



UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

Expressed in Canadian dollars

NOTICE OF NO AUDIT OR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Euromax Resources Ltd.

Condensed consolidated interim statements of profit or loss and comprehensive income or loss - unaudited

(Expressed in Canadian dollars)

	Note	Three months ended March 31,	
		2024 \$000s	2023 \$000s
Operating expenses			
Accounting, legal and professional		(224)	(231)
Depreciation	6	(11)	(11)
Office and general		(46)	(70)
Salaries, director and consultant fees		(220)	(225)
Share-based payments recovery/(expense)		450	(405)
Social responsibility and other project related costs		(7)	(28)
(Loss)/Gain on foreign exchange		(857)	449
Operating loss		(915)	(521)
Finance expense	6	(844)	(786)
Fair value gain on financial liabilities	9 (b)	4	6
Net finance loss		(840)	(780)
Loss for the period		(1,755)	(1,301)
Other comprehensive income, net of tax:			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Translation adjustment on foreign subsidiaries		35	347
Total other comprehensive income, net of tax		35	347
Total comprehensive loss for the period		(1,720)	(954)
Loss per common share			
Basic and diluted	5	(0.00)	(0.00)
Weighted average number of common shares outstanding			
Basic and diluted	5	490,743,028	452,803,374

See accompanying notes to the condensed consolidated interim financial statements.

Euromax Resources Ltd.

Condensed consolidated interim statements of financial position - unaudited

(Expressed in Canadian dollars)

	Note	As at	
		March 31, 2024 \$000s	December 31, 2023 \$000s
ASSETS			
Current			
Cash and cash equivalents		161	617
Other receivables		32	59
Other current assets		24	35
Total current assets		217	711
Non-current assets			
Land and property, plant and equipment		194	203
Mineral right interests	7	37,948	38,102
Total assets		38,359	39,016
LIABILITIES			
Current			
Trade and other payables		355	272
Gold purchase advance payments	10	15,234	14,903
Share-based payment liabilities	11 (c)	840	1,290
Loans and borrowings	9	27,348	27,667
Lease liability		53	53
Total current liabilities		43,830	44,185
Non-current liabilities			
Lease liability		79	90
Total liabilities		43,909	44,275
EQUITY			
Share capital	8	82,544	82,119
Equity reserve		17,869	18,294
Convertible loan reserve	9 (b)	1,429	1,334
Currency translation reserve		3,420	3,385
Accumulated losses		(110,812)	(110,391)
Total deficit		(5,550)	(5,259)
Total liabilities and equity		38,359	39,016
Nature of operations	1		
Subsequent events	13		

Approved on behalf of the Board of Directors

Signed "Tim Morgan-Wynne"

Tim Morgan-Wynne, Director

See accompanying notes to the condensed consolidated interim financial statements.

Euromax Resources Ltd.

Condensed consolidated interim statements of changes in equity - unaudited

(Expressed in Canadian dollars)

For the three months ended March 31, 2024 and 2023

	Note	Share capital Number of shares	Amount \$000s	Equity reserve \$000s	Convertible loan reserve \$000s	Currency translation reserve \$000s	Accumulated losses \$000s	Total equity \$000s
For the three months ended March 31, 2023								
<i>Balance on January 1, 2023</i>		353,421,200	78,899	15,828	1,245	3,168	(108,072)	(8,932)
<i>Total comprehensive loss for the period</i>								
Loss for the period			-	-	-	-	(1,301)	(1,301)
Other comprehensive income for the period			-	-	-	347	-	347
<i>Total comprehensive loss for the period</i>			-	-	-	347	(1,301)	(954)
<i>Transactions with owners of the Company</i>								
Common shares issued, net of issue costs	8	101,250,000	1,582	2,253	-	-	-	3,835
Conversion of the convertible notes	8	35,342,120	1,638	-	-	-	-	1,638
Equity-settled share-based payments			-	3	-	-	-	3
Derecognition of the equity component of convertible loan	9 (b)		-	-	(1,245)	-	1,245	-
Equity component of convertible loan	9 (b)		-	-	1,334	-	-	1,334
<i>Total transactions with owners of the Company</i>			3,220	2,256	89	-	1,245	6,810
<i>Balance on March 31, 2023</i>		490,013,320	82,119	18,084	1,334	3,515	(108,128)	(3,076)
For the three months ended March 31, 2024								
<i>Balance on January 1, 2024</i>		490,013,320	82,119	18,294	1,334	3,385	(110,391)	(5,259)
<i>Total comprehensive loss for the period</i>								
Loss for the period			-	-	-	-	(1,755)	(1,755)
Other comprehensive income for the period			-	-	-	35	-	35
<i>Total comprehensive loss for the period</i>			-	-	-	35	(1,755)	(1,720)
<i>Transactions with owners of the Company</i>								
Exercised equity-settled share-based payments	8	1,702,651	425	(425)	-	-	-	-
Derecognition of the equity component of convertible loan	9 (b)		-	-	(1,334)	-	1,334	-
Equity component of convertible loan	9 (b)		-	-	1,429	-	-	1,429
<i>Total transactions with owners of the Company</i>			425	(425)	95	-	1,334	1,429
<i>Balance on March 31, 2024</i>		491,715,971	82,544	17,869	1,429	3,420	(110,812)	(5,550)

