Euromax Resources

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2015 and 2014

Expressed in Canadian dollars

Euromax Resources Ltd.

December 31, 2015 and 2014

Table of contents

Independent auditor's report to the shareholders of Euromax Resources Ltd

We have audited the consolidated financial statements of Euromax Resources Ltd for the years ended December 31, 2015 and December 31, 2014 which comprise the consolidated statements of loss and comprehensive loss, the consolidated statements of financial position, the consolidated statements of changes in equity, the consolidated statements of cash flows and the related notes 1 to 19.

This report is made solely to the Company's shareholders, as a body, in accordance with Policy 3.1 of the TSX Venture Exchange. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent possible by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on financial statements
In our opinion the consolidated financial statements present fairly in all material respects, the financial position of Euromax Resources Ltd. as at December 31, 2015 and December 31, 2014, and its financial performance and its cash flows for the years then ended in accordance with IFRSs as issued by the IASB.

Emphasis of matter – going concern
Without qualifying our opinion, we draw attention to Note 3(a) in the consolidated financial statements concerning the Group's ability to continue as a going concern. Management has prepared cash flow forecasts which indicate the Group will require additional funding within the next 12 months. As described in Note 3(a), management is optimistic that the Group can meet the conditions precedent for further advance payments under the Royal Gold GPSA or raise additional debt or equity funding however, these are not fully within the Group's control.

Accordingly in these circumstances, management has concluded that this represents a material uncertainty which may cause significant doubt about the Group's ability to continue as a going concern. The consolidated financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

/s/ Deloitte LLP

Chartered Accountants and Statutory Auditor
London, UK
April 29, 2016

Euromax Resources Ltd.

Consolidated statements of loss and comprehensive loss

(Expressed in Canadian dollars)

	Note	Years ended December 31, 2015 $000s	2014 $000s
Revenue	**6**	**4,729**	2,695
Direct costs	**6**	**(4,005)**	(2,251)
Gross profit		**724**	444
Operating expenses			
Accounting, legal and professional		**(1,512)**	(575)
Depreciation	**8**	**(168)**	(126)
Amortisation		**(19)**	(21)
Office and general		**(521)**	(345)
Regulatory, filing and transfer agent		**(42)**	(41)
Rent		**(341)**	(312)
Salaries, director and consultant fees		**(2,112)**	(1,899)
Share-based payments	**11(d)**	**(2,141)**	(3,038)
Investor and public relations		**(271)**	(415)
Travel		**(592)**	(202)
Exploration and evaluation costs		**(56)**	(19)
Gain/(loss) on foreign exchange		**(885)**	36
Operating loss		**(7,936)**	(6,513)
Finance income		**1**	-
Finance expense		**(435)**	(127)
Net finance expense		**(434)**	(127)
Other items			
Loss on disposal of Euromax Services EOOD	**9**	**-**	(949)
Impairment of unproven mineral right interests	**7**	**(1,979)**	(3,237)
Other income		**24**	4
Loss before tax		**(10,325)**	(10,822)
Income tax expense	**15**	**(47)**	(25)
Loss for the period		**(10,372)**	(10,847)
Loss attributable to:			
Owners of the Company		**(10,289)**	(10,847)
Non-controlling interest	**17**	**(83)**	-
		(10,372)	(10,847)
Other comprehensive income, net of tax:			
Items that are or may be reclassified subsequently to profit or loss			
Cumulative translation adjustment on foreign subsidiaries		**1,757**	(961)
Net exchange differences on disposal of foreign subsidiaries	**9**	**-**	762
Total other comprehensive (loss)/income, net of tax		**1,757**	(199)
Comprehensive loss for the period		**(8,615)**	(11,046)
Total comprehensive loss attributable to:			
Owners of the Company		**(8,532)**	(11,046)
Non-controlling interest	**17**	**(83)**	-
		(8,615)	(11,046)
Loss per common share			
Basic and diluted	**5**	**(0.09)**	(0.13)
Weighted average number of common shares outstanding			
Basic and diluted	**5**	**115,807,272**	85,347,340

See accompanying notes to the consolidated financial statements

Euromax Resources Ltd.

Consolidated statements of financial position

(Expressed in Canadian dollars)

		As at	
	Note	December 31, 2015 $000s	December 31, 2014 $000s
ASSETS			
Current			
Cash and cash equivalents		**3,405**	2,041
Restricted cash		**73**	-
Trade and other receivables	**14(b)**	**1,056**	199
Other current assets		**337**	344
Contingent consideration	**9**	**-**	527
Total current assets		**4,871**	3,111
Non-current assets			
Restricted cash		**-**	69
Contingent consideration	**9**	**503**	422
Property, plant and equipment	**8**	**608**	224
Intangible assets		**11**	8
Unproven mineral right interests	**7**	**28,574**	15,987
Total assets		**34,567**	19,821
LIABILITIES			
Current			
Trade and other payables	**14(b)**	**2,376**	1,710
Share-based payment liabilities	**11(d)**	**3,067**	1,586
Working capital loan	**13(c)**	**-**	835
Gold purchase advance payments	**12**	**15,596**	-
Subscription proceeds received in advance	**10(a)**	**-**	1,700
Total liabilities		**21,039**	5,831
EQUITY			
Share capital	**10(a)**	**65,975**	58,896
Equity reserve		**9,603**	8,621
Currency translation reserve		**3,654**	1,897
Accumulated losses		**(65,713)**	(55,424)
Equity attributable to owners of the Company		**13,519**	13,990
Non-controlling interest	**17**	**9**	-
Total equity		**13,528**	13,990
Total liabilities and equity		**34,567**	19,821

Nature of operations **1**

Subsequent events **19**

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 consolidated financial statements

Euromax Resources Ltd.

Consolidated statements of changes in equity

(Expressed in Canadian dollars)

For the years ended December 31, 2015 and 2014	Note	Share capital Number of shares	Amount $000s	Equity reserve $000s	Currency translation reserve $000s	Accumulated losses $000s	Total 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		-	-	1,940	-	-	1,940	-	1,940
Comprehensive loss for the year		-	-	-	(199)	(10,847)	(11,046)	-	(11,046)
Balance on December 31, 2014		85,347,340	58,896	8,621	1,897	(55,424)	13,990	-	13,990
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	**10(a)**	**31,495,397**	**7,079**	**492**	**-**	**-**	**7,571**	-	**7,571**
Changes in ownership interest	**17**	**-**	**-**	**-**	**-**	**-**	**-**	**92**	**92**
Equity-settled share-based payments		-	-	**490**	-	-	**490**	-	**490**
Comprehensive loss for the year		-	-	-	**1,757**	**(10,289)**	**(8,532)**	**(83)**	**(8,615)**
Balance on December 31, 2015		**116,842,737**	**65,975**	**9,603**	**3,654**	**(65,713)**	**13,519**	**9**	**13,528**

See accompanying notes to the consolidated financial statements

Euromax Resources Ltd.

