Euromax
RESOURCES

MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended March 31, 2017

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") of Euromax Resources Ltd. ("Euromax" or "Company") and its subsidiary companies (collectively, "Group") is prepared as of May 15, 2017 and should be read in conjunction with the Group's unaudited condensed consolidated interim financial statements and related notes for the three months ended March 31, 2017 ("Q1-2017") and audited consolidated financial statements and related notes for the year ended December 31, 2016 ("FY16"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The accounting policies applied are consistent with those adopted and disclosed in the previous reporting periods. The Group's functional and reporting currency is the Canadian dollar and all figures in this MD&A are in Canadian dollars unless otherwise indicated.

Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein.

Euromax's common shares are listed on the Toronto Stock Exchange ("TSX") under the trading symbol "EOX", as well as on the OTCQB under the trading symbol "EOXFF". Euromax's share options and warrants are not listed.

CORPORATE STRATEGY

The Group's ambition is to become 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. We will strive to set the standard for developing mines in Europe by using best industry practices at our operations and implementing the highest standard for environmental management and managing health and safety in the work place.

The Group mission is to bring the Ilovica-Shtuka gold-copper project in Macedonia ("Ilovica-Shtuka Project") into production within the next two years (once construction funding has been arranged) and grow the value of our business by maximising the potential of the Ilovica-Shtuka Project as our flagship asset. Delivery of value for our shareholders is key and we intend to pursue a suite of financing alternatives such that we may grow our business without diminishing value for shareholders.

As part of all our activities we will engage with and empower communities to be part of our projects and we will look to create mutually beneficial opportunities for all our stakeholders including local businesses, communities and employees.

Q1-2017 HIGHLIGHTS

Signed Memorandum of Understanding ("MoU") with an Engineering, Procurement and Construction ("EPC") contractor

The Company has agreed to a binding MoU with Ausenco Engineering Canada Inc. ("Ausenco") for further initial detailed engineering and design and a framework to allow Ausenco to proceed through a two-step process to ultimately provide the Company with a Lump Sum Turnkey Price for the construction of the process plant and related infrastructure for the Ilovica-Shtuka Project.

The first step is for Ausenco, on an open book basis, to provide the Company with a Guaranteed Maximum Price ("GMP") based on an agreed scope of work within 90 days of commencing the work to do so. Following the delivery of the GMP, provided only that the GMP is at or below the Ilovica-Shtuka Project's capital expenditure as per the Feasibility Study for the Ilovica-Shtuka Project ("FS"), Ausenco would proceed with the second step in preparing and negotiating with the Company a Lump Sum Turnkey EPC contract for the development of the Ilovica-Shtuka Project, the substantial terms of which are included in the MoU.

As per the MoU, the cost of Ausenco's work to deliver the GMP will be settled through the issuance of Euromax's common shares to Ausenco, at a premium to the common share price immediately prior to delivery and announcement of the GMP. Based on the current market price, the amount of common shares to be issued to Ausenco in connection with the MoU would be less than 5% of those currently issued and outstanding. The commencement of Ausenco's work towards the GMP is contingent upon Euromax independently funding an agreed amount. The proposed issuance of common shares to Ausenco is subject to the final approval of the TSX.

Ilovica-Shtuka Project permitting

Exploitation concessions

During Q1-2017 the merger of both Exploitation Concessions held by the Group, Ilovica 6 and Ilovica 11, was approved by Ministry of Economy and submitted to the Government of the Republic of Macedonia for its ratification.

Q1-2017 HIGHLIGHTS - CONTINUED

Ilovica-Shtuka Project permitting - continued

Environmental and social impact assessments

An Environmental and Social Impact Assessment ("ESIA") produced by Golder Associates under International standards including European Bank for Reconstruction and Development ("EBRD") Performance Requirements and International Finance Corporation ("IFC") Equator Principles was prepared and a final version was released during March 2017. This expands on Macedonian Environmental Impact Assessment Study ("EIA") published last year and will facilitate project financing and meets the requirements of various project stakeholders.

Non-brokered private placement

On March 14, 2017 the Company closed a non-brokered private placement of 3,325,582 common shares at a price of $0.43 per common share to a consortium of investors for gross proceeds of $1.43 million. The Company also issued 166,279 common shares to a third party finder as a commission related to the non-brokered private placement.

Euromax Exploration Services EOOD ("EES")

During Q1-2017, EES delivered exploration services to a client in Serbia, generating revenue of $0.213 million and a gross profit of $0.066 million, which contributed to reducing the Group's cost base.

EES management continues to pursue additional contracts with other mineral exploration companies operating in Europe.

PROJECTS

This section outlines the exploration activities carried out in the quarter ended March 31, 2017. Patrick Forward, Chief Operating Officer, is the Qualified Person responsible for the review of the technical information contained in this section of the Group's MD&A.

Ilovica Project – Macedonia

International ESIA

The ESIA produced by Golder Associates to international standards and requirements was prepared and published on the Company's website during March 2017 (see "Q1-2017 Highlights" section above for further details).

Mine Planning and Contract Mining

Following additional mine plan work completed in 2016, aimed at achieving a mine schedule with the required detail to start planning of operations, the Company initiated a Contract Mining tender process in November 2016. The tender process was aimed at covering the first seven years of mine life (i.e. a two-year construction and pre-strip period plus five years of operation).

