CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2013 and 2012

Expressed in Canadian dollars

Euromax Resources Ltd.

December 31, 2013 and 2012

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Independent auditor's report to the shareholders of Euromax Resources Ltd.

We have audited the consolidated financial statements of Euromax Resources Ltd for the years ended December 31, 2013 and December 31, 2012 which comprise the consolidated statements of loss and other comprehensive loss, the consolidated statements of financial position, the consolidated statements of changes in equity, the consolidated statements of cash flows and the related notes 1 to 18.

This report is made solely to the Company's shareholders, as a body, in accordance with Policy 3.1 of the TSX Venture Exchange. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent possible by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on financial statements
In our opinion the consolidated financial statements present fairly in all material respects, the financial position of Euromax Resources Ltd. as at December 31, 2013 and December 31, 2012, and its financial performance and its cash flows for the years then ended in accordance with IFRSs as issued by the IASB.

Emphasis of matter – going concern
Without qualifying our opinion, we draw attention to note 3(a) in the consolidated financial statements concerning the Company's ability to continue as a going concern. Management has prepared cash flow forecasts, which indicate that the business will require additional funding within the next 12 months. As described in note 3 (a), management is currently in discussion with a number of parties over the provision of additional financing but as at the date these financial statements have been signed, no financing agreements have been signed.

Accordingly in these circumstances, management has concluded that this represents a material uncertainty which may cause significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK
April 28, 2014

Euromax Resources Ltd.

Consolidated statements of loss and other comprehensive loss

(Expressed in Canadian dollars)

	Note	Years ended December 31 2013 $	2012 $
Expenses			
Accounting, legal and professional		**(864,542)**	(1,158,119)
Depreciation	**6**	**(98,856)**	(83,499)
Amortisation		**(11,212)**	-
Office and general		**(518,555)**	(323,104)
Regulatory, filing and transfer agent		**(59,763)**	(82,714)
Rent		**(298,841)**	(179,867)
Salaries, director and management fees		**(2,341,981)**	(2,665,239)
Share-based payments	**11(d)**	**(843,595)**	(569,616)
Shareholder communications and investor relations		**(578,910)**	(259,534)
Travel		**(537,653)**	(304,059)
Exploration and evaluation costs		**(75,488)**	-
Gain on foreign exchange		**41,388**	65,040
Operating loss		**(6,188,008)**	(5,560,711)
Finance income		**5,716**	32,683
Finance expense		**(23,121)**	(10,395)
Net finance (expense)/income		**(17,405)**	22,288
Other items			
Gain/(loss) on sale of unproven mineral right interests	**7**	**1,025,000**	(5,737)
Gain on sale of royalty right and fixed assets		**201,388**	-
Impairment of unproven mineral rights interests	**9**	**(3,073,569)**	-
Other income		**8,678**	119,282
Loss before tax		**(8,043,916)**	(5,424,878)
Income tax expense	**13**	**(30,284)**	(32,692)
Loss after tax		**(8,074,200)**	(5,457,570)
Other comprehensive income/(loss), net of tax:			
Items that are or may be reclassified subsequently to profit or loss			
Cumulative translation adjustment on foreign subsidiaries		**2,664,211**	(156,808)
Total other comprehensive income/(loss), net of tax		**2,664,211**	(156,808)
Comprehensive loss for the period		**(5,409,989)**	(5,614,378)
Loss per common share:			
Basic and diluted	**5**	**(0.10)**	(0.09)
Weighted average number of common shares outstanding			
Basic and diluted	**5**	**82,649,022**	63,395,582

The notes on pages 8 to 30 form an integral part of these consolidated financial statements

Euromax Resources Ltd.

Consolidated statements of financial position

(Expressed in Canadian dollars)

	Note	As at December 31, 2013 $	December 31, 2012 $
ASSETS			
Current			
Cash and cash equivalents		**1,334,665**	1,761,743
Trade and other receivables		**608,497**	1,193,765
Prepayments and deposits		**391,096**	385,431
Assets held for sale	**9**	**3,955,267**	-
Total current assets		**6,289,525**	3,340,939
Non-current assets			
Restricted cash		**71,400**	157,513
Property, plant and equipment	**6**	**305,181**	199,681
Intangible assets		**29,316**	-
Unproven mineral right interests	**7**	**17,608,897**	16,726,493
Total assets		**24,304,319**	20,424,626
LIABILITIES			
Current			
Trade and other payables		**1,169,826**	749,218
Liabilities held for sale	**9**	**38,024**	-
Total liabilities		**1,207,850**	749,218
EQUITY			
Share capital	**10(a)**	**58,896,296**	50,840,751
Equity reserve		**6,680,638**	5,905,133
Currency translation reserve		**2,096,074**	(568,137)
Accumulated losses		**(44,576,539)**	(36,502,339)
Total equity		**23,096,469**	19,675,408
Total liabilities and equity		**24,304,319**	20,424,626
Nature of operations	**1**		
Subsequent events	**18**		

Approved on behalf of the Board of Directors

"Steve Sharpe"

Steve Sharpe, Director

"Tim Morgan-Wynne"

Tim Morgan-Wynne, Director

The notes on pages 8 to 30 form an integral part of these consolidated financial statements

Euromax Resources Ltd.

Consolidated statements of changes in equity

(Expressed in Canadian dollars)

For the years ended December 31, 2013 and 2012

	Note	Share capital Number of shares[1]	Amount	Equity reserve	Currency translation reserve	Accumulated losses	Total Equity
			$	$	$	$	$
Balance on January 1, 2012		49,300,145	41,121,784	4,532,558	(411,329)	(31,044,769)	14,198,244
Common shares issued for:							
Financing, net of issue costs	**10(a)**	19,766,890	8,737,253	1,257,685	-	-	9,994,938
Exercise of share options	**10(a)**	973,356	729,322	(346,558)	-	-	382,764
Exercise of warrants	**10(a)**	300,467	252,392	(108,168)	-	-	144,224
Share-based payments	**11(d)**	-	-	569,616	-	-	569,616
Comprehensive loss for the period		-	-	-	(156,808)	(5,457,570)	(5,614,378)
Balance on December 31, 2012		70,340,858	50,840,751	5,905,133	(568,137)	(36,502,339)	19,675,408
Balance on January 1, 2013		**70,340,858**	**50,840,751**	**5,905,133**	**(568,137)**	**(36,502,339)**	**19,675,408**
Common shares issued for:							
Financing, net of issue costs	**10(a)**	**14,814,815**	**7,912,705**	**-**	**-**	**-**	**7,912,705**
Exercise of share options	**10(a)**	**191,667**	**142,840**	**(68,090)**	**-**		**74,750**
Share-based payments	**11(d)**	**-**	**-**	**843,595**	**-**	**-**	**843,595**
Comprehensive loss for the period		**-**	**-**	**-**	**2,664,211**	**(8,074,200)**	**(5,409,989)**
Balance on December 31, 2013		**85,347,340**	**58,896,296**	**6,680,638**	**2,096,074**	**(44,576,539)**	**23,096,469**

[1] All share information has been adjusted to reflect the Consolidation (See Note 10(a)).

