



Euromax Resources Ltd.

Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2015

Euromax Resources Ltd.

Condensed consolidated interim statements of comprehensive loss - unaudited

(Expressed in Canadian dollars, except for share and loss per share amounts)

	Note	Three months ended June 30		Six months ended June 30	
		2015 \$000s	2014 \$000s	2015 \$000s	2014 \$000s
Revenue	7	1,285	1,266	1,303	1,266
Direct costs	7	(1,033)	(993)	(1,060)	(993)
Gross profit		252	273	243	273
Expenses					
Accounting, legal and professional		(207)	(119)	(501)	(268)
Depreciation		(43)	(28)	(76)	(58)
Amortisation		(3)	(5)	(8)	(11)
Office and general		(125)	(92)	(314)	(196)
Regulatory, filing and transfer agent		(5)	(10)	(16)	(22)
Rent		(71)	(84)	(152)	(167)
Salaries, director and management fees		(300)	(423)	(1,082)	(950)
Share-based payments		(1,616)	(1,075)	(3,094)	(1,144)
Shareholder communications and investor relations		(57)	(82)	(114)	(197)
Travel		(152)	(36)	(252)	(91)
Exploration and evaluation costs		(20)	(4)	(34)	(10)
Loss on foreign exchange		(218)	(31)	(519)	(67)
Operating loss		(2,565)	(1,716)	(5,919)	(2,908)
Finance income		-	-	1	-
Finance expense		(108)	(6)	(279)	(12)
Net finance expense		(108)	(6)	(278)	(12)
Other items					
Loss on disposal of Euromax Services EOOD		-	(949)	-	(949)
Other income		11	-	12	2
Loss before tax		(2,662)	(2,671)	(6,185)	(3,867)
Income tax expense		(18)	(6)	(21)	(22)
Loss after tax		(2,680)	(2,677)	(6,206)	(3,889)
Loss attributable to:					
Owners of the Company		(2,678)	(2,677)	(6,204)	(3,889)
Non-controlling interest	12	(2)	-	(2)	-
Other comprehensive income / (loss), net of tax:					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Cumulative translation adjustment on foreign subsidiaries		51	756	(241)	1,277
Net exchange differences on disposal of foreign subsidiaries		-	(741)	-	(762)
Total other comprehensive income / (loss), net of tax		51	15	(241)	515
Comprehensive loss for the period		(2,629)	(2,662)	(6,447)	(3,374)
Total comprehensive loss attributable to:					
Owners of the Company		(2,627)	(2,662)	(6,445)	(3,374)
Non-controlling interest	12	(2)	-	(2)	-
Loss per common share:					
Basic and diluted	5	-0.02	-0.03	-0.05	-0.05
Weighted average number of common shares outstanding					
Basic and diluted	5	116,842,737	85,347,340	114,754,644	85,347,340

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

Euromax Resources Ltd.

Condensed consolidated interim statements of financial position - unaudited

(Expressed in Canadian dollars)

	Note	June 30, 2015 \$000s	As at December 31, 2014 \$000s
ASSETS			
Current			
Cash and cash equivalents		6,279	2,041
Trade and other receivables		1,628	199
Other current assets		457	344
Contingent consideration		560	527
Total current assets		8,924	3,111
Non-current assets			
Restricted cash		66	69
Contingent consideration		448	422
Property, plant and equipment		601	224
Intangible assets		16	8
Unproven mineral right interests	6	21,299	15,987
Total assets		31,354	19,821
LIABILITIES			
Current			
Trade and other payables		2,519	1,710
Share-based payment liabilities	9(b)	4,157	1,586
Working capital loan	9(c)	-	835
Gold purchase advance payments	10	9,135	-
Subscription proceeds received in advance	8(a)	-	1,700
Total liabilities		15,811	5,831
EQUITY			
Share capital	8(a)	65,975	58,896
Equity reserve		9,450	8,621
Currency translation reserve		1,656	1,897
Accumulated losses		(61,628)	(55,424)
Equity attributable to owners of the Company		15,453	13,990
Non-controlling interest	12	90	-
Total equity		15,543	13,990
Total liabilities and equity		31,354	19,821
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			

The accompany notes are an integral part of these unaudited condensed consolidated interim financial statements

Euromax Resources Ltd.

