Condensed Consolidated Interim Financial Statements of

Euromax Resources Ltd.

September 30, 2012

UNAUDITED

NOTICE

The accompanying unaudited condensed consolidated interim financial statements of Euromax Resources Ltd. (the “Company”) have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

Euromax Resources Ltd.

Condensed consolidated interim statements of financial position

(Expressed in Canadian dollars)

	Note	September 30, 2012	December 31, 2011
		$	$
ASSETS			
Current			
Cash and cash equivalents		6,013,897	2,022,188
Trade and other receivables		1,064,919	776,112
		7,078,816	2,798,300
Non-current assets			
Restricted cash		150,876	114,608
Value added tax receivable		410,758	210,328
Equipment		200,108	147,561
Unproven mineral right interests	5, 8	14,191,106	11,456,954
		22,031,664	14,727,751
LIABILITIES			
Current			
Trade and other payables	8	1,042,424	529,507
		1,042,424	529,507
EQUITY			
Share capital	7	50,825,546	41,121,784
Equity reserve	7	5,913,310	4,532,558
Deficit		(34,686,807)	(31,044,769)
Accumulated other comprehensive loss		(1,062,809)	(411,329)
		20,989,240	14,198,244
		22,031,664	14,727,751
Nature of operations	1		
Subsequent event	10		

Approved on behalf of the Board of Directors

"Steve Sharpe"
Steve Sharpe, Director

"Tim Morgan-Wynne"
Tim Morgan Wynne, Director

See accompanying notes to the condensed consolidated interim financial statements.

Euromax Resources Ltd.

Condensed consolidated interim statements of loss and comprehensive loss

(Expressed in Canadian dollars)

	Note	Three months ended September 30, 2012	Three months ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011
		$	$	$	$
Expenses					
Accounting, legal and professional	8	207,909	66,326	635,705	136,006
Depreciation		22,775	17,042	59,767	56,262
Office and general		268,003	56,963	449,110	180,031
Regulatory, filing and transfer agent		5,354	2,114	70,728	25,850
Rent		55,994	17,565	111,917	57,161
Salaries, director and management fees	8	563,263	393,156	1,477,162	879,401
Share-based payment	7	153,191	168,560	571,602	852,512
Shareholder communications and investor relations		53,243	73,520	193,983	193,895
Travel		44,508	66,518	196,909	172,020
Loss on foreign exchange		59,864	9,974	24,466	11,293
		1,434,104	871,738	3,791,349	2,564,431
Loss before other items		(1,434,104)	(871,738)	(3,791,349)	(2,564,431)
Other items					
Loss on sale of unproven mineral right interests		(167)	-	(5,595)	-
Other income		134,746	12,058	154,906	87,601
Net loss		(1,299,525)	(859,680)	(3,642,038)	(2,476,830)
Other comprehensive (loss) income:					
Cumulative translation adjustment		(360,549)	394,920	(651,480)	577,311
		(360,549)	394,920	(651,480)	577,311
Comprehensive loss		(1,660,074)	(464,760)	(4,293,518)	(1,899,519)
Loss per common share:					
Basic and diluted		(0.01)	(0.01)	(0.02)	(0.02)
Weighted average number of common shares outstanding					
Basic and diluted		209,961,085	147,900,442	183,191,111	142,594,178

See accompanying notes to the condensed consolidated interim financial statements.

Euromax Resources Ltd.

Condensed consolidated interim statements of cash flows

(Expressed in Canadian dollars)

	Nine months ended September 30, 2012	Nine months ended September 30, 2011
	$	$
OPERATING ACTIVITIES		
Net loss	(3,642,038)	(2,476,830)
Items not involving cash		
Depreciation	59,767	56,262
Share-based payment	571,602	852,512
Loss on sale of unproven mineral right interests	5,595	-
Changes in non-cash working capital items:		
Increase in trade and other receivables	(294,890)	(44,188)
Increase (decrease) in trade and other payables	512,917	(27,595)
	(2,787,047)	(1,639,839)
INVESTING ACTIVITIES		
Restricted cash deposits	(36,268)	(51,147)
Purchase of equipment	(115,270)	-
Value added tax credits	(200,430)	-
Proceeds from sale of unproven mineral right interests	1,450,972	-
Expenditures on equipment and unproven mineral right interests	(4,741,316)	(3,127,021)
	(3,642,312)	(3,178,168)
FINANCING ACTIVITIES		
Issue of common shares for cash, net of issue costs	9,994,938	7,601,625
Exercise of warrants	144,224	-
Exercise of share options	373,750	312,150
	10,512,912	7,913,775
Effect of exchange rate changes on cash	(91,844)	239,542
Net change in cash and cash equivalents	4,083,553	3,095,768
Cash and cash equivalents, beginning of the period	2,022,188	1,252,773
Cash and cash equivalents, end of the period	6,013,897	4,588,083
Supplemental cash flow information (Note 9)		

