Euromax
RESOURCES

MANAGEMENT'S DISCUSSION & ANALYSIS

For the year ended December 31, 2013

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") of Euromax Resources Ltd. ("Euromax" or "the Company") and its subsidiary companies (collectively, the "Group") is prepared as of April 28, 2014 and should be read in conjunction with the Group's audited consolidated financial statements and related notes for the years ended December 31, 2013 ("FY13") and December 31, 2012 ("FY12"), which are prepared in accordance with International Financial Reporting Standards ("IFRS"). The Group's reporting currency is the Canadian dollar and all figures in this MD&A are in Canadian dollars unless otherwise indicated.

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 ("TSXV") under the trading symbol "EOX".

CORPORATE STRATEGY

The Group's ambition is to become the leading gold and base metal mining company in Europe. We will strive to set the standard for developing mines in Europe by using best industry practices at our operations and implementing the highest standard for environmental management and managing health and safety in the work place.

The Group mission is to bring Ilovitza into production with the next five years and grow the value of our business by maximising the potential of Ilovitza as our flagship asset. Delivery of value for our shareholders is key and we intend to pursue a suite of financing alternatives such that we may grow our business without diminishing value for shareholders.

As part of all our activities we will engage with and empower communities to be part of our projects and we will look to create mutually beneficial opportunities for all our stakeholders including local businesses, communities and employees.

2013 HIGHLIGHTS

Macedonia

The Group's primary attention is the development of its Ilovitza gold-copper project in Macedonia. Following on from the positive Preliminary Economic Assessment ("PEA"), completed in 2012, the Group progressed Ilovitza's programme of work including drilling and modelling of resources, geotechnical investigations, metallurgical test work and process design, infrastructure, tailings and waste management and marketing which together contribute in advancing Ilovitza towards a Pre-Feasibility Study ("PFS").

Mineral resource estimations for Ilovitza were updated in July and again in December. The current Measured and Indicated resources in the mixed and sulphide ore are 237 million tonnes grading 0.33 g/t Au and 0.22% Cu, containing 2.54 million ounces of gold and 1.1 billion pounds of copper. In addition in the oxide zone there are an estimated 38 million tonnes grading 0.33 g/t Au containing 0.4 million ounces of gold. The success of the drilling campaign in defining a larger than expected mineral resource estimate resulted in a reconfiguration of key parts of the mine infrastructure plan which are now largely complete and the PFS is being finalised. Environmental and social base line monitoring were also conducted throughout the year.

Bulgaria

The Group completed a resource update for its Trun gold project in Bulgaria following drilling completed in 2012. The project continues to progress through the permitting process with the Bulgarian authorities. The total estimated inferred mineral resource at Trun is 0.5 million ounces of gold and 8 million ounces of silver. Drilling and trenching work at Zlataritza and Babjak properties was also completed during the year and successfully extended the known extents to the mineralisation.

Serbia

The Group also completed a drilling programme in 2013 at its Karavansalija Mineralised Centre ("KMC") project in Serbia. The programme highlighted gold-zinc mineralisation in the Gradina area and interpretation of the data indicates continuity of mineralisation between Gradina and the gold-copper skarns in Copper Canyon, which have been drilled by the Group in earlier exploration campaigns, thus increasing the overall potential of the project. Drilling in the Medonovac area of the KMC project confirmed some 300 metres strike and 400 metres vertical extent continuity of poly-metallic mineralisation first intercepted in the 2012 drilling campaign.

2013 HIGHLIGHTS - CONTINUED

Sale of Euromax Services EOOD and renegotiation of Thrace Resources EOOD sale

Since the beginning of 2012 the Group has successfully completed the sale of all its Bulgarian exploration projects as it concentrates its efforts on developing the Ilovitza gold copper project in Macedonia. The sale of Euromax Services EOOD ("**EOX Services**") was completed subsequent to year end for a total consideration of U$3.5 million. In total, the Group will receive cash of $5.525 million from the sale of these projects.

Independent of the sale of Euromax Services EOOD ("**EOX Services**") subsequent to year end, the Group has retained its core technical team in Bulgaria in the form of a new exploration services company. Euromax Exploration Services EOOD ("**EES**") was launched in March 2014 and owing to the technical team's intimate knowledge of the projects, has successfully signed a framework agreement with the purchaser of EOX Services to perform exploration work.

EES has received its first work order for exploration work on Babyak and Zlataritza in 2014 which is expected to cover its operating costs and there is potentially additional work in future periods both on these projects as well as other projects owned by the purchaser of EOX Services.

Further opportunities are also being sought by EES with other mineral exploration companies operating in Europe that are seeking the expertise of this established exploration team to execute their exploration programmes.

