MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and six months ended June 30, 2018

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") of Euromax Resources Ltd. ("Euromax" or the "Company") and its subsidiary companies (collectively, the "Group") is prepared as of August 13, 2018 and should be read in conjunction with the Group's unaudited condensed consolidated interim financial statements and related notes for the three and six months ended June 30, 2018 ("Q2-2018" and "H1-2018", respectively) ("consolidated interim financial statements") and audited consolidated financial statements and related notes for the year ended December 31, 2017 ("FY17") ("consolidated financial statements"), 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 OTC Pink Market under the trading symbol "EOXFF". Euromax's share options and share purchase warrants are not listed.

CORPORATE STRATEGY

The Group's ambition is to become the leading gold and base metal mining company in Europe.

In addition, 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 an Ilovica-Shtuka gold-copper project in Macedonia (the "Ilovica-Shtuka Project") into production within two years (once permitting and 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 the 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.

Our Business during H1-2018

During H1-2018 the Group operates in only one sector, exploration and development of mineral right interests. The Group's wholly owned Macedonian subsidiary, Euromax Resources DOO Skopje, holds two 30-years exploitation concessions for the Ilovica-Shtuka Project in Macedonia, and the Group has plans to bring it into construction and ultimately commercial production.

During FY17 the Group disposed of its second operating sector, provision of exploration and evaluation services to third parties. Upon disposal of this operating sector the Group has not generated further revenue. For further information see Notes 6 and 7 of the consolidated interim financial statements.

H1-2018 HIGHLIGHTS

Non-brokered private placement

On April 12, 2018 the Company closed a non-brokered private placement (the "April 2018 Private Placement") by issuing 29 million units ("Units") for gross proceeds of $5.2 million, whereby one Unit consist of (i) one common share issued at a price of $0.18 and (ii) one share purchase warrant exercisable at a price of $0.23 at any time before April 12, 2020.

Amendments on convertible loans

On April 12, 2018 convertible loans provided from European Bank for Reconstruction and Development ("EBRD") (the "EBRD convertible loan") and CC Ilovitza ("CCI" a member of the CCC Group) (the "CCI convertible loan") were amended, as disclosed below.

H1-2018 HIGHLIGHTS – CONTINUED

Amendments on convertible loans – continued

Following conditions of the EBRD convertible loan have been amended (the "Amendment of the EBRD convertible loan"):

- The EBRD convertible loan matures on December 31, 2018, extended from April 30, 2018, or earlier, upon an equity financing of at least US$50 million ("Maturity").
- Conversion price of the received proceeds of US$5 million (the "Principal Amount") has been reduced from $0.40 to $0.23 per common share.
- Interest would be accrued from May 1, 2018 to December 31, 2018 at a rate of 20% per annum, compounded annually, on collectively (i) the Principal Amount, (ii) an amount of US$1.42 million ("the Redemption Amount"), (iii) a finance delay fee of US$0.15 million (the "Fee") and (iv) a finance delay interest (the "Interest") accrued from January 1, 2017 to April 30, 2018 on the Principal Amount at the rate of 3 months LIBOR plus 7% per annum.

Following conditions of the CCI convertible loan have been amended (the "Amendment of the CCI convertible loan"):

- Maturity of the CCI convertible loan has been extended to December 31, 2018, from April 30, 2018.
- Conversion price of the received proceeds of $5.2 million has been reduced from $0.40 to $0.23 per common share.
- The fixed interest rate has been increased to 20% per annum, compounded annually, which has to be applied retrospectively from May 20, 2016 (changed from interest rate of 9% per annum, compounded daily).

PROJECTS

This section outlines the exploration activities carried out in the six months ended June 30, 2018. 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-Shtuka Project – Macedonia

The Group activities have been focused on advancing the permitting of the deposit and building relations with the new administration in the Republic of Macedonia and other key stakeholders in Macedonia.

SELECTED INTERIM FINANCIAL INFORMATION FOR H1-2018

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

Quarter ended	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
Profit/(loss) from continuing operations attributable to the Owners of the Company								
Net profit/(loss) after tax	(3,273)	(3,010)	(1,212)	1,554	(784)	3,700	(7,175)	(6,586)
Basic earnings/(loss) per share	(0.02)	(0.02)	(0.01)	0.01	(0.01)	0.03	(0.06)	(0.06)
Diluted earnings/(loss) per share	(0.02)	(0.02)	(0.01)	0.00	(0.01)	0.02	(0.06)	(0.06)
Profit/(loss) attributable to the Owners of the Company								
Net profit/(loss) after tax	(3,273)	(3,010)	(1,212)	1,554	(1,107)	3,617	(7,069)	(6,259)
Basic earnings/(loss) per share	(0.02)	(0.02)	(0.01)	0.01	(0.01)	0.03	(0.06)	(0.05)
Diluted earnings/(loss) per share	(0.02)	(0.02)	(0.00)	0.00	(0.01)	0.01	(0.06)	(0.05)

All figures presented above are prepared in accordance with IFRS, as well as the accounting policies have been applied on a consistent basis for all presented periods.

