



**EUROMAX RESOURCES LTD.**

**Unaudited Condensed Consolidated Interim Financial Statements**

**For the three months ended March 31, 2013**

# Euromax Resources Ltd.

## Condensed consolidated interim statements of comprehensive loss - unaudited

(Expressed in Canadian dollars)

	Note	Three months ended March 31,	
		2013	2012
		\$	\$
<b>Expenses</b>			
Accounting, legal and professional		(202,432)	(138,677)
Depreciation		(18,661)	(20,292)
Office and general		(194,428)	(38,102)
Regulatory, filing and transfer agent		(35,893)	(42,981)
Rent		(71,279)	(17,196)
Employee, director and management expenses	8	(615,471)	(369,213)
Share-based payments		(177,307)	(38,388)
Shareholder communications and investor relations		(56,334)	(81,643)
Travel		(107,603)	(92,483)
(Loss)/gain on foreign exchange		(36,679)	16,803
<b>Loss from operating activities</b>		<b>(1,516,087)</b>	<b>(822,172)</b>
Finance income		2,998	9,335
Finance expense		(4,067)	-
<b>Net finance costs</b>		<b>(1,069)</b>	<b>9,335</b>
Income tax expense		(18,959)	-
<b>Loss for the period</b>		<b>(1,536,115)</b>	<b>(812,837)</b>
<b>Other comprehensive income/(loss), net of tax:</b>			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Cumulative translation adjustment on foreign subsidiaries		18,824	(161,772)
<b>Total other comprehensive income/(loss), net of tax</b>		<b>18,824</b>	<b>(161,772)</b>
<b>Comprehensive loss for the period</b>		<b>(1,517,291)</b>	<b>(974,609)</b>
<b>Loss per common share:</b>			
Basic and diluted		(0.02)	(0.01)
<b>Weighted average number of common shares outstanding</b>			
Basic and diluted		74,404,161	54,669,287

See accompanying notes to the condensed consolidated interim financial statements.

# Euromax Resources Ltd.

Condensed consolidated interim statements of financial position - unaudited  
(Expressed in Canadian dollars)

		As at	
	Note	March 31, 2013	December 31, 2012
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		8,821,995	1,761,743
Restricted cash		3,315	-
Trade and other receivables		500,819	1,193,765
Prepayments and deposits		264,347	385,431
<b>Total current assets</b>		<b>9,590,476</b>	<b>3,340,939</b>
<b>Non-current assets</b>			
Restricted cash		179,812	157,513
Property, plant and equipment		199,513	199,681
Unproven mineral right interests	5	17,501,657	16,726,493
<b>Total assets</b>		<b>27,471,458</b>	<b>20,424,626</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables		1,148,579	749,218
<b>Total liabilities</b>		<b>1,148,579</b>	<b>749,218</b>
<b>EQUITY</b>			
Share capital	7	58,896,296	50,840,751
Equity reserve		6,014,350	5,905,133
Currency translation reserve		(549,313)	(568,137)
Accumulated losses		(38,038,454)	(36,502,339)
<b>Total equity</b>		<b>26,322,879</b>	<b>19,675,408</b>
<b>Total liabilities and equity</b>		<b>27,471,458</b>	<b>20,424,626</b>

Nature of operations 1  
Subsequent events 12

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 changes in equity - unaudited

(Expressed in Canadian dollars)

