



MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended March 31, 2015

EUROMAX RESOURCES LTD.

Management's Discussion and Analysis

For the three months ended March 31, 2015

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 19, 2015 and should be read in conjunction with the Group's unaudited condensed consolidated interim financial statements and related notes for the three months ended March 31, 2015 ("Q1-2015") and the audited consolidated financial statements for the year ended December 31, 2014 ("FY14"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The Group's functional and 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 within 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.

Q1 2015 HIGHLIGHTS

Non-brokered private placement of \$7.874 million

On January 12, 2015, the Company closed a non-brokered private placement (the "Private Placement") consisting of 31,495,397 common shares of the Company at a price of \$0.25 per share for total proceeds of \$7.874 million. Additionally, the investors received 7,946,713 share purchase warrants. Each share purchase warrant is exercisable to acquire one common share of the Company at a price of \$0.40 until January 12, 2020.

US\$175 million Gold Purchase and Sale Agreement with Royal Gold

On October 20, 2014, the Group entered into a Gold Purchase and Sale Agreement ("GPSA") with Royal Gold, AG ("Royal Gold") pursuant to which the Group via its wholly-owned subsidiaries agreed to sell an equivalent of 25% of future gold production from the Ilovitza gold-copper project in Macedonia ("Ilovitza Project") to Royal Gold to a maximum of 525,000 ounces and then 12.5% gold produced thereafter. In consideration, Royal Gold will pay US\$175 million to the Group as an advance payment on the purchase price of Ilovitza's future gold production.

On March 2, 2015 the Group entered into a First Amendment to the GPSA with Royal Gold and closed the initial stage of the transaction allowing receipt of US\$3.75 million as a portion of the initial tranche of US\$7.5 million to be made by Royal Gold on the satisfaction of certain conditions precedent to closing specified in the GPSA. On March 23, 2015 the Group received the remaining US\$3.75 million of the US\$7.5 million initial tranche under the GPSA following the Group satisfying the remaining conditions precedent, including submission of a formal request to the Macedonian authorities to allow the grant of a security interest to Royal Gold over the Ilovitza's Concession for exploitation of mineral resources ("Exploitation Concession").

The Group will receive a second tranche of US\$7.5 million on the first anniversary of the signing date of the GPSA and the third tranche of US\$160 million will be received, pro-rata with other funding sources, over the course of the construction period for the Ilovitza Project, subject to the satisfaction of certain conditions.

Under the GPSA, Euromax is permitted to raise up to US\$215 million of senior ranking debt finance to fund mine construction and operations, as well as capital equipment leases and equipment financing customary for similar projects. Royal Gold's security interest will be subordinated to that of the permitted senior ranking debt finance under arrangements to be agreed with the senior financiers. Royal Gold's security interest falls away once its entire advance payment has been credited against gold deliveries.

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Q1 2015 HIGHLIGHTS - CONTINUED

In-Principle UFK Eligibility and Mandating of Société Générale S.A., UniCredit Bank AG and Caterpillar Financial to arrange and provide a US\$240 million Debt Package

On February 16, 2015, a UFK in-principle eligibility ("UFK Support") was received for the German Untied Loan Guarantee Scheme (UFK – Garantien für Ungebundene Finanzkredite) to provide cover for a project finance facility on the assumption that a copper concentrate offtake agreement is entered into with a German owned smelter and subject to due diligence and approval by the German Government.

On April 24, 2015 Euromax Resources Ltd and Euromax Resources DOO Skopje executed a Mandate Letter and Term Sheet with Société Générale S.A. and UniCredit Bank AG and Unicredit Bank Austria AG to provide up to US\$215 million of Senior Secured Project Finance ("Project Facility"), subject to due diligence and all necessary approvals, which shall be used to finance the development of the Ilovitza Project. Key terms of the Project Facility:

- Facility amount of up to US\$215 million;
- Tenor of up to 12 years, subject to the UFK Support;
- Pre-completion Margin of 3.75% - 4.25%; Post-completion Margin of 2.75% - 3.25% above Libor; and
- Customary financial ratios, security, completion support and covenants for a facility of this nature.

On April 28, 2015 Euromax Resources Ltd and Euromax Resources DOO Skopje executed a Mandate Letter and Term Sheet with Caterpillar Financial to arrange an equipment financing facility for up to US\$25 million ("Equipment Facility"), to finance any Caterpillar equipment purchased for the Ilovitza Project. Key terms of the Equipment Facility:

- Facility amount of up to US\$25 million;
- Tenor of up to 5 years,
- Margin of 4.50% - 5.50% above Libor; and
- Customary financial ratios, security, completion support and covenants for a facility of this nature.

