MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and six months ended June 30, 2019

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 12, 2019 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, 2019 ("Q2-2019" and "H1-2019", respectively) ("consolidated interim financial statements") and audited consolidated financial statements and related notes for the year ended December 31, 2018 ("FY18") ("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, except for implementation of IFRS 16 Leases as explained in Note 3 of the consolidated interim financial statements. 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 (the "Ilovica-Shtuka Project") in the Republic of North Macedonia ("Macedonia") 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 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.

Our Business during H1-2019

During H1-2019 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.

H1-2019 HIGHLIGHTS

Ilovica-Shtuka Project permitting - update

Subsequent to June 30, 2019, on July 12, 2019, the Group received a Rejection Resolution from the Ministry of Economy in Macedonia on the Exploitation Permit Request for Ilovica-Shtuka Project (the "Request"). The Request was submitted on July 25, 2016 and concerns one of the Group's two exploitation concessions covering the Ilovica-Shtuka Project. The Rejection Resolution is based on the claim that all documents required under law for the application were not submitted by the Group.

The notification allows for an appeal within 15 days which the Group has submitted considering the independent legal opinions that demonstrate that the Group is legally compliant.

The Group looks forward to resolving the situation with all relevant Macedonian governmental institutions in accordance with applicable laws.

H1-2019 HIGHLIGHTS – CONTINUED

Non-brokered private placements

On May 13, 2019 the Company closed a non-brokered private placement (the "May 2019 Private Placement") to one of its current major shareholders, Galena Resource Equities Limited ("Galena"). The May 2019 Private Placement was previously announced on March 22, 2019, and under which 147,008,640 units ("Units") were issued for gross proceeds of $9.2 million or US$6.9 million, whereby one Unit consist of (i) one common share issued at a price of $0.0625 and (ii) one share purchase warrant exercisable at a price of $0.15 at any time before May 13, 2021. These proceeds would be used for development of the Ilovica-Shtuka Project, as well as for covering of general corporate services.

Further to that, the Company issued additional 17,641,037 Units to other existing shareholders (the "Concurrent Offering"), for agreed gross proceeds of $1.1 million or US$0.8 million, as announced on March 22, 2019, and together with the May 2019 Private Placement both representing the "Transaction".

In connection with the closing of the May 2019 Private Placement, the Company and Galena:

- Amended the existing Ancillary Right Agreement, dated April 10, 2018, to provide Galena with the right to nominate two additional members of the Company's board of directors (the "Board"), i.e. Galena would have the right to nominate four directors, until such time as Galena (collectively with its affiliates) no longer holds greater than 20% of the Company's common shares (calculated on a fully diluted basis). If Galena (collectively with its affiliates) holds between 10% and 20% of the Company's common shares (calculated on a fully diluted basis), Galena can only nominate two directors of the Board. The Ancillary Rights Agreement provides that the Board shall consist of eight directors should Galena hold less than 55% of the Company's common shares (calculated on a fully diluted basis). In the event that Galena (collectively with its affiliates) holds greater than 55% of the Company's common shares (calculated on a fully diluted basis), Galena will have the right to nominate an additional director to the Board, or five directors in total, whereby in that case the number of the Board's members will be increased to nine directors.
- Signed additional off-take agreement with Trafigura Pte. Ltd. ("Trafigura") according to which the remaining 80% of the future produced copper concentrate from the Ilovica-Shtuka Project will be sold to Trafigura.

In connection with the Transaction, Galena shall be provided with a right of first refusal to participate in any proposed equity-linked financing in an amount up to 60% of such financing subject only to participation rights held by the European Bank for Reconstruction and Development ("EBRD") and CC Ilovitza ("CCI" a member of the CCC Group).

Considering the serious financial difficulty of the Group, resulting from permitting delays for the Ilovica-Shtuka Project over the last 24 months, the Company applied for an exemption from the shareholder approval requirements of the TSX, on the basis of financial hardship. Given that the Group was facing with serious financial difficulties, with limited alternatives and the immediacy of the Group's need to address its financial obligations through the Transaction, did not afford it sufficient time to hold a special shareholders' meeting.

Following to application of the Group's financial hardship, the TSX placed Euromax under remedial delisting review, which is normal practice when a listed issuer seeks to rely on the financial hardship exemption. Further to that, on May 28, 2019 the Company announced that the Continued Listing Committee of the TSX determined that the Company satisfied the TSX's requirements for continued listing.

