Euromax Resources Ltd.

Management's Discussion and Analysis for the Year Ended December 31, 2012

INTRODUCTION
The following Management's Discussion and Analysis ("MD&A") of Euromax Resources Ltd. ("Euromax") and its subsidiary companies (collectively, the "Company") is prepared as of March 11, 2013 and should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended December 31, 2012 ("fiscal 2012") and December 31, 2011 ("fiscal 2011"), which are prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company's reporting currency is the Canadian dollar and all figures in this MD&A are in Canadian dollars unless otherwise indicated. Additionally, owing to the Company's 3 for 1 share consolidation that occurred on October 17, 2012 (the "Share Consolidation"), the Company's earnings per share for fiscal 2011 has been restated to reflect this share consolidation throughout the current and prior comparable periods.

Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein.

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".

CORPORATE STRATEGY

The Company has a vision to develop high quality, profitable, precious and base metals assets in south-eastern Europe through resource definition, feasibility and financing all the way through to production. Our aim is to become an example of how to responsibly develop gold mines in Europe.

Maximise value
The Company's strategy is to:

1. Maximise the value of the significant existing mineral resource base through drill programmes aimed at improving the quality of the mineral resources through deeper geological understanding of all our assets; and,

2. Progress the assets through permitting and development into production

Pipeline diversification
The Company seeks to diversify its asset portfolio by building up a management pipeline of quality assets all at differing development stages and continues to add regional exploration properties.

Sustainability
The Company operating activities are currently focused on the development of the Ilovitza and Trun properties and we are committed to growing responsibly in these regions of operation through a collaborative approach with local communities.

We believe in the importance of an economic, social and environmental balance so that out projects can benefit the Company's wider stakeholder base.

The Company's primary attention is the development of its Ilovitza gold-copper project in Macedonia. In October 2012, the Company completed a Preliminary Economic Assessment ("PEA") and received formal approval for Ilovitza's Environmental Impact Study ("EIS"). The Company is building upon the work undertaken to date in advancing Ilovitza towards a Pre-Feasibility Study ("PFS").

The Company completed a 2012 drilling programme at its Trun gold project in Bulgaria and submitted a Commercial Discovery Certificate ("CDC") application for the property in August 2012, and has received formal acceptance of its Final Exploration Report on Trun property from the Mining Department of the Ministry of Economy in Bulgaria. This acceptance enables the Company to immediately commence the Environmental Impact Assessment ("EIA") for the project.

The Company also completed a drilling programme in 2012 at its Karavansalija Mineralised Centre ("KMC") project in Serbia.

The Company is developing its projects combining top international and local geological expertise. As one of the first international mineral exploration companies in south-eastern Europe, the Company's local knowledge offers the potential to identify and acquire other potentially attractive exploration projects in this region.

Management believes that south-eastern Europe has underdeveloped natural resource potential and reduced political risk. While many of the countries in this area have not been subjected to systematic exploration for mineral resources, they have more developed economic, legal and political climates than other developing regions of the world.

2012 HIGHLIGHTS

In January 2012, Euromax completed a private placement for gross proceeds of $3,806,000 and in June 2012 a private placement for gross proceeds of $6,300,100 was also completed. The proceeds from these financings are enabling the Company to continue the comprehensive exploration programmes initiated in 2011.

The Company's shareholders elected a new board of directors in May 2012 and a new management team with substantial mining development and financing experience was immediately appointed. The Company has established a new London corporate office and is assessing both the move of the Company to the senior board of the Toronto Stock Exchange and a listing on the London Stock Exchange.

The key aspects of the 2012 exploration programme were as follows:

Ilovitza Gold Copper Project – Macedonia: The Ilovitza project is a gold copper porphyry project in south-east Macedonia. In July 2012, the Company was granted the Exploitation Concession Agreement along with an EIS being formally approved under Macedonian law.

The 2012 Ilovitza exploration programme comprised some 11,800 metres of drilling. This was designed to test the limits of the porphyry system to the south (near surface) and to provide in-fill drilling down to around 400 metres depth on the potassic core of the porphyry to a nominal drill hole spacing of 100 metres. The latter is to allow an update of resource estimates in the first half of 2013. In addition, the Company completed a PEA of the project based on the existing published resource. Further details are given below in the Exploration Projects section. Work in 2013 will be focused on a Pre-Feasibility Study in the first half of the year and on successful completion this will lead in to Definitive Feasibility Study work.

Trun Gold Project – Bulgaria: The Trun project comprises an intrusion-related gold system hosted within two granite bodies which form topographic highs. The 2012 programme comprised 5,880 metres of diamond core drilling and tested the other vein zones and allowed an application to be made for a Commercial Discovery Certificate which was accepted by the Bulgarian authorities and will allow the concession to convert to an exploitation concession following an environmental assessment. The drilling results are currently being used to produce an updated 43-101 compliant resource estimate for release in the coming weeks that will cover all six mineralised veins. The drilling results indicate mineralisation in all the veins except Tumba and are summarised below in the Development and Exploration Project section. Work in 2013 will focus on environmental baseline assessment and in identifying possible extensions to the mineralisation using geophysical and geochemical data.

