Euromax Resources Ltd.

Management's Discussion and Analysis
For the quarter and 6-months ended June 30, 2013

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 August 13, 2013 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes for the quarter ended June 30, 2013 ("Q2-2013") and the audited consolidated financial statements and related notes for the year ended December 31, 2012 ("FY12").

The Company's financial statements are reported under International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting.

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 the quarters ended prior to October 17, 2012 have been restated to reflect the Share Consolidation.

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 VISION AND VALUES

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:

- 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

- 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's 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.

To this end the Company welcomed Ms Kate Harcourt on to the management team as Environmental and Social manager. Ms Harcourt is a Chartered Environmentalist with extensive experience in providing strategic advice to mining companies including permitting, ESIA (Environmental and Social Impact Assessment) and community related matters. Ms Harcourt will support the Company in working toward compliance with the Equator Principles in order to satisfy future lending requirements. She will also undertake a full review of the Company's practices to ensure Euromax meets its environmental and social objectives using industry best practice and in line with IFC (International Finance Corporation) guidelines.

Ms Harcourt has over 20 years of experience as an Environmental and Social Impact Specialist, developing and consulting to environmental and social projects in the oil and gas and mining sector on a global basis.

Q2-2013 KEY PROJECT HIGHLIGHTS

The Company continues with the development of its Ilovitza gold-copper project in Macedonia. In the quarter further infill drilling results were announced. The results successfully constrained the resource to the west and northeast and extended the defined mineralisation to the east of the current resource with some of the best intercepts at the property to date. Work on a new resource estimation aimed at converting inferred resources to the measured and indicated categories is now well advanced. Further drilling aimed at defining geotechnical conditions for the planning of pit slope angles is now underway as part of a programme of geotechnical, hydrogeological, hydrological investigations which form part of the current progress to finalising a pre-feasibility study within the next quarter.

A new NI 43-101 compliant estimate of mineral resources was announced on the Trun project in Bulgaria. The new resource, which covers all six known vein sets, comprises some 0.516 million ounces of gold with 8 million ounces of silver and is in the inferred category. Work on the property is now focussed on the permitting process in order to obtain an operating concession and to advance to environmental permitting.

The 2013 drilling programmes for the Babjak and Zlataritza properties in Bulgaria started in June. The programmes are aimed at further testing the granite hosted gold vein mineralisation intercepted in last years drilling and trenching and at testing a large copper anomaly in soils. Drilling at the KMC project in Serbia also commenced in the quarter aimed at test skarns identified in last year's geophysical and drilling campaigns and increasing the recognised extent of the copper-gold and base metal skarn horizons.

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.

In June 2013, the Company disposed of a net smelter royalty in relation to the Timok exploration licences which the Company previously had title to. A gain on the disposal of this royalty of $200,000 was recognised in Q2-2013.

RESULTS OF OPERATIONS

	Quarter ended June 30,		Six months ended June 30,	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Expenses				
Accounting, legal and professional	**(261,726)**	(289,119)	**(458,569)**	(427,796)
Depreciation	**(34,522)**	(16,700)	**(51,193)**	(36,992)
Office and general	**(142,493)**	(143,005)	**(342,678)**	(181,107)
Regulatory, filing and transfer agent	**(12,492)**	(22,393)	**(48,385)**	(65,374)
Rent	**(77,828)**	(38,727)	**(146,628)**	(55,923)
Salaries, director and management fees	**(533,928)**	(544,686)	**(1,152,114)**	(913,899)
Share-based payments	**(223,486)**	(380,023)	**(400,792)**	(418,411)
Shareholder communications and investor relations	**(172,475)**	(59,097)	**(229,625)**	(140,740)
Travel	**(208,915)**	(59,918)	**(316,370)**	(152,401)
Gain/(loss) on foreign exchange	**63,418**	18,595	**26,432**	35,398
	(1,604,447)	(1,535,073)	**(3,119,922)**	(2,357,245)
Finance income	**1,006**	10,825	**3,722**	20,160
Finance expense	**(6,830)**	-	**(10,461)**	-
	(5,824)	10,825	**(6,739)**	20,160
Other items				
Loss on sale of unproven mineral right interests	**-**	(5,428)	**-**	(5,428)
Gain on sale of royalty right and other fixed assets	**201,092**	-	**201,371**	-
	(1,409,179)	(1,529,676)	**(2,925,290)**	(2,342,513)
Income tax expense	**(4,262)**	-	**(23,274)**	-
Loss for the period after tax	**(1,413,441)**	(1,529,676)	**(2,948,564)**	(2,342,513)

