Management's Discussion and Analysis

For the three months ended March 31, 2014

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 May 22, 2014 and should be read in conjunction with the Group's unaudited condensed consolidated interim financial statements and related notes for the quarter ended March 31, 2014 ("Q1-2014") and the audited consolidated financial statements for the year ended December 31, 2013 ("FY13").

The Group's interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements including *IAS 34 Interim Financial Reporting*. 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 a leading gold and base metal mining company in Europe through the development of the Ilovitza project. We will strive to set the standard for developing mines in Europe by using best industry practices and implementing the highest standard for environmental management and managing health and safety in the work place.

The Group's mission is to bring Ilovitza into production within the next four 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.

Q1 2014 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 has progressed Ilovitza's programme of work towards a Pre-Feasibility Study ("PFS").

Mineral resource estimations for Ilovitza were updated in July 2013 and again in December 2013 and exceeded the target tonnage of around 150 million tonnes, which was based on the inferred resource evaluated in the 2012 PEA. The current Measured and Indicated Mineral 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 Group believes that the success of the drilling campaign in defining a larger than expected mineral resource estimate will add considerable value to the project and fully justify delaying completion of the PFS to allow a reconfiguration of key parts of the mine and infrastructure plan. This work is now largely complete and the PFS is being finalised with results to be announced in June. Environmental and social base line monitoring were also conducted throughout the quarter.

Serbia

Final results of the 2013 drilling campaign at the Karavansalija Mineralised Centre ("KMC") project in Serbia were announced in the quarter. The year's 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 Medenovac area of the KMC project confirmed mineralisation along some 300 metres of strike and 400 metres of vertical extent.

Q1 2014 HIGHLIGHTS – CONTINUED

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

Since the beginning of 2012 the Group has been undertaking a programme to sell its Bulgarian exploration assets and this was successfully completed subsequent to quarter end, allowing the Group to concentrate its efforts on developing the Ilovitza gold-copper project in Macedonia. The recent sale of Euromax Services EOOD ("**Euromax Services**") was completed for a total consideration of US$3.5 million. In total, the Group has received cash of $5.525 million from the sale of these projects, with a further $0.9 million receivable assuming no claims under the warranties of the sale and purchase agreement by the purchaser.

Independent of the sale of Euromax 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 five-year framework agreement with the purchaser of Euromax Services to perform exploration work on their Bulgarian projects.

EES has received its first work order, under the framework agreement, for exploration work on the Babjak and Zlataritza projects 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 Euromax 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 Q1-2014. 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.

Work in the first quarter comprised continuing studies toward the completion of the pre-feasibility study (PFS). The PFS was expanded to include the increased Measured and Indicated Mineral Resources announced at the end of Q4-2013, which was an increase of some 30% on the Measured and Indicated Mineral Resources announced earlier in 2013 and exceeded the Group's target as defined by the 150 million tonnes Inferred Mineral Resource evaluated in the 2012 PEA. The current Measured and Indicated Mineral 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 of Measured and Indicated Mineral Resources grading 0.33 g/t Au containing 0.4 million ounces of gold.

Work to accommodate the larger than targeted mineral resource included a re-examination of throughput, an increased overall mining life and increased tailings output, all of which the Group believe will add considerable value to the project. The work was largely finished in the quarter with final infrastructure cost estimates being the main outstanding item to be completed. Results to the PFS will be announced in June 2014.

EXPLORATION PROJECTS – CONTINUED

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 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.

Drilling at the KMC Medenovac target carried out in 2013 was announced on January 17, 2014 and confirmed the presence of encouraging base metal mineralisation which 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°	-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.

RESULTS OF OPERATIONS

KEY POINTS

- *Q1-2014 loss after tax reduces to $1.209 million (Q1-2013: $1.535 million)*
- *Reduced Q1-2014 operating loss of $1.189 million (Q1-2013: $1.515 million)*

	Quarter ended March 31	
	2014 (Unaudited) $000s	**2013 (Unaudited) $000s**
Expenses		
Accounting, legal and professional	**(149)**	(202)
Depreciation	**(31)**	(19)
Amortisation	**(5)**	-
Office and general	**(104)**	(194)
Regulatory, filing and transfer agent	**(11)**	(36)
Rent	**(83)**	(71)
Salaries, director and management fees	**(470)**	(615)
Share-based payments	**(125)**	(177)
Shareholder communications and investor relations	**(116)**	(56)
Travel	**(54)**	(108)
Exploration and evaluation costs	**(6)**	-
Loss on foreign exchange	**(35)**	(37)
Operating loss	**(1,189)**	(1,515)
Finance income	-	3
Finance expense	**(6)**	(4)
Net finance expense	**(6)**	(1)
Other income	**2**	-
Loss before tax	**(1,193)**	(1,516)
Income tax expense	**(16)**	(19)
Loss after tax	**(1,209)**	(1,535)

RESULTS OF OPERATIONS – CONTINUED

DETAILED ANALYSIS OF THE QUARTER ENDED MARCH 31, 2014 COMPARED TO QUARTER ENDED MARCH 31, 2013

The Group recorded a net loss after tax of $1.209 million or $0.01 per share in Q1-2014, compared to $1.535 million or $0.02 per share in the quarter ended March 31, 2013 ("**Q1-2013**").

