Euromax Resources Ltd.

Unaudited Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2014

Euromax Resources Ltd.

Condensed consolidated interim statements of comprehensive loss - unaudited

(Expressed in Canadian dollars)

	Note	Three months ended September 30		Nine months ended September 30	
		2014	2013	2014	2013
		$000s	$000s	$000s	$000s
Revenue	8	**1,335**	-	**2,601**	-
Direct costs		**(1,116)**	-	**(2,110)**	-
Gross profit		**219**	-	**491**	-
Operating expenses					
Accounting, legal and professional		**(70)**	(215)	**(339)**	(673)
Depreciation		**(26)**	(24)	**(84)**	(72)
Amortisation		**(5)**	(5)	**(16)**	(6)
Office and general		**(90)**	(90)	**(286)**	(415)
Regulatory, filing and transfer agent		**(16)**	(5)	**(39)**	(54)
Rent		**(82)**	(75)	**(249)**	(221)
Salaries, director and management fees		**(368)**	(441)	**(1,318)**	(1,607)
Share-based payments		**(1,749)**	(234)	**(2,892)**	(624)
Shareholder communications and investor relations		**(97)**	(234)	**(294)**	(483)
Travel		**(40)**	(117)	**(132)**	(434)
Exploration and evaluation costs		**(4)**	(31)	**(13)**	(31)
Gain/(loss) on foreign exchange		**63**	79	**(5)**	61
Operating loss		**(2,265)**	(1,392)	**(5,176)**	(4,559)
Finance income		**-**	2	**-**	6
Finance expense		**(4)**	(7)	**(15)**	(17)
Net finance expense		**(4)**	(5)	**(15)**	(11)
Other items					
Loss on disposal of Euromax Services EOOD	7	**-**	-	**(949)**	-
Gain on sale of unproven mineral right interests		**-**	1,025	**-**	1,025
Gain on sale of royalty right		**-**	-	**-**	201
Other income		**1**	-	**4**	-
Loss before tax		**(2,268)**	(372)	**(6,136)**	(3,344)
Income tax expense		**(11)**	(2)	**(33)**	(25)
Loss for the period		**(2,279)**	(374)	**(6,169)**	(3,369)
Other comprehensive income, net of tax:					
Items that are or may be reclassified subsequently to the income statement					
Net exchange differences on translation of foreign subsidiaries		**(591)**	347	**686**	1,294
Net exchange differences on disposal of foreign subsidiaries	7	**-**	-	**(762)**	-
Total other comprehensive (loss)/income, net of tax		**(591)**	347	**(76)**	1,294
Comprehensive loss for the period		**(2,870)**	(27)	**(6,245)**	(2,075)
Loss per common share					
Basic and diluted	5	**(0.03)**	(0.00)	**(0.07)**	(0.04)
Weighted average number of common shares outstanding					
Basic and diluted	5	**85,347,340**	85,347,340	**85,347,340**	81,739,698

See accompanying notes to the condensed consolidated interim financial statements.

Euromax Resources Ltd.

Condensed consolidated interim statements of financial position - unaudited

(Expressed in Canadian dollars)

	Note	As at September 30, 2014 $000s	December 31, 2013 $000s
ASSETS			
Current			
Cash and cash equivalents		**851**	1,335
Trade and other receivables		**574**	609
Other current assets		**296**	391
Assets held for sale	7	**-**	3,955
Total current assets		**1,721**	6,290
Non-current assets			
Restricted cash		**69**	71
Contingent consideration	7	**910**	-
Property, plant and equipment		**253**	305
Intangible assets		**13**	29
Unproven mineral right interests	6	**18,172**	17,609
Total assets		**21,138**	24,304
LIABILITIES			
Current			
Trade and other payables		**906**	890
Share-based payment liabilities	10(c)	**1,536**	280
Liabilities held for sale	7	**-**	38
Total liabilities		**2,442**	1,208
EQUITY			
Share capital	9	**58,896**	58,896
Equity reserve		**8,526**	6,681
Currency translation reserve		**2,020**	2,096
Accumulated losses		**(50,746)**	(44,577)
Total equity		**18,696**	23,096
Total liabilities and equity		**21,138**	24,304

	Note
Nature of operations	1
Subsequent events	13

Approved on behalf of the Board of Directors

"Steve Sharpe"

Steve Sharpe, Director

"Tim Morgan-Wynne"

Tim Morgan-Wynne, Director

See accompanying notes to the condensed consolidated interim financial statements.

