Euromax
RESOURCES

MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended March 31, 2020

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 May 11, 2020 and should be read in conjunction with the Group's unaudited condensed consolidated interim financial statements and related notes for the three months ended March 31, 2020 ("Q1-2020") ("consolidated interim financial statements") and audited consolidated financial statements and related notes for the year ended December 31, 2019 ("FY19") ("consolidated financial statements"), both 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 (the "TSX") under the trading symbol "EOX", as well as on the OTC Pink Market under the trading symbol "EOXFF". Euromax's share options and warrants are not listed.

CORPORATE STRATEGY

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

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 copper project (the "Ilovica-Shtuka Project") in the Republic of North Macedonia ("Macedonia") into production within two years (once permitting and construction funding have 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 Q1-2020

During Q1-2020 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 ("Exploitation Concession for Ilovica 6" and "Exploitation Concession for Ilovica 11") for the Ilovica-Shtuka Project in Macedonia, and the Group has plans to bring it into construction and ultimately commercial production.

Q1-2020 HIGHLIGHTS

Ilovica-Shtuka Project permitting – update

Following to the received rejection resolution from the Ministry of Economy in Macedonia (the "MoE") on the Exploitation Permit Request referred to Exploitation Concession for Ilovica 6 ("Rejection Resolution"), which was confirmed ("Resolution for Rejection of the Appeal") by the State Commission for Acting Upon Administrative and Employment procedures in the Second Instance ("Second Instant Commission"), the Group submitted a lawsuit against that Rejection Resolution to the Administrative Court in Macedonia. On March 31, 2020 the Administrative Court in Macedonia adopted a verdict adopting the lawsuit of the Group against the Second Instance Commission and annulling the Resolution for Rejection of the Appeal of the Second Instant Commission. However, the adopted verdict could be further appealed, but as at the date of approval of this MD&A by the Company's board of directors such appeal has not been submitted at the Higher Administrative Court in Macedonia. Due to the declared state of emergency in the Republic of North Macedonia, all set deadlines, including the deadline for submission of related appeal to the Higher Administrative Court in Macedonia, are put on hold until the end of the state of emergency (as at the date of approval of this MD&A by the Company's board of directors, the state of emergency is still effective in the Republic of North Macedonia), which would further prolong the timing of the completion of this legal case in the Country, regarding the Rejection Resolution.

Further to that, and following to the decision for termination of the Exploitation Concession for Ilovica 6 ("Termination of Ilovica 6"), on January 8, 2020 the Group filed a lawsuit to the Administrative Court in Macedonia against that termination.

Q1-2020 HIGHLIGHTS

Ilovica-Shtuka Project permitting – update

As at the date of approval of this MD&A by the Company's board of directors, the Exploitation Concession for Ilovica 11 is considered valid and in possession of the Group. Whilst the administrative process for termination of the Exploitation Concession for Ilovica 6 is complete as of December 16, 2019, this administrative process is in dispute and is in process in the lower court in Macedonia (i.e. Administrative Court). There are also further steps including an appeal in the higher court in Macedonia (i.e. Higher Administrative Court) together with international arbitration if required.

Due to the independent domestic and international legal review of the Group's legal position relating to the Termination of Ilovica 6, together with international legal remedies available, the Group is working towards the resolution of this dispute with the Government of the Republic of North Macedonia.

The basis of the Group's legal position is that the approval of the merger request for Ilovica 6 and Ilovica 11 exploitation concessions, submitted on January 28, 2016 and which is still pending on approval by the Government of the Republic of North Macedonia, would materially change the Group's legal position as these two concessions would be merged into one new exploitation concession which would allow the submission of all outstanding documentation for an Exploitation Permit approval. The approval of the merger request represents a material trigger for further development of the Ilovica-Shtuka Project.

PROJECTS

This section outlines the exploration activities carried out in the three months ended March 31, 2020. 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 and Termination of Ilovica 6 (as explained in "Q1-2020 Highlights" section above) and further advancing the permitting of the deposit.

