Euromax
RESOURCES

UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2024 and 2023

Expressed in Canadian dollars

<u>NOTICE OF NO AUDIT OR REVIEW OF INTERIM FINANCIAL STATEMENTS</u>

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 September		Nine months ended September	
		2024	2023	**2024**	2023
		$000s	$000s	**$000s**	$000s
Operating expenses					
Accounting, legal and professional		**(185)**	(220)	**(635)**	(600)
Depreciation	**6**	**(12)**	(11)	**(35)**	(34)
Office and general		**(61)**	(37)	**(185)**	(149)
Salaries, director and consultant fees		**(200)**	(228)	**(601)**	(672)
Share-based payments recovery/(expense)		**373**	(83)	**707**	346
Social responsibility and other project related costs		**(53)**	(317)	**(203)**	(386)
(Loss)/Gain on foreign exchange		**892**	(691)	**(82)**	12
Operating (loss)/profit		**754**	(1,587)	**(1,034)**	(1,483)
Finance expense	**6**	**(886)**	(825)	**(2,607)**	(2,427)
Fair value (loss)/gain on financial liabilities	**9 (b)**	**(7)**	(2)	**(5)**	6
Net finance loss		**(893)**	(827)	**(2,612)**	(2,421)
Loss for the period		**(139)**	(2,414)	**(3,646)**	(3,904)
Other comprehensive income/(loss), net of tax:					
Items that are or may be reclassified subsequently to profit or loss					
Translation adjustment on foreign subsidiaries		**588**	(202)	**653**	(220)
Total other comprehensive income/(loss), net of tax		**588**	(202)	**653**	(220)
Total comprehensive income/(loss) for the period		**449**	(2,616)	**(2,993)**	(4,124)
Loss per common share					
Basic and diluted	**5**	**(0.00)**	(0.01)	**(0.01)**	(0.01)
Weighted average number of common shares outstanding					
Basic and diluted	**5**	**564,499,656**	490,013,320	**529,048,712**	477,746,305

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 September 30, 2024 $000s	December 31, 2023 $000s
ASSETS			
Current			
Cash and cash equivalents		**174**	617
Other receivables		**74**	59
Other current assets		**56**	35
Total current assets		**304**	711
Non-current assets			
Land and property, plant and equipment		**178**	203
Mineral right interests	**7**	**39,275**	38,102
Total assets		**39,757**	39,016
LIABILITIES			
Current			
Trade and other payables		**491**	272
Gold purchase advance payments	**10**	**15,203**	14,903
Share-based payment liabilities	**11 (c)**	**583**	1,290
Loans and borrowings	**9**	**28,826**	27,667
Lease liability		**59**	53
Total current liabilities		**45,162**	44,185
Non-current liabilities			
Lease liability		**55**	90
Total liabilities		**45,217**	44,275
EQUITY			
Share capital	**8**	**82,790**	82,119
Equity reserve		**18,148**	18,294
Convertible loan reserve	**9 (b)**	**1,429**	1,334
Currency translation reserve		**4,038**	3,385
Accumulated losses		**(111,865)**	(110,391)
Total deficit		**(5,460)**	(5,259)
Total liabilities and equity		**39,757**	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 nine months ended September 30, 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
Balance on January 1, 2023		*353,421,200*	*78,899*	*15,828*	*1,245*	*3,168*	*(108,072)*	*(8,932)*
Total comprehensive loss for the period								
Loss for the period			-	-	-	-	(3,904)	(3,904)
Other comprehensive loss for the period			-	-	-	(220)	-	(220)
Total comprehensive loss for the period			-	-	-	*(220)*	*(3,904)*	*(4,124)*
Transactions with owners of the Company								
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			-	213	-	-	-	213
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
Total transactions with owners of the Company			*3,220*	*2,466*	*89*	-	*1,245*	*7,020*
Balance on September 30, 2023		490,013,320	82,119	18,294	1,334	2,948	(110,731)	(6,036)
Balance on January 1, 2024		***490,013,320***	***82,119***	***18,294***	***1,334***	***3,385***	***(110,391)***	***(5,259)***
Total comprehensive loss for the period								
Loss for the period			**-**	**-**	**-**	**-**	**(3,646)**	**(3,646)**
Other comprehensive income for the period			**-**	**-**	**-**	**653**	**-**	**653**
Total comprehensive loss for the period			**-**	**-**	**-**	***653***	***(3,646)***	***(2,993)***
Transactions with owners of the Company								
Common shares issued, net of issue costs	**8**	**64,766,577**	**136**	**1,031**	**-**	**-**	**-**	**1,167**
Exercised equity-settled share-based payments	**8**	**1,702,651**	**425**	**(425)**	**-**	**-**	**-**	**-**
Partial debt settlement of the convertible loan	**8**	**12,292,899**	**110**	**86**	**-**	**-**	**-**	**196**
Transfer of expired share options	**8**		**-**	**(838)**	**-**	**-**	**838**	**-**
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**
Total transactions with owners of the Company			***671***	***(146)***	***95***	**-**	***2,172***	***2,792***
Balance on September 30, 2024		**568,775,447**	**82,790**	**18,148**	**1,429**	**4,038**	**(111,865)**	**(5,460)**

