres as per the table below.

Operating Cost Estimate Summary (US$)					
Cost Centre	**Total**		**Fixed Cost**	**Variable Cost**	
	US$ /y	**US$ /t**	**US$ /y**	**US$ /y**	**US$ /t**
Mining (average - including labour)	$35 363 726	$3.54	$8 375 601	$26 988 125	$2.70
Labour	$8 795 254	$0.88	$8 795 254		
Reagents	$17 588 655	$1.76	$352 413	$17 236 242	$1.72
Operating Consumables	$10 820 171	$1.08	$888 402	$9 931 769	$0.99
Power	$22 928 081	$2.29	$155 087	$22 772 994	$2.28
Maintenance Materials	$6 509 206	$0.65	$5 858 600	$650 606	$0.07
Mobile Equipment	$143 187	$0.01	$143 187		
Laboratory	$467 095	$0.05	$467 095		
Subtotal	**$102 615 374**	**$10.26**	**$25 035 638**	**$77 579 736**	**$7.76**

Economic Analysis

A discounted cash flow ("**DCF**") analysis was developed to evaluate the Project based on agreed estimates for capital costs, operating costs and the defined mining plan. For the 20-year mine life, operating at 10 Mt per annum the financial results are:

- Pre-tax NPV of €466.4 million (US$513.0 million) and post-tax NPV of €400.1 million (US$440.1 million) at 5% discounted rate;
- Pre-tax IRR of 19.8% and post-tax IRR of 17.8%;
- Initial Capex €431.2 million (US$474.3 million) including contingency; and
- After tax payback period of 4.3 years.

The base case copper, gold and silver prices used in this DCF analysis are US$2.90/lb copper, US$1,220/oz gold and US$18.00/oz silver. These are estimated to be realistic long-term prices for the current market.

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Other key economic assumptions are:

Economic Inputs		
Item	**Unit**	**Value**
Price Forecast		
Gold Price	US$ /oz	1220
Silver Price	US$ /oz	18
Copper Price	US$ /lb	2.9
Overall Metal Recovery		
Cu	%	82
Au	%	84
Royalties (Government tax)	%	2
Percentage of NSR		
Discount rate	%	5
As per Euromax Resources instruction		
Taxation	%	10
Concentrate		
Copper treatment charge	US$ /wmt	85
Copper refining charge	US$ /payable lb Cu	0.085
Gold refining charge	US$ /oz Au	5
Silver refining charge	US$ /oz Ag	0.4
Transport charge (Pirdop)	US$ /wmt	26.4
% Payable Copper (based on a 24% grade)	%	95.83
% Payable Gold	%	97
Doré Bars		
Gold refining charge	US$ /oz Au	0.4
Insurance and transport charge	US$ /oz Au	4
Gold Payability	%	99.9

The project is most sensitive to changes in metal recovery followed by metal price, operating costs and finally capital costs. Opportunities may lie in reduction of operating costs but most notably in metal recovery.

Exploration and Development

Following the completion and announcement of the FS on January 6, 2016, Euromax plans to complete FEED on the Ilovica Project and has also commenced value engineering work on various aspects of the Project's design. This work is aimed at further optimising the operational and financial performance of the Project to allow the Group to finalise and close financing discussion with its key lenders and investors in order to commence construction of the Ilovica Project.

Euromax is also focussed on completion of an ESIAs which complies with International laws and best practice including EBRD Performance Standards, IFC Guidelines and Equator Principals

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5. DIVIDENDS & DISTRIBUTIONS

To date, the Company has not paid cash dividends. It currently intends to retain future earnings, if any, to fund the development and growth of its business, and may not pay any cash dividends for the foreseeable future. Furthermore, the Company may in the future become subject to contractual restrictions on, or prohibitions against, the payment of dividends. The payment of future dividends, if any, will be reviewed periodically by the Company's board of directors and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and such other factors deemed by the board of directors to be relevant at the time.

6. DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorised to issue an unlimited number of common shares, without par value. As at December 31, 2015, there were 116,842,737 common shares issued and outstanding in the capital of the Company**.** The Company also had 9,233,469 stock options, 1,535,572 restricted share units and 20,141,835 share purchase warrants outstanding.

As of the Effective Date, the Company has 116,842,737 common shares issued and outstanding. Additionally the Company, as of the Effective Date has 8,933,466 stock options, 1,864,076 restricted share units and 20,141,835 share purchase warrants outstanding.