The notes on pages 8 to 30 form an integral part of these consolidated financial statements

Euromax Resources Ltd.

Consolidated statements of cash flows

(Expressed in Canadian dollars)

	Note	Year ended December 31, 2013 $	2012 $
OPERATING ACTIVITIES			
Loss before tax		**(8,043,916)**	(5,424,878)
Add back:			
Depreciation	**6**	**98,856**	83,499
Amortisation		**11,212**	-
Finance income		**(5,716)**	(32,683)
Finance expense		**23,121**	10,395
Share-based payments	**11(d)**	**843,595**	569,616
(Gain)/loss on sale of unproven mineral right interests	**7**	**(1,025,000)**	5,737
Gain on sale of royalty right and fixed assets		**(201,388)**	-
Impairment on unproven mineral right interests	**9**	**3,073,569**	-
Changes in non-cash working capital items:			
Decrease/(increase) in trade and other receivables and prepayments and deposits		**524,336**	(599,147)
Increase in trade and other payables		**204,950**	187,019
Income tax paid		**(35,390)**	-
Cash used in operating activities		**(4,531,771)**	(5,200,442)
INVESTING ACTIVITIES			
Expenditures on unproven mineral right interests		**(5,047,337)**	(6,794,289)
Proceeds from sale of unproven mineral right interests	**7**	**1,025,000**	1,450,972
Proceeds from sale of royalty right and property, plant and equipment		**201,388**	17,318
Purchases of property, plant and equipment and intangible assets		**(185,192)**	(152,557)
Increase in restricted cash deposits		**(26,027)**	(42,905)
Interest received		**5,716**	32,683
Cash used in investing activities		**(4,026,452)**	(5,488,778)
FINANCING ACTIVITIES			
Issue of common shares for cash, net of issue costs	**10(a)**	**7,912,705**	9,994,938
Exercise of share warrants	**10(a)**	**-**	144,224
Exercise of share options	**10(a)**	**74,750**	382,764
Interest paid		**(23,121)**	(10,395)
Cash provided by financing activities		**7,964,334**	10,511,531
Effect of exchange rate changes on cash		**166,811**	(82,756)
Net change in cash and cash equivalents		**(593,889)**	(177,689)
Cash and cash equivalents, beginning of the period		**1,761,743**	2,022,188
Cash and cash equivalents, end of the period		**1,334,665**	1,761,743

Supplemental cash flow information (Note 16)

The notes on pages 8 to 30 form an integral part of these consolidated financial statements

1. Nature of operations

Euromax Resources Ltd. ("Euromax" or "the Company") was incorporated under the Business Corporation Act (British Columbia) and established as a legal entity on May 1, 1990. The registered address of the Company is located at 10th Floor, 595 Howe Street, Vancouver, British Columbia, Canada V6C 2T5.

These consolidated financial statements include the accounts of Euromax and of its wholly-owned subsidiaries (collectively, "the Group"). The Group operates with the objective of becoming the leading gold and base metal mining company in Europe. The Group operates in one segment being the exploration and development of mineral right interests.

Euromax's common shares are listed on the TSX Venture Exchange under the trading symbol "EOX". Euromax's share options and warrants are not listed.

These consolidated financial statements were authorised for issue by the board of directors on April 28, 2014.

2. Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with and in full compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

(b) Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis as explained in the accounting policies set out in Note 3.

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency, except where otherwise indicated.

(c) Adoption of new and revised standards and interpretations

The accounting policies applied are consistent with those adopted and disclosed in the Group's financial statements for the year ended December 31, 2012 except for changes arising from the adoption of new accounting pronouncements listed below.

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of interests in other entities
- IFRS 13 – Fair Value Measurement
- IAS 1 Amendment - Presentation of Items of Other Comprehensive Income
- IAS 19R – Employee Benefits

None of these new accounting pronouncements listed above had a significant impact on the Group's consolidated financial statements.

The IASB has also issued the following new standard, amendments to standards and interpretations that are effective for periods beginning after January 1, 2013 and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below.

- Offsetting Financial Assets and Liabilities (Amendments to IAS 32) – *effective January 1, 2014*
- Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) – *effective January 1, 2014*
- IFRIC 21 – Levies – *effective January 1, 2014*
- IFRS 9 - Financial Instruments (2009), Financial Instruments (2010) – *effective Jan 1, 2015*

The Group is still evaluating the impact of these pronouncements on its consolidated financial statements.

3. Summary of significant accounting policies

(a) Going concern

These consolidated financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realization of assets and settlement of liabilities in the normal course of business.

At December 31, 2013, the Group has net current assets of $5.082 million which is inclusive of assets and liabilities classified as held for sale at year end and no borrowing facilities that require repayment. Subsequent to year end, the Group has successfully completed the sale of its subsidiary Euromax Services EOOD ("EOX Services") for an initial cash payment of US$2.7 million with deferred payments of US$0.5 million and US$0.3 million payable in 2015 and 2018. Refer to Note 18 for further details.

Notwithstanding the proceeds from the sale of EOX Services, the Directors have reviewed Group cash flow budgets and forecasts and have identified that further funding is required to advance the exploration and development of the Group's mineral right interests through to production and revenue generation. The Directors remain optimistic that additional funding will be secured as the Group is presently in discussions with equity and debt providers and the Group has a track record of successfully arranging funding to continue operating in the normal course of business.

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 Group may be unable to meet its obligations as they come due in the normal course of business. Accordingly in these circumstances, the Directors have concluded that this represents a material uncertainty which may cause significant doubt about the Group's ability to continue as a going concern.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Group and its controlled subsidiaries. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intercompany transactions, balances, income and expenses are eliminated on consolidation.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated losses) in the same manner as would be required if the relevant assets or liabilities are disposed of. The fair value of any investment retained in the former subsidiary at date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the costs on initial recognition of an investment in an associate or jointly controlled entity.

(c) Interest income

Interest income from financial assets is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3. Summary of significant accounting policies (continued)

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates in existence at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured using historical cost in a foreign currency are not retranslated.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income ("OCI"):

- Available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- Qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Canadian dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Canadian dollars using average exchange rates that reasonably approximate the exchange rate at the transaction date.

Foreign currency differences are recognised in OCI and accumulated in the currency translation reserve.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

If the settlement of a monetary item receivable from a payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in OCI and accumulated in the currency translation reserve.