The securities issued pursuant to the Transaction are subject to a four month hold period from the date of closing in accordance with applicable Canadian securities laws.

Amendments on convertible loans

Once the May 2019 Private Placement was closed, the following amendments have been applied on two convertible loans provided from EBRD (the "EBRD convertible loan") and CCI (the "CCI convertible loan"):

- Maturity date has been extended to February 28, 2021;
- Annual fixed interest of 20% has been reduced to 7%, applicable from April 1, 2019;
- Conversion price will be set at $0.15 per common share applied to the whole outstanding balance of both loans at the day of conversion.
- To waive any pre-emptive or participation rights that EBRD and CCC may have with respect to the May 2019 Private Placement.

H1-2019 HIGHLIGHTS – CONTINUED

Board and Board committees' structure

On May 1, 2019 the Company announced a Board restructuring, whereby Mr. Nicolas Treand has been appointed as a Director of the Company, as a representative of Galena, and replacing Mr. Tzolo Voutov in the Board. Mr. Nicolas Treand alongside with the existing management will assume an executive role in charge of Macedonian affairs. Additionally, on June 24, 2019 the Company announced the appointment of Mr. Ivan Vutov as a Non-Executive Director of the Company.

Following the Annual General Meeting held on June 24, 2019, the Company announced that the Board is composed by: Mr. Tim Morgan-Wynne (the Chairman), Mr. Martyn Konig, Mr. Varshan Gokool, Mr. Nicolas Treand, Mr. James Burke, Mr. Ivan Vutov and Mr. Raymond Threlkeld.

PROJECTS

This section outlines the exploration activities carried out in the six months ended June 30, 2019. 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 resolving the issue regarding the receipt Rejection Resolution (as explained in "H1-2019 Highlights" section above) and further advancing the permitting of the deposit.

SELECTED INTERIM FINANCIAL INFORMATION FOR H1-2019

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

Quarter ended	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
(Loss)/Profit attributable to the Owners of the Company								
Net (loss)/profit after tax	(1,009)	(2,008)	(1,961)	(1,007)	(3,273)	(3,010)	(1,212)	1,554
Basic (loss)/earnings per share	(0.00)	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)	(0.01)	0.01
Diluted (loss)/earnings per share	(0.00)	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)	(0.01)	0.00

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, except for implementation of IFRS 16 Leases as explained in Note 3 of the consolidated interim financial statements.

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, the net (loss)/profit 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.

In addition, the fair value loss on modification on the CCI convertible loan was accrued in the quarter ended June 30, 2018 ("Q2-2018"), due to modification of the conditions applied to CCI convertible loan, and therefore further increased the net loss in Q2-2018.

RESULTS OF CONTINUING OPERATIONS

KEY POINTS

- *H1-2019 operating loss of $1.538 million (the six months ended June 30, 2018 ("H1-2018"): $2.910 million)*
- *H1-2019 operating cash costs[1] (operating (loss)/profit excluding depreciation, amortisation, share-based payments recovery and unrealised foreign exchange loss/(gain)) slightly decreased to $1.518 million (H1-2018: $2.045 million)*
- *H1-2019 loss after tax attributable to the Owners of the Company of $3.017 million (H1-2018: $6.283 million)*
- *Q2-2019 loss after tax attributable to the Owners of the Company of $1.009 million (Q2-2018: $3.273 million)*