Ilovitza Feasibility Study

Following on from our successful Preliminary Feasibility Study ("PFS") work commenced on the Ilovitza Definitive Feasibility Study ("FS"). The FS will be carried out by a consortium of engineering and consulting groups, as follows:

- Geology and Resources – Tetra Tech, UK;
- Plant and Mine Infrastructure – Amec Foster Wheeler (AFW), Johannesburg;
- Mining – DMT, UK;
- Tailings Management Facility – Golders Associates, UK in association with the Skopje Faculty of Civil Engineering;
- Hydrology and Hydrogeology – Schlumberger Water Services (SWS), UK; and
- Environmental and Social baseline and impacts – Golder Associates and Schlumberger Water Services.

All groups are now engaged with work on the project and site work comprising resource drilling, geotechnical drilling and site investigation, environmental monitoring, infrastructure investigations and assessment of local contractors is well advanced. The FS is scheduled to be finalised by the end of 2015.

Euromax Exploration Services EOOD ("EES")

As EES's activities are seasonal its operating activities have been limited over the winter months with only a gross loss of \$0.008 million being recorded on revenues of \$0.018 million. However, preparation for the upcoming exploration programmes is well underway as EES enters the second year of its five-year framework agreement, on the Babjak and Zlataritzta projects and management is confident EES will perform strongly over the key second and third quarters of 2015.

Looking forward, EES management has agreed a 2015 work programme for the Babjak and Zlataritzta projects and potential exists for additional work to be performed in future periods both on these projects as well as other projects owned by the purchaser of Euromax Services EOOD. Notwithstanding this EES management are pursuing contracts with other mineral exploration companies operating in Europe.

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PROJECTS

This section outlines the exploration activities carried out in the quarter ended on March 31, 2015. 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

There were no Health or Safety incidents to report for this quarter ended March 31, 2015.

Tetra Tech have been appointed to update the geological model and resource for the project. They have validated a programme of infill drilling aimed at getting at least the first four years mineral resource production into the measured category in order to support proven reserves and to convert all mineral resources currently in the inferred category within the PFS open pit into at least the indicated category. Categorisation will be carried out in accordance with CIM guidelines. In addition, suggested drill locations from the NI 43-101 compliant PFS report, by reviewers ACA Howe International, have also been included in the drilling programme.

Consultants DMT were appointed as engineers to carry out FS pit optimisation, scheduling, final design and costing. They will initially work with the existing PFS model since major changes to the geology are not expected at this stage and this will enable them to advance the design in preparation for the revised block model once infill drilling and resource estimation are complete.

AMEC, Foster Wheeler ("AFW"), commenced work on the FS during January 2015. Currently, option studies have been completed on the plant location and process flow sheet. The plant location proposed in the PFS was confirmed as optimal based on having the lowest power requirement. The process trade-off studies completed with an option that incorporates a reduced CIL circuit which treats the cleaner scavenger tails only rather than all the tailings from the flotation process as it produces the best NPV. Metallurgical testwork is progressing to schedule and all drilling required specifically for the testwork has been completed.

AFW report that the FS is on schedule (with all milestones-to-date delivered on schedule) and is on track to meet the next milestone date.

Following the appointment of Golder Associates to design the TMF in association with the Faculty of Civil Engineering in Skopje, a site visit was conducted.

The appropriate level of design for the dam has been agreed in site meetings between Golder and the Faculty.

The hydrogeology and hydrology programme is being conducted with Schlumberger Water Services (SWS) and activities comprised continued monitoring and the preparation of a preliminary conceptual model of the functioning of the hydrological system.

Golder Associates are managing the environmental and social baseline programmes including ecology, air, dust, noise, ARD potential, meteorology and social economics of the region.

A socio-economic survey was conducted in the Ilovitza and Shtuka villages, which the local municipalities were well informed of in advance. The status of project development, environmental and social work was presented at the municipalities of Bosilovo and Novo Selo and a series of meetings were held with key focus groups, including:

- Municipal leaders' focus group;
- Association of farmers' focus group;
- Business focus group;
- Young adults' focus group;
- Emergency services focus group;
- Healthcare practitioners' focus group; and
- Education focus group.