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.

Apart from the Group's regular operational activities, that are relatively constant on a period by period basis, net profit/(loss) attributable to the Owners has been influenced by fluctuations in:

- the Company's common share price, which is a key assumption in fair valuing of (1) share-based payment liabilities and (2) fair value of the EBRD convertible loan; and
- foreign currency exchange rates.

SELECTED INTERIM FINANCIAL INFORMATION FOR H1-2018 - CONTINUED

In addition, the following one-off items were included in net profit/(loss) attributable to the Owners in respective quarters:

- the loss on disposal of the Group's Serbian subsidiary (South Danube Metals d.o.o. Beograd or "SDM"), largely owing to recycling of currency translation reserve losses to the statement of profit or loss, was reflected in the quarter ended September 30, 2016 ("Q3-2016");
- in the quarter ended June 30, 2017 ("Q2-2017"), the loss on disposal of the Group's Bulgarian subsidiary (Euromax Exploration Services EOOD or "EES") was recognised in profit or loss; and
- additional interest expense was accrued in Q2-2018 as result of the prospective application of the increased fixed interest rate for the CCI convertible loan (as per the Amendment of the CCI convertible loan, see "H1-2018 Highlights" section).

RESULTS OF CONTINUING OPERATIONS

KEY POINTS

- *H1-2018 operating loss of $2.910 million (the six months ended June 30, 2017 ("H1-2017"): operating profit of $1.136 million)*
- *H1-2018 operating cash costs[1] from continuing operations (operating (loss)/profit excluding depreciation, amortisation, share-based payments recovery and unrealised foreign exchange loss/(gain)) slightly decreased to $2.045 million (H1-2017: $2.251 million)*
- *H1-2018 loss after tax from continuing operations attributable to the Owners of the Company of $6.283 million (H1-2017: profit of $2.916 million)*
- *Q2-2018 loss after tax from continuing operations attributable to the Owners of the Company of $3.273 million (Q2-2017: $0.784 million)*

	Quarter ended June 30		Six months ended June 30	
in thousands $	**2018 (Unaudited)**	2017 (Unaudited)	**2018 (Unaudited)**	2017 (Unaudited)
Continuing operations				
Operating expenses				
Accounting, legal and professional	**(210)**	(107)	**(332)**	(267)
Depreciation	**(34)**	(29)	**(76)**	(68)
Amortisation	**(1)**	-	**(2)**	(1)
Office and general	**(71)**	(82)	**(127)**	(167)
Regulatory, filing and transfer agent	**(5)**	(9)	**(34)**	(57)
Rent	**(64)**	(79)	**(143)**	(157)
Salaries, director and consultant fees	**(433)**	(775)	**(1,227)**	(1,255)
Share-based payments recovery	**68**	87	**142**	2,314
Investor and public relations	**(25)**	(60)	**(67)**	(134)
Travel	**(32)**	(95)	**(55)**	(168)
Exploration and evaluation costs	**-**	(64)	**(2)**	(67)
(Loss)/gain on foreign exchange	**(1,080)**	809	**(987)**	1,163
Operating (loss)/profit	**(1,887)**	(404)	**(2,910)**	1,136
Finance expense	**(2,065)**	(783)	**(2,780)**	(1,444)
Fair value (loss)/gain on financial liabilities	**676**	405	**(599)**	3,231
Net finance (loss)/income	**(1,389)**	(378)	**(3,379)**	1,787
Other income	**4**	1	**7**	5
(Loss)/profit from continuing operations before tax	**(3,272)**	(781)	**(6,282)**	2,928
Income tax expense	**(1)**	(3)	**(1)**	(12)
(Loss)/profit after tax attributable to the Owners of the Company	**(3,273)**	(784)	**(6,283)**	2,916
Loss from discontinued operation, net of tax	**-**	(323)	**-**	(406)
(Loss)/profit for the year attributable to the Owners of the Company	**(3,273)**	(1,107)	**(6,283)**	2,510

[1] Non-GAAP Measure. Please refer to pages 7 and 8 for further details.