	Quarter ended June 30		Six months ended June 30	
in thousands $	**2018 (Unaudited)**	2018 * (Unaudited)	**2019 (Unaudited)**	2018 * (Unaudited)
Operating expenses				
Accounting, legal and professional	**(167)**	(210)	**(288)**	(332)
Depreciation	**(34)**	(34)	**(73)**	(76)
Amortisation	**-**	(1)	**(1)**	(2)
Office and general	**(69)**	(71)	**(122)**	(127)
Regulatory, filing and transfer agent	**(8)**	(5)	**(32)**	(34)
Rent	**(3)**	(64)	**(7)**	(143)
Salaries, director and consultant fees	**(335)**	(433)	**(680)**	(1,227)
Share-based payments (expenses)/recovery	**(51)**	68	**(170)**	142
Investor and public relations	**(35)**	(25)	**(72)**	(67)
Travel	**(38)**	(32)	**(69)**	(55)
Exploration and evaluation costs	**-**	-	**-**	(2)
Gain/(loss) on foreign exchange	**220**	(1,080)	**(24)**	(987)
Operating loss	**(520)**	(1,887)	**(1,538)**	(2,910)
Finance expense	**(543)**	(497)	**(1,477)**	(1,212)
Fair value loss on modification of financial liabilities	**-**	(1,568)	**-**	(1,568)
Fair value gain/(loss) on financial liabilities	**53**	676	**(3)**	(599)
Net finance loss	**(490)**	(1,389)	**(1,480)**	(3,379)
Other income	**1**	4	**1**	7
Loss before tax	**(1,009)**	(3,272)	**(3,017)**	(6,282)
Income tax expense	**-**	(1)	**-**	(1)
Loss for the period	**(1,009)**	(3,273)	**(3,017)**	(6,283)

* The Group has initially applied IFRS 16 at January 1, 2019, using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 was recognised in Accumulated losses at the date of initial

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

RESULTS OF CONTINUING OPERATIONS - CONTINUED

DETAILED ANALYSIS OF THE SIX MONTHS ENDED JUNE 30, 2019 COMPARED TO THE SIX MONTHS ENDED JUNE 30, 2018

The Group recorded a net loss after tax attributable to the Owners of the Company of $3.017 million or $0.01 loss per share in H1-2019, compared to a net loss of $6.283 million or $0.04 per share in H1-2018.

The decreased loss in H1-2019 was mainly due to the following:

- Following to the modification of the CCI convertible loan's conditions, agreed during H1-2018, the financial liability was derecognised and new one was recognised in H1-2018, which resulted in a fair value loss on modification of $1.568 million recognised in H1-2018, which was not the case in H1-2019.
- The loss on foreign exchange was reduced by of $0.963 million mainly due to favourable movement of:
    - Canadian dollar against US dollar during H1-2019 compared to H1-2018 which was reflected within the foreign exchange movements on the EBRD convertible loan; and
    - Euro against the US dollar during H1-2019 compared to H1-2018, was reflected within the foreign exchange movements on the Gold purchase advance payments, since that is denominated in US dollars and held within subsidiary that has Euro as functional currency.
- A decrease of fair value loss on the EBRD convertible loan of $0.596 million owing to lower reduction of conversion price in H1-2019, from $0.23 to $0.15 per Company's common share, compared to a reduction from $0.40 to $0.23 per common share in H1-2018, as well as due to the relative stable movement of the Company's common share price during H1-2019 compared to a share price fall in H1-2018. 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.
- Salaries, director and consultant fees decreased by $0.547 million mainly due to the ceased employment of one executive director and two key personnel, as well as due to one-off settlement payments in H1-2018 caused by the redundancy programme that has been undertaken in Macedonia, which did not occur in H1-2019.
- A decrease of the rent expenses of $0.136 million was mainly due to the closing of the corporate office in London in mid-FY18, whereby such rent expense was recognised only in H1-2018, but not in H1-2019.

partly compensated by:

- The reason for the recognised share-based payments expense of $0.170 million in H1-2019 compared to its recovery of $0.142 million in H1-2018 was owing to the relative stable movement of the Company's common share price during H1-2019 compared a share price fall in H1-2018. As disclosed in Note 12(c) of the consolidated interim financial statements, the Company's Deferred Phantom Units ("DPUs") are revalued at the Company's period-end common share price.
- Finance expense increased by $0.265 million due to the increased interest rate for both EBRD and CCI convertible loans in H1-2019 compared to H1-2018, applied upon closing of the amendments for both convertible loans on April 12, 2018 (see Note(a) of the consolidated interim financial statements).

DETAILED ANALYSIS OF THE THREE MONTHS ENDED JUNE 30, 2019 COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2018

The Group recorded a net loss after tax attributable to the Owners of the Company of $1.009 million or $0.00 loss per share in Q2-2019, compared to net loss of $3.273 million or $0.02 loss per share in Q2-2018.

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

- The modification of the CCI convertible loan during Q2-2018 resulting in a fair value loss on modification of $1.568 million recognised in Q2-2018, which was not the case in Q2-2019.