Karavansalija Mineralised Complex ("KMC") Copper Gold Project – Serbia: The KMC project is located in southwest Serbia, some 200 kilometres from the capital Belgrade. The licence covers around 60 square kilometres. KMC's mineralisation includes thick sequences of gold-copper skarns, gold skarns, zinc-lead-copper-gold skarns and volcanic hosted gold mineralised silica breccias. In late 2012 Euromax completed a diamond drill core programme comprising some 7,000 metres. Drilling was successfully targeted at delineating the skarns in the southern part of the property, named Copper Canyon, in order to define a maiden resource in that area and in testing other targets defined by geophysics and historic drilling to the north of this. The Copper Canyon drilling data is summarised in the Exploration Projects section. A maiden resource estimate will be released in the first half of 2013 and further drilling is planned in the second half to delineate the other skarns further north.

Babjak and Zlataritza Gold Project – Bulgaria: The Babjak and Zlataritza properties are located in south-western Bulgaria, some 80 km south from the capital, Sofia. During the 2012 programme Euromax has conducted geochemical, mapping, trenching and IP/resistivity/magnetic geophysical surveys over the concession as well as compiling historic data, targeting intrusive related gold systems. This work has highlighted 12 significant quartz vein stockwork zones developed along the south-western boundary of a granite batholith and have been traced along between 500 to 1,300 metres strike length each. Drilling in 2012 tested one vein zone along one section and successfully intersected potentially economic mineralisation in all holes. Results are summarised in the Exploration Projects section below. The programme of work in 2013 is aimed at testing other veins at Babjak and investigating the depth extensions below mineralisation in trenches at Zlataritza.

Breznik - Bulgaria: On April 19, 2012, the Company sold its wholly-owned subsidiary Thrace Resources EOOD ("Thrace"), which held the Breznik and Rakitovo properties to a private company for consideration of up to $3.5 million, plus 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. Two further payments of $1,050,000 and $1,000,000 will be received once the Breznik property obtains an effective Environmental Impact Assessment ("EIA") approval and is granted a Mining Concession, respectively. Due to the significant uncertainty of both receiving and the timing of receiving these payments the Company has not recognised any amounts receivable in respect of these payments.

In connection with the sale of Thrace, the Company recorded a loss on sale of unproven mineral right interests of $5,737 in 2012. Additionally during the year, the Company provided certain geological services to the buyers of Thrace under a service agreement and received $108,558 for these services, recorded as "Other income".

SELECTED ANNUAL FINANCIAL INFORMATION

	Years Ended December 31,		
	2012	**2011**	**2010**
	$	$	$
Total revenue	-	-	-
Net loss	(5,457,570)	(3,485,364)	(8,124,728)
Basic and diluted loss per share	(0.09)	(0.07)	(0.20)
	As at December 31,		
	2012	**2011**	**2010**
	$	$	$
Working capital	2,591,721	2,268,793	1,973,473
Unproven mineral right interests	16,726,493	11,456,954	6,571,692
Total assets	20,424,626	14,727,751	8,998,516

RESULTS OF OPERATIONS – YEAR ENDED DECEMBER 31, 2012

The Company recorded a net loss of $5,457,570 or $0.09 per share in 2012 compared to a net loss of $3,485,364 or $0.07 per share in 2011.

The most significant expense incurred by the Company in 2012 was salaries, director and management fees of $2,564,537 (2011: $1,093,432). The increase from the prior year was principally due to the appointment of a new senior management team in May 2012 which resulted in "one-off" severance payments of $225,000 to the Company's former executives. Additionally the Company's headcount increased from 46 employees in 2011 to 56 employees in 2012 due to the strengthening of the senior management team in London and increased exploration activity at the Company's project in Macedonia, slightly offset by fewer employees in Bulgaria.

Other factors that contributed to higher salaries, directors' and management fees was the Company bringing its investor relations activities in house which substantially reduced its shareholder communication and investor relations expenses to $202,222 (2011: $325,540), and additionally share based payments expenses reduced to $569,616 (2011: $931,198) and fewer share options were granted during 2012.

Accounting, legal and professional fees of $1,158,119 (2011: $380,925) have increased principally due to non-recurring legal services provided to the Company for obtaining Ilovitza's mineral exploitation concession, for the change in the Company's directors and management and costs involved in assessing a potential re-domiciliation of the Company and changes to the Company's corporate structure.

Rent expenses of $179,867 (2011: $69,516) together with office and general expenses of $481,118 (2011: $247,525) increased during the year as a result of the Company establishing office premises in London, United Kingdom. The new London office has contributed to a reduction in travel expenses to $304,059 (2011: $377,173) as senior management are now significantly closer to the Company's projects in south-eastern Europe.

The Company recorded other comprehensive loss of $156,808 for the year ended December 31, 2012 as a result of a cumulative translation adjustment of the Company's operations in Europe to the Canadian dollar (2011: other comprehensive income of $88,899).

RESULTS OF OPERATIONS – QUARTER ENDED DECEMBER 31, 2012

In the quarter ended December 31, 2012 the Company posted a net loss of $1,921,417 or $0.03 per share compared to a net loss of $1,008,534 or $0.02 per share in the fourth quarter of 2011. The main expenses during the quarter were salaries, director and management fees of $1,087,375 (2011: $214,031), accounting, legal and professional fees of $522,414 (2011: $244,919) and share-based payments of $109,531 (2011: $78,686).