Euromax Resources Ltd.

Condensed consolidated interim statements of changes in equity - unaudited

(Expressed in Canadian dollars)

For the nine months ended September 30, 2014 and 2013

	Note	Share capital Number of shares	Amount $000s	Equity reserve $000s	Currency translation reserve $000s	Accumulated losses $000s	Total Equity $000s
Balance on January 1, 2013		70,340,858	50,840	5,905	(568)	(36,502)	19,675
Common shares issued for:							
Financing, net of issue costs	**9**	14,814,815	7,913	-	-	-	7,913
Exercise of share options		191,667	143	(68)	-	-	75
Equity-settled share-based payments		-	-	622	-	-	622
Comprehensive loss for the period		-	-	-	1,294	(3,369)	(2,075)
Balance on September 30, 2013		85,347,340	58,896	6,459	726	(39,871)	26,210
Balance on January 1, 2014		**85,347,340**	**58,896**	**6,681**	**2,096**	**(44,577)**	**23,096**
Equity-settled share-based payments		-	-	**1,845**	-	-	**1,845**
Comprehensive loss for the period		-	-	-	**(76)**	**(6,169)**	**(6,245)**
Balance on September 30, 2014		**85,347,340**	**58,896**	**8,526**	**2,020**	**(50,746)**	**18,696**

See accompanying notes to the condensed consolidated interim financial statements.

Euromax Resources Ltd.

Condensed consolidated interim statements of cash flows - unaudited

(Expressed in Canadian dollars)

		Nine months ended September 30,	
		2014	**2013**
	Note	**$000s**	**$000s**
OPERATING ACTIVITIES			
Loss before tax		**(6,136)**	(3,344)
Add back:			
Depreciation		**84**	72
Amortisation		**16**	6
Finance income		**-**	(6)
Finance expense		**15**	17
Share-based payments		**2,892**	622
Gain on sale of royalty right		**-**	(201)
Loss on disposal of Euromax Services EOOD	**7**	**949**	-
Loss on disposal of unproven mineral rights		**-**	(1,025)
Unrealised foreign exchange expense		**11**	-
Changes in non-cash working capital items:			
Decrease in trade and other receivables and other current assets		**130**	527
Increase in trade and other payables		**310**	114
Tax paid		**(26)**	(36)
Cash used in operating activities		**(1,755)**	(3,254)
INVESTING ACTIVITIES			
Expenditures on unproven mineral right interests		**(1,560)**	(3,576)
Proceeds from sale of royalty right and other fixed assets		**-**	201
Purchases of property, plant and equipment and intangible assets		**(101)**	(194)
Proceeds from sale of Euromax Services EOOD	**7**	**3,023**	-
Proceeds from sale of unproven mineral rights		**-**	1,025
Increase in restricted cash deposits		**-**	(26)
Interest received		**-**	6
Cash provided by/(used in) investing activities		**1,362**	(2,564)
FINANCING ACTIVITIES			
Issue of common shares for cash, net of issue costs	**9**	**-**	7,913
Exercise of share options		**-**	75
Interest paid		**(15)**	(17)
Cash (used in)/provided by financing activities		**(15)**	7,971
Effect of exchange rate changes on cash		**(76)**	82
Net change in cash and cash equivalents		**(408)**	2,153
Cash and cash equivalents, beginning of the period		**1,335**	1,762
Cash and cash equivalents, end of the period		**851**	3,997

Supplemental cash flow information (Note 11)

See accompanying notes to the condensed consolidated interim financial statements.

1. Nature of operations

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

These condensed consolidated interim financial statements include the accounts of Euromax and of its wholly-owned subsidiaries (collectively, "the Group"). The Group operates with the objective of becoming the leading gold and base metal mining company in south-eastern Europe. The Group operates in two sectors in the mining industry: 1) The exploration and development of mineral right interests; and, 2) the provision of exploration and evaluation services.

Euromax's common shares are listed on the TSX Venture Exchange under the trading symbol "EOX". Euromax's share options and warrants are not listed. These condensed consolidated interim financial statements were authorised for issue by the board of directors on November 10, 2014.