As a result of this tender process, the Company has received indicative offers from three international companies for the provision of Contract Mining Services. The Company is currently evaluating these bids, seeking clarifications and assessing the economic impact. However, the average cost per tonne mined of material during production from the bids received is US$1.79/t of material moved with capex of approximately US$58.5 million (including pre-strip costs), compared to the FS, which indicated US$1.62/t and capex of US$100.7 million (including pre-strip costs) over the same period.

EPC

The Company has agreed to a binding MoU with Ausenco for further initial detailed engineering and design and a framework to allow Ausenco to proceed through a two-step process to ultimately provide the Company with a Lump Sum Turnkey Price for the construction of the process plant and related infrastructure for the Ilovica-Shtuka Project.

Refer to "Q1-2017 Highlights" section above for further details.

PROJECTS - CONTINUED

Ilovica Project – Macedonia - continued

Permitting

Two key milestones have been achieved towards the granting of the exploitation permit. The first is the merger of the Group's two exploitation concessions, Ilovica 6 and Ilovica 11 (over which the Ilovica-Shtuka Project footprint extends), that has been approved by the Ministry of Economy and submitted to the Government of the Republic of Macedonia for ratification.

The second milestone is the approval of the Strategic Environmental Impact Assessment by the Ministry of Environment and Physical Planning within the process of the urbanisation of the mine footprint.

SELECTED INTERIM FINANCIAL INFORMATION FOR Q1-2017

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

Quarter ended	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Total revenue	213	1,720	2,336	1,321	96	1,066	2,360	1,285
Net profit/(loss) after tax attributable to the Owners of the Company	3,617	(7,069)	(6,259)	(2,282)	(2,923)	(1,894)	(2,191)	(2,678)
Basic earnings/(loss) per share	0.03	(0.06)	(0.05)	(0.02)	(0.03)	(0.02)	(0.02)	(0.02)
Diluted earnings/(loss) per share	0.01	(0.06)	(0.05)	(0.02)	(0.03)	(0.02)	(0.02)	(0.02)

All figures presented above are prepared in accordance with IFRS, and the accounting policies were applied on a consistent basis for all presented periods.

All revenue is generated in the Exploration Services operating segment from the provision of exploration services performed by EES which is seasonally weighted to the second, third and fourth quarters of each calendar year.

The Group's primary focus is the exploration and development of mineral right interests and its principal project is the Ilovica-Shtuka Project. The Ilovica-Shtuka Project is not in production and therefore the Group has incurred losses and will continue to incur losses until the Ilovica-Shtuka Project is brought into commercial production.

The loss in quarter ended September 30, 2015 ("Q3-2015") included an impairment charge on the Group's project in Serbia, as an option to sell the Company's Serbian subsidiary (South Danube Metals d.o.o. Beograd or "SDM") was agreed, whilst, the loss in the quarter ended September 30, 2016 ("Q3-2016") included the loss on disposal of SDM, largely owing to recycling of currency translation reserve losses to the income statement.

In Q3-2016 and quarter ended December 31, 2016 ("Q4-2016") fair value losses were incurred on the convertible loan from EBRD ("EBRD convertible loan"), owing to the appreciation of the Company's common share price. Conversely, owing to the depreciation of the Company's common share price in Q1-2017, a fair value gain was recognised on the EBRD convertible loan. The basis for fair value measurement is explained further in "Critical Accounting Estimates" section.

RESULTS OF OPERATIONS

KEY POINTS

- *Q1-2017 operating profit of $1.448 million (quarter ended March 31, 2016 ("Q1-2016"): operating loss of $2.921 million)*
- *Q1-2017 operating cash costs[1] (operating profit/(loss) excluding depreciation, amortisation, share-based payments and unrealised foreign exchange gain) slightly decreased to $1.067 million (Q1-2016: $1.217 million)*
- *Q1-2017 profit after tax attributable to the Owners of the Company of $3.617 million (Q1-2016: loss after tax of $2.923 million)*

[1] Non-GAAP Measure. Please refer to page 7 for further details.

RESULTS OF OPERATIONS - CONTINUED

	Quarter ended March 31	
in thousands $	**2017 (Unaudited)**	2016 (Unaudited)
Revenue	**213**	96
Direct costs	**(147)**	(80)
Gross profit	**66**	16
Expenses		
Accounting, legal and professional	**(167)**	(284)
Depreciation	**(49)**	(52)
Amortisation	**(2)**	(3)
Office and general	**(111)**	(120)
Regulatory, filing and transfer agent	**(48)**	(14)
Rent	**(85)**	(90)
Salaries, director and consultant fees	**(576)**	(535)
Share-based payments recovery/(expense)	**2,227**	(2,284)
Investor and public relations	**(74)**	(56)
Travel	**(82)**	(121)
Exploration and evaluation costs	**(3)**	(5)
Gain on foreign exchange	**352**	627
Operating profit/(loss)	**1,448**	(2,921)
Finance income	**-**	13
Finance expense	**(662)**	(5)
Fair value gain on financial liabilities	**2,826**	-
Net finance income	**2,164**	8
Other income	**7**	-
Profit/(loss) before tax	**3,619**	(2,913)
Income tax expense	**(2)**	(13)
Profit/(loss) after tax	**3,617**	(2,926)
Profit/(loss) attributable to:		
Owners of the Company	**3,617**	(2,923)
Non-controlling interest	**-**	(3)

DETAILED ANALYSIS OF THE QUARTER ENDED MARCH 31, 2017 COMPARED TO QUARTER ENDED MARCH 31, 2016

The Group recorded a net profit after tax attributable to the Owners of the Company of $3.617 million or undiluted $0.03 per share undiluted in the quarter ended March 31, 2017, compared to a net loss of $2.923 million or $0.03 per share in the quarter ended March 31, 2016.

