EurOmaX
Resources Limited

2009

ANNUAL REPORT DECEMBER 2009

MANAGEMENT REPORT

The last year was a year of change which put EurOmax on a solid financial position notwithstanding the problems for junior mining companies arranging equity financing. We were able to complete a merger with Silk Road Resources on June 30, 2009. This merger brought the combined company a significant Chinese gold property, the Bulagao property. In July we sold this property for gross proceeds of US$15 million and a profit of $3.7 million. The combination of the merger and sale of the Bulagao project provided our company with the financial resources to allow exploration on our substantial property portfolio in South-eastern Europe to recommence.

On October7, 2009, we acquired Thrace Resources EOOD from Clean Global Energy Limited an Australian listed coal gasification development company. The main asset acquired is the Breznik gold property in Bulgaria. This project has been the subject of systematic diamond and reverse circulation drilling, trenching and metallurgical testwork resulting in a JORC (2004) code compliant Indicated and Inferred Mineral Resource estimate. JORC (2004) code is similar to NI-43-101. The total Indicated resource at a cut-off of 0.5 grams per tonne is 1.08 million tonnes at 2.01 grams per tonne gold and 6.05 grams per tonne silver, containing 70,000 ounces of gold, 210,000 ounces of silver. The inferred mineral resource at a 0.5 grams per tonne cut-off grade is 0.69 million tonnes at 1.79 grams per tonne gold and 5.66 grams per tonne silver, containing 40,000 ounces of gold and 125,000 ounces of silver . These resources which were determined for an open pit mining method are limited to a depth of 100 metres and a strike of 600 metres. We are re-evaluating this deposit for potential low impact underground mining. Subsequent drilling has extended the strike to 1,000 metres and a depth of 150 metres. This drilling included 2 metres at 19.9 g/t gold and 23 g/t silver followed by 2.8 metres at 12.4 g/t gold and 4 g/t silver; 1 metre at 43 g/t gold and 12 g/t silver ; 1 meter at 16.66 g/t gold; 1 meter at 21.11 g/t gold and 12 g/t silver, followed by 1 meter at 12.08 g/t gold, 1 meter at 8.57 g/t gold and 22/t silver; and 6 meters at 5.50 g/t gold. The results of a metallurgical study to determine optimal processing methods are expected within the next month. A current drill program is being conducted with the potential to extend the strike length to 2,000 metres. Once this drill program is concluded we intend to apply for a Commercial Discovery Certificate on the Breznik property.

We have commenced a drill program at the Kazandol property in Macedonia. This program is designed to explore a shallow dipping oxide copper zone. Surface mapping has traced this zone has been traced for approximately five kilometres with widths of 200 metres. Trenching on the northern 800 metres has confirmed the continuity of mineralization in this portion of the zone. Previous drilling identified thicknesses of up to 50 metres at a grade of 0.59% copper. We believe that the mineralization at Kazandol will be amenable to low cost SX-EW oxide copper production.

The Company's former Chief Executive Officer resigned at the end of January 2009 in order to pursue other opportunities. Mr. Anthony Patriarco resigned as a director of the Company on March 10, 2010 but has agreed to remain on EurOmax's Advisory Board. We would like to thank both of these gentlemen or their leadership in repositioning EurOmax to take advantage of the opportunities for growth through the exploration of its current properties and the acquisition of additional targets which have been identified in South-eastern Europe. As a result of these resignations the board has formed a committee to identify candidates who will be able to add greater diversity of experience and strengthen the board of your Company. Once, these individuals have joined the board the search for a new Chief Executive Officer will be conducted, We expect this process to be completed before our next annual meeting.

We would like to thank our employees and contractors for their dedication and effort during the year and you our shareholders for your support and positive comments.

On behalf of the Board of Directors

"Robert Power"
Robert Power
Chairman of the Board of Directors
April 28, 2010

Management Discussion & Analysis

This discussion and analysis ("MD&A") is provided by management of EurOmax Resources Ltd. ("EurOmax" or the "Company") with respect to the 2009 financial results and should be read in conjunction with the audited consolidated financial statements and related notes for the years ended December 31, 2009 and 2008. This MD&A is dated April 28, 2010.