A household survey was undertaken in Ilovitza and Shtuka on demographics, agriculture and water use (approximately 140 surveys).

Euromax are constructing an expanded office space on site and have recruited five new staff to the Strumica office in order to support the FS stage of development. A Project Manager with experience in delivering projects of this size and complexity is currently being recruited in order to further strengthen the team.

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PROJECTS - CONTINUED**Karavansalija Mineralised Complex ("KMC") Gold-Copper Project – Serbia**

Drilling of a single deep hole on the Gradina Prospect to investigate geophysical and geochemical anomalies and to test the extensions of the adjacent drill intercepts started in February. From around 300 to 450 metres, the target zone was intersected with mineralised dikes and skarns located along the whole interval with visible lead-zinc sulphide mineralisation with arsenopyrite. Below 450 metres the sulphide mineralization decreases and is replaced by an abundance of iron oxides (specularite and magnetite). Below 680 metres towards the end of the hole at 1,100 metres, skarn with sulphides increases including pyrrhotite with chalcopyrite.

Assays QAQC results are awaited.

SELECTED INTERIM FINANCIAL INFORMATION FOR Q1-2015

(Expressed in thousands of Canadian dollars except per share amounts)

Quarter ended March 31,	2015	2014	2013
	\$000s	\$000s	\$000s
Total revenue	18	-	-
Net loss after tax	(3,526)	(1,209)	(1,535)
Basic and diluted loss per share	(0.03)	(0.01)	(0.02)

As at	March 31,	December 31,	December 31,
	2015	2014	2013
	\$000s	\$000s	\$000s
Net working capital/(deficiency)	(531)	(2,720)	5,082
Unproven mineral right interests	17,559	15,987	17,609
Total assets	32,684	19,821	24,304

RESULTS OF OPERATIONS**KEY POINTS**

- Q1-2015 operating loss of \$3.354 million (For the three months ended March 31, 2014 "Q1-2014": \$1.189 million)
- Q1-2015 operating cash costs (operating excluding depreciation, amortisation and share-based payments) increased to \$1.838 million (Q1-2014: \$1.028 million)
- Q1-2015 loss after tax increases to \$3.526 million (Q1-2014: \$1.209 million)

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RESULTS OF OPERATIONS - CONTINUED

<i>in thousands</i>	Quarter ended March 31	
	2015 (Unaudited)	2014 (Unaudited)
Revenue	18	-
Direct costs	(27)	-
Gross (loss)/profit	(9)	-
Expenses		
Accounting, legal and professional	(294)	(149)
Depreciation	(33)	(31)
Amortisation	(5)	(5)
Office and general	(189)	(104)
Regulatory, filing and transfer agent	(11)	(11)
Rent	(81)	(83)
Salaries, director and management fees	(782)	(470)
Share-based payments	(1,478)	(125)
Shareholder communications and investor relations	(57)	(116)
Travel	(100)	(54)
Exploration and evaluation costs	(14)	(6)
Loss on foreign exchange	(301)	(35)
Operating loss	(3,354)	(1,189)
Finance income	1	-
Finance expense	(171)	(6)
Net finance expense	(170)	(6)
Other income	1	2
Loss before tax	(3,523)	(1,193)
Income tax expense	(3)	(16)
Loss after tax	(3,526)	(1,209)

DETAILED ANALYSIS OF THE QUARTER ENDED MARCH 31, 2015 COMPARED TO QUARTER ENDED MARCH 31, 2014

Net loss after tax of \$3.526 million or \$0.03 per share increased for the Group from \$1.209 million or \$0.01 per share due to a significant increase in the Group activities principally in Macedonia to facilitate the completion of the a FS on the Ilovitza Project by the end of 2015.

The increased loss after tax incurred in Q1-2015 compared to Q1-2014 was mainly due to the following:

- Share-based payment expense increased \$1.353 million predominately due to the Company's share price appreciating more than 40% since its year end closing price of \$0.21 which increased the Group cash settled share based payment liabilities at quarter end.
- Salaries, director and management fees increased \$0.312 million as the Group transferred a number of corporate functions from London to Skopje in order to increase Euromax's profile in Macedonia however this resulted in a one-off redundancy cost being incurred in the quarter.
- The Group's losses from foreign exchange differences increased \$0.266 million owing to the liquidation of a group subsidiary where foreign exchange difference previously taken to the foreign currency translation reserve were recycled to the income statement during the quarter in accordance with International Accounting Standards.
- Finance expenses increased \$0.165 million which predominately consists of amortised transaction costs relating to closing the initial tranche under the GPSA with Royal Gold.
- Accounting, legal and professional fees increased by \$0.145 million owing to transaction costs on a potential financing arrangement which the Group aborted during the quarter.