The Q1-2017 profit compared to the Q1-2016 loss was mainly due to the following:

- A fair value gain of $2.826 million on the EBRD convertible loan, closed on May 24, 2016, arose from a reduction in the fair value of the EBRD convertible loan since December 31, 2016 principally caused by the Company's common share price falling and as illustrated in the reconciliation below. The basis for fair value measurement is explained in "Critical Accounting Estimates" section;

EBRD convertible loan	**2017**
	$000s
Carrying amount at January 1	**11,187**
Adjustments recorded during the period:	
Accrued interest	**367**
Fair value adjustment	**(2,826)**
Foreign exchange movements	**(79)**
Carrying amount at March 31	**8,649**

RESULTS OF OPERATIONS - CONTINUED

DETAILED ANALYSIS OF THE QUARTER ENDED MARCH 31, 2017 COMPARED TO QUARTER ENDED MARCH 31, 2016 - CONTINUED

- A share-based payments recovery of $2.227 million in Q1-2017 compared to an expense of $2.284 million in Q1-2016 was owing to a decrease in the Company's share price during Q1-2017. As explained in prior periods, the Company's Deferred Phantom Units ("DPUs") are marked-to-market at the Company's period-end common share price, so a fall in the common share price results in a fall in the Group's share-based payment liabilities and a credit to the income statement;
- A decrease in accounting, legal and professional fees of $0.117 million reflected tight cost control during Q1-2017, whilst additional equity funding is being arranged.

Offset by:

- Finance expenses increased by $0.657 million as result of accrued interest in Q1-2017 on two convertible loans, both closed during May 2016 (refer to Note 9 of the Group's unaudited condensed consolidated interim financial statements and related notes for Q1-2017);
- A decrease in the Group's gain on foreign exchange of $0.275 million was mainly due to the reduced volatility of Canadian Dollar and Euro against the US Dollar and British Pound in Q1-2017 compare to Q1-2016.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2017 the Group had cash and cash equivalents of $0.656 million, trade and other receivables of $0.223 million and other current assets of $0.198 million. However, the Group had gold purchase advance payments totalling $14.990 million, share-based payment liabilities amounting to $6.336 million and trade and other payables of $2.081 million, meaning that the Group had a net working capital deficiency of $22.330 million.

The two key contributors to the Group's working capital deficiency position at March 31, 2017 are the gold purchase advance payments received from Royal Gold, AG ("Royal Gold") and share-based payment liabilities owing to the Group's directors and officers in lieu of fees and bonus payments.

Firstly, the Royal Gold advance payments are classified within current liabilities because Royal Gold has the contractual capacity to issue a termination notice that may require the Group to repay the outstanding advance payments within 60 days of receiving such notice. Refer to Note 10 of the Group's unaudited condensed consolidated interim financial statements and related notes for Q1-2017. As at the date of this MD&A, no termination notices have been received by the Group.

Secondly, the share-based payment liabilities are also classified within current liabilities as in the event a director or officer of the Company leaves the Group, a cash payment in respect of all vested DPUs will be required with 90 days of such an event under the terms of the Group's Deferred Phantom Unit Plan. Refer to Note 11(c) of the Group's unaudited condensed consolidated interim financial statements and related notes for Q1-2017. As at the date of this MD&A, no director or officer has given notice of their intention to leave the Group.

Notwithstanding these above paragraphs, the Group's trade and other payables balance at period-end is in excess of the period-end cash position of the Group. To address this deficiency, management is planning to raise additional equity funding.

At March 31, 2017 the Group had non-current financial liabilities of $13.490 million, composed of the EBRD convertible loan ($8.649 million) and a convertible debenture with CC Ilovitza (CCI convertible loan) ($4.841 million), both maturing on April 30, 2018.

As the Group is in the exploration and evaluation stage of the mining life cycle, it has only limited sources of operating cash flow generated from its Exploration Services operating segment in Bulgaria. The Group's ability to continue operations is contingent on its ability to obtain additional financing and progress the Ilovica-Shtuka Project into commercial production. Refer to Note 3 of the Group's unaudited condensed consolidated interim financial statements and related notes for Q1-2017.

LIQUIDITY AND CAPITAL RESOURCES - CONTINUED

Operating Activities

	Quarter ended March 31	
	2017	2016
in thousands $	**(Unaudited)**	(Unaudited)
OPERATING ACTIVITIES		
Profit/(loss) before tax	**3,619**	(2,913)
Add back:		
Depreciation	**49**	52
Amortisation	**2**	3
Finance income	**-**	(13)
Finance expense	**662**	5
Share-based payments (recovery)/expense	**(2,227)**	2,284
Unrealised foreign exchange gain	**(339)**	(635)
Fair value gain on financial liabilities	**(2,826)**	-
Sub-total	**(1,060)**	(1,217)
Changes in non-cash working capital items:		
Decrease in trade and other receivables and prepayments and deposits	**18**	749
Increase/(decrease) in trade and other payables	**336**	(395)
Income tax paid	**(6)**	-
Cash used in operating activities	**(712)**	(863)

Cash used in operations during Q1-2017 was $0.712 million compared to $0.863 million in Q1-2016. This $0.151 million reduction in cash used is due to decreased cash payments from operating activities as explained in "Results of Operations" section above in Q1-2017 as the Group managed its cash and commitments before completing a further equity financing.