2. Basis of preparation and statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB.

The Group is following the same accounting policies and methods of computation in these condensed consolidated interim financial statements as it did in the audited consolidated financial statements for the year ended December 31, 2013, except as detailed below:

New accounting policies adopted in the period

Share-based payments

The Group issues deferred phantom units ("DPUs") to its directors and key management personnel which are cash-settled share-based payments.

As disclosed in Note 3(m) of the December 31, 2013 audited consolidated financial statements, these cash-settled share-based payments are initially measured at fair value and recognised as a liability at the grant date. The liability is re-measured to fair value at each reporting date at the Group's closing share price with any changes in the fair value recognised in profit or loss. To the extent that performance conditions exist management estimates the number of DPUs that will eventually vest and recognises the liability over the vesting period.

Revenue recognition

Revenue from exploration services is recognised on the basis of the actual work performed at contracted rates. Revenue is only recognised where it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of any sales taxes or duties.

New standards effective in the period

Effective January 1, 2014, the following new and revised standards, along with any consequential amendments, have become effective. The nature and the impact of each new standard or amendment is described below:

a) **Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27**: These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 *Consolidated Financial Statements*. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group.

b) **Offsetting Financial Assets and Financial Liabilities – Amendment to IAS 32:** These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Group.

2. Basis of preparation and statement of compliance (continued)

c) **Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39:** These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no impact on the Group.

d) **Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36:** These amendments remove the unintended consequences of IFRS 13 *Fair Value Measurement* on the disclosures required under IAS 36 *Impairment of Assets*. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. These amendments have no impact on the Group.

e) **IFRIC 21 *Levies*:** This new standard to be applied retrospectively is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g. IAS 12 *Income Taxes*) and fines or other penalties for breaches of legislation. These amendments have no impact on the Group.

3. Going concern

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

At September 30, 2014, the Group has net current liabilities of $0.721 million ($0.815 million net current assets if excluding share-based payment liabilities) and no borrowing facilities. The directors have reviewed Group cash flow budgets and forecasts and have identified that further funding is required to advance the exploration and development of the Group's mineral right interests through to production and revenue generation.

On October 31, 2014 the Group arranged and closed a working capital loan from its directors amounting to US$0.635 million to ensure the Group continues as a going concern whilst additional funding is sourced and to provide flexibility in its ongoing operations. The board of directors are optimistic that such additional funding will be secured which is demonstrated by the Group's track record of successfully arranging funding to continue operating in the normal course of business and as a result of discussions held to date.

Although Euromax has been successful in raising funds in the past, there can be no assurance Euromax will be able to raise sufficient funds in the future and the Group may be unable to meet its obligations as they become due in the normal course of business. Accordingly in these circumstances, the directors have concluded that this represents a material uncertainty which may cause significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise it assets and discharge its liabilities in the normal course of business.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements for the year ended December 31, 2013.

5. Loss per share

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	**2014**	2013
	$000s	$000s	**$000s**	$000s
Net loss for the period after tax	**(2,279)**	(374)	**(6,169)**	(3,369)
Basic weighted average number of common shares	**85,347,340**	85,347,340	**85,347,340**	81,739,698
Basic and dilutive loss per share	**(0.03)**	(0.00)	**(0.07)**	(0.04)

For the three and nine months ended September 30, 2014 and 2013, because there is a reduction in loss per share resulting from the assumption that share options and warrants are exercised, the share options and warrants are considered anti-dilutive and are ignored in the computation of loss per share. As there are no other instruments that may have a potential dilutive impact, the basic and dilutive loss per share is the same.

6. Unproven mineral right interests

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

Macedonia

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

The Ilovitza copper-gold project consists of two adjacent properties. On Ilovitza 6, the Group was granted a mining concession (“Concession”) for the exploitation of mineral resources under the rules and regulations of the Law of Mineral Raw Materials in Macedonia. The Concession has an initial term of 30 years and will be subject to a royalty of 2% of the market value of metal contained in concentrate. The Ministry of Environment and Physical Planning in Macedonia has formally approved the Ilovitza Environmental Impact Study (“EIS”) under Macedonian law for Ilovitza 6. Additionally, on July 22, 2014, the Group filed a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”) compliant Preliminary Feasibility Study (“PFS”).