RESULTS OF CONTINUING OPERATIONS - CONTINUED

DETAILED ANALYSIS OF THE SIX MONTHS ENDED JUNE 30, 2018 COMPARED TO THE SIX MONTHS ENDED JUNE 30, 2017

The Group recorded a net loss after tax from continuing operations attributable to the Owners of the Company of $6.283 million or $0.04 loss per share in H1-2018, compared to a net profit of $2.916 million or $0.02 earnings per share undiluted in H1-2017.

The H1-2018 loss compared to the H1-2017 profit was mainly due to the following:

- An unfavourable movement of the EBRD convertible loan's fair value in H1-2018 compared to H1-2017, produced a fair value loss of $0.599 million in H1-2018, compared to a fair value gain of $3.231 million for H1-2017. The fair value loss for H1-2018 is mainly caused because of the reduction of conversion price of the Principal Amount (as explained in "H1-2018 Highlights" section above), since that has significantly increased the conversion premium, while the gain for H1-2017 was driven by the Company's common share price falling during H1-2017. As disclosed in Note 10(b) of the consolidated interim financial statements, the fair value adjustment is principally driven by the Company's common share price movement, since that has substantial impact on the conversion premium and therefore on fair value adjustment of the EBRD convertible loan.
- A share-based payments recovery of $0.142 million in H1-2018 compared to $2.314 million in H1-2017 was owing to a slight decrease in the Company's common share price during H1-2018 compared to its substantial decrease in H1-2017. As disclosed in Note 12(c) of the consolidated interim financial statements, 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 statement of profit or loss.
- The recognised loss on foreign exchange of $0.987 million in H1-2018 compered to gain of $1.163 million in H1-2017 was due to unfavourable movement of:
    - Canadian dollar against US dollar during H1-2018 compared to H1-2017 which was reflected within the foreign exchange movements on the EBRD convertible loan;
    - Euro and the Macedonian denar against the US dollar during H1-2018 compared to H1-2017, as a substantial portion of the Group's liabilities are denominated in US dollars and held within subsidiaries that have either Euro or Macedonian denar as their functional currency.
- Finance expense increased by $1.336 million mainly because of the additional interest expense of $1.252 million that was accrued in H1-2018 as result of prospective application of the increased fixed interest rate for the CCI convertible loan (as per the Amendment of the CCI convertible loan, see "H1-2018 Highlights" section above).

partly compensated by:

- Travel expense decreased by $0.113 million resulting from reduced travel expenses in H1-2018 compared to H2-2018 as part of the Group's ongoing cost control.

DETAILED ANALYSIS OF THE THREE MONTHS ENDED JUNE 30, 2018 COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2017

The Group recorded a net loss after tax from continuing operations attributable to the Owners of the Company of $3.273 million or $0.02 loss per share in Q2-2018, compared to net loss of $0.784 million or $0.01 loss per share in Q2-2017.

The increased quarter on quarter loss was mainly due to the following:

- The recognised loss on foreign exchange of $1.080 million in Q2-2018 compered to gain of $0.809 million in Q2-2017 was due to unfavourable movement of:
    - Canadian dollar against US dollar during Q2-2018 compared to Q2-2017 which was reflected within the foreign exchange movements on the EBRD convertible loan;
    - Euro and the Macedonian denar against the US dollar during Q2-2018 compared to Q2-2017, as a substantial portion of the Group's liabilities are denominated in US dollars and held within subsidiaries that have either Euro or Macedonian denar as their functional currency.
- Finance expense increased by $1.282 million mainly because of the additional interest expense of $1.252 million that was accrued in Q2-2018 as result of prospective application of the increased fixed interest rate for the CCI convertible loan (as per the Amendment of the CCI convertible loan, see "H1-2018 Highlights" section above).