For the 3 months ended March 31, 2013 and 2012

	Note	Share capital Number of shares <sup>1</sup>	Amount \$	Equity reserve \$	Currency translation reserve \$	Accumulated losses \$	Total Equity \$
Balance on January 1, 2012		49,300,147	41,121,784	4,532,558	(411,329)	(31,044,769)	14,198,244
Common shares issued for:							
Financing, net of issue costs	7	5,766,667	2,507,872	1,257,685	-	-	3,765,557
Exercise of share options	7	458,333	341,490	(162,740)	-	-	178,750
Share-based payments		-	-	38,388	-	-	38,388
Comprehensive loss for the period		-	-	-	(161,772)	(812,837)	(974,609)
<b>Balance on March 31, 2012</b>		<b>55,525,147</b>	<b>43,971,146</b>	<b>5,665,891</b>	<b>(573,101)</b>	<b>(31,857,606)</b>	<b>17,206,330</b>
<b>Balance on January 1, 2013</b>		<b>70,340,858</b>	<b>50,840,751</b>	<b>5,905,133</b>	<b>(568,137)</b>	<b>(36,502,339)</b>	<b>19,675,408</b>
Common shares issued for:							
Financing, net of issue costs	7	14,814,815	7,912,705	-	-	-	7,912,705
Exercise of share options	7	191,667	142,840	(68,090)	-	-	74,750
Share-based payments		-	-	177,307	-	-	177,307
Comprehensive loss for the period		-	-	-	18,824	(1,536,115)	(1,517,291)
<b>Balance on March 31, 2013</b>		<b>85,347,340</b>	<b>58,896,296</b>	<b>6,014,350</b>	<b>(549,313)</b>	<b>(38,038,454)</b>	<b>26,322,879</b>

<sup>1</sup> All share information has been adjusted to reflect the Consolidation (See Note 7).

See accompanying notes to the condensed consolidated interim financial statements.

# Euromax Resources Ltd.

## Condensed consolidated interim statements of cash flows - unaudited

(Expressed in Canadian dollars)

	Three months ended March 31,	
	2013	2012
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Loss for the period	(1,536,115)	(812,837)
Items not involving cash		
Depreciation	18,661	20,292
Share-based payments	177,307	38,388
Changes in non-cash working capital items:		
Decrease in trade and other receivables	814,030	26,029
Increase/(decrease) in trade and other payables	155,967	(259,000)
<b>Cash used in operating activities</b>	<b>(370,150)</b>	<b>(987,128)</b>
<b>INVESTING ACTIVITIES</b>		
Value added tax credits	-	(2,945)
Expenditures on equipment and unproven mineral right interests	(523,235)	(744,148)
Purchases of property, plant and equipment	(26,355)	-
Increase in restricted cash deposits	(26,070)	-
<b>Cash used in investing activities</b>	<b>(575,660)</b>	<b>(747,093)</b>
<b>FINANCING ACTIVITIES</b>		
Issue of common shares for cash, net of issue costs	7,912,705	3,765,557
Exercise of share options	74,750	178,750
<b>Cash provided by financing activities</b>	<b>7,987,455</b>	<b>3,944,307</b>
Effect of exchange rate changes on cash	18,607	(13,965)
Net change in cash and cash equivalents	7,041,645	2,210,086
Cash and cash equivalents, beginning of the period	1,761,743	2,022,188
<b>Cash and cash equivalents, end of the period</b>	<b>8,821,995</b>	<b>4,218,309</b>

Supplemental cash flow information (Note 9)

See accompanying notes to the condensed consolidated interim financial statements.

# Euromax Resources Ltd.

## Notes to the condensed consolidated interim financial statements - Unaudited

March 31, 2013

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

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### 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. Euromax was incorporated under the Business Corporation Act (British Columbia) and established as a legal entity on May 1, 1990. 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, Euromax Services EOOD, Euromax Macedonia Dooel Skopje, Euromax Resources DOO Skopje (formerly PD Vardar Dooel Skopje), South Danube Metals doo Beograd and Euromax Resources (Macedonia) UK Limited, Silk Road Exploration Limited and Power Fortune Resources Limited.

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 future financing efforts will be successful or if the Company will attain a profitable level of operations. Since inception, the Company has incurred cumulative losses of \$37,970,364 as of March 31, 2013 (December 31, 2012: \$36,502,339) and a net loss for the three months ended March 31, 2013 of \$1,536,115 (three months ended March 31, 2012: \$812,837). Despite the Company's successful track record of raising equity (including the \$8 million private placement in March 2013 –Note 7), these factors indicate a material uncertainty regarding Euromax's ability to continue as a going concern. 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 statement 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". Euromax's share options and warrants are not listed.

The registered address of the Company is located at 595 Howe Street, Vancouver, British Columbia, Canada V6C 2T5. The Company also has offices in London, United Kingdom; Sofia, Bulgaria and Skopje, Macedonia.