EXPLORATION PROJECTS

This section outlines the exploration activities carried out in the year ended December 31, 2013 ("FY13"). Patrick Forward, Chief Operating Officer, is the Qualified Person responsible for the review of the technical information contained in this section of the Group'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.

The 2013 Ilovitza exploration programme comprised some 4,530 metres of exploration and resource drilling and 1,248 metres of geotechnical drilling. This was designed to test the limits of the porphyry system to the east where the 2012 drilling had confirmed a zone of above average grade mineralisation and intense porphyry veining and to provide in-fill drilling on the outcropping potassic core of the porphyry. One hole was also drilled to the south of the defined porphyry mineralisation in order to investigate a zone of potential high sulphidation epithermal mineralisation but this failed to return any significant results.

As part of the Ilovitza PFS the following work was completed:

- Update of mineral resources (see below)
- Geotechnical study to verify pit wall stability
- Geotechnical study in the proposed tailings storage area and the proposed plant site
- Hydrological study
- Hydrogeological study
- Acid rock drainage investigation
- Metallurgical flotation test work to locked cycle stage and a series of tests into gold recovery
- Plant design
- Mine planning and scheduling
- Infrastructure study
- Tailings study
- Environmental and social review
- A continuing programme of environmental, social and water monitoring.
- Financial modelling

Ilovitza drilling results announced during the year (March 21, 2013 and May 24, 2013) were as follows:

EXPLORATION PROJECTS - CONTINUED

Ilovitza Gold Copper Project – Macedonia - continued

Hole ID	Azimuth	Dip	From (m)	To (m)	Length (m)	Au (g/t)	Cu (%)
EOIC 1229	-	90	0.0	9.0	9.0	0.63	0.02
EOIC 1230	-	90	117.0	192.1	75.1	0.38	0.30
EOIC 1231	-	90	149.0	261.0	112.0	0.32	0.26
EOIC 1232	-	90	10.0	33.5	23.5	0.60	0.15
and	-	90	107.2	125.0	17.8	0.60	0.12
EOIC 1233	-	90	38.5	50.0	11.5	0.44	0.26
and	-	90	208.0	292.0	84.0	0.42	0.12
EOIC 1235	-	90	3.5	104.0	100.5	0.32	0.21
and	-	90	339.0	455.0	116.0	0.27	0.25
EOIC 1236	-	90	14.5	65.0	50.5	0.40	0.14
EOIC 1237	-	90	251.8	376.7	124.9	0.48	0.24
EOIC 1238	-	90	15.0	236.0	221.0	0.37	0.25
and	-	90	248.0	341.0	93.0	0.30	0.20
EOIC 1239	-	90	8.0	238.0	230.0	0.37	0.26
EOIC 1241	-	90	2.4	178.0	175.6	0.27	0.23
and	-	90	333.0	401.3	68.3	0.35	0.19
EOIC 1242	-	90	2.2	141.0	138.8	0.54	0.24
and	-	90	165.0	212.0	47.0	0.37	0.19
EOIC 1243	-	90	161.0	228.3	67.3	0.34	0.19
and	-	90	263.0	312.8	49.8	0.30	0.19
EOIC 1244	-	90	34.0	280.0	246.0	0.35	0.25
EOIC 1245	-	90	41.3	182.0	140.7	0.48	0.24
EOIC 1246	-	90	15.0	403.3	388.3	0.48	0.27
EOIC 1248	-	90	11.0	104.0	93.0	0.42	0.14
EOIC 1251	-	90	65.0	153.0	88.0	0.31	0.27
EOIC 1252a	-	90	85.0	142.0	57.0	0.35	0.13
EOIC 1254	-	90	6.0	240.0	234.0	0.42	0.18
EOIC 1255	-	90	21.0	62.0	41.0	0.42	0.17
EOIC 1357	-	90	178.0	350.1	172.1	0.99	0.35
EOIC 1358	-	90	249.0	276.0	26.8	0.35	0.18
EOIC 1359	-	90	336.0	357.0	21.0	0.33	0.21
EOIC 1360	270	60	0.0	164.0	164.0	0.24	0.32
EOIC 1361	90	60	180.0	224.5	44.5	0.31	0.28
EOIC 1362	-	90	62.0	116.5	54.5	0.36	0.18
and	-	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.

EXPLORATION PROJECTS - CONTINUED

Ilovitza Gold Copper Project – Macedonia - continued
An updated open pit constrained mineral resource for mixed and sulphide material was announced in December 2013, as follows:

Measured and Indicated Mineral Resource based upon a dollar equivalent cut-off of $16/t.

