

Euromax Announces Ilovica Feasibility Study Results

Euromax Resources Ltd. Vancouver, 6th January 2016 (TSX-V: EOX): (“Euromax” or the “Company”) is pleased to announce the results of the Feasibility Study (“FS”), for its 100% owned Ilovica gold-copper porphyry project in Macedonia (the “Project”).

The FS supports the economic robustness of the Project previously indicated by the Pre-Feasibility Study and, through the optimization of the processing flow sheet and a more precise level of costing, demonstrates significant reductions in both capex and operating costs, and a consequential increase in the IRR.

FS Highlights:

Financial

- Pre-tax NPV^(5%) of USD 513.0 million and Post-tax NPV^(5%) of USD 440.1 million*
 - Pre-tax IRR of 19.8% and Post-tax IRR of 17.8%
 - Initial Capex USD474.3 million including contingency
 - World Gold Council defined Adjusted Operating Cash Costs of USD 200/oz and All-In Costs of USD 372/oz**
- * (Based on Analyst Consensus Long Term Price Forecasts of USD1,220/oz Au and USD2.90/lb Cu)

Reserves & Resources

- Total Measured and Indicated Resources of 256.8 million tonnes sulphide material containing:
 - 2.6 million ounces of gold at an average grade of 0.32 g/t Au
 - 1,208 million pounds (548 thousand tonnes) of copper at an average grade of 0.21% Cu
- Total Proven & Probable Mineral Reserve of 198.1 million tonnes containing:
 - 2.01 million ounces of gold at an average grade of 0.32 g/t Au
 - 898.9 million pounds (408 thousand tonnes) of copper at an average grade of 0.21% Cu

Operational

- Average annual payable production of 83,000 oz of gold and 16,000 tonnes of copper
- Throughput of 10 million tonnes per annum and mine life of 20 years
- Conventional open pit with strip ratio of 1:1
- Process comprises flotation to a copper-gold concentrate and doré production via Carbon-in-Leach (“CIL”) on cleaner-scavenger tailings
- Average overall process recoveries of 83.3% gold and 81.3% copper

The FS further develops and increases the level of engineering for the Project from the Pre-Feasibility Study announced on June 5th 2014 and as per the Amended Technical Report filed on SEDAR on 22nd December 2014, (the “PFS”). The results of the FS also provide for an updated Reserve estimate. A detailed breakdown and discussion of the FS results can be found in the Appendix and an independent NI 43-101 compliant technical report will be filed on SEDAR and the Company’s website within 45 days of this announcement.

The FS was produced by the following experts who worked with the Company’s technical team:

- Amec Foster Wheeler – Processing Plant & Infrastructure and overall report coordination
- Tetra Tech – Geology & Resources
- DMT – Mining
- Golder Associates – Environment; Tailings in association with the Faculty of Civil Engineering from St. Cyril and Methodius University of Skopje
- Schlumberger Water Services – Hydrology & Hydrogeology, Water

Project Advancement

With the completion of the FS the Company is well positioned to continue the development through to construction of Ilovica, which is targeted for the 3rd quarter of 2016. The Front-End Engineering and Design (“FEED”) work has already been initiated with Amec Foster Wheeler. As well as advancement of long-lead and critical path elements of the project engineering, the FEED will include value engineering aimed at further optimising the project in parallel with the appointment of an EPC contractor during the period up to construction. Work is continuing on the updated Environmental and Social Impact Study (“ESIA”); the national Environmental Impact Study, which has already been approved, is being expanded to include EBRD Performance Requirements and Equator Principle compliance. In parallel, the Company is working on the Main Mining Project, which is the final submission required under the Macedonian Minerals Law to obtain the construction permit.

Euromax has begun the process of hiring the key personnel required to oversee construction of Ilovica with Alan Baker recently appointed Vice President, Project & Construction Manager.

Financing

On 3rd November, Euromax agreed and signed a Second Amendment to the Gold Purchase and Sale Agreement with Royal Gold. The signing of the Second Amendment allowed the further drawdown of USD 3.75 million from Royal Gold under the Gold Purchase and Sale Agreement in during November. The Second Amendment has been filed on SEDAR. The Company expects to draw the remaining USD 3.75 million of the second tranche under the Gold Purchase and Sale Agreement from Royal Gold on satisfaction of the conditions in the Second Amendment during the first quarter of 2016.