QUARTER ENDED JUNE 30, 2013 COMPARED TO QUARTER ENDED JUNE 30, 2012

The Company recorded a net loss after tax of $1,413,441 or $0.02 per share in Q2-2013, compared to a net loss of $1,529,676 or $0.03 per share in the quarter ended June 30, 2012 ("Q2-2012").

The reduced loss during the quarter was mainly due to the following:

- In June 2013, the Company disposed of a net smelter royalty that it held in relation to the Timok exploration licences which the Company previously had title to. A gain on the disposal of this royalty together with other fixed assets of $201,092 was recognised in Q2-2013.
- A reduction in share based payments compensation during the quarter of $156,537 compared to Q2-2012; In Q2-2013 1,072,882 Restricted Share Units (RSUs) were granted compared to 3,126,662 share options granted in Q2-2012.

Partially offset by:

- Travel expenses increasing in Q2-2013 by $148,997 owing to the Company's Annual General Meeting ("AGM") being held in Vancouver during May. This will be a 'one-off cost' as a resolution was passed at the AGM allowing the Company to hold future AGM's outside of British Columbia which should reduce this expense in future years. Additionally, a number of specialist technical consultants and investor analysts from North America and Europe visited the Company's Ilovitza & Trun projects in the quarter.
- Shareholder communications and investor relations expenses increasing $113,378 compared to Q2-2012 due to the appointment of investor relations firms in the UK and North America in April 2013 and "one-off" PR activities in Macedonia.

RESULTS OF OPERATIONS – 6 MONTHS ENDED JUNE 30, 2013 ("1H-2013")

The Company recorded a net loss of $2,948,564 or $0.04 per share in the six months ended June 30, 2013 ("1H-2013"), compared to a net loss of $2,342,513 or $0.04 per share in the 6 months ended June 30, 2012 ("1H-2012").

The increased loss during the six months was mainly due to the following:

- Salaries, director and management fees increased $238,215 compared to 1H-2012 and reflects a full six months of salaries for Euromax's expanded senior management team based in London, who were appointed on May 23, 2012.
- Travel expenses increasing in 1H-2013 by $163,969 owing to the Company's Annual General Meeting ("AGM") being held in Vancouver during May. This will be a 'one-off cost' as a resolution was passed at the AGM allowing the Company to hold future AGM's outside of British Columbia which should reduce this expense in future years. Additionally, a number of specialist technical consultants and investor analysts from North America and Europe visited the Company's Ilovitza & Trun projects.
- Office and general expenses, and rent expense have increased $161,571 and $90,705 respectively over the prior comparable period which reflects a full six month period of the London corporate office. In 1H-2012 the London corporate office was only established in late June 2012 after the completion of the strategic review by the new management team in June 2012 to move the Company corporate office from Vancouver to London.
- Shareholder communications and investor relations expenses increasing $88,885 compared to 1H-2012 due to the appointment of investor relations firms in the UK and North America in April 2013 and "one-off" PR activities in Macedonia.

Partially offset by:

- In June 2013, the Company disposed of a net smelter royalty that it held was in relation to the Timok exploration licences which the Company previously had title to. A gain on the disposal of this royalty, together with other fixed assets of $201,371 was recognised in 1H-2013.