Classification	Tonnage (Kt)	Grade		Contained Metal	
		Au (g/t)	Cu (%)	Au (Koz)	Cu (Klb)
Measured	18,440	0.34	0.22	200	88,677
Indicated	218,640	0.33	0.22	2,341	1,036,427
Total M+I	**237,080**	**0.33**	**0.22**	**2,541**	**1,125,104**
Inferred	19,850	0.36	0.22	226	96,942
Total	19,850	0.36	0.22	226	96,942

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

Oxide Mineral Resource based upon a dollar equivalent cut-off of $8/t.

Classification	Tonnage (Kt)	Grade	Contained Metal
		Au (g/t)	Au (Koz)
Measured	1,340	0.38	16
Indicated	34,540	0.33	365
Total M+I	**35,880**	**0.33**	381
Inferred	6,750	0.25	55

Notes:
1. Dollar equivalent cut-off based upon the following calculation Dollar Eq = (Au * recovery * price) + (Cu * recovery * price), using the following inputs:
   - Au Recovery in oxide 86%,
   - Cu Recovery in oxide 0%
   - Cu Recovery in fresh 85%
   - Au Recovery in fresh 65%
   - Spot metal prices effective August 17, 2013 (Au = US$1,366/oz, Cu = US$3.30/ lb)
2. Resource cut-off of US$16 used for sulphide material
3. Resource cut-off of US$8 used for oxide material
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.

The estimated open pit constrained mineral resource exceeded the target of around 150 million tonnes for fresh material which was set to approximately match the Preliminary Economic Assessment ("PEA") life of mine throughput. The expanded resource has resulted in a reconfiguration of the mine infrastructure in order to make sure additional tailings and other infrastructure is accommodated.

It is the Group's intention to incorporate all of the above work in a PFS, which it now expects to complete on the expanded resource estimate during Q2 2014.

EXPLORATION PROJECTS - CONTINUED

Trun Gold Project – Bulgaria

The Trun project comprises an intrusion-related gold system hosted within two granite bodies which form topographic highs, namely Big Hill in the north and Little Hill in the South. The exploration concession forms a 67 square kilometres ("km^2") property. Mineralisation takes the form of veins within lower grade haloes within the granites and to date six zones of veining have been identified; Logo, Ruy, Tumba and Nadejda in the Big Hill area plus KD, Zlata and K2 in the Little Hill Area. Exploration to date has focused on the Logo area which is more pervasive than the other veins since the mineralisation penetrates the schistose country rock to the north-east of the granite and becomes more stratabound. An updated NI 43-101 compliant estimate of resources was announced on May 24, 2013 as follows:

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 February 18, 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].

Zlataritza and Babjak Exploration Projects – Bulgaria

The Babjak and Zlataritza properties are located in south-western Bulgaria, some 80 km south from the capital, Sofia. Previous work has highlighted granite-hosted tintrusive related gold systems over the properties.

Drilling at Babjak in 2013, as announced on November 11, 2013, can be summarised as follows:

Hole ID	Azimuth (degrees)	Target	Inclination (degrees)	From (m)	To (m)	Intersection (m)	True Width (m)	Au (g/t)	Ag (g/t)	Mo (%)
BC 1305[1]	105	DD	-80	202.6	218.3	15.7	12.9	2.36	142.9	0.11
Including[2]				214.3	218.3	4.0	3.3	8.50	146.0	0.14
BC 1306[1]	105	DD	-75	186.0	198.1	12.1	11.3	0.53	119.6	0.09
BC 1307[1]	105	DD	-70	222.0	229.4	7.4	6.9	0.11	123.3	0.08
BC 1308[1]	105	DD	-65	194.0	198.5	4.5	4.4	0.32	109.4	0.24
BC 1309[1]	105	DD	-70	*No significant value*						
BC 1310[1]	115	BP	-60	*No significant value*						
BC 1310a[1]	Vertical	BP	-90	*No significant value*						
BC 1311[1]	80	BP	-70	*No significant value*						
BC 1312[1]	Vertical	KK	-90	*No significant value*						
BC 1313[1]	105	DD	-65	*Failed to intersect the mineralized zone*						
BC 1314[1]	115	Cu/Mo anomaly	-60	*No significant value*						
BC 1315[1]	Vertical	DD	-90	205.1	208.0	2.9	2.1	0.08	80.7	0.05
And[1]				214.2	222.7	8.5	6.0	0.16	55.4	0.09

Notes
1. Intercepts identified using a 1 g/t AuEq. cut-off.
2. Intercepts identified using a 5 g/t AuEq. cut-off.

The results indicate that the DD vein structure offers the most potential for significant mineralisation. This is the largest structure identified on the property and has been traced over 1,300 metres of strike length.