Financing Activities

	Quarter ended March 31	
	2017	2016
in thousands $	**(Unaudited)**	(Unaudited)
FINANCING ACTIVITIES		
Proceeds from share issue	**1,430**	-
Share issue costs	**(9)**	-
Interest paid	**(5)**	(5)
Cash provided by/(used in) financing activities	**1,416**	(5)

During Q1-2017 the Group closed a non-brokered private placement and issued 3,325,582 common shares at a price of $0.43 per common share to a consortium of investors for total proceeds of $1.430 million, which was offset by share issue costs of $0.009 million and interest paid of $0.005 million.

Investing Activities

	Quarter ended March 31	
	2017	2016
in thousands $	**(Unaudited)**	(Unaudited)
INVESTING ACTIVITIES		
Expenditures on unproven mineral right interests	**(1,074)**	(1,768)
Purchases of property, plant and equipment and intangible assets	**(4)**	(10)
Proceeds from restricted cash deposits	**-**	73
Interest received	-	13
Cash used in investing activities	**(1,078)**	(1,692)

In Q1-2017, the Group used cash of $1.078 million in investing activities, including $1.074 million of capital expenditures on unproven mineral right interests on the Ilovica-Shtuka Project and purchases of property, plant and equipment and intangible assets of $0.004 million.

LIQUIDITY AND CAPITAL RESOURCES - CONTINUED

Investing Activities - continued

Cash used in investing activities in Q1-2016 amounted to $1.692 million which includes $1.768 million of capital expenditures on unproven mineral right interests, predominately on the Ilovica-Shtuka Project, and purchases of property, plant and equipment and intangible assets of $0.010 million. This was offset by the release of restricted cash of $0.073 million and $0.013 million for the interest received during Q1-2016.

The table below summarises the expenditures incurred on the Group's key projects during Q1-2017 and Q1-2016.

	Macedonia *Ilovica*	Serbia *KMC*	Total
	$000s	$000s	$000s
Balance, January 1, 2016	27,901	673	28,574
Exploration expenditures:			
Assays and analysis	142	7	149
Drilling	174	-	174
Geophysical contractors	-	2	2
Feasibility costs	962	-	962
Social & environmental costs	225	-	225
Other	248	-	248
	29,652	682	30,334
Other items:			
Exchange differences	(796)	(26)	(822)
Balance, March 31, 2016	28,856	656	29,512
Balance, January 1, 2017	**34,464**	**-**	**34,464**
Exploration expenditures:			
Feasibility costs	**560**	**-**	**560**
Social & environmental studies	**41**	**-**	**41**
Other	**75**	**-**	**75**
	35,140	**-**	**35,140**
Other items:			
Exchange differences	**279**	**-**	**279**
Balance, March 31, 2017	**35,419**	**-**	**35,419**

NON-GAAP MEASURES

The Company has included a non-GAAP performance measure, namely operating cash costs, in this document. Mineral exploration companies are reliant on continuously sourcing funding until commercial production is reached and hence minimising cash outflows from administrative costs is a key objective. In addition to conventional measures prepared in accordance with GAAP, the Company and certain investors use this information to evaluate the Company's cash-burn rate. This non-GAAP measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

The following table provides a reconciliation of the operating cash costs for the quarters ended March 31, 2017 and 2016.

	Quarter ended March 31	
in thousands $	**2017**	2016
Operating profit/(loss) - per financial statements	**1,448**	(2,921)
Add/(Less):		
Share-based payments (recovery)/expense	**(2,227)**	2,284
Depreciation	**49**	52
Amortisation	**2**	3
Unrealised foreign exchange gain	**(339)**	(635)
Total Operating cash costs	**(1,067)**	(1,217)

RELATED PARTY TRANSACTIONS

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

(a) Key management personnel transactions

The Group's only related party is Trentside Projects Limited, a private company controlled by the Group's Vice President, Project & Construction Manager. Since July 2015, the Group has contracted Trentside Projects Limited to provide project management services on the Ilovica-Shtuka Project in Macedonia for an agreed annual fee, paid in monthly instalments. The contracted annual fee was set based on advice from third party human resource consultants as being a fair market price for such services.

The Group incurred the following fees and expenses in the normal course of operations in connection with Trentside Projects Limited. Expenses incurred by Trentside Projects Limited are reimbursed by the Group at their original cost.

	Three months ended March 31,	
	2017	2016
	$000s	$000s
Project management fees	**75**	81
	75	81

At March 31, 2017, the Group owed Trentside Projects Limited $ 0.026 million (December 31, 2016: $0.025 million) for services rendered in March 2017.

(b) Key management personnel compensation

The remuneration of directors and other members of key management personnel during the quarters ended March 31, 2017 and 2016 was as follows:

	Note	Three months ended March 31, 2017	2016
		$000s	$000s
Short-term employee benefits		**368**	422
Post-employment benefits	(i)	**22**	27
Share-based payments (recovery)/expense	(ii)	**(2,227)**	2,284
		(1,837)	2,733

(i) Executive directors and some key management personnel receive pension contributions ranging from 5% to 10% of their salary to their individual pension plans;

(ii) Share-based payments relate to vesting of share options, Restricted Share Units ("RSUs") and DPUs granted to directors and key management personnel in current and prior periods.