Consolidated statements of cash flows

(Expressed in Canadian dollars)

		Years ended December 31,	
		2015	2014
	Note	$000s	$000s
OPERATING ACTIVITIES			
Loss before tax		**(10,325)**	(10,822)
Add back:			
Depreciation	**8**	**168**	126
Amortisation		**19**	21
Finance income		**(1)**	-
Finance expense		**435**	127
Other income		**(8)**	-
Share-based payments, net of DPUs settled		**1,955**	3,038
Share-based payments to suppliers		**16**	-
Loss on disposal of Euromax Services EOOD	**9**	**-**	949
Loss on disposal of PPE	**8**	**9**	-
Unrealised foreign exchange (gain)/loss		**361**	(19)
Impairment on unproven mineral right interests	**7**	**1,979**	3,237
Changes in non-cash working capital items:			
Decrease/(increase) in trade and other receivables and prepayments and deposits		**(831)**	457
Increase in trade and other payables		**458**	392
Tax paid		**(93)**	(26)
Cash used in operating activities		**(5,858)**	(2,520)
INVESTING ACTIVITIES			
Expenditures on unproven mineral right interests		**(12,443)**	(2,009)
Purchases of property, plant and equipment and intangible assets		**(513)**	(113)
Proceeds from sale to non-controlling interest	**17**	**100**	-
Proceeds from sale of Euromax Services EOOD	**9**	**605**	3,023
Interest received		**1**	-
Cash provided by / (used in) investing activities		**(12,250)**	901
FINANCING ACTIVITIES			
Proceeds from share issue	**10(a)**	**6,174**	1,700
Share issue costs	**10(a)**	**(303)**	-
Proceeds from gold purchase advance payments	**12**	**15,495**	-
Transaction costs associated with gold purchase advance payments	**12**	**(391)**	-
Proceeds from working capital loan	**13(c)**	**-**	717
Repayment of working capital loan	**13(c)**	**(742)**	-
Interest paid		**(145)**	(18)
Cash provided by financing activities		**20,088**	2,399
Effect of exchange rate changes on cash		**(616)**	(74)
Net change in cash and cash equivalents		**1,980**	780
Cash and cash equivalents, beginning of the period		**2,041**	1,335
Cash and cash equivalents, end of the period		**3,405**	2,041

See accompanying notes to the consolidated 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 located at 10th Floor, 595 Howe Street, Vancouver, British Columbia, Canada V6C 2T5.

These consolidated financial statements include the accounts of Euromax and of its wholly-owned subsidiaries (collectively, the "Group"). The Group operates with the objective of becoming the leading gold and base metal mining company in 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 ("TSXV") under the trading symbol "EOX". Euromax's share options and warrants are not listed.

These consolidated financial statements were authorised for issue by the Company's board of directors on April 29, 2016.

2. Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with and in full compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

(b) Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis as explained in the accounting policies set out in Note 3. These consolidated financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency, except where otherwise indicated.

(c) Adoption of new and revised standards and interpretations

The accounting policies applied are consistent with those adopted and disclosed in the Group's financial statements for the year ended December 31, 2014 except for changes arising from the adoption of new accounting pronouncements listed below.

- Defined Benefit Plans – Employee contributions (Amendments to IAS 19) – *effective from July 1, 2014*
- Annual Improvements to IFRSs 2010-2012 Cycle – various standards – *effective from July 1, 2014*
- Annual Improvements to IFRSs 2011-2013 Cycle – various standards – *effective from July 1, 2014*

None of these new accounting pronouncements listed above had a significant impact on the Group's consolidated financial statements.

The IASB has also issued the following new standards, amendments to standards and interpretations that are effective for periods beginning after January 1, 2016 and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below.

- IFRS 14 Regulatory Deferral Accounts – *effective from January 1, 2016*
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) – *effective from January 1, 2016*
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) – *effective from January 1, 2016*
- Equity Method in Separate Financial Statements (Amendments to IAS 27) – *effective from January 1, 2016*
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – *effective from January 1, 2016*
- Annual Improvements to IFRSs 2012-2014 Cycle – *effective from January 1, 2016*

2. Basis of preparation (continued)

(c) Adoption of new and revised standards and interpretations (continued)

- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) – *effective from January 1, 2016*
- Disclosure Initiative (Amendments to IAS 1) – *effective from January 1, 2016*
- IFRS 15 Revenue from Contracts with Customers – *effective from January 1, 2018*
- IFRS 9 Financial Instruments – *effective from January 1, 2018*
- IFRS 16 Leases – *effective from January 1, 2019*

The Group is still evaluating the impact of these pronouncements on future consolidated financial statements.

3. Summary of significant accounting policies

(a) Going concern

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

At December 31, 2015, the Group had net assets of $13.5 million (December 31, 2014: $14.0 million) which is inclusive of cash of $3.4 million (December 31, 2014: $2.0 million). During 2015, the Group closed a non-brokered private placement ("Private Placement") raising gross proceeds of $7.874 million (see Note 10(a)) and received US$11.25 million ($15.495 million) from the initial tranche and the first anniversary tranche in accordance with the Gold Purchase and Sale Agreement dated October 20, 2014 as amended ("GPSA") (see Note 12).

On April 8, 2016 the Company announced it has executed a term sheet for an investment of up to US$30.0 million and a strategic alliance with CC Mining S.A. ("CCM") which is related to Consolidated Construction Contractors ("CCC") (see Note 19 for further details). Under the term sheet signed, CCM would subscribe for convertible loan of $5.2 million maturing on April 30, 2018 and convertible at $0.40 per share ("CCM Financing"). On April 29, 2016 the Company announced it had signed a convertible debenture agreement with CCM.

Also on April 29, 2016 the Company announced it has entered into a convertible loan agreement with the European Bank for Reconstruction and Development (the "EBRD") for an amount of US$5.0 million maturing on April 30, 2018 and convertible at $0.40 per share ("EBRD Financing") (see note 19 for further details).

The CCC Financing and EBRD Financing, which are interdependent, have both received TSXV conditional approval and have customary closing conditions for transactions of this nature. Further to the TSXV conditional approval, with respect to the EBRD Financing, the Company must obtain consent from a majority of disinterested shareholders prior to closing. The directors are confident that the Company will obtain these consents to satisfy this TSXV's condition to closing.

The Company's board of directors have reviewed the Group forecasts for the period to June 30, 2017, inclusive of the proceeds expected to be received from the EBRD Financing and CCC Financing together with the projected costs of completing the Front-End Engineering and Design ("FEED"), Environmental and Social Impact Assessment ("ESIA"), Macedonian Main Mining Project submission, and ongoing work to secure commitment letters from potential project finance banks.

Based on these Group forecasts, the expenditures required on the Ilovica Project to reach a decision to mine, together with ultimately constructing and bringing the Ilovica Project into commercial production, will require the Group to raise further debt and equity funding. Whilst the directors remain optimistic that the Group can meet the conditions precedent for further advance payments under the Royal Gold GPSA or raise additional debt or equity funding, these are not wholly within the Group's control. As such, this, together with closing the EBRD Financing and CCC Financing, 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.

3. Summary of significant accounting policies (continued)

(b) Basis of consolidation

(i) Business combination

The Group accounts for business combination using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Non-controlling interest ("NCI")

NCI are measured at their proportional share of the acquiree's identified net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in loss of control are accounted for as equity transactions.

(iv) Loss of control

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured based on historical cost in foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured using historical cost in a foreign currency are not retranslated.

3. Summary of significant accounting policies (continued)

(c) Foreign currency (continued)

(i) Foreign currency transactions (continued)

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income ("OCI"):

- available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Canadian dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Canadian dollars using average exchange rates that reasonably approximate the exchange rate at the transaction date.

Foreign currency differences are recognised in OCI and accumulated in the currency translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, than the relevant proportion of the cumulative translation differences is allocated to NCI.