Condensed consolidated interim statements of changes in equity - unaudited

(Expressed in Canadian dollars)

For the six months ended June 30, 2015 and 2014									
	Note	Share capital Number of shares	Amount \$000s	Equity reserve \$000s	Currency translation reserve \$000s	Accumulated losses \$000s	Total \$000s	Non-controlling interest \$000s	Total Equity \$000s
Balance on January 1, 2014		85,347,340	58,896	6,681	2,096	(44,577)	23,096	-	23,096
Equity-settled share-based payments		-	-	207	-	-	207	-	207
Comprehensive loss for the period		-	-	-	515	(3,889)	(3,374)	-	(3,374)
Balance on June 30, 2014		85,347,340	58,896	6,888	2,611	(48,466)	19,929	-	19,929
Balance on January 1, 2015		85,347,340	58,896	8,621	1,897	(55,424)	13,990	-	13,990
Common shares issued for:									
Financing, net of issue costs	8(a)	31,495,397	7,079	492	-	-	7,571	-	7,571
Changes in ownership interest	12	-	-	-	-	-	-	92	92
Equity-settled share-based payments		-	-	337	-	-	337	-	337
Comprehensive loss for the period		-	-	-	(241)	(6,204)	(6,445)	(2)	(6,447)
Balance on June 30, 2015		116,842,737	65,975	9,450	1,656	(61,628)	15,453	90	15,543

The accompany notes are an integral part of these unaudited condensed consolidated interim financial statements

Euromax Resources Ltd.

Condensed consolidated interim statements of cash flows - unaudited

(Expressed in Canadian dollars)

	Note	Six months ended June 30,	
		2015	2014
		\$000s	\$000s
OPERATING ACTIVITIES			
Loss before tax		(6,185)	(3,867)
<i>Add back:</i>			
Depreciation		76	58
Amortisation		8	11
Finance income		(1)	-
Finance expense		279	12
Gain on disposal of non-controlling interest	12	(8)	-
Share-based payments, net of DPUs settled	9(b)	2,908	1,144
Loss on disposal of Euromax Services EOOD		-	949
Unrealised foreign exchange gain/(loss)		(145)	52
<i>Changes in non-cash working capital items:</i>			
Increase in trade and other receivables and prepayments and deposits		(1,466)	(476)
(Decrease)/increase in trade and other payables		(507)	657
Cash used in operating activities		(5,041)	(1,460)
INVESTING ACTIVITIES			
Expenditures on unproven mineral right interests		(4,627)	(1,063)
Purchases of property, plant and equipment and intangible assets		(464)	(50)
Proceeds from sale to non-controlling interest	12	100	-
Proceeds from sale of Euromax Services EOOD		-	3,023
Interest received		1	-
Cash provided by / (used in) investing activities		(4,990)	1,910
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		(391)	-
Repayment of working capital loan	9(c)	(742)	-
Interest paid		(128)	(12)
Cash provided by / (used in) financing activities		13,961	(12)
Effect of exchange rate changes on cash		308	(37)
Net change in cash and cash equivalents		3,930	438
Cash and cash equivalents, beginning of the period		2,041	1,335
Cash and cash equivalents, end of the period		6,279	1,736

The accompany notes are an integral part of these unaudited condensed consolidated interim financial statements

Euromax Resources Ltd.

Notes to the condensed consolidated interim financial statements - unaudited (Expressed in Canadian dollars, except number of shares and per share amounts)

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 August 24, 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 June 30, 2015, the Group had net assets of \$15.5 million (December 31, 2014: \$14.0 million) which is inclusive of cash of \$6.3 million (December 31, 2014: \$2.0 million). During the first quarter of 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 Royal Gold in accordance with 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 Ilovica 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 entirely 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 its assets and discharge its liabilities in the normal course of business.