Rights and Restrictions Attaching to Common Shares

The common shares have attached thereto the following rights and restrictions, as provided in the Company's articles of incorporation:

a) Voting – The holders of the common shares shall be entitled to receive notice of and to attend and vote at all meetings of the members of the Company and each common share shall confer the right to one vote in person or by proxy at all meetings of the members of the Company, other than meetings of the holders of any other class of shares of the Company.

b) Dividends – Subject to the rights of shareholders holding shares with special rights to dividends, the directors may from time to time declare and authorize payment of such dividends as they deem advisable out of monies lawfully available for dividends to pay.

c) Liquidation, dissolution or winding-up – In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its members for the purposes of winding up its affairs, the remaining property and assets of the Company shall be distributed rateably to the holds of the common shares.

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7. MARKET FOR SECURITIES

7.1 Trading Price and Volume

The common shares of the Company are listed and posted for trading on the TSX Venture Exchange ("**TSXV**") under the symbol "EOX". Below are the high and low price and the volume of trading for the common shares of the Company on the TSXV on a monthly basis for each month of the year ended December 31, 2015.

Month (2015)	High (C$)	Low (C$)	Volume (#)
January	0.33	0.19	489,494
February	0.33	0.23	296,604
March	0.33	0.23	268,706
April	0.42	0.32	337,773
May	0.44	0.34	358,493
June	0.52	0.35	765,948
July	0.52	0.42	241,277
August	0.50	0.36	128,097
September	0.49	0.32	107,208
October	0.40	0.35	100,941
November	0.40	0.35	44,115
December	0.40	0.21	211,334

Source: TMX Infosuite

7.2 Prior Sales

Except as set forth below, no unlisted securities of the Company were issued during the financial year ended December 31, 2015.

Option Grants

During the year ended December 31, 2015, the Company granted an aggregate of 4,200,000 stock options in accordance with the option plan of the Company. On January 22, 2015 3,700,000 stock options and on August 25, 2015 400,000 stock options were awarded to directors and officers of the Company. A further grant of 100,000 stock options was made to a consultant of the Group on March 24, 2015

Restricted Share Units Grants

No restricted stock units ("**RSUs**") were granted by the Company during the year ended December 31, 2015.

Deferred Phantom Units Grants

During the year ended December 31, 2015, the Company granted 532,913 deferred phantom units ("**DPUs**") in accordance with the deferred phantom unit plan of the Company to non-executive directors of the Company in lieu of director fees. All DPUs issued only become payable in the event that a director ceases to hold any position within the Group and can only be settled in cash.

Warrants

On January 12, 2015, the Group granted 7,946,713 share purchase warrants the participants of a non-brokered private placement. The exercise price of each share purchase warrant is $0.40 and the warrants have an expiry date of January 12, 2020.

8. ESCROWED SECURITIES

To the Company's knowledge, no securities of the Company are held in escrow or are subject to contractual restrictions on transfer.

9. DIRECTORS AND OFFICERS

9.1 Name, Occupation and Security Holding

The following table sets forth the name and municipality and country of residence of each director and executive officer of the Company, their current position and office with the Company, their respective principal occupation during the five preceding years and the date on which they were first elected or appointed as a director or officer of the Company. The term of office for each director will expire at the next annual shareholders meeting of the Company in 2016.

Name, Office and Place of Residence[(1)]	Position with the Company (if any) and Principal Occupations during the Five Preceding Years[(1)]	Director or Officer Since
Steve Sharpe Director, President & Chief Executive Officer Resident of Woking, England	President & CEO of the Company since May 2012; Senior Vice President, Business Development of European Goldfields Limited, December 2010 to February 2012; Vice President, Business Development of European Goldfields Limited, July 2010 to December 2010; Managing Director, Canaccord Genuity Ltd., 2008 to 2010; Head of Project Finance, Ambrian Partners Ltd., January to June 2007.	May 2012
Varshan Gokool[(3)] Director and Chief Financial Officer Resident of London, England	Director and CFO of the Company since May 2012; Vice President, Treasurer of European Goldfields Limited, February 2010 to February 2012; Director, Treasury and Finance, Katanga Mining Ltd., 2006 to 2009.	May 2012
Patrick Forward[(3)] Director and Chief Operating Officer Resident of Kent, England	Director and COO of the Company since November 2012; Vice President, Projects & Exploration of European Goldfields Limited, November 2009 to February 2013; General Manager, Exploration of European Goldfields Limited, October 2004 to November 2009.	November 2012
Martyn Konig[(2)] Non-Executive Chairman Resident of Jersey, Channel Islands	Non-Executive Chairman of the Company since May 2012; Chief Investment Officer for T Wealth Management SA, the private family office for partners and senior management of the Trafigura Group, March 2013 to date; Non-Executive Director, Newgold Inc., February 2006 to date; President & Executive Chairman of European Goldfields Limited, August 2009 to February 2012; Chief Executive Officer, Blackfish Capital Management Limited, 2005 to August 2009.	May 2012