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

Serbia

On June 6, 2008, the Group acquired an option to earn a 100% interest in Karavansalija Mineralised Centre (“KMC”) in Serbia. Under the terms of the option agreement, the Group agreed to complete a $1.5 million exploration programme and the vendor retained certain back-in rights. In July 2011, the option agreement was amended and the vendor agreed to forego its back-in rights in exchange for a 2% net smelter return royalty on gold, and a 1.5% net smelter return royalty on all base and precious metals other than gold, extracted from the KMC project. The Group, through a wholly owned subsidiary, now owns a 100% interest of the KMC project, subject to these royalty obligations. The KMC Exploration Permit was originally issued on July 7, 2004 and was successfully renewed until December 31, 2015 on March 28, 2014.

Bulgaria

On April 28, 2014 the Group announced the sale of Euromax Services EOOD which owned 100% of the mineral right interests in the Trun, Babjak and Zlataritza properties. Refer to Note 7 for further details.

A summary of changes to the Group’s unproven mineral right interests in the nine months ended September 30, 2014 and 2013 is set out below.

6. Unproven mineral right interests (continued)

	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	16,726
Exploration expenditures:						
Assays and analysis	85	69	-	227	8	389
Drilling	-	379	-	1,045	561	1,985
Geological consulting	236	143	60	142	65	646
Geophysical contractors	41	37	3	-	-	81
Feasibility costs	-	-	-	504	-	504
Other	106	6	14	193	38	356
	5,020	739	258	9,330	5,342	20,687
Other items:						
Exchange differences	255	38	12	605	301	1,211
Balance, September 30, 2013	5,275	777	270	9,935	5,643	21,898
Balance, January 1, 2014	-	-	-	**11,552**	**6,057**	**17,609**
Exploration expenditures:						
Assays and analysis	-	-	-	**101**	**23**	**124**
Feasibility costs	-	-	-	**764**	**-**	**764**
Social & environmental studies	-	-	-	**355**	**-**	**355**
Other	-	-	-	**251**	**7**	**258**
	-	-	-	**13,023**	**6,087**	**19,110**
Other items:						
Exchange differences	-	-	-	**(495)**	**(443)**	**(938)**
Balance, September 30, 2014	-	-	-	**12,528**	**5,644**	**18,172**

7. Loss on sale of Euromax Services EOOD

At December 31, 2013 the Group classified its wholly owned Bulgarian subsidiary Euromax Services EOOD as a disposal group held for sale and recognised an impairment charge of $3.074 million.

On April 28, 2014 the Group announced the sale of Euromax Services EOOD and after receipt of all upfront consideration ($3.023 million) control passed to the purchaser on May 9, 2014.

Further, contingent consideration of $0.9 million is due ($0.5 million on December 31, 2015 and $0.4 million on December 31, 2018) subject to there being no claims from the purchaser arising under the warranties to the sale and purchase agreement, with the Group recognising the full amount of $0.9 million as a non-current receivable at September 30, 2014.

In the nine months ended September 30, 2014 the Group has recognised a loss on disposal of Euromax Services EOOD of $0.949 million which primarily comprises the recycling of the related currency translation reserve losses to the income statement and foreign exchange losses.

8. Operating segments

During the period the Group has created a new operating segment Exploration Services and substantially reduced the size of the Bulgarian operating segment via the sale of Euromax Services EOOD (refer to Note 7 for further details of this disposal).

The following is an analysis of the Group's revenues, (loss)/profit before tax, assets and liabilities by operating segment together with a reconciliation between total segment loss before tax and the Group's consolidated loss before tax:

	Macedonia		Serbia		Bulgaria		Exploration Services		Corporate		Total	
For the 9 months ended	**September 30,**	September 30,	**September 30,**	September 30,	**September 30,**	September 30,	**September 30,**	September 30,	**September 30,**	September 30,	**September 30,**	September 30,
In thousands	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
External revenues	**-**	-	**-**	-	**-**	-	**2,601**	-	**-**	-	**2,601**	-
Depreciation	**(39)**	(22)	**(1)**	-	**(7)**	(35)	**(15)**	-	**(22)**	(15)	**(84)**	(72)
Amortisation	**-**	-	**-**	-	**(4)**	(6)	**(12)**	-	**-**	-	**(16)**	(6)
Segment (loss)/profit before tax	**(477)**	(714)	**(139)**	(167)	**(156)**	(674)	**204**	-	**(5,568)**	(1,789)	**(6,136)**	(3,344)