SUMMARY OF QUARTERLY FINANCIAL RESULTS
(Expressed in thousands of dollars except per share amounts)

Quarter ended								
	June 30, 2013	**March 31, 2013**	**December 31, 2012**	**September 30, 2012**	**June 30, 2012**	**March 31, 2012**	**December 31, 2011**	**September 30, 2011**
Net loss	(1,413)	(1,536)	(1,921)	(1,300)	(1,530)	(813)	(1,008)	(860)
Loss per share	(0.02)	(0.02)	(0.03)	(0.02)	(0.03)	(0.01)	(0.02)	(0.02)

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2013, the Company had working capital of $5,842,283, compared to $2,591,721 at December 31, 2012, including a cash balance of $6,232,005 (December 31, 2012: $1,761,743).

Trade and other receivables were $500,326 at June 30, 2013 which has reduced from $1,193,765 at December 31, 2012 due to the receipt of outstanding VAT receipts by the Company's Macedonian and Bulgarian subsidiaries, and HST in Canada. Included in trade and other receivables at June 30, 2013 was VAT receivable in Macedonia, Bulgaria, Serbia and the UK, and GST receivable in Canada.

Trade and other payables were $1,347,319 at June 30, 2013, compared to $749,218 at December 31, 2012 with the increase principally due to accruals relating to the on-going exploration drilling at the Company's Ilovitza and KMC projects as well as the Babjak and Zlataritza prospects.

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

On March 7, 2013, the Company closed a 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 raising $8,000,000 in gross proceeds. The common shares issued in connection with the private placement are subject to a four-month hold period expiring on July 8, 2013.

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

Additionally, the Company entered into an 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 2012 private placement was distributed on a pro-rata basis between share capital and equity reserve.

The Company incurred cash share issue costs of $40,443 in connection with the 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 (the "June 2012 Private Placement") consisting of 14,000,222 common shares in the Company at a price of $0.45 per share, for gross proceeds of $6,300,100. The Company incurred cash share issue costs of $71,469 in connection with the June 2012 Private Placement in respect of filing and legal costs.

The 1H-2013 and 1H-2012 equity financings have allowed the Company to fund activities to advance its exploration and development projects in south-eastern Europe. The Company is in the development and exploration stage and has no 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.

Operating Activities
Cash used in operations in 1H-2013, including the changes in non-cash working capital items, was $2,018,701 (1H-2012: $1,887,857).

Financing Activities
Cash received from financing activities in 1H-2013 included $7,912,705 from the private placement described above (1H-2012: $9,994,188) and $74,750 from the exercise of 191,667 share options (1H-2012: $348,974 from the exercise of 525,000 share options and 300,467 warrants).

LIQUIDITY AND CAPITAL RESOURCES - continued

Investing Activities
The Company used cash of $1,567,948 in investing activities in 1H-2013 (1H-2012: $1,190,682), for increases to unproven mineral right interests and purchases of equipment, partially offset by proceeds from the sale of a royalty right and other fixed assets of $201,371. A summary of changes to the Company's unproven mineral rights on an accruals basis in Q1-2013 and Q1-2012 is presented below.