See accompanying notes to the condensed consolidated interim financial statements.

Euromax Resources Ltd.

Condensed consolidated interim statements of cash flows - unaudited

(Expressed in Canadian dollars)

	Note	Three months ended March 31,	
		2024	2023
		\$000s	\$000s
OPERATING ACTIVITIES			
Loss before tax		(1,755)	(1,301)
<i>Add back:</i>			
Depreciation	6	11	11
Finance expense	6	844	786
Share-based payments (recovery)/expense		(450)	405
Unrealised foreign exchange loss/(gain)		860	(404)
Expensed transaction costs associated with convertible loans	9 (b)	67	67
Fair value gain on financial liabilities	9 (b)	(4)	(6)
<i>Changes in non-cash working capital items:</i>			
Decrease in other receivables and prepayments and deposits		38	-
Increase/(Decrease) in trade and other payables		84	(149)
Cash used in operating activities		(305)	(591)
FINANCING ACTIVITIES			
Proceeds from shares issued	8	-	4,015
Share issue costs	8	-	(113)
Transaction costs associated with convertible loans	9 (b)	(134)	(134)
Transaction costs associated with convertible notes		-	(19)
Payment of lease liabilities		(13)	(13)
Interest paid		(2)	(2)
Cash (used)/provided in financing activities		(149)	3,734
Effect of exchange rate changes on cash		(2)	(17)
Net change in cash and cash equivalents		(454)	3,143
Cash and cash equivalents, beginning of the period		617	24
Cash and cash equivalents, end of the period		161	3,150

See accompanying notes to the condensed consolidated interim financial statements.

Euromax Resources Ltd.

Notes to the condensed consolidated interim financial statements - unaudited

(Expressed in Canadian dollars, except number of common shares and per share amounts)

1. Nature of operations

Euromax Resources Ltd. (“Euromax” or the “Company”) was incorporated under the Business Corporation Act (“British Columbia”) and established as a legal entity on May 1, 1990. The registered address of the Company is located at 700 West Georgia St, Suite 2200, Vancouver, British Columbia, Canada V7Y 1K8.

These condensed consolidated interim financial statements include the accounts of Euromax and of its wholly-owned subsidiaries (collectively, the “Group”). The Group operates with the objective of becoming the leading gold and base metal mining company in Europe. The Group operates in one sector in the mining industry, i.e. the exploration and development of mineral right interests.

Following a voluntary application to delist from the TSX, from January 9, 2024 Euromax’s common shares have been re-listed on TSX Venture Exchange (the “TSXV”). Euromax’s common shares are also listed on the OTC Pink Market under the trading symbol “EOXFF”. Euromax’s share options and warrants are not listed.

These condensed consolidated interim financial statements were authorised for issue by the Company’s board of directors on May 22, 2024.

2. Basis of preparation and statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023, which were prepared in accordance with IFRS as issued by the IASB.

The Group has applied the same accounting policies and methods of computation in these condensed consolidated interim financial statements as it did in the audited consolidated financial statements for the year ended December 31, 2023.