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Name, Office and Place of Residence[1]	Position with the Company (if any) and Principal Occupations during the Five Preceding Years[1]	Director or Officer Since
Randal Matkaluk[2] Non-Executive Director Resident of Calgary, Canada	Non-Executive Director of the Company since September 2010; Chief Financial Officer of Capio Energy Inc., July 2014 to date; Chief Financial Officer of Capio Exploration Ltd., February 2010 to June 2014; Chief Financial Officer and Corporate Secretary of Vigilant Exploration Inc., May 2008 to January 2010; Director of Triangle Petroleum Corporation, August 2007 to date; Director of Virtutone Networks Inc., October 2005 to September 2013.	September 2010
Tim Morgan-Wynne[2][3] Non-Executive Director Resident of London, England	Non-Executive Director of the Company since July 2012; Executive Vice President and Chief Financial Officer of European Goldfields Limited, June 2006 to February 2012.	July 2012
Bill Abel[3] Non-Executive Director Resident of Alderney, Channel Islands	Non-Executive Director of the Company since March 2015; Non-Executive Director of Alderney Electricity Ltd. from September 2014 to date; Non-Executive Director of Lydian International from September 2013 to date; Independent Mining Consultant, Abel Mining Consultants Ltd. from February 2013 to date; Head of Resource Planning, BHP Billion Iron Ore, Perth, Australia from March 2012 until November 2012; Technical Executive, Anglo American – Mining & Technology from September 2008 until December 2011; General Manager, Mining Projects, Arcelor Mittal, UK from September 2007 until August 2008.	March 2015
Raymond Threlkeld[3] Non-Executive Director Resident of Washington DC, USA	Non-Executive Director of the Company since March 2016; President and Chief Executive Officer of Rainy River Resources Ltd. from 2009 to 2013; Chief Operating Officer of Silver Bear Resources Inc. from 2005 to 2009; President and Chief Executive Officer of Western Goldfields Inc. from 2006 to 2009; From 1996 to 2005, Mr. Threlkeld held various senior management positions in precious metal mine development with Barrick Gold Corporation and Coeur d'Alene Mines Corporation including the development of the Pierina Mine in Peru, the Bulyanhulu Mine in Tanzania and the Veladero Mine in Argentina.	March 2016
Alan Baker Vice President, Project & Construction Manager Resident of Retford, England	Vice President, Project & Construction Manager of the Company since August 2015 and previously was: Project Manager for Red Eagle Mining Colombia, January 2013 to July 2015, Project Manager European Goldfields, Romania, March 2010 to December 2013, Project Manager Anatolia Minerals Turkey January 2008 to February 2010, Project Manager European Minerals May 2006 to December 2008, Project Manager Golden Star Resources, Ghana March 2005 to April 2006.	August 2015
Brett Ballintyne Vice President Finance & Financial Controller Resident of London, England	Vice President Finance & Financial Controller of the Company since December 2013; previously Financial Controller of the Company November 2012 to December 2013; Audit Senior Manager, KPMG Australia/UK, January 2011 to November 2012;	December 2013

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Name, Office and Place of Residence[1]	Position with the Company (if any) and Principal Occupations during the Five Preceding Years[1]	Director or Officer Since
Jana Nikodinovska Vice President Legal Affairs and Company Secretary Resident of Skopje, Macedonia	Vice President Legal Affairs & Company Secretary since June 2015; Manager Legal with TGS Technical Gases (SOL Group), June 2014 to May 2015; Junior Partner with Mens Legis Law Firm, June 2010 to May 2014.	June 2015

NOTES:

1. The information as to country of residence and principal occupation is not within the knowledge of the management of the Company and has been furnished by the respective director or officer.
2. Members of the Audit Committee and the Compensation Committee.
3. Members of Technical Committee.

As at the Effective Date, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 8,264,531 common shares, representing approximately 7% of the outstanding common shares of the Company. The foregoing information has been furnished by the directors and executive officers of the Company.

9.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, that:

a) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation (collectively, an "**Order**"), for a period of more than 30 consecutive days; or

b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or

b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver

manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

9.3 Conflicts of Interest

There are no existing or potential material conflicts of interest between the Company or a subsidiary of the Company and any director or officer of the Company or a subsidiary of the Company.

Certain officers and directors of the Company are officers and directors of, or are associated with, other natural mineral resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest from time to time. The directors are required by law, however, to act honestly and in good faith with a view to the best interest of the Company and its shareholders and to disclose any personal interest that they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

10. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Neither the Company nor any of its assets was a party to, or the subject of, any material legal proceeding during the financial year ended December 31, 2015, nor is the Company currently party to any material legal proceeding or contemplating any legal proceedings which are material to the business. From time to time, however, the Company may be subject to various claims and legal actions arising in the ordinary course of business. Management of the Company is not currently aware of any material legal proceedings contemplated against the Company.