See accompanying notes to the condensed consolidated interim financial statements.

Euromax Resources Ltd.

Condensed consolidated interim statements of changes in equity

(Expressed in Canadian dollars)

	Note	Share capital Number of shares	Amount	Equity Reserve	Deficit	Accumulated Other Comprehensive (Loss) Income	Total Equity
			$	$	$	$	$
Balance on January 1, 2011		124,110,442	34,061,257	2,748,112	(27,559,405)	(500,228)	8,749,736
Common shares issued for:							
Financing, net of issue costs	7	22,500,000	6,478,677	1,222,948	-	-	7,701,625
Exercise of share options	7	1,290,000	581,850	(269,700)	-	-	312,150
Share-based payment	7	-	-	852,512	-	-	852,512
Net loss		-	-	-	(2,476,830)	-	(2,476,830)
Cumulative translation adjustment		-	-	-	-	577,311	577,311
Balance on September 30, 2011		147,900,442	41,121,784	4,553,872	(30,036,235)	77,083	15,716,504
Balance on January 1, 2012		147,900,442	41,121,784	4,532,558	(31,044,769)	(411,329)	14,198,244
Common shares issued for:							
Financing, net of issue costs	7	59,300,666	8,737,253	1,257,685	-	-	9,994,938
Exercise of share options	7	2,875,000	714,117	(340,367)	-	-	373,750
Exercise of warrants	7	901,400	252,392	(108,168)	-	-	144,224
Share-based payment	7	-	-	571,602	-	-	571,602
Net loss		-	-	-	(3,642,038)	-	(3,642,038)
Cumulative translation adjustment		-	-	-	-	(651,480)	(651,480)
Balance on September 30, 2012		210,977,508	50,825,546	5,913,310	(34,686,807)	(1,062,809)	20,989,240

The total of deficit and accumulated other comprehensive loss for the nine months ended September 30, 2012 was $4,293,518 (September 30, 2011: $1,899,519).

See accompanying notes to the condensed consolidated interim financial statements.

1. Nature of operations

Euromax Resources Ltd. (“Euromax”) is a gold exploration and development company with three projects in south-eastern Europe and the objective of becoming a world-class player in the European gold sector.

These condensed consolidated interim financial statements include the accounts of Euromax and of its wholly-owned subsidiaries (collectively, the “Company”): Euromax Resources UK (Services) Limited, Euromax Resources (Macedonia) Ltd., Omax International Limited, Martern EOOD, EOX Services EOOD, Euromax Macedonia Dooel Skopje, PDV Dooel Skopje and South Danube Metals doo Beograd.

The Company operates in one segment being the exploration and development of mineral right interests.

The Company is in the process of exploring its mineral right interests in Macedonia, Bulgaria and Serbia and at the date of these condensed consolidated interim financial statements, has not yet determined whether any of its mineral properties contain economically recoverable mineral reserves. Accordingly, the carrying amount of mineral right interests represents cumulative expenditures incurred to date and does not necessarily reflect present or future values. The recovery of these costs is dependent upon the discovery of economically recoverable mineral reserves and the ability of Euromax to obtain the necessary financing to complete their exploration and development and to resolve any environmental, regulatory, or other constraints.

Uncertainty also exists with respect to the recoverability of the carrying value of certain mineral properties. The ability of the Company to realize on its investment in resource properties is contingent upon resolution of the uncertainties and confirmation of the Company’s title to the mineral properties.