COMMITMENTS FOR CAPITAL EXPENDITURES

The Group had the following future contractual obligations as at March 31, 2017:

	up to 1 year	1-5 years	Over 5 years	Total
	$000s	$000s	$000s	**$000s**
Operating lease obligations	208	43	-	**251**
Total contractual obligations	**208**	**43**	**-**	**251**

CRITICAL ACCOUNTING ESTIMATES

The Group's significant accounting policies are summarised in Note 3 of its audited consolidated financial statements for FY16. The preparation of consolidated financial statements in accordance with IFRS as issued by the IASB which requires management to select accounting policies and make estimates that may have a significant impact on the consolidated financial statements.

The Group regularly reviews its estimates; however, actual amounts could differ from the estimates used and, accordingly, materially affect the results of operations.

CRITICAL ACCOUNTING ESTIMATES - CONTINUED

The Group's significant estimates include:

- *Carrying values 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.

- *Valuation of share-based payment arrangements*

  The Group measures the cost of share-based payment arrangements with employees and consultants 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 arrangements 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 and share purchase warrants 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.

- Measurement of EBRD convertible loan

  The fair value of the EBRD convertible loan is calculated via an internally prepared model that separately values the loan amount (on a discounted cash flow basis) and the conversion option using a Black-Scholes option pricing model.

  To value the EBRD convertible loan, management prepared a model using market observable information assumptions both available generally and specific to the EBRD convertible loan agreement which is filed on SEDAR. These assumptions, of which the most significant is the Company's share price, have been applied consistently to two scenarios based on management's future financing plans.

  A probability weighting has been applied to each scenario using management's best estimate of the likelihood of each scenario occurring. This probability weighting is categorised as a level 3 non-market observable assumption under IFRS 13 and hence results in the EBRD convertible loan valuation being a level 3 valuation.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES

The following risk factors, as well as risks not currently known to the Group, could materially adversely affect the Group's future business, operations and financial position and could cause them to differ materially from the estimates described in the forward-looking statements and information contained herein. The risks set out below include those that are widespread and associated with any form of business and those that are specific risks associated with the Group's business and its involvement in the exploration and mining industry generally, and in south-eastern Europe in particular. Shareholders and prospective investors should carefully consider, in light of their own financial circumstance, the factors set out herein.

Dependence on Third Party Financing

The Group currently has no source of operational cash flow. As a result, the Group will continue to depend on third party financing to fund future working capital, capital expenditures, operating and exploration costs and other general corporate requirements. The success and the pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions at that time for junior exploration and development companies to attract significant amounts of debt and/or equity. There can be no assurance that such financing will be available to the Group or, if it is, that it will be offered on acceptable terms. Failure to obtain sufficient financing, as and when required, may result in a delay or indefinite postponement of exploration or development on any or all of the Group's properties.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

Fluctuation of Commodity Prices

The Group's exploration and other mining activities have previously been, and may in the future be, significantly adversely affected by declines in commodity prices, particularly gold and copper. Commodity prices are volatile and are affected by numerous factors beyond the Group's control such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the US Dollars and foreign currencies, global and regional supply and demand, and the political and economic conditions of major mining countries throughout the world.

Any future serious drop in commodity prices or sustained low commodity prices could adversely impact the Group's future revenues, profits and cash flows. In particular, sustained low, or further reductions in, commodity prices could:

- reduce or eliminate the Group's ability to finance the exploration of existing and future mineral projects;
- force the Group to lose its interest in, or to sell, all or some of its properties;
- halt or delay the development of existing or new projects; and
- reduce the value of the Group's securities.

Furthermore, declining or sustained low commodity prices could impact the Group's operations by requiring a reassessment of the feasibility of any existing or new projects. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Carrying Value of Unproven Mineral Right Interests

Based on annual impairment reviews made by management, in the event that the long-term expectation is that the net carrying amount of certain capitalised development and exploration costs will not be recovered, then the carrying amount is written down to the appropriate recoverable amount, with the write-down amount charged to the income statement. These write-downs could occur if: the carrying amounts of the capitalised costs exceed the related undiscounted net cash flows of reserves and/or its fair value less costs to sell; exploration activities have ceased; exploration results are not promising such that exploration will not be planned for the foreseeable future; or insufficient funding is available to complete the development and exploration programme.

Expected future cash flows are inherently uncertain, and could materially change over time. They are significantly affected by reserve and production estimates, together with economic factors such as spot and forward gold and copper prices, discount rates, currency exchange rates, estimates of costs to produce reserves and future capital expenditures. If any of these uncertainties occur either alone or in combination, it could require management to recognise an impairment, which could adversely affect the Group's business, results of operations and financial position.

Dilution

The Group may require additional funds to fund development and exploration programmes and potential acquisitions. The Group cannot predict the size of future issuances of common shares or the issuance of debt instruments or other securities convertible into shares or the effect, if any, that future issuances and sales of the Group's securities will have on the market price of the common shares. If it raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of existing shareholders. Sales of substantial amounts of common shares, or the availability of such common shares for sale, could adversely affect the prevailing market prices for the Group's securities.

Share Price Volatility

In recent years, the world securities markets, including those in Canada, have experienced a high level of price and volume volatility and the market price of securities of many companies, including the Company, have experienced wide fluctuations in price which have not necessarily been related to operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in share price will not occur.