3. Going concern

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

At March 31, 2024, the Group had net liabilities of \$5.6 million (December 31, 2023: \$5.3 million) and a net working capital deficiency of \$43.6 million (December 31, 2023: \$43.5 million), including cash of \$0.161 million (December 31, 2023: \$0.617 million). The Group’s \$43.6 million working capital deficiency at March 31, 2024 largely results from:

- Convertible loans of \$27.3 million (at December 31, 2023: \$27.7 million) with European Bank for Reconstruction and Development (“EBRD”) (the “EBRD convertible loan”) and with CC Ilovitza (“CCI” a member of the CCC Group) (the “CCI convertible loan”), both mature on February 28, 2025 and therefore classified as current liabilities (see Note 9); and
- Gold purchase advance payments of \$15.2 million (December 31, 2023: \$14.9 million) received from Royal Gold, AG (“Royal Gold”) (see Note 10) which are repayable within 60 days of receiving a termination notice to the Gold Purchase and Sale Agreement.

These two items are classified as current liabilities as at this time contractual repayment may be required within the next twelve months. Both convertible loans are convertible into the Company’s common shares at the election of EBRD and CCI on or before their maturity (see Note 9 for more details). As at the date of these condensed consolidated interim financial statements no termination or repayment notice has been received from Royal Gold.

Subsequent to March 31, 2024, during May 2024 the Group closed a non-brokered private placement (the “2024 Private Placement”) for gross proceeds of US\$0.913 million (see Note 13).

Euromax Resources Ltd.

Notes to the condensed consolidated interim financial statements - unaudited

(Expressed in Canadian dollars, except number of common shares and per share amounts)

3. Going concern (continued)

The Company's board of directors has reviewed the Group's forecasts for the period ended December 31, 2025, in which are included all committed costs for maintaining the Ilovica-Shtuka copper project (the "Ilovica-Shtuka Project") in the Republic of North Macedonia ("Macedonia" or the "Country"), and are prepared based on the following major assumptions:

- the convertible loans which have potential contractual cash outflows at February 28, 2025 of \$30.6 million will either be converted into the Company's common shares or further extended to mature beyond the forecast period; and
- neither termination nor repayment notices will be received from Royal Gold for the period ended December 31, 2025.

Based on these forecasts, the directors have identified that further funding will be required to:

- cover the committed costs for maintaining the Ilovica-Shtuka Project from August 2024 and going forward, including covering the local legal costs for the ongoing and potential administrative processes until the final approval of the request for the merger of the Group's two exploitation concessions (the "Merger") (see Note 7);
- repay the gold purchase advance payments, if termination or repayment notice is received from Royal Gold;
- repay both convertible loans, if neither are further extended in 2025 or converted into the Company's common shares; and
- ultimately construct and bring the Ilovica-Shtuka Project into commercial production.

The directors note that the level of funding required is dependent on both the outcome and duration of the administrative process for getting approval of the Merger.

Given the above factors, the Group will need to raise additional funds from August 2024 either through equity (supported by existing shareholders or new shareholders) or by further debt which is not guaranteed.

These events are outside of the Group's control, and as such, a material uncertainty exists which may cast significant doubt about the Group's continued ability to operate as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors have a reasonable expectation that the Group will be able to raise the required funds and therefore prepared these condensed consolidated interim financial statements on a going concern basis.

These condensed consolidated interim financial statements do not include any adjustments that may result from the outcome of these uncertainties.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of these condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these judgements and estimates. In preparing these condensed consolidated interim financial statements, the significant judgements and estimates made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements for the year ended December 31, 2023.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

Euromax Resources Ltd.

Notes to the condensed consolidated interim financial statements - unaudited

(Expressed in Canadian dollars, except number of common shares and per share amounts)

5. Loss per share

	Three months ended March 31,	
	2024	2023
	\$000s	\$000s
Net loss for the period after tax	(1,755)	(1,301)
Basic weighted average number of common shares	490,743,028	452,803,374
Basic and diluted loss per share	(0.00)	(0.00)

For the three months ended March 31, 2024 and 2023, because there would be further reduction in loss per share resulting from the assumption that share options, share purchase warrants and convertible loan are exercised or converted, all these instruments are considered as anti-dilutive and are ignored in the computation of loss per share. As there were no other instruments that may have a potential dilutive impact, the basic and diluted loss per share were the same for the three months ended March 31, 2024 and 2023.

6. Operating segments

The Group's principal business is the exploration and development of mineral right interests. The Group's board of directors (the Group's Chief Operating Decision Maker) has arranged the Group's operating segments by both type of business and by geographic region. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The Group's reportable segments are as follows:

Reportable segments	Operations	Geographic location
Macedonia	exploration and development of mineral right interests	Republic of North Macedonia
Corporate	corporate operations	Canada and UK

The following is an analysis of the Group's profit or loss before tax, assets and liabilities by operating segments and the Group's consolidated loss before tax.