These condensed consolidated interim financial statements were authorized for issue by the board of directors on May 8, 2013.

# Euromax Resources Ltd.

## Notes to the condensed consolidated interim financial statements - Unaudited March 31, 2013

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

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### 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 it did in the audited consolidated financial statements for the year ended December 31, 2012, except as disclosed in Note 4.

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, 2012, which have been prepared in accordance with IFRS as issued by the IASB.

### 3. 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, 2012.

### 4. Accounting policies

Effective January 1, 2013, the Company adopted the following new and revised standards, along with any consequential amendments, in accordance with the applicable transitional provisions:

- a) **IFRS 10 – Consolidated Financial Statements:** IFRS 10 replaces the guidance on control and consolidation in IAS 27, Consolidated and Separate Financial Statements, and SIC-12, Consolidation – Special Purpose Entities. IFRS 10 requires consolidation of an investee only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Detailed guidance is provided on applying the definition of control. The accounting requirements for consolidation have remained largely consistent with IAS 27. The Company assessed its consolidations conclusions on January 1, 2013 and determined the adoption of IFRS 10 did not result in any change in the consolidation status of any of its subsidiaries or investees.
- b) **IFRS 11 – Joint Arrangements:** IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and requires joint arrangements to be classified either as joint operations or joint ventures depending on the contractual rights and obligations of each investor that jointly controls the arrangement. For joint operations, a company recognizes its share of assets, liabilities, revenues and expenses of the joint operation. An investment in a joint venture is accounted for using the equity method as set out in IAS 28, Investments in Associates and Joint Ventures (amended in 2011). The Company does not currently have joint arrangements or investments in associates. Accordingly, the adoption of IFRS 11 did not have an effect on the Company's condensed consolidated interim financial statements. The other amendments to IAS 28 did not affect the Company.
- c) **IFRS 12 – Disclosure of interests in other entities:** IFRS 12 establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. The Company's disclosure requirements in respect of IFRS 12 will be contained in the consolidated financial statements for the year ended December 31, 2013.

# Euromax Resources Ltd.

## Notes to the condensed consolidated interim financial statements - Unaudited

March 31, 2013

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

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### 4. Accounting policies (continued)

- d) **IFRS 13 – Fair Value Measurement:** IFRS 13 provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013.
- e) **IAS 1 Amendment - Presentation of Items of Other Comprehensive Income:** The Company adopted the amendments to IAS 1 which required the Company to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. The Company has reclassified comprehensive income items of the comparative period. These changes did not result in any adjustments to other comprehensive income or comprehensive income.
- f) **IAS 19R – Employee Benefits:** The amended version of IAS 19 changes the way defined benefit plans and termination benefits are accounted for, in order to improve the recognition, presentation and disclosure of these types of plans. The revised standard has a particular impact on the amounts presented in profit or loss and other comprehensive income. The adoption of IAS19R did not have an impact on the Company's condensed consolidated interim financial statements.

### 5. Unproven mineral right interests

The Company is currently engaged in exploring on one property in Macedonia, three properties in Bulgaria and one property in Serbia.

#### (a) MACEDONIA

On July 11, 2007, the Company acquired an option to earn a 100% interest in the Ilovitza gold project in Macedonia. After completing an agreed exploration programme the vendor elected not to exercise a back-in right in January 2012, therefore the Company now owns a 100% interest in Ilovitza.

The Company's properties are held pursuant to Exploration Permits ("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 a mineral concession ("Concession"). A Concession runs for an initial term of 30 years.

#### *Ilovitza*

Ilovitza consists of two adjacent properties. On Ilovitza 11 (formerly known as Ilovitza 4) the Company has a Permit which is valid until February 21, 2015 with the ability to extend the Permit for a further two years. In the event of an economic discovery, the Company has the right to apply for a Concession for an initial term of 30 years. On Ilovitza 6, the Company was granted a Concession for the exploitation of mineral resources under the rules and regulations of the Law of Mineral Raw Materials in Macedonia. The Concession has an initial term of 30 years and is subject to royalties of 2% of the market value of metal contained in concentrate.