These condensed consolidated interim financial statements have been prepared on a going concern basis. The Company does not generate cash flows from operations and accordingly, Euromax will need to raise additional funds through future issuance of securities. Although Euromax has been successful in raising funds in the past, there can be no assurance Euromax will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. The Company has not determined whether any of its properties contain mineral reserves that are economically recoverable. It is not possible to predict whether financing efforts will be successful or if the Company will attain a profitable level of operations. These factors may cast significant doubt regarding Euromax’s ability to continue as a going concern. Since inception, the Company has incurred cumulative losses of $34,686,807 as of September 30, 2012 (December 31, 2011 - $31,044,769) and expects to incur further losses in the development of its business. Should Euromax be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts on the statements of financial position.

These condensed consolidated interim financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated.

Euromax’s common shares are listed on the TSX Venture Exchange under the trading symbol “EOX” and on the OTCQX stock exchange in the United States, under the trading symbol “EOXFF” and currently as “EOXFD”. Euromax’s share options and warrants are not listed.

The head office and principal address of the Company is located at 1950-400 Burrard Street, Vancouver, B.C., Canada V6C 3A6.

These condensed consolidated interim financial statements were authorized for issue by the Company’s Board of Directors on November 8, 2012.

2. Basis of preparation and statement of compliance

The Company is following the same accounting policies and methods of computation in these condensed consolidated interim financial statements as were utilized in the preparation of the audited consolidated financial statements for the year ended December 31, 2011.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2011, which have been prepared in accordance with IFRS as issued by the IASB.

3. Accounting policies

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements for the year ended December 31, 2011.

5. Unproven mineral right interests

The Company is currently engaged in exploring mineral properties in Macedonia, Bulgaria and Serbia.

(a) MACEDONIA

On July 11, 2007, the Company acquired an option to earn a 100% interest in nine properties in Macedonia. Under the terms of the option agreement, the Company paid US$500,000 and issued 100,000 common shares in order to acquire this option. In order to exercise the option, the Company completed a US$1.5 million exploration program over 3 years. The vendor retained a back-in right on the property and in February 2012 elected not to exercise this right. As a result, Euromax, through a wholly-owned subsidiary, now owns a 100% interest in the Macedonian properties.

These properties are held pursuant to an Exploration Permit ("Permit") granted by the Ministry of Economy. These Permits have an initial term of four years with a right to extend the term under certain circumstances. In the event of an economic discovery on a Permit, the Company has the right to apply for an Exploitation Concession Agreement (the "Exploitation Concession") for an initial term of 30 years.

5. Unproven mineral right interests (continued)

(a) MACEDONIA (continued)

Ilovitza

The Ilovitza property consists of 2 permits, Ilovitza 11 (formerly known as Ilovitza 4) and Ilovitza 6. The Ilovitza 11 permit was re-issued on February 21, 2011. The Ilovitza 6 permit was extended until May 31, 2011. In July 2012, the Company was granted an Exploitation Concession for the exploitation of mineral resources at Ilovitza 6. The Exploitation Concession was granted under the rules and regulations of the Law of Mineral Raw Materials in Macedonia, has an initial term of 30 years and is subject to royalties of 2% of the market value of metal contained in concentrate.

On October 24, 2012, the Company announced that the Ministry of Environment and Physical Planning in Macedonia had formally gazetted the Ilovitza Environmental Impact Study ("EIS") and that after the requisite time period post gazetting the Ilovitza EIS is now formally approved under Macedonian law. Also on this date, the Company announced its NI 43-101 Preliminary Economic Assessment ("PEA") for Ilovitza.

(b) BULGARIA

The Company currently owns a 100% interest in Trun, a Bulgarian property held pursuant to an exploration licence ("Licence") issued by the government of Bulgaria. The Licence has an initial term of three years with a right to extend the term up to eight years under certain circumstances. In the event of an economic discovery on a Licence, the Company has the right to obtain a mineral concession ("Concession"). The term for a Concession is for the necessary period to extract the mineralization discovered but generally runs from 35 to 50 years.

In the quarter ended June 30, 2012, the Company sold a wholly-owned subsidiary that held the mineral rights to the Breznik and Rakitovo properties.

Trun

The Trun Licence was granted pursuant to an agreement entered into between the Ministry of Environment and Water of Bulgaria (the "Ministry") and the Company, dated July 7, 2004. This Licence covers an area of 67 square kilometres. In order to maintain this Licence in good standing, the Company completed work programs approved by the Ministry. During the quarter ended June 30, 2012, the Company submitted a commercial discovery certificate application for Trun, following the same process as for the Breznik commercial discovery certificate application submitted in 2011.