Three months ended <i>In thousands \$</i>	Macedonia		Corporate		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Finance expense	(3)	-	(841)	(786)	(844)	(786)
Depreciation	(11)	(11)	-	-	(11)	(11)
Profit/(loss) for the period	(725)	214	(1,030)	(1,515)	(1,755)	(1,301)

As at <i>In thousands \$</i>	Macedonia		Corporate		Total	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Assets	38,272	38,407	87	609	38,359	39,016
Liabilities	255	219	43,654	44,056	43,909	44,275

7. Mineral right interests

Macedonia

On July 11, 2007 the Group acquired an option to earn a 100% interest in the Ilovica-Shtuka Project. After completing an agreed exploration programme and the vendor not exercising its back-in right in January 2012, the Group acquired a 100% interest in the Ilovica-Shtuka Project.

The Ilovica-Shtuka Project consists of two adjacent properties, exploitation concessions Ilovica 6 and Ilovica 11. Under the rules and regulations of the Minerals Law in Macedonia, the exploitation concession Ilovica 6 was granted on July 24, 2012, while the exploitation concession Ilovica 11 granted on January 13, 2016. Both exploitation concessions have an initial term of 30 years and subject to a state royalty of 2% of the market value of metals contained in concentrate.

On January 6, 2016 the Group announced the Feasibility Study (the "FS") for the Ilovica-Shtuka Project, prepared in compliance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), while during 2017 the Environmental and Social Impact Assessment Study (the "ESIA") was completed under international standards, which could facilitate the financing of the Ilovica-Shtuka Project's construction as well as meets the requirements of various project stakeholders.

Euromax Resources Ltd.

Notes to the condensed consolidated interim financial statements - unaudited

(Expressed in Canadian dollars, except number of common shares and per share amounts)

7. Mineral right interests (continued)

Macedonia (continued)

During 2017 and 2018, the Ministry of Economy (the “MoE”) positively responded on the request for the merger of both exploitation concessions Ilovica 6 and Ilovica 11 (or the Merger), submitted in January 2016. However, during 2019, the Government of the Republic of North Macedonia challenged the legal validity of the Group’s exploitation concession Ilovica 6, leading to the Government’s termination of that concession in December 2019. This Termination Decision was appealed by the Group, leading to a series of court cases and decisions from 2019 to 2023. Following the positive decisions of the administrative courts that annulled the termination of the exploitation concession on Ilovica 6 on the basis that the Merger represents an administrative preliminary matter, the final approval for the Merger was granted on June 27, 2023, by the Government of the Republic of North Macedonia, as announced on July 4, 2023 in the Official Gazette. However, on July 25, 2023, the Government reversed its decision and withdrew the Merger approval, as announced on July 26, 2023 in the Official Gazette. The Group filed a lawsuit against this subsequent Government decision which was made without any legal basis. The Administrative Court rejected Group’s lawsuit, and accordingly the case has been transferred for decision by the Higher Administrative Court. Despite this decision, the Administrative Court did not challenge the fact that all legal conditions for the Merger approval have been met. Until this is resolved, either by acceptance of the Group’s lawsuit or by new approval by the Government, the Group remains in the process of waiting for the Merger approval.

During 2017, a Strategic Environmental Impact Assessment was approved by the MoEPP (required for urbanisation process of the mine footprint), and a commission within the MoEPP issued a Compliance Report for the Environmental Impact Assessment Study (the “EIA”) and recommended a formal approval to be granted by the MoEPP. However, the final approval of the EIA has not been granted at the date of these consolidated interim financial statements.

The option for recovering the investment and potential damages from the Ilovica-Shtuka Project by initiating an international arbitration under the arbitration rules of the International Centre of the Settlement of Investment Disputes (“ICSID”) in Washington D.C., USA will remain as an available alternative for the Group under the bilateral agreement between Republic of North Macedonia and the Swiss Federal Council for protection of investments.

Based on the assumption for positive resolution of the administrative process for reaching the approval of the Merger, as material trigger for further development of the Ilovica-Shtuka Project, the Group believes that as at March 31, 2024 there is no need for impairment of the carrying amount of the mineral right interest for the Ilovica-Shtuka Project, as presented below.