(e) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

All items of property, plant and equipment are depreciated over their estimated useful lives on a straight-line basis over two to ten years.

An item of property, plant and equipment is derecognised upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in the consolidated statement of loss and comprehensive loss.

The Group conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for equipment and any changes arising from the assessment are applied by the Group prospectively.

3. Summary of significant accounting policies (continued)

(f) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using a straight line method over their estimated useful lives and is recognised in profit or loss. The estimated useful life of the Group's intangible assets is two years.

(g) Unproven mineral right interests

The Group capitalises into unproven mineral right interests all costs, net of any recoveries, of acquiring, exploring and evaluating an unproven mineral right interest, until the rights to which they relate are placed into production, at which time these capitalised costs will be amortised on a units of production basis upon commissioning a mining operation, or written-off if the rights are disposed of, impaired or abandoned.

Such costs capitalised may include the cash consideration and/or fair value of shares issued on the acquisition of mineral right interests, exploration drilling and assaying, technical reports, and directly attributable employee costs of performing exploration and evaluation activities on unproven mineral right interests.

There may be material uncertainties associated with the Group's title and ownership of its unproven mineral right interests. Ordinarily the Group does not own the land upon which an interest is located, and title may be subject to unregistered prior agreements or transfers or other undetected defects. Management is not aware of any issues at this time.

(h) Assets held for sale

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. This condition is regarded as met only when a sale is highly probable within one year from the date of the classification, management is committed to the sale and the asset or disposal group is available for its immediate sale in its present condition and location.

Non-current assets and disposal groups are classified as held for sale from the date these conditions are met and are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss is allocated first to any unproven mineral interest rights and then to remaining assets and liabilities on a pro-rata basis. Impairment losses on initial classification as held for sale are recognised in profit or loss. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

(i) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment, and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

3. Summary of significant accounting policies (continued)

(i) Impairment of non-financial assets (continued)

With regard to the Group's unproven mineral interest rights, the Group reviews the carrying amounts of mineral rights annually or when there are indicators of impairment and recognises an impairment charge based upon current exploration results, plans for further activity and, where projects are sufficiently progressed an assessment of the probability of profitable exploitation or sale of the rights. An indication of impairment on a specific licence/permit may include but is not limited to: the expiration of the Group's right to explore; substantive expenditure is neither budgeted nor planned; or the Group has decided to discontinue exploration activity.

(j) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount payable or receivable is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- temporary differences associated with investments in subsidiaries, associates and joint arrangements, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits and unused tax losses, to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the statement of loss and comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset only if a legally enforceable right exists.

(k) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment

(l) Trade and other payables

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

3. Summary of significant accounting policies (continued)

(m) Share-based payments

The Group maintains a restricted share unit plan and a stock option plan for employees, which are both equity-settled share-based payments. The Group also issues deferred phantom units to its non-executive directors which are cash settled share-based payments.

Cash-settled share-based payments are initially measured at fair value and recognised as a liability at the grant date. The liability is re-measured to fair value at each reporting date at the Group's closing share price with any changes in the fair value recognised in profit or loss.

Equity-settled share-based payments with employees are measured by reference to the fair value at the grant date. Fair value of the stock options is determined using a Black-Scholes option pricing model, which relies on estimates of the future risk-free interest rate, future dividend payments, future share price volatility and the expected life of the options. The Group believes this model adequately captures the substantive features of the stock options and is appropriate to calculate their fair value.

Equity-settled share-based payments are recognised as an expense, together with a corresponding increase in equity, over their relevant vesting period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification. The dilutive effect of outstanding options is reflected in the computation of diluted earnings per share.

(n) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, and highly liquid investments with an original maturity of three months or less, which are readily convertible into a known amount of cash.

(o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that the amount of the obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. Any increase in a provision due solely to passage of time is recognised as interest expense.

3. Summary of significant accounting policies (continued)

(p) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration of each business combination is measured, at the date of the acquisition, as the aggregate of the fair value of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree.

Acquisition related costs incurred for the business combination are expensed. The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair value at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition, the excess is recognised in earnings or loss immediately.

The interest of non-controlling interest in the acquiree is measured at the non-controlling interests' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(q) Provisions for site restoration

Obligations to retire a non-financial asset, including dismantling, restoration and similar activities, are provided for at the time they are incurred or an event occurs that gives rise to such an obligation. The Group is subject to laws and regulations relating to environmental matters, including land reclamation and discharge of hazardous materials, in all jurisdictions in which it operates. The Group may be found to be responsible for damage caused by prior owners and operators of its unproven mineral interests and in relation to interests previously held by the Group. The Group believes it has conducted its exploration and evaluation activities in compliance with applicable environmental laws and regulations.

On initial recognition, the estimated fair value of a provision is recorded as a liability and a corresponding amount is added to the capitalised cost of the related non-financial asset. The liability is increased over time through periodic charges to profit and loss. The provision is evaluated at the end of each reporting period for changes in the estimated amount or timing of settlement of the obligation. The Group is not presently aware of any such obligations.

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset until the asset is substantially ready for its intended use. Other borrowing costs are recognised as an expense in the period incurred.

(s) Change in functional currency

In accordance with *IAS 21 The effects of changes in foreign exchange rates,* an entity's functional currency should reflect the underlying transactions, events and conditions relevant to the entity. Following further funding in April 2013, management has reassessed the functional currency of one of its subsidiaries, OMAX International Limited ("OMAX").

Based on management's evaluation that considered sources of funding, the currency of expenditure expected to be incurred by the subsidiary, and currencies in which cash is held, it was determined that as of April 1, 2013 the functional currency of OMAX should change from US Dollars to Euros. The change in functional currency does not impact on the Group's income statement.

4. Use of judgments and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The judgements and estimates viewed by management as having the most significant impact on these consolidated financial statements are discussed below:

Recoverability of unproven mineral right interests and intangible assets

The Group reviews the carrying value of its unproven mineral right interests and intangible assets to determine whether there is any indication that those assets are impaired which includes whether there are plans for further activity and exploration. The recoverable amount where calculated may be based on assumptions about future events or circumstances and estimates and assumptions may change if new information becomes available. If, after expenditures are capitalised, information becomes available suggesting that the recovery of the expenditures is unlikely, the amount capitalised is impaired with a corresponding charge to profit or loss in the period in which the new information becomes available.

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair values for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them.

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

5. Loss per share

	Year ended December 31	
	2013	2012
	$	$
Net loss for the period after tax	**(8,074,200)**	(5,457,570)
Basic weighted average number of common shares	**82,649,022**	63,395,582
Basic & dilutive loss per share	**(0.10)**	(0.09)

For the years ended December 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 loss per share. As there are no other instruments that may have a potential dilutive impact, the basic and dilutive loss per share is the same.