A summary of expenses incurred on a quarterly basis in 2012 is presented below:

	Q1-2012	Q2-2012	Q3-2012	Q4-2012	Total 2012
	$	$	$	$	$
Accounting, legal & professional	138,677	289,119	207,909	522,414	1,158,119
Depreciation	20,292	16,700	22,775	23,732	83,499
Office & general	38,102	143,005	268,003	32,008	481,118
Regulatory, filing and transfer agent	42,981	22,393	5,354	11,986	82,714
Rent	17,196	38,727	55,994	67,950	179,867
Salaries, director and management fees	369,213	544,686	563,263	1,087,375	2,564,537
Share based payments	38,388	353,551	73,781	109,531	569,616
Shareholder communications and investor relations	81,643	59,097	53,243	8,239	202,222
Travel	92,483	59,918	44,508	107,150	304,059
(Gain) / loss on foreign exchange	(16,803)	(18,595)	59,864	(89,506)	(65,040)
Net loss before other items	**822,172**	**1,508,601**	**1,354,691**	**1,875,247**	**5,560,711**

Salaries, director and management fees increased during Q4 2012 as a result of a severance payment to the Company's former Chief Operating Officer, together with appointment of a new Chief Operating Officer and Financial Controller. Q4 2012 was also the first full quarter for the Company's new VP of Legal Affairs & Corporate Secretary.

Accounting, legal and professional fees were also higher in Q4 2012 due to the Company's assessment of a re-domiciliation together with expense relating to an internal re-organisation of the Company's corporate structure.

Travel expenses were also higher in Q4 2012, owing to an analyst site visit during the period together with a marketing trip in North America and the ongoing transition of all corporate functions from Vancouver to London.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

(Expressed in thousands of dollars except per share amounts)

Quarter ended				
	December 31, 2012	**September 30, 2012**	**June 30, 2012**	**March 31, 2012**
Net loss	(1,921)	(1,220)	(1,503)	(813)
Loss per share	(0.03)	(0.02)	(0.03)	(0.01)
	December 31, 2011	**September 30, 2011**	**June 30, 2011**	**March 31, 2011**
Net loss	(1,008)	(860)	(836)	(781)
Loss per share	(0.02)	(0.02)	(0.02)	(0.01)

EXPLORATION PROJECTS

This section outlines the exploration activities carried out in the quarter ended December 31, 2012 ("Q4-2012"). Patrick Forward, Chief Operating Officer, is the Qualified Person responsible for the review of the technical information contained in this section of the Company's MD&A.

Ilovitza Gold Copper Project – Macedonia: Ilovitza is a gold copper porphyry deposit associated with typical porphyry alteration, located 18 km from the town of Strumica and easily accessible by road. In July 2012, the Company was granted an Exploitation Concession Agreement from the Government of Macedonia based, in part, on a scoping study completed for Ilovitza. Following a positive decision by the Ministry of Environment and Physical Planning to approve the Ilovitza EIS, it was formally gazetted in the Macedonian national press on October 9, 2012, as is required under Macedonian law. The Company is pleased to report that the Decision of Approval, having been uncontested during the requisite time period post gazetting, is now formally approved under Macedonian law.

The 2012 Ilovitza exploration programme comprised some 11,800 metres of drilling. This was designed to test the limits of the porphyry system to the south (near surface) and to provide in-fill drilling down to around 400 metres depth on the potassic core of the porphyry to a nominal drill hole spacing of 100 metres. The latter is to allow an update of resource estimates in early 2013. Drilling results are being validated prior to release at the time of writing. In addition, the Company completed a PEA of the project based on the existing published resource.

Following a review by the British Colombia Securities Commission which found that the report was not compliant with 43-101, the Company is preparing and will file an amended Preliminary Economic Assessment which will be compliant.

Ongoing work on the Ilovitza property includes:

- Work to optimise the mine plan which would include the in-fill drilling results and completion of the mineral resource estimate update, with the aim of defining mineral reserves and the accessing of high-grade areas earlier in the life of mine plan;
- Metallurgical test work will continue at SGS, in particular, grind-size optimisation;
- Development of mine layout and engineering components;
- Refinement of all operating and capital costs estimates through the commencement of detailed studies on infrastructure, access roads and the tailings management facility;
- Optimisation of concentrate grade following the results of the metallurgical test work and further assessment of payability, including the potential for silver and molybdenum credits, insurance and transport costs.

It is the Company's intention to incorporate all of the above work in a Pre-Feasibility Study, which it expects to complete by Q2 2013.

Trun Gold Project – Bulgaria: The Trun project comprises an intrusion-related gold system hosted within two granite bodies which form topographic highs, namely Big Hill in the north and Little Hill in the South. The exploration concession forms a 67 square kilometres ("km^2") property. Mineralisation takes the form of veins within lower grade haloes within the granites and to date six zones of veining have been identified; Logo, Ruy, Tumba and Nadejda in the Big Hill area plus KD, Zlata and K2 in the Little Hill Area. Exploration to date has focused on the Logo area which is more pervasive than the other veins since the mineralisation penetrates the schistose country rock to the north-east of the granite and becomes more stratabound. The 2012 programme comprised 5,880 metres of diamond core drilling and tested the other vein zones and allowed an application to be made for a Commercial Discovery Certificate which application was accepted by the Bulgarian authorities and will allow the concession to convert to an exploitation concession following environmental assessment. The drilling results are currently being used to produce a 43-101 compliant resource estimate that will cover all six veins. The drilling results are summarised below.

