Euromax Resources Ltd.

Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2015

NOTICE OF NO AUDIT OR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

Euromax Resources Ltd.

Condensed consolidated interim statements of comprehensive loss - unaudited

(Expressed in Canadian dollars)

		Three months ended March 31	
	Note	2015	2014
		$000s	$000s
Revenue	7	**18**	-
Direct costs	7	**(27)**	-
Gross loss		**(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 items			
Other income		**1**	2
Loss before tax		**(3,523)**	(1,193)
Income tax expense		**(3)**	(16)
Loss after tax		**(3,526)**	(1,209)
Other comprehensive income, net of tax:			
Items that are or may be reclassified subsequently to profit or loss			
Cumulative translation adjustment on foreign subsidiaries		**(292)**	500
Total other comprehensive income, net of tax		**(292)**	500
Comprehensive loss for the period		**(3,818)**	(709)
Loss per common share:			
Basic and diluted	5	**(0.03)**	(0.01)
Weighted average number of common shares outstanding			
Basic and diluted	5	**112,643,351**	85,347,340

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 March 31, 2015 $000s	December 31, 2014 $000s
ASSETS			
Current			
Cash and cash equivalents		**12,514**	2,041
Trade and other receivables		**569**	199
Other current assets		**491**	344
Contingent consideration		**573**	527
Total current assets		**14,147**	3,111
Non-current assets			
Restricted cash		**66**	69
Contingent consideration		**458**	422
Property, plant and equipment		**449**	224
Intangible assets		**5**	8
Unproven mineral right interests	**6**	**17,559**	15,987
Total assets		**32,684**	19,821
LIABILITIES			
Current			
Trade and other payables		**2,498**	1,710
Share-based payment liabilities	**9(b)**	**2,615**	1,586
Working capital loan	**9(c)**	**207**	835
Gold purchase advance payments	**10**	**9,258**	-
Proceeds from part sale of subsidiary received in advance	**6**	**100**	-
Subscription proceeds received in advance	**8(a)**	**-**	1,700
Total liabilities		**14,678**	5,831
EQUITY			
Share capital	**8(a)**	**65,975**	58,896
Equity reserve		**9,376**	8,621
Currency translation reserve		**1,605**	1,897
Accumulated losses		**(58,950)**	(55,424)
Total equity		**18,006**	13,990
Total liabilities and equity		**32,684**	19,821

Nature of operations	**1**
Subsequent events	**12**

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 three months ended March 31, 2015 and 2014

	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, 2014		85,347,340	58,896	6,681	2,096	(44,577)	23,096
Equity-settled share-based payments		-	-	125	-	-	125
Comprehensive loss for the period		-	-	-	500	(1,209)	(709)
Balance on March 31, 2014		85,347,340	58,896	6,806	2,596	(45,786)	22,512
Balance on January 1, 2015		**85,347,340**	**58,896**	**8,621**	**1,897**	**(55,424)**	**13,990**
Common shares issued for:							
Financing, net of issue costs	**8(a)**	**31,495,397**	**7,079**	**492**	-	-	**7,571**
Equity-settled share-based payments		-	-	**263**	-	-	**263**
Comprehensive loss for the period		-	-	-	**(292)**	**(3,526)**	**(3,818)**
Balance on March 31, 2015		**116,842,737**	**65,975**	**9,376**	**1,605**	**(58,950)**	**18,006**

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)