6. Property, plant & equipment

The Group's property, plant and equipment at December 31, 2013 and 2012 are as follows:

	Vehicles	Office equipment	Field equipment	Leasehold Improvements	Total
	$	$	$	$	$
Cost					
Balance at January 1, 2012	319,075	55,676	78,839	-	453,590
Acquisitions	42,600	59,882	50,075	-	152,557
Disposals	(128,602)	(263)	-	-	(128,865)
Foreign exchange movement	(3,466)	896	1,123	-	(1,447)
Balance at December 31, 2012	229,607	116,191	130,037	-	475,835
Acquisitions	**47,609**	**27,099**	**75,268**	**30,814**	**180,790**
Disposals	**(10,059)**	**(41,357)**	**(8,612)**	**-**	**(60,028)**
Foreign exchange movement	**30,114**	**11,652**	**21,017**	**2,527**	**65,310**
Balance at December 31, 2013	**297,271**	**113,585**	**217,710**	**33,341**	**661,907**
Accumulated depreciation					
Balance at January 1, 2012	205,016	49,744	51,269	-	306,029
Depreciation	49,157	12,798	21,544	-	83,499
Disposals	(111,492)	(55)	-	-	(111,547)
Foreign exchange movement	(2,300)	139	334	-	(1,827)
Balance at December 31, 2012	140,381	62,626	73,147	-	276,154
Depreciation	**45,363**	**25,595**	**24,057**	**3,841**	**98,856**
Disposals	**(8,333)**	**(37,502)**	**(5,680)**	**-**	**(51,515)**
Foreign exchange movement	**19,263**	**3,948**	**9,699**	**321**	**33,231**
Balance at December 31, 2013	**196,674**	**54,667**	**101,223**	**4,162**	**356,726**
Carrying amount					
At December 31, 2012	89,226	53,565	56,890	-	199,681
At December 31, 2013	**100,597**	**58,918**	**116,487**	**29,179**	**305,181**

7. Unproven mineral right interests

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

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

Ilovitza gold-copper project
The Ilovitza gold-copper project consists of two adjacent properties. On Ilovitza 6, the Group was granted a mining concession ("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. The Ministry of Environment and Physical Planning in Macedonia has formally approved the Ilovitza Environmental Impact Study ("EIS") under Macedonian law for Ilovitza 6. Additionally, on March 26, 2013, the Group filed a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") compliant Preliminary Economic Assessment ("PEA").

On Ilovitza 11 (formerly known as Ilovitza 4) the Group has an Exploration Permit ("Permit") which is valid until February 21, 2015 with an option to extend the Permit for a further two years. In the event of an economic discovery, the Group has the right to apply for a Concession for an initial term of 30 years.

7. Unproven mineral right interests (continued)

Bulgaria

The Group owns a 100% interest in Trun, Babjak and Zlataritza. These properties are held pursuant to an Exploration Licence ("Licence") issued by the government of Bulgaria. Each Licence has an initial term of three years with a right to extend the term up to a period of eight years under certain circumstances. In the event of an economic discovery on a Licence, the Group has the right to obtain a Concession. The term for a Concession is the necessary period to extract the mineralization discovered and typically is for 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 Group, dated July 7, 2004 and covers an area of 67 km^2. Prior to the Licence expiring on July 12, 2012, the Group submitted a Commercial Discovery Certificate ("CDC") application for Trun, following the same process that was followed for the Breznik CDC application that was submitted in 2011 (see below). In December 2012, the Group's final exploration report on Trun was formerly accepted by the Bulgarian Ministry of Economy under the CDC application process.

Babjak

The Babjak Licence was granted pursuant to an agreement entered into between the Ministry and the Group, dated November 11, 2010. The Licence was renewed on December 6, 2013, covering an area of 80km^2 for an additional two year period which can be extended for a further two year period.

Zlataritza

The Zlataritza Licence was granted pursuant to an agreement entered into between the Ministry and the Group, dated June 4, 2012 and covers an area of 143.7 km^2. The Licence expires on June 4, 2015 however after the completion of the minimum work programme by the Group the Licence can be extended for a further period of up to five years.

Breznik & Rakitovo

On April 19, 2012, the Group 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 Group in April 2012.

On September 25, 2013, the Group renegotiated the Thrace sale and purchase agreement and received a further $1,025,000 as full and final settlement of all cash payment obligations previously agreed on April 19, 2012. The Group has retained a 1.5% Net Smelter Return royalty on the first 330,000 ounces of gold and 970,000 ounces of silver produced from the Breznik project.

Subsequent to year end the Group's remaining Bulgarian subsidiary EOX Services was sold. Refer to Note 18 for further details.

Serbia

Permits are issued by the Serbian Ministry of Energy and Mines. A 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 the case of a discovery under the terms of a Permit, the transfer of the ownership rights to an exploitation licence is similar to that of Concessions in Bulgaria and Macedonia.

KMC

On June 6, 2008, the Group acquired an option to earn a 100% interest in Karavansalija Mineralised Centre ("KMC") in Serbia. Under the terms of the option agreement, the Group 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 project. The Group, through a wholly owned subsidiary, now owns a 100% interest in the KMC project, subject to these royalty obligations. The KMC Exploration Permit was originally issued on July 7, 2004 with an expiry date of 31 December 2013 with the ability to extend for a further two years. On March 28, 2014 the KMC licence was successfully renewed until December 31, 2015.