EXPLORATION PROJECTS - CONTINUED

Zlataritza and Babjak Exploration Projects – Bulgaria - Continued
Exploration at Zlataritza, situated 10 kilometres to the east of Babjak, was the subject of a trenching programme to test the KB structure identified in last year's programme:

Target	Trench ID	Azimuth (degrees)	Length (m)	From (m)	To (m)	Intersection (m)	Au (g/t)
KB	T 1321[1]	320	68.5	7.6	44.4	36.8	0.66
	including[2]			7.6	27.6	20.0	0.84
KB	T 1322[1]	310	56.0	0.0	46.0	46.0	1.36
	including[2]			4.0	41.8	37.8	1.58
	Including[3]			22.8	32.8	10.0	3.94
KB	TC 1323[1]	320	73.0	28.0	54.0	26.0	1.11
	including[2]			34.0	54.0	20.0	1.34
	Including[3]			34.0	45.0	11.0	1.93
KB	T 1324[1]	320	150.0	65.3	150.0	84.7	0.61
	including[2]			87.0	99.0	12.0	0.82
	and[2]			114.0	150.0	36.0	0.81
KB	T 1325[1]	300	14.1	9.1	11.1	2.0	1.42
KB	T 1326[1]	310	47.0	10.5	12.5	2.0	1.72
KB	T 1327[1]	320	60.0	3.0	32.0	29.0	0.30

Notes
1. Intercepts identified using a 0.3 g/t Au. cut-off.
2. Intercepts identified using a 0.5 g/t Au. cut-off.
3. Intercepts identified using a 1.0 g/t Au. cut-off.

Insufficient information is available to estimate true widths of the mineralisation from the trench intercepts. Further targets at Zlataritza remain untested.

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 23.6 square kilometres and was renewed for an additional two years on March 20, 2014. KMC's mineralisation includes thick sequences of gold-copper skarns, gold skarns, zinc-lead-copper-gold skarns and volcanic hosted gold mineralised silica breccias.

During the 2013 drilling campaign, holes EOKSC 1361a and 1361b were drilled at different dips from the same collar position on the Gradina target and both intercepted significant widths of gold and zinc mineralisation.

EXPLORATION PROJECTS - CONTINUED

Karavansalija Mineralised Complex ("KMC") Copper Gold Project – Serbia - Continued

Drilling at KMC in 2013, as announced on September 12, 2013, can be summarised as follows:

Hole ID	Azimuth of Hole	Dip of Hole	From (m)	To (m)	Intersection (m)	True Width (m)	Au (g/t)	Zn (%)
EOKSC 1361a [1]	060 ^{o}	-60 ^{o}	240.4	278.1	37.7	33.9	0.93	0.51
Including [2]	060 ^{o}	-60 ^{o}	269.0	278.1	9.1	8.2	1.98	1.59
EOKSC 1361a [1]	060 ^{o}	-60 ^{o}	371.0	422.0	51.0	45.9	0.75	0.65
Including [2]	060 ^{o}	-60 ^{o}	371.0	383.0	12.0	10.8	2.27	0.18
EOKSC 1361b [1]	062 ^{o}	-82 ^{o}	433.0	548.0	115.0	103.5	1.75	0.80
Including [2]	062 ^{o}	-82 ^{o}	461.0	543.3	82.3	74.1	2.34	0.76
EOKSC 1361b [1]	062 ^{o}	-82 ^{o}	592.0	642.0	50.0	45.0	5.02	0.54
Including [2]	062 ^{o}	-82 ^{o}	595.0	630.0	35.0	31.5	6.81	0.75
Further including [3]	062 ^{o}	-82 ^{o}	603.5	615.0	11.5	10.4	14.78	1.80

Notes
1. Intercepts identified using a 0.4 g/t AuEq. cut-off.
2. Intercepts identified using a 1.0 g/t AuEq. cut-off.
3. Intercepts identified using a 6.0 g/t AuEq. cut-off.

Gold equivalent based on total recovery and using prices as follows: Au $1,400 / oz and Zn $2,000 / tonne.

The Gradina assay results indicate the potential for a high-grade gold-zinc mineralisation within the Copper Canyon-Gradina skarn complex, which has a large overprint of approximately 1,200 by 500 metres, as demonstrated by the geophysical surveys.

Drilling at the KMC Medenovac target carried out in 2013 confirmed the presence of encouraging base metal mineralisation which, as announced on January 17, 2014 is summarised in the following table.