(d) Revenue recognition

Rendering of services

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

(e) Employees benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(f) Interest income

Interest income from financial assets is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3. Summary of significant accounting policies (continued)

(g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset until the asset is substantially ready for its intended use. Other borrowing costs are recognised as an expense in the period incurred.

(h) Leases

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

(i) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits and unused tax losses, to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the statement of loss and comprehensive loss.

Deferred tax assets and liabilities are offset only if certain criteria are met.

3. Summary of significant accounting policies (continued)

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of all items of property, plant and equipment are from two to ten years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if applicable.

(iv) Derecognition

An item of property, plant and equipment is derecognised upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss.

(k) Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual value using the straight line method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful life of the Group's intangible assets is up to two years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3. Summary of significant accounting policies (continued)

(l) Unproven mineral right interests

The Group capitalises into unproven mineral right interests all costs, net of any recoveries, of acquiring, exploring and evaluating an unproven mineral right interest, until the determination of the technical and commercial viability of extracting the mineral resource.

Such costs capitalised may include the cash consideration and/or fair value of shares issued on the acquisition of mineral right interests, exploration drilling and assaying, technical reports, and directly attributable employee costs of performing exploration and evaluation activities on unproven mineral right interests.

These capitalised costs are considered to be an intangible asset and will be amortised on a units of production basis upon commissioning a mining operation, or written-off if the rights are disposed of, impaired or abandoned.

No amortisation is charged during the exploration and evaluation phase.

(m) Share-based payment arrangements

The Group maintains a restricted share unit (“RSUs”) plan and a stock option plan for employees, which are both equity-settled share-based payments. The Group also issues deferred phantom units (“DPUs”) to its non-executive directors and key executives which are cash-settled share-based payments.

Equity-settled share-based payments are recognised as an expense, together with a corresponding increase in equity, over their relevant vesting period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Equity-settled share-based payments are measured by reference to the fair value at the grant date. Fair value of the stock options is determined using a Black-Scholes option pricing model, which relies on estimates of the future risk-free interest rate, future dividend payments, future share price volatility and the expected life of the options. The Group believes this model adequately captures the substantive features of the stock options granted and is appropriate to calculate their fair value.

Where the Group grants equity instruments for services received from a third party, these services are measured, together with a corresponding increase in equity, at the fair value of the services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments granted at the grant date represents the fair value of these services.

Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected in the computation of diluted earnings per share.

Cash-settled share-based payments are initially measured at fair value and recognised as a liability at the grant date. The liability is re-measured to fair value at each reporting date at the Group’s closing share price with any changes in the fair value recognised in profit or loss. To the extent that performance conditions exist management estimates the number of DPUs that will eventually vest at each reporting date and recognises the liability over the vesting period.

3. Summary of significant accounting policies (continued)

(n) Financial instruments

The Group classifies non-derivative financial assets as loans and receivables; while non-derivative financial liabilities are classified as other financial liabilities.

(i) Non-derivative financial assets and financial liabilities – Recognition and derecognition

The Group initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual right to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial asset that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognised a financial liability when its contractual obligation are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets – Measurement

All non-derivative financial assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any provision for impairment.

(iii) Non-derivative financial liabilities – Measurement

All non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

(o) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, and highly liquid investments with an original maturity of three months or less, which are readily convertible into a known amount of cash.

(p) Impairment

(i) Non-derivative financial assets

Financial assets measured at amortised cost are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired include:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers; or
- observable data including that there is a measurable decrease in the expected cash flows from a group of financial assets.

The Group considers evidence of impairment of these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified.

3. Summary of significant accounting policies (continued)

(p) Impairment (continued)

(i) Non-derivative financial assets (continued)

Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between as asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii) Non-financial assets (other than unproven mineral right interests)

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment, and intangible assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the assets belong.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of the asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

If the carrying amount of the asset or CGU subsequently increased, the recognised impairment loss might be reversed but only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(iii) Unproven mineral right interests

The Group reviews the carrying amounts of mineral rights annually or when there are indicators of impairment and recognises an impairment charge based upon current exploration results, plans for further activity and, where projects are sufficiently progressed an assessment of the probability of profitable exploitation or sale of the rights. An indication of impairment on a specific licence/permit may include but is not limited to: the expiration of the Group's right to explore; substantive expenditure is neither budgeted nor planned; or the Group has decided to discontinue exploration activity.

Upon the technical feasibility and commercial viability of extracting the mineral resource being demonstrable, related capitalised costs of that mineral resource are tested for impairment, before their reclassification.

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation that has arisen as a result of a past event and it is probable that a future outflow of economic benefits will be required to settle the obligation, provided that the amount of the obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. Any increase in a provision due solely to passage of time is recognised as a finance cost.

3. Summary of significant accounting policies (continued)

(r) Provisions for site restoration

Obligations to retire a non-financial asset, including dismantling, restoration and similar activities, are provided for at the time they are incurred or an event occurs that gives rise to such an obligation. The Group is subject to laws and regulations relating to environmental matters, including land reclamation and discharge of hazardous materials, in all jurisdictions in which it operates. The Group may be found to be responsible for damage caused by prior owners and operators of its unproven mineral right interests and in relation to interests previously held by the Group. The Group believes it has conducted its exploration and evaluation activities in compliance with applicable environmental laws and regulations.

On initial recognition, the estimated fair value of a provision is recorded as a liability and a corresponding amount is added to the capitalised cost of the related non-financial asset. The liability is increased over time through periodic charges to profit and loss. The provision is evaluated at the end of each reporting period for changes in the estimated amount or timing of settlement of the obligation. The Group is not presently aware of any such obligations.

4. Use of significant judgments and estimates

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The judgments and estimates viewed by management as having the most significant impact on these consolidated financial statements are discussed below:

(a) Recoverability of unproven mineral right interests

The Group reviews the carrying value of its unproven mineral right interests to determine whether there is any indication that those assets are impaired which includes whether there are plans for further activity and exploration. The recoverable amount where calculated may be based on assumptions about future events or circumstances and estimates and assumptions may change if new information becomes available. If, after expenditures are capitalised, information becomes available suggesting that the recovery of the expenditures is unlikely, the amount capitalised is impaired with a corresponding charge to profit or loss in the period in which the new information becomes available.

(b) Equity settled share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair values for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them.

The Black-Scholes option pricing model was developed for use in estimating the fair value of share options that have no vesting provisions and are fully transferable. Also, option-pricing models require the use of estimates and assumptions including the expected volatility. The Group uses expected volatility rates which are based upon their historical volatility. Changes in the underlying assumptions can materially affect the fair value estimates.

5. Loss per share

	Years ended December 31, 2015	2014
	$000s	$000s
Net loss for the period after tax attributable to owners of the Company	**(10,289)**	(10,847)
Basic weighted average number of common shares	**115,807,272**	85,347,340
Basic and diluted loss per share	**(0.09)**	(0.13)

For the years ended December 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 diluted loss per share is the same.