During the financial year ended December 31, 2015, there have been no:

(a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority;

(b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or

(c) settlement agreements the Company entered into with a court relating to securities legislation or with a securities regulatory authority.

11. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There has been no transaction involving the Company or any of its subsidiaries within the three most recently completed financial years or during the current financial year that has or will materially affect the Company and its subsidiaries, taken as a whole, and in which the following persons or companies had a material interest, direct or indirect: (a) a director or executive officer of the Company; (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Company's outstanding voting securities; or (c) an associate or affiliate of any of the persons or companies referred to in (a) or (b).

12. TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the common shares of the Company is Computershare Investor Services Inc. located at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada, V6C 3B9.

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13. MATERIAL CONTRACTS

Set forth below are the particulars of every contract, other than a contract entered into in the ordinary course of business, that is material to the Company and its subsidiaries, and that was entered into within 2014, 2015 and up to the Effective Date:

1. A concession agreement for exploitation of minerals for Ilovica 6 dated July 24, 2012 between the Macedonian Government and Euromax Macedonia. The concession agreement was harmonized with the new Minerals Law currently in place by the signing of a new concession agreement on September 23, 2014.

2. A concession agreement for exploitation of minerals for the Ilovica 11 dated January 13, 2016 between the Macedonian Government and Euromax Macedonia.

3. A gold purchase and sale agreement dated October 20, 2014 between Euromax Resources (Macedonia) UK Limited, Euromax Resources (Macedonia) Ltd., Euromax Resources DOO Skopje and the Company and RGLD Gold AG and Royal Gold, Inc. as amended by First and Second Amendment (see "General Development of the Business – Year ended December 31, 2014 – *Financing*" and "General Development of the Business – Year ended December 31, 2015 - *Royal Gold Streaming Agreement*").

4. A subscription agreement dated December 9, 2014 between the Company and EBRD (see "General Development of the Business – Year ended December 31, 2015 - Non-brokered private placement of $7.874 million").

5. A project support agreement dated December 9, 2014 between the Company and EBRD (see "General Development of the Business – Year ended December 31, 2015 - Non-brokered private placement of $7.874 million").

6. An investor rights agreement dated December 9, 2014 between the Company and EBRD (see "General Development of the Business – Year ended December 31, 2015 - Non-brokered private placement of $7.874 million").

14. INTEREST OF EXPERTS

The following individuals are the qualified persons responsible for the preparation of the PFS from which certain technical information contained in this AIF has been derived:

(a) Robert Davies, BSc,CGeol, EurGeol
(b) Richard Hope, BSc, CEng MIMMM
(c) Hugh Browner, PrEng, MA, MBA, FSAIMM
(d) Dean David, FAusIMM, CP(Met)
(e) Berno Dippenaar, PrEng, BEng
(f) Pieter Zietsman, PrEng, BSc(Eng)
(g) Peter Critcher, PrEng, BEng
(h) Jeff White, CEng, PrEng, BEng
(i) Roger White, ARSM, BSc, MSc, CEng MIMMM
(j) Gareth Digges La Touche, MSc, FGS, CGeol, EurGeol

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(k) Angelo Papaioannou, BA, MCIWEM, FGS, CGeol

(l) Gavin Chamberlain, PrEng, BSc(Eng)

Mens Legis Law Firm has prepared a Title opinion in respect of the concession agreements, dated February 8, 2016, referred to above under 4.3 - Description of Ilovica Project in Macedonia and included as well in the FS.

Deloitte LLP, Chartered Accountants, who prepared an auditor's report on the annual financial statements of the Company for the years ended December 31, 2015 , 2014and 2013, have advised that they are independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

To the Company's knowledge, as at the Effective Date, the persons referred to above, as a group, beneficially owned, directly or indirectly, less than 1% of the Company's outstanding securities or of the securities of an associated party or an affiliate of the Company.

Mr. Patrick Forward, Director and Chief Operating Officer of the Company, who is a Qualified Person under NI 43-101 and who has reviewed the Company's disclosure of scientific or technical information in this AIF, holds 883,296 common shares of the Company, as well as options to subscribe for 1,358,100 common shares, as granted under the Company's share option plan effective May 27, 2010 (as amended from time to time). In addition, Mr. Forward has been granted 415,650 restricted share units under the Company's restricted share unit plan dated March 11, 2013, all of which remain unvested.

15. AVAILABILITY OF ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com or on the Company's website at www.euromaxresources.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorised for issuance under equity compensation plans is contained in the Company's management proxy circular for its most recent annual meeting of shareholders.

Additional financial information is provided in the Company's financial statements and management's discussion & analysis for its most recently completed financial year.

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