Hole ID	Azimuth	Dip (m)	From (m)	To (m)	Intersection (m)	Silver (g/t)	Lead (%)	Zinc (%)	Gold (g/t)	Copper (%)
EOKSC 1362	Vertical	-90	27.0	36.0	9.0	55.5	2.70	0.44	<0.05	0.01
and	Vertical	-90	138.6	147.0	8.4	21.3	2.36	1.02	0.08	0.01
EOKSC 1363	Vertical	-90	215.0	240.0	25.0	22.6	0.97	1.92	0.10	0.03
EOKSC 1364	335 ^{o}	-65	210.0	213.0	3.0	109.0	5.27	0.39	<0.05	0.01

Notes:
1. Intercepts identified using a 0.4 g/t AuEq. Cut-off.
2. Gold equivalent based on total recovery and using prices as follows: Au $1,400/oz, Ag $28/oz, Pb $2,000/t, Zn $2,000/t and Cu $7,500/t.

The drill intercepts confirmed the presence of significant base metal mineralisation traced over more than 400 metres vertical extent and at least 300 metres along strike. The mineralisation is open and further step out drilling will define the zone down dip and along strike.

SELECTED ANNUAL FINANCIAL INFORMATION

	Years Ended December 31, 2013	2012	2011
	$	$	$
Total revenue	-	-	-
Net loss after tax	(8,074,200)	(5,457,570)	(3,485,364)
Basic and diluted loss per share	(0.10)	(0.09)	(0.07)

	As at December 31, 2013	2012	2011
	$	$	$
Working capital*	1,164,432	2,591,721	2,268,793
Unproven mineral right interests	17,608,897	16,726,493	11,456,954
Total assets	24,304,319	20,424,626	14,727,751

* Excludes assets and liabilities held for sale

RESULTS OF OPERATIONS

KEY POINTS

- *FY13 operating loss of $6.188 million (FY12: $5.561 million)*
- *FY13 operating cash costs of increased slightly to $5.276 million (FY12: $4.973 million)*
- *Non cash impairment charge of $3.074 million on sale of Euromax Services EOOD post year end*
- *FY13 loss before tax and impairment charges reduces to $4.970 million (FY12: $5.425 million)*
- *Q4-2013 loss before tax and impairment charges reduces to $1.669 million (FY12: $1.889 million)*

	Quarter ended December 31, 2013 (unaudited)	2012 (unaudited)	Year ended December 31, 2013	2012
	$	$	$	$
Expenses				
Accounting, legal and professional	**(191,611)**	(522,414)	**(864,542)**	(1,158,119)
Depreciation	**(26,704)**	(23,732)	**(98,856)**	(83,499)
Amortisation	**(5,017)**	-	**(11,212)**	-
Office and general	**(125,438)**	(32,008)	**(518,555)**	(323,104)
Regulatory, filing and transfer agent	**(6,434)**	(11,986)	**(59,763)**	(82,714)
Rent	**(77,698)**	(67,950)	**(298,841)**	(179,867)
Salaries, director and management fees	**(711,739)**	(1,087,375)	**(2,341,981)**	(2,665,239)
Share-based payments	**(221,266)**	(103,899)	**(843,595)**	(569,616)
Shareholder communications and investor relations	**(212,965)**	(8,239)	**(578,910)**	(259,534)
Travel	**(103,834)**	(107,150)	**(537,653)**	(304,059)
Exploration and evaluation costs	**(44,327)**	-	**(75,488)**	-
Gain/(loss) on foreign exchange	**55,006**	89,506	**41,388**	65,040
Operating loss	**(1,672,027)**	(1,875,247)	**(6,188,008)**	(5,560,711)
Finance income	**178**	3,422	**5,716**	32,683
Finance expense	**(5,889)**	(471)	**(23,121)**	(10,395)
	(5,711)	2,951	**(17,405)**	22,288
Other items				
Gain/(loss) on sale of unproven mineral right interests	**-**	-	**1,025,000**	(5,737)
Gain on sale of royalty right and other fixed assets	**-**	(142)	**201,388**	-
Impairment of unproven mineral rights interests	**(3,073,569)**	-	**(3,073,569)**	-
Other income/(loss)	**8,552**	(16,287)	**8,678**	119,282
Loss before tax	**(4,742,755)**	(1,888,725)	**(8,043,916)**	(5,424,878)
Income tax expense	**(4,587)**	(32,692)	**(30,284)**	(32,692)
Loss after tax	**(4,747,342)**	(1,921,417)	**(8,074,200)**	(5,457,570)

RESULTS OF OPERATIONS - CONTINUED

DETAILED ANALYSIS OF THE YEAR ENDED DECEMBER 31, 2013 COMPARED TO YEAR ENDED DECEMBER 31, 2012

The Group recorded a loss after tax of $8.074 million or $0.10 per share for the year ended December 31, 2013, compared to a loss after tax of $5.458 million or $0.09 per share in the year ended December 31, 2012.