6. 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 years ended	**December 31,**	December 31,	**December 31,**	December 31,	**December 31,**	December 31,	**December 31,**	December 31,	**December 31,**	December 31,	**December 31,**	December 31,
In thousands	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
External revenues	**-**	-	**-**	-	**-**	-	**4,729**	2,695	**-**	-	**4,729**	2,695
Depreciation	**(114)**	(67)	**(1)**	(1)	**-**	(7)	**(32)**	(22)	**(21)**	(29)	**(168)**	(126)
Amortisation	**(9)**	-	**-**	-	**-**	(4)	**(10)**	(17)	**-**	-	**(19)**	(21)
Impairment of unproven mineral right interests	**-**	-	**(1,979)**	(3,237)	**-**	-	**-**	-	**-**	-	**(1,979)**	(3,237)
Segment (loss)/profit before tax	**(2,492)**	(648)	**(2,104)**	(3,400)	**(28)**	(157)	**135**	50	**(5,836)**	(6,667)	**(10,325)**	(10,822)

	Macedonia		Serbia		Bulgaria		Exploration Services		Corporate		Total	
As at	**December 31,**	December 31,	**December 31,**	December 31,	**December 31,**	December 31,	**December 31,**	December 31,	**December 31,**	December 31,	**December 31,**	December 31,
In thousands	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Segment assets	**28,888**	14,054	**719**	2,348	**-**	-	**1,196**	419	**3,764**	3,000	**34,567**	19,821
Segment liabilities	**709**	130	**4**	8	**-**	-	**586**	17	**19,740**	5,676	**21,039**	5,831

All revenue from Exploration Services is derived from provision of exploration and evaluation services to third parties, and it is seasonally weighted to the second and third quarters of each calendar year which span the months most suitable to carrying out exploration work programmes in south-eastern Europe. The revenue from one customer represented $4.256 million (2014: $2.695 million) of the Group's total revenue.

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.

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

7. 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 acquired a 100% interest in the Ilovica Project.

The Ilovica Project consists of two adjacent properties, Ilovica 6 and Ilovica 11. The Group was granted a Concession for exploitation of mineral resources ("Exploitation Concession") for Ilovica 6 under the rules and regulations of the Minerals Law in Macedonia. The Ilovica 6 Exploitation Concession has an initial term of 30 years and is subject to a state 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 Environmental Impact Study for Ilovica 6 under the Environmental Law in Macedonia.

On January 13, 2016, the Exploitation Concession on Ilovica 11 was granted to the Group under the rules and regulations of the Minerals Law in Macedonia. This Exploitation Concession on Ilovica 11 has the same conditions as those of Ilovica 6, i.e. an initial term of 30 years and a state royalty of 2% of the market value of metals contained in concentrate.

Subsequent to year end, the Group announced the Feasibility Study ("FS") for the Ilovica Project, prepared in compliance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). A copy of this FS is available on SEDAR.

Based on management's plans, the Environmental Impact Study for Ilovica 11 is expected to be submitted for approval during 2016. Once approved, the Group will lodge a Main Mining Project submission for the Ilovica Project under the Minerals Law in Macedonia to obtain an Exploitation Permit.

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 $1.500 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 KMC.

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 exploration permit was successfully renewed until February 20, 2016.

On April 2, 2015, the Group sold a 4% interest in the Group's Serbian subsidiary for US$0.080 million ($0.100 million). The received funds were used by the Group to complete a substantial portion of the KMC minimum work programme for the purpose of maintaining 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 for the year ended December 31, 2014.

On October 19, 2015, the Group entered into an Option Agreement to sell its remaining 96% interest in KMC to a third party optionee ("Optionee"). In accordance with the Option Agreement, the Optionee has been granted a one year option ("Option") to acquire the Group's 96% interest in South Danube Metals d.o.o. Beograd which owns 100% of the KMC project for a cash payment of US$0.500 million.

To exercise this Option the Optionee will be responsible for funding a minimum work programme on KMC comprising at least 1,200 metres of drilling in order to secure an extension of the KMC exploration permit. The Optionee satisfied the minimum required work programme on KMC, and on March 16, 2016 the KMC exploration permit was successfully renewed for further two years.

This Option (which is unexercised as at the date of these accounts) values the Group's interest in South Danube Metals d.o.o. Beograd at US$0.500 million ($0.664 million), an impairment charge of $1.979 million has been recorded for the year ended December 31, 2015.

7. Unproven mineral right interests (continued)

A summary of changes to the Group's unproven mineral right interests in the years ended December 31, 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	100	29	129
Feasibility costs	1,777	-	1,777
Social & environmental costs	419	-	419
Other	354	7	361
	14,202	6,093	20,295
Other items:			
Impairment of unproven mineral right interests	-	(3,237)	(3,237)
Exchange differences	(547)	(524)	(1,071)
Balance, December 31, 2014	13,655	2,332	15,987
Balance, January 1, 2015	**13,655**	**2,332**	**15,987**
Exploration expenditures:			
Assays and analysis	**506**	**28**	**534**
Drilling	**3,012**	**89**	**3,101**
Feasibility costs	**5,348**	**-**	**5,348**
Social & environmental studies	**2,818**	**-**	**2,818**
Other	**845**	**14**	**859**
	26,184	**2,463**	**28,647**
Other items:			
Impairment of mineral properties	**-**	**(1,979)**	**(1,979)**
Exchange differences	**1,717**	**189**	**1,906**
Balance, December 31, 2015	**27,901**	**673**	**28,574**

8. Property, plant & equipment

The Group's property, plant and equipment at December 31, 2015 and 2014 are as follows:

	Vehicles	Office equipment	Field equipment	Leasehold improvements	Total
	$000s	$000s	$000s	$000s	$000s
Cost					
Balance at January 1, 2014	297	114	217	33	661
Acquisitions	60	5	13	3	81
Disposals	(10)	(17)	(10)	(23)	(60)
Foreign exchange movement	(13)	1	(8)	1	(19)
Balance at December 31, 2014	334	103	212	14	663
Acquisitions	**196**	**123**	**102**	**95**	**516**
Disposals	**(32)**	**(13)**	**-**	**-**	**(45)**
Foreign exchange movement	**36**	**18**	**22**	**11**	**87**
Balance at December 31, 2015	**534**	**231**	**336**	**120**	**1,221**
Accumulated depreciation					
Balance at January 1, 2014	196	55	101	4	356
Depreciation	48	33	40	5	126
Disposals	(3)	(17)	(4)	(4)	(28)
Foreign exchange movement	(10)	1	(6)	-	(15)
Balance at December 31, 2014	231	72	131	5	439
Depreciation	**60**	**37**	**48**	**23**	**168**
Disposals	**(23)**	**(13)**	**-**	**-**	**(36)**
Foreign exchange movement	**18**	**10**	**12**	**2**	**42**
Balance at December 31, 2015	**286**	**106**	**191**	**30**	**613**
Carrying amount					
At December 31, 2014	103	31	81	9	224
At December 31, 2015	**248**	**125**	**145**	**90**	**608**

All disposals during 2015 were related to the Macedonia and Corporate operating segment.

All disposals of property, plant and equipment, during 2014, were related to the sale of Euromax Services EOOD which was completed on May 9, 2014 (see Note 9).

9. Disposal group held for sale

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

Further, contingent consideration amounting to US$0.816 million ($1.108 million) was receivable from the purchaser subject to no claims arising under the warranties of the sale and purchase agreement. On December 22, 2015, US$0.453 million ($0.605 million) was received from the purchaser. The remaining amount of US$0.363 million ($0.503 million) is expected to be received on December 31, 2018 and has been recognised a non-current receivable at December 31, 2015.