Euromax has made significant progress towards on the Project Financing announced on 1st May 2015. Société Générale S.A. and UniCredit Bank AG the Mandated Lead Arrangers for the USD 215 million Senior Secured Project Finance Facility and their consultants completed their site visits in October 2015. They are in the process of completing their technical, environmental and social due diligence reports, incorporating the results from the FS. On 8th December 2015, Euromax signed an offtake term sheet with Aurubis, which was a key condition to the UFK in-principle eligibility secured in May 2015. Management views UFK eligibility as an important step in securing the financing for the project as it allows Euromax to secure very attractive terms on the Project Finance Facility. The FS incorporates the terms agreed with Aurubis. In addition, a term sheet has been signed with Caterpillar Financial for a USD 25 million equipment financing facility.

Commenting on the results of the FS, Pat Forward, Chief Operating Officer, said: *“Following a year of intense work on site and with our various partners in the study, we are delighted that Ilovica still highlights a robust project. We have been able to achieve all the main aims of the study including an improvement in Mineral Resource and Reserve classification, refinement of the flow sheet, estimation of costs to +/- 10% and an improved level of engineering. Both capital and operating costs have been optimised in the new study, which provides an excellent basis for the project implementation.”*

Commenting on the results of the FS, Steve Sharpe, President & CEO, said: *“The Feasibility Study results support the economic viability of the Ilovica Project. As most new and expansion projects around the World are mothballed in response to the recent downturn in commodity prices, we believe that this is an ideal time for building, so as to exploit the supply shortages that will likely occur. We believe that not only are we well positioned to benefit from any improvement in commodity prices, but with cash operating costs now reduced to the USD 200/oz level we are equally well equipped to withstand any sustained weakness in commodity markets, whilst remaining cash flow positive. With a 20-year mine life, this is an important project for Macedonia which could enhance the economic profile of the country. The overwhelming support that we continue to receive from all stakeholders allows us to move confidently towards our stated goal of starting construction later this year.”*

Qualified Person

Mr Patrick Forward, FIMMM, a Qualified Person under National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators and COO of the Company, reviewed and approved the scientific or technical disclosure in this release and has verified the data included.

About Euromax Resources Ltd.

Euromax has a major development project in Macedonia and an exploration services company in Bulgaria. We are focused on building and operating the Ilovica copper/gold project in Macedonia, as well profitably deploying the wealth of exploration experience within our Bulgarian Exploration Services subsidiary.

Notes:

****Adjusted Operating Cash Costs and All-In Costs as defined by the World Gold Council, which assumes copper as a by-product and includes USD1.8M corporate G&A per annum.**

This news release contains forward-looking statements including but not limited to statements regarding a maiden reserve estimate; the completion of a Feasibility Study including statements about the projected IRR, NPV and future capital and operating costs,, the projected revenues from sales, the estimation of mineral reserve and resources statements, the market and future price of commodities and securing of finance for its Ilovica project, including in respect of either Phase 1 or Phase 2. In making the forward-looking statements in this release, the Company has applied certain factors and assumptions that are based on information currently available to the Company as well as the Company's current beliefs and assumptions made by the Company, including with respect to mineral resource estimates, that the key assumptions and parameters on which such geological interpretations are based are reasonable, that the Company will be able to obtain the necessary supplies, equipment, personnel and any financing required to carry out its planned activities, that the Company will draw down the balance of the second tranche under the Gold Purchase and Sale Agreement during the first quarter of 2016, that the Company's objectives concerning the Ilovica project can be achieved and that the Company's activities will proceed as expected.

Although the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Such risk factors may include, among others, that that mineral resources are not as estimated, unexpected variations in mineral resources, grade or recovery rates, actual results of exploration activities will be different than anticipated, data and assumptions underlying the geological interpretations may prove to be inaccurate, incomplete or to have been incorrectly interpreted, that the Company will not be able to obtain the necessary supplies, equipment, personnel and any financing required to carry out its planned activities. Readers are also encouraged to review all Company documents filed with the securities authorities in Canada, including the Management Discussion and Analysis in respect of the Company's recent financial statements under the heading "Operational and Other Business Risks", which documents describe material factors and assumptions and risks that apply to the forward looking statements in this release. Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) has reviewed or accepts responsibility for the adequacy or accuracy of this release.