BASIS OF PRESENTATION: The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") in Canadian dollars.

FORWARD-LOOKING STATEMENTS: This document contains statements that are forward-looking, such as those relating to results of operations and financial condition, capital spending, financing sources, commodity prices, costs of production and the magnitude of petroleum and natural gas reserves. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the dates the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The forward-looking statements contained in this MD&A are as of April 28, 2010 and are subject to change after this date. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. EurOmax disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

MANAGEMENTS' RESPONSIBILITY FOR FINANCIAL REPORTING Management of EurOmax is responsible for the preparation, integrity, and fair presentation of the accompanying consolidated financial statements and other information contained in this annual report. The consolidated financial statements and related notes were prepared in accordance with accounting principles generally accepted in Canada and reflect management's best judgments and estimates, based on currently available information. Management maintains a system of internal controls over financial reporting, which encompasses policies, procedures and controls to provide reasonable assurance that assets are safeguarded against loss or unauthorized use, that transactions are executed and recorded in accordance with management's authorization, and that financial records are accurate and reliable. The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Audit Committee of the Board, which meets with the external auditors to satisfy itself that management's responsibilities are properly discharged and to review the consolidated financial statements before they are presented to the Board of Directors for approval.

CORPORATE STRATEGY

During 2003, the Company initiated a focus on identifying, acquiring and developing natural resource opportunities in South-Eastern Europe. EurOmax believes that this region has underdeveloped natural resource potential and minimal political risk. Many of the countries in this area have not been subjected to the systematic exploration that has been conducted in western countries. However, the countries in this region have more developed economic, legal and political climates than most of the undeveloped regions of the world. In fact, Bulgaria and Romania entered the European Union in January 2007. Over the next few years, other countries which are not yet already members of this growing economic block have or intend to apply for membership. EurOmax has found that the potential to acquire natural resource properties in this region is subject to significantly less competition than would be found in North America or other developed countries. Notwithstanding the Company's belief in the potential of South-Eastern Europe, EurOmax has found that political and cultural issues can delay projects longer than is normal in North America. The Company was able to enter into a merger agreement with Silk Road Resources Ltd., ("Silk Road") another junior mining company with a similar financing problem, during the first quarter of 2009. However, Silk Road had a mineral property in China which was marketable. The merger was completed on June 29, 2009. Subsequently, On July 16, 2009 the Chinese mineral property was sold for approximately $14.9 million after commissions, Chinese taxes and other expenditures. The proceeds of this sale are being used to fund the Company's exploration expenditures and for general corporate expenditures.

HIGHLIGHTS

In 2007, EurOmax executed a geopolitical diversification of its operations in South-Eastern Europe. Prior to that time all of the Company's activities were focused on Bulgaria. On July 13, 2007 the Company purchased an options to acquire four exploration properties in Macedonia and five exploration properties in Serbia from Freeport McMoRan Inc. subsidiary Freeport McMoRan Exploration Company (formerly Phelps Dodge Exploration Corporation) (FMEC) and its Macedonian and Serbian subsidiaries. Under the terms of the agreements EurOmax has an option to acquire a 100% interest in the Macedonian properties and its Macedonian subsidiary PD Vardar dooel (PDV) by the payment of US$ 600,000 and the issuance of 100,000 EurOmax shares and an option to acquire 100% of the shares of Mining and Geology South Danube Metals Beograd South (SDM), a FMEC Serbian subsidiary, subject to exclusion of one of the SDM licenses, by the issuance of 2.4 million shares of EurOmax. In order to exercise the options EurOmax had to fulfill all concession requirements, fulfill a certain minimum drilling commitment, and complete a US$1.5 million exploration program in each of Macedonia and Serbia over 3 years. FMEC retains a one time only back in-right on each concession, whereby FMEC may elect to earn a 70% interest, after EurOmax has completed 10,000 metres of drilling on any such property. In order to earn its interest FMEC must repay EurOmax twice its exploration expenditure on that property and fund the property though completion of a final feasibility study.