A summary of changes to the Group’s mineral right interests in the three months ended March 31, 2024 and 2023 is set out below.

Macedonia	
<i>Ilovica-Shtuka Project</i>	
	\$000s
Balance, January 1, 2023	37,483
Other items:	
Exchange differences	763
Balance, March 31, 2023	38,246
Balance, January 1, 2024	38,102
Other items:	
Exchange differences	(154)
Balance, March 31, 2024	37,948

Euromax Resources Ltd.

Notes to the condensed consolidated interim financial statements - unaudited

(Expressed in Canadian dollars, except number of common shares and per share amounts)

8. Share capital and reserves

At March 31, 2024 Euromax's authorised share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

	2024		2023	
	Number of shares	Amount	Number of shares	Amount
		\$000s		\$000s
Balance on January 1	490,013,320	82,119	353,421,200	78,899
Exercised equity-settled share-based payments	1,702,651	425	-	-
Common shares issued, net of issue costs	-	-	101,250,000	1,582
Conversion of the convertible notes	-	-	35,342,120	1,638
Balance on March 31	491,715,971	82,544	490,013,320	82,119

During the three months ended March 31, 2024 fully vested 1,702,651 RSUs, granted to director, were converted into common shares.

Subsequent to March 31, 2024, during May 2024 the Group closed the 2024 Private Placement for gross proceeds of US\$0.913 million (see Note 13), thereby issuing 61,464,496 common shares and 61,464,496 share purchase warrants.

On January 24, 2023 the Company announced closing of a non-brokered private placement (the "2023 Private Placement") for gross proceeds of US\$3 million or \$4.015 million for issuing 101,250,000 common shares and 101,250,000 share purchase warrants. These issued 101,250,000 share purchase warrants have the following vesting conditions: 50,625,000 share purchase warrants vest on approval of the Merger (defined as "A Warrants"), while the other 50,625,000 share purchase warrants vest on approval of the Exploitation Permit on the merged concession for the Ilovica-Shtuka Project and approval of the Environmental Impact Assessment on the merged concession for the Ilovica-Shtuka Project (defined as "B Warrants"). All these 101,250,000 share purchase warrants are exercisable for a period of two years from the date of issuance, whereby A Warrants are exercisable at a price of \$0.075, and B Warrants at price of \$0.125.

The aggregate fair market value of the share purchase warrants and the common shares issued in the 2023 Private Placement was distributed on a pro-rata basis between share capital and equity reserve. The fair value of the share purchase warrants was estimated at \$0.02655 for A Warrant and \$0.02003 for B Warrant, or in total of \$2.358 million for all issued 101,250,000 share purchase warrants, at the grant date by using the Black-Scholes option pricing model.

The Company incurred share issue costs of \$0.180 million for filing and legal fees, of which \$0.113 million were paid during the three months ended March 31, 2023. These share issue costs of \$0.180 million were allocated on a proportional basis, whereby \$0.075 million were allocated to share capital while \$0.105 million to share purchase warrants via the equity reserve.

Following closing of the 2023 Private Placement, on January 26, 2023 convertible notes of \$1.638 million or US\$1.25 million, issued in the year ended December 31, 2022, were converted into 35,342,120 common shares.

During the three months ended March 30, 2024 and 2023, no share options and no share purchase warrants were exercised.

At March 31, 2024, the Company had 8,378,603 share options outstanding (March 31, 2023: 8,378,603) with exercise prices ranging from \$0.03 to \$0.08 per share and a weighted average exercise price of \$0.05.

The Company had 122,226,678 share purchase warrants (March 31, 2023: 122,226,678) with weighted average exercise price of \$0.10 per common share and 6,843,504 RSUs (March 31, 2023: 2,296,155) outstanding at March 31, 2024.

Euromax Resources Ltd.