7. Unproven mineral right interests (continued)

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

			Bulgaria			Macedonia	Serbia	Total
	Trun	*Breznik*	*Rakitovo*	*Babjak*	*Zlataritza*	*Ilovitza*	*KMC*	
	$	$	$	$	$	$	$	$
Balance, January 1, 2012	2,402,275	1,270,474	204,101	-	67,439	4,467,346	3,045,319	11,456,954
Exploration expenditures:							-	
Assays and analysis	51,174	-	-	-	-	172,156	92,265	315,595
Drilling	1,039,218	-	-	78,172	-	2,241,989	1,432,337	4,791,716
Geological consulting	928,486	-	-	984		370,440	71,209	1,371,119
Geophysical contractors	24,679	-	-	-	100,668	-	2,537	127,884
Other	53,188	-	-	22,744	10,105	8,495	93,443	187,975
	4,499,020	1,270,474	204,101	101,900	178,212	7,260,426	4,737,110	18,251,243
Other items:								
Sale of unproven mineral right interests	-	(1,249,392)	(200,926)	-	-	-	-	(1,450,318)
Exchange differences	52,853	(21,082)	(3,175)	2,749	2,889	(41,065)	(67,601)	(74,432)
Balance, December 31, 2012	4,551,873	-	-	104,649	181,101	7,219,361	4,669,509	16,726,493
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	**86,464**	**-**	**-**	**82,705**	**-**	**311,232**	**15,140**	**495,541**
Drilling	**-**	**-**	**-**	**384,639**	**-**	**1,158,941**	**683,958**	**2,227,538**
Geological consulting	**254,256**	**-**	**-**	**212,817**	**97,412**	**148,698**	**33,193**	**746,376**
Geophysical contractors	**41,783**	**-**	**-**	**37,841**	**2,833**	**-**	**-**	**82,457**
Feasibility costs	**-**	**-**	**-**	**-**	**-**	**1,029,613**	**-**	**1,029,613**
Social & environmental studies	**-**			**-**	**-**	**241,010**	**-**	**241,010**
Other	**112,373**	**-**	**-**	**21,031**	**14,119**	**263,788**	**38,214**	**449,525**
	5,046,749	**-**	**-**	**843,682**	**295,465**	**10,372,643**	**5,440,014**	**21,998,553**
Other items:								
Impairment of mineral properties	**(2,529,957)**	**-**	**-**	**(398,224)**	**(145,388)**	**-**	**-**	**(3,073,569)**
Exchange differences	**556,591**	**-**	**-**	**68,330**	**29,856**	**1,179,508**	**616,732**	**2,451,017**
Reclassified to assets held for sale	**(3,073,383)**	**-**	**-**	**(513,788)**	**(179,933)**	**-**	**-**	**(3,767,104)**
Balance, December 31, 2013	**-**	**-**	**-**	**-**	**-**	**11,552,151**	**6,056,746**	**17,608,897**

8. Operating segments

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

	December 31, 2013	December 31, 2012
	$	$
Assets by geographic segment, at cost		
Bulgaria		
Current assets (excl. Assets held for sale)	**80,352**	849,630
Assets held for sale	**3,955,267**	-
Restricted cash	**-**	93,913
Property, plant & equipment	**59,203**	72,623
Intangible assets	**29,316**	-
Unproven mineral right interests	**-**	4,837,623
	4,124,138	5,853,789
Serbia		
Current assets	**127,954**	251,780
Property, plant & equipment	**3,266**	-
Unproven mineral right interests	**6,056,746**	4,669,509
	6,187,966	4,921,289
Macedonia		
Current assets	**641,257**	877,549
Restricted cash	**71,400**	63,600
Property, plant & equipment	**194,212**	81,386
Unproven mineral right interests	**11,552,151**	7,219,361
	12,459,020	8,241,896
United Kingdom		
Current assets	**447,180**	269,549
Property, plant & equipment	**48,500**	45,672
	495,680	315,221
Canada		
Current assets	**1,037,515**	1,092,431
	1,037,515	1,092,431
Total assets	**24,304,319**	20,424,626

None of the Group's segments are revenue generating and the majority of the Group's operating expenses are incurred at the corporate level in Canada and the United Kingdom. The Group's depreciation expense of $98,856 (2012: $83,499) for the year ended December 31, 2013 consists of $43,815 in Bulgaria (2012: $63,247), $32,901 in Macedonia (2012: $11,514), $21,973 in the United Kingdom (2012: $8,218), and $167 in Serbia (2012: $520).

The Group's amortisation expense of $11,212 (2012: $nil) for the year ended December 31, 2013 was solely incurred in Bulgaria.

9. Disposal group held for sale

During the year ended December 31, 2013 management committed to a plan to sell its existing Bulgarian subsidiary EOX Services which holds title to the Trun project and the Babjak and Zlataritza prospects in Bulgaria to an unrelated private company with a non-binding Memorandum of Understanding signed in November 2013 with the assets and liabilities being classified as held for sale at that point.

The Group announced the sale of EOX Services on April 28, 2014. Refer to Note 18 for further details.

9. Disposal group held for sale (continued)

(a) Impairment loss relating to the disposal group

Impairment losses of $3,073,569 for write-downs of the disposal group to the lower of its carrying amount and its fair value less costs to sell have been recognised in the income statement. The impairment losses have been applied to reduce the carrying amount of unproven mineral right interests within the disposal group.

(b) Assets and liabilities of disposal group held for sale

At December 31, 2013 the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities:

	December 31, 2013
	$
Receivables	**33,159**
Prepayments and deposits	**22,108**
Restricted cash	**132,896**
Unproven mineral right interests	**3,767,104**
Assets held for sale	**3,955,267**

	December 31, 2013
	$
Payables	**38,024**
Liabilities held for sale	**38,024**

10. Share capital and reserves

(a) Share capital

At December 31, 2013, Euromax's authorised 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.

10. Share capital and reserves (continued)

(a) Share capital (continued)

	2013		2012	
	Number of shares	Amount	Number of shares	Amount
		$		$
Balance on January 1	**70,340,858**	**50,840,751**	49,300,145	41,121,784
Common shares issued for:				
Financing, net of issue costs	**14,814,815**	**7,912,705**	19,766,890	8,737,253
Exercise of share options	**191,667**	**142,840**	973,356	729,322
Exercise of warrants	-	-	300,467	252,392
Balance on December 31	**85,347,340**	**58,896,296**	70,340,858	50,840,751

On March 7, 2013, the Company closed an $8,000,000 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 were subject to a four month hold period which expired on July 8, 2013. The Group is using these funds to further accelerate its flagship Ilovitza gold-copper 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 year ended December 31, 2013, 191,667 share options (2012: 973,356) were exercised at an average price of $0.39 per common share (2012: $0.39) raising proceeds of $74,750 (2012: $382,764). No warrants were exercised during the year (2012: 300,467 warrants were exercised at $0.48 raising proceeds of $144,224).

In February 2013, the Company entered into an agreement to appoint Investec Bank plc ("Investec") as Lead Banker in the roles of Global Project Finance Coordinator and Treasury Arranger to the Group. In consideration for providing these services, the Company agreed 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. On issue of the warrants, each warrant will be exercisable for a period of five years at an exercise price equal to the Company's share price on issue, such that the number of warrants multiplied by the exercise price thereof will be equal to $5 million.

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 $70,719 in connection with the June 2012 Private Placement in respect of filing and legal costs.

On January 13, 2012, the Group completed a non-brokered private placement (the "January 2012 Private Placement") consisting of 5,766,666 units in the Group 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 Group at an exercise price of $0.90 until January 16, 2014.

The warrants issued in the January 2012 Private Placement were valued by the Group at $2,082,208 (Note 10(c)). The aggregate fair market value of the warrants and the shares issued in the January 2012 Private Placement was distributed on a pro-rata basis between share capital and equity reserve.

The Group 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.