RESULTS OF CONTINUING OPERATIONS - CONTINUED

DETAILED ANALYSIS OF THE THREE MONTHS ENDED JUNE 30, 2019 COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2018 – CONTINUED

- The recognised gain on foreign exchange of $0.220 million in Q2-2019, compared to the loss of $1.080 million in Q2-2018, was driven mainly due to the favourable movement of:
  - Canadian dollar against US dollar during Q2-2019 compared to Q2-2018 which was reflected within the foreign exchange movements on the EBRD convertible loan; and
  - Euro against the US dollar during Q2-2019 compared to Q2-2018, was reflected within the foreign exchange movements on the Gold purchase advance payments, since that is denominated in US dollars and held within subsidiary that has Euro as functional currency.

partly compensated by:

- A decrease of fair value gain on the EBRD convertible loan of $0.623 million mainly due to the relative stable movement of the Company's common share price during Q2-2019 compared to a share price fall in Q2-2018.
- The recognised share-based payments expense of $0.051 million in Q2-2019 compared to its recovery of $0.068 million in Q2-2018 resulted from the relative stable movement of the Company's common share price during Q2-2019 compared to a share price fall in Q2-2018.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2019 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	643	643	-	-	-
Gold purchase advance payments	14,722	14,722	-	-	-
Lease liability	172	64	108	-	-
Share-based payment liabilities	652	652	-	-	-
Loans and borrowings	22,836	-	22,836	-	-
Total Contractual Obligations	**39,025**	**16,081**	**22,944**	**-**	**-**

At June 30, 2019 the Group had cash and cash equivalents of $8.869 million and $0.083 million in total for other receivables and other current assets. However, as presented above, the Group had trade and other payables of $0.643 million, gold purchase advance payments of $14.722 million, share-based payment liabilities amounting to $0.652 million and current lease liabilities of $0.064 million, meaning that the Group had a net working capital deficiency of $7.129 million. In addition to that, at June 30, 2019 the Group had non-current liabilities of $18.974 million, out of which $18.866 million representing financial liabilities regarding two convertible loans (see Note 10 of the consolidated interim financial statements) and lease liabilities of $0.108 million.

The key contributor to the Group's working capital deficiency position at June 30, 2019 is the gold purchase advance payments received from Royal Gold, AG ("Royal Gold"). 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 approval of this MD&A by the Company's board of directors, no termination or repayment notice has been received from Royal Gold.

In addition to that, at June 30, 2019 the Group has non-current financial liabilities of $18.866 million composed of the EBRD convertible loan of $11.346 million and the CCI convertible loan of $7.520 million, both mature on February 28, 2021. Both convertible loans are convertible into the Company's common shares at the election of EBRD and CCI on or before their maturity. For more details refer to Note 10 of the consolidated interim financial statements. The total contractual obligations at February 28, 2021 for these two convertible loans are $22.836 million, out of which $12.665 million related to the EBRD convertible loan and $10.171 million to the CCI convertible loan

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 4 of the consolidated interim financial statements.

LIQUIDITY AND CAPITAL RESOURCES – CONTINUED

Operating Activities

	Six months ended June 30	
	2019	2018 *
in thousands $	**(Unaudited)**	(Unaudited)
OPERATING ACTIVITIES		
Loss before tax	**(3,017)**	(6,282)
Add back:		
Depreciation	**73**	76
Amortisation	**1**	2
Finance expense	**1,477**	1,212
Share-based payments expenses/(recovery)	**170**	(142)
Unrealised foreign exchange (gain)/loss	**(224)**	929
Loss on disposal of property, plant and equipment	**5**	-
Fair value loss on modification of financial liabilities	**-**	1,568
Fair value loss on financial liabilities	**3**	599
Sub-total	**(1,512)**	(2,038)
Changes in non-cash working capital items:		
Increase in other receivables and other current assets	**(10)**	-
Decrease in trade and other payables	**(1)**	(403)
Cash used in operating activities	**(1,523)**	(2,441)

* The Group has initially applied IFRS 16 at January 1, 2019, using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 was recognised in Accumulated losses at the date of initial application. See Note 3 of the consolidated interim financial statements.