SELECTED INTERIM FINANCIAL INFORMATION FOR Q1-2020

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

Quarter ended	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Loss attributable to the Owners of the Company								
Net loss after tax	(2,839)	(1,107)	(1,695)	(1,009)	(2,008)	(1,961)	(1,007)	(3,273)
Basic loss per share	(0.01)	-	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.02)
Diluted loss per share	(0.01)	-	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.02)

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 provisions related to IFRS 16 *Leases* applied from January 1, 2019, as explained in Note 3 of the consolidated 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, net loss 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 convertible loan closed with the European Bank for Reconstruction and Development ("EBRD convertible loan") ("EBRD"); and
- foreign currency exchange rates.

In addition, the fair value loss on modification on the convertible loan closed with CCI ("CCI convertible loan") resulting from the amendment of that convertible loan in 2018 (see Note 13(b) of the consolidated financial statements) was accrued in the quarter ended June 30, 2018 ("Q2-2018"), which resulted in further increase in the net loss for Q2-2018.

RESULTS OF CONTINUING OPERATIONS

KEY POINTS

- *Q1-2020 operating loss of $2.211 million (the three months ended March 31, 2019 ("Q1-2019"): $1.018 million)*
- *Q1-2020 operating cash costs[1] (operating (loss)/profit excluding depreciation, amortisation, share-based payments and unrealised foreign exchange (loss)/gain) increased to $1.182 million (Q1-2019: $0.650 million)*
- *Q1-2020 loss after tax attributable to the Owners of the Company of $2.839 million (Q1-2019: $2.008 million)*

	Quarter ended March 31	
in thousands $	**2020 (Unaudited)**	2019 (Unaudited)
Operating expenses		
Accounting, legal and professional	**(464)**	(121)
Depreciation	**(28)**	(39)
Amortisation	**-**	(1)
Office and general	**(58)**	(53)
Regulatory, filing and transfer agent	**(22)**	(24)
Rent	**(4)**	(4)
Salaries, director and consultant fees	**(402)**	(345)
Share-based payments recovery/(expenses)	**110**	(119)
Investor and public relations	**(32)**	(37)
Travel	**(23)**	(31)
Exploration and evaluation costs	**(79)**	-
Loss on foreign exchange	**(1,209)**	(244)
Operating loss	**(2,211)**	(1,018)
Finance income	**7**	-
Finance expense	**(621)**	(934)
Fair value gain/(loss) on financial liabilities	**7**	(56)
Net finance loss	**(607)**	(990)
Loss before tax	**(2,818)**	(2,008)
Income tax expense	**(21)**	-
Loss for the period	**(2,839)**	(2,008)

DETAILED ANALYSIS OF THE THREE MONTHS ENDED MARCH 31, 2020 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2019

The Group recorded a net loss after tax attributable to the Owners of the Company of $2.839 million or $0.01 loss per share in Q1-2020, compared to a net loss of $2.008 million or $0.01 loss per share in Q1-2019.

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

- An increase of the recognised loss on foreign exchange of $0.965 million in Q1-2020 compared to Q1-2019 was mainly due to the unfavourable movement of Canadian dollar against US dollar during Q1-2020 compared to Q1-2019 which was reflected within the foreign exchange movements on the EBRD convertible loan.
- An accounting, legal and professional expenses were increased by $0.343 million in Q1-2020, mainly resulted from the increased level of legal services incurred in Q1-2020 compared to Q1-2019, following to the decisions related to the Exploitation Concession for Ilovica 6, as explained in "Q1-2020 Highlights" section above.

partly compensated by:

- A decrease of the recognised finance expense of $0.313 million in Q1-2020, compared to Q1-2019 was mainly due to the decrease fixed interest rate for both convertible loans, as disclosed in Note 9(a) of the consolidated interim financial statements.
- The recognised share-based payments recovery of $0.110 million in Q1-2020, compared to its expense of $0.119 million in Q1-2019 was owing to the unfavourable movement of the Company's common share price in Q1-2020 compared to Q1-2019. As disclosed in Note 11(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.