4. Critical accounting judgments 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.

Euromax Resources Ltd.

Notes to the condensed consolidated interim financial statements - unaudited (Expressed in Canadian dollars, except number of shares and per share amounts)

5. Loss per share

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
	\$000s	\$000s	\$000s	\$000s
Net loss for the period after tax attributable to Owners of the Company	(2,678)	(2,677)	(6,204)	(3,889)
Basic weighted average number of common shares	116,842,737	85,347,340	114,754,644	85,347,340
Basic & diluted loss per share	(0.02)	(0.03)	(0.05)	(0.05)

For the six months ended June 30, 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 diluted 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 Ilovica gold-copper project in Macedonia ("Ilovica 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 Ilovica Project.

The Ilovica Project consists of two adjacent properties. On Ilovica 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 a 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 Ilovica Environmental Impact Study ("EIS") under Macedonian law for Ilovica 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 Ilovica Project. On Ilovica 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 Ilovica 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 is progressing through the Ministry of Economy's process and the board of directors is fully confident that this Exploitation Concession for Ilovica 11 will be granted before the end 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 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.

On April 2, 2015, the Group 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) for US\$0.080 million (\$0.100 million). The received funds will allow the Group to complete a substantial portion of the KMC minimum work programme and maintain the Group's good title of the KMC Exploration Permit. As a result of this transaction an impairment of the Group's investment in KMC of \$3.237 million was recorded at December 31, 2014.

Euromax Resources Ltd.

Notes to the condensed consolidated interim financial statements - unaudited
(Expressed in Canadian dollars, except number of shares and per share amounts)

6. Unproven mineral right interests (continued)

A summary of changes to the Group's unproven mineral right interests in the six months ended June 30, 2015 and 2014 is set out below.

	Macedonia Ilovica	Serbia KMC	Total
	\$000s	\$000s	\$000s
Balance, January 1, 2014	11,552	6,057	17,609
Exploration expenditures:			
Assays and analysis	102	16	118
Feasibility costs	584	-	584
Social & environmental studies	167	-	167
Other	150	7	157
	12,555	6,080	18,635
Other items:			
Exchange differences	(192)	(211)	(403)
Balance, June 30, 2014	12,363	5,869	18,232
Balance, January 1, 2015	13,655	2,332	15,987
Assays and analysis	211	14	225
Drilling	2,508	86	2,594
Feasibility costs	1,374	-	1,374
Social & environmental costs	1,306	-	1,306
Other	330	7	337
	19,384	2,439	21,823
Other items:			
Exchange differences	(471)	(53)	(524)
Balance, June 30, 2015	18,913	2,386	21,299

Euromax Resources Ltd.

Notes to the condensed consolidated interim financial statements - unaudited

(Expressed in Canadian dollars, except number of shares and per share amounts)

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:

For the periods ended \$000s	Macedonia		Serbia		Bulgaria		Exploration Services		Corporate		Total	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
External revenues	-	-	-	-	-	-	1,303	1,266	-	-	1,303	1,266
Depreciation	(44)	(27)	(1)	(1)	-	(7)	(16)	(9)	(15)	(14)	(76)	(58)
Amortisation	-	-	-	-	-	(4)	(8)	(7)	-	-	(8)	(11)
Segment (loss)/profit before tax	(1,268)	(330)	(49)	(95)	709	(156)	(2)	95	(5,575)	(3,381)	(6,185)	(3,867)

As at \$000s	Macedonia		Serbia		Bulgaria		Exploration Services		Corporate		Total	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Segment assets	21,018	14,054	2,425	2,348	-	-	1,076	419	6,835	3,000	31,354	19,821
Segment liabilities	966	130	10	8	-	-	653	17	14,182	5,676	15,811	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 is derived from one customer. Revenue from Exploration Services is seasonally weighted to the second and third quarters of each calendar year.

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

Euromax Resources Ltd.