Breznik and Rakitovo

On April 19, 2012, the Company sold its wholly-owned subsidiary Thrace Resources EOOD ("Thrace") to a private company. The Breznik and Rakitovo properties were held in Thrace. Consideration for the sale of Thrace will total $3.5 million, if certain milestones are achieved, and a 1.5% net smelter return royalty on the first 330,000 ounces of gold and 970,000 ounces of silver produced at the Breznik property. An initial payment of $1,450,972 was received by the Company in April 2012. In connection with the sale of Thrace, the Company recorded a loss on sale of unproven mineral right interests of $5,595.

(Unaudited and expressed in Canadian dollars, except number of shares and per share amounts)

5. Unproven mineral right interests (continued)

(c) SERBIA

On July 11, 2007, the Company acquired an option to earn a 100% interest in five properties in Serbia. Under the terms of the option agreement, the Company paid US$100,000 and issued 2.4 million common shares in order to acquire this option. In order to exercise the option, the Company completed a US$1.5 million exploration program over 3 years. The option agreement was amended on June 6, 2008 to add the Karavansalija ("KMC") property by payment of US$50,000 and the issuance of 2.5 million common shares. The KMC project was subject to certain back-in rights. In July 2011, the option agreement was amended and the optioner agreed to forego its option to acquire a 70% interest in the KMC property in exchange for a 2% net smelter return royalty on gold, and a 1.5% net smelter return royalty on all base and precious metals other than gold, extracted from the KMC property.

The Company, through a wholly owned subsidiary, owns a 100% interest in the KMC property, subject to these royalty obligations.

Exploration Permits are issued by the Serbian Ministry of Energy and Mines. An Exploration Permit is valid until the end of the calendar year in which it was issued and can be extended until the end of the following calendar year by filing an annual report on the previous year's work program and a proposed work program for the current year. In case of a discovery under the terms of an Exploration Permit, the transfer of the ownership rights to an Exploitation License are similar to mineral concessions in Bulgaria and Macedonia.

The KMC Exploration Permit was issued on July 7, 2004 and is extended on an annual basis. This Exploration Permit covers 42 square kilometres.

	Bulgaria			Macedonia	Serbia	
	Trun/Prospects	Breznik	Rakitovo	Ilovitza	KMC	Total
	$	$	$	$	$	$
Balance, January 1, 2011	296,046	1,048,351	188,942	2,610,895	2,427,458	6,571,692
Exploration expenditures:						
Assays and analysis	213,271	139,272	-	74,036	87,928	514,507
Drilling	1,440,965	35,974	-	1,316,528	433,813	3,227,280
Geological consulting	401,459	28,559	16,021	612,370	7,444	1,065,853
Geophysical contractors	-	-	-		7,952	7,952
Other	198,669	30,511	-	82,757	90,524	402,461
	2,550,410	1,282,667	204,963	4,696,586	3,055,119	11,789,745
Other items:						
Acquisition costs and payments	8,049	703	-	(343,021)	-	(334,269)
Exchange differences	(88,745)	(12,896)	(862)	113,781	(9,800)	1,478
Balance, December 31, 2011	2,469,714	1,270,474	204,101	4,467,346	3,045,319	11,456,954
Balance, January 1, 2012	2,469,714	1,270,474	204,101	4,467,346	3,045,319	11,456,954
Exploration expenditures:						
Assays and analysis	109,913	-	-	99,905	40,898	250,716
Drilling	1,118,716	-	-	959,418	1,246,700	3,324,834
Geological consulting	636,879	-	-	238,239	34,199	909,317
Geophysical contractors	129,949	-	-	-	2,537	132,486
Other	66,512	-	-	8,495	48,431	123,438
	4,531,683	1,270,474	204,101	5,773,403	4,418,084	16,197,745
Other items:						
Acquisition costs and payments	7,153	-	-	-	-	7,153
Sale of unproven mineral right interests	-	(1,249,392)	(200,926)	-	-	(1,450,318)
Exchange differences	(150,062)	(21,082)	(3,175)	(168,103)	(221,052)	(563,474)
Balance, September 30, 2012	4,388,774	-	-	5,605,300	4,197,032	14,191,106