[1] Non-GAAP Measure. Please refer to pages 6 for further details.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2020 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	731	731	-	-	-
Gold purchase advance payments	15,876	15,876	-	-	-
Lease liability	196	78	118	-	-
Loans and borrowings	23,832	23,832	-	-	-
Total Contractual Obligations	**40,635**	**40,517**	**118**	**-**	**-**

At March 31, 2020 the Group had cash and cash equivalents of $6.472 million and $0.104 million in total for other receivables and other current assets. However, as presented above, the Group had trade and other payables of $0.731 million, gold purchase advance payments of $15.876 million, financial liabilities regarding two convertible loans (see Note 9 of the consolidated interim financial statements) totalling $21.466 million (or contractual obligations $23.832 million for both loans at March 31, 2020) and current lease liabilities of $0.078 million, including also the current liabilities of $0.248 million for share-based payments, the Group had a net working capital deficiency[2] of $31.823 million at March 31, 2020.

The two key contributors to the Group's working capital deficiency position at March 31, 2020 are financial liabilities regarding two convertible loans and the gold purchase advance payments received from Royal Gold, AG ("Royal Gold").

Firstly, the current financial liabilities, composed of the EBRD convertible loan of $12.837 million and the CCI convertible loan of $8.629 million, are classified as current liabilities since both convertible loans currently 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. Refer to Note 9 of the consolidated interim financial statements. The total contractual obligations at February 28, 2021 for these two convertible loans are $23.832 million, out of which $13.661 million (or US$9.678 million) related to the EBRD convertible loan and $10.171 million to the CCI convertible loan.

Secondly, the Gold purchase advance payments are classified as current liabilities since Royal Gold has the contractual capacity to issue a termination notice that may require the Group to repay the outstanding advance payments within 60 days of receiving such notice. Refer to Note 10 of the 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.

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.

Operating Activities

	Quarter ended March 31	
	2020	2019
in thousands $	**(Unaudited)**	(Unaudited)
OPERATING ACTIVITIES		
Loss before tax	**(2,818)**	(2,008)
Add back:		
Depreciation	**28**	39
Amortisation	**-**	1
Finance income	**(7)**	-
Finance expense	**621**	934
Share-based payments (recovery)/expenses	**(110)**	119
Unrealised foreign exchange loss	**1,111**	209
Fair value (gain)/loss on financial liabilities	**(7)**	56
Sub-total	**(1,182)**	(650)
Changes in non-cash working capital items:		
Decrease/(increase) in other receivables and other current assets	**116**	(12)
Increase in trade and other payables	**73**	26
Cash used in operating activities	**(993)**	(636)

[2] Non-GAAP Measure. Please refer to page 6 for further details.

LIQUIDITY AND CAPITAL RESOURCES – CONTINUED

Operating Activities – continued

Cash used in operating activities during Q1-2020 was $0.993 million compared to $0.636 million in Q1-2019. This increase of $0.357 million in Q1-2020 was as result of:

- The increased cash payments of $0.532 million from operating activities (from $0.650 million in Q1-2019 to $1.182 million in Q1-2020), mainly driven by the increased level of legal services incurred in Q1-2020 compared to Q1-2019, as explained in "Result of Operations" section above;

partly compensated by

- A favourable movement of working capital by $0.175 million in Q1-2020 compared to Q1-2019, mainly resulting from the utilized prepayments for legal services, recognized at December 31, 2019, performed during the three months ended March 31, 2020.