Big Hill (Northern Area of Trun Property)

A total of twenty diamond core holes were completed at Big Hill, four testing the Ruy Zone, eight at Nadejda and eight at the Tumba target.

At Nadejda, the most significant intercept is 47.5 metres at 1.45 grams per tonne gold including 10.3 metres at 4.84 grams per tonne gold in hole TC12157. Drilling at Nadejda has now defined a north-northeast trending nearly vertical zone approximately 200 metres long. Mineralization starts at or near surface and extends to depths of approximately 150 metres. The higher grade core of this zone appears to plunge moderately to the south-west at about 40 degrees. The zone is widest at its north-east end where it is approximately 40 metres across, and narrows as it continues in a south-west direction.

Holes TC12170 and TC12173 extended the strike length of the Ruy Zone by approximately 150 metres. The most significant intercept from the four holes here is 59.6 metres at 0.71 grams per tonne gold including 17 metres at 1.8 grams per tonne gold in hole TC12170. Hole TC12173 encountered 4 shorter intervals of similar grade mineralization. The north-northwest trending Ruy Zone is approximately 300 metres long and 100 metres deep and appears to dip steeply north-east. It is widest in the central part where it is approximately 60 metres across and narrows at each end.

Eight drill holes at the Tumba target failed to encounter high grade near surface veins targeted there. Although hole TC12159 encountered a short, isolated intercept of gold mineralization, evidence for near-surface disseminated mineralization is also lacking in these drill holes. Previous drilling intersected 4.14 grams per tonne gold over 9m from 315 metres and 7.34 grams per tonne gold over 8 metres from 387.15 metres in hole MTC1178 (see August 23, 2011 news release) suggesting that Tumba gold mineralization is at a deeper level. This deeper mineralization has yet to be systematically tested and remains open.

Recent drilling at Big Hill, the northern-most of two granite intrusions on the property, includes:

Big Hill	Hole ID	Azimuth (degrees)	Inclination (degrees)	Depth (m)	From (m)	To (m)	Intersection (m)	Au (g/t)	Ag (g/t)
Nadejda	TC12157	270	-50	133.6	80.5	128.0	47.5	1.45	nsv
	including				80.5	120.0	39.5	1.72	nsv
	including				97.0	116.5	19.5	2.94	nsv
	including				97.0	107.3	10.3	4.84	nsv
	TC12161	240	-45	170.6	140.0	158.0	18.0	0.51	nsv
	including				144.5	155.0	10.5	0.73	nsv
	including				144.5	152.4	7.9	0.91	nsv
	TC12165	70	-55	153.5	107.0	127.8	20.8	0.59	nsv
	including				115.0	125.0	10.0	0.82	nsv
					138.5	148.0	9.5	0.6	nsv
	including				140.0	144.3	4.3	0.84	nsv
	TC12166	270	-55	65	38.0	48.0	10.0	0.7	nsv
	including				40.5	45.6	5.1	1.05	nsv
					57.0	60.0	3.0	0.72	nsv
	TC12167	50	-55	131	46.6	50.6	4.0	0.71	nsv

Big Hill	Hole ID	Azimuth (degrees)	Inclination (degrees)	Depth (m)	From (m)	To (m)	Intersection (m)	Au (g/t)	Ag (g/t)
	including				47.6	50.6	3.0	0.88	nsv
					69.0	76.5	7.5	0.25	nsv
	including				71.5	74.0	2.5	0.54	nsv
	TC12169	90	-60	202	67.5	74.0	6.5	0.41	nsv
	including				72.5	74.0	1.5	1.36	nsv
					80.5	102.8	22.3	0.26	nsv
	including				86.5	89.5	3.0	0.48	nsv
	and				97.0	101.3	4.3	0.41	nsv
	TC12171	60	-60	96.7	nsv				
	TC12174	300	-60	102.4	88.0	95.5	7.5	1.88	nsv
	including				88.0	90.0	2.0	2.09	nsv
	and				93.0	95.5	2.5	2.85	nsv
Ruy	TC12170	60	-60	99.6	40.0	99.6	59.6	0.71	nsv
	including				45.0	80.1	35.1	1.07	nsv
	including				47.0	64.0	17.0	1.8	nsv
	TC12173	240	-60	146.2	29.0	35.0	6.0	0.6	nsv
	including				30.6	32.1	1.5	1.29	nsv
					39.0	52.5	13.5	0.44	nsv
	including				42.2	47.0	4.8	0.56	nsv
					67.0	79.1	12.1	0.95	nsv
	including				71.0	77.0	6.0	1.54	nsv
					137.0	141.5	4.5	0.62	nsv
	TC12175	240	-80	87.2	nsv				
	TC12177	120	-60	141.3	97.8	99.6	1.8	0.47	7.0
Tumba	TC12158	270	-70	100	nsv				
	TC12159	120	-60	92.6	86.1	87.5	1.4	1.13	nsv
	TC12160	270	-60	39.6	nsv				
	TC12162	60	-60	84.4	nsv				
	TC12163	90	-60	52.6	nsv				
	TC12164	270	-60	97.3	nsv				
	TC12168	270	-65	96.5	nsv				
	TC12172	270	-65	97.5	nsv				

Most of the core was HQ size, although six holes also had NQ size core form the deeper portion of the holes. All intersections shown are down hole lengths as true widths are not accurately known. Grades of the intervals are calculated on a weighted average basis.