Cash used in operating activities during H1-2019 was $1.523 million compared to $2.441 million in H1-2018. This decrease of $0.918 million in H1-2019 was as result of:

- The reduced cash payments of $0.526 million from operating activities mainly resulting from reduced salaries, director and consultant fees in H1-2019 compared to H1-2018, as explained in "Result of Operations" section above; and
- A favourable movement of working capital by $0.392 million in H1-2019 compared to H1-2018, mainly resulting from the reduction of trade and other payables at June 30, 2018, once funds from the April 2018 Private Placement were received, compared to the relative stable movement in H1-2019.

Financing Activities

	Six months ended June 30	
	2019	2018
in thousands $	**(Unaudited)**	(Unaudited)
FINANCING ACTIVITIES		
Proceeds from share issue	**10,373**	5,220
Share issue costs	**(334)**	(200)
Repayment of working capital loan	**(346)**	(213)
Payment of lease liabilites	**(38)**	-
Interest paid	**(3)**	(3)
Cash provided by financing activities	**9,652**	4,804

During H1-2018, the Group closed the May 2019 Private Placement and issued 164,649,677 million common shares for total proceeds of $10.373 million (see Note 9 of the consolidated interim financial statements). This was partly offset by repayment of working capital loan of $0.346 million, payment of share issue costs of $0.334 million, payment of lease liabilities of $0.038 million, disclosed as per *IFRS 16 Leases*, and interest paid of $0.003 million.

In 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.

LIQUIDITY AND CAPITAL RESOURCES – CONTINUED

Investing Activities

in thousands $	Six months ended June 30 **2019** **(Unaudited)**	 2018 (Unaudited)
INVESTING ACTIVITIES		
Expenditures on mineral right interests	**(326)**	(320)
Purchases of land, property, plant and equipment and intangible assets	**(34)**	-
Proceeds from sold property, plant and equipment	**-**	2
Cash used in investing activities	**(360)**	(318)

In H1-2019, the Group used cash of $0.360 million in investing activities, including $0.326 million of capital expenditures on mineral right interests on the Ilovica-Shtuka Project, and purchases of land, property, plant and equipment and intangible assets of $0.034 million.

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

The table below summarises the expenditures incurred on the Group's key projects during H1-2019 and H1-2018.

	Macedonia *Ilovica-Shtuka Project*
	$000s
Balance, January 1, 2018	38,149
Exploration expenditures:	
Feasibility costs	193
Social & environmental costs	15
	38,357
Other items:	
Exchange differences	806
Balance, June 30, 2018	39,163
Balance, January 1, 2019	**39,918**
Exploration expenditures:	
Feasibility costs	**147**
Social & environmental studies	**186**
	40,251
Other items:	
Exchange differences	**(1,899)**
Balance, June 30, 2019	**38,352**

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 three and six months ended June 30, 2019 and 2018.

in thousands $	Quarter ended June 30 **2019**	 2018	Six months ended June 30 **2019**	 2018
Operating loss - per financial statements	**(520)**	(1,887)	**(1,538)**	(2,910)
Add/(Less):				
Share-based payments expenses/(recovery)	**51**	(68)	**170**	(142)
Depreciation	**34**	34	**73**	76
Amortisation	**-**	1	**1**	2
Unrealised foreign exchange loss/(gain)	**(433)**	1,018	(224)	929
Total Operating cash costs	**(868)**	(902)	**(1,518)**	(2,045)

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, 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 has been 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,	
	2019	2018
	$000s	$000s
Project management fees	**39**	83
	39	83

At June 30, 2019, the Group owed Wheatley Project Services $0.006 million (December 31, 2018: $0.006 million) for services provided in June 2019.

(b) Key management personnel compensation

The remuneration of directors and other members of key management personnel during the six months ended June 30, 2019 and 2018 was as follows:

	Note	Six months ended June 30,	
		2019	2018
		$000s	$000s
Short-term employee benefits		**475**	497
Post-employment benefits	(i)	**25**	32
Redundancy payments	(ii)	**-**	103
Share-based payments/(recovery)	(iii)	**159**	(314)
		659	318

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

(ii) A key management personnel was made redundant on February 28, 2018;

(iii) Share-based payments are the cost/(recoveries) of share options, Restricted Share Unites ("RSU") and Deferred Phantom Units ("DPUs") granted to directors and key management personnel.

(C) Key management personnel compensation

During the quarter ended June 30, 2017 ("Q2-2017"), the Company arranged and closed a working capital loan from its directors. The working capital loan is unsecured and repayable in full in Q2-2019, as disclosed below, which incurs a one off fixed interest rate of 20% that has been fully accrued in year ended December 31, 2017.