Financing Activities

	Quarter ended March 31	
	2020	2019
in thousands $	**(Unaudited)**	(Unaudited)
FINANCING ACTIVITIES		
Payment of lease liabilites	**(20)**	(20)
Interest paid	**(2)**	(1)
Cash used in financing activities	**(22)**	(21)

During Q1-2020 the Group paid $0.020 million (Q1-2019: $0.020 million) for the lease liabilities as disclosed under provisions of IFRS 16, and additional $0.002 million (Q1-2019: $0.001 million) as interest payment.

Investing Activities

	Quarter ended March 31	
	2020	2019
in thousands $	**(Unaudited)**	(Unaudited)
INVESTING ACTIVITIES		
Expenditures on mineral right interests	**-**	(23)
Purchases of land, property, plant and equipment and intangible assets	**-**	(28)
Interest received	**7**	-
Cash provided by/(used in) investing activities	**7**	(51)

In Q1-2020 cash of $0.007 million was provided by the Group's investing activities in form of received interest, while during Q1-2019 the Group used cash of $0.051 million in investing activities, including $0.023 million of capital expenditures on mineral right interests on the Ilovica-Shtuka Project and $0.028 million for purchases of land, property, plant and equipment and intangible assets.

The table below summarises the expenditures incurred on the Group's key projects during Q1-2020 and Q1-2019.

	Macedonia *Ilovica-Shtuka Project*
	$000s
Balance, January 1, 2019	39,918
Exploration expenditures:	
Feasibility costs	23
Other	10
	39,951
Other items:	
Exchange differences	(1,615)
Balance, March 31, 2019	38,336
Balance, January 1, 2020	**37,793**
Other items:	
Exchange differences	**2,303**
Balance, March 31, 2020	**40,096**

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 months ended March 31, 2020 and 2019.

	Quarter ended March 31	
in thousands $	**2020**	2019
Operating loss - per financial statements	**(2,211)**	(1,018)
Add/(Less):		
Share-based payments (recovery)/expense	**(110)**	119
Depreciation	**28**	39
Amortisation	**-**	1
Unrealised foreign exchange loss	**1,111**	209
Total Operating cash costs	**(1,182)**	(650)

The other non-GAAP measure used is net working capital deficiencies which represents the difference between current liabilities and current assets.

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 related parties are as follows:

- Wheatley Project Services – private company owned by one of the Group's current key management personnel, for performing of project management services to the Ilovica-Shtuka Project; and
- Coast Invest Ltd – private company owned by one of the Group's director, engaged from January 1, 2020 as additional support for the Group's Macedonian affairs, particularly engaged in the permitting process and for the development of the Ilovica-Shtuka Project.

For both services have 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.

	Three months ended March 31,	
	2020	2019
	$000s	$000s
Project management fees	**19**	19
Fees for Macedonian affairs and for support of the permiting process of the Ilovica-Shtuka Project	**53**	-
	72	19

At March 31, 2020, the Group owed Wheatley Project Services $0.026 million (December 31, 2019: $0.006 million) for services provided from December 2019 to March 2020 and $0.019 million to Coast Invest Ltd for services provided in March 2020.

RELATED PARTY TRANSACTIONS – CONTINUED

(b) Key management personnel compensation

The remuneration of directors and other members of key management personnel during the three months ended March 31, 2020 and 2019 was as follows:

		Three months ended March 31,	
	Note	**2020**	2019
		$000s	$000s
Short-term employee benefits		**233**	185
Post-employment benefits	(i)	**13**	12
Share-based payments (recovery)/cost	(ii)	**(110)**	114
		136	311

(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) 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.

CONTRACTUAL COMMITMENTS

The Group had no future contractual obligations as at March 31, 2020, except to those already disclosed in the consolidated interim financial statements and in this MD&A.

CRITICAL ACCOUNTING ESTIMATES

The Group's significant accounting policies are summarised in Note 4 of the consolidated financial statements. The preparation of the consolidated interim financial statements is in accordance with IFRS, as issued by the IASB, requires management to select accounting policies and make estimates that may have a significant impact on 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.