As of December 31, 2009, EurOmax has completed the required drilling commitment and exploration program for Serbia. Euromax has exercised the option in Serbia and ownership of SDM was transferred to the Company in April 2010. As of December 31, 2009, the Company was still required to complete 842 metres of drilling in Macedonia under the minimum drilling commitment in the July 13, 2007 agreements. This minimum drilling commitment has been completed during 2010. The Company was required to spend approximately US$150,000 prior to July 13, 2010 for the Macedonian properties at the end of 2009. The exploration minimum drilling commitment and expenditure requirement in Macedonia has been completed during 2010. It is expected that EurOmax will exercise the Macedonian option prior to the end of 2009. The back-in right for FMEC on each property will continue until the 10,000 metres of drilling have been completed.

On June 6, 2008, the Company entered an option agreement with Freeport-McMoRan Exploration Company (FMEC) to acquire a 100% interest in the Karavansalija property in Serbia by the payment to FMEC of US$50,000 and the issue of 2,500,000 common shares of the Company. In order to exercise the option, the Company must complete an exploration program within three years from the date of execution of this agreement including 4,400 metres of drilling at the direction of FMEC. FMEC retains a one time only back in-right, wherein FMEC may elect to earn a 70% interest, after the Company has completed 20,000 metres of drilling on the Karravansalija property. In order to earn its interest FMEC must repay EurOmax 1.5 times its exploration expenditure, fund the property though completion of a final feasibility study and pay EurOmax a 1% Net Smelter Royalty ("NSR") on its 70% share. If FMEC does not exercise its back-in right EurOmax is required to pay FMEC a 1% NSR. As of the date hereof, the Company has completed the minimum drilling requirement at the direction of FMEC for the first year of the Karavansalija property agreement ending June 5, 2009.

On June 29, 2009, EurOmax merged with Silk Road Resources Ltd. Under the terms of the merger, which was completed by a Plan of Arrangement between Silk Road and a subsidiary of EurOmax, the Company issued 2.2535 common shares for each share of Silk Road. The Company also issued stock options and warrants to former Silk Road optionholders and warrantholders under similar conversion terms to those for Silk Road shareholders.

The summary of the purchase consideration of Silk Road is:

Purchase consideration is as follows:

Share capital	$	9,343,433
Fair value stock options		198,600
Fair value convertible debenture		378,493
Transaction costs		224,630
Purchase consideration	$	10,145,157

The allocation of the purchase price assigned to the assets and liabilities of Silk Road is based on preliminary estimates of fair value and is as follows:

Estimated fair value of net assets acquired is as follows:

Cash	$	11,704
Accounts receivable and prepaid expenses		56,956
Loan to Euromax		250,000
Investment in Chinese mineral properties		11,260,770
Accounts payable		(580,523)
Short Term Loan		(853,750)
Net value of assets and liabilities at fair market value	$	10,145,157

On July 16, 2009 the Company completed the sale of the Bulagao property in China for $14.9 million after expenses. A gain on the sale of this property 0f $3,657,580 was included in income in 2009. These funds will be used to fund exploration expenditures in South-East Europe and for general working capital purposes. The summary of the sale of the Chinese mineral properties is outlined below.

Gross proceeds	$	18,717,219
Legal fees		(237,614)
Commission		(1,870,774)
Other expenses		(327,282)
Chinese witholding tax paid		(1,335,203)
	$	14,946,346
less		
Property and equipment		11,288,766
		11,288,766
Gain on disposal of property and equipment	$	3,657,580

On October 7, 2009, EurOmax entered into an agreement to purchase all of the issued and outstanding shares of Thrace Resources EOOD (Thrace), a subsidiary of Clean Global Energy Limited. The purchase price for Thrace was the cancellation of 50% of the outstanding convertible note issued by International Resource Holdings Limited (IRH) the predecessor of CGEL in December 2008 to EurOmax for the outstanding debts of Thrace to the Company. The fair value of 50% of this convertible note at the time of sale was $241,892. The allocation of the purchase price assigned to the assets and liabilities of Silk Road is based on preliminary estimates of fair value and is as follows:

Estimated fair value of net assets acquired is as follows:

Cash	$	45,475
Investment mineral properties		232,267
Accounts payable	(	35,850)
Net value of assets and liabilities at fair market value	$	241,892

The main property of Thrace, Breznik, has identified in situ mineral resource estimate calculated by independent consultants & resource modeling specialists Ravensgate using accepted industry standard best practice estimation methods and adhering to the JORC Code guidelines (similar to 43-101 guidelines) in estimating and categorizing the resource. Using a cut-off grade of 0.5 g/t gold the Indicated Resource is 1.079 million tonnes at 2.01 g/t gold and 6.05 g/t silver and the Inferred Resource is 0.689 million tonnes at 1.79 g/t gold and 5.66 g/t silver.

SELECTED FINANCIAL INFORMATION

	Year Ended December 31 2009	Year Ended December 31 2008	Year Ended December 31 2007
Revenue	**$ -**	$ -	$ -
Net income (loss)	**$ 400,957**	$ (4,154,060)	$ (1,339,034)
Per share - basic and diluted	**$ 0.00**	$ (0.09)	$ (0.03)
Comprehensive income (loss)	**$ 557,309**	$ (4,469,042)	$ (2,160,023)
Cash flows to continuing operations	**$ (3,836,995)**	$ (193,337)	$ (816,375)
Total assets	**$ 16,686,309**	$ 6,279,957	$ 7,748,617
Long term debt	**$ -**	$ **-**	$ -
Dividends	**$ -**	$ **-**	$ -

DISCONTINUED OPERATIONS – OIL AND GAS PROPERTIES

EurOmax sold its oil and gas properties on December 1, 2008.

On April 3, 2008, Daylight Energy Ltd. ("Daylight") filed a Statement of Claim in the Court of Queen's Bench of Alberta alleging that the Company had been overpaid $196,000 in royalties from one of its oil and gas wells. The Company settled this litigation in 2009 at no cost to EurOmax.

CONTINUING OPERATIONS

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses amounted to $1,293,404 in 2009 as compared to $819,554 in 2008. During 2009, general and administrative costs associated with the Company's mineral exploration activities in South-East Europe were $616,928 compared to $303,615 in 2008. The main increase in these costs in 2009 is associated with salaries because of increased staff and salary increases during 2009. Other corporate general and administrative costs in 2009 amounted to $676,476 compared to $515,939 in 2008. In 2009, expenses associated with preparing 43-101 regulatory reports were $25,000 less than in 2008 because fewer reports were prepared. In 2009 travel charges were $89,000 compared to $68,000 in 2008 because of more travel as the Company activities in South – East Europe increased and travel costs associated with the integration of Silk Road after its acquisition. Management fees were $48,000 higher (2009 – $120,000; 2008 - $72,000) in 2009 due to increased activity and responsibilities for management in Canada. During 2009, EurOmax enhanced its investor relations program resulting in an increase in costs of $65,000 from $81,000 in 2008 to $146,000 in 2009. Accounting expenses were $28,000 higher in 2009 than in 2008 due to the increased complexity of the Company's accounting in 2009 compared to 2008.

EurOmax does not capitalize any general and administrative expenses.

FOREIGN EXCHANGE GAIN / LOSS
As a result of the Company's international operations where the majority of its cash is held in United States dollars and its expenses are sometimes denominated in United States dollars or Euros, EurOmax is subject to potential foreign exchange gains and losses. During 2008, the Company had a foreign exchange loss of $14,762. However, the Company's cash balances increased significantly in mid 2009 after the merger with Silk Road and the subsequent sale of the Chinese property, the proceeds of which were held in United States dollars. The loss on foreign exchange increased substantially as a result of the strengthening of the Canadian dollar compared to the Euro and United States dollar over the last half of 2009. As a result the foreign exchange loss in 2009 was $1,343,585. The following table shows the fluctuations in the Canadian dollar compared to the United States dollar and the Euro during 2009.