On the combined Ilovitza properties, the Ministry of Environment and Physical Planning in Macedonia has formally approved the Ilovitza Environmental Impact Study ("EIS") under Macedonian law. Additionally, on March 26, 2013, the Company filed a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") compliant Preliminary Economic Assessment ("PEA"). The table below outlines the preliminary results of the PEA based on an 8 million tonne per annum ("Mtpa") base case and sensitivity scenarios on plant throughputs of 12 and 16Mtpa.



# Euromax Resources Ltd.

## Notes to the condensed consolidated interim financial statements - Unaudited

March 31, 2013

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

### 5. Unproven mineral right interests (continued)

*Ilovitza - continued*

Throughput scenario	Pre-tax NPV @ 5% (US\$ m)	Initial Capital (US\$ m)	Payback (Years)	Mine Life (Years)
8 Mtpa	252	404	7.6	19
12 Mtpa	352	474	6.2	13
16 Mtpa	377	550	5.2	10

The PEA is preliminary in nature. It includes Inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as mineral reserves. There is no certainty that the PEA will be realised. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

#### (b) BULGARIA

The Company owns a 100% interest in Trun, Babjak and Zlataritzta. These properties are held pursuant to an exploration licence ("Licence") issued by the government of Bulgaria. The Licences have 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 mining concession ("Mining Concession"). The term for a Mining Concession is for the necessary period to extract the mineralization discovered but generally runs from 35 to 50 years.

##### *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 and covers an area of 67 square kilometres. Prior to the Licence expiring on July 12, 2012, the Company submitted a Commercial Discovery Certificate ("CDC") application for Trun, following the same process that was followed for the Breznik CDC that was submitted in 2011 (see below). In December 2012, the Company's final exploration report on Trun was formerly accepted by the Bulgarian Ministry of Economy under the CDC process.

##### *Babjak*

The Babjak Licence was granted pursuant to an agreement entered into between the Ministry and the Company, dated November 11, 2010 and covers an area of 101 square kilometres. The Licence expires on November 11, 2013 however after the completion of the minimum work programme by the Company the Licence can be extended for a further period of up to 5 years.

##### *Zlataritzta*

The Zlataritzta Licence was granted pursuant to an agreement entered into between the Ministry and the Company, dated June 4, 2012 and covers an area of 143.7 square kilometres. The Licence expires on June 4, 2015 however after the completion of the minimum work programme by the Company the Licence can be extended for a further period of up to 5 years.

##### *Breznik & Rakitovo*

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.

# Euromax Resources Ltd.

## Notes to the condensed consolidated interim financial statements - Unaudited

March 31, 2013

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

### 5. Unproven mineral right interests (continued)

#### *Breznik & Rakitovo - continued*

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 the 2012 financial year.

#### (c) SERBIA

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 programme and a proposed work programme 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.

#### *KMC*

On June 6, 2008, the Company acquired an option to earn a 100% interest in Karavansalija ("KMC") in Serbia. Under the terms of the option agreement, the Company agreed to complete a \$1.5 million exploration programme and the vendor retained certain back-in rights. In July 2011, the option agreement was amended and the vendor agreed to forego its back-in rights 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, now owns a 100% interest in the KMC property, subject to these royalty obligations. The KMC Exploration Permit was originally issued on July 7, 2004 will expire on 31 December 2013 with the ability to extend for a further two years.

A summary of changes to the Company's unproven mineral right interests in the quarters ended March 31, 2013 and March 31, 2012 is set out below.