RESULTS OF CONTINUING OPERATIONS - CONTINUED

DETAILED ANALYSIS OF THE THREE MONTHS ENDED JUNE 30, 2018 COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2017 – CONTINUED

partly compensated by:

- Salaries, director and consultant fees decreased by $0.342 million mainly due to ceased employment of one executive director and two key personnel, as well as due to reduced number of employees in Macedonia resulting from the redundancy programme that has been undertaken during 2018.
- The EBRD convertible loan's fair value gain increased by $0.271 million due to unfavourable movement of the Company's common share price during Q2-2018 comparing to Q2-2017. As disclosed in Note 10(b) of the consolidated interim financial statements, the fair value adjustment is principally driven by the Company's common share price movement, since that has substantial impact on the conversion premium and therefore on fair value adjustment of the EBRD convertible loan.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2018 the Group has following contractual obligations:

Contractual obligations			**Payments due by Period**		
	Total	**Less than 1 year**	**1 - 3 years**	**4 - years**	**After 5 years**
	$000s	**$000s**	**$000s**	**$000s**	**$000s**
Debt					
Trade and other payables	937	937	-	-	-
Gold purchase advance payments	14,846	14,846	-	-	-
Working capital loan	425	425	-	-	-
Loans and borrowings	17,722	17,722	-	-	-
Share-based payment liabilities	1,287	1,287	-	-	-
Total Debt	*35,217*	*35,217*	-	-	-
*Operating leases**	*11*	*11*	-	-	-
Total Contractual Obligations	**35,228**	**35,228**	**-**	**-**	**-**

* operating leases represent a minimum required rental lease payments, as presented in "Contractual commitments" section

At June 30, 2018 the Group had cash and cash equivalents of $2.528 million, trade and other receivables of $0.041 million, other current assets of $0.125 million and current contingent consideration of $0.479 million. However, as presented above, the Group had trade and other payables of $0.937 million, gold purchase advance payments of $14.846 million, a working capital loan of $0.425 million, financial liabilities regarding two convertible loans (see Note 10 of the consolidated interim financial statements) totalling $17.722 million, and share-based payment liabilities amounting to $1.287 million, meaning that the Group had a net working capital deficiency of $32.044 million.

The three key contributors to the Group's working capital deficiency position at June 30, 2018 are financial liabilities regarding two convertible loans, 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 cash compensation.

Firstly, the current financial liabilities, composed of the EBRD convertible loan of $9.984 million and the CCI convertible loan of $7.738 million, are classified as current liabilities since both convertible loans mature on December 31, 2018. Both convertible loans are convertible into the Company's common shares at the election of EBRD and CCI on or before December 31, 2018. Refer to Note 10 of the consolidated interim financial statements.

Secondly, 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 11 of the consolidated interim financial statements. As at the date of this MD&A, no termination notices have been received by the Group.

Lastly, 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 within 90 days of such an event under the terms of the Group's Deferred Phantom Unit Plan ("DPU Plan"). Refer to Note 12(c) of the consolidated interim financial statements. As at the date of this MD&A, no cash payments are anticipated to any director or executive.

As the Group is in the exploration and evaluation stage of the mining life cycle, the Group does not generate cash inflow from its operating activities. 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 consolidated interim financial statements.

LIQUIDITY AND CAPITAL RESOURCES – CONTINUED

Operating Activities

	Six months ended June 30	
	2018	2017
in thousands $	**(Unaudited)**	(Unaudited)
OPERATING ACTIVITIES		
(Loss)/profit before tax	**(6,282)**	2,963
Add back:		
Depreciation	**76**	68
Amortisation	**2**	1
Finance expense	**2,780**	1,444
Share-based payments recovery	**(142)**	(2,314)
Unrealised foreign exchange loss/(gain)	**929**	(1,142)
Fair value loss/(gain) on financial liabilities	**599**	(3,231)
Sub-total	**(2,038)**	(2,211)
Changes in non-cash working capital items:		
Increase in trade and other receivables and prepayments and deposits	**-**	52
(Decrease)/increase in trade and other payables	**(403)**	597
Cash used in operating activities from continuing operations	**(2,441)**	(1,562)
Cash used in operating activities from discontinued operation*	**-**	(133)
Cash used in operating activities	**(2,441)**	(1,695)

* disclosed in Note 7(b) of the consolidated interim financial statements

Cash used in operating activities from continuing operations during H1-2018 was $2.441 million compared to $1.562 million in H1-2017. Overall, this increase of $0.879 million in H1-2018 was as result of:

- the reduction of trade and other payables at June 30, 2018, once funds from the April 2018 Private Placement were received, resulted in unfavourable movement of working capital by $1.052;

partly compensated by

- reduced cash payments of $0.173 million from operating activities resulting from ongoing tight cost control that has been undertaken by the Group during 2018.