Little Hill (Southern Area of Trun Property)

Two diamond core holes were completed at the KD Zone at Little Hill. Both holes encountered significant mineralization. Hole TC12178 intersected 19.7 metres at 1.32 grams per tonne gold and 23.3 grams per tonne silver, and hole TC12176 encountered five intervals of gold mineralization the longest of which is 9.1 metres at 0.97 grams per tonne gold. These holes demonstrate that the central part of the north trending, east dipping KD Zone is mineralized to depths of approximately 150 metres.

Recent drilling at Little Hill, the southern-most granite intrusion on the property, includes:

Little Hill	Hole ID	Azimuth (degrees)	Inclination (degrees)	Depth (m)	From (m)	To (m)	Intersection (m)	Au (g/t)	Ag (g/t)
KD	TC12176	270	-85	202.7	75.0	82.1	7.1	0.7	nsv
	including				79.8	82.1	2.3	1.3	2.0
					94.1	97.4	3.3	1.7	8.7
	including				94.1	95.9	1.8	2.88	12.6
					138.0	147.1	9.1	0.97	nsv
	including				138.0	140.0	2.0	2.76	nsv
					171.8	173.5	1.7	1.26	8.0
					181.4	184.0	2.6	0.66	1.7
	TC12178	270	-80	190.9	134.0	153.7	19.7	1.32	23.3

Karavansalija Mineralised Complex ("KMC") Copper Gold Project – Serbia The KMC project is located in south-west Serbia, some 200 kilometres from the capital Belgrade. The licence covers around 60 square kilometres. KMC's mineralisation includes thick sequences of gold-copper skarns, gold skarns, zinc-lead-copper-gold skarns and volcanic hosted gold mineralised silica breccias. In late 2012 Euromax completed a diamond drill core programme comprising some 7,000 metres. Drilling was targeted at delineating the skarns in the southern part of the property, named Copper Canyon, in order to define a maiden resource in that area and in testing other targets defined by geophysics and historic drilling to the north of this.

Summary of 2012 Drilling results at Copper Canyon (Southern Area of KMC Property):

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
EOKSC 1246	**397.0**	**513.0**	**116.0**	**0.71**	**2.2**	**0.06**	**NSV**	**NSV**
including	**397.0**	**427.0**	**30.0**	**1.47**	**3.1**	**0.06**	**NSV**	**NSV**
EOKSC 1247	154.0	167.4	13.4	0.12	11.7	0.02	0.38	0.11
EOKSC 1247A	3.0	155.0	152.0	0.11	11.0	0.02	0.30	0.37
EOKSC 1248	**15.5**	**26.5**	**11.0**	**0.08**	**0.0**	**0.02**	**0.03**	**1.09**
EOKSC 1249	11.2	23.5	12.3	0.37	0.3	0.08	0.03	0.80
EOKSC 1251	190.0	227.1	37.1	0.11	12.5	0.03	0.18	0.35
and	**441.7**	**521.0**	**79.3**	**0.22**	**13.7**	**0.04**	**1.21**	**1.52**
and	**770.0**	**773.0**	**3.0**	**0.10**	**10.6**	**0.04**	**0.80**	**1.13**
and	**809.5**	**810.5**	**1.0**	**0.06**	**102.6**	**0.02**	**7.23**	**8.72**
EOKSC 1252	**58.5**	**62.5**	**4.0**	**0.05**	**56.0**	**0.01**	**6.77**	**1.09**
and	434.1	455.0	20.9	0.50	2.9	0.08	NSV	NSV
and	525.6	573.0	47.4	0.48	0.6	0.27	NSV	NSV
EOKSC 1253	564.2	570.0	5.8	0.52	0.1	0.21	NSV	NSV
EOKSC 1255	**141.3**	**156.3**	**15.0**	**0.09**	**4.1**	**0.01**	**0.53**	**1.34**
and	**172.0**	**174.0**	**2.0**	**0.04**	**12.0**	**0.02**	**1.34**	**2.90**
and	**210.0**	**221.1**	**11.1**	**0.02**	**4.1**	**0.08**	**0.55**	**2.54**
and	179.0	194.0	15.0	NSV	6.7	NSV	0.70	0.37
and	**447.0**	**572.0**	**125.0**	**0.36**	**0.9**	**0.13**	**0.03**	**2.80**
including	**482.0**	**560.0**	**78.0**	**0.42**	**NSV**	**0.16**	**NSV**	**3.63**
and	608.0	633.0	25.0	0.14	NSV	0.07	0.03	1.05
EOKSC 1257	190.0	207.8	17.8	0.03	13.7	NSV	NSV	NSV
and	**239.0**	**255.4**	**16.4**	**2.63**	**11.4**	**NSV**	**NSV**	**NSV**
and	**300.0**	**369.0**	**69.0**	**1.08**	**5.9**	**NSV**	**NSV**	**NSV**
including	**339.0**	**360.0**	**21.0**	**2.70**	**3.1**	**0.06**	**NSV**	**NSV**
and	397.7	411.0	13.3	0.07	7.0	NSV	NSV	NSV
EOKSC 1258	201.0	233.0	32.0	0.44	7.1	0.01	0.46	0.24
and	254.8	319.0	64.2	0.55	1.9	0.12	NSV	NSV

NSV = no significant value

Intercepts identified using a 0.4 g/t gold equivalent cut-off, gold equivalent based on total recovery and prices as follows: Au US$1,400/oz, Ag US$28/oz, Cu US$7,500/tonne, Pb US$2,500/tonne and Zn US$2,500/tonne.