Notes to the condensed consolidated interim financial statements - unaudited
(Expressed in Canadian dollars, except number of shares and per share amounts)

8. Share capital and reserves

(a) Share capital

At June 30, 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		2014	
	Number of shares	Amount	Number of shares	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	-	-
Balance on June 30	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 aggregate fair market value of the share purchase warrants and the shares issued in the Private Placement was distributed on a pro-rata basis between share capital and equity reserve. 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 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 share purchase warrants via the equity reserve.

At June 30, 2015, the Company had outstanding 9,333,470 share options (June 30, 2014: 6,108,739) 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 (June 30, 2014: nil) with exercise prices ranging from \$0.40 to \$0.41 per share and had granted 1,535,572 Restricted Share Units ("RSUs") (June 30, 2014: 1,782,073).

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 periods ended June 30, 2015 and 2014 was as follows:

	Note	Six months ended June 30,	
		2015	2014
		\$000s	\$000s
Short-term employee benefits		588	674
Post-employment benefits	(i)	53	67
Redundancy payments	(ii)	93	-
Share-based payments	(iii)	3,094	1,127
		3,828	1,868

- (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 31, 2015.
- (iii) Share-based payments are the cost of share options, RSUs and DPUs granted to directors and key management personnel.

Euromax Resources Ltd.

Notes to the condensed consolidated interim financial statements - unaudited

(Expressed in Canadian dollars, except number of shares and per share amounts)

9. Related party transactions (continued)

(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 June 30, 2015 is 9,726,150 inclusive of DPUs granted to the Company’s non-executive directors. Share-based payment liabilities of \$4.157 million (December 31, 2014: \$1.586 million) are recognised as current at June 30, 2015. The DPU expense for the three and six months ended June 30, 2015 is \$1.542 million and \$2.757 million (2014: \$0.993 million and \$0.937 million), respectively.

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.

(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 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 six months ended June 30, 2015, the working capital loan was repaid to the directors in full, through payment of \$0.742 million of the loan and \$0.111 million of interest.

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 Ilovica 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 Ilovica’s future gold production.

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. On June 3, 2015, the Group obtained the Concession Agreement Annex allowing for the Concession to be granted as security by way of assignment in favour to Royal Gold as well as to the Group’s creditors. 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.

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. On May 1, 2015, the Company 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, subject to due diligence and all necessary approvals. The Company also executed a Mandate Letter and Term Sheet with Caterpillar Financial to arrange an equipment financing facility for up to US\$25 million, subject to due diligence and all necessary approvals.

Euromax Resources Ltd.

Notes to the condensed consolidated interim financial statements - unaudited (Expressed in Canadian dollars, except number of shares and per share amounts)

10. Gold purchase advance payments (continued)

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.

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 Ilovica Project, subject to the satisfaction of certain conditions. In the event that the certain conditions relating to the second tranche are not satisfied then the initial tranche may become repayable.

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	(86)
Capitalised transaction costs	(391)
Amortisation of transaction costs	261
Balance on June 30	9,135

Transaction costs amounting to \$0.391 million were incurred in respect of closing the GPSA and drawdown of the initial tranche from Royal Gold. Transaction costs of \$0.261 million has been expensed during this six months period with the remaining transaction costs being amortised over future periods until the receipt of the second tranche, subject to the satisfaction of certain conditions.

11. Contingencies and commitments

The Group had the following future contractual obligations as at June 30, 2015:

	up to 1 year	1-5 years	Over 5 years	Total
	\$000s	\$000s	\$000s	\$000s
Operating lease obligations	142	24	-	166
Minimum exploration obligations	284	-	-	284
Total contractual obligations	426	24	-	450

12. Non-controlling interest

On April 2, 2015, the Group sold a 4% interest in the South Danube Metals DOO (KMC project) for \$0.100 million (US\$0.080 million). The carrying amount of 4% of South Danube Metals DOO's net assets in the Group financial statements on the date of acquisition was \$0.092 million. Accordingly, a gain on disposal of \$0.008 million was recognised in other income in the three months ended June 30, 2015.

13. Subsequent events

There are no reportable events subsequent to June 30, 2015.