	Bulgaria				Macedonia		Serbia	Total
	Trun	Breznik	Rakitovo	Babjak	Zlataritzta	Ilovitza	KMC	
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance, January 1, 2012</b>	2,402,275	1,270,473	204,101	-	67,439	4,467,346	3,045,320	11,456,954
<b>Exploration expenditures:</b>								
Assays and analysis	41,465	6,318	-	-	-	1,580	16,119	65,482
Drilling	310,342	-	-	-	-	-	-	310,342
Geological consulting	231,644	-	-	-	-	62,339	13,667	307,650
Geophysical contractors	33,356	-	-	-	-	-	-	33,356
Other	24,468	-	-	-	-	1,217	1,633	27,318
	3,043,550	1,276,791	204,101	-	67,439	4,532,482	3,076,739	12,201,102
<b>Other items:</b>								
Exchange differences	25,294	9,045	1,350	-	489	(99,533)	(85,850)	(149,205)
<b>Balance, March 31, 2012</b>	3,068,844	1,285,836	205,451	-	67,928	4,432,949	2,990,889	12,051,897
<b>Balance, January 1, 2013</b>	4,551,873	-	-	104,649	181,101	7,219,361	4,669,509	16,726,493
<b>Exploration expenditures:</b>								
Assays and analysis	-	-	-	32,766	-	93,151	-	125,917
Drilling	-	-	-	-	-	262,627	-	262,627
Geological consulting	81,054	-	-	5,316	17,413	50,577	41,120	195,480
Other	95,794	-	-	-	987	85,825	-	182,606
	4,728,721	-	-	142,731	199,501	7,711,541	4,710,629	17,493,123
<b>Other items:</b>								
Exchange differences	(74,860)	-	-	(2,304)	(2,651)	48,664	39,685	8,534
<b>Balance, March 31, 2013</b>	4,653,861	-	-	140,427	196,850	7,760,205	4,750,314	17,501,657

# Euromax Resources Ltd.

## Notes to the condensed consolidated interim financial statements - Unaudited March 31, 2013

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

### 6. Segmented information

The Company has three operating segments being Bulgaria, Serbia, and Macedonia with the corporate function operating in both Canada and the United Kingdom. The following is an analysis of the Company's assets by operating segment and reconciled to the Company's condensed consolidated interim financial statements:

	March 31, 2013	December 31, 2012
	\$	\$
Assets by geographic segment, at cost		
Bulgaria		
Current assets	322,062	849,630
Non current restricted cash	117,112	93,913
Property, plant & equipment	55,682	72,623
Unproven mineral right interests	4,991,138	4,837,623
	5,485,994	5,853,789
Serbia		
Current assets	226,738	251,780
Unproven mineral right interests	4,750,314	4,669,509
	4,977,052	4,921,289
Macedonia		
Current assets	537,451	877,549
Non current restricted cash	62,700	63,600
Property, plant & equipment	90,671	81,386
Unproven mineral right interests	7,760,205	7,219,361
	8,451,027	8,241,896
Corporate		
Current assets	8,504,225	1,361,980
Property, plant & equipment	53,160	45,672
	8,557,385	1,407,652
<b>Total Assets</b>	<b>27,471,458</b>	<b>20,424,626</b>

None of the Company's segments are revenue generating and the majority of the Company's operating expenses are incurred at the corporate level in Canada and the United Kingdom. The Company's depreciation expense of \$18,661 (2012: \$20,292) consists of \$13,269 in Bulgaria (2012: \$17,010), \$4,216 in the United Kingdom (2012: \$nil), \$1,176 in Macedonia (2012: \$1,167) and \$nil in Serbia (2012: \$2,115)

### 7. Share capital

At March 31, 2013, Euromax's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

On October 17, 2012, Euromax completed a three-for-one consolidation (the "Consolidation") of its issued and outstanding common shares. The 211,022,579 common shares issued and outstanding prior to the Consolidation were consolidated to 70,340,858 common shares. Euromax'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.

All share information has been adjusted to reflect the Consolidation.

# Euromax Resources Ltd.

## Notes to the condensed consolidated interim financial statements - Unaudited

March 31, 2013

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

### 7. Share capital– continued

	2013		2012	
	Number of shares	Amount	Number of shares	Amount
<b>Balance on January 1</b>	<b>70,340,858</b>	<b>50,840,751</b>	49,300,147	41,121,784
Common shares issued for:				
Financing, net of issue costs	<b>14,814,815</b>	<b>7,912,705</b>	5,766,667	2,507,872
Exercise of share options	<b>191,667</b>	<b>142,840</b>	458,333	341,490
<b>Balance on March 31</b>	<b>85,347,340</b>	<b>58,896,296</b>	55,525,147	43,971,146

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 July 8, 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.