Notes to the condensed consolidated interim financial statements - unaudited (Expressed in Canadian dollars, except number of common shares and per share amounts)

9. Loans and borrowings

	March 31, 2024	December 31, 2023
	\$000s	\$000s
EBRD convertible loan	16,144	15,532
CCI convertible loan	11,204	12,135
	27,348	27,667

(a) Terms and conditions

The terms and conditions of outstanding loans are as follows:

	Currency	Nominal interest rate	Year of maturity	March 31, 2024		December 31, 2023	
				Face value	Carrying amount	Face value	Carrying amount
EBRD convertible loan	US\$	7.00%	2025	\$000s 6,771	\$000s 16,144	\$000s 6,623	\$000s 15,532
CCI convertible loan	\$	7.00%	2025	5,200	11,204	5,200	12,135
				11,971	27,348	11,823	27,667

EBRD convertible loan

On May 24, 2016 the Company closed the EBRD convertible loan with EBRD and received proceeds of US\$5 million (\$6.771 million) (the "Principal Amount"), amended in April 2018, March 2019, February 2021, February 2022, February 2023 (the "2023 Amendments of the EBRD convertible loan") and February 2024 (the "2024 Amendments of the EBRD convertible loan").

The EBRD convertible loan matures on February 28, 2025, extended from February 28, 2024 as per the 2024 Amendments of the EBRD convertible loan.

Upon maturity, the Company will be required to pay or convert:

- the Principal Amount,
- an amount of US\$1.420 million (\$1.923 million) (the "Redemption Amount"),
- a finance delay fee of US\$0.150 million (\$0.203 million) (the "Fee"),
- finance delay interest (the "Interest") accrued from January 1, 2017 until April 30, 2018 on the Principal Amount at the rate of 3 months LIBOR plus 7% per annum, compounded quarterly, and
- finance interest (the "Interest on Extension") accrued from May 1, 2018 to its maturity on collectively the Principle Amount, the Redemption Amount, the Fee and the Interest at April 30, 2018 at a rate of 20% per annum applied from May 1, 2018 to March 31, 2019 and 7% per annum from April 1, 2019 to its maturity, compounded annually.

The EBRD convertible loan is convertible into the Company's common shares, in whole or in part at the election of EBRD, at strike price of \$0.15 per common share for conversion of all the Principal Amount, the Redemption Amount, the Fee, the Interest, and the Interest on Extension.

CCI convertible loan

On May 20, 2016 the Company closed a convertible loan with CCI and received proceeds of \$5.2 million, amended in April 2018, March 2019, February 2021, February 2022, February 2023 (the "2023 Amendments of the CCI convertible loan") and February 2024 (the "2024 Amendments of the CCI convertible loan").

The CCI convertible loan matures on February 28, 2025, extended from February 28, 2024 as per the 2024 Amendments of the CCI convertible loan.

The CCI convertible loan incurred a fixed interest rate of 20% per annum, compounded annually (changed from interest rate of 9% per annum, compounded daily), applied retrospectively from May 20, 2016 to March 31, 2019, repayable at maturity, while from April 1, 2019 until its maturity incurs fixed interest rate of 7% per annum, compounded annually.

At maturity, CCI can elect to receive cash repayment or convert the outstanding loan balance into the Company's common shares at a conversion price of \$0.15 per common share.

Euromax Resources Ltd.

Notes to the condensed consolidated interim financial statements - unaudited
(Expressed in Canadian dollars, except number of common shares and per share amounts)

9. Loans and borrowings (continued)

(b) Recognition and measurement of convertible loans

EBRD convertible loan

EBRD convertible loan	2024	2023
	\$000s	\$000s
Carrying amount at January 1	15,532	14,841
Adjustments recorded during the period:		
Accrued interest	275	256
Fair value adjustment	(4)	(6)
Foreign exchange movements	341	(1)
Carrying amount at March 31	16,144	15,090

The EBRD convertible loan is designated as fair value through profit or loss ("FVTPL"), whereby all attributable transaction costs, together with any accrued interest, foreign exchange movements and fair value adjustments are recognised in profit or loss.

During the three months ended March 31, 2024 transaction costs of \$0.067 million were incurred for the 2024 Amendments of the EBRD convertible loan (2023: \$0.067 million incurred for the 2023 Amendments of the EBRD convertible loan).

As per provisions of IFRS 9 *Financial Instruments*, the amount of change in the fair value of financial liability designated as FVTPL attributable to change in the credit risk of that liability shall be presented in other comprehensive income or loss, while the remaining amount of change in the fair value of the liability shall be presented in profit or loss. Based on Management's estimate, the effect of fair value movement of the EBRD convertible loan resulting from changes in the credit risks of the EBRD convertible loan do not have material effect on the Group's condensed consolidated interim financial statements, and therefore the whole effect from movement in the fair value of the EBRD convertible loan is presented in profit or loss.

