

January
February
March
2015



Euromax RESOURCES

It has been a very busy few months since our last newsletter as we have been hard at work completing the First Amendment to the Gold Purchase and Sale Agreement and closing the initial stage of the first transaction made by Royal Gold.

Meanwhile, Golder Associates works closely with the local specialists to ensure the Environmental and Social Impact Assessment meets both national and international guidelines and standards.



Certificate of Appreciation
awarded to Euromax Resources,
the Corporate Partner
of Macedonia 2025



Steve Sharpe, CEO

**“I would like to make
Skopje the Balkan centre
for mining expertise”**

During this period, the Mayor of Municipality Bosilovo, Ljupco Kolev, the Mayor of Municipality Novo Selo, Blazo Velkov, the director of JPKD Ograzhden held a business meeting with the executive director of Euromax Resources, Steve Sharpe as well as representatives of the company that has the concession for the copper and gold mine Ilovitza.

At the meeting the executive director of Euromax informed the mayors of the municipalities where the concession expands about the ongoing activities and the present conditions at Euromax while the other representatives presented the future activities that the company is to undertake.

It was said that several studies from the social area and the environment are to be implemented and are being implemented and in future these will be presented before the citizens of the two municipalities.

A couple of weeks later, in the municipality of Novo Selo, a working meeting was held between representatives of Euromax Resources, representatives of the consulting firm Golder Associates from the UK and the mayor of the municipality of Novo Selo, Blazo Velkov, the municipal administration, and other stakeholders from Novo Selo municipality.

The consultants at the meeting presented the Ilovitza copper and gold project which is located in the municipalities of Bosilovo and Novo Selo, introduced the team working on the ESIA, apprised them of the way in which the assessment will be conducted, during which they exchanged a lot of information and remarks aimed at conducting a quality assessment.

The team of consultants from Golder Associates and the representatives of Euromax Resources in the coming days will hold several meetings with different groups of citizens or stakeholders.

Environmental and Social Impact Assessments Team

An ESIA is an assessment of the potential social and environmental impacts of a project and the permit to construct and operate the mine and the funding of the project is dependent on the project design and the robustness of the ESIA and the environmental and social management measures described.

The team that takes the ESIA responsibility:

Golder Associates is a global organisation providing consulting, design, and construction services since 1960. Specialised in Environmental and Social Impact Assessments (ESIA) for mining companies to international and national guidelines/standards to lender and regulator requirements. Golder Associates has been contracted by Euromax to conduct the ESIA and baseline data gathering for the proposed Ilovitza Copper-Gold Project.

Schlumberger Water Services, contracted by Euromax to conduct the surface water, groundwater and geochemistry impact analysis and baseline data gathering and to provide input to the engineering studies on water supply and management.



Socio-economic survey

Euromax Resources in cooperation with Golder Associates (probably the most respected firm of environmental and social experts in the World) conducted a socio-economic survey in the period from 30 March to 3 April.

To comply with the local community, in this project participated 6 teams from Goce Delchev University in Strumica, Department of Agriculture. The survey intended to create a demographic and agricultural profile of the residents of Ilovitza and Shtuka.

Community response has been very good and we are very grateful for the support of those who participated.

Ilovitza copper & gold project presented in front of Novo Selo Administration



Local Information Centre
Ilovitza 220a
Municipality of Bosilovo

Ilovitza Project Stakeholder Engagement

The fundamental principle of stakeholder engagement is for stakeholders to have meaningful input in the early stages of the ESIA.

Euromax is committed to meaningful engagement with stakeholders regarding its plans for the Project and to working closely with affected stakeholders, local communities and municipal governments throughout the ESIA process and for the life of the Project (construction, operations and closure). Dedicated to providing accurate information in an open, honest and respectful manner, Euromax welcomes public input and, where appropriate, will incorporate it into the ESIA and Project design.