Exchange rate to convert to $1 Canadian

	USD	Euro
High	0.7655	0.5840
Low	0.9798	0.6669
Average	0.8759	0.6301
Year-end	0.9529	0.6648

The high to low range for the United States dollar and Euro fluctuated by 28% and 14% respectively in 2009. These levels of fluctuation have a significant effect on the Company's foreign cash holdings which were more than $8 million at year end. The sale of the Chinese properties, which were paid for in United States dollars occurred in mid 2009 at an exchange rate approximately the average for 2009, but are valued at year end exchange rates which are approximately 15% lower.

DEPLETION, DEPRECIATION AND ACCRETION
Depreciation expenses for both 2009 and 2008 of $65,581 and $41,492 respectively is related to office equipment and vehicles in South-East Europe. During 2009, four new vehicles were purchased for the exploration operations in South-eastern Europe which resulted in an increase of depreciation.

In addition, during 2009, there was an accretion gain of $14,742 associated with the derivative portion of the convertible note issued by IRH at the end of 2008. This note was converted into shares of CEGL on October 7, 2009. There was no similar accretion in 2008.

INCOME TAXES
EurOmax did not incur any income taxes in 2009. The Company estimates Canadian income tax pools as of December 31, 2009 are as follows:

Summary of tax pools as of December 31	2009 $	2008 $
Undepreciated Capital Costs	172,000	172,000
Business Losses	1,396,000	742,000
Capital Losses	708,000	708,000
Foreign Exploration and Development Expense	493,000	493,000
Share Issue Expenses	16,000	23,000
	2,785,000	2,138,000

In addition the Company has tax loss carry-forwards in Bulgaria totalling BGN3,404,000 which expire as follows: 2010 - BGN41,000; 2011 - BGN237,000; 2012 - BGN248,000 and 2013 - BGN677,000: 2014 – BGN1,348,000; 2015 – BGN853,000.

CAPITAL EXPENDITURES

Capital expenditures for 2009 of $1,833,060 decreased by 45% from the $2,878,525 spent in 2008. In addition an amount of $232,267 was incurred in 2009 for the acquisition t of Breznik paid for by the cancellation of 50% of the convertible note of CEGL and $800,000 was incurred in 2008 through the issue of 2,500,000 common shares for the acquisition of the Karavansalija option. The current focus of capital expenditures is on mineral exploration and development in South-East Europe. All of capital expenditures in 2008 and 2009 were for mineral exploration or associated activities in South-East Europe.

Ilovitza Project, Macedonia

At Ilovitza in South-Eastern Macedonia, EurOmax is exploring a newly discovered copper-gold-molybdenum system more than 1.2 kilometres in diameter. Ilovitza is one of several porphyry systems of eastern Macedonia and northern Greece associated with exposed magmatic complexes. Typical of these deposits is the Skouries deposit in Greece which hosts reserves of 146 million tonnes at 0.54% copper and 0.83 grams per tonne gold for 4 million ounces of gold and 800,000 tonnes of copper. The Ilovitza property consists of 2 permits, Ilovitza 4 and Ilovitza 6. The Ilovitza 6 permit has been extended until May 31, 2011 and the Ilovitza 4 permit is expected to be the subject of a tender in 2010. The Company has drilled a total of 5 holes totalling 2,598 metres on this property. In addition FMEC drilled 7 holes totalling 2,801 metres prior to the purchase of the option by EurOmax. During 2008, the Company commissioned a preliminary resource study which concluded that the Ilovitza deposit contains an inferred resource of 303 million tonnes grading 0.23% copper, 0.31 grams per tonne gold and 0.005% molybdenum. This resource contains approximately 1.6 billion pounds of copper, 2.9 million ounces of gold and 3.5 million pounds of molybdenum. In copper equivalent terms this equals 3.5 billion pounds of copper. The study recommends a Phase 1 program of geophysics and drilling followed by a Phase 2 program of metallurgical testwork and drilling. EurOmax has completed the geophysics recommended in the Phase 1 program. The results from this geophysical program identified a chargeable resistivity low which is interpreted to be the core of the metallogenic system immediately east of the inferred resource with the potential for the addition of significant tonnage at higher grades. The Company spent $79,299 in 2009 and $660,683 in 2008 and $439,110 in 2007 on exploration of the Ilovitza project. In addition, the Company paid $410,085 for the acquisition of the option on this property from FMEC in 2007. EurOmax anticipates testing the potential of this core area with during 2010.