The Company incurred cash share issue costs of \$87,295 in connection with the 2013 private placement in respect of filing and legal costs.

During the quarter ended March 31, 2013, 191,667 share options (2012: 458,333) were exercised at an average price of \$0.39 per common share (2012: \$0.39) raising proceeds of \$74,750 (2012: \$178,750).

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, a number of warrants. Each warrant would be exercisable for a period of five years 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.

On January 13, 2012, the Company completed a non-brokered private placement consisting of 5,766,666 units in the Company at a price of \$0.66 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 \$0.90 until January 16, 2014.

The warrants issued in 2012 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 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.

At March 31, 2013, the Company had outstanding 5,766,666 share purchase warrants (March 31, 2012: 6,818,300) at an exercise price of \$0.90 per share, 6,143,854 share options (March 31, 2012: 2,460,140) with exercise prices ranging from \$0.39 to \$1.05 per share and a weighted average exercise price of \$0.60 and had granted, subject to shareholder approval, 1,072,882 restricted stock units (March 31, 2012: nil).

# Euromax Resources Ltd.

## Notes to the condensed consolidated interim financial statements - Unaudited March 31, 2013

(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, former executive officers and directors as follows:

	<u>Nature of transactions</u>
Metallica Consulting Co.	Exploration fees
Delphis Financial Strategies Inc.	Management fees
Lamar EOOD	Exploration fees

During the quarters ended March 31, 2013 and 2012 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.

	2013	2012
	\$	\$
Management fees	26,500	24,000
Directors' fees	-	10,000
Exploration fees	37,500	58,452
	64,000	92,452

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at March 31, 2013 included \$nil (December 31, 2012: \$34,049), which were due to private companies controlled by directors and officers of the Company. At March 31, 2013 the Company has 3 executive and 3 non-executive directors (2012: 2 executive and 3 non-executive directors).

#### (b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the quarters ended March 31, 2013 and 2012 was as follows:

	Note	2013	2012
		\$	\$
Salaries, fees and directors' fees	(i)	300,661	197,452
Share-based payments	(ii)	92,068	32,714
Pension contributions	(iii)	19,950	-
	(iv)	412,679	230,166

- (i) Salaries, fees and director's fees include consulting and management fees disclosed in note 8(a).
- (ii) Share-based payments are the fair-value of options granted to key management personnel spread over the applicable vesting period.
- (iii) All pension contributions paid to key management personnel were to their individual pension plans.
- (iv) Key management personnel were not paid termination benefits, or other long-term benefits during the quarters ended March 31, 2013 and 2012.

# Euromax Resources Ltd.

## Notes to the condensed consolidated interim financial statements - Unaudited

March 31, 2013

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

### 9. Supplemental cash flow information

#### *Non-cash financing activities*

In the quarters ended March 31, 2013 and 2012, the Company incurred the following non-cash financing transactions:

	Quarter ended March 31,	
	2013	2012
	\$	\$
Transfer of equity reserve upon exercise of share options	68,090	162,740

### 10. Loss per share

	Quarter ended March 31,	
	2013	2012
	\$	\$
Net loss for the period	1,536,115	812,837
Basic weighted average number of common shares	74,404,161	54,669,287
<b>Basic &amp; dilutive earnings per share</b>	<b>0.02</b>	<b>0.01</b>

For the periods ended March 31, 2013 and 2012, because there is a reduction in loss per share resulting from the assumption that share options and warrants are exercised, the share options and warrants are considered anti-dilutive and are ignored in the computation of EPS. As there are no other instruments that may have a potential dilutive impact the basic and dilutive loss per share is the same.

### 11. Contingencies and commitments

The Company had the following future contractual obligations as at March 31, 2013:

	up to 1 year	1-5 years	Over 5 years	Total
	\$	\$	\$	\$
Operating lease obligations	114,919	277,722	-	392,641
Minimum exploration obligations	1,440,255	306,825	-	1,747,080
<b>Total contractual obligations</b>	<b>1,555,174</b>	<b>584,547</b>	<b>-</b>	<b>2,139,721</b>

### 12. Subsequent events

There have been no reportable events subsequent to March 31, 2013.