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

- Salaries, directors and management fees falling $0.145 million owing to a temporary fall in the Company's share price which resulted in a lower fair value of the deferred phantom units issued to non-executive directors at quarter end. Additionally the Q1-2013 comparative includes 0.027 million of salary costs to the Group's former VP, Finance who left in May 2013.
- Office and general expenses, accounting, legal and professional fees and travel expenses reduced $0.090 million, $0.053 million and $0.054 million as management carefully managed cash resources and prioritised the completion of the sale of Euromax Services and the PFS on the Ilovitza Gold Copper Project.
- The Group's share based payments expense decreased by $0.052 million as a large tranche of share based payments previously granted were fully expensed in the quarter ended December 31, 2013.

Partially offset by:

- Shareholder communications and investor relations expenses increasing $0.060 million which has been largely driven by the appointment late last year of Mirabaud Securities as the Group's broker together with continuing public relations work with key stakeholders to the Ilovitza Gold Copper Project in Macedonia and analyst research which was not performed in Q1-2013.

SUMMARY OF QUARTERLY FINANCIAL RESULTS (unaudited)

(Expressed in thousands of dollars except per share amounts)

Quarter ended	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Net loss after tax	(1,209)	(4,747)	(378)	(1,413)	(1,535)	(1,921)	(1,220)	(1,503)
Loss per share	(0.01)	(0.06)	(0.00)	(0.02)	(0.02)	(0.03)	(0.02)	(0.02)

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2014, the Group had a working capital deficiency of $0.431 million (excluding asset and liabilities held for sale), compared to working capital of $1.164 million at December 31, 2013, including a cash balance of $0.233 million (December 31, 2013: $1.335 million).

Trade and other receivables decreased to $0.595 million at March 31, 2014, compared to $0.608 million at December 31, 2013. The decrease is due to the timing of VAT refunds in Bulgaria, Serbia, Canada and the UK in Q1-2014.

Trade and other payables were $1.722 million at March 31, 2014, compared to $1.170 million at December 31, 2013. The increase was principally due to accrued technical consultant costs in respect of the Ilovitza PFS and accrued deferred phantom units ("DPUs") which are granted to the Group' non-executive directors in lieu payment of directors' fees. 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.

Operating Activities

Cash used in operations in Q1-2014, including the changes in non-cash working capital items, was $0.785 million (Q1-2013: $0.368 million). The increase in cash used is predominately due to the Group receiving significant VAT refunds in Q1-2013 that related to a number of prior periods in both Bulgaria and Macedonia which was not repeated in Q1-2014.

Financing Activities

In Q1-2014 cash used in financing activities of $0.006 million represented interest paid. In Q1-2013 the Group completed a non-brokered private placement of $8 million before issuing costs, received $0.075 million from the exercise of 191,667 share options, and paid interest of $0.004 million.

LIQUIDITY AND CAPITAL RESOURCES – CONTINUED

Investing Activities
The Group used cash of $0.362 million on investing activities in Q1-2014 which included $0.366 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 a reduction in restricted cash deposits of $0.004 million. In Q1-2013, $0.574 million was spent on investing activities which included exploration and property, plant and equipment acquisitions of $0.550 million. A further $0.027 million was spent on increasing restricted cash deposits to secure exploration permits and offsetting this was interest received of $0.003 million.

The table below summarises the expenditures incurred on the Group's key projects during Q1-2014 and Q1-2013.

	Bulgaria			Macedonia	Serbia	Total
	Trun	*Babjak*	*Zlataritza*	*Ilovitza*	*KMC*	
	$000s	$000s	$000s	$000s	$000s	$000s
Balance, January 1, 2013	4,552	105	181	7,219	4,670	16,727
Exploration expenditures:						
Assays and analysis	-	33	-	93	-	126
Drilling	-	-	-	263	-	263
Geological consulting	81	5	17	51	41	195
Other	96	-	1	86	-	183
	4,729	143	199	7,712	4,711	17,494
Other items:						
Exchange differences	(75)	(2)	(3)	48	40	8
Balance, March 31, 2013	4,654	141	196	7,760	4,751	17,502
Balance, January 1, 2014	-	-	-	**11,552**	**6,057**	**17,609**
Exploration expenditures:						
Assays and analysis	-	-	-	**104**	**8**	**112**
Feasibility costs	-	-	-	**312**	-	**312**
Social & environmental studies	-	-	-	**108**	-	**108**
Other	-	-	-	**80**	**7**	**87**
	-	-	-	**12,156**	**6,072**	**18,228**
Other items:						
Exchange differences	-	-	-	**255**	**180**	**435**
Balance, March 31, 2014	-	-	-	**12,411**	**6,252**	**18,663**

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
Delphis Financial Strategies Inc.	Management fees
Lamar EOOD	Exploration fees

The Group incurred the following fees and expenses in connection with companies owned by directors and key management personnel. Expenses have been measured at amounts agreed between the parties.

	Three months ended March 31,	
	2014	**2013**
	$000s	$000s
Management fees	**-**	26
Exploration fees	**-**	38
	-	64

No amounts were due to private companies controlled by directors and key management personnel of the Group at the quarter end (2013: $nil).

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 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 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 do not warrant further exploration 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 March 31, 2014:

On April 28, 2014 the Group announced that it had 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$2.7m had been received in cash 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 December 31, 2015 and US$0.3m on December 31, 2018. The Group retains a pro-rata share pledge to secure payment of the deferred instalments. As part of the agreement, the Group has also cancelled the 1.5% Net Smelter Return it held over the Breznik property, as previously reported in news releases dated May 7, 2012 and September 27, 2013.

The Group 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 Group'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 May 22, 2014, the Group had outstanding 85,347,340 common shares, 6,108,739 share options, with exercise prices ranging from $0.18 to $1.05 per share and 1,782,073 restricted share units. Additional information is available on SEDAR at www.sedar.com and at the Group's website www.euromaxresources.com.