Kazandol Project, Macedonia

The Kazandol oxide copper project is located approximately 50 kilometres west of the Ilovitza project in south-eastern Macedonia. Exploration on this project commenced in late 2007 and has identified a near surface shallow dipping copper oxide zone 25 to 100 metres thick over a length of approximately five kilometres with widths up to in excess of 200 metres. The Kazandol permit has been extended until July 3, 2011. Preliminary drilling was conducted in 2008 encountering 47 metres grading 0.59% copper. Five holes totaling 659 metres have been drilled by the Company at the northern end of this project. In addition, surface trenching encountered 210 metres at 0.4% copper, 175 metres at 0.44% copper and 175 metres at 0.39% copper. This project offers the potential for an early oxide copper production. The Company spent $129,701 in 2009, $329,357 in 2008 and $81,010 in 2007 on exploration of the Kazandol project. In addition, the Company paid $273,390 for the acquisition of the option on this property from FMEC in 2007. EurOmax anticipates 3,000 to 4,000 metres of reverse circulation drilling during 2010 to better understand the potential of the copper oxide zone. Additionally preliminary metallurgical testing will be made of this zone if results are positive.

Ceovishte Project, Serbia

The Ceovishte project is located in southern Serbia. The Ceovishte licence was issued on December 7, 2005 and is extended by the Serbian government annually by completing the prior year's agreed program. Exploration conducted during 2008 identified a series of ancient gold and lead - silver workings which extend over a strike of nearly 5 kilometres. At the southern end of this trend, a two square kilometer gold bearing silica breccia has been identified surrounding an altered diorite intrusion. Ancient overgrown open pits up to several hundred metres wide cover much of the silica breccia. At the northern end of this trend one drill hole encountered 12.4 metres at 1.5% copper, 1.4% lead, 0.8% zinc, 62 grams per tonne silver and 1.6 grams per tonne gold. Twenty holes totaling 4,310 metres have been drilled by the Company on this project. The Company spent $879,981 in 2009, $671,372 in 2008 and $196,255 in 2007 on exploration of the Ceovishte project. In addition, the Company paid $520,200 for the acquisition of the option on this property from FMEC in 2007. During 2009, EurOmax conducted a geophysical program to define drill targets and drilled 8 holes totalling 2,251 metres. The current drilling and other exploration results of the property are being evaluated to determine an optimal future exploration program.

Karavansalija Project, Serbia
The Karavansalija project located in southern Serbia was acquired from FMEC on June 6, 2008. This permit was issued on July 7, 2004 and is extended by the Serbian government annually by completing the prior year's agreed program. This project covers a 60 square kilometre alteration zone and two mineralized centres. Drilling on the property has produced numerous significant intersections including 42 metres at 2.05 grams per tonne gold, 0.76% nickel and 0.06% cobalt included in 111 metres at 1.30 grams per tonne, 0.43% nickel, 0.03% cobalt in drill hole 0828; 120 metres grading 0.55 grams per tonne gold, 0.48% copper and 3.2 grams per tonne silver in drill hole 0829; 235 metres grading 1.08 grams per tonne gold in drill hole 0831 and 166 metres grading 0.63 grams per tonne gold, 0.58% copper, including 63 metres at 1.01 grams per tonne and 1.05% copper in drill hole 0611. The Company has drilled 9 holes totaling 3,730 metres on this project. In addition prior to entering into the option agreement FMEC drill 28 holes totaling 10,058 metres at Karavansalija. The Company spent $364,441 in 2009 and $755,877 in 2008 on exploration of the Karavansalija project. In addition, the Company paid $851,545 for the acquisition of the option on this property from FMEC. During 2009, EurOmax conducted a program of surface mapping trenching and geochemistry followed by the drilling of 4 holes totalling 1,272 metres. In 20101 additional surface mapping, trenching and geochemistry as well as a re-analysis of past exploration will be conducted to better understand the results from previous drilling. This will allow future drilling to be more focused on this large property.

