

FORM 51-102F3 - MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Euromax Resources Limited (the **Company**)
10th Floor, 595 Howe Street
Vancouver, British Columbia
V6C 2T5

2. **Date of Material Change**

May 10, 2019

3. **News Release**

The news release attached hereto as Schedule "A" announcing the material change described herein was released through the facilities of CNW at Vancouver, British Columbia on May 13, 2019.

4. **Summary of Material Change**

The Company announced on May 13, 2019 that it had 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., 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 (the **Project**) and for general corporate purposes.

The Company further announced 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, acquired 6,988,237 Units for aggregate gross proceeds to the Company of USD\$328,000.

In connection with the closing of the Private Placement, the Company and Galena amended their existing ancillary rights agreement dated April 10, 2018 (the **Ancillary Rights Agreement**) to provide Galena with the right to nominate two additional directors of the Company's board of directors (the **Board**) (for four directors in total) until such time as Galena (collectively with its affiliates) no longer holds greater than 20% of the Company's issued and outstanding Common Shares (calculated on a fully diluted basis). If Galena (collectively with its affiliates) holds between 10% and 20% of the Company's issued and outstanding Common Shares (calculated on a fully diluted basis), Galena can only nominate two directors to the Board. The Ancillary Rights Agreement provides that the Board shall consist of eight directors should Galena hold greater than 10% and less

than 55% of the Company's issued and outstanding Common Shares (calculated on a fully diluted basis). In the event that Galena (collectively with its affiliates) holds greater than 55% of the Company's issued and outstanding Common Shares (calculated on a fully diluted basis), Galena will have the right to nominate an additional director to the Board (for five directors in total), increasing the total number of Board members to nine. The Company also amended the offtake agreement executed on April 6, 2018 with Trafigura on closing of the Private Placement such that Trafigura will have 100% ownership of the sale of copper concentrate produced at the Project.

As was previously announced, as a condition to closing the Private Placement, the Company agreed with the holders of its convertible debentures, the European Bank for Reconstruction and Development (**EBRD**) and CC Ilovitza Limited (**CCC**), to further amend the terms of such debentures (the **Debentures**) which includes, amongst other things to: (i) extend the maturity date of the Debentures from March 22, 2019 to February 28, 2021, (ii) revise the conversion price in respect of the principal, accrued interest, and applicable 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 CCC may have with respect to the Private Placement (collectively, the **Debenture Amendments**).

Closing of the Transaction, including implementation of the Debenture Amendments, was subject to the satisfaction of various conditions, including the waiver of certain rights held by existing shareholders of the Company and the receipt of all necessary corporate and regulatory approvals, including approval of the Macedonian Commission for Competition and the final approval of the Toronto Stock Exchange.

As each of Galena, EBRD and Mr. Konig are insiders of the Company, the Private Placement (as it relates to Galena), the Concurrent Offering (as it relates to Mr. Konig) and the Debenture Amendments (as it relates to EBRD) constitute related party transactions under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Investments* (**MI 61-101**). The Company relied on the exemption from the formal valuation requirement in Section 5.5(g) of MI 61-101 and the exemption from the minority approval requirement in Section 5.7(1)(e) of MI 61-101 based on the Board, acting in good faith, having determined, and at least two-thirds of the Company's independent directors, acting in good faith, having determined, that the Company is in serious financial difficulty with limited alternatives, that the Private Placement, Concurrent Offering and Debenture Amendments are designed to improve the Company's financial position, that the terms of the Private Placement, Concurrent Offering and Debenture Amendments are reasonable in the Company's circumstances, that the immediacy of the Company's need for financing through the Private Placement, Concurrent Offering and Debenture Amendments does not afford it sufficient time to hold a shareholders' meeting, and that the Private Placement, Concurrent Offering and Debenture Amendments are fair to, and in the best interests of, the shareholders of the Company.

5. Full Description of Material Change

5.1 Full Description of Material Change

For a full description of the material change, please refer to the Company's news release attached hereto as Schedule "A", which news release is incorporated herein.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not Applicable.

7. **Omitted Information**

Not Applicable.

8. **Executive Officer**

The following is the name and business telephone number of an executive officer of the Company who is knowledgeable about the material change and this report:

Varshan Gokool
President & Chief Executive Officer
T: +44 20 3918 5160

9. **Date of Report**

May 17, 2019.

SCHEDULE “A”

Press Release dated May 13, 2019

Euromax Announces Closing of Private Placement Financing

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 Offering** 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 acquired 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 (collectively 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 date of the Debentures to February 28, 2021, (ii) revise the conversion price in respect of the principal, accrued interest, and applicable 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, and 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 local subsidiaries, has been involved in the exploration and development of a number projects in south-eastern Europe since January 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 investment 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 66 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 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, 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 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. 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

View original content: <http://www.newswire.ca/en/releases/archive/May2019/13/c7232.html>

%SEDAR: 00009131E

For further information: please visit www.euromaxresources.com or contact: Varshan Gokool, President & Chief Executive Officer, +44 20 3918 5160, vgokool@euromaxresources.co.uk; Martina Kostovska, Communications Manager, +389 2 3 220 998, mkostovska@euromaxresources.mk

CO: Euromax Resources

CNW 07:27e 13-MAY-19