Euromax have undertaken a number of meetings with national level stakeholders during the initial stages of the project. Recent meetings have included a meeting with the Prime Minister of Macedonia and with the Directorate for Impact Assessment within the Ministry of Environment. Euromax understand the importance of providing information and opportunity for discussion with stakeholders and will continue to hold these meetings and provide project updates through a number of communication channels.

Ilovitza and Shtuka are likely to be most affected by the Project, (e.g. water, visual, noise, air). However these two villages would also capture project benefits such as direct community investments, employment and perhaps will see some other economic benefits from Project procurement and spending.

Strumica will also benefit from the Project: secondary schools, supply stores, factories, restaurants, and hotels are mostly located in Strumica.

Stakeholders within the outreach area may experience direct effects (either adverse impacts or and/or benefits) from the Project.

Accordingly, the stakeholder engagement plan will be designed to reach a wide variety of potential stakeholders. as: Government departments, Farmer's Association, Forestry Company, Land Owners, Health services, Youth Council, Religious organisation, Education sector, Emergency Response Departments etc.

Stakeholder engagement activities occur throughout the course of the ESIA, with public and face to face meetings supported by ongoing communications and information distribution. All stakeholder engagement materials will be written in Macedonian or presented in spoken Macedonian at meetings or public events.

For the baseline period, two rounds of stakeholder engagement activities are proposed: round one (March/April 2015) which introduces the Project and the ESIA process and round two (September 2015) as a report back on the results of baseline studies.

A third round will occur during the impact assessment stage of the ESIA and will provide an opportunity to explain the results of the baseline studies, impact assessment and proposed mitigation measures.

Currently we are still in the planning stages for the project and the data collection for the baseline study. These activities will continue throughout 2015 and the impact assessment will be completed at the end of the year once the project design is completed.

Euromax and Golder will be conducting further meetings with members of the public and other stakeholders in September 2015 to present the findings of the baseline study and to describe the next steps for the project. We will also be holding further meetings early in 2016 once the impact assessment has been completed, to describe the impacts that were identified and how we will minimise and manage these impacts.

We will provide you with information as it becomes available and will provide an opportunity to raise any questions related to the project, the environmental and social studies.

What is the benefit for Republic of Macedonia from our investment?

We have made our London staff redundant and filled those posts with talented young Macedonians in Skopje, to whom we made a personal commitment in terms of their training, so that they become skilled in the running of Macedonian head-quartered "international" company.

The current phase of research includes significant contracts with Macedonian groups including the universities in Skopje and Shtip, a surveying company, and ecological research companies. On site, our technical team has expanded this year from 13 employees to 19 employees, in order to deal with the more intense work we are undertaking. All on-site employees are Macedonian.

We expect that around 400-500 employees will be needed for the operation of the mine.

The tangible benefit for the Republic of Macedonia nationally, will be a 2% rise in GDP, once the mine is in production in 2017 and maintained for some 23 years. The vast majority (98%+) of the staff we employ when we start construction will be Macedonian - this will not only mean the direct employment of at least 400 Macedonian people locally at significantly above the average National wage, but a multiplier effect conventionally estimated at 4-5 x to the local economy in terms of ancillary businesses and services etc.

The vast majority of this employment, will start from the Autumn of 2016, once we have received our Permits and start construction and operation of the mine. At the time of construction (September 2016) and during operation, the supply of steel, cement, fuel, and power will be very significant contracts and will be with Macedonian companies. As an example it is estimated that we will consume some 17 million litres of fuel per year during operation.

Impacts to water, air and land

Through the impact assessment process, management, and monitoring, Euromax are committed to preventing negative impacts to the local environment.

*Regarding **water**, the current design of the project creates a closed system on the site which prevents any water leaving the site without going through a management system which includes settlement ponds and testing for water quality. Any water that exceeds limits will be kept on site and put through further treatment.

*Regarding **air and land**, there was concern regarding dust and other pollutants from the site becoming airborne and polluting the local environment (including agricultural land). We know from chemical testing that the rocks that will be extracted during mining do not contain any heavy metals or chemicals of concern that could pollute the environment. In addition, measures will be implemented to limit dust and air pollution from leaving the site, including the use of water to prevent the spread of dust.