Financing Activities

	Six months ended June 30	
	2018	2017
in thousands $	**(Unaudited)**	(Unaudited)
FINANCING ACTIVITIES		
Proceeds from share issue	**5,220**	1,430
Share issue costs	**(200)**	(9)
Proceeds from working capital loan	**-**	534
Repayment of working capital loan	**(213)**	-
Interest paid	**(3)**	(8)
Cash provided by financing activities	**4,804**	1,947

During H1-2018, the Group closed a non-brokered private placement and issued 29 million common shares at a price of $0.18 per common share for total proceeds of $5.220 million. This was partly offset by repayment of working capital loan of $0.213 million to directors that left the Company, payment of share issue costs of $0.200 million and interest paid of $0.003 million.

In H1-2017, the Group closed a non-brokered private placement and issued 3,325,582 common shares at a price of $0.43 per common share for total proceeds of $1.430 million and received proceeds of $0.534 million under the closed working capital loan. This was offset by paid share issue costs of $0.009 million and interest of $0.008 million.

LIQUIDITY AND CAPITAL RESOURCES – CONTINUED

Investing Activities

	Six months ended June 30	
	2018	2017
in thousands $	**(Unaudited)**	(Unaudited)
INVESTING ACTIVITIES		
Expenditures on unproven mineral right interests	**(320)**	(1,025)
Proceeds from sold property, plant and equipment	**2**	-
Purchases of property, plant and equipment and intangible assets	**-**	(4)
Disposal of discontinued operation, net of cash disposed of	**-**	(114)
Cash used in investing activities	**(318)**	(1,143)

As part of the investing activities from continuing operations, during H1-2018, the Group paid $0.320 million in form of capital expenditures on unproven mineral right interests on the Ilovica-Shtuka Project, which were partly offset by $0.002 million received from sold property, plant and equipment.

In H1-2017, the Group used cash of $1.028 million in investing activities from continuing operations, including $1.025 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 $0.003 million. Additional outflow of $0.115 million was caused by disposal of EES, whereby $0.114 million were related to net cash and cash equivalents disposed of and $0.001 million used for purchased property, plant and equipment and intangible assets by EES during H1-2017.

The table below summarises the expenditures incurred on the Group's key projects during H1-2018 and H1-2017.

	Macedonia *Ilovica-Shtuka Project*
	$000s
Balance, January 1, 2017	34,464
Exploration expenditures:	
Feasibility costs	727
Social & environmental costs	106
Other	21
	35,318
Other items:	
Exchange differences	1,251
Balance, June 30, 2017	36,569
Balance, January 1, 2018	**38,149**
Exploration expenditures:	
Feasibility costs	**193**
Social & environmental studies	**15**
	38,357
Other items:	
Exchange differences	**806**
Balance, June 30, 2018	**39,163**

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.

NON-GAAP MEASURES – CONTINUED

The following table provides a reconciliation of the operating cash costs for the three and six months ended June 30, 2018 and 2017.

	Quarter ended June 30		Six months ended June 30	
in thousands $	**2018**	2017	**2018**	2017
Operating (loss)/profit - per financial statements	**(1,887)**	(404)	**(2,910)**	1,136
Add/(Less):				
Share-based payments recovery	**(68)**	(87)	**(142)**	(2,314)
Depreciation	**34**	29	**76**	68
Amortisation	**1**	-	**2**	1
Unrealised foreign exchange loss/(gain)	**1,018**	(803)	929	(1,142)
Total Operating cash costs	**(902)**	(1,265)	**(2,045)**	(2,251)

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 parties are Trentside Projects Limited and Wheatley Project Services, both private companies controlled by the Group's Vice President, Project & Construction Manager. For providing of project managerial services on the Ilovica-Shtuka Project in Macedonia, the Group has contracted Trentside Projects Limited (for the period from July 2015 to April 2018) and Wheatley Project Services (from May 2018). For the project managerial services is agreed an annual fee, paid in monthly instalments, and that 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 related parties. Expenses incurred by related parties are reimbursed by the Group at their original cost.

	Six months ended June 30,	
	2018	2017
	$000s	$000s
Project management fees	**83**	152
	83	152

At June 30, 2018, the Group owed Wheatley Project Services $0.007 million (December 31, 2017: Trentside Projects Limited – $0.013 million) for services provided during June 2018.

(b) Key management personnel compensation

The remuneration of directors and other members of key management personnel during the six months ended June 30, 2018 and 2017 was as follows:

	Note	Six months ended June 30, 2018	2017
		$000s	$000s
Short-term employee benefits		**497**	755
Post-employment benefits	(i)	**32**	46
Redundancy payments	(ii)	**103**	-
Share-based payments recovery	(iii)	**(314)**	(2,314)
		318	(1,513)

(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) The Group's Vice President Legal Affairs and Corporate secretary was made redundant on February 28, 2018.