The increased loss incurred in FY13 compared to FY12 was mainly due to the following:

- The principal driver of the increased loss in FY13 is the $3.074 million impairment charge relating to the Group's Bulgarian unproven mineral right interests (Trun, Babyak & Zlataritza). Subsequent to year end our subsidiary holding these projects , Euromax Services EOOD, was sold to an unrelated private company, therefore at year end the carrying value of these assets has been written down to their fair value less costs to sell.
- Shareholder communications and investor relations expenses increasing by $0.319 million which has been driven by an extensive one-off public relations campaign in Macedonia during the period aimed at establishing a strong positive profile for the Group and the Ilovitza project. In addition to this Buchanan Communications has been retained by the Group since March 2013 to build the Group's presence in European markets.
- The Group's share based payments expense increased by $0.274 million in FY13 compared to FY12 owing to the establishment during FY13 of a Restricted Share Unit Plan which was approved by shareholders at the Group's last annual general meeting.
- Travel costs increasing $0.234 million has been driven by a combination of both management's reassessment of the costs capitalised to the Group's exploration projects, where from the beginning of 2013 all travel and accommodation costs are now expensed, together with increased investor relations activities including attendance at three North American conferences together with a number of analyst and investor site visits to the Ilovitza project.
- Office and general costs have increased $0.195 million to facilitate the increased level of activity in Macedonia as the Group made significant progress towards completing a NI 43-101 compliant PFS on Ilovitza.
- Rent costs increased $0.119 million in FY13 compared to FY12 which reflects a full year's expense of the Group's London corporate office and also the significantly strengthened executive management team. The Company's Vancouver office was closed during FY13.

Partially offset by:

- The Group receiving an additional $1.025 million in full and final settlement of all further cash payment obligations under renegotiated terms of the previously announced Thrace Resources EOOD sale which held the mineral rights to the Breznik and Rakitovo projects in Bulgaria. In FY12 a small loss of $0.006 million was incurred.
- The sale of a net smelter royalty that the Group owned relating to exploration licences located in Serbia. A gain on the sale of this royalty together with other property, plant and equipment sold resulted in a gain of $0.201 million in FY13 (FY12: $nil).
- Salaries, director and management fees have decreased by $0.323 million in FY13 as there was no repeat of the termination payments made to the Group former executive chairman and chief executive officer in FY12. Additionally, the Group's former VP Finance left the Group on May 31, 2013.
- Lower accounting, legal and professional fees of $0.293 million were incurred in FY13 than in FY12 largely due to FY12 including legal costs, accounting and taxation advice relating to the Group securing Ilovitza's mining concession, completing an internal reorganisation of the Group's corporate structure and the new management team joining Euromax in May 2012.

DETAILED ANALYSIS OF THE QUARTER ENDED DECEMBER 31, 2013 COMPARED TO QUARTER ENDED DECEMBER 31, 2012

The Group recorded a net loss after tax of $4.474 million or $0.06 per share in the quarter ended December 31, 2013 ("Q4-2013"), compared to $1,921 million or $0.03 per share in the quarter ended December 31, 2012 ("Q4-2012"). After adjusting for tax and impairment charges the Group's loss incurred in Q4-2013 was $220k less than Q4-2012.

The increased quarter on quarter loss was mainly due to the following:

- The principal driver of the increased loss in FY13 is the $3.074 million impairment charge relating to the Group's Bulgarian unproven mineral right interests (Trun, Babyak & Zlataritza). Subsequent to year end our subsidiary holding these projects was sold to an unrelated private company, therefore in Q4-2013 the subsidiary's unproven mineral right interests have been written down to their recoverable value to the Group.

RESULTS OF OPERATIONS - CONTINUED

DETAILED ANALYSIS OF THE QUARTER ENDED DECEMBER 31, 2013 COMPARED TO QUARTER ENDED DECEMBER 31, 2012 – CONTINUED

- Shareholder communications and investor relations expenses increasing by $0.205 million which has been driven by an extensive public relations campaign in Macedonia during the period to continue establishing a strong positive profile for the Company with key stakeholders to the Ilovitza project.
- The Group's share based payments expense increased by $0.117 million in Q4-2013 compared to Q4-2012 owing to the establishment during FY13 of a Restricted Share Unit Plan and grant of restricted share units to key executives, which were both approved by shareholders at the Group's last annual general meeting.
- Office and general expenses increased $93k to facilitate the increased level of activity in Macedonia as the Group took significant steps towards completing a NI 43-101 compliant Pre-Feasibility Study on Ilovitza during the quarter.