10. Capital and reserves (continued)

(b) Nature and purpose of reserves

(i) Equity Reserve

The equity reserve comprises the accumulated fair value of share options, restricted share units and share purchase warrants recognised as share-based payments. Transfers from the equity reserve to share capital are made whenever common share options or share purchase warrants are exercised and when restricted share units fully vest and convert to common shares.

(ii) Currency Translation Reserve

The currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements or foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

(c) Share Purchase Warrants

During the year ended December 31, 2013 no warrants were issued.

During the year ended December 31, 2012, the Group granted 5,766,666 warrants at an exercise price of $0.90 with an expiry date of January 13, 2014. The fair value of the warrants issued in 2012 was estimated at $0.36 per warrant at the grant date using the Black-Scholes option pricing model. The weighted average assumptions used for the calculation are presented in the following table:

	Year ended December 31, 2013	Year ended December 31, 2012
Risk free interest rate	-	0.95%
Expected life	-	2 years
Expected volatility	-	106.38%
Expected dividend per share	-	$Nil

A summary of the outstanding warrants in 2013 and 2012 is as follows:

	2013		2012	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
	Number	$	Number	$
Balance, beginning of year	**5,766,666**	**0.90**	4,801,634	1.29
Warrants granted	-	-	5,766,666	0.90
Warrants exercised	-	-	(300,467)	0.48
Warrants expired	-	-	(4,501,167)	1.32
Balance, end of year	**5,766,666**	**0.90**	5,766,666	0.90

5,766,666 warrants outstanding at December 31, 2013 had an exercise price of $0.90 per share and expired unexercised on January 13, 2014.

3,750,000 warrants outstanding on December 31, 2011 had an exercise price of $1.50 per share and expired unexercised on February 24, 2012.

1,051,634 warrants outstanding on December 31, 2011 had an exercise price of $0.48 per share; 751,167 of these warrants expired unexercised on May 25, 2012.

11. Share-based payment arrangements

(a) Description of share-based payment arrangements

At 31 December 2013, the Group had the following share-based payment arrangements.

(i) Stock Option Plan (Equity settled)

Euromax has a Stock Option Plan (the "Option Plan") under which directors, officers and employees of the Group are eligible to receive share options. The purpose of the plan is to incentivise officers, directors, employees and consultants to provide beneficial services to the Group and to align their objectives with shareholders in maximising shareholder value.

The maximum number of shares reserved for issuance upon exercise of all share options granted under the Option Plan is equal to 10% of the issued and outstanding common shares at the time of grant. The Company's Compensation Committee determines the terms and vesting conditions of the options at the time of grant.

The key terms and conditions related to the grants under the Option Plan are as follows:

Grant Date/employees entitled	Number of options	Vesting conditions	Contractual life of options
Options granted to key personnel			
On August 31, 2009	249,166	1/3 on grant date, 1/3 six months after grant date and 1/3 one year from the date of grant	5 years
On October 7, 2009	13,334	As above	5 years
On November 30, 2010	500,001	As above	5 years
On February 3, 2011	150,003	As above	5 years
On March 22, 2011	25,000	As above	5 years
On May 23, 2012	2,493,329	25% on grant date and 25% on the 1st, 2nd and 3rd anniversaries of the grant date	5 years
On June 6, 2012	250,000	As above	5 years
On August 15, 2012	16,667	As above	5 years
On November 8, 2012	150,000	As above	5 years
On March 12, 2013	1,817,905	1/3 on December 31 2013, 2014 and 2015	5 years
On December 4, 2013	240,000	1/3 on December 31 2014, 2015 and 2016	5 years
Options granted to key consultants			
On August 15, 2012	100,000	100% vest on the earlier of a listing in London or December 31, 2013	5 years
On March 22, 2013	125,000	25% on each of grant date; June 15, September 15 and December 15 2013	5 years
Total share options	6,130,405		

The exercise price of each option equals the market value of Euromax's common shares on the day preceding the date of grant. If a director, officer, employee or consultant ceases employment or engagement with the Group, any unvested share options are forfeited and the expiry date on their vested options is reduced to three months from the date they cease employment or engagement.

(ii) Restricted Share Unit Plan (Equity settled)

On March 11, 2013 Euromax established a Restricted Share Unit Plan (the "RSU Plan") under which directors; officers; employees and consultants of the Group are eligible to receive Restricted Stock Units ("RSUs"). The purpose of the plan is to assist and encourage Directors and Executive Officers (as defined in the RSU Plan), employees and consultants to work towards and participate in the growth and development of the Group. The RSU is an equity settled share-based payment arrangement.

The maximum number of RSUs reserved for issuance under the RSU Plan is equal to 10% of the issued and outstanding common shares at the time of grant, provided that the combined number of share options and RSUs in issue does not exceed 10% of the outstanding common shares at the time of grant. The Company's Compensation Committee determines the terms and provisions of the RSUs at the time of grant.

11. Share-based payment arrangements (continued)

(a) Description of share-based payment arrangements (continued)

(ii) *Restricted Share Unit Plan (Equity settled) (continued)*

In 2013, the Compensation Committee granted RSUs to Executive Officers in lieu of 50% of their 2012 bonus and to provide long term incentives to Directors and Executive Officers.

The key terms and conditions related to the grants under the RSU Plan are as follows; all RSUs are to be settled by the issue of shares.

Grant Date/employees entitled	Number of RSUs	Vesting conditions
RSUs granted to key personnel		
On March 11, 2013 - 2012 Bonus	**276,764**	100% vest on December 31, 2013.
On March 11, 2013 - LTIP	**796,118**	1/3 vest on December 31, 2013, 2014 and 2015 provided that the Company's share price performance has kept in line with the Market Vectors Junior Gold Mines EFT (GDXJ) over each respective calendar year.
On December 4, 2013 - LTIP	**120,000**	1/3 vest on December 31, 2014, 2015 and 2016 provided that the Company's share price performance has kept in line with the Market Vectors Junior Gold Mines EFT (GDXJ) over each respective calendar year.
Total RSUs	**1,192,882**	

The Compensation Committee has determined the GDXJ to be a relevant benchmark which the Company's share price performance should at least perform in-line with. To the extent that the Company's share price underperforms the GDXJ the number of RSUs vesting shall reduce on a pro-rata basis. To the extent that the Company's share price outperforms the GDXJ additional RSUs shall be awarded on a proportionate basis.

If a director, officer, employee or consultant ceases employment with the Group any unvested RSUs are forfeited on the date they cease employment.

(iii) Deferred Phantom Units Plan (Cash settled)

In March 2013 Euromax introduced a Deferred Phantom Unit Plan ("DPU Plan") for its non-executive directors. Under the terms of the plan all non-executive directors elected to convert their unpaid directors' fees owing since May 23, 2012 into Deferred Phantom Units ("DPUs") and elected to receive DPUs in lieu of cash as payment for their directors' fees until March 31, 2014 at such time this election could be renewed.