  Based on the assumption for positive resolution of the legal situation which would result in opening opportunities for further progressing of the Ilovica-Shtuka Project, the directors and management have considered the current legal cases pertaining to the licence and based on legal advice consider the Group to maintain legal title. The directors and management have included the detail regarding these legal cases in Note 7 of the consolidated interim financial statements.

- *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 the 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 *Fair Value Measurement* and hence results in the EBRD convertible loan valuation being a level 3 valuation.

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

  The Group recognised a right-of-use asset and a lease liability at the present value of the remaining lease payments.

  The Group has applied judgement to determine the lease term for some lease contracts in which 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.

  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 9 of the consolidated interim financial statements).

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Euromax's financial instruments are presented below.

Financial assets

At March 31, 2020, financial assets held by the Group consist of cash and cash equivalents of $6,472 million, other receivables and other current assets in total of $0.104 million, as disclosed in the "Liquidity and Capital Resources" section above. The Group is not exposed to significant interest or credit risks arising from these financial instruments, but exposed to currency risk, and overall net effect of this risk is disclosed below in the "Sensitivity analysis on the currency risk" sub-section below. Cash and cash equivalents are used for paying of the Group's operations, while other receivables and other current assets represent indirect tax receivables (value added taxes from Canadian, Macedonian and UK tax authorities) and prepayments paid for the regular Group's operations.

Financial liabilities

Financial instruments recognised as financial liabilities at March 31, 2020 are as follows: trade and other payables of $0.731 million, gold purchase advance payments of $15.876 million, lease liabilities of $0.196 million and convertible loans of $21.466 million.

Only one financial instrument, i.e. EBRD convertible loan is designated at fair value through profit or loss ("FVTPL"), and accordingly fair value gain of $0.007 million was recognised in Q1-2020 (fair value loss of $0.056 million for Q1-2019). The assumption used for determining of the fair value of the EBRD convertible loan is disclosed in "Critical Accounting Estimates" section above, as well as in Note 9 of the consolidated interim financial statements. All other financial liabilities are classified as measured at amortised cost. Further to that, CCI convertible loan is a compound financial instrument, whereby liability and equity component were recognised, and subsequent to the initial recognition a liability component is measured at amortised cost by using the effective interest method (see Note 9 of the consolidated interim financial statements for more details).

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS – CONTINUED

Financial liabilities – continued

Gold purchase advance payments and both convertible loans are issued for the purpose of financing the Group's operations and the development of the Ilovica-Shtuka Project.

The liquidity risk associated with these financial liabilities is disclosed in "Liquidity and Capital Resources" section above.

Interest expense is accrued by applying the fixed interest rate for both convertible loans, whereby expense of $0.615 million was recognised in Q1-2020 ($0.929 million in Q1-2019), and therefore the change in the market interest rate would not affect further the Group's profit or loss. No interest expense is charged to other financial instruments.

The Group is exposed to exchange rate between US dollar and Canadian dollar for the EBRD convertible loan, which is denominated into US dollar, and between US dollar and Euro for the gold purchase advance payments, which is denominated into US dollars and held within subsidiary that has Euro as functional currency. Accordingly, for Q1-2020 the Group recognised unrealised loss on foreign currency of $0.948 million for the EBRD convertible loan (Q1-2019: unrealised gain of $0.232 million) and unrealised loss on foreign currency of $0.190 million for the gold purchase advance payments (Q1-2019: $0.294 million).

Sensitivity analysis on the currency risk

The summary of the Group's exposure to currency risk as at March 31, 2020 is as follows

Balance on March 31, 2020	U.S. Dollar	British Pound	Macedonian Denar	Euros	Total
	$000s	$000s	$000s	$000s	$000s
Financial assets	4,966	1,065	192	299	**6,522**
Loans and borrowings	(12,837)	-	-	-	**(12,837)**
Lease liability	-	-	(196)	-	**(196)**
Gold purchase advance payments	(15,876)	-	-	-	**(15,876)**
Other financial liabilities	(122)	(256)	(163)	(39)	**(580)**
Net financial assets / liabilities	**(23,869)**	**809**	**(167)**	**260**	**(22,967)**

Based on the sensitivity analyses, a 10% decrease/increase of the Canadian dollar would result in an increase/decrease of approximately $2.297 million in the Group's loss for Q1-2020. The Group does not use derivative instruments or foreign exchange contracts to hedge against gains or losses arising from foreign exchange fluctuations.