(iii) 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.

RELATED PARTY TRANSACTIONS – CONTINUED

(C) Key management personnel compensation

During Q2-2017, the Group arranged and closed a working capital loan from certain directors of the Company. More details of this working capital loan are presented below:

Director	Balance at December 31, 2017	Foreign exchange movements	Repayment	Balance at June 30, 2018
	$000s	$000s		$000s
Martyn Konig [1]	102	2	-	104
Timothy Morgan-Wynne [2]	113	6	-	119
Randal Matkaluk [2]	105	3	(108)	-
Raymond Threlkeld [2]	75	4	-	79
Steve Sharpe [1]	102	3	(105)	-
Varshan Gokool [1]	104	2	-	106
Patrick Forward [1]	16	1	-	17
Total	**617**	**21**	**(213)**	**425**

1) working capital loan denominated in British pounds
2) working capital loan denominated in US dollars

As disclosed in the table above, during Q2-2018, the Group repaid $0.213 million of the working capital loan to two directors that left the Company.

The working capital loan of $0.425 million is unsecured and repayable in full on or before December 31, 2018, and it incurs a one off interest rate of 20% that was fully accrued for the year ended December 31, 2017.

CONTRACTUAL COMMITMENTS

The Group had the following future contractual obligations as at June 30, 2018:

	up to 1 year	1-5 years	Over 5 years	Total
	$000s	$000s	$000s	**$000s**
Operating lease obligations	11			**11**
Total contractual obligations	**11**	**-**	**-**	**11**

CRITICAL ACCOUNTING ESTIMATES

The Group's significant accounting policies are summarised in Note 3 of its audited consolidated financial statements for FY17. 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.

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 calculated recoverable amount 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.

CRITICAL ACCOUNTING ESTIMATES – CONTINUED

- *Valuation of share-based payment arrangements - continued*

  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.

  The value of the option varies under the different possible financial scenarios. To value each of these, management prepared a model using market observable information assumptions both available generally and specific to the EBRD convertible loan agreement which was filed on SEDAR. These assumptions, of which the most significant is the Company's common share price, have been applied consistently to management's most likely future financing plans.

  A probability weighting has been applied to each scenario, developed based on future financing plans, by 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.

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 gold and copper prices. 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, fluctuations in the value of the US dollar and other foreign currencies, global and regional supply and demand, and the political and economic conditions of major mining countries throughout the world.

A sudden fall 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.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

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 statement of profit or loss. 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, foreign 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.

Economic and Political Instability in Emerging Market Jurisdictions

During H1-2018, the Group operated in Macedonia, so there are risks to conducting business associated with emerging market economies. 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, a new government coalition was formed in June 2017, after neither political party won a clear majority in the national parliament elections held in December 2016. In addition to that, local elections were held in October 2017, in which local government was overtaken by the new ruling party that is part of the new government coalition. The primary focus of this new government is solving all requested country's obstacles towards integration into NATO and EU, of which the main one is a ratification and application of the agreement with Greece regarding the changing of the country's name. In that respect Referendum for that agreement with Greece is planning to be organised at the end of September.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

Economic and Political Instability in Emerging Market Jurisdictions – continued

The Group has responded to this new political situation, by having several meetings with new government's representatives, both meetings have been held on governmental and local level, in order to continue with the progress of the Ilovica-Shtuka Project toward obtaining all required permits for it.

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. 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 2017, Macedonia scored 35 ranking it 107 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 its operating costs are incurred in a combination of Macedonian denars, 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.

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 Ilovica-Shtuka Project will involve significant capital expenditure to progress.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

Capital and Operating Cost Risks – continued

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 the Ilovica-Shtuka Project. 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 and Skopje. 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.

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.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES - CONTINUED

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 a 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 "Contractual 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 Operating Officer ("COO") and the Chief Financial Officer ("CFO") 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 June 30, 2018, 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 consolidated interim financial statements 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 Group'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 Group'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 Group 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 Group 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 dollar, 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 have been no reportable events occur subsequent to June 30, 2018.

OTHER MD&A REQUIREMENTS

As of August 13, 2018, the Group had outstanding 166,742,080 common shares, 64,141,834 share purchase warrants, 10,340,000 share options, with exercise prices ranging from $0.18 to $0.49 per share and 3,977,717 restricted share units. Additional information is available on SEDAR at www.sedar.com and at the Group's website www.euromaxresources.com.