Permitting Requirements

Mining operations require mining and other permits from the government. These permits may not be issued on a timely basis or at all, and such permits, when issued, may be subject to requirements or conditions with which it is burdensome or expensive to comply. Furthermore, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of existing permits, additional permits for any possible future changes to operations, or additional permits associated with new legislation.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

Economic and Political Instability in Emerging Market Jurisdictions

The Group conducted operations in Macedonia and Bulgaria in 2016. There are risks to conducting business in emerging markets. These risks may include, among others, invalidation of governmental orders and permits, uncertain political and economic environments, sovereign risk, war, civil disturbances, arbitrary changes in laws or policies, the failure of foreign parties to honour contractual relations, delays in obtaining or the inability to obtain necessary governmental permits, authorizations and consents, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on exports, instability due to economic under-development, inadequate infrastructure and increased financing costs. In addition, the enforcement by the Group of its legal rights to exploit its properties may not be recognised by any foreign government or by the court system of a foreign country. These risks may limit or disrupt the Group's operations, restrict the movement of funds or result in the deprivation of mining related rights or the taking of property by nationalisation or expropriation without fair compensation.

Specifically in Macedonia, the elections were held in December 2016, however the results of these elections have not resulted in a clear majority for any political party and therefore discussions are ongoing between the political parties in respect of forming a coalition government. It is currently uncertain when a new government will be formed in Macedonia and this may cause delays to the granting of the Exploitation Permit for the Ilovica-Shtuka Project and hence the timing of construction.

Corruption and Bribery

As part of progressing the development of the Ilovica-Shtuka Project in Macedonia, the Group has interactions with many levels of government in Macedonia. In recent years the Government in Macedonia has introduced a law on prevention of corruption and established a State Commission for Prevention of Corruption aimed at reducing bribery or corruption in Macedonia.

Transparency International's annual Corruption Perceptions Index scores and ranks countries according to their perceived levels of public sector corruption on a scale where 0 is a country perceived to be highly corrupt to 100 depicting a country perceived as very clean. For 2016, Macedonia scored 37 ranking it 90 out of 176 countries.

The Group is required to comply with anti-bribery and corruption laws including the Canadian Corruption of Foreign Public Officials Act. Additionally, the Group has contractual commitments to comply with the standards and requirements of the EBRD. The Group has developed and adopted a Code of Business Conduct and Ethics and also an Anti-Corruption and Bribery Policy which are intended to mitigate these risks, and are enforced with the Group's employees, consultants and contractors. The Group makes every effort to ensure the Group's employees, consultants and contractors comply with all applicable laws and if found liable the Group may face significant fines or penalties.

Currency Risk

The Group maintains most of its working capital in US Dollars. The Group currently operates in Macedonia and Bulgaria and its operating costs are incurred in a combination of Macedonian Denars, Bulgarian Levs, Canadian Dollars, British Pounds or Euros. Accordingly, the Group is subject to fluctuations in the rates of currency exchange between these currencies. The Group has not hedged its exposure to currency fluctuations.

Resource Estimates

The mineral resource estimates presented herein are made by Group personnel and independent geologists. These estimates depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance estimates will be accurate. The inclusion of mineral resource estimates should not be regarded as a representation that these amounts can be economically exploited and no assurances can be given that such resource estimates will be converted into reserves. Different experts may provide different interpretations of resource estimates.

Dependence on Key Personnel

The success of the Group and its ability to continue to carry on operations is dependent upon its ability to retain the services of certain key personnel. The loss of their services to the Group may have a material adverse effect on the Group. The Group does not presently have "key person" life insurance for any of its officers.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

Capital and Operating Cost Risks

The Group's forecasts and technical reports are based on a set of assumptions current as at the date of completion of these forecasts and studies. The realised operating and capital costs achieved by the Group may differ substantially owing to factors outside the control of the Group, including currency fluctuations, supply and demand factors for the equipment and supplies, global commodity prices, transport and logistics costs and competition for human resources. Though the Group incorporates a level of contingency in its assumptions, these may not be adequate depending on market conditions.

The mining business is capital intensive and the development, exploration and exploitation of mineral reserves and resources and the acquisition of machinery and equipment require substantial capital expenditure. The Group's Ilivca-Shtuka Project will involve significant capital expenditure to progress.

Further, the Group relies on certain key third-party suppliers and contractors for equipment, raw materials and services used in, and the provision of services necessary for the continuing exploration and development of its projects. As a result, the Group's operations at its sites are subject to a number of risks, some of which are outside of the Group's control, including negotiating agreements with suppliers and contractors on acceptable terms, the inability to replace a supplier or contractor and its equipment, raw materials or services in the event that either party terminates the agreement, interruption of operations or increased costs in the event that a supplier or contractor ceases its business due to insolvency or other unforeseen events and failure of a supplier or contractor to perform under its agreement with the Group. The occurrence of one or more of these risks could have a material adverse effect on the Group's business, results of operations and financial position.

Government Regulation

Mineral businesses are subject to regulation and intervention by governments in such matters as the imposition of specific exploration, drilling and development obligations; environmental protection controls and control over the development and abandonment of resource (including restrictions on production). As well, governments may regulate or intervene with respect to prices, taxes, royalties and the exportation of commodities. Such regulation may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the minerals industries could reduce demand for commodities produced, increase the Group's operating costs and have a material adverse impact on the Group's results of operations and financial position.

Title Matters

The Group periodically confirms the validity of its title to, or contract rights with respect to, each mineral property in which it has a material interest. However, the Group cannot guarantee that title to its properties will not be challenged. The Group's mineral properties could be subject to prior unregistered agreements, transfers or claims, and title could be affected by, among other things, undetected defects. In addition, the Group might be unable to operate its properties as permitted or to enforce its rights with respect thereto.