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.

The directors and management of Euromax are monitoring the global crisis regarding coronavirus (COVID-19) pandemic. There is likely to be some business disruption caused by the outbreak including potential delays to the resolution of the current legal cases, whereby due to the state of emergency situation declared in the Republic of North Macedonia, the set deadlines for the court and other administrative procedures are put on hold until the end of the state of emergency in the country. However, the directors and management do not consider that there would be an immediate impact on the Group's statement of financial positon and will continue to monitor the situation closely.

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.

The Termination of Ilovica 6 is outlined in the "Q1-2020 Highlights" section above and in Note 7 of the consolidated interim financial statements. For clarity, the Exploitation Concession for Ilovica 11 remains in place and valid. Following independent domestic and international legal advice that has reviewed the Group's legal position, together with international legal remedies available, the Group is working towards the resolution of this situation and are working with the Government of the Republic of North Macedonia to resolve the current legal dispute regarding the Exploitation Concession for Ilovica 6.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES – CONTINUED

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 Q1-2020, 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, in June 2017 a new governmental coalition was formed. The primary focus of this new Government was solving of all required country's political obstacles toward integration into NATO and opening of accession negotiation with European Union ("EU"), which was majorly achieved by signing the "Prespa Agreement", according which the county' name was changed into Republic of North Macedonia. As at March 30, 2020 the Republic of North Macedonia became member of the North Atlantic Treaty Organisation ("NATO"), and on March 27, 2020 Council of Europe made positive decision for opening of negotiation talks of EU with Republic of North Macedonia.

Currently the Parliament of the Republic of North Macedonia is dissolved, such decision was made on February 16, 2020, and accordingly that decision resulted in calling of early general elections, initially scheduled on April 12, 2020, but resulting from the development of the coronavirus (COVID-19) pandemic in Macedonia, on March 18, 2020 the President of the Republic of North Macedonia declared a state of emergency for the whole country, and therefore the general elections have been postponed indefinitely. As at the date of approval of this MD&A by the Company's board of directors, the state of emergency is still effective in the Republic of North Macedonia.

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.

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 2019, Macedonia scored 35 and ranking it on 106 position 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.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES – CONTINUED

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 that 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.

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.

External & Geopolitical risks

To the extent that the economy deteriorates for an extended period of time, the prospects for the Group's business could be materially harmed. In addition, the Group's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the recent outbreaks of the coronavirus (COVID-19) pandemic, the outcome of the United Kingdom's decision to leave the European Union (commonly referred to as "Brexit"), the trade war between China and the United States, and the eventual impact of the new United States-Mexico-Canada Agreement may create further uncertainty and risk with respect to the prospects of the Group's business.

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.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES – CONTINUED

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.

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.

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES – CONTINUED

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, Republic of North Macedonia. 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 the Republic of North Macedonia

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

Competition

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

Insurance Coverage Could Be Insufficient

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

Litigation Risks

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

Tax Matters

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

OPERATIONAL AND OTHER BUSINESS RISKS AND UNCERTAINTIES – CONTINUED

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.

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 interim financial statements.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING – CONTINUED

The CEO and CFO evaluated the effectiveness of the Group's DC&P and ICFR as required by NI 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* and they concluded that as of March 31, 2020, 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 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 March 31, 2020.

OTHER MD&A REQUIREMENTS

As of May 11, 2020, the Group had outstanding 331,929,522 common shares, 177,983,010 share purchase warrants, 6,425,000 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.