		Three months ended March 31,	
		2015	2014
	Note	$000s	$000s
OPERATING ACTIVITIES			
Loss before tax		**(3,523)**	(1,193)
Add back:			
Depreciation		**33**	31
Amortisation		**5**	5
Finance income		**(1)**	-
Finance expense		**171**	6
Share-based payments, net of DPUs settled	9(b)	**1,291**	125
Loss on disposal of property, plant and equipment		**2**	-
Unrealised foreign exchange expense		**71**	-
Changes in non-cash working capital items:			
Decrease/(increase) in trade and other receivables and prepayments and deposits		**(408)**	(14)
(Decrease)/increase in trade and other payables		**(806)**	255
Cash used in operating activities		**(3,165)**	(785)
INVESTING ACTIVITIES			
Expenditures on unproven mineral right interests		**(906)**	(366)
Purchases of property, plant and equipment and intangible assets		**(262)**	-
Decrease/(Increase) in restricted cash deposits		**-**	4
Proceeds from part sale of subsidiary received in advance	6	**100**	-
Interest received		**1**	-
Cash used in investing activities		**(1,067)**	(362)
FINANCING ACTIVITIES			
Proceeds from share issue	8(a)	**6,174**	-
Share issue costs	8(a)	**(303)**	-
Proceeds from gold purchase advance payments	10	**9,351**	-
Transaction costs associated with gold purchase advance payments		**(71)**	-
Repayment of working capital loan	9(c)	**(566)**	-
Interest paid	9(c)	**(97)**	(6)
Cash provided by / (used in) financing activities		**14,488**	(6)
Effect of exchange rate changes on cash		**217**	51
Net change in cash and cash equivalents		**10,256**	(1,153)
Cash and cash equivalents, beginning of the period		**2,041**	1,335
Cash and cash equivalents, end of the period		**12,514**	233

See accompanying notes to the condensed consolidated interim financial statements.

1. Nature of operations

Euromax Resources Ltd. ("Euromax" or "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, "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 Company's board of directors on May 19, 2015.

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, 2014, 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, 2014.

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 March 31, 2015, the Group had net assets of $18.0 million (December 31, 2014: $14.0 million) which is inclusive of cash of $12.5 million (December 31, 2014: $2.0 million). During the quarter ended March 31, 2015, the Company closed a non-brokered private placement raising $7.874 million (see Note 8(a)) and received the initial tranche of US$7.5 million from the Gold Purchase and Sale Agreement ("GPSA") (see Note 10).

The Company's board of directors have reviewed Group forecasts for the two year period from January 1, 2015 to December 31, 2016, which include the projected costs of completing the Ilovitza Definitive Feasibility Study ("DFS"), the Environmental and Social Impact Assessment ("ESIA"), the Front-End Engineering and Design ("FEED") and costs related to the submission of the Main Mining Project.

Based on the expectation of further contractual receipts under the GPSA of US$7.5 million in the forecast, these expenditures would be fully funded. Whilst the Royal Gold transaction has been closed and the Group has received the initial tranche, the further receipts under the Royal Gold agreement are subject to certain conditions, and whilst the Company's board of directors remain highly confident that these will be received within the contractual timeframes, these are not fully within the Group's control. As such, this represents a material uncertainty which casts a significant doubt about the Group's continued ability to operate as a going concern and 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, 2014.

5. Loss per share

	Three months ended March 31,	
	2015	2014
	$000s	$000s
Net loss for the period after tax	**(3,526)**	(1,209)
Basic weighted average number of common shares	**112,643,351**	85,347,340
Basic & dilutive loss per share	**(0.03)**	(0.01)

For the quarter ended March 31, 2015 and 2014, 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 gold-copper project in Macedonia ("Ilovitza Project"). After completing an agreed exploration programme and the vendor not exercising its back-in right in January 2012, the Group now owns a 100% interest in the Ilovitza Project.

The Ilovitza Project consists of two adjacent properties. On Ilovitza 6, the Group was granted a Concession for exploitation of mineral resources ("Exploitation Concession") under the rules and regulations of the Law of Mineral Raw Materials in Macedonia. The Exploitation Concession has an initial term of 30 years and is subject to royalty of 2% of the market value of metals 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.

On December 22, 2014, the Group filed a National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") compliant Preliminary Feasibility Study ("PFS") for the Ilovitza Project. On Ilovitza 11 the Group had a Concession for exploration of mineral resources ("Exploration Concession") which was valid until February 21, 2015. Based on the results obtained from the Exploration Concession, an application for granting an Exploitation Concession for Ilovitza 11 was submitted to the Ministry of Economy on April 23, 2015. The application was made for an expanded concession area and for an initial term of 30 years. The Company's board of directors is fully confident that this Exploitation Concession for Ilovitza 11 will be granted during the second quarter of 2015.