Summary of Exploration Expenditures	Bulgaria					Macedonia	Serbia	Total
	Trun	*Breznik*	*Rakitovo*	*Babjak*	*Zlataritza*	*Ilovitza*	*KMC*	
	$	$	$	$	$	$	$	$
Balance, January 1, 2012	2,402,274	1,270,474	204,101	-	67,439	4,467,346	3,045,320	11,456,954
Exploration expenditures:							-	
Assays and analysis	111,638	-	-	-	-	1,572	27,250	140,460
Drilling	1,033,559	-	-	-	-	159,604	425,772	1,618,935
Geological consulting	491,594	-	-	-	-	107,018	25,926	624,538
Geophysical contractors	96,319	-	-	-	-	-	561	96,880
Other	62,924	-	-	-	4,562	3,658	28,138	99,282
	4,198,308	1,270,474	204,101	-	72,001	4,739,198	3,552,967	14,037,049
Other items:								
Sale of unproven mineral right interests	-	(1,249,392)	(200,926)	-	-	-	-	(1,450,318)
Exchange differences	(117,626)	(21,082)	(3,175)	-	(2,399)	22,104	(131,662)	(253,840)
Balance, June 30, 2012	4,080,682	-	-	-	69,602	4,761,302	3,421,305	12,332,891
Balance, January 1, 2013	**4,551,873**	-	-	**104,649**	**181,101**	**7,219,361**	**4,669,509**	**16,726,493**
Exploration expenditures:								
Assays and analysis	**78,553**	-	-	**32,823**	-	**116,486**	**12,160**	**240,021**
Drilling	-	-	-	**120,314**	-	**758,348**	**169,350**	**1,048,013**
Geological consulting	**219,499**	-	-	**51,415**	**29,942**	**96,641**	**28,541**	**426,039**
Feasibility costs	-	-	-	-	-	**173,475**	-	**173,475**
Other	**95,964**	-	-	-	**10,983**	**124,754**	**2,499**	**234,199**
	4,945,889	-	-	**309,202**	**222,026**	**8,489,065**	**4,882,059**	**18,848,240**
Other items:								
Exchange differences	**173,044**	-	-	**11,298**	**6,965**	**466,401**	**232,100**	**889,809**
Balance, June 30, 2013	**5,118,933**	-	-	**320,500**	**228,991**	**8,955,466**	**5,114,159**	**19,738,049**

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 companies owned by executive officers, 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

During the 6-month periods ended June 30, 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	**42,500**	53,000
Exploration fees	**54,980**	129,202
	97,480	182,202

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at June 30, 2013 included $nil (December 31, 2012: $34,049), which were due to private companies controlled by directors and officers of the Company. At June 30, 2013 the Company has 3 executive and 3 non-executive directors (2012: 4 executive and 3 non-executive directors).

EXPLORATION PROJECTS

This section outlines the exploration activities carried out in the quarter ended June 30, 2013 ("Q2-2013"). 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. During 2012 an EIS for the project was approved by the Macedonian authorities and a mining concession was also granted.

Following completion of infill drilling aimed at increasing resource confidence levels at the Company's Ilovitza copper-gold porphyry project in Macedonia (see press release dated 21 March 2013), five drill sites were selected for step-out drilling to increase the coverage of the mineralisation on a nominal 100m spaced drill grid. The drill holes were located to the west, northeast and east of the main area of drilling and can be summarised as follows:

DH No.	Depth (m)	Azimuth°	Dip°	Cut off 0.50 g/t Au Eq				
				From (m)	To (m)	Length (m)	Au (g/t)	Cu (%)
EOIC 1357	350.1	-	90	178.0	350.1	172.1	0.99	0.35
EOIC 1358	276.0	-	90	249.0	276.0	26.8	0.35	0.18
EOIC 1359	398.4	-	90	336.0	357.0	21.0	0.33	0.21
EOIC 1360	360.0	270	60	0.0	164.0	164.0	0.24	0.32
EOIC 1361	267.2	90	60	180.0	224.5	44.5	0.31	0.28
EOIC 1362	406.5	-	90	62.0	116.5	54.5	0.36	0.18
and	406.5	-	90	140.5	305.3	164.8	0.90	0.35

Note: Intercepts identified using a 0.5 g/t gold equivalent cut-off, maximum 10 metres internal waste allowed.

The drilling at Ilovitza has effectively constrained the mineralisation to the west and northeast whilst showing a zone of above average grade to the east which remains open down plunge.

Following completion of the infill drilling, independent consultants Tetra Tech, have re-estimated the mineral resource on behalf of the Company and categorised all resources using the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") classification. A constraining pit shell and a dollar equivalent cut-off have been applied to the 3D block model to ensure reasonable prospects of economic extraction for the reported resources.

The new resource estimate for fresh (unoxidised sulphide) and mixed (partially oxidised sulphide) can be summarised as follows:

Measured and Indicated Mineral Resource Based upon a Dollar Equivalent cut-off of $16/t.