All DPUs issued only become payable in the event that a non-executive director resigns from their position as director of the Company and can only be settled in cash. Elections as to whether to receive cash or DPUs are made by the non-executive directors in advance on a six monthly basis. Once an election is made to receive DPUs, grants are made at the end of each quarter in arrears.

(b) Measurement of fair values

(i) Stock Option Plan

The fair value of the share options awarded to employees and directors has been measured using the Black-Scholes option pricing model. Service and non-market performance conditions attached to the share options were not taken into account in measuring fair value.

The inputs used in measuring the grant date fair value of the share options issued are presented below:

All amounts are averages	Year ended December 31, 2013	Year ended December 31, 2012
Fair value at grant date	**$0.19**	$0.32
Share price at grant date	**$0.53**	$0.51
Exercise price	**$0.53**	$0.63
Expected volatility	**50.00%**	108.96%
Expected life	**5.00 years**	3.03 years
Expected dividend per share	**$Nil**	$Nil
Risk free interest rate (based on government bonds)	**1.39%**	1.19%

11. Share-based payment arrangements (continued)

(b) Measurement of fair values (continued)

(i) Stock Option Plan (continued)

Expected volatility was based on an evaluation of the volatility of the Company's share price. The expected term was determined based on management's expectation that share options will be exercised close to their expiry.

(ii) Restricted Share Unit Plan

The fair value of RSUs granted during the period has been measured using the closing share price on the day immediately prior to grant date. For those RSUs with a vesting condition relating to the Company's share price performance compared with the Market Vectors Junior Gold Mines ETF (GDXJ) this is a market performance condition and at grant date it has been assumed that Company's share price performance will match the GDXJ.

During the course of 2013, the Company's share price outperformed the GDXJ by 11.20% therefore subsequent to year end an additional grant of 29,191 RSUs was made.

The Board of Directors agreed with the Executives whose RSUs were due to vest on December 31, 2013 to postpone the vesting of their RSUs for one year, in return for the Company agreeing that in the event of the termination of the Executive's employment for any reason or death, prior to the postponed vesting date, the RSUs would vest in full, notwithstanding provisions to the contrary in the RSU Plan.

(iii) Deferred Phantom Units Plan

All DPUs issued by Euromax are marked-to-market at the Company's reporting period end share price and only become payable in cash in the event that a non-executive director resigns from their position.

(c) Reconciliation of outstanding share options and RSUs

(i) Share options

The number and weighted-average exercise prices of the share options under the Option Plan as at December 31, 2013 and 2012 were as follows:

	2013		2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at January 1	**5,056,783**	**$0.64**	2,918,476	$0.64
Granted during the year	**2,182,905**	**$0.53**	3,393,329	$0.63
Exercised during the year	**(191,667)**	**$0.39**	(973,356)	$0.39
Expired during the year	**(917,616)**	**$0.76**	(114,999)	$2.16
Forfeited during the year	-	-	(166,667)	$1.05
Outstanding at December 31	**6,130,405**	**$0.59**	5,056,783	$0.64
Exercisable at December 31	**3,223,410**	**$0.64**	2,486,798	$0.64

The options outstanding at December 31, 2013 have an exercise price in the range of $0.18 to $1.05 (2012: $0.39 to $1.05) and a weighted-average contractual life of 3.41 years (2012: 3.82 years). The weighted-average share price at the date of exercise for share options exercised in 2013 was $0.59 (2012: $0.79).

(ii) RSUs

At December 31, 2013 there are 1,192,882 RSUs (2012: nil) on issue which have a weighted average grant price of $0.53 (2012: nil).

(d) Expense recognised in profit or loss

The total equity-settled share-based payments expense for the year ended December 31, 2013 was $843,595 (2012 - $569,616). The total expense relating to DPUs issued in the year ended December 31, 2013 was $131,416 (2012: $nil) and is included within salaries, director and management fees in the consolidated statement of loss and other comprehensive loss.

12. Related party transactions

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

Transactions with key management personnel

(i) Key management personnel transactions

The Group's related parties consist of private companies owned by the Group's current or former directors and key management personnel. These companies are as follows:

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

The Group incurred the following fees and expenses in the normal course of operations in connection with companies owned by directors and key management personnel. Expenses have been measured at the amount which is agreed between the parties.

	2013	2012
	$	$
Management fees	**42,500**	106,000
Exploration fees	**58,860**	286,458
	101,360	392,458

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Trade and other payables at December 31, 2013 included $nil (December 31, 2012: $34,049), which were due to private companies controlled by directors and key management personnel of the Group.

(ii) Key management personnel compensation

The remuneration of directors and other members of key management personnel during the years ended December 31, 2013 and 2012 were as follows:

	Note	2013	2012
		$	$
Short-term employee benefits	(i)	**1,597,626**	1,302,239
Post-employment benefits	(ii)	**119,221**	35,447
Termination benefits	(iii)	**-**	225,000
Share-based payments	(iv)	**666,033**	450,495
		2,382,880	2,013,181

(i) Short-term employee benefits also includes social security contributions, exploration and management fees disclosed in note 12(i) and cash-settled DPUs expense disclosed in note 11(d).

(ii) Executive directors and other key management personnel receive pension contributions equal to 10% of their salary to their individual pension plans.

(iii) The Group's former Chairman and Chief Operating Officer received severance payments of $225,000 in 2012. No termination payments were made during 2013.

(iv) Share-based payments are the fair-value of options granted to key management personnel which have been expensed during the year.

13. Income taxes

(a) Amounts recognised in the income statement:

	Year ended December 31,	
	2013	**2012**
Recognised in the income statement	**$**	**$**
Current tax expense	**24,747**	32,692
Deferred tax expense	**5,537**	-
Income tax expense	**30,284**	32,692
Analysis of charge in year		
Loss before tax	**(8,043,916)**	(5,457,570)
Statutory tax rate	**25.75%**	25.00%
Expected income tax credit	**(2,071,308)**	(1,364,393)
Changes attributable to:		
Non-deductible expenses	**289,205**	226,240
Difference in tax rates between Canada and foreign jurisdictions	**488,099**	242,348
Tax effect of tax losses and temporary differences not recognized	**1,267,697**	775,508
Effect of change in future tax rates and others	**56,591**	152,989
Income tax expense	**30,284**	32,692

(b) Unrecognised deductible temporary differences and unused tax losses:

The Group's unrecognised deductible temporary differences and unused tax losses consist of the following amounts:

	2013	**2012**
	$	**$**
Tax values in excess of net book value of equipment	**171,792**	171,792
Non-capital losses	**24,488,218**	17,660,320
Share issue costs	**245,884**	252,955
Foreign exploration	**492,545**	492,545
Capital losses	**324,714**	324,714
Unrecognized deductible temporary differences	**25,723,153**	18,902,326

(c) Expiry dates of unused tax losses

At December 31, 2013, the Group has non-capital operating losses of approximately $10.9 million (2012: $8.4 million) for deduction against future taxable income in Canada. The operating losses expire as follows:

	$
2025	143,000
2027	153,000
2028	446,000
2029	654,000
2030	2,851,000
2031	1,278,000
2032	2,885,000
2033	2,517,000
	10,927,000

The Group also has net capital losses of approximately $325,000 (2012: $325,000) in Canada, without expiry.