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APPENDIX A

Geology & Resources – The Ilovica porphyry system is located in southeast Macedonia, within the tertiary belt associated with the Carpathian arc. The intrusive is about 1.5 km in diameter and comprises a dacite-granodiorite plug, emplaced along the northeastern border of the Strumica graben. Mineralisation is typical porphyry style veining, most intense within the potassic zone. The mineralisation shows good continuity and homogeneity that lends itself well to bulk-mining methods as outlined in the PFS and confirmed in the FS.

A total of 130 holes have been drilled over 10 campaigns between 2004 and July 2015. Of the 130 holes, 20 were drilled for geotechnical investigation, 15 were drilled for hydrogeological investigation, and 95 were drilled for mineral resource determination. In total, 42,032 m have been drilled.

The current pit-constrained Mineral Resources for the property, can be summarised as follows:

Mineral Resource (Effective 5 January 2016)

Classification	Tonnage (Kt)	Grade		Contained Metal	
		Au (g/t)	Cu (%)	Au (Koz)	Cu (Klb)
Sulphide (based upon a dollar equivalent cut-off of USD16/t.)					
Measured	147,100	0.31	0.23	1,500	729,500
Indicated	109,700	0.33	0.20	1,100	479,000
Total M+I	256,800	0.32	0.21	2,600	1,208,500
Oxide (based upon a dollar equivalent cut-off of USD8/t.)					
Measured	12,500	0.41	-	160	-
Indicated	9,600	0.37	-	110	-
Total M+I	22,100	0.39	-	280	-

Notes:

- Dollar equivalent cut-off based upon the following calculation Dollar Eq. = (Au * recovery * price) + (Cu * recovery * price), using the following inputs:
 - Au process recovery in oxide 74%
 - Cu process recovery in oxide 0%
 - Cu process recovery in fresh 84%
 - Au process recovery in fresh 88%
 - Spot metal prices (Au = USD1,250/oz, Cu = USD3.00/lb)
- Resource cut-off of USD16 used for sulphide material
- Resource cut-off of USD8 used for oxide material
- Numbers may not add exactly due to rounding
- Recoveries are based on those quoted by Euromax in the PFS.
- Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. The mineral resources in this news release were estimated using current Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") standards, definitions and guidelines.**

Mining & Reserves – The mining method will use conventional drilling and blasting together with shovel and trucks supported by a fleet of ancillary equipment. The main mining fleet will comprise two hydraulic 16.5 m³ shovels with a fleet of 90t nominal payload rigid dump trucks, 9 trucks during pre-strip at the start of operations and 19 trucks at its peak. Maximum material movement is some 22.5 million tonnes per annum. The mine schedule will provide 10 million tonnes of Sulphide ore per year to the plant. A primary gyratory in pit crusher will feed a conveyor running from the pit to the processing plant

With the completion of the FS, the Company is pleased to announce new Mineral Reserves for the project, which are summarised in the table below:

Mineral Reserve (Effective January 2016)

Reserves				
Description	Units	Proven	Probable	Total
Sulphide Ore	Mt	112.6	85.5	198.1
Waste	Mt			199.9
Total	Mt			398.0
Strip Ratio	t : t			1.10
Gold Grade	g/t			0.315
Gold Content	Moz			2.01
Copper Grade	%			0.206
Copper Content	Mlbs			898.9

Notes:

The sulphide ore reserves are based on a 0.22 g/t Au and 0.17% Cu cut-off, 96% mining recovery, 4.4% dilution on tonnage, 1.9% dilution of Au grade and 0.9% dilution of Cu grade. Oxide ore is not included and is considered waste for the purposes of pit optimisation. The mineral reserves in this news release were estimated using current Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) standards, definitions and guidelines.

Processing – Ore will be milled by SAG and Ball mills and then processed by a concentrator using conventional flotation to produce a copper-gold concentrate with the cleaner-scavenger tailings being re-treated via a CIL to recover further gold doré on site. The modified flow sheet, as compared to the PFS, has led to a modest reduction in recoveries but this is more than offset by reductions in capital and operating costs. The remainder of tailings are sent straight to the tailings management facility. Test work conducted by SGS Mineral Services in the UK has confirmed an overall process recovery of 83.3% for gold and 81.3% for copper and the terms used in FS study is based the terms agreed in the Aurubis term sheet and on shipping concentrate by truck to the Pirdop smelter in Bulgaria.

