

## Our Company

Euromax Resources is a development and exploration company with its principal gold and copper asset in Macedonia.

The Company is focused on developing the Ilovica project for the benefit of all stakeholders.



## Ilovica Project

The Ilovica project, which is the Company's flagship asset, is a large copper-gold porphyry deposit. The project has an Environmental Impact Study (EIS) approved by the Macedonian Government and has been granted an Exploitation Concession. However, after more detailed work there have been modifications and improvements to the project design since the EIS was approved, so a new Environmental and Social Impact Assessment (ESIA) process has been initiated to assess these changes. This will also make sure the Company and the project comply with local permitting requirements and with the International Finance Corporation (IFC) and other international guidelines to help secure funding.

Ilovica is the first greenfield investment in the mining industry in Macedonia. The mine should start operations in 2017 and will use the latest technology and local human resources in its construction and development. The total investment in the mine will be 500 million USD and 350-400 people will be employed.



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## What is the Environmental and Social Impact Assessment Process?

According to the laws and regulations of the Republic of Macedonia, each new mining project needs to be subject to an Environmental and Social Impact Assessment (ESIA) Process. At each stage of the ESIA process we illustrate the science and technology behind the studies and how they are linked to the planning and design of the mine.



<http://euromax-ilotitza.mk>

## Description of the Project

Euromax intends to operate the Ilovica mine as an open pit, from which the ore will be extracted, transported to a processing plant and crushed in a mill before being subject to flotation which removes the copper and gold bearing minerals from the ore in to a concentrate, and leaching which extracts further gold from the rest of the ore. The copper concentrate will be transported away from the site in trucks, probably to an existing smelter in Bulgaria. The gold leachate will be processed on site to produce doré bars.

Once the copper and gold has been removed from the finely ground ore, the resulting rock slurry or tailings will be disposed of in a carefully engineered storage facility to which the highest standards of design will be applied. Waste rock produced during the extraction of the ore will be used to construct the tailings storage embankment so that all of the waste rock and tailings are stored in one location.

## Euromax approach

As well as complying with Macedonian legislation, Euromax has committed to complying with international best practice in mining and environmental assessment. This will involve an in depth study of the environmental and social issues pertaining to the project and of the potential effects that the mine could generate during construction, operation and closure. These potential effects will be presented in an ESIA along with mitigation measures and management processes, which will be tailored to the project to minimize any impacts and maximise benefits.

Euromax have appointed two teams of internationally recognised consultants to assist them prepare the ESIA. Golder Associates have been appointed to address the environmental and social issues and Schlumberger Water Services (SWS) have been appointed to address the water issues. Both teams are working with Macedonian scientists and engineers to provide essential local expertise.

## Baseline studies

The baseline studies for the ESIA usually last for up to a year, to capture seasonal variations in flora, fauna, air quality, surface water, and ground water. Some baseline surveys at Ilovica have been underway since late-2013 and others will be conducted over the coming six months (to mid-2015).

These studies involve small teams of scientists and technicians coming to site at different intervals to take measurements, make observations and collect samples. You may see the teams in the hills above Ilovica and Shtuka and also in the villages and surrounding areas.

Euromax will always keep the local communities, via the Mayors of Bosilovo and Novo Selo, informed of when the specialists are coming to site, and what they are doing. From time to time, they may request access to private property for the purpose of taking samples from, for example, wells and boreholes. This is in order to establish the current baseline conditions, prior to any mining project being developed.

## Impact assessment

Once the baseline studies are complete, the teams will work with the engineers designing the mine and associated infrastructure to understand the specific characteristics of the project, and predict the potential effects. Where possible, potential effects will be avoided by changing design aspects of the project. If the effects cannot be avoided, they must be mitigated to minimize impacts, usually through engineering design.

Once the ESIA report is finalised, Management Plans are developed for the construction, operation and closure phases, to ensure that the mitigation and management measures are implemented throughout the life of the mine and following closure.

## Community consultation

Euromax has identified local communities, businesses, local and regional authorities, NGOs and national groups as stakeholders in the project. A series of meetings to present the mining project and the ESIA process are planned, both to explain the project and the ESIA to the communities and also to understand the concerns and queries of the communities and other stakeholders.

Euromax, Golder Associates and SWS will be meeting with various groups over the following months to discuss the project and the ESIA. 'Open house' public meetings will be held in September 2015 to enable members of the public to hear about the findings of the baseline study and ask any questions or make comments on the project. A formal Public Hearing will be held in due course as part of the local approvals process.

Up to date project information is also available from the Euromax Information Centre in Ilovica and from the local Euromax website in both Macedonian and English. All questions, comments and concerns raised will be recorded and, as far as possible, addressed during the ESIA or project design process.

## Programme

The next phase of baseline studies will occur from March to August 2015. The impact assessment will then be prepared during Q3 and Q4 2015. The Feasibility Study will be developed throughout the same period.

The local EIA will need to be approved in order to obtain a Construction Permit for the whole project. The international ESIA will also be developed in order for Euromax to raise the necessary funds to build the project. Projects of this nature typically take up to 2 years to build, once the funding is in place. Then the mine will begin operating; currently, the mine life is estimated to be around 23 years.