

# Euromax Resources - Announces Intention to Complete Private Placement Financing

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VANCOUVER, April 2, 2018 - [Euromax Resources Ltd.](#), (TSX: EOX; OTCQB: EOXFF): ("Euromax" or the "Company"), is pleased to announce that it has entered into a definitive agreement to complete a non-brokered private placement financing to Galena Resource Equities Limited ("Galena"), an entity controlled by Galena Asset Management S.A. which is an affiliate of the Trafigura Group of 29,000,000 units (the "Units") each consisting of one common share in the capital of the Company (the "Common Shares") and one Common Share purchase warrant (the "Warrants"), at an offering price of CAD\$0.18 per Unit for gross proceeds of CAD\$5,220,000 (USD\$4,000,000) (the "Private Placement").

The Warrants entitle the holder thereof to acquire one Common Share at an exercise price of CAD\$0.23 for a period of two years following the closing of the Private Placement. The proceeds of the Private Placement will be used for the development of the Company's Ilovica-Shtuka Copper-Gold Project ("Ilovica-Shtuka" or the "Project") and for general corporate purposes.

In connection with closing of the Private Placement, the Company and Galena will enter into an Ancillary Rights Agreement, which will provide Galena with the right to nominate two members of the Company's board of directors until such time as it no longer holds greater than 10% of the Company's issued and outstanding Common Shares, certain other rights as a significant shareholder of the Company, including pre-emptive financing rights, demand registration rights, and piggy-back registration rights, and the adoption of a new Technical Committee Charter, pursuant to which Galena will have the right to nominate two members of Euromax's Technical Committee. Also in connection with closing of the Private Placement, the Company will enter into a Technical Services Agreement for the provision of services by Galena to the Company in order to help steer the development of the Project. The Company will also enter into an Offtake Agreement with Trafigura Pte Ltd. on closing of the Private Placement for the sale of copper concentrate produced at Ilovica-Shtuka.

Closing of the Private Placement is subject to various conditions, including the approval of certain shareholders, the waiver of certain rights held by prior investors, and the receipt of all necessary regulatory approvals, including, but not limited to, the approval of the Toronto Stock Exchange (the "TSX"). The securities issued pursuant to the Private Placement will be subject to a four month hold period from the date of closing in accordance with applicable Canadian securities laws.

## Debenture Amendments

A condition to closing the Private Placement is that the Company obtain agreements from each of the European Bank for Reconstruction and Development ("EBRD") and CC Ilovitza Limited ("CCC"), an affiliate of Consolidated Contractors Company Group, to extend the maturity date of EBRD's and CCC's previously issued convertible debentures in the aggregate principal amounts of USD\$5,000,000 and CAD\$5,200,000, respectively, from April 30, 2018 to December 31, 2018, to reduce the conversion price of such debentures from CAD\$0.40 to CAD\$0.23 per Common Share, and amend the interest rate to 20% per annum (compounding annually) (collectively, the "Debenture Amendments"). As a result of the Debenture Amendments, EBRD and CCC will be able to convert the outstanding principal amounts of such debentures for an aggregate of 27,911,086 and 22,608,695 Common Shares, respectively.

The Company has come to agreements in principle with EBRD and CCC in respect of the Debenture Amendments and expects to enter into definitive documentation in a timely manner. Implementation of the Debenture Amendments is subject to receipt of all necessary approvals, including, but not limited to, the approval of the TSX.

## Exchange and Shareholder Approval

The rules of the TSX require the Company to obtain shareholder approval to allow for the full exercise of the Warrants to be issued pursuant to the Private Placement and the implementation of the Debenture Amendments because the total number of issued or issuable Common Shares will result in dilution of greater than 25% of the Company's issued and outstanding Common Shares on a non-diluted basis immediately prior to the completion of the Private Placement, and because Galena would, upon full exercise of the Warrants, be able to acquire greater than 20% of the Company's issued and outstanding Common Shares immediately following closing of the Private Placement, thereby becoming a "control person" (as defined under applicable securities laws).

With the permission of the TSX, the Company intends to obtain shareholder approval for the completion of the Private Placement and the implementation of Debenture Amendments by way of written consents in lieu of a meeting pursuant to Section 604(d) of the TSX Company Manual. The TSX has required that EBRD be excluded from any shareholder vote or consent resolution in respect of the Private Placement and Debenture Amendments. Accordingly, EBRD's Common Shares will be excluded from the aggregate total of the Company's issued and outstanding Common Shares and the Company will seek to have shareholders representing a majority of its remaining issued and outstanding Common Shares vote in favour of completing the Private Placement and Debenture Amendments. Closing of the Private Placement and the implementation of the Debenture Amendments will occur on or after April 9, 2018, pursuant to the rules of the TSX.