In the year ended December 31, 2014 the Group has recognised a loss on disposal of Euromax Services EOOD of $0.949 million which primarily comprises the recycling of the related currency translation reserve losses to the income statement and other foreign exchange losses.

10. Share capital and reserves

(a) *Share capital*

At December 31, 2015, Euromax's 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**	-	-
Balance on December 31	**116,842,737**	**65,975**	85,347,340	58,896

On January 12, 2015, the Company closed 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 was received in advance of December 31, 2014.

The Company incurred share issue costs of $0.303 million in connection with the Private Placement in respect to filing and legal costs, of which $0.283 million was allocated to share capital and $0.020 million to share purchase warrants (see Note 10(c)) via the equity reserve.

During the year ended December 31, 2015, no share options and no share purchase warrants were exercised.

No common shares were issued during the year ended December 31, 2014.

(b) *Nature and purpose of reserves*

(i) Equity Reserve

The equity reserve comprises the accumulated fair value of share options, restricted share units and share purchase warrants recognised as share-based payments. Transfers from the equity reserve to share capital are made whenever common share options or share purchase warrants are exercised and when restricted share units fully vest and convert to common shares.

(ii) Currency Translation Reserve

The currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements or foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

(c) *Share Purchase Warrants*

On January 12, 2015, as part of the Private Placement, 7,946,713 share purchase warrants were issued with each share purchase warrant exercisable to acquire one common share of the Company at a price of $0.40 until January 12, 2020. The fair value of the share purchase warrants issued was estimated at $0.492 million net of share issues cost of $0.020 million ($0.06 per share purchase warrant at the grant date) using the Black-Scholes option pricing model.

On July 18, 2014 the Group issued 12,195,122 share purchase warrants to Investec Bank plc ("Investec") at an exercise price of $0.41 with an expiry date of July 18, 2019. The fair value of the share purchase warrants issued was estimated at $1.545 million ($0.13 per share purchase warrant at the grant date) using the Black-Scholes option pricing model and had been recorded as an expense within share-based payments in the consolidated statement of loss and other comprehensive loss.

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

10. Share capital and reserves (continued)

(c) Share Purchase Warrants (continued)

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

Year ended	December 31, 2015	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

During the year ended December 31, 2014, 5,766,666 share purchase warrants with an exercise price of $0.90 expired unexercised on January 13, 2014.

A summary of the outstanding warrants in 2015 and 2014 is as follows:

	2015		2014	
	Number of warrants Number	Weighted average exercise price $	Number of warrants Number	Weighted average exercise price $
Balance, beginning of year	**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 year	**20,141,835**	**0.41**	12,195,122	0.41

11. Share-based payment arrangements

(a) Description of share-based payment arrangements

At December 31, 2015, the Group had the following share-based payment arrangements:

(i) Stock Option Plan (Equity settled)

Euromax has a Stock Option Plan (“Option Plan”) under which directors, executive officers, employees and consultants of the Group are eligible to receive share options. The purpose of the Option Plan is to incentivise directors, executive officers, employees and consultants to provide beneficial services to the Group and to align their objectives with shareholders in maximising shareholder value.

The maximum number of shares reserved for issuance upon exercise of all share options granted under the Option Plan is equal to 10% of the issued and outstanding common shares at the time of grant. The Company’s Compensation Committee determines the terms and vesting conditions of the options at the time of grant.

The exercise price of each option equals the closing share price of Euromax’s common shares on the day preceding the date of grant. If a director, executive officer, employee or consultant ceases employment or engagement with the Group, any unvested share options are forfeited and the expiry date on their vested options is reduced to 90 days from the date they cease employment or engagement.

During the year ended December 31, 2015, 775,734 share options with exercise price ranging from $0.39 to $1.02 per share expired and an additional 192,036 share options with exercise prices ranging from $0.58 to $1.02 per share were forfeited by employees who left the Company.

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

11. Share-based payment arrangements (continued)

(a) Description of share-based payment arrangements (continued)

(i) Stock Option Plan (Equity settled) (continued)

The key terms and conditions related to the grants under the Option Plan are as follows:

Grant date	Number of options as at December 31, 2015	Vesting conditions	Contractual life of options
Options granted to employees			
On February 3, 2011	**150,003**	Fully vested	5 years
On March 22, 2011	**25,000**	Fully vested	5 years
On May 23, 2012	**2,409,996**	Fully vested	5 years
On June 6, 2012	**250,000**	Fully vested	5 years
On November 8, 2012	**66,667**	Fully vested	5 years
On March 12, 2013	**1,516,803**	Fully vested	5 years
On December 4, 2013	**240,000**	1/3 on December 31, 2014, 2015 and 2016	5 years
On January 22, 2015	**1,650,000**	Fully vested	5 years
On January 22, 2015	**2,050,000**	1/3 on December 31, 2015, 2016 and 2017	5 years
On August 25, 2015	**400,000**	1/3 on August 25, 2016, 2017 and 2018	5 years
Options granted to consultants			
On August 15, 2012	**100,000**	Fully vested	5 years
On March 22, 2013	**125,000**	Fully vested	3 years
On October 23, 2014	**150,000**	Fully vested	5 years
On March 24, 2015	**100,000**	Fully vested	3 years
Total share options	**9,233,469**		

(ii) Restricted Share Unit Plan (Equity settled)

On March 11, 2013 Euromax established a Restricted Share Unit Plan (“RSU Plan”) under which directors and executive officers of the Group are eligible to receive RSUs. The purpose of the RSU Plan is to assist and encourage directors and executive officers to work towards and participate in the growth and development of the Group. The RSU Plan is an equity settled share-based payment arrangement.

The maximum number of RSUs reserved for issuance under the RSU Plan is equal to 10% of the issued and outstanding common shares at the time of grant, provided that the combined number of share options and RSUs in issue does not exceed 10% of the outstanding common shares at the time of grant. The Company’s Compensation Committee determines the terms and provisions of the RSUs at the time of grant.

The Compensation Committee has determined the Market Vectors Junior Gold Mines ETF (“GDXJ”) to be a relevant benchmark to assess the Company’s share price performance. To the extent that the Company’s share price underperforms the GDXJ the number of RSUs vesting shall reduce on a pro-rata basis. To the extent that the Company’s share price outperforms the GDXJ additional RSUs shall be awarded on a proportionate basis.

If a director or executive officer ceases employment with the Group any unvested RSUs are forfeited on the date they cease employment.

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

11. Share-based payment arrangements (continued)

(a) Description of share-based payment arrangements (continued)

(ii) Restricted Share Unit Plan (Equity settled) (continued)

The key terms and conditions related to the grants under the RSU Plan are as follows; all RSUs are to be settled by the issue of common shares.

Grant date	Number of RSUs as at December 31, 2015	Vesting conditions
RSUs granted to Executive Directors and Officers		
On March 11, 2013 - Bonus 2012	**246,960**	100% vest on December 31, 2013
On March 11, 2013 - LTIP 2013 grant	**664,256**	1/3 vest on December 31, 2013, 2014 and 2015 provided that the Company's share price performance has kept in line with the GDXJ over each respective calendar year.
On December 4, 2013 - LTIP 2013 grant	**120,000**	1/3 vest on December 31, 2014, 2015 and 2016 provided that the Company's share price performance has kept in line with the GDXJ over each respective calendar year.
On January 9, 2014 - GDXJ outperformance in 2013	**24,356**	100% vest on December 31, 2014
On May 1, 2014 - LTIP 2014 grant	**480,000**	1/3 vest on December 31, 2014, 2015 and 2016 provided that the Company's share price performance has kept in line with the GDXJ over each respective calendar year.
Total RSUs	**1,535,572**	

Notwithstanding the vesting conditions stated above, the Company's board of directors has agreed with the executive officers who had RSUs due to vest on December 31, 2013, 2014 and 2015 to postpone the vesting of their RSUs for a further year. In return the Company agreed that in the event of the termination of the executive officer's employment for any reason or death, prior to the postponed vesting date, the RSUs would vest in full, notwithstanding provisions to the contrary in the RSU Plan.