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 market observable information assumptions used, 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 estimates of the likelihood of each scenario occurring. This probability weighting was 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.

The fair value of the EBRD convertible loan at March 31, 2024 was assessed at \$16.144 million (US\$11.923 million) (March 31, 2023: \$15.090 million or US\$11.143 million).

CCI convertible loan

CCI convertible loan	2024	2023
	\$000s	\$000s
Carrying amount at January 1	12,135	11,331
Adjustments recorded during the period:		
Adjustments due to the significant modification *		
Derecognition of the financial liability	(12,496)	(11,668)
Recognition of the financial liability	11,061	10,326
Transaction costs	(59)	(59)
Accrued interest	563	526
Carrying amount at March 31	11,204	10,456

* Resulting from the significant modification of the CCI convertible loan, the existing financial liability was derecognised and new financial liability of \$11.061 million (2023: \$10.326 million) was recognised, while the remaining amount of that compound financial instrument of \$1.437 million (2023: \$1.342 million) was recognised as an equity component.

The CCI convertible loan is a compound financial instrument, whereby a liability component and an equity component were determined at initial recognition. The liability component was measured by fair valuing the convertible loan using a relevant market interest rate that would apply to an equivalent loan that does not contain an equity conversion option. The remaining amount was recognised as equity element.

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9. Loans and borrowings (continued)

(b) Recognition and measurement of convertible loans (continued)

CCI convertible loan (continued)

The significant modification of the CCI convertible loan's conditions as per the 2024 Amendments of the CCI convertible loan resulted in recognition of newly recognised financial liability in 2024, and derecognition of both the existing financial liability and related equity component of \$1.334 million, whereby the equity component was transferred to Accumulated losses. Therefore, a new financial liability has been recognised at \$11.061 million, while the remaining amount of that compound financial instrument of \$1.437 million has been recognised as an equity component.

Similarly in 2023, due to the significant modification of the CCI convertible loan's conditions as per the 2023 Amendments of the CCI convertible loan new financial liability of \$10.326 million and equity component of \$1.342 million were recognised in 2023, while the existing financial liability and related equity component of \$1.245 million were derecognised.

Transaction costs incurred of \$0.067 million for the 2024 Amendments of the CCI convertible loan (2023: \$0.067 million incurred for the 2023 Amendments of the CCI convertible loan) were allocated on a proportional basis to the liability component of \$0.059 million (2023: \$0.059 million) and equity element of \$0.008 million (2023: \$0.008 million). Transaction costs allocated to the liability component will be fully amortised at February 28, 2025.

Subsequent to initial recognition, the liability component is measured at amortised cost by using the effective interest method.

10. Gold purchase advance payments

On October 20, 2014 the Group entered into a Gold Purchase and Sale Agreement ("GPSA") with Royal Gold pursuant to which the Group via its wholly-owned subsidiaries agreed to sell an equivalent of 25% of future gold production from the Ilovica-Shtuka Project to Royal Gold to a maximum of 525,000 ounces and then 12.5% gold produced thereafter. In consideration, it was agreed that Royal Gold pay US\$175 million as an advance payment on the purchase price of the Ilovica-Shtuka Project's future gold production.

During 2015, under the initial tranche and part of the first anniversary payment the Group received US\$11.25 million, as part of that GPSA. All these advance payments received under the GPSA are classified as current liabilities since all conditions precedent for the third tranche were not satisfied in the agreed timetable as per the GPSA.

The repayment of the advance payments is currently secured by share pledges over the Group's common shares in a number of its wholly-owned subsidiaries together with security of specific intergroup transactions and balances. On June 3, 2015 the Group obtained the concession agreement annex allowing for the exploitation concession Ilovica 6 to be granted as security by way of assignment in favour of Royal Gold as well as to the Group's creditors. Royal Gold's first priority security interest will be subordinated to that of the permitted senior ranking debt finance under arrangements to be agreed with the senior financiers. Royal Gold's security interest falls away once its entire advance payment has been repaid.

Under the provisions of the GPSA, in case of its termination, advance payments need to be repaid in full within 60 days of received termination notice. As at the date of these condensed consolidated interim financial statements, no termination or repayment notice has been received from Royal Gold, nor does the Group expect to receive such notice until funds for repayment of that advance payment are secured by the Group.