EBRD currently holds 23,368,547, or approximately 17.2%, of the Company's issued and outstanding Common Shares. Neither Galena nor CCC debenture currently holds any Common Shares.

Following completion of the Private Placement, assuming the full exercise of the Warrants, Galena will hold 58,000,000 Common Shares, representing approximately 29.9% of the issued and outstanding Common Shares. Immediately prior to the completion of the Private Placement, the total number of securities issuable to Galena would represent, on a non-diluted basis, approximately 42.7% of the 135,815,163 Common Shares currently issued and outstanding.

The 58,000,000 Common Shares issuable pursuant to the Private Placement and 18,983,979 additional Common Shares issuable pursuant to the Debenture Amendments represent an aggregate of 76,983,979 Common Shares or approximately 56.6% of the currently issued and outstanding Common Shares.

The Debenture Amendments as they relate to EBRD constitute a related party transaction within the meaning of Multilateral Instrument 61-101 &#8211; Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is exempt from the minority shareholder approval requirement under MI 61-101 in reliance on Section 5.7(1)(a) of MI 61-101 as neither the fair market value of the subject matter of, nor the consideration for the Debenture Amendments, insofar as it involves EBRD, exceeds 25% of the Company's market capitalization. The Company anticipates it will file a material change report less than 21 days before the closing of the Private Placement. This shorter period is reasonable and necessary in the circumstances as the Company wants to complete the Private Placement as expeditiously as possible given the immediacy of the Company's need for financing.

#### About Euromax Resources Ltd.

Euromax is a minerals development company whose corporate strategy is centered on the development of the Ilovica-Shtuka Project, the company's core gold and copper development project located in Macedonia. Euromax, through its local subsidiaries, has been involved in the exploration and development of a number projects in south-eastern Europe since January 2011.

#### About Galena Asset Management S.A.

Galena Asset Management S.A. is the wholly-owned investment arm of the Trafigura Group, a world leading commodity trading firm, and is authorized and regulated by the Swiss Financial Market Supervisory Authority (FINMA). For more than a decade Galena has operated at the intersection of financial and physical commodity markets, enabling leading institutional investors to access investment opportunities alongside the Trafigura Group through funds or managed accounts. Galena's portfolio management specialists have built considerable experience in metals, minerals, oil, shipping and infrastructure. Galena acts independently, but derives significant benefits from its relationship with Trafigura, its principal anchor investor.

Galena has unparalleled access to the commercial and technical expertise of the Trafigura Group in the non-ferrous and ferrous space. The investment professionals have the ability to leverage Trafigura's global presence with 61 offices in 36 countries and rely on the Group's solid reputation. The fund invests globally and usually intervenes actively in the strategic direction of companies invested in. Trafigura is a limited partner in the fund. Visit: [www.galena-invest.com](http://www.galena-invest.com)

#### Forward-Looking Information

This news release contains forward-looking information. Forward-looking statements include, but are not limited to the completion of the Private Placement, the use of proceeds from the Private Placement, implementation of the Debenture Amendments, obtaining shareholder approval for the completion of the transactions described herein, the continued advancement of the Company's general business plan and the development of Ilovica-Shtuka, and the receipt of all necessary government approvals and consents. When used in this press release, the words "will", "shall", "anticipate", "believe", "estimate", "expect", "intent", "may", "project", "plan", "should" and similar expressions may identify forward-looking statements. Although Euromax believes that their expectations reflected in these forward looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements include the ability of the Company to come to definitive agreements with the holders of debentures with respect to the implementation of the Debenture Amendments, the ability of the Company to obtain shareholder approval for the transactions described herein, the ability to implement corporate strategies, the ability to obtain financing as and when required and on reasonable terms, the risk that the development of the Project may not proceed as anticipated, including the inability to obtain necessary government approvals for its activities in a timely manner, political or economic instability in the jurisdiction in which the Project is located, changes in national and local government legislation, regulation, and taxation, and other risks disclosed in our filings made with Canadian securities regulators available on SEDAR at [www.sedar.com](http://www.sedar.com). This list is not exhaustive of the factors that may affect any of Euromax's forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements. Forward-looking statements contained herein are made as of the date of this news release and Euromax disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

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#### Contact

please visit [www.euromaxresources.com](http://www.euromaxresources.com) or contact: Martyn Konig, Executive Chairman, +44 (0) 20 3667 2970, [mkonig@euromaxresources.co.uk](mailto:mkonig@euromaxresources.co.uk); Varshan Gokool, President & CEO, +44 (0) 20 3667 2970, [vgokool@euromaxresources.co.uk](mailto:vgokool@euromaxresources.co.uk)

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