During the course of 2015, the Company's share price outperformed the GDXJ by 86% and therefore subsequent to year end an additional grant of 328,504 RSUs was made.

(iii) Deferred Phantom Units Plan (Cash settled)

In March 2013 Euromax introduced a Deferred Phantom Unit Plan ("DPU Plan") for its directors and key management personnel. Under the terms of the plan the Company's non-executive directors elected to convert their outstanding unpaid directors' fees into DPUs in lieu of a cash payment. Since April 2013, non-executive directors have made semi-annual elections to receive DPUs in lieu of cash for their fees. In September 2015 all non-executive directors, except for one, elected to receive DPUs in lieu of cash until March 31, 2016.

All DPUs issued only become payable in the event that a director or executive officer ceases to hold any position within the Group and can only be settled in cash. In that respect, resulting from the redundancy of an officer of the Company on January 31, 2015, cash payments of $0.186 million was made in respect of vested DPUs (see Note 13(b)).

The key terms and conditions related to the grants under the DPU Plan are as follows:

Grant date	Number of DPUs as at December 31, 2015	Vesting conditions
DPUs granted to Non-Executive Directors		
From March 11, 2013 to December 31, 2014	**2,128,486**	Fully vested.
During 2015	**787,335**	Fully vested.
DPUs granted to Executive Directors and Officers		
On May 1, 2014 - Bonus 2013	**1,810,092**	Fully vested.
On May 1, 2014 - LTIP 2014 grant	**5,451,569**	1/3 vest on December 31, 2014, 2015 and 2016 provided that the Company's share price performance has kept in line with the GDXJ over each respective calendar year.
Total DPUs	**10,177,482**	

During the course of 2015, the Company's share price outperformed the GDXJ by 86% and therefore subsequent to year end an additional grant of 1,570,053 DPUs was made vesting immediately and which were accrued in full at December 31, 2016.

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

11. Share-based payment arrangements (continued)

(b) Measurement of fair values

(i) Stock Option Plan

The fair value of the share options awarded to directors, executive officers, and employees has been measured using the Black-Scholes option pricing model. The value of the share options awarded to consultants has been measured as the fair value of the services rendered. Service and non-market performance conditions attached to the share options were not taken into account in measuring fair value.

The inputs used in measuring the grant date fair value of the share options issued are presented below:

All amounts are weighted averages	**Year ended December 31, 2015**	**Year ended December 31, 2014**
Fair Value at grant date	$0.12	$0.18
Share price at grant date	$0.27	$0.41
Exercise price	$0.27	$0.41
Expected volatility	50.00%	50.00%
Expected life	5.00 years	5.00 years
Expected dividend per share	$Nil	$Nil
Risk-free interest rate (based on Canadian government bonds)	0.81%	1.48%

Expected volatility was based on management's evaluation of the volatility of the Company's share price. The expected term was determined based on management's expectation that share options will be exercised close to their expiry.

(ii) Restricted Share Unit Plan

The fair value of RSUs granted during the period has been measured using the Company's closing share price on the day immediately prior to grant date. For those RSUs with a vesting condition relating to the Company's share price performance compared to the GDXJ, this is a market performance vesting condition so at grant date it is estimated that the Company's share price performance should be consistent with the GDXJ's price performance.

(iii) Deferred Phantom Units Plan

All DPUs granted to non-executive directors vest immediately. However for those DPUs granted to executive officers that contain a vesting condition relating to the Company's share price performance compared to the GDXJ, this is a market performance vesting condition so at grant date it is estimated that the Company's share price performance should be consistent with the GDXJ's price performance.

All vested DPUs are revalued at the Company's reporting period end share price and only becomes payable in cash in the event that a director or key management person leaves the Group.

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

11. Share-based payment arrangements (continued)

(c) Reconciliation of outstanding share options and RSUs

(i) Stock Option Plan

The number and weighted-average exercise prices of the share options under the Option Plan as at December 31, 2015 and 2014 were as follows:

	2015		2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at January 1	**6,001,239**	**$0.58**	6,130,405	$0.59
Granted during the year	**4,200,000**	**$0.27**	150,000	$0.41
Expired during the year	**(775,734)**	**$0.47**	(270,833)	$0.64
Forfeited during the year	**(192,036)**	**$0.62**	(8,333)	$0.60
Outstanding at December 31	**9,233,469**	**$0.45**	6,001,239	$0.58
Exercisable at December 31	**6,543,469**	**$0.52**	4,436,924	$0.59

The options outstanding at December 31, 2015 have an exercise price in the range of $0.18 to $1.05 (2014: $0.18 to $1.05) and a weighted-average contractual life of 2.79 years (2014: 2.59 years).

No share options were exercised in 2015 or 2014.

(ii) Restricted Share Unit Plan

The number and weighted-average grant prices of the RSUs as at December 31, 2015 and 2014 were as follows:

	2015		2014	
	Number of RSUs	Weighted average grant price	Number of RSUs	Weighted average grant price
Outstanding at January 1	**1,782,073**	**$0.26**	1,192,882	$0.30
Granted during the year	**-**	**-**	589,191	$0.19
Expired during the year	**(246,501)**	**$0.27**	-	-
Outstanding at December 31	**1,535,572**	**$0.26**	1,782,073	$0.26
Exercisable at December 31	**935,572**	**$0.31**	-	-

(d) Expense recognised in profit or loss

The total equity-settled share-based payment expenses for the year ended December 31, 2015 was $0.490 million (2014: $0.396 million), of which $0.016 million (2014: $nil) related to share options granted for services performed, which are recognised within accounting, legal and professional expenses. The total cash-settled share-based payment expense in the year ended December 31, 2015 was $1.667 million (2014: $1.097 million) and as at December 31, 2015, the share-based payment liability was $3.067 million (2014: $1.586 million).

An expense relating to the issue of share purchase warrants to Investec for its role as Global Project Finance Coordinator and Treasury Arranger (See Note 10(c)) amounting to $1.545 million was recorded in share-based payment expense in the year ended December 31, 2014.

12. 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 Project'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 Exploitation Concession for Ilovica 6 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.

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. Euromax received the initial tranche of US$7.5 million in two equal instalments of US$3.75 million on March 2 and March 23, 2015.

On November 4, 2015, under the Second Amendment to the GPSA, the Group received part of the first anniversary payment of US$3.75 million. The remaining part of US$3.75 million is expecting to be received during 2016, once the conditions under the Second Amendment to the GPSA have been satisfied.

A third tranche of US$160 million will be received, pro-rata with other funding sources, from Royal Gold over the course of the construction period for the Ilovica Project, subject to the satisfaction of certain conditions.

All advance payments received under the GPSA are classified as current liabilities until all conditions precedent for the third tranche have been satisfied.