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LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2015, the Group had a net working capital deficiency of \$0.531 million compared to a net working capital deficiency of \$2.720 million at December 31, 2014, including a cash balance of \$12,514 million (December 31, 2014: \$2.041 million).

Trade and other receivables increased to \$0.569 million at March 31, 2015, compared to \$0.199 million at December 31, 2014. This was due to unusually large VAT receivables in the UK relating to the Royal Gold transaction costs together with increased VAT receivables in Macedonia on increased activities due to the commencement of the FS on the Ilovitza Project.

Trade and other payables were \$2.498 million at March 31, 2015, compared to \$1.710 million at December 31, 2014. The substantial increase in this balance has been driven by the aggressive commencement of the FS on the Ilovitza Project. Offsetting this increase slightly is that the December 31, 2014 balance was higher than usual as the Group managed its cash resources in advance of closing the \$7.874 million private placement on January 12, 2015.

During the period ended March 31, 2015, the Group received \$7.874 million of gross proceeds from the Private Placement closed on January 12, 2015 from the issue of 31,495,397 common shares at an issue price of \$0.25 per share.

The Group is in the exploration and evaluation stage of the mining life cycle and has limited recurring sources of operating cash flow. The Group's ability to continue operations is contingent on its ability to obtain additional financing and progress the Ilovitza Project into commercial production.

Operating Activities

Cash used in operations in Q1-2015, before changes in non-cash working capital items, was \$1.951 million compared to \$1.026 million in Q1-2014. This \$0.925 million increase in cash used in operating activities in Q1-2015 versus Q1-2014 is due to substantially increased activities in Macedonia to support the FS on the Ilovitza Project, transaction costs on aborted financing arrangements and the cost of redundancies in the London corporate office where a number of corporate functions of the Group were transferred to the expanded Skopje office.

Financing Activities

In Q1-2015 cash provided by financing activities was \$14.488 million which included \$6.174 million of proceeds from shares issued, net of \$1.700 million of subscription proceeds received in advance in Q4-2014. Additionally \$9.351 million of gold purchase advance payments were received from Royal Gold representing drawdown of the initial tranche of funding from the GPSA. Offsetting these financing proceeds was the repayment of the working capital loan facility of \$0.566 million, share issue costs of \$0.303 million, GPSA transaction costs of \$0.071 million and interest paid of \$0.097 million.

In Q1-2014 cash used in financing activities was \$0.006 million and related to interest paid.

Investing Activities

Cash used in investing activities in Q1-2015 amounted to \$1.067 million which includes \$0.906 million of capital expenditures on unproven mineral right interests, mainly focussed on the Ilovitza Project and purchases of property, plant and equipment of \$0.262 million. This was offset by \$0.100 million of proceeds from the sale of a 4% interest the Group's Serbian subsidiary South Danube Metals doo Beograd for which shares were subsequently issued on April 2, 2015, and interest received of \$0.001 million.

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 Project in Macedonia which was offset by the release of restricted cash deposits of \$0.004 million.

The table below summarises the expenditures incurred on the Group's key projects during Q1-2015 and Q1-2014.

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LIQUIDITY AND CAPITAL RESOURCES - CONTINUED

	Macedonia Ilovitza	Serbia KMC	Total
	\$000s	\$000s	\$000s
Balance, January 1, 2014	11,552	6,057	17,609
Exploration expenditures:			
Assays and analysis	104	8	112
Feasibility costs	311	-	311
Social & environmental studies	108	-	108
Other	80	7	87
	12,155	6,072	18,227
Other items:			
Exchange differences	255	180	435
Balance, March 31, 2014	12,410	6,252	18,662
Balance, January 1, 2015	13,655	2,332	15,987
Geological consulting	149	-	149
Geophysical contractors	863	87	950
Feasibility costs	386	25	411
Social & environmental costs	395	-	395
Other	170	-	170
	15,618	2,444	18,062
Other items:			
Exchange differences	(462)	(41)	(503)
Balance, March 31, 2015	15,156	2,403	17,559

RELATED PARTY TRANSACTIONS

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

(a) Key management personnel compensation

The remuneration of directors and other members of key management personnel during the quarters ended March 31, 2015 and 2014 was as follows:

	Note	Three months ended March 31,	
		2015	2014
		\$000s	\$000s
Short-term employee benefits		296	279
Post-employment benefits	(i)	28	30
Redundancy payments	(ii)	93	-
Share-based payments	(iii)	1,415	91
		1,832	400

- (i) Executive directors and other key management personnel receive pension contributions equal to 10% of their salary to their individual pension plans;
- (ii) The Company's VP Legal Affairs and Corporate Secretary was made redundant on January 30, 2015.
- (iii) Share-based payments are the cost of share options, RSUs and DPUs granted to directors and key management personnel.

