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Euromax RESOURCES

Project Finance

We are pleased to announce the signing of a Mandate Letter for a USD 215 million Project Finance Facility for the development of the Ilovica Project with Société Générale, UniCredit Bank AG and Unicredit Bank Austria AG as chief lenders. The Facility is supported by the German Untied Loan Guarantee Scheme (UFG - Untied Loan Guarantees of the Federal Republic of Germany) on the basis that Euromax signs an agreement with a German owned smelter for offtake of copper concentrate.

A Mandate Letter and Term Sheet are also executed with Caterpillar Financial ("Cat") to arrange an Equipment financing Facility for up to USD 25 million, to finance any Cat equipment, which will be mainly mining trucks, purchased for the Ilovica Project in Macedonia. The UFG Support, Project Facility and Equipment Facility are based on the results of the Pre-Feasibility Study for the Ilovica Project, announced by Euromax Resources ("Euromax") in June 2014 and is designed to finance the Ilovica Project alongside the USD 175 million Gold Streaming Agreement with Royal Gold announced in October 2014.

This is a very important step that enables us to run the due diligence process in parallel with the process of preparing the Definitive Feasibility Study.



Commenting on this announcement, Varshan Gokool, CFO of Euromax, said:

"The signing of these Mandate Letters in combination with the UFG Support is a significant milestone in our financing plan and shows strong debt appetite for the Ilovica project. These combined with the Royal Gold Agreement provide for USD 400 million of the funding towards the construction of Ilovica."



Environmental & Social Baseline Activities

Local Activities

During March and April, our ESIA team supported by our consultant company, Golder Associates, carried out the baseline activities such as: Socio-economic survey in Ilovica and Shtuka, Stakeholder engagement presentations, Focus group meetings and Key informant interviews.

The socio-economic survey was conducted from March 30 - April 3 2015 in cooperation with students from "Goce Delchev" University in Shtip and the local municipalities were well informed of that. The purpose of the survey was to obtain community-specific data on the demographic composition and economic and agricultural activities of the villages of Ilovica and Shtuka, the closest communities to the site. This information will be used to create demographic and agricultural profiles of each community, and will be included in a report on the socio-economic baseline conditions in the region near the Project "Ilovica".

The details from the survey will be presented according to the laws and regulations of the Republic of Macedonia and the international regulatives in Environmental and Social Impact Assessment (ESIA) study.

Over the past two months, Euromax has undertaken a number of meetings in order to inform the representatives of the municipal administration about the ongoing

and future activities including the current studies in the social and environmental area.

In April, the education focus group meeting was held with representatives of the technical secondary school in Strumica. A lot of information about this school was gathered, such as: class size, equipment, quality of facility, graduation rates, education options etc.

As part of the environmental baseline activities, a meeting was also held with a representative of the municipality of Novo Selo where the main discussion topic was the water supply system in the village of Sushica.

It was discussed about the sources of potable and irrigation water, the village wells and how people use the water. Based on the information that was collected during this meeting, our environmental team established the water points where samples should be taken for the needs of the water baseline. As part of

the social baseline study, a key informant interview with the hunting association of Bosilovo was also conducted.

The purpose of this meeting was to collect information needed for the social baseline report and to see if there are any concerns by this group regarding the project.

Meeting with the Mayor of Bosilovo

At the beginning of May, the Mayor of Municipality of Bosilovo, Ljupco Kolev, welcomed the representatives of Euromax.

Mr. Kolev was pleased that Euromax, as a company, shows very professional approach and keeps them informed about the activities and the project development in a timely manner.

We are continuously looking for opportunities where we can make lasting contributions and show the biggest support to the local community.



Information Centre

People expressed a lot of interest for the latest developments in the Ilovica project and the number of visitors to the Information Centre increased significantly over the course of this month. Most of the visitors were interested to hear about the community investments of Euromax and about the employment opportunities that the local population would have.

We encourage all the residents of the local communities to visit the information centre in order to stay informed about our latest activities.



New Board Member

In April, we warmly welcomed our new member of the Board of Directors, Mr. Bill Abel, who was appointed as an additional non-executive director in March. He was a nominee of our significant shareholder, the European Bank for Reconstruction and Development (EBRD).

Mr. Abel was pleased to meet the team in Skopje and Strumica and also had the opportunity to visit Ilovica.

Mr. Abel is a mining engineer with more than 40 years of professional experience, specialising in operations, management and project development and implementation. For more details please click [here](#) (Announcement **24th of March 2015**).

Mr. Abel has a Master's degree in business administration from the Witwatersrand University School of Business Management and a Bachelor of Science (Hons) degree in mining engineering from the Royal School of Mines, Imperial College in London England. Mr Abel is a registered professional engineer and a Fellow of the the Southern African Institute of Mining and Metallurgy.



For more information, please visit our websites:

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Corporate Responsibility

Our people are our greatest asset, we continuously invest in our employees' careers and ensure their interests remain focused on the long term and closely aligned with our corporate strategy and culture.

Euromax Resources ("Euromax") is a great supporter of young professionals and talent development programs, therefore this month we supported the Leader Project - education program organized by Macedonia 2025. The Leader Project is a unique program that originates from the Richard Ivey School of Business, which is part of University of Western Ontario - one of the top ranked business schools in North America.

Steve Sharpe, President and CEO of Euromax, who is patron of this educational initiative, spoke at the opening of the Leader Project in Skopje and encouraged more than forty participants to *"embrace the opportunity that they are given by renowned education leaders, have an open mind and soak it all in."*