At this stage, we are still conducting the studies to determine the current state of the environment (baseline studies). We do yet have all of the final data; this information will be available in early 2016. However, we are committed to limiting impacts and will pass on the questions raised by the community to the environmental and social specialists so that these issues can be considered and addressed in the ESIA.

How will the Ilovitza project be different from the other mines in Macedonia that have had a negative impact on the local environment?

The Ilovitza project is taking a proactive approach to designing the mine and preventing negative impacts to the local environment. We are doing a broad range of studies of the local environment and communities and will be able to predict potential negative impacts. Once we have identified impacts, Golder and Euromax will work together to avoid or minimise the impacts to reduce these to an acceptable level. We will also develop management plans that set limits to any pollution from the mine and require a response if these are exceeded.

Throughout the operations of the mine, Euromax will continue to monitor the environmental components to ensure that the limits are not exceeded or to initiate a response if required. By taking these actions, there should be no permanent negative impacts to the local environment or community. There will of course be changes – there will be a change to the landscape of the hill above Ilovitza and developments to local infrastructure – however the objective of the environmental and social impact assessment is to prevent any significant negative impacts and to identify opportunities for the project to have positive impacts for the local environment and communities.

Euromax in Ilovitza

300 million euros
annual export

Interview for Kanal 5



300 million EUR from export at an annual basis in the next 23 years, Euromax plans, the company that will invest in the the copper and gold mine Ilovitza. Chairperson and executive manager Steve Sharpe in an exclusive interview for Kanal 5 states that the entire company is to be moved from London to Macedonia.

“So far we have invested in 25 mines throughout the world. We received strongest support from Macedonian institutions” - says Sharpe in the interview for Kanal 5

[Click here to watch the interview](#)

**For more information,
please visit our websites:**

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www.euomax-ilovitza.mk

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Financial Results

Euromax Resources Ltd. - **12th January 2015** - has closed the non-brokered private placement previously announced on 9 December 2014 and as a result of that, the EBRD holds 19.99% of the Company's issued and outstanding share capital on an undiluted basis.

3rd March 2015 - Euromax Resources Ltd. together with its wholly-owned subsidiaries Euromax Resources (Macedonia) UK Limited, Euromax Resources (Macedonia) Ltd and Euromax Resources DOO Skopje, announced that further to its announcement of 21 October 2014 whereby they entered into a US\$175 million Gold Purchase and Sale Agreement (“Agreement”) with RGLD Gold AG and Royal Gold, Inc. they have entered into a First Amendment to the Gold Purchase and Sale Agreement and closed the initial stage of the transaction allowing receipt of US\$ 3.75 million as a portion of the initial payment of US\$ 7.5 million to be made by Royal Gold on the satisfaction of certain conditions precedent to closing specified in the Agreement.

VANCOUVER, BRITISH COLUMBIA (Marketwired - March 24, 2015)

Euromax Resources Ltd. announced that Mr. Bill Abel has been appointed as a director of the Company as a nominee of the European Bank for Reconstruction and Development, a significant shareholder of the Company.

Euromax Resources Ltd. was also pleased to announce that the remaining US\$ 3.75 million of the US\$ 7.5 million initial payment under the Royal Gold Sale and Purchase Agreement has now been funded, following the Company's satisfaction of the remaining conditions precedent specified thereunder, including the submission of a formal request to the Macedonian authorities to allow the grant of a security interest to Royal Gold over the Ilovitza Exploitation Concession.

“We are delighted with the pragmatic approach that Royal Gold has shown in facilitating the First Amendment of the Gold Purchase and Sale Agreement and the initial funding of US\$ 3.75 million, as not only does it show good faith and a true partnership, but it also reflects a clear understanding and recognition of our overall financing plan.” - **Varshan Gokool, CFO**