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RELATED PARTY TRANSACTIONS

(b) Deferred Phantom Unit Plan

In 2013 Euromax introduced a Deferred Phantom Unit Plan ("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 March 2015 all non-executive directors, except for Mr Bill Abel elected to receive DPUs in lieu of cash until September 30, 2015.

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 March 31, 2015 is 9,598,967 inclusive of DPUs granted to the Company's non-executive directors. Share-based payment liabilities of \$2.615 million (2014: \$0.224 million) are recognised as current at March 31, 2015. The DPU expense for the three months ended March 31, 2015 is \$1.215 million (2014: negative expense of \$0.056 million).

Resulting from the redundancy of the VP Legal Affairs and Corporate Secretary on January 30, 2015, cash payments of \$0.186 million was made in respect of vested DPUs.

(c) Working capital loan

On October 31, 2014 the Company arranged and closed a working capital loan from its directors. The working capital loan is unsecured and is repayable in full on or before April 30, 2015. Interest of 15% is payable on the working capital loan amount which was fully accrued and reported as a finance expense in the statements of loss and comprehensive loss for the year ended December 31, 2014.

During the period \$0.566 million of the working capital loan and \$0.085 million of interest was repaid to the directors. Subsequent to quarter end the remaining working capital loan and interest of \$0.207 million was repaid.

CRITICAL ACCOUNTING ESTIMATES

The Group's significant accounting policies are summarised in the audited consolidated financial statements for the year ended December 31, 2014. 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.

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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.

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 funds 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.

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OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

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.

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.

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OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

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 of 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.

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.

EUROMAX RESOURCES LTD.

Management's Discussion and Analysis

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OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

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.

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.

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.

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.

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OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

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.

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.

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.

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OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

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, 2015 the following event occurred:

On February 16, 2015, a UFK in-principle eligibility ("UFK Support") was received for the German Untied Loan Guarantee Scheme (UFK – Garantien für Ungebundene Finanzkredite) to provide cover for a project finance facility on the assumption that a copper concentrate offtake agreement is entered into with a German owned smelter and subject to due diligence and approval by the German Government.

As a result of this UFK in-principle eligibility, on April 24, 2015 Euromax Resources Ltd and Euromax Resources DOO Skopje executed a Mandate Letter and Term Sheet with Société Générale S.A. and UniCredit Bank AG and Unicredit Bank Austria AG to provide up to US\$215 million of Senior Secured Project Finance ("Project Facility"), subject to due diligence and all necessary approvals, which shall be used to finance the development of the Ilovitza Project. Key terms of the Project Facility:

- (i) Facility amount of up to US\$215 million;
- (ii) Tenor of up to 12 years, subject to the UFK Support;
- (iii) Pre-completion Margin of 3.75% - 4.25%; Post-completion Margin of 2.75% - 3.25% above Libor; and
- (iv) Customary financial ratios, security, completion support and covenants for a facility of this nature.

On April 28, 2015 Euromax Resources Ltd and Euromax Resources DOO Skopje executed a Mandate Letter and Term Sheet with Caterpillar Financial to arrange an equipment financing facility for up to USD 25 million ("Equipment Facility"), to finance any Caterpillar equipment purchased for the Ilovitza Project. Key terms of the Equipment Facility:

- (i) Facility amount of up to US\$25 million;
- (ii) Tenor of up to 5 years,
- (iii) Margin of 4.50% - 5.50% above Libor; and
- (iv) Customary financial ratios, security, completion support and covenants for a facility of this nature.

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 19, 2015, the Group had outstanding 116,842,737 common shares, 20,141,835 share purchase warrants, 9,233,470 share options, with exercise prices ranging from \$0.18 to \$1.05 per share and 1,535,572 restricted share units. Additional information is available on SEDAR at www.sedar.com and at the Group's website www.euromaxresources.com.