Classification	Material	Tonnage (Kt)	Grade		Contained Metal	
			Au (g/t)	Cu (%)	Au (Koz)	Cu (Klb)
Measured	Mixed	290	0.40	0.27	4	1,754
	Fresh	15,480	0.35	0.22	190	76,285
Indicated	Mixed	5,120	0.36	0.26	65	29,819
	Fresh	163,130	0.33	0.21	1,884	767,364
Total		**184,020**	**0.33**	**0.21**	**2,143**	**875,222**

Inferred Mineral Resource Based upon a Dollar Equivalent cut-off of $16/t.

Classification	Material	Tonnage (Kt)	Grade		Contained Metal	
			Au (g/t)	Cu (%)	Au (Koz)	Cu (Klb)
Inferred	Mixed	500	0.26	0.13	5	1,456
	Fresh	7,700	0.29	0.20	78	34,496
Total		**8,200**	**0.29**	**0.20**	**83**	**35,952**

The programme achieved the main aims of the 2012-2013 drilling campaign in increasing the Measured and Indicated Resources in the fresh and mixed zones at Ilovitza from 22Mt to 184Mt at improved grades compared to the previous resource estimate announced last year. The new resource estimate is well constrained in terms of the geology and the grade and is also constrained to material that is potentially accessible by open pit mining.

EXPLORATION PROJECTS - continued

Higher-grade zones defined at higher cut-offs are spatially coherent and scheduling opportunities arising from this will be examined in the current Pre-Feasibility Study.

Ongoing work on the Ilovitza property includes:

- Geotechnical drilling to investigate pit slope stability;
- 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, lock cycle flotation test work and grind-size optimisation;
- Hydrogeological work and a geotechnical programme that will provide information to further optimise the project through the pre-feasibility study especially with regard to infra-structure development;
- 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; and
- 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 in the third quarter of 2013.

Oxide Resource
Whilst they are not being considered for processing as part of the current pre-feasibility work, oxide resources within the constraining pit shell were also estimated as follows:

Oxide Mineral Resource Tabulation Based upon a Dollar Equivalent cut-off of $8/t.

Classification	Material	Tonnage (Kt)	Grade		Contained Metal	
			Au (g/t)	Cu (%)	Au (Koz)	Cu (Klb)
Measured	Oxide	850	0.37	0.13	11	2,475
Indicated	Oxide	15,200	0.36	0.10	192	34,048
Total M+I	**Oxide**	**16,050**	**0.36**	**0.10**	**203**	**36,523**
Inferred	Oxide	3,410	0.32	0.03	38	2,292

Notes to the above tables

1. Dollar equivalent cut-offs based upon the following calculation Dollar Eq = (Au * recovery * price) + (Cu * recovery * price), using the following inputs:
    - Au Recovery in oxide 70%,
    - Cu Recovery in oxide 0%
    - Cu Recovery in mixed & fresh 90%
    - Au Recovery in mixed & fresh 83%
    - Spot metal prices effective 17 June 2013 (Au = US$1,385/oz, Cu = US$3.18/lb)
2. Oxide resource cut-off reduced to US$8 for assumed lower operating costs.
3. In-situ density of 2.15t/m3 oxide 2.45 t/m3 fresh.
4. Numbers may not add exactly due to rounding
5. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. The mineral resources in this news release were estimated using current Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards, definitions and guidelines.

Trun Gold Project – Bulgaria: The Trun project comprises six vein sets: Logo, Ruy, Nadeja, KD, Zlata and K2. The mineralisation is characteristic of intrusive related gold. The vein sets are hosted by granite intrusions with the exception of the Logo vein system, which is hosted within schistose country rocks. The 2012 exploration programme comprised 5,880 metres of diamond core drilling over all six vein sets.