Operating Hazards and Other Uncertainties

The Group's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- labour disputes and shortages;
- supply and shipping problems and delays;
- shortage of equipment and contractor availability;
- unusual or unexpected geological or operating conditions;
- fire;
- changes in the regulatory environment; and
- natural phenomena such as inclement weather conditions, floods and earthquakes.

These or other occurrences could result in damage to, or destruction of, mineral properties, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Group could also incur liabilities as a result of pollution and other casualties all of which could be very costly and could have a material adverse effect on the Group's financial position and results of operations.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

Health, Safety and Community Relations

The Group's operations are subject to various health and safety laws and regulations that impose various duties on the Group's operations relating to, among other things, worker safety and surrounding communities. These laws and regulations also grant the authorities broad powers to, among other things, close unsafe operations and order corrective action relating to health and safety matters. The costs associated with the compliance of such health and safety laws and regulations may be substantial and any amendments to such laws and regulations, or more stringent implementation thereof, could cause additional expenditure or impose restrictions on, or suspensions of, the Group's operations. The Group has made, and expects to make in the future, significant expenditure to comply with the extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and other special status species, and, to the extent reasonably practicable, create social and economic benefit in the surrounding communities.

As a mining business, the Group may come under pressure in the jurisdictions in which it operates, or will operate in the future, to demonstrate that other stakeholders (including employees, communities surrounding operations and the countries in which they operate) benefit and will continue to benefit from the Group's commercial activities, and/or that the Group operates in a manner that will minimise any potential damage or disruption to the interests of those stakeholders. The Group currently maintains good relations with local communities in the areas in which it operates and has a demonstrable track record of promoting community and social relations activities for the benefit of local communities. However, the Group may face opposition with respect to its current and future development and exploration projects which could materially adversely affect the Group's business, results of operations and financial position.

Further, certain non-governmental organisations ("NGOs"), some of which oppose globalisation and resource development, are often vocal critics of the mining industry and its practices, including the use of hazardous substances in processing activities. Adverse publicity generated by such NGOs or others related to extractive industries generally, or the Group's operations specifically, could have an adverse effect on the Group's reputation and financial position and may impact its relationship with the communities in which it operates. The Group seeks to mitigate this risk by its commitment to operate in a socially responsible manner. However, there can be no guarantee that the Group's efforts in this respect will mitigate this potential risk.

The Group may also be held responsible for the costs of addressing contamination at the site of current or former activities and could be held liable for exposure to hazardous substances. The costs associated with such responsibilities and liabilities may be significant.

Environmental Risks

All phases of the Group's operations are subject to environmental regulation in the various jurisdictions in which it operates. There is no assurance that the Group will have or be able to obtain all necessary environmental approvals, licenses, permits or consents or be in compliance therewith or that notwithstanding its precautions, breaches of environmental laws (whether inadvertent or not) will not occur. The lack of or inability to obtain any such approvals, licences, permits or consents or any breaches of environmental laws, may result in penalties including fines or other sanctions, breach of the conditions of a mining concession or other consent or permit with possible revocation of the concession, consent or permit. In this regard, environmental hazards may exist on the properties in which the Group has an interest which are unknown to the Group at present and which have been caused by previous or existing owners or operators of the properties.

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, won't adversely affect the Group's operations, or its ability to develop its properties economically.

Non-Canadian Assets and Management

While the Company is incorporated under the laws of British Columbia and its registered office is located in Vancouver, the Company also has offices in London, Skopje and Sofia. Furthermore, its officers and directors and substantially all of the assets of the Company are located outside Canada. It may not be possible for holders of securities to effect service of process within Canada upon such officers and directors who reside outside Canada. There may be difficulty in enforcing against the Company's assets and judgments obtained in Canadian courts predicated upon the provisions of applicable Canadian provincial securities legislation may not be recognised or enforceable in jurisdictions where the Company's officers or directors reside or where the Company's assets are located.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

Shortage of qualified skilled labour workers in Macedonia

An increase in worldwide demand for skilled labour may cause unanticipated cost increases and delays in delivery times, thereby impacting operating costs, capital expenditures and production schedules.

Competition

The Group faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious or base metals. The majority of these companies have greater financial resources, operational experience and technical capabilities. As a result, there can be no assurance that the Group will be able to compete successfully against other companies in acquiring new prospecting, development or mining rights.

Insurance Coverage Could Be Insufficient

While the Group maintains insurance to protect against certain risks, the nature of these risks is such that liability could exceed policy limits or could be excluded from coverage. There are also risks against which the Group cannot insure or against which it may elect not to insure. Losses from these events may cause substantial delays and require significant capital outlays, adversely affecting future results of operations and financial position.

Litigation Risks

All industries, including the mining industry, are subject to legal claims. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding could have a material adverse effect on the Group's financial position and results of operations.

Tax Matters

Euromax's tax residency is affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If ever Euromax was assessed to be not tax resident in Canada, it may be liable to pay additional Canadian taxes, including, but not limited to, capital gains tax based on the difference between the fair market value and tax cost of its assets at the relevant time. If such taxes were to become payable, this could have a material adverse effect on the Group's business, results of operations and financial condition. Further, the income tax consequences to holders of common shares would be different from those applicable if Euromax were tax resident in Canada.

No Dividends

The Group has never paid dividends. It currently intends to retain future earnings, if any, to fund the development and growth of its business, and may not pay any cash dividends for the foreseeable future. Furthermore, the Group may in the future become subject to contractual restrictions on, or prohibitions against, the payment of dividends. As a result, investors will have to rely on capital appreciation, if any, to earn a return on their investment in common shares in the foreseeable future. The payment of future dividends, if any, will be reviewed periodically by the Group's board of directors and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and such other factors deemed by the board of directors to be relevant at the time.