Director	**Balance at December 31, 2018**	**Foreign exchange movements**	**Repayment**	**Balance at June 30, 2019**
	$000s	**$000s**		**$000s**
Martyn Konig [1]	104	1	(105)	-
Timothy Morgan-Wynne [2]	123	(3)	(120)	-
Varshan Gokool [1]	105	-	(105)	-
Patrick Forward [1]	17	(1)	(16)	-
Total	**349**	**(3)**	**(346)**	**-**

1) working capital loan denominated in British pounds

2) working capital loan denominated in US dollars

CONTRACTUAL COMMITMENTS

The Group had no future contractual obligations as at June 30, 2019, except to those recognised as liabilities at June 30, 2019.

CRITICAL ACCOUNTING ESTIMATES

The Group's significant accounting policies are summarised in Note 3 of its audited consolidated financial statements for FY18. The preparation of consolidated interim 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 interim financial statements.

In addition to those significant accounting policies a new significant judgments related to lessee accounting under IFRS 16, which are described in Note 3(c)) of the consolidated interim financial statements has been applied for preparation of the consolidated interim 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 mineral right interests*

  The Group reviews the carrying value of its 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.

  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.

- *Right-of-use asset and Lease liabilities*

  Following the implementation of IFRS 16, which has been fully effective from January 1, 2019, the Group recognised a right-of-use asset and lease liabilities for operating lease of offices and warehouse facility within Macedonian operating segment (see Note 7 of the consolidated interim financial statements).

CRITICAL ACCOUNTING ESTIMATES – CONTINUED

- *Right-of-use asset and Lease liabilities - continued*

  IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use-assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. However, IFRS 16 allows exemption for some short-term leases (less than 12 months).

  The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in Accumulated losses at January 1, 2019. Accordingly, the comparative information presented for 2018 has not been restated, i.e. it is presented as previously reported under *IAS 17 Leases* and related interpretations.

  On transition to IFRS 16, the Group has applied IFRS 16 on all contracts identified under IAS 17 and IFRIC 4 that were entered before January 1, 2019 as well as on all other contracts entered into or changed on or after January 1, 2019.

  As a lessee, the Group previously classified leases as operating, based on its assessment of whether the lease transferred substantially all or the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases, except for those that leases recognised as short term.

  The Group recognised a right-of-use asset and a lease liability at the present value of the lease payments that are not paid at the commencement date at the lease commencement date. For the initial measurement of right-of-use asset and lease liabilities the Group discounted lease payments using its incremental borrowing rate of 7% applied for both convertible loans (see Note 10 of the consolidated interim financial statements).

  Previously, the Group classified property leases as operating leases under IAS 17. These include offices and warehouse facility within Macedonian operating segment. All these leases are typically run for a one year period, however leases include an option to renew the lease for an addition undermined period.

  The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

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.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES – CONTINUED

Fluctuation of Commodity Prices – continued

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 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 H1-2019, 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.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES – CONTINUED

Economic and Political Instability in Emerging Market Jurisdictions – continued

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. Following to the closing of the process for implementation of the Prespa Agreement by the Macedonian Parliament, as well as the ratification by the Greek Parliament, on February 6, 2019, the Republic of North Macedonia started the formal process for its membership of NATO.

During this uncertain political situation in Macedonia, active talks with the new Administration have been taken 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, the Group has interactions with many levels of government in Macedonia. The Government of the Republic of North 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 2018, Macedonia scored 37 ranking it 93 out of 180 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 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 Group has office in 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 in this MD&A.

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, 2019, 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

Subsequent to June 30, 2019 the following reportable events have occurred:

- On July 12, 2019, the Group received a Rejection Resolution from the Ministry of Economy in Macedonia on the Exploitation Permit Request for Ilovica-Shtuka Project, submitted on July 25, 2016. The Rejection Resolution is based on the claim that all documents required under law for the application were not submitted by the Group, and it concerns Ilovica 6 Exploitation Concession. The notification allows for an appeal within 15 days which the Group has submitted.

OTHER MD&A REQUIREMENTS

As of August 12, 2019, the Group had outstanding 331,929,522 common shares, 228,791,511 share purchase warrants, 7,525,000 share options, with exercise prices ranging from $0.08 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.