Serbia

On June 6, 2008, the Group acquired an option to earn a 100% interest in the Karavansalija Mineralised Centre ("KMC") in Serbia. Under the terms of the option agreement, the Group agreed to complete a $1.5 million exploration programme and the vendor retained certain back-in rights. In July 2011, the option agreement was amended and the vendor agreed to forego its back-in rights in exchange for a 2% net smelter return royalty on gold, and a 1.5% net smelter return royalty on all base and precious metals other than gold, extracted from the KMC project.

The Group, through a wholly owned subsidiary, now owns a 100% interest in the KMC project, subject to these royalty obligations. The KMC Exploration Permit was originally issued on July 7, 2004 with an expiry date of December 31, 2013 with the ability to extend for a further two years. On March 28, 2014 the KMC licence was successfully renewed until February 20, 2016.

During this period, having assessed a number of options for financing further exploration work on KMC whilst remaining fully focused on the development of the Ilovitza Project, Euromax management sold a 4% interest in the Group's Serbian subsidiary to a Bulgarian company (which is controlled by a number of Euromax Exploration Services EOOD employees) in return for US$80,000 cash. This funding will allow the Group to complete a substantial portion of the KMC minimum work programme and will maintain the Group's good title of the KMC Exploration Permit.

6. Unproven mineral right interests (continued)

A summary of changes to the Group's unproven mineral right interests in the three months ended March 31, 2015 and 2014 is set out below.

	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**

7. Operating segments

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

	Macedonia		Serbia		Bulgaria		Exploration Services		Corporate		Total	
For the periods ended *In thousands*	**March 31, 2015**	March 31, 2014	**March 31, 2015**	March 31, 2014	**March 31, 2015**	March 31, 2014	**March 31, 2015**	March 31, 2014	**March 31, 2015**	March 31, 2014	**March 31, 2015**	March 31, 2014
External revenues	**-**	-	**-**	-	**-**	-	**18**	-	**-**	-	**18**	-
Depreciation	**(16)**	(14)	**-**	-	**-**	(10)	**(8)**	-	**(9)**	(7)	**(33)**	(31)
Amortisation	**-**	-	**-**	-	**-**	(5)	**(5)**	-	**-**	-	**(5)**	(5)
Segment (loss)/profit before tax	**(849)**	(201)	**(32)**	(49)	**(28)**	(148)	**(159)**	(80)	**(2,455)**	(715)	**(3,523)**	(1,193)

	Macedonia		Serbia		Bulgaria		Exploration Services		Corporate		Total	
As at *In thousands*	**March 31, 2015**	December 31, 2014	**March 31, 2015**	December 31, 2014	**March 31, 2015**	December 31, 2014	**March 31, 2015**	December 31, 2014	**March 31, 2015**	December 31, 2014	**March 31, 2015**	December 31, 2014
Segment assets	**18,290**	14,054	**2,416**	2,348	**-**	-	**330**	419	**11,648**	3,000	**32,684**	19,821
Segment liabilities	**1,045**	130	**131**	8	**-**	-	**11**	17	**13,491**	5,676	**14,678**	5,831

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.

All revenue are derived from one customer.

The Corporate operating segment covers costs incurred in Canada and in United Kingdom.

8. Share capital and reserves

(a) Share capital

At March 31, 2015 Euromax's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

	2015 Number of shares	2015 Amount	2014 Number of shares	2014 Amount
		$000s		$000s
Balance on January 1	**85,347,340**	**58,896**	85,347,340	58,896
Common shares issued for:				
Financing, net of issue costs	**31,495,397**	**7,079**	-	-
Exercise of share options	**-**	**-**	-	-
Balance on March 31	**116,842,737**	**65,975**	85,347,340	58,896

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 raising total proceeds of $7.874 million. Of these proceeds raised $1.700 million had been received in advance at December 31, 2014. A total of 7,946,713 share purchase warrants were issued as part of the Private Placement. Each share purchase warrant is exercisable to acquire one common share of the Company at a price of $0.40 until January 12, 2020.

The share purchase warrants issued as part of the Private Placement were valued at $0.512 million. The aggregate fair market value of the warrants and the shares issued in the Private Placement was distributed on pro-rata basis between share capital and equity reserve.

