

Euromax Announces Closing of Private Placement Financing

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VANCOUVER, May 13, 2019 /CNW/ - [Euromax Resources Ltd.](#), (TSX: EOX): (Euromax or the Company), is pleased to announce that it has closed its previously announced non-brokered private placement financing to one of its current major shareholders, Galena Resource Equities Limited (Galena), an entity controlled by Galena Asset Management S.A., which is an affiliate of the Trafigura Pte. Ltd. (Trafigura), for gross proceeds of CAD\$9,188,040 (USD\$6,900,000) (the Private Placement). Pursuant to the Private Placement, the Company has issued 147,008,640 units (the Units), each Unit consisting of one Common Share in the capital of the Company (each, a Common Share) and one Common Share purchase warrant (each, a Warrant) at an offering price of CAD\$0.0625 per Unit to Galena. Each Warrant may be exercised for the purchase of one Common Share at a price of CAD\$0.15 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.

Euromax is also pleased to announce that it has closed its previously announced concurrent financing (the Concurrent Financing) and, together with the Private Placement, the Transaction), on the same terms as the Private Placement, of 17,641,037 Units for gross proceeds of CAD\$1,102,564.80 (USD\$828,000). Martyn Konig, a director and insider of the Company, today sold 6,988,237 Units for aggregate gross proceeds to the Company of USD\$328,000.

As previously announced, in connection with the closing of the Private Placement, the Company and Galena have amended their existing ancillary rights agreement dated April 10, 2018, pursuant to which Galena has been granted the right to nominate two additional directors of the Company's board of directors (the Board) (for four directors in total) for such time as it (together with its affiliates) holds greater than 20% of the Company's issued and outstanding Common Shares (calculated on a fully diluted basis). The Company has also amended the off-take agreement entered into on April 6, 2018 with Trafigura such that Trafigura will have 100% ownership of the sale of copper concentrate produced at Ilovica-Shtuka.

As a result of the closing of the Transaction, Galena will hold 176,008,640 Common Shares and 176,008,640 Warrants representing 53.11% of the issued and outstanding Common Shares on a non-diluted basis and 69.38% on a partially diluted basis. An early warning report will be filed with the applicable securities regulators in connection with Galena's acquisition of Common Shares, and a copy of such report will be available on SEDAR at www.sedar.com.

As a condition to closing the Private Placement, the Company has entered into agreements with each of the European Bank for Reconstruction and Development (EBRD) and CC Ilovitza Limited (CC) to, amongst other things: (i) extend the maturity of the Debentures to February 28, 2021, (ii) revise the conversion price in respect of the principal, accrued interest, and any fees owing under the Debentures to CAD\$0.15 per Common Share, (iii) reduce the interest rate owing under the Debentures from 20% to 7% per annum (compounding annually) effective March 31, 2019, and (iv) waive any pre-emptive or participation rights EBRD and CC may have with respect to the Private Placement.

Pursuant to Section 604(e) of the Toronto Stock Exchange (TSX) Company Manual, the Company has been approved by the TSX for an exemption from shareholder approval requirements, on the basis of financial hardship. In connection therewith, as disclosed by the Company in its February 12, 2019 press release, the TSX has placed Euromax under remedial delisting review, which is normal practice when a listed issuer relies on the Section 604(e) financial hardship exemption. The Company has 120 days from the date of notification to regain compliance with the TSX's continued listing requirements.

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

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 copper and gold development project located in North Macedonia. Euromax, through its wholly owned subsidiaries, is currently developing the Ilovica-Shtuka Project.

subsidiaries, has been involved in the exploration and development of a number projects in south-eastern Europe since 2011.

About Galena Resource Equities Limited

Galena Resource Equities Limited is a wholly-owned subsidiary of Galena Asset Management S.A. and its principal business is to invest in equity and debt in late stage small and mid-sized companies in development or expansion phase across the natural resources and mining sector.

About Galena Asset Management S.A.

Galena Asset Management S.A. (Galena Asset Management) 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 Asset Management 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 Asset Management's portfolio management specialists have built considerable experience in metals, minerals, oil, shipping and infrastructure. Galena Asset Management acts independently, but derives significant benefits from its relationship with Trafigura, its principal anchor investor.

Galena Asset Management 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 offices in 38 countries and rely on the Trafigura 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

Forward-Looking Information

This news release contains forward-looking information. Forward-looking statements include, but are not limited to the use of proceeds from the Transaction, the continued advancement of the Company's general business plan and the development of the Ilovica-Shtuka, and the receipt of all necessary government approvals and consents. When used in this press release, 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 the 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, but are not limited to, the possibility that necessary regulatory approvals, including the final approval of the TSX, are not received, the possibility that the Company has to allocate proceeds to other uses or reallocate proceeds differently among the anticipated uses due to changes in project parameters or other unforeseen circumstances associated generally with the unpredictability of mining operations, the ability to implement corporate strategy, 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. 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.

SOURCE Euromax Resources

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