Independent consultants, Tetra Tech, have carried out the mineral resource estimate on behalf of the Company and categorise all resources as Inferred using the Canadian Institute of Mining ("CIM") classification. The new Trun technical report, 'Resource Estimate on the Trun Project, Bulgaria', has been filed on SEDAR and the resource estimate can be summarised as follows:

EXPLORATION PROJECTS – continued

Target	Tonnage	Au (g/t)	Ag (g/t)	Au (oz)	Ag (oz)
Logo (1)	9,360,000	1.12	4.33	334,000	1,297,000
Ruy (2)	940,000	1.30	-	39,000	-
Nadejda (2)	380,000	1.40	-	17,000	-
KD (1)	3,900,000	0.63	45.41	78,000	5,667,000
Zlata (3)	1,240,000	1.01	26.50	40,000	1,050,000
K2 (2)	230,000	1.03	-	8,000	-
Total	**16,050,000**			**516,000**	**8,014,000**

Notes:

1. The resources at KD and Logo have been estimated above a $36.00 /t cut-off.

2. The resources at Nadejda, Ruy and K2 have been estimated based above a 0.8 g/t Au cut-off.

3. The resources at Zlata have been estimated above a $52.00 /t cut-off.

Cut-off grades and dollar equivalents are based upon three year trailing average metal prices as of the 18th February 2013. The metal prices used are $1,507.00 /oz Au and $29.24 /oz Ag. At this stage a 100% recovery of both silver and gold has been assumed. The dollar equivalent ($ eq) is calculated using the following formula: $ eq = [Au grade x Au price x 0.035] + [Ag grade x Ag price x 0.035].

Key assumptions used to estimate minerals resources at Trun are:

- The mineral resources have been estimated into a three dimensional block model, with the mineralised zones defined by wireframed solid models;
- The interpolation of the metal grades was undertaken using ordinary kriging;
- Preliminary concepts of mining support the resource estimates and demonstrate that the deposits have reasonable prospects for economic extraction;
- Single density values were applied to each mineralised zone based upon the arithmetic mean of 119 density test results.

These estimates have an effective date of 26 March 2013. The last data included in the estimate was received on the 3rd of December 2012. The resources have been estimated by Mr. Robert Davies, Bachelor of Science (B.Sc.), European Geologist (EurGeol), Chartered Geologist (CGeol), supervised by Mr. Simon McCracken, Bachelor of Applied Science (BAppsSC), Member of the Australian Institute of Geoscientists (MAIG), Fellow of the Geological Society (FGS).

Tetra Tech also recommends a two phase drilling programme to further explore vein sets which form potential extensions to the resources highlighted in their estimate. Two particular vein set areas are proposed for additional drilling:

Nadejda Northeast – The proposed drilling will investigate a panel area of approximately 22,000m^2, around the following drilling intercepts:

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)
TC1178	387.5	394.4	6.9	8.47
including	390.0	394.4	4.4	13.11

Zlata South – The proposed drilling will investigate a panel area of approximately 22,000m^2, around the following drilling intercepts:

Hole ID	Approximate Depth (m)	Length (m)	Au (g/t)
C615	180	10.6	8.18
C4	180	1.0	137.2
C5	250	1.3	12.1

Further drilling is planned in order to define mineral resources in these and other areas of extension. Tetra Tech's phased drill programme proposal has the definition of resources in phase one at a cost of $606,000. For phase two, Tetra Tech has recommended an infill drilling campaign to locally improve the resource confidence, which may allow the resource classification to be upgraded. The proposed phase two drilling campaign has been budgeted at $2.4 million.

The Trun property is currently the subject of a Commercial Discovery Certificate application in Bulgaria. The application was made in July 2012 and formally accepted in November 2012. Bulgarian regulations required the application be accompanied by an estimate of resources using the Bulgarian system of classification and as such included veins which would not meet CIM resource classification requirements such as those highlighted for further drilling in the Tetra Tech report. Once the Certificate is granted and further drilling is allowed, it is the Company's intention to drill these zones.

EXPLORATION PROJECTS - continued

Environmental baseline work, community projects and liaison as well as re-interpretation of geochemical and geophysical data continue on the project in the mean time.