Breznik Property, Bulgaria
The Breznik project located in Bulgaria was acquired from CEGL on October 7, 2009. The Breznik permit was issued on May 28, 2004 and expires on May 28, 2011 unless extended by the issue of a commercial discovery certificate. This project covers an area of 19 square kilometres. Breznik is a high grade gold-silver vein system which has been drilled over a strike of nearly 1,000 metres with more than 100 diamond and reverse circulation drillholes. The deposit is open along strike and at depth. Ancient workings and geochemistry suggest that the vein system extends over more than 2,000 metres of strike. In 2007, CEGL engaged Ravensgate Pty. Ltd. an Australian independent consulting and resource modeling firm to calculate resources for the Breznik project using open pit mining methods. Ravensgate estimated and categorized the resources using JORC (similar to 43-101 guidelines). The in-situ resource using a cut-off grade of 0.05 grams per tonne gold was indicated resources of 1,079,000 tonnes grading 2.01 grams per tonne gold and 6.05 grams per tonne silver and inferred resources of 689,000 tonnes grading 1.79 grams per tonne gold and 5.66 grams per tonne silver. This resource was calculated only for the main vein over a strike length of 800 metres to a depth of approximately 100 metres. There are a series of other vein parallel to the main vein. The Company is evaluating the higher grade veins for the potential of low impact underground mining. During 2009, the Company drilled four holes totaling 522 metres. The results included 2 metres at 19.9 g/t gold and 23 g/t silver followed by 2.8 metres at 12.4 g/t gold and 4 g/t silver and 1 metre at 43 g/t gold and 12 g/t silver. During the year, preliminary metallurgical testing was commenced on the mineralization. In 2010, a series of drill holes totaling approximately 1,000 metres will be conducted allowing the Company to apply for a commercial discovery certificate.

Write-off of Mineral Properties
In 2009, there were no write-offs of mineral properties. However, general exploration expenditures of $500,369 (2008 -$39,879) were incurred. In 2009 the majority of the general exploration expenditures were for drilling activities to meet the minimum drilling requirement in Serbia so that the Company could complete the necessary drilling in order to exercise its option with FMEC in Serbia. This drilling was completed on properties written off in 2008. Other general exploration costs in both years were for the review of potential new property acquisitions.

During 2008, the Company, as part of its annual review of the carrying value of its mineral properties and future plans for those properties, it was determined that the value of certain properties would be written off.

At Trun in Bulgaria, Teck Cominco decided to abandon their option to earn an interest in this property. EurOmax will maintain its interest in this property until the licence expires, but does not intend to conduct any direct exploration. The Company will attempt to sell or option this property to a third party if possible. Consequently, EurOmax wrote off its capitalized expenses to date in the Trun property of $858,462 at December 31, 2008.

At Rudnitza in Serbia, the Company was exploring for a porphyry copper – gold deposit. A total of nine holes have been drilled on this property but the results indicate that a deposit of the size necessary to be economic in the current global economic environment is highly unlikely. Therefore, while the Company will maintain its interest and attempt to generate a financial return through a sale or farm-out, it wrote off its capitalized expenses to date of $854,683.

As part of the option to acquire mineral properties in Serbia from FMEC, EurOmax obtained interests in three additional properties. The results from preliminary exploration on these properties have not met expectations. Therefore, while the Company will maintain its interest and attempt to generate a financial return through a sale or farm-out, it wrote off its capitalized expenses to date of $406,212.