Babjak and Zlataritza Gold Project – Bulgaria: The Babjak and Zlataritza properties are located in south-western Bulgaria, some 80 km south from the capital, Sofia. During the 2012 programme the Company conducted geochemical, mapping, trenching and IP/resistivity/magnetic geophysical surveys over the concession as well as compiling historic data, targeting intrusive related gold systems. This work has highlighted 12 significant quartz vein stockwork zones developed along the south-western boundary of a granite batholith, hosted in the granite and in gneiss. The zones were explored for molybdenum and partly for silver by exploration adits in late 1960's but significant gold mineralisation was identified by the Company's exploration. The mineralised zones have been traced along between 500 to 1,300 metres strike length each.

Four drill holes were executed in 2012 to test the vertical extent of the mineralisation along a single section at the best-defined zone, named Zone 4:

Hole ID	From (m)	To (m)	Intersection (m)	Au (g/t)	Ag (g/t)	Mo (%)
BC 1201	43.0	49.0	6.0	0.06	97.0	-
and	75.5	98.3	22.8	1.26	51.1	0.015
including	84.7	87.5	2.8	7.48	152.5	0.021
BC 1202	24.6	31.2	6.6	0.09	174.9	0.012
and	48.9	75.8	26.9	0.56	114.1	0.072
BC 1203	142.4	158.6	16.2	2.37	79.7	0.052
including	153.3	155.7	2.4	14.3	25.0	0.009
BC 1204	149.9	164.4	14.5	0.14	74.8	0.075

Further trenching and drilling are budgeted for 2013 at Babjak and at the nearby Zlataritza prospect, which hosts similar mineralisation and is located some 10 km to the east.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2012, the Company had working capital of $2,591,721, compared to $2,268,793 at December 31, 2011, including a cash balance of $1,761,743 (December 31, 2011: $2,022,188).

Trade and other receivables increased to $1,579,196 at December 31, 2012, compared to $776,112 at December 31, 2011. The increase is due to VAT receivable in Bulgaria, Macedonia and the United Kingdom. Since year end $737,334 of these debtors amounts have been received.

Trade and other payables were $749,218 at December 31, 2012, compared to $529,507 at December 31, 2011. The increase was principally due to accrued professional services fees for work performed in Q4 2012.

Exploration activities on the Company's projects in south-eastern Europe and the Group's general and administrative overheads have been funded by cash on hand.

On January 13, 2012, the Company completed a non-brokered private placement consisting of 17,300,000 units (5,766,666 units - post share consolidation), at a price of $0.22 per unit ($0.66 per unit – post share consolidation), for gross proceeds of $3,806,000. Each unit comprises 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 ($0.90 post share consolidation) 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 private placement was distributed on a pro-rata basis between share capital and equity reserve.

The Company incurred 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 June 13, 2012, the Company completed a non-brokered private placement consisting of 42,000,666 common shares (14,000,222 common shares - post share consolidation) in the Company at a price of $0.15 per share ($0.45 per share - post share consolidation), 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.

Both the January and June 2012 private placements, allowed the Company to fund operations and advance its projects in south-eastern Europe in 2012.

On October 17, 2012, the Company completed the Share Consolidation of its issued and outstanding common shares. The 211,022,579 common shares issued and outstanding prior to the Share Consolidation were consolidated to 70,340,858 common shares. The Company's outstanding share options and warrants were adjusted on the same basis with proportionate adjustments being made to the share option and warrant exercise prices.

The Company is in the exploration stage and has no recurring source of operating cash flow. The Company's ability to continue operations is contingent on its ability to obtain funds through the future issuance of securities.

On March 7, 2013, the Company closed an $8 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. All of the shares issued in connection with the private placement are subject to a four month hold period expiring 8 July 2013. The Company will use these funds to further accelerate its flagship Ilovitza project together with resource definition of its other exploration properties and general working capital purposes.

Additionally, the Company has entered into an agreement (the "Agreement") to appoint Investec Bank plc ("Investec") as Lead Banker whose role will include Global Project Finance Coordinator and Treasury Arranger to the Company. In consideration for providing these services, the Company will undertake to issue Investec on the date of completion of a listing of the Company's shares in the United Kingdom ("UK Listing"), and in certain other circumstances as described in the Company's news release dated January 23, 2013, issue a number of warrants exercisable for a period of five years following the date of issuance. Each warrant would be exercisable for a period of five years and would be exercisable at a 10% premium to the issue price of the securities offered in a UK Listing (or at the Company's share price if there is no UK Listing), such that the number of warrants multiplied by the exercise price thereof would be equal to $5 million.

The parties have subsequently entered into an amended and restated letter agreement whereby the circumstances under which the issuance of the Warrants would be triggered were amended in order to address comments received from the TSXV.

