

Euromax Resources mining gold developer operating in Macedonia reported on the results of its latest feasibility study as part of the preparation process for its Ilovica gold mine opening in 3Q 2016. EBRD and Aurubis are behind this perspective project which is being prepared under the strict EBRD's Performance Requirements claim from Euromax. Two major banks Société Générale S.A. and UniCredit Bank AG are also assessing the loan possibility for Euromax Ilovica mine.

Euromax Resources Ltd reported on the results of the Feasibility Study ("FS"), for its 100% owned Ilovica gold-copper porphyry project in Macedonia (the "Project"). With the completion of the FS the Company is well positioned to continue the development through to construction of Ilovica, which is targeted for the 3rd quarter of 2016. The Front-End Engineering and Design ("FEED") work has already been initiated with Amec Foster Wheeler. As well as advancement of long-lead and critical path elements of the project engineering, the FEED will include value engineering aimed at further optimising the project in parallel with the appointment of an EPC contractor during the period up to construction. Work is continuing on the updated Environmental and Social Impact Study ("ESIA"); the national Environmental Impact Study, which has already been approved, is being expanded to include EBRD Performance Requirements and Equator Principle compliance. In parallel, the Company is working on the Main Mining Project, which is the final submission required under the Macedonian Minerals Law to obtain the construction permit.

The FS supports the economic robustness of the Project previously indicated by the Pre-Feasibility Study and, through the optimization of the processing flow sheet and a more precise level of costing, demonstrates significant reductions in both capex and operating costs, and a consequential increase in the IRR.

On 3rd November, Euromax agreed and signed a Second Amendment to the Gold Purchase and Sale Agreement with Royal Gold. The signing of the Second Amendment allowed the further drawdown of USD 3.75 million from Royal Gold under the Gold Purchase and Sale Agreement in during November. The Second Amendment has been filed on SEDAR. The Company expects to draw the remaining USD 3.75 million of the second tranche under the Gold Purchase and Sale Agreement from Royal Gold on satisfaction of the conditions in the Second Amendment during the first quarter of 2016.

Euromax has made significant progress towards on the Project Financing announced on 1st May 2015. Société Générale S.A. and UniCredit Bank AG the Mandated Lead Arrangers for the USD 215 million Senior Secured Project Finance Facility and their consultants completed their site visits in October 2015. They are in the process of completing their

technical, environmental and social due diligence reports, incorporating the results from the FS. On 8th December 2015, Euromax signed an offtake term sheet with Aurubis, which was a key condition to the UFK in-principle eligibility secured in May 2015. Management views UFK eligibility as an important step in securing the financing for the project as it allows Euromax to secure very attractive terms on the Project Finance Facility. The FS incorporates the terms agreed with Aurubis. In addition, a term sheet has been signed with Caterpillar Financial for a USD 25 million equipment financing facility.

Commenting on the results of the PFS, Steve Sharpe, President & CEO, said: "The Feasibility Study results support the economic viability of the Ilovica Project. As most new and expansion projects around the World are mothballed in response to the recent downturn in commodity prices, we believe that this is an ideal time for building, so as to exploit the supply shortages that will likely occur. We believe that not only are we well positioned to benefit from any improvement in commodity prices, but with cash operating costs now reduced to the USD 200/oz level we are equally well equipped to withstand any sustained weakness in commodity markets, whilst remaining cash flow positive. With a 20-year mine life, this is an important project for Macedonia which could enhance the economic profile of the country. The overwhelming support that we continue to receive from all stakeholders allows us to move confidently towards our stated goal of starting construction later this year.