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	**15,495**
Adjustment recorded during the period:	
Foreign exchange movements	**101**
Capitalised transaction costs	**391**
Amortisation of transaction costs	**(391)**
Balance on December 31	**15,596**

Transaction costs amounting to $0.391 million were incurred in respect of closing the GPSA and drawdown of the initial tranche from Royal Gold, and were fully amortised during 2015.

13. Related party transactions

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

Transactions with key management personnel

(a) Key management personnel transactions

The Group's related party is Trentside Projects Limited, a private company owned by one of the Group's current key management personnel. Since July 2015, Trentside Projects Limited has been providing project management services to the Ilovica Project.

The Group incurred the following fees and expenses in the normal course of operations in connection with Trentside Projects Limited. Expenses have been measured at the amount which is agreed between the parties. As at December 31, 2015 the Group owed Trentside $0.029 million for services rendered.

	Years ended December 31,	
	2015	**2014**
	$000s	$000s
Project management fees	**194**	-
	194	-

(b) Key management personnel compensation

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

		Years ended December 31,	
	Note	**2015**	**2014**
		$000s	$000s
Short-term employee benefits		**1,366**	2,322
Post-employment benefits	(i)	**107**	133
Redundancy payments	(ii)	**93**	-
Share-based payments	(iii)	**2,114**	1,473
		3,680	3,928

(i) Executive directors and some 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.

(c) Working capital loan

On October 31, 2014 the Company arranged and closed a working capital loan of $0.717 million from its directors. The working capital loan was unsecured and repayable in full on or before April 30, 2015. Interest of 15% was 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 first half of 2015, the working capital loan was repaid in full, through payment of $0.742 million of the loan and $0.111 million of interest.

14. Financial instruments

(a) *Management of capital risk*

The capital structure of the Group consists of equity, comprising share capital, equity reserve, currency translation reserve and accumulated losses. The Group's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return and (iii) maintain sufficient liquidity.

The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may attempt to issue new securities, raise debt finance or use other financing alternatives.

The Group is not subject to externally imposed capital requirements.

(b) *Categories of financial instruments and measuring fair values*

	2015	2014
	$000s	$000s
Financial assets not measured at fair value		
Cash and cash equivalents	**3,405**	2,041
Restricted cash	**73**	69
Trade and other receivables	**1,056**	199
Other current assets	**337**	344
Contingent consideration	**503**	949
Financial liabilities not measured at fair value		
Trade and other payables	**(2,376)**	(1,710)
Working capital loan	**-**	(835)
Gold purchase advance payments	**(15,596)**	-
Subscription proceeds received in advance	**-**	(1,700)
Net financial assets / liabilites	**(12,598)**	(643)

The trade and other receivables balance comprises outstanding receivables from exploration and evaluation services performed for third parties of $0.587 million (2014: $nil), and recoverable indirect taxes at year end, representing $0.469 million (2014: $0.199 million).

The trade and other payables are related to goods and services provided by third parties.

The fair values of all financial assets and liabilities approximate their carrying values.

At December 31, 2015 and 2014 the Group only possessed level 1 financial instruments and there were no transfers between levels 1, 2 or 3 during the year ended December 31, 2015 or 2014.

(c) *Financial risk management*

(i) Currency risk

The Group operates across a number of countries and is exposed to currency risk arising from various currency exposures, principally with respect to US dollars, Euros and British Pounds. This currency risk arises from recognised assets and liabilities and net investments in foreign operations. The Group maintains excess cash in US dollars.

14. Financial instruments (continued)

(c) Financial risk management (continued)

(i) Currency risk (continued)

The Company's exposure to the currency risk as at December 31, 2015 and 2014 is as follows:

December 31, 2015	British Pound	Bulgarian Lev	Serbian Dinar	Macedonian Denar	Euro	South African Rand	Australian Dollar	U.S. Dollar
	$000s	$000s	$000s	$000s	$000s			$000s
Financial assets								
Cash and cash equivalents	**284**	**486**	**-**	**2**	**453**	**110**	**-**	**2,003**
Restricted cash	**-**	**-**	**-**	**73**	**-**	**-**	**-**	**-**
Trade and other receivables	**62**	**604**	**19**	**351**	**18**	**-**	**-**	**-**
Other current assets	**225**	**26**	**1**	**34**	**25**	**-**	**-**	**-**
Contingent consideration	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**503**
Financial liabilities								
Trade and other payables	**(1,103)**	**(587)**	**(1)**	**(162)**	**(12)**	**(178)**	**(1)**	**(189)**
Working capital loan	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gold purchase advance payments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(15,596)**
Net financial assets / liabilites	**(532)**	**529**	**19**	**298**	**484**	**(68)**	**(1)**	**(13,279)**

December 31, 2014	British Pound	Bulgarian Lev	Serbian Dinar	Macedonian Denar	Euro	South African Rand	Australian Dollar	U.S. Dollar
	$000s	$000s	$000s	$000s	$000s			$000s
Financial assets								
Cash and cash equivalents	62	334	-	10	12	-	-	3
Restricted cash	-	-	-	69	-	-	-	-
Trade and other receivables	26	2	-	168	-	-	-	-
Other current assets	194	20	3	9	5	-	-	-
Contingent consideration	-	-	-	-	-	-	-	949
Financial liabilities								
Trade and other payables	(1,521)	(17)	(8)	(70)	(23)	-	-	(2)
Working capital loan	(337)	-	-	-	-	-	-	(267)
Gold purchase advance payments	-	-	-	-	-	-	-	-
Net financial assets / liabilites	(1,576)	339	(5)	186	(6)	-	-	683

Based on the above net exposures as at December 31, 2015 and assuming that all other variables remain constant, a 10% depreciation or appreciation of the above presented currencies against the Canadian Dollar would result in an increase/decrease of approximately $1.255 million in the Group's net income (2014: $0.139 million).

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer, however, management also considers the factors that may influence the credit risk of its customer base.

During 2015, revenue was generated from exploration and evaluation services performed within the Exploration Services operating segment in Bulgaria (see Note 6), and predominately with one major customer.

14. Financial instruments (continued)

(c) Financial risk management (continued)

(ii) Credit risk (continued)

Based on Group management's prior experience, no allowance for doubtful debts was held at December 31, 2015 (2014: $nil). At December 31, 2015, the ageing of trade receivables (see Note 14(b)) that were not impaired was as follows:

	2015	**2014**
	$000s	$000s
Past due 1-30 days	**587**	-
Past due 31-30 days	**-**	-
Past due 91-120 days	**-**	-
	587	-

The whole outstanding amount of $0.587 million was collected subsequent to year end.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk through the management of its capital structure and financial leverage.

Gold purchase advance payments are classified as current liabilities until, among other things, the conditions precedent to the third tranche are satisfied (see Note 3(a)). Trade and other payables are generally payable within thirty days or less.