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10. Gold purchase advance payments (continued)

The following is a summary of the changes in the GPSA advance payments as at March 31, 2024 and 2023:

	2024	2023
	\$000s	\$000s
Balance on January 1	14,903	15,236
Adjustments recorded during the year:		
Foreign exchange movements:		
Unrealised foreign exchange loss/(gain)	338	(282)
Currency translation reserve movements *	(7)	281
Balance on March 31	15,234	15,235

* Gold purchase advance payments held within subsidiary that has Euro as functional currency

11. Related party transactions

At March 31, 2024, 46.2% of all issued Company's common shares were owned by Galena Resource Equities Limited ("Galena"), an entity that is controlled by Galena Asset Management S.A., which is an affiliate of Trafigura Group Pte Ltd. ("Trafigura"). Galena has executed its right to appoint four out of eight members of the board of directors, and therefore Trafigura as ultimate controlling entity of Galena represents a controlling entity of the Company.

Subsequent to March 31, 2024, during May 2024 the Group closed the 2024 Private Placement (see Note 13), as a result of which Galena has increased its ownership share of the Company to 49.5%.

The Group has signed an off-take agreement with Trafigura whereby the whole future production of the copper concentrate from the Ilovica-Shtuka Project will be sold to Trafigura.

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

Transactions with key management personnel

(a) Key management personnel transactions

ARQX Capital DWC Ltd was a related party of the Group until March 11, 2024. It is a private company owned by one of the Group's directors, who was particularly engaged in the permitting process and for the development of the Ilovica-Shtuka Project until the beginning of March 2024.

The Group incurred the following fees and expenses in the normal course of operations in connection with related parties. Expenses have been measured at the amount which is agreed between the parties.

	Three months ended March 31,	
	2024	2023
	\$000s	\$000s
Fees for Macedonian affairs and for support of the permitting process of the Ilovica-Shtuka Project	38	51
	38	51

At March 31, 2024, the Group owed ARQX Capital DWC Ltd \$0.021 million (December 31, 2023: \$0.018 million) for services provided in February 2024 and the beginning of March 2024.

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Notes to the condensed consolidated interim financial statements - unaudited

(Expressed in Canadian dollars, except number of common shares and per share amounts)

11. Related party transactions (continued)

Transactions with key management personnel (continued)

(b) Key management personnel compensation

The remuneration of directors and other members of key management personnel during the three months ended March 31, 2024 and 2023 was as follows:

	Note	Three months ended March 31,	
		2024	2023
		\$000s	\$000s
Short-term employee benefits		82	84
Share-based payments (recovery)/expense	(i)	(450)	404
		(368)	488

- (i) Share-based payments expense /(recovery) is the expense/income from share options, RSUs and deferred phantom units ("DPUs") granted to directors and key management personnel.

(c) Deferred Phantom Unit Plan ("DPU Plan")

In March 2013 Euromax introduced a DPU Plan for its directors and key management personnel. Under the terms of the plan the Company's directors elected to convert their outstanding unpaid directors' fees into DPUs in lieu of a cash payment. Since 2013, directors who have elected to convert their fees into DPUs, have been making a semi-annual elections for issuing of DPUs in lieu of cash.

All DPUs granted to directors vest immediately.

However, those DPUs granted to executive officers, that contain a vesting condition relating to the Company's common share price performance compared to the Market Vectors Junior Gold Mines ETF ("GDJ"), have a market performance vesting condition, so at grant date it is estimated that the Company's common share price performance should be at least consistent with the GDJ's price performance. No additional DPUs were granted for the three months ended March 31, 2024 and 2023 under this set benchmark.

All vested DPUs are revalued at the Company's reporting period end share price and only becomes payable in cash in the event that a director or key management person leaves the Group.

The total DPUs in issue at March 31, 2024 was 42,006,973 (March 31, 2023: 31,507,075). Share-based payment liabilities of \$0.840 million (December 31, 2023: \$1.290 million) are recognised as current at March 31, 2024. The DPU recovery for the three months ended March 31, 2024 was \$0.450 million (March 31, 2023: expense of \$0.402 million).

12. Contingencies and commitments

Apart of above presented contractual obligations, in other notes of these condensed consolidated interim financial statements, the Group had no further contingencies or commitments as at March 31, 2024.

13. Subsequent events

Subsequent to March 31, 2024 following reportable events have occurred:

- During May 2024 the Group closed the 2024 Private Placement for gross proceeds of US\$0.913 million.