Partially offset by:

- Salaries, director and management fees have reduced by $376k as the Q4-2012 expense included a termination payment to the Group's former President and CEO who resigned from his position in November 2012. Also contributing to the decrease is the Group's current President and CEO continuing on his temporarily reduced annual salary and the Group's former VP Finance leaving the Group in May 2013.
- Lower accounting, legal and professional fees of $0.331 million were incurred in FY13 than in FY12 largely due to FY12 including costs legal, accounting and taxation advice relating to completing an internal reorganisation of the Group's corporate structure and new management team assessing a potential re-domiciliation of Euromax Resources Ltd.

SUMMARY OF QUARTERLY FINANCIAL RESULTS (unaudited)

(Expressed in thousands of dollars except per share amounts)

Quarter ended	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Net loss after tax	(4,747)	(378)	(1,413)	(1,536)
Loss per share	(0.06)	(0.00)	(0.02)	(0.02)

Quarter ended	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Net loss after tax	(1,921)	(1,220)	(1,503)	(813)
Loss per share	(0.03)	(0.02)	(0.03)	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2013, the Group had working capital of $1.164 million (excluding asset and liabilities held for sale), compared to $2.592 million at December 31, 2012, including a cash balance of $1.335 million (December 31, 2012: $1,762 million).

Trade and other receivables decreased to $0.608 million at December 31, 2013, compared to $1.194 million at December 31, 2012. The decrease is due to management's success in recovering VAT receivable in Bulgaria, Serbia and Macedonia more efficiently over the course of 2013.

Trade and other payables were $1.170 million at December 31, 2013, compared to $0.749 million at December 31, 2012. The increase was principally due to accrued technical consultant costs in respect of the Ilovitza pre-feasibility report ($0.225 million) and accrued deferred phantom units ("DPUs") which are granted to the Group' non-executive directors in lieu payment of directors' fees ($0.280 million). Euromax's DPUs are only payable in cash at the time a director leaves their position.

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

On March 7, 2013, the Group 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 Group incurred cash share issue costs of $87,295 in connection with the 2013 private placement in respect of filing and legal costs.

LIQUIDITY AND CAPITAL RESOURCES - CONTINUED

In February 2013, the Group entered into an agreement to appoint Investec Bank plc ("Investec") as Lead Banker whose roles include Global Project Finance Coordinator and Treasury Arranger to the Group. In consideration for providing these services, the Group agreed to issue Investec on the date of completion of a listing of the Group's shares in the United Kingdom ("UK Listing"), and in certain other circumstances as described in the Group'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 Group's share price on issue, such that the number of warrants multiplied by the exercise price thereof will be equal to $5 million. At the date of this MD&A no warrants have been issued to Investec and as such there is no accounting impact.

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

The Group is in the exploration stage and has no recurring source of operating cash flow. The Group's ability to continue operations is contingent on its ability to obtain additional financing.

Operating Activities
Cash used in operations in FY13, including the changes in non-cash working capital items, was $4.532 million (2012: $5.200 million). The decrease in cash used is predominately due to an improvement in the Group's ability to recover VAT receivables more regularly from authorities which has resulted in a favourable working capital movement in trade and other receivables in FY13 of $0.524 million (FY12: unfavourable working capital movement of $0.599 million).

Financing Activities
In FY13 cash received from financing activities of $7.964 million related to a non-brokered private placement of $8 million before issuing costs, and the exercise of 191,667 share options, offset by interest paid. In FY12, cash received from financing activities of $10.512 million included $9.995 million from the January and June 2012 private placements together with $0.383 million from the exercise of 973,356 post Share Consolidation share options and $0.144 million from the exercise of 300,467 post Share Consolidation warrants, again offset by interest paid.

Investing Activities
The Group used cash of $4.026 million on investing activities in FY13 which included $5.047 million on further exploration of the Group's exploration projects with the majority focussed on the Ilovitza Gold-copper project in Macedonia. Offsetting this expenditure was the receipt of $1.226 million from the renegotiated terms for the sale of Thrace Resources EOOD which occurred in 2012 and the sale of a legacy royalty right the Group held in respect of a former Serbian exploration project.

In FY12, $5.489 million was spent on investing activities which included exploration equipment and property, plant and equipment acquisitions of $6.947 million. Offsetting this was proceeds from the sale of Thrace Resources EOOD which amounted to $1,451 million.

The table below summarises the expenditure incurred on the Group's key projects during FY13 and FY12.

LIQUIDITY AND CAPITAL RESOURCES - CONTINUED

	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**

RELATED PARTY TRANSACTIONS

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

Transactions with key management personnel

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.

CRITICAL ACCOUNTING ESTIMATES

The Group's significant accounting policies are summarised in Note 3 of its audited consolidated financial statements for the year ended December 31, 2013. 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 Group 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, property, plant & equipment and intangible assets;
- Valuation of share-based payment arrangements.