See accompanying notes to the condensed consolidated interim financial statements.

Condensed consolidated interim statements of cash flows - unaudited

(Expressed in Canadian dollars)

		Nine months ended September 30,	
		2024	2023
	Note	**$000s**	$000s
OPERATING ACTIVITIES			
Loss before tax		**(3,646)**	(3,904)
Add back:			
Depreciation	**6**	**35**	34
Finance expense	**6**	**2,607**	2,427
Share-based payments recovery recovery		**(707)**	(346)
Unrealised foreign exchange loss		**99**	4
Expensed transaction costs associated with convertible loans	**9 (b)**	**79**	67
Fair value loss/(gain) on financial liabilities	**9 (b)**	**5**	(6)
Changes in non-cash working capital items:			
Increase in other receivables and other current assets		**(35)**	(34)
Increase/(Decrease) in trade and other payables		**129**	(506)
Cash used in operating activities		**(1,434)**	(2,264)
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**(3)**	-
Cash used in investing activities		**(3)**	-
FINANCING ACTIVITIES			
Proceeds from shares issued	**8**	**1,295**	4,015
Share issue costs	**8**	**(88)**	(113)
Transaction costs associated with convertible loans	**9 (b)**	**(146)**	(134)
Transaction costs associated with convertible notes		**-**	(19)
Payment of lease liabilites		**(40)**	(39)
Interest paid		**(5)**	(5)
Cash provided by financing activities		**1,016**	3,705
Effect of exchange rate changes on cash		**(22)**	(13)
Net change in cash and cash equivalents		**(421)**	1,441
Cash and cash equivalents, beginning of the period		**617**	24
Cash and cash equivalents, end of the period		**174**	1,452

See accompanying notes to the condensed consolidated interim financial statements.

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 November 15, 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 September 30, 2024, the Group had net liabilities of $5.5 million (December 31, 2023: $5.3 million) and a net working capital deficiency of $44.9 million (December 31, 2023: $43.5 million), including cash of $0.174 million (December 31, 2023: $0.617 million). The Group’s $44.9 million working capital deficiency at September 30, 2024 largely results from:

- Convertible loans of $28.8 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.

During May 2024, the Group closed a non-brokered private placement (the “May 2024 Private Placement”) for gross proceeds of US$0.913 million and during June 2024 closed a non-brokered private placement (the “June 2024 Private Placement”) for gross proceeds of $0.066 million (see Note 8).

Subsequent to September 30, 2024, the Group closed a non-brokered private placement (the “November 2024 Private Placement”) for gross proceeds of US$1.313 million (see Note 13).

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 $30.3 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 April 2025 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 April 2025 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.

5. Loss per share

	Three months ended September 30, 2024	2023	Nine months ended September 30, 2024	2023
			$000s	$000s
Net loss for the period after tax	**(139)**	(2,414)	**(3,646)**	(3,904)
Basic weighted average number of common shares	**564,499,656**	490,013,320	**529,048,712**	477,746,305
Basic and diluted loss per share	**(0.00)**	(0.01)	**(0.01)**	(0.01)

For the three and nine months ended September 30, 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 loans 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 and nine months ended September 30, 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	Geografic 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.

	Macedonia		Corporate		Total	
Three months ended	**September 30,**	September 30,	**September 30,**	September 30,	**September 30,**	September 30,
In thousands $	**2024**	2023	**2024**	2023	**2024**	2023
Finance expense	**(8)**	(8)	**(2,599)**	(2,419)	**(2,607)**	(2,427)
Depreciation	**(35)**	(34)	**-**	-	**(35)**	(34)
Profit/(loss) for the period	**(552)**	(916)	**(3,094)**	(2,988)	**(3,646)**	(3,904)

	Macedonia		Corporate		Total	
As at	**September 30,**	December 31,	**September 30,**	December 31,	**September 30,**	December 31,
In thousands $	**2024**	2023	**2024**	2023	**2024**	2023
Assets	**39,601**	38,407	**156**	609	**39,757**	39,016
Liabilities	**247**	219	**44,970**	44,056	**45,217**	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.