Tailings – Waste rock from the open pit will be used to construct the tailings embankment. The dam will then be raised over the mine life using the down-stream construction approach to safeguard the long term integrity of the facility. The plant site is situated above the tailings facility and thickeners will be utilised to produce a thickened tailings to be pumped to the facility below. A minimum operational freeboard of 2.0m has been adopted to comply with International Commission on Large Dams (ICOLD). Starter wall embankment and future wall raises will be constructed from rockfill from the open pit waste rock. Tailings will be deposited into TMF from various discharge points – a western pipe line will discharge from the dam crest and an eastern line will deposit tailings from the side hill on east side of the facility.

Infrastructure – A site plan has been developed covering haul roads, workshops, access roads from the National Highway, water management systems and power infrastructure from existing substations have been developed for the project using rates based on quotations supplied by Macedonian and other European contractors, following enquiries using bills of quantities from designs by Amec Foster Wheeler.

Capital Costs – The capital cost estimate is +/-10% and includes engineering, procurement, construction, start-up and cold commissioning. Provision is also made for owner’s costs. The base date for pricing is September 2015. The estimate covers the direct field costs of executing the project, the indirect costs associated with the design, construction and commissioning plus support costs for items such as management teams, operational staff, environmental, permitting, insurance and utilities such as water supply, bulk power and construction power:

Capital Cost Summary

Description	Total Project Cost (USD M)	Growth and Project Risk (USD M)	Contingency (USD M)	Total (USD M)
Process Plant and Infrastructure	315.70	9.21	18.63	343.54
TMF	42.94	1.25	2.53	46.72
Mining	75.27	2.89	5.85	84.01
Total	433.91	13.35	27.01	474.27

Operating Costs – Operating costs were derived from quotations for fuel, power, consumables and reagents from suppliers in Macedonia and internationally. Labour costs were developed based on local and expatriate salaries currently being employed as well as in consultation with recruitment specialists Stratum International. The Operating Costs estimate is included in the table below:

Operating Cost Summary

Cost Centre	Total Sulphide Ore		Fixed Cost	Variable Cost	
	USD M/Year	USD/t	USD/Year	USD/Year	USD/t
Mining (average - including labour)	35.36	3.53	8.38	26.99	2.70
Labour	8.80	0.88	8.80	-	-
Reagents	17.59	1.76	0.35	17.24	1.73
Operating Consumables	10.82	1.08	0.89	9.93	0.99
Power	22.93	2.29	0.16	22.77	2.28
Maintenance Materials	6.51	0.65	5.86	0.65	0.07
Mobile Equipment	0.14	0.01	0.14	-	-
Laboratory	0.47	0.04	0.47	-	-
Sub Total	102.62	10.26	25.04	77.58	7.76
General & Administration	3.76	0.37	3.76	-	-
Sub Total	3.76	0.37	3.76	-	-
Total Sulphide Ore	106.37	10.64	28.79	77.58	7.76

Financial Analysis – The FS demonstrates a robust NPV at a 5% discount of USD 513.0 million with an IRR of 19.8% before tax and an after tax NPV at a 5% discount of USD440 million and after tax IRR 17.8%. The following table illustrates the sensitivity to changes to the calculated IRR and NPV at 0%, 5% and 10% discount rates at various gold and copper prices. No assurance or guarantee is provided that the calculated IRR or NPV values will be achieved.

NPV and IRR sensitivity to metal prices

Gold (USD/oz)	Copper (USD/lb)	NPV @ 0% discount (USD m)		NPV @ 5% discount (USD m)		NPV @ 10% discount (USD m)		IRR (%)	
		Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax	Pre-tax	Post-tax
1,100	2.50	473.9	411.8	221.3	174.4	61.3	24.6	12.7%	11.1%
1,220	2.90	939.1	838.7	513.0	440.1	260.5	205.2	19.8%	17.8%
1,400	3.50	1,636.8	1,468.7	950.5	834.5	559.3	474.3	28.6%	25.9%

Note: Silver price fixed at USD 18/oz