The Company incurred cash share issue costs of $0.303 million in connection with the Private Placement in respect to filling and legal costs, of which $0.283 million was allocated to share capital and $0.020 million to equity reserve.

At March 31, 2015, the Company had outstanding 9,233,470 share options (March 31, 2014: 6,122,072) with exercise prices ranging from $0.18 to $1.05 per share and a weighted average exercise price of $0.45. Additionally the Company had 20,141,835 share purchase warrants (March 31, 2014: nil) with exercise prices ranging from $0.40 to $0.41 per share and had granted 1,535,572 Restricted Share Units ("RSUs") (March 31, 2014: 1,222,073).

(b) Share purchase warrants

During the quarter ended March 31, 2015, the Company granted 7,946,713 share purchase warrants at an exercise price of $0.40 with an expiry date of January 12, 2020. The fair value of the share purchase warrants issued in 2015 was estimated at $0.06 per share purchase warrant at the grant date using the Black-Scholes option pricing model.

The weighted average assumptions used for calculating the fair value of the share purchase warrants issued are presented in the following table:

	Three months ended March 31, 2015	Year ended December 31, 2014
Risk free interest rate	**1.17%**	**3.00%**
Expected life	**5 years**	**5 years**
Expected volatility	**50.00%**	**50.00%**
Expected dividend per share	**$Nil**	**$Nil**

8. Share capital and reserves (continued)

(b) Share purchase warrants (continued)

A summary of the outstanding warrants is as follows:

	Three months ended March 31, 2015		Year ended December 31, 2014	
	Number of warrants	Weighted average exercise price $	Number of warrants	Weighted average exercise price $
Balance, beginning of period	**12,195,122**	**0.41**	5,766,666	0.90
Warrants granted	**7,946,713**	**0.40**	12,195,122	0.41
Warrants exercised	-	-	-	-
Warrants expired	-	-	(5,766,666)	0.90
Balance, end of period	**20,141,835**	**0.41**	12,195,122	0.41

9. Related party transactions

Details of the transactions between the Group and related parties and key management personnel 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) An officer of the Company 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.

(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 one, 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 an officer of the Company on January 30, 2015, cash payments of $0.186 million was made in respect of vested DPUs.

9. Related party transactions (continued)

(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.

10. Gold purchase advance payments

On October 20, 2014, the Group entered into a 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 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.

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, Royal Gold will purchase the gold delivered for 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.

Upon expiry of the 40 year term of the GPSA any balance remaining unpaid relating to the advance payment shall be refunded to Royal Gold. No interest shall be payable on the advance payments.

The repayment of the advance payments is currently secured by share pledges over the Group's shares in a number of its wholly-owned subsidiaries together with security of specific intergroup transactions and balances. Euromax will ultimately provide Royal Gold with a first priority security interest over Ilovitza's Exploitation Concessions.

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 the ability to enter additional capital equipment leases and equipment financing customary for similar projects. Royal Gold's first priority 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.

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 Ilovitza's Exploitation Concessions.

The following is a summary of the changes in the gold purchase advance payments during the period:

	2015
	$000s
Balance on January 1	-
Funds received during the period	9,351
Adjustment recorded during the period:	
Foreign exchange movements	130
Capitalised transaction costs	(382)
Transaction costs post as expense for the period	159
Balance on March 31	**9,258**

10. Gold purchase advance payments (continued)

Transaction costs amounting to $0.382 million were incurred in respect of closing the GPSA and drawdown of the initial tranche from Royal Gold. Transaction costs of $0.159 million has been expensed during this quarter with the remaining transaction costs being amortised over future periods until the receipt of the second tranche.

11. Contingencies and commitments

The Group had the following future contractual obligations as at March 31, 2015:

	up to 1 year	1-5 years	Over 5 years	Total
	$000s	$000s	$000s	**$000s**
Operating lease obligations	138	57	-	**195**
Minimum exploration obligations	349	-	-	**349**
Total contractual obligations	**487**	**57**	**-**	**544**

12. Subsequent events

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:

(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;

(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 US$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;

(iv) Customary financial ratios, security, completion support and covenants for a facility of this nature.