(Unaudited and expressed in Canadian dollars, except number of shares and per share amounts)

6. Segmented information

The Company operates in five geographical areas, being Bulgaria, Serbia, Macedonia, the United Kingdom and Canada. The following is an analysis of the Company's assets by geographical area and reconciled to the Company's consolidated financial statements:

	September 30, 2012	December 31, 2011
	$	$
Assets by geographic segment, at cost		
Bulgaria		
Current assets	**805,722**	531,651
Restricted cash	**89,676**	51,008
Equipment	**73,734**	119,858
Unproven mineral right interests	**4,388,774**	3,944,289
	5,357,906	4,646,806
Serbia		
Current assets	**333,835**	132,329
Equipment	**-**	2,656
Unproven mineral right interests	**4,197,032**	3,045,319
	4,530,867	3,180,304
Macedonia		
Current assets	**1,734,458**	236,106
Restricted cash	**61,200**	63,600
Equipment	**76,845**	25,047
Value-added tax receivable	**410,758**	210,328
Unproven mineral right interests	**5,605,300**	4,467,346
	7,888,561	5,002,427
United Kingdom		
Current assets	**350,839**	-
Equipment	**49,529**	-
	400,368	-
Canada		
Current assets	**3,853,962**	1,898,214
	3,853,962	1,898,214
	22,031,664	14,727,751

7. Capital and equity reserve

(a) *Capital*

At September 30, 2012, Euromax's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

On June 13, 2012, the Company completed a non-brokered private placement (the "June 2012 Private Placement") consisting of 42,000,666 common shares in the Company at a price of $0.15 per share, for gross proceeds of $6,300,100. These shares were subject to a four-month hold period to October 13, 2012.

The Company incurred cash share issue costs of $70,719 in connection with the June 2012 Private Placement in respect of filing and legal costs.

On January 13, 2012, the Company completed a non-brokered private placement (the "January 2012 Private Placement") consisting of 17,300,000 units in the Company at a price of $0.22 per unit, for gross proceeds of $3,806,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.30 until January 16, 2014.

The warrants issued in the January 2012 Private Placement were valued by the Company at $2,082,208. The aggregate fair market value of the warrants and the shares issued in the January 2012 Private Placement was distributed on a pro-rata basis between share capital and equity reserve.

The Company incurred cash share issue costs of $40,443 in connection with the January 2012 Private Placement in respect of filing and legal costs, of which $26,935 was allocated to share capital and $13,508 to equity reserve.

On February 24, 2011, the Company completed a non-brokered private placement consisting of 22,500,000 units (the "Units") in Euromax at a price of $0.35 per Unit, for gross proceeds of $7,875,000. Each Unit was comprised of one common share and one-half of one common share purchase warrant. Each full warrant entitled the holder to acquire one additional common share of the Company at an exercise price of $0.50. The warrants expired unexercised on February 24, 2012.

The warrants issued in 2011 were valued by the Company at $1,403,972. The aggregate fair market value of the warrants and the shares issued in the private placement was distributed on a pro-rata basis between share capital and equity reserve.

The Company incurred cash share issue costs of $273,375 in connection with the 2011 private placement, including finder's fees of $231,000 and $42,375 of filing and legal costs, of which $232,991 was allocated to share capital and $40,384 to equity reserve.

Subsequent to September 30, 2012 (Note 10), the Company completed a share consolidation of its issued and outstanding common shares, carried out on a basis of one post-consolidation share for every three pre-consolidation shares. No fractional shares were issued. The exercise price and the number of common shares of the Company issuable under its outstanding options and warrants will automatically be adjusted on the same basis.

(Unaudited and expressed in Canadian dollars, except number of shares and per share amounts)

7. Capital and equity reserve (continued)

(b) *Equity reserve*

Share Options

Equity reserve consists of the accumulated fair value of common share options and share purchase warrants recognized as share-based payments.

Euromax has an incentive share option plan (the "Plan") under which directors, officers, consultants and employees of the Company are eligible to receive stock options. The maximum number of shares reserved for issuance upon exercise of all options granted under the Plan is equal to 10% of the then issued and outstanding common shares. The Company's Board of Directors determines the terms and provisions of the options at the time of grant. Options under the Plan generally have a term of five years and, in most recent grants, vest 25% at the date of grant and 25% on the first, second and third anniversaries of the date of grant. The exercise price of each option equals the market value of Euromax's common shares on the day preceding the date of grant.