	Macedonia		Serbia		Bulgaria		Exploration Services		Corporate		Total	
As at	**September 30,**	December 31,	**September 30,**	December 31,	**September 30,**	December 31,	**September 30,**	December 31,	**September 30,**	December 31,	**September 30,**	December 31,
In thousands	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Segment assets	**13,030**	12,459	**5,674**	6,188	**-**	4,124	**1,024**	-	**1,410**	1,533	**21,138**	24,304
Segment liabilities	**187**	316	**12**	-	**-**	40	**382**	-	**1,861**	852	**2,442**	1,208

All of the Group's direct costs are incurred within the Exploration Services operating segment and consist of permanent and temporary employee salaries and subcontractor costs.

9. Share capital

At September 30, 2014 Euromax's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

	2014 Number of shares	2014 Amount	2013 Number of shares	2013 Amount
		$000s		$000s
Balance on January 1	**85,347,340**	**58,896**	**70,340,858**	**50,840**
Common shares issued for:				
Financing, net of issue costs	-	-	14,814,815	7,913
Exercise of share options	-	-	191,667	143
Balance on September 30	**85,347,340**	**58,896**	85,347,340	58,896

No common shares were issued nor share options or warrants exercised in the three and nine months ended September 30, 2014.

On July 19, 2014, the Company issued 12,195,122 share warrants to Investec Bank plc as consideration for performing the role of Global Project Finance Co-ordinator and Treasury Advisor to the Company. The warrants are exercisable at $0.41 and expire on July 18, 2019. The total fair value of these share warrants was $1.545 million which was immediately recognised as a share-based payment expense in the Statement of Comprehensive Loss in the three and nine months ended September 30, 2014.

In the nine months ended September 30, 2013 the Company closed an $8 million non-brokered private placement for the issuance of 14,814,815 common shares of the Company at a price of $0.54 per common share. The Company incurred cash share issue costs of $0.087 million in connection with the 2013 private placement in respect of filing and legal costs.

At September 30, 2014, the Company had outstanding 5,864,573 share options (September 30, 2013: 6,130,405) with exercise prices ranging from $0.18 to $1.05 per share and a weighted average exercise price of $0.59. Additionally the Company had 12,195,122 share warrants (September 30, 2013: 5,766,666) exercisable at $0.41 and had granted 1,782,073 Restricted Share Units ("RSUs") (September 30, 2013: 1,072,882).

10. Related party transactions

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

Transactions with key management personnel

a. *Key management personnel transactions*

The Group's related parties consist of private companies owned by the Group's current or former 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 costs in connection with companies owned by directors and key management personnel. Expenses have been measured at amounts agreed between the parties.

	Nine months ended September 30, 2014	2013
	$000s	$000s
Management fees	-	43
Exploration fees	-	55
	-	98

No amounts were due to private companies controlled by directors and key management personnel of the Group at September 30, 2014 (September 30, 2013: $nil) as all related party transactions with the abovementioned related parties ended in May 2013.

10. Related party transactions (continued)

a. Key management personnel transactions (continued)

Subsequent to quarter end and as disclosed in Note 3, the Group arranged and closed a working capital loan from its directors amounting to US$0.635 million, whilst additional funding is sourced and to provide flexibility in its ongoing operations. The loan is repayable on April 30, 2015 and interest will be charged on the loan at a flat rate of 15% on the principal amount.

b. Key management personnel compensation

The remuneration of directors and other members of key management personnel during the nine months ended September 30, 2014 and 2013 was as follows:

		Nine months ended September 30,	
	Note	**2014**	**2013**
		$000s	$000s
Short-term employee benefits	(i)	**1,007**	863
Post-employment benefits	(ii)	**100**	74
Share-based payments	(iii), 10(c)	**1,331**	324
		2,438	1,261

(i) Short-term employee benefits also include social security contributions, exploration and management fees disclosed in Note 10(a).

