

Euromax Announces Closing of Private Placement Financing

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VANCOUVER, April 12, 2018 /CNW/ - [Euromax Resources Ltd.](#), (TSX: EOX; OTCQB: EOXFF): ("Euromax" or the "Company"), is pleased to announce that it has closed its previously announced non-brokered private placement financing for gross proceeds of CAD\$5,220,000 (USD\$4,000,000) (the "Private Placement"). Pursuant to the Private Placement, the Company has issued 29,000,000 units (the "Units"), each Unit consisting of one common share in the capital of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"), at an offering price of CAD\$0.18 per Unit to Galena Resource Equities Limited ("Galena"), an entity controlled by Galena Asset Management S.A., which is an affiliate of the Trafigura Group. Each Warrant may be exercised for the purchase of one Common Share at a 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 and for general corporate purposes.

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.

Pursuant to the requirements of the Toronto Stock Exchange, the Company has obtained the written consent of 59.97% of its disinterested shareholders in order to allow Galena, should it so choose, to exercise the Warrants issued to it pursuant to the Private Placement, which would result in it holding greater than 20% of Euromax's issued and outstanding Common Shares. Euromax's disinterested shareholders have also provided written consent to implement certain amendments (as described in more detail below) to convertible debentures previously issued to CC Ilovitza Limited ("CCC") and the European Bank for Reconstruction and Development (the "EBRD") which may result in the issuance of an additional aggregate 21,235,218 Common Shares should the outstanding principal amounts of such debentures be converted in accordance with their terms. The Company entered into definitive documentation with the debenture holders in respect of such amendments in connection with closing of the Private Placement, as described in more detail below.

Pursuant to an amendment agreement between the EBRD and the Company, which amended the US\$5 million convertible loan agreement dated 29 April 2016 (as amended on 20 May 2016) (the "Original EBRD Convertible Loan Agreement", as amended by the Amendment Agreement, the "EBRD Convertible Loan Agreement"), EBRD and the Company agreed, amongst other things: (i) to extend the maturity date of amounts owing to December 31, 2018 (the "Maturity Date"), (ii) to reduce the conversion price in respect of the principal owing under the EBRD Convertible Loan Agreement from CAD\$0.40 to CAD\$0.23 per share, and (iii) to amend the interest rate to 20% per annum (compounding annually) (collectively, the "EBRD Amendments"). As set out in the Company's press release dated April 2, 2018, similar amendments were made to the convertible debentures of the Company held by CCC.

EBRD currently holds 23,368,547 common shares of the Company, representing approximately 17.17% of the Company's issued and outstanding Common Shares, prior to the completion of the Private Placement. As a result of the EBRD Amendments and including the common shares of the Company already owned by EBRD, assuming (i) a conversion by the EBRD at the Maturity Date of all amounts owing under the EBRD Convertible Loan Agreement (including the Outstanding Principal Amount of US\$5,000,000, Accrued and Unpaid Interest, the Prepayment Amount, and the Finance Delay Fee (as each such term is defined in the EBRD Convertible Loan Agreement)), (ii) a conversion price for all such amounts of CAD\$0.23 per share (notwithstanding that the EBRD Convertible Loan Agreement provides for a different conversion price for conversion of the Accrued and Unpaid Interest, the Prepayment Amount and the Finance Delay Fee), and (iii) a Bank of Canada closing rate on 10 April 2018 of US\$1 = CAD\$1.2584, the EBRD would acquire ownership and control over a total of 44,395,507 additional Common Shares of Euromax, with such additional Common Shares representing 24.60% of the Company's total issued and outstanding Common Shares, without giving effect to the Private Placement. As a result, EBRD would own, in aggregate (including the Common Shares it currently holds), 67,764,054 Common Shares, representing 37.54% of the Company's total issued and outstanding Common Shares, and representing an increase of 8.6% of the

percentage of the Company's total issued and outstanding Common Shares which EBRD would have been entitled to own (including the shares it currently holds) prior to the EBRD Amendments (based on the assumptions as at today and maturity of the loan on April 30, 2018), in each case without giving effect to the Private Placement.

The EBRD, One Exchange Square, London, EC2A 2JN, United Kingdom, entered into the Amendment Agreement for investment purposes. Depending on market conditions and other factors, the EBRD may from time to time acquire and/or dispose of securities of Euromax or continue to hold its current position. A copy of the early warning report required to be filed with the applicable securities commissions in connection with the EBRD Amendments will be available on SEDAR at www.sedar.com and can be obtained by contacting Ulmas Musaliev at +44 207 338 7224, and Francisco Fortuny at +44 207 338 8439.

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

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 Private Placement, implementation of the amendments to previously issued convertible debentures, 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 to implement corporate strategies, the ability to obtain financing as and when required and on reasonable terms, the risk that the development of the Ilovica-Shtuka Copper-Gold 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 Ilovica-Shtuka Copper-Gold 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

Contact

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