Share options were awarded during 2012 and 2011 as follows:

	Nine months ended September 30, 2012		Year ended December 31, 2011	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
		$		$
Balance, beginning of period	**8,755,420**	**0.21**	10,683,228	0.28
Options granted	**9,730,000**	**0.21**	2,175,000	0.34
Options exercised	**(2,875,000)**	**0.13**	(1,290,000)	0.24
Options expired	**(500,000)**	**0.35**	(1,272,808)	0.54
Options forfeited	**(345,000)**	**0.72**	(1,540,000)	0.54
Balance, end of period	**14,765,420**	**0.21**	8,755,420	0.21

For the 2,875,000 share options exercised during 2012, the weighted average closing share price at the date of exercise was $0.26.

For the 1,290,000 share options exercised during 2011, the weighted average closing share price at the date of exercise was $0.36.

(Unaudited and expressed in Canadian dollars, except number of shares and per share amounts)

7. Capital and equity reserve (continued)

(b) *Equity reserve (continued)*

The following table summarizes information about stock options outstanding and exercisable at September 30, 2012:

		Options outstanding		Options exercisable		
Exercise price	Options outstanding	Weighted average exercise price	Weighted average remaining contractual life (years)	Options outstanding and exercisable	Weighted average exercise price	Weighted average remaining contractual life (years)
$		$			$	
0.13-0.17	2,325,000	0.13	3.16	2,325,000	0.13	3.16
0.18-0.20	8,900,420	0.20	4.53	2,427,920	0.20	4.23
0.21 - 0.28	1,497,500	0.23	3.31	935,000	0.22	2.48
0.29 - 0.34	1,067,500	0.32	3.18	730,000	0.31	2.40
0.35 - 0.35	975,000	0.35	3.51	975,000	0.35	3.51
	14,765,420	0.21	4.03	7,392,920	0.21	3.40

The fair value of the share options awarded to employees and directors was estimated using the Black-Scholes option pricing model with the following assumptions for the periods presented below:

	Nine months ended September 30, 2012	Year ended December 31, 2011
Risk free interest rate	**1.19%**	2.22%
Expected life	**3.03 years**	3.54 years
Expected volatility	**108.80%**	179.06%
Expected dividend per share	**$Nil**	$Nil

The weighted average fair value of share options awarded during the nine months ended September 30, 2012, estimated using the Black-Scholes option pricing model was $0.14 per option.

The weighted average fair value of share options awarded during the year ended December 31, 2011, estimated using the Black-Scholes option pricing model was $0.29 per option.

The Black-Scholes option pricing model was developed for use in estimating the fair value of share options that have no vesting provisions and are fully transferable. Also, option-pricing models require the use of estimates and assumptions including the expected volatility. Euromax uses expected volatility rates which are based upon their historical volatility. Changes in the underlying assumptions can materially affect the fair value estimates.

The total share-based payment expense calculated for the nine months ended September 30, 2012 was $571,602 (2011 - $852,512).

The intrinsic value of outstanding and exercisable share options at September 30, 2012 was $1,912,788 (December 31, 2011 - $418,704) based on the period end share price.

(Unaudited and expressed in Canadian dollars, except number of shares and per share amounts)

7. Capital and equity reserve (continued)

(b) *Equity reserve (continued)*

Warrants

During the nine months ended September 30, 2012, the Company granted 17,300,000 (2011 – 11,250,000) warrants at an exercise price of $0.30 (2011 - $0.50) with an expiry date of January 16, 2014 (2011 – February 24, 2012). The fair value of the warrants issued in 2012 was estimated at $0.12 (2011 - $0.12) per warrant at the grant date using the Black-Scholes option pricing model. The weighted average assumptions used for the calculation are presented in the following table:

	Nine months ended September 30, 2012	Year ended December 31, 2011
Risk free interest rate	**0.95%**	1.69%
Expected life	**2 years**	1 year
Expected volatility	**106.38%**	114.66%
Expected dividend per share	**$Nil**	$Nil

Warrants were awarded during 2012 and 2011 as follows:

	Nine months ended September 30, 2012		Year ended December 31, 2011	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
		$		$
Balance, beginning of period	**14,404,900**	**0.43**	3,154,900	0.12
Warrants granted	**17,300,000**	**0.30**	11,250,000	0.50
Warrants exercised	**(901,400)**	**0.16**	-	-
Warrants expired	**(13,503,500)**	**0.44**	-	-
Balance, end of period	**17,300,000**	**0.30**	14,404,900	0.43

11,250,000 warrants outstanding at December 31, 2011 had an exercise price of $0.50 per share and expired unexercised on February 24, 2012.