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 23 km^2. KMC's mineralisation includes thick sequences of gold-copper skarns, gold skarns, zinc-lead-copper-gold skarns and volcanic hosted gold mineralised silica breccias. Drilling commenced at the KMC in June and is aimed at test skarns identified in last year's geophysical and drilling campaigns and increasing the recognised extent of the copper-gold and base metal skarn horizons. The programme can be summarised as follows:

KMC PLANNED DRILL HOLES 2013							
		Location		Parameters, DH			Comments
Planned DH	Target	North, m	East, m	Az	Dip	Depth, m	
EOKSC 1360	Breccia	4772800	7470000	230	77	401	Testing the breccia zone extension to IP anomaly,
EOKSC 1361	Gradina	4766005	7472187	230	80	375.3	High gravity and High IP anomaly,
EOKS 1361a	Gradina	4766005	7472187	60	60	500	High Gravity and IP anomaly
F	Gradina	4766075	7472075	60	60	500	Gravity high, High IP, Low Resistivity anomaly,
E	Gradina	4766005	7472187	60	80	500	Testing the down dip extension of zone
A	Zink Zone	4771395	7470450		90	500	Testing Au-Cu-Zn skarn, positive gravity and IP anomaly
B	Zink Zone	4771375	7470595		90	500	Testing Au-Cu-Zn skarn, positive gravity and IP anomaly
C	Zink Zone	4771525	7470610		90	500	Testing Au-Cu-Zn skarn, positive gravity and IP anomaly

Assays for this programme are awaited.

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. Geochemistry has highlighted strike extensions to the known veins and also an 800 by 800 metre zone of elevated copper with coincident low resistivity to the east of the known veins. The 2013 drilling programmes for the Babjak and Zlataritza properties in Bulgaria started in June. The programmes are aimed at further testing the granite hosted gold vein mineralisation intercepted in last years drilling and trenching and at testing a large copper anomaly in soils. The programme can be summarised as follows:

BABJAK & ZLATARITZA 2013 PROJECT DRILL HOLES							
Project DH	Target			Parameters, DH			Comments
		North, m	East, m	Az	Dip	Depth, m	
BC 1305	DD, Babjak	4650267	720259	105	-80	312.7	Main zone intersected between 203.6 and 218.3 meters
BC 1306	DD, Babjak	4650313	720301	105	-75	208.9	Main zone intersected between 182.3 and 198.1 meters
BC 1307	DD, Babjak	4650422	720319	105	-70	243.3	Main zone intersected between 218.5 and 229.4 meters
BC 1308	DD, Babjak	4650445	720372	105	-65	212.2	Main zone intersected between 203.6 and 218.3 meters
BC 1309	DD, Babjak	4650223	720268	105	-70	250	Progressed to 51 meters
G1	BP, Babjak	4650618	721160	115	-60	350	Zone 6 and zone 7
A3	KK, Babjak	4651927	719695	-	-90	250	Zone 13, 11 and 14 from Kardashevi kolibi area
D3	KK, Babjak	4652683	719801	-	-90	150	zone 11 and 14
A1	Copper zone	4649794	721886	180	-75	300	Copper anomaly from the soil sampling
B1	Copper zone	4650019	722187	150	-75	250	Copper anomaly from the soil sampling

EXPLORATION PROJECTS - continued

BABJAK & ZLATARITZA 2013 PROJECT DRILL HOLES							
Project DH	Target			Parameters, DH			Comments
		North, m	East, m	Az	Dip	Depth, m	
A4	KB, Zlataritza	4642140	736725	140	60	100	High gold grade in trenches

Assays for this programme are awaited.

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; and
- 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; and
- 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:

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - continued
Fluctuation of Commodity Prices - continued

- 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 will 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.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - continued
Economic and Political Instability in Foreign Jurisdictions - continued

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 position.

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:

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - continued
Operating Hazards and Other Uncertainties - continued

- 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.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - continued
Environmental Risks – continued

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.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - continued

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

There have been no reportable events subsequent to June 30, 2013.

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 August 13, 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, 6,143,854 share options, with exercise prices ranging from $0.39 to $1.05 per share, and 1,072,882 restricted share units. Additional information is available on SEDAR at www.sedar.com and at the Company's website www.euromaxresources.com.