Operating Activities
Cash used in operations in 2012, including the changes in non-cash working capital items, was $5,178,158 (2011: $1,966,023). The increase is predominately due to the introduction of the new management team during the year together with increased professional services provided to the Company in connection with assessing a potential re-domiciliation of the Company, listing in London and move to the senior board of the Toronto Stock Exchange.

Financing Activities
Cash received from financing activities in 2012 included $9,994,938 from the January and June 2012 private placements described above together with $382,764 from the exercise of 973,356 post consolidation share options and $144,224 from the exercise of 300,467 post consolidation warrants.

In 2011, cash received from financing activities included $7,601,625 from the February 2011 private placement described above and $312,150 from the exercise of 430,000 post consolidation share options. (NB. All share options and warrant exercises occurred prior to the Share Consolidation).

Investing Activities
The Company used cash of $5,521,461 in investing activities in 2012 (2011: $5,251,774). During the year the Company sold one of its subsidiaries (Thrace Resources EOOD) which held both the Breznik and Rakitovo projects for an initial receipt of $1,450,972. Management combined these sale proceeds with its January 2012 and June 2012 Private Placement proceeds to invest $6,946,846 in exploration expenditures and equipment (inclusive of value added taxes) on its projects in south-eastern Europe.

The table below summarises the expenditure incurred on the Company's key projects during 2012 and 2011.

		Bulgaria		Macedonia	Serbia	
	Trun	***Breznik***	***Rakitovo***	***Ilovitza***	***KMC***	**Total 2012**
	$	**$**	**$**	**$**		**$**
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	51,174	-	-	172,156	92,265	315,595
Drilling	1,117,390	-	-	2,241,989	1,432,337	4,791,716
Geological consulting	929,470	-	-	370,440	71,209	1,371,119
Geophysical contractors	125,347	-	-	-	2,537	127,884
Other	62,020	-	-	8,495	93,443	163,958
	4,755,115	1,270,474	204,101	7,260,426	4,737,110	18,227,226
Other items:						
Acquisition costs and payments	24,017	-	-	-	-	24,017
Sale of unproven mineral right interests	-	(1,249,392)	(200,926)	-	-	(1,450,318)
Exchange differences	58,491	(21,082)	(3,175)	(41,065)	(67,601)	(74,432)
Balance, December 31, 2012	**4,837,623**	**-**	**-**	**7,219,361**	**4,669,509**	**16,726,493**

		Bulgaria		Macedonia	Serbia	
	Trun	***Breznik***	***Rakitovo***	***Ilovitza***	***KMC***	**Total 2011**
	$	**$**	**$**	**$**		**$**
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**

RELATED PARTY TRANSACTIONS

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

Trading transactions
The Company's related parties consist of private 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.	Management fees
Lamar EOOD	Exploration fees
Michael J. Kuta Law Corporation	Legal fees

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 agreed between the parties.

	2012	2011
	$	$
Management and legal fees	**106,000**	104,300
Severance payments	**225,000**	-
Directors fees	**161,358**	44,583
Salaries	**616,114**	375,000
Bonuses	**166,357**	-
Exploration fees	**252,410**	151,400
	1,527,239	675,283

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Trade and other payables at December 31, 2012 included $314,858 (December 31, 2011: $nil), which were due to private companies controlled by directors and officers of the Company.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting policies are summarised in Note 3 of its audited consolidated financial statements for the year ended December 31, 2012. The preparation of consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board which requires management to select accounting policies and make estimates and judgements that may have a significant impact on the consolidated financial statements.

The Company regularly reviews its estimates; however, actual amounts could differ from the estimates used and, accordingly, materially affect the results of operations.

Examples of significant estimates include:

- Carrying values of unproven mineral right interests;
- Carrying values of equipment and depreciation rates for equipment;
- Valuation of deferred income taxes and allowances;
- Assumptions used to assess impairment of mineral rights interest and equipment;
- Valuation of share-based payments.

Examples of significant judgements, apart from those involving estimates, include:

- The accounting policies for unproven mineral right interests and equipment;
- Classification of financial instruments
- Determination of functional currency.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES

The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in the forward-looking statements and information contained herein. The risks sets out below include those that are widespread and associated with any form of business and those that are specific risks associated with the Company'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.

Global Financial 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 Company'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.

Fluctuation of Commodity Prices

The Company's exploration and other mining activities have previously been, and may in the future be, significantly adversely affected by declines in commodity prices. Commodity prices are volatile and are affected by numerous factors beyond the Company'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.

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

- reduce or eliminate the Company's ability to finance the exploration of existing and future mineral projects;
- force the Company 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 Company's securities.

Furthermore, declining or sustained low commodity prices could impact the Company'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.

Dependence on Third Party Financing

The Company currently has no source of operational cash flow. As a result, the Company 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 and upon the ability of a company without any significant projects already in production to attract significant amounts of debt and/or equity. There can be no assurance that such financing will be available to the Company 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 Company's properties.

Dilution

The Company may require additional monies to fund development and exploration programs and potential acquisitions. The Company 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 Company'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 Company's securities.

No Dividends

The Company 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 Company 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 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.

Currency Risk

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

Economic and Political Instability in Foreign Jurisdictions

The Company 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 Company 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 Company'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.