Mineral Exploration

Mineral resource exploration is highly speculative, involves substantial expenditures, and is frequently unsuccessful. Few prospects that are explored are ultimately developed into producing mines. To the extent that the Group continues to be involved in exploration, the long-term success of its operations will be related to the cost and success of its exploration programmes. There can be no assurance that the Group's exploration efforts will be successful. The success of exploration is determined in part on the following factors:

- the identification of potential mineralisation based on superficial analysis;
- availability of prospective land;
- availability of government-granted exploration and exploitation permits;
- the quality of management, geological and technical expertise; and
- the capital available for exploration and development.

Substantial expenditures are required to determine if a project is economically feasible. It could take several years to establish proven and probable mineral reserves and to develop and construct mining and processing facilities. As a result of these uncertainties, there can be no assurance that current and future exploration programmes will result in the discovery of mineral reserves and the development of mines.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

Conflicts of Interest

Certain of the directors and officers of the Group are directors or officers of other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Group may participate, the directors of the Group may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the directors of the Group, a director who has such a conflict will abstain from voting for or against the approval of such matter. Furthermore, in appropriate cases the Group will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

OFF-BALANCE SHEET ARRANGEMENTS

The Group has no off-balance sheet arrangements that are not disclosed with the Commitments section above.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining the Group's disclosure controls and procedures ("DC&P"), including adherence to the Group's Disclosure, Confidentiality and Insider Trading Policy ("Disclosure Policy") previously adopted by the Group. The Disclosure Policy requires that all staff must keep the Group's Disclosure Officers namely, the President & Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the Vice President Legal Affairs & Corporate Secretary ("VP Legal") fully apprised of the Group's developments so that they are in a position to evaluate and discuss though event that may impact on the disclosure process. The Group's board of directors must also be kept aware of all material developments and significant information disseminated to the public.

Management is also responsible for the design of internal controls over financial reporting ("ICFR"). The Group's ICFR framework includes the policies and procedures that (i) govern the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Group are being made only in accordance with authorisation of the directors and officers of the Group; and (iii) provide reasonable assurance regarding the prevention or timely detection of unauthorised acquisition, use or disposition of the Group's assets that could have a material effect on the Group's consolidated financial statements.

The CEO and CFO evaluated the effectiveness of the Group's DC&P and ICFR as required by NI 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* and they concluded that as of March 31, 2017, the Group's design and operation of its DC&P and ICFR were effective in providing reasonable assurance that all material information disclosed in this MD&A and in the unaudited condensed consolidated interim financial statements and related notes for Q1-2017 was made known to them on a timely basis and reported as required, as well as presented fairly in all material aspects. The CEO and CFO also concluded that no material weaknesses existed in the design of the ICFR.

Due to inherent limitations, ICFR and DC&P may not prevent or detect all fraud or misstatements. Further, the effectiveness of ICFR and DC&P may become inadequate due to changes in conditions, or that the degree of compliance with policies and procedures may change. The Group will continually monitor and review the effectiveness of the Group's ICFR and DC&P and may make changes from time to time as considered necessary or desirable.

FORWARD-LOOKING STATEMENTS

This document contains statements that are forward-looking, such as those relating to the Company's strategic and financing plans; property search, exploration and development plans; potential expansion and upgrading of known mineralisation or resources; estimated levels of mineral resources and expenditures; completion of preliminary economic assessments; prefeasibility and feasibility studies; the timing and receipt of permits and other third-party approvals; and potential production on the Company's properties. Forward-looking statements are frequently characterised by words such as "plan", "expect", "project", "intend", "believe", "anticipate" and other similar words, or statements that certain events or conditions "may", "could", "would", "might" or "will" occur.

Forward-looking statements are based on the opinions and estimates of management at the dates the statements are made, including that the key assumptions and parameters on which resource estimates and drilling and geological interpretations are based are reasonable and that the Company will be able to obtain the necessary financing, supplies, equipment, personnel and permits to carry out its planned activities.

FORWARD-LOOKING STATEMENTS - CONTINUED

Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Such risks include but are not limited to: risks related to international operations, including economic and political instability in foreign jurisdictions in which the Company operates; risks related to current global financial conditions; risks related to joint venture operations; actual results of current exploration activities; environmental risks; future prices of gold; possible variations or uncertainties relating to the accuracy of mineral reserves, mineral resources, grade or recovery rates; uncertainties related to feasibility studies that provide estimates of expected or anticipated costs, expenditures and economic returns from a mining project; mine development and operating risks; uncertainties related to unexpected judicial or regulatory proceedings; changes in, and the effects of, the laws, regulations and government policies affecting our exploration and development activities and mining operations, particularly laws, regulations and policies; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; exchange rates, particularly with respect to the value of the US Dollars and Canadian Dollars, and the continued availability of capital and financing.

The forward-looking statements contained in this document are subject to change after this date. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Euromax disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

SUBSEQUENT EVENTS

There are no reportable events subsequent to March 31, 2017.

OTHER MD&A REQUIREMENTS

As of May 15, 2017, the Group had outstanding 120,334,598 common shares, 20,141,835 share purchase warrants, 11,933,466 share options, with exercise prices ranging from $0.18 to $1.02 per share and 1,864,076 restricted share units. Additional information is available on SEDAR at www.sedar.com and at the Group's website www.euromaxresources.com.