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

(iii) Share-based payments are the cost of share options, RSUs and DPUs granted to directors and key management personnel.

c. Deferred Phantom Unit plan ("DPU Plan")

In 2013 Euromax introduced a DPU Plan for its directors and key management personnel. Under the terms of the plan the non-executive directors elected to convert their outstanding unpaid directors' fees into DPUs in lieu of cash as payment for their directors' fees. From April 2013, non-executive directors made semi-annual elections to receive DPUs in lieu of cash for their fees. In September 2014 all non-executive directors elected to receive DPUs in lieu of cash until March 31, 2015.

In May 2014, the Company's Compensation Committee granted to executive directors and key management personnel a total of 8,422,643 DPUs in lieu of both a 2013 cash bonus and to provide long term incentives for key management personnel by aligning their objectives with those of shareholders, in accordance with the Company's Executive Compensation Policy. Details of these grants are presented in the table below together with their conditions for vesting:

Grant Date/employees entitled	**Number of DPUs**	**Vesting conditions**
DPUs granted to key personnel		
On May 1, 2014 - 2013 bonus	**2,062,479**	100% vest on December 31, 2014.
On May 1, 2014 - 2014 LTIP	**6,360,164**	1/3 vest on December 31, 2014, 2015 and 2016 provided that the Company's share price performance has kept in line with the Market Vectors Junior Gold Mines ETF (GDXJ) over each respective calendar year.
Total DPUs	**8,422,643**	

All DPUs issued by Euromax are cash-settled share-based payments and therefore all vested DPUs are revalued at the Company's reporting period end share price with any fair value changes recorded in the income statement. Under the terms of the DPU plan, for each DPU that vests cash will only become payable in the event that the director or key management person leaves the Company.

The total DPUs in issue at September 30, 2014 is 10,273,123 inclusive of DPUs granted to the Company's non-executive directors. Share-based payment liabilities of $1.536 million (2013: $0.280 million) are recognised as current at September 30, 2014. The DPU expense for the three and nine months ended September 30, 2014 is $0.111 million and $1.047 million (2013: $0.013 million and $0.001 million), respectively.

11. Supplemental cash flow information

Non-cash financing activities

In the nine months ended September 30, 2014 and 2013, the Group incurred the following non-cash financing transactions:

	Nine months ended September 30,	
	2014	2013
	$000s	$000s
Transfer of equity reserve upon exercise of share options	**-**	68
Transfer of equity reserve upon exercise of warrants	**-**	-

12. Contingencies and commitments

The Group had the following future contractual obligations as at September 30, 2014:

	up to 1 year	1-5 years	Over 5 years	Total
	$000s	$000s	$000s	**$000s**
Operating lease obligations	133	122	-	**255**
Minimum exploration obligations	502	-	-	**502**
Total contractual obligations	**635**	**122**	**-**	**757**

13. Subsequent events

Subsequent to September 30, 2014 the following event occurred:

On October 21, 2014 the Group announced that it had entered into a US$175 million Gold Purchase and Sale Agreement ("Streaming Agreement") with RGLD Gold AG, a wholly-owned subsidiary of Royal Gold, Inc ("Royal Gold") to finance the next stages of development and construction of the Ilovitza copper-gold project ("the Project")

Subject to conditions precedent, including the execution of requisite security documentation, advances under the Streaming Agreement will be available in three principal tranches:

- An initial tranche of US$7.5 million within 90 days from the date of signing.
- A second tranche of US$7.5 million on the 1st anniversary of the signing date.
- A third tranche of US$160 million towards the capital cost of the Project.

The receipt of the initial tranche is also subject to the Company raising not less than C$5 million within 90 days of signing (unless otherwise agreed with Royal Gold), and receipt of the second and third tranches is subject to specific conditions precedent related to ongoing development of the Project.

The first two tranches of the Streaming Agreement are to be used to further the development of the Project in respect of Project permitting and the completion of a definitive feasibility study ("DFS") and front end engineering and design ("FEED") planned for 2016. The third tranche is to be used, pro-rata with other sources of finance, to fund all capital expenditures at the Project.

Under the Streaming Agreement, the Euromax group will deliver physical gold in an amount equal to 25% of payable gold produced from the Project until 525,000 ounces have been delivered to Royal Gold, and 12.5% thereafter for life of mine. Royal Gold will purchase the gold delivered at a cash purchase price of 25% of the London PM gold fixing price as quoted by the London Bullion Market Association on the date of delivery for each ounce delivered and shall apply the balance as a reduction against the US$175 million advance payment. No interest shall be payable on the advance payments.