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 Ministry of Environment and Physical Planning (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 September 30, 2024 there is no need for impairment of the carrying amount of the mineral right interests for the Ilovica-Shtuka Project, as presented below.

A summary of changes to the Group's mineral right interests in the nine months ended September 30, 2024 and 2023 is set out below.

	Macedonia *Ilovica-Shtuka Project*
	$000s
Balance, January 1, 2023	37,483
Other items:	
Exchange differences	(307)
Balance, September 30, 2023	37,176
Balance, January 1, 2024	**38,102**
Other items:	
Exchange differences	**1,173**
Balance, September 30, 2024	**39,275**

8. Share capital and reserves

At September 30, 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
Common shares issued, net of issue costs	**64,766,577**	**136**	101,250,000	1,582
Exercised equity-settled share-based payments	**1,702,651**	**425**	-	-
Partial debt settlement of the convertible loan	**12,292,899**	**110**	-	-
Conversion of the convertible notes	-	-	35,342,120	1,638
Balance on September 30	**568,775,447**	**82,790**	490,013,320	82,119

During May 2024 the Company closed the May 2024 Private Placement for gross proceeds of US$0.913 million or $1.229 million for issuing 61,464,496 common shares and 61,464,496 share purchase warrants. These 61,464,496 share purchase warrants are exercisable for a period of five years from the date of issuance at a price of $0.05. The aggregate fair market value of the share purchase warrants and the common shares issued in the May 2024 Private Placement was distributed on a pro-rata basis between share capital and equity reserve. The fair value of each issued share purchase warrant was estimated at $0.0178, or in total of $1.095 million for all issued 61,464,496 share purchase warrants, at the grant date by using the Black-Scholes option pricing model.

Further, on June 19, 2024 the Company announced closing of the June 2024 Private Placement for gross proceeds of $$0.066 million for issuing 3,302,081 common shares and 3,302,081 share purchase warrants. These 3,302,081 share purchase warrants are exercisable for a period of five years from the date of issuance at a price of $0.05. The aggregate fair market value of the share purchase warrants and the common shares issued in the June 2024 Private Placement was distributed on a pro-rata basis between share capital and equity reserve. The fair value of each issued share purchase warrant was estimated at $0.0134, or in total of $0.044 million for all issued 3,302,081 share purchase warrants, at the grant date by using the Black-Scholes option pricing model.

For closing of both, the May 2024 Private Placement and the June 2024 Private Placement, the Company incurred share issue costs of $0.128 million for filing and legal fees, of which $0.088 million were paid during the nine months ended September 30, 2024. These share issue costs of $0.128 million were allocated on a proportional basis, whereby $0.020 million were allocated to share capital while $0.108 million to share purchase warrants via the equity reserve.

During the nine months ended September 30, 2024 fully vested 1,702,651 restricted share units ("RSUs"), granted to director, were converted into common shares.

On September 10, 2024 the Company closed a debt settlement agreement to settle portion of the EBRD convertible loan, whereby $0.246 million representing a portion of outstanding fees and interest of the EBRD convertible loan have been paid off by issuing 12,292,899 common shares and 12,292,899 share purchase warrants to EBRD (the "Debt Settlement Agreement"). These 12,292,899 share purchase warrants are exercisable for a period of five years from the date of issuance at a price of $0.05. The aggregate fair market value of the share purchase warrants and the common shares issued in the Debt Settlement Agreement was distributed on a pro-rata basis between share capital and equity reserve. The fair value of each issued share purchase warrant was estimated at $0.0088 or in total of $0.108 million for all issued 12,292,899 share purchase warrants, at the grant date by using the Black-Scholes option pricing model.

For closing of the Debt Settlement Agreement the Company incurred share issue costs of $0.050 million for filing and legal fees, payable at September 30, 2024. These share issue costs of $0.050 million were allocated on a proportional basis, whereby $0.028 million were allocated to share capital while $0.022 million to share purchase warrants via the equity reserve.

8. Share capital and reserves (continued)

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 nine months ended September 30, 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 nine months ended September 30, 2024, 2,825,000 share options expired, and accordingly their value of $0.838 million was transferred from equity results to accumulated loses.

No share options and no share purchase warrants were exercised during the nine months ended September 30, 2024 and 2023.