15. Income taxes

(a) Amounts recognised in the income statement:

	Year ended December 31,	
	2015	**2014**
Recognised in the income statement	**$000s**	$000s
Current tax expense	**62**	30
Deferred tax expense	**(15)**	(5)
Income tax expense	**47**	25
Analysis of charge in year		
Loss before tax	**(10,325)**	(10,822)
Canadian statutory tax rate	**26.00%**	26.00%
Expected income tax credit	**(2,685)**	(2,814)
Changes attributable to:		
Non-deductible expenses	**509**	857
Difference in tax rates between Canada and foreign jurisdictions	**692**	1,061
Tax effect of tax losses and temporary differences not recognized	**1,554**	887
Effect of change in future tax rates and others	**(23)**	34
Income tax expense	**47**	25

15. Income taxes (continued)

(b) Unrecognised deductible temporary differences and unused tax losses:

The Group's unrecognised deductible temporary differences and unused tax losses consist of the following amounts and will expire as follows:

	2015			
	Tax losses - revenue	Tax losses - capital	Other temporary differences	Total
Expiry date	**$000s**	**$000s**	**$000s**	**$000s**
Within one year	**1,865**	**-**	**100**	**1,965**
Greater than one year, up to five years	**6,736**	**-**	**200**	**6,936**
Greater than five years	**16,680**	**325**	**665**	**17,670**
	25,281	**325**	**965**	**26,571**

	2014			
	Tax losses - revenue	Tax losses - capital	Other temporary differences	Total
Expiry date	$000s	$000s	$000s	$000s
Within one year	878	-	94	972
Greater than one year, up to five years	7,783	-	57	7,840
Greater than five years	13,516	325	665	14,506
	22,177	325	816	23,318

Management believes that sufficient uncertainty exists regarding the recognition of deferred income tax assets and accordingly no deferred tax asset was recorded at December 31, 2015.

16. Contingencies and commitments

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

	up to 1 year	1-5 years	Over 5 years	Total
	$000s	$000s	$000s	**$000s**
Operating lease obligations	121	-	-	**121**
Other contractual obligations	10	-	-	**10**
Total contractual obligations	**131**	**-**	**-**	**131**

17. Non-controlling interest

On April 2, 2015, the Group sold a 4% interest in South Danube Metals d.o.o. Beograd which owns KMC, for US$0.080 million ($0.100 million). The carrying amount of 4% of South Danube Metals d.o.o. Beograd's net assets on the date of acquisition was $0.092 million.

The following table summarised the information regarding the Group's subsidiary that has NCI:

December 31, 2015	South Danube Metals d.o.o. Beograd	Intra-group eliminations	Total
NCI percentage	**4%**		
	$000s		
Non-current assets	**674**		
Current assets	**46**		
Non-current liabilities	**-**		
Current liabilities	**(188)**		
Net assets	**532**		
Net assets attributable to NCI	**21**	**(12)**	**9**
Loss for 9 months period	**(2,068)**		
Other comprehensive loss for 9 months period	**-**		
Total comprehensive loss for the year	**(2,068)**		
Loss allocated to NCI	**(83)**	**-**	**(83)**
Other comprehensive loss allocated to NCI	**-**	**-**	**-**
Cash flow from operating activities for 9 months period	**(119)**		
Cash flow from investing activities for 9 months period	**(61)**		
Cash flow from financing activities for 9 months period	**185**		
Net decrease in cash and cash equivalents for 9 months period	**5**		

18. List of subsidiaries

Set out below is a list of material subsidiaries of the Group for the years ended December 31, 2015 and 2014.

Subsidiaries	Principal place of business	Ownership 2015	Ownership 2014
		%	%
OMAX International Limited	Cayman Islands	**100**	100
Euromax Resources (Macedonia) Ltd	BC, Canada	**100**	100
Euromax Resources (Macedonia) UK Limited	United Kingdom	**100**	100
Euromax Resources UK (Services) Limited	United Kingdom	**100**	100
Euromax Resources (Bulgaria) UK Limited	United Kingdom	**100**	100
Euromax Resources DOO Skopje	Macedonia	**100**	100
Euromax Exploration Services EOOD	Bulgaria	**100**	100
South Danube Metals d.o.o. Beograd	Serbia	**96**	100

19. Subsequent events

Subsequent to December 31, 2015 the following reportable events have occurred:

On January 6, 2016 the Company announced the FS for the Ilovica Project, prepared in compliance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). A copy of this FS is available on SEDAR.

On April 8, 2016 the Company announced it had entered into a term sheet for an investment of up to US$30.0 million and a strategic alliance with CCM which is related to CCC in respect of certain construction activities for the Ilovica Project in Macedonia. Under the term sheet signed, CCM may provide up to US$30.0 million in three tranches for the ongoing development of Ilovica:

- Primary Convertible Loan Tranche: On or before April 30, 2016, it is envisaged CCM will subscribe for a $5.2 million convertible loan note maturing on April 30, 2018 and convertible into common shares of Euromax at a price of $0.40 per share. The convertible loan shall bear interest at a rate of 9% which will be accrued and not paid until maturity or conversion of the convertible loan.
- Secondary Equity Tranche: On or prior to December 31, 2016, it is anticipated that CCM will at its discretion subscribe for a minimum of US$5.0 million in common shares of Euromax at a price equal to 90% of either (i) the then prevailing price, or (ii) the 20-day VWAP prior to the date of the announcement, whichever is the lower.
- Third Subordinated Loan Tranche: In addition, and in tandem with the Second Equity Tranche, CCM has provided an in-principle commitment to provide, at its discretion, a 10-year subordinated, secured loan facility of up to US$20.0 million that shall bear an interest rate of 6-Month LIBOR plus a margin of 8%.

On April 29, 2016 the Company announced that it has entered into a loan agreement (the "Loan Agreement") with the EBRD for an investment of US$5.0 million in respect of funding of the ongoing pre-development of the Ilovica Project in Macedonia. Euromax also announced that it has also entered into definitive transaction documentation for a convertible loan of C$5.2 million, as the first tranche of an investment of up to US$30.0 million and a strategic alliance with CCM which is related to CCC, as previously announced on April 8, 2016.

Under the Loan Agreement, the EBRD has agreed, subject to receipt of written shareholder consent (see below) that it will lend US$5 million (the "Principal Amount") in a form of a convertible loan (the "EBRD Convertible Loan"). The EBRD Convertible Loan has a stated maturity of April 30, 2018 or, if earlier, an equity raise of an agreed amount. Upon maturity of the EBRD Convertible Loan, in addition to repayment of the Principal Amount, Euromax will be required to pay an amount of approximately US$1.4 million (the "Redemption Amount"). The EBRD Convertible Loan also contains provisions whereby, in the event that the Company has not secured sufficient financing commitments for the construction and development of the Ilovica Project by December 31, 2016, a fee of US$0.15 million (the "Fee") will become payable and interest will accrue on the loan from January 1, 2017 until maturity at an annual rate of 3 month LIBOR plus 7% per annum (the "Interest").

The EBRD Convertible Loan will be convertible in whole or in part at any time following disbursement, at the election of the EBRD; the Principal Amount will be convertible at C$0.40 per share whereas the Redemption Amount, as well as, if applicable, the Fee and Interest, will be convertible at the lower of (i) the market price of the common shares of the Company on the last day prior to the EBRD serving a conversion notice; and (ii) the 20-day volume weighted average price of the common shares preceding such date, in each case discounted as permitted by the TSXV. Conversion of any part of the Principal Amount, the Redemption Amount, the Interest and the Fee will always remain at the EBRD's full discretion subject to the above provisions.

Disbursement of the EBRD Convertible Loan is conditional on, amongst other things, receipt of written shareholder consent by no later than June 30, 2016 from the holders of at least 50% of the outstanding common shares of the Company, other than those common shares held by EBRD, of the terms of the Loan Agreement, and for the EBRD to become a "control person" (as defined under the rules of the TSXV).