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 Company continues to be involved in exploration, the long-term success of its operations will be related to the cost and success of its exploration programs. There can be no assurance that the Company'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 has economically mineable mineralization. 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 programs will result in the discovery of mineral reserves and the development of mines.

Resource Estimates

The mineral resource estimates presented herein are made by Company personnel and independent geologists. These estimates are imprecise and 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.

Capital and Operating Cost Risks

The Company'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 Company may differ substantially owing to factors outside the control of the Company, 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 Company 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 Company has a number of development projects which involve significant capital expenditure.

Further, the Company 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 assets. As a result, the Company's operations at its sites are subject to a number of risks, some of which are outside the Company'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 Company. The occurrence of one or more of these risks could have a material adverse effect on the Company's business, results of operations and financial condition.

Operating Hazards and Other Uncertainties

The Company'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 Company 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 Company's financial position and results of operations.

Limitations on the Transfer of Cash or Other Assets

The Company is a Canadian company that conducts operations through foreign (principally Bulgaria, Macedonia and Serbia) subsidiaries and joint ventures, and substantially all of the Company's assets consist of equity in these entities. Accordingly, any limitation on the transfer of cash or other assets between the Company and these entities, or among these entities, could restrict the Company's ability to fund its operations efficiently.

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 Company's operating costs and have a material adverse impact on the Company.

Environmental Risks

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. There is no assurance that the Company 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 Company has an interest which are unknown to the Company 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 Company's operations, or its ability to develop its properties economically.

Health, Safety and Community Relations

The Company's operations are subject to various health and safety laws and regulations that impose various duties on the Company'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 Company's operations. The Company 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 Company 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 Company's commercial activities, and/or that the Company operates in a manner that will minimise any potential damage or disruption to the interests of those stakeholders. The Company 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 Company may face opposition with respect to its current and future development and exploration projects which could materially adversely affect the Company's business, results of operations and financial condition.

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 Company's operations specifically, could have an adverse effect on the Company's reputation and financial condition and may impact its relationship with the communities in which it operates. The Company seeks to mitigate this risk by its commitment to operate in a socially responsible manner. However, there can be no guarantee that the Company's efforts in this respect will mitigate this potential risk.

The Company 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.

Tax Matters

The Company'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 the Company was assessed to be non-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 Company'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 the Company were resident in Canada.

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 Company's financial position and results of operations.

Competition

The Company 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 Company will be able to compete successfully against other companies in acquiring new prospecting, development or mining rights.

Title Matters

The Company 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 Company cannot guarantee that title to its properties will not be challenged. The Company'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 Company might be unable to operate its properties as permitted or to enforce its rights with respect thereto.

Insurance Coverage Could Be Insufficient

While the Company 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 Company 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 financial performance and results of operations.

Carrying Value of Property

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; 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.

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 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 Company's business, results of operations and financial condition.

Dependence on Key Personnel

The success of the Company 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 Company may have a material adverse effect on the Company. The Company does not presently have "key person" life insurance for any of its officers.

Conflicts of Interest

Certain of the directors and officers of the Company are directors or officers of other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company 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 Company, a director who has such a conflict will abstain from voting for or against the approval of such matter. Furthermore, in appropriate cases the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

SUBSEQUENT EVENTS

Subsequent to December 31, 2012:

On March 7, 2013, the Company closed an $8 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. All of the shares issued in connection with the private placement are subject to a four month hold period expiring 8 July 2013. The Company will use these funds to further accelerate its flagship Ilovitza project together with resource definition of its other exploration properties and general working capital purposes.

Additionally, the Company has entered into an agreement (the "Agreement") to appoint Investec Bank plc (Investec) as Lead Banker whose role will include Global Project Finance Coordinator and Treasury Arranger to the Company. In consideration for providing these services, the Company will undertake to issue Investec on the date of completion of a listing of the Company's shares in the United Kingdom ("UK Listing"), and in certain other circumstances as described in the Company's news release dated January 23, 2013, issue a number of warrants exercisable for a period of five years following the date of issuance. Each warrant would be exercisable for a period of five years and would be exercisable at a 10% premium to the issue price of the securities offered in a UK Listing (or at the Company's share price if there is no UK Listing), such that the number of warrants multiplied by the exercise price thereof would be equal to $5 million.

The parties have subsequently entered into an amended and restated letter agreement whereby the circumstances under which the issuance of the Warrants would be triggered were amended in order to address comments received from the TSXV.

FORWARD-LOOKING STATEMENTS

This document contains statements that are forward-looking, such as those relating to results of operations and financial condition, capital spending, financing sources, commodity prices, mineral resources and property evaluation plans and programs. Forward-looking statements are frequently

characterised by words such as "plan", "expect", "project", "intend", "believe", "anticipate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the dates the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The forward-looking statements contained in this MD&A are as of the date of this document, and are subject to change after this date. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Euromax disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

OTHER MD&A REQUIREMENTS

As of March 11, 2013, the Company had outstanding 85,347,340 common shares, 5,766,666 share purchase warrants with an exercise price of $0.90 per share and 4,200,949 share options, with exercise prices ranging from $0.39 to $1.05 per share. Additional information is available on SEDAR at www.sedar.com and at the Company's website www.euromaxresources.com.