3,154,900 warrants outstanding on December 31, 2011 had an exercise price of $0.16 per share; 2,253,500 of these warrants expired unexercised on May 25, 2012.

(Unaudited and expressed in Canadian dollars, except number of shares and per share amounts)

8. Related party transactions

Details of the transactions between the Company and other related parties are disclosed below.

(a) Trading transactions

The Company's related parties consist of companies owned by executive officers and directors, and former executive officers and directors as follows:

	Nature of transactions
Metallica Consulting Co.	Exploration fees
Delphis Financial Strategies Inc.	Financial management fees
Lamar EOOD	Exploration fees
Michael J. Kuta Law Corporation	Legal fees

During nine months ended September 30, 2012 and 2011 the Company incurred the following fees and expenses in the normal course of operations in connection with companies owned by key management and directors. Expenses have been measured at the exchange amount which is determined on a cost recovery basis.

	2012	2011
	$	$
Management and legal fees	**79,500**	77,800
Directors fees	**106,080**	30,000
Salaries	**338,486**	270,000
Severance payment	**105,000**	-
Exploration fees	**182,725**	112,500
	811,791	490,300

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Trade and other payables at September 30, 2012 included $100,598 (December 31, 2011 - $nil), which were due to private companies controlled by directors and officers of the Company.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the nine months ended September 30, 2012 and 2011 were as follows:

	Note	**2012**	2011
		$	$
Salaries, fees and directors' fees	(i)	**811,791**	490,300
Share-based payment	(ii)	**396,924**	625,073
	(iii)	**1,208,715**	1,115,373

(i) Salaries, fees and director's fees include consulting and management fees disclosed in note 8(a).

(Unaudited and expressed in Canadian dollars, except number of shares and per share amounts)

8. Related party transactions (continued)

(b) Compensation of key management personnel (continued)

(ii) Share-based payments are the fair-value of options granted to key management personnel.

(iii) The Company's former Chairman received a severance payment of $105,000 in June 2012. Other than for this payment, key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the nine months ended September 30, 2012 and 2011.

9. Supplemental cash flow information

Non-cash financing activities

In the nine months ended September 30, 2012 and 2011, the Company incurred the following non-cash financing transactions:

	Nine months ended September 30,	
	2012	2011
	$	$
Transfer of equity reserve upon exercise of share options	**340,367**	269,700
Transfer of equity reserve upon exercise of warrants	**108,168**	-

10. Subsequent events

a) On October 17, 2012, Euromax completed a share consolidation of its issued and outstanding common shares, further to the approval of shareholders at the Company's annual and special meeting held on May 22, 2012.

The consolidation was carried out on a basis of one post-consolidation share for every three pre-consolidation shares. As a result of the consolidation, Euromax's issued and outstanding common shares were reduced from 211,022,579 to 70,340,858. No fractional shares were issued. Fractional share interests of 0.50 or higher arising from the consolidation were rounded up to one whole common share and fractional share interests of less than 0.50 were cancelled.

The exercise price and the number of common shares of Euromax issuable under its outstanding share purchase options and warrants will be automatically adjusted on the same basis.

b) On October 24, 2012, the Company announced preliminary results of a PEA for the Ilovitza gold project led by Tetra Tech. Results of the PEA, which are based on the Moose Mountain Technical Services resource estimate, indicate a net present value of US$ 352 million at a 5% discount rate based on a 12 million tonne per annum throughput. Annual metal production is estimated at 133,000 oz gold and 24,000 tonnes copper at operating cash costs estimated at US$600/oz to US$650/oz on a gold equivalent basis.

c) On October 24, 2012, the Ilovitza EIS was formally approved under Macedonian law.