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

- The accounting policies for unproven mineral right interests and property, plant & equipment;
- Determination of functional currency.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES

The following risk factors, as well as risks not currently known to the Group, could materially adversely affect the Group's future business, operations and financial position and could cause them to differ materially from the estimates described in the forward-looking statements and information contained herein. The risks set out below include those that are widespread and associated with any form of business and those that are specific risks associated with the Group'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 Group'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 Group's exploration and other mining activities have previously been, and may in the future be, significantly adversely affected by declines in commodity prices, particularly gold and copper. Commodity prices are volatile and are affected by numerous factors beyond the Group'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 Group's future revenues, profits and cash flows. In particular, sustained low, or further reductions in, commodity prices could:

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

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

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

Dependence on Third Party Financing

The Group currently has no source of operational cash flow. As a result, the Group 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 for junior exploration and development companies to attract significant amounts of debt and/or equity. There can be no assurance that such financing will be available to the Group 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 Group's properties.

Dilution

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

No Dividends

The Group 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 Group 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 Group'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 Group maintains most of its working capital in Canadian dollars. The Group 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 Group is subject to fluctuations in the rates of currency exchange between these currencies. The Group has not hedged its exposure to currency fluctuations.

Economic and Political Instability in Foreign Jurisdictions

The Group 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 Group of its legal rights to exploit its properties may not be recognised by any foreign government or by the court system of a foreign country. These risks may limit or disrupt the Group'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 Group continues to be involved in exploration, the long-term success of its operations will be related to the cost and success of its exploration programmes. There can be no assurance that the Group'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.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

Mineral Exploration - continued
Substantial expenditures are required to determine if a project is economically feasible. 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 programmes will result in the discovery of mineral reserves and the development of mines.

Resource Estimates
The mineral resource estimates presented herein are made by Group personnel and independent geologists. These estimates 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 Group'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 Group may differ substantially owing to factors outside the control of the Group, 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 Group 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 Group has a number of exploration and development projects which will involve significant capital expenditure to progress.

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

Operating Hazards and Other Uncertainties
The Group's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- labour disputes and shortages;
- supply and shipping problems and delays;
- shortage of equipment and contractor availability;
- unusual or unexpected geological or operating conditions;
- fire;
- changes in the regulatory environment; and
- natural phenomena such as inclement weather conditions, floods and earthquakes.

These or other occurrences could result in damage to, or destruction of, mineral properties, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Group 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 Group's financial position and results of operations.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

Limitations on the Transfer of Cash or Other Assets
Euromax is a Canadian company that conducts operations through foreign (principally Bulgaria, Macedonia and Serbia) subsidiaries and substantially all of Euromax's assets consist of equity in, or intercompany loans to its subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between Euromax and its subsidiaries, or among its subsidiaries, could restrict the Group'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 Group's operating costs and have a material adverse impact on the Group's results of operations and financial position.

Environmental Risks
All phases of the Group's operations are subject to environmental regulation in the various jurisdictions in which it operates. There is no assurance that the Group 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 Group has an interest which are unknown to the Group at present and which have been caused by previous or existing owners or operators of the properties.

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Group's operations, or its ability to develop its properties economically.

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

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

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

The Group 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
Euromax'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 Euromax was assessed to be not 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 Group'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 Euromax were tax 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 Group's financial position and results of operations.

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

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

Insurance Coverage Could Be Insufficient
While the Group 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 Group 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 results of operations and financial position.

Carrying Value of Unproven Mineral Right Interests
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 and/or its fair value less costs to sell; 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 and copper 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 Group's business, results of operations and financial position.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

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

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

SUBSEQUENT EVENTS

Subsequent to December 31, 2013:

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.

The Company has established a new stand-alone exploration services company in Bulgaria, Euromax Exploration Services EOOD ("EES"), into which a number of key Euromax personnel have been transferred with Mr. Dimitar Dimitrov taking the role as Managing Director. EES has already secured its first contract that will cover its fixed forecast operating expenditures over the next year and has initiated marketing to secure further contracts. The EES team has extensive experience in target definition, resource estimation, interpretation, mapping, database and project management. As part of this restructuring and with his new role as Managing Director of EES, Dimitar Dimitrov will be stepping down as Senior Vice-President of Exploration of Euromax, but will continue to be fully engaged with the Company's other projects.

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 programmes. 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 April 28, 2014, the Group had outstanding 85,347,340 common shares and 6,122,072 share options, with exercise prices ranging from $0.18 to $1.05 per share. Additional information is available on SEDAR at www.sedar.com and at the Group's website www.euromaxresources.com.