At September 30, 2024, the Company had 5,553,603 share options outstanding (September 30, 2023: 8,378,603) with exercise prices at $0.03.

The Company had 199,286,154 share purchase warrants (September 30, 2023: 122,226,678) with weighted average exercise price of $0.08 per common share and 6,843,504 RSUs (September 30, 2023: 8,546,155) outstanding at September 30, 2024.

9. Loans and borrowings

	September 30, 2024	December 31, 2023
	$000s	$000s
EBRD convertible loan	**16,427**	15,532
CCI convertible loan	**12,399**	12,135
	28,826	27,667

(a) Terms and conditions

The terms and conditions of outstanding loans are as follows:

				September 30, 2024		December 31, 2023	
	Currency	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	Face value	Carrying amount
				$000s	**$000s**	$000s	$000s
EBRD convertible loan	US$	7.00%	2025	**6,757**	**16,427**	6,623	15,532
CCI convertible loan	$	7.00%	2025	**5,200**	**12,399**	5,200	12,135
				11,957	**28,826**	11,823	27,667

9. Loans and borrowings (continued)

(a) Terms and conditions (continued)

EBRD convertible loan

On May 24, 2016 the Company closed the EBRD convertible loan with EBRD and received proceeds of US$5 million ($6.757 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.

On September 10, 2024 the Company closed the Debt Settlement Agreement for repayment of $0.246 million, representing a repayment of financial delay fee of US$0.150 million (or $0.204 million) and partial repayment of the Redemption Among of US$ US$0.031 million (or $0.042 million), by issuing 12,292,899 common shares and 12,292,899 share purchase warrants to EBRD (see Note 8).

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

- the Principal Amount,
- a net amount of US$1.389 million ($1.877 million) (the "Redemption Amount"), partially repaid on September 10, 2024 through the Debt Settlement Agreement, as disclosed above,
- 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 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.

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	**835**	772
Repayment as per the Debt Settlement Agreement (see Note 8)	**(246)**	-
Fair value adjustment	**5**	(6)
Foreign exchange movements	**301**	(45)
Carrying amount at September 30	**16,427**	15,562

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 nine months ended September 30, 2024 transaction costs of $0.079 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 September 30, 2024 was assessed at $16.427 million (US$12.156 million) (September 30, 2023: $15.562 million or US$11.527 million), which resulted in recognising a fair value loss of $0.007 million for the three months ended September 30, 2024 (2023: $0.002 million) and fair value loss of $0.005 million for the nine months ended September 30, 2024 (2023: gain of $0.006 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	**1,758**	1,643
Carrying amount at September 30	**12,399**	11,573

* 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.

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.

The following is a summary of the changes in the GPSA advance payments as at September 30, 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 (gain)/loss	**(183)**	137
Currency translation reserve movements *	**483**	(185)
Balance on September 30	**15,203**	15,188

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

11. Related party transactions

At September 30, 2024, 48.1% 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.

Subsequently, upon closing of the November 2024 Private Placement (see Note 13), Galena holds 51.9% of all issued Company's common shares.

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.

	Nine months ended September 30	
	2024	2023
	$000s	$000s
Fees for Macedonian affairs and for support of the permitting process of the Ilovica-Shtuka Project	**35**	156
	35	156

(b) Key management personnel compensation

The remuneration of directors and other members of key management personnel during the nine months ended September 30, 2024 and 2023 was as follows:

		Nine months ended September 30,	
	Note	**2024**	2023
		$000s	$000s
Short-term employee benefits		**250**	247
Share-based payments recovery	(i)	**(707)**	(554)
		(457)	(307)

(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 ("GDXJ"), 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 GDXJ's price performance. No additional DPUs were granted for the nine months ended September 30, 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.

11. Related party transactions (continued)

Transactions with key management personnel (continued)

(c) DPU Plan (continued)

The total DPUs in issue at September 30, 2024 was 58,339,359 (September 30, 2023: 33,709,135). Share-based payment liabilities of $0.583 million (December 31, 2023: $1.290 million) are recognised as current at September 30, 2024. The DPU recovery for the three months ended September 30, 2024 was $0.373 million (2023: expense of $0.084 million) and DPU recovery of $0.707 million (2023: $0.559 million) recognised for the nine months ended September 30, 2024.

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 September 30, 2024.

13. Subsequent events

Subsequent to September 30, 2024 following reportable events have occurred:

- On November 13, 2024 the Group closed the November 2024 Private Placement for gross proceeds of US$1.313 million.