13. Income taxes (continued)

(c) Expiry dates of unused tax losses (continued)

At December 31, 2013, the Group has Bulgarian losses of $4,165,701 (2013: $4,022,050). These losses expire as follows:

	$
2014	280,182
2015	505,482
2016	958,114
2017	1,495,854
2018	926,069
	4,165,701

Additionally, the Group has Serbian losses of $9,395,856 (2012: $7,555,575) at December 31, 2013. These losses expire as follows:

	$
2014	49,279
2015	968,701
2016	1,921,944
2017	3,275,020
2018	2,140,140
2019	1,040,772
	9,395,856

Management believes that sufficient uncertainty exists regarding the recognition of deferred income tax assets and accordingly no deferred tax asset should be recorded at December 31, 2013.

14. Financial instruments

(a) Management of capital risk

The capital structure of the Group consists of equity, comprising share capital, equity reserve, currency translation reserve and accumulated losses. The Group's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return and (iii) maintain liquidity.

The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may attempt to issue new securities or raise debt financing.

The Group is not subject to externally imposed capital requirements.

(b) Categories of financial instruments and measuring fair values

	2013	**2012**
	$	$
Loans and receivables		
Cash and cash equivalents	**1,334,665**	1,761,743
Trade and other receivables	-	18,779
Other liabilities		
Trade and other payables	**1,169,086**	749,218

Trade and other receivables are presented exclusive of recoverable indirect taxes which are statutory obligations rather than contractual obligations. The fair values of cash and cash equivalents, trade and other receivables and trade and other payables approximate their carrying values due to the short-term to maturities of these financial assets and liabilities.

At December 31, 2013 and 2012, the Group had no level 1, 2 or 3 financial instruments and therefore there were no transfers between levels 1, 2 or 3 during the year ended December 31, 2013.

14. Financial instruments (continued)

(c) Financial risk management

(i) Currency risk

The Group is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Group operates in Canada, the United Kingdom, Bulgaria, Serbia and Macedonia. Functional currencies are the Canadian Dollar, British Pound, Euro, Bulgarian Lev, Serbian Dinar and Macedonian Denar. The majority of its cash is held in Canadian dollars. Most of the Group's costs in Canada are denominated in Canadian dollars, most of the costs in the United Kingdom are denominated in British Pounds and most of the Group's exploration expenses in south-eastern Europe are denominated in local currencies or in Euro. As of December 31, 2013, the Group is exposed to currency risk through assets and liabilities denominated in British Pound, Bulgarian Lev, Serbian Dinar, Macedonian Denar, Euros and US Dollars.

The carrying amount of the Group's foreign-currency denominated monetary assets and liabilities is as follows:

	British Pound	Bulgarian Lev	Serbian Dinar	Macedonian Denar	Euro	US Dollar
	$	$	$	$	$	$
Cash and cash equivalents	172,737	80,617	92,545	7,431	44,416	77,292
Trade and other payables	(518,635)	(39,831)	(111)	(36,019)	(29,918)	(31,180)
As stated in Canadian dollars	(345,898)	40,786	92,434	(28,588)	14,498	46,112

Based on the above net exposures as of December 31, 2013 and assuming that all other variables remain constant, a 10% depreciation or appreciation of the British Pound, Bulgarian Lev, Serbian Dinar, Macedonian Denar, U.S. Dollar or Euro against the Canadian Dollar would result in an increase/decrease of approximately $18,066 in the Group's net income (2012: $176,755).

(ii) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure.

The Group's cash is predominantly held in large Canadian and British financial institutions.

No allowance for doubtful debts was held at December 31, 2013 (2012: nil) and no debts were past due (2012: nil).

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk through the management of its capital structure and financial leverage.

Trade and other payables are generally payable within thirty days or less.

15. Contingencies and commitments

The Group had the following future contractual obligations as at December 31, 2013 and 2012:

	up to 1 year	1-5 years	Total
	$	$	**$**
Operating lease obligations	129,506	215,843	**345,349**
Minimum exploration obligations	320,820	320,820	**641,640**
Total contractual obligations	**450,326**	**536,663**	**986,989**

16. Supplemental cash flow information

Non-cash financing activities
In the years ended December 31, 2013 and 2012, the Group incurred the following non-cash financing transactions:

	Year ended December 31,	
	2013	**2012**
	$	$
Transfer of equity reserve upon exercise of share options	**68,090**	346,558
Transfer of equity reserve upon exercise of warrants	**-**	108,168

17. List of subsidiaries

Set out below is a list of material subsidiaries of the Group for the years ended December 31, 2013 and 2012.

Subsidiaries	**Principal place of business**	**Ownership interest**	
		2013	**2012**
		%	%
OMAX International Limited	Cayman Islands	**100**	100
Euromax Resources (Macedonia) Ltd	BC, Canada	**100**	100
Euromax Resources UK (Macedonia) Limited	United Kingdom	**100**	100
Euromax Resources UK (Services) Limited	United Kingdom	**100**	100
Euromax Resources Doo Skopje	Macedonia	**100**	100
Euromax Services EOOD	Bulgaria	**100**	100
South Danube Metals d.o.o. Beograd	Serbia	**100**	100

18. Subsequent events

Subsequent to December 31, 2013 the following event has occurred:

On April 28, 2014 the Group announced that it has completed the sale of its Bulgarian operations through the sale of its subsidiary company Euromax Services EOOD ("Euromax Services") for consideration of US$3.5 million. Euromax Services owns 100% of the Trun project and the Babjak and Zlataritza exploration assets in Bulgaria.

US$0.6m was paid upon signing and the remaining upfront consideration of US$2.1m is payable in cash before 9 May 2014, with the balance being retained by the purchaser as indemnification against any liability arising under the warranties and (assuming there are no claims under the warranties) will be paid in two separate instalments: US$0.5m on 31 December 2015 and US$0.3m on 31 December 2018. The Company retains a pro-rata share pledge to secure payment of the deferred instalments. As part of the agreement, the Company has also cancelled the 1.5% Net Smelter Return it held over the Breznik property, as previously reported in news releases dated 7 May 2012 and 27 September 2013.