At Popintsi in Bulgaria under the original contract with the Bulgarian government drilling was required during 2007. During 2006 and 2007, EurOmax was precluded from conducting drilling or any other exploration due to an inability to access the licence granted by the Ministry of Environment and Water (the "Ministry) pursuant to an agreement between the Company and the Ministry (the "Popintsi Agreement") dated August 6, 2004 (the "Popintsi Licence") as a result of riots and civil unrest by the local population. In August 2006, the Company advised the Ministry that a state of force majeure existed under the Popintsi Agreement. The Ministry did not respond to the Company despite numerous requests. In April 2007, the Company advised the Ministry that it considered the Ministry's failure to respond was an agreement to the Company's declaration of force majeure. No response to the April 2007 notice has been received by EurOmax. The threat of violence which caused the force majeure continued as of May 21, 2008. Notwithstanding these facts, the Ministry purportedly terminated the Popintsi Agreement at the end of the initial three year term on August 6, 2007 and only advised the Company on May 21, 2008. Subsequent to this termination, the Ministry accepted the Company's annual rent payment for the year ending August 6, 2008 which has not been returned. The Ministry did not follow the required protocol under the Popintsi Agreement to terminate this agreement. As a result of this purported termination by the Ministry, the Company wrote off its investment of $475,909 in the Popintsi Licence in 2007. The Company will continue to take all necessary steps to either re-instate the Popintsi Licence or to obtain proper compensation pursuant to the Popintsi Licence and the relevant laws of Bulgaria. The Company is obtaining a legal opinion on our position. The preliminary indication is that the Company may not be able to obtain compensation but may be able to extend the property term through its declaration of force majeure.

LIQUIDITY AND FINANCIAL RESOURCES

At December 31, 2009, the Company had positive working capital of $8,597,342 compared to $16,740 at the end of 2008 including a cash balance at December 31, 2009 of $8,234,111 compared to $331,032 at the end of 2008. Accounts receivable and prepaid expenses increased to $658,580 as at December 31, 2008 compared to $405,131 as at December 31, 2008. The accounts receivable as at December 31, 2009 include a prepayment of $263,501 for exploration in Serbia and Macedonia. In addition recoverable value added taxes of $132,650 are included in accounts receivable and prepaid expenses as at December 31, 2009. There were no similar amounts in accounts receivable and prepaid expenses as at December 31, 2008. As at December 31, 2008, accounts receivable and prepaid expenses included one half of a convertible note issued by IRH in the amount of $125,757. No similar amount is included in accounts receivable and prepaid expenses as of December 31, 2009 as the amount was repaid as part of the restructuring of IRH through a reverse take-over of CGEL during the year. The Company converted one half of the convertible note into shares of CGEL as part of the IRH restructuring. Accounts payable and accrued liabilities were $295,349 at the end of 2009 compared to $770,592 at December 31, 2008. The higher amount as at December 31, 2008 consisted primarily of liabilities associated with the activities conducted in Serbia and Macedonia.

The Company holds 3,169,788 shares of CEGL. At December 31, 2009 these assets were valued at $475,190 (2008 - $76,014) and represents approximately 2.5% (2008 - 12%) of the total shares outstanding of CEGL. The ability to recover these amounts upon sale will be dependent on stock market conditions at that date. CEGL trades on the Australian Stock Exchange and there is little liquidity of the stock. The Company accounts for its investment in CGEL on an as available for sale basis.

During the year ended December 31, 2009 capital expenditures were funded by the draw down of cash reserves and the issue of additional equity. The Company currently has sufficient cash resources to meet its planned 2010 and 2011 exploration expenditures and other financial commitments. If additional funding is required the Company will use the equity and debt markets. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

OFF-BALANCE SHEET ARRANGEMENTS
The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS
During the year ended December 31, 2009, the Company paid or accrued management and consulting fees in the amount of $322,688 (2007 - $221,000) to current and former directors or companies controlled by current and former directors. Of these amounts $15,749 (2007 - $54,306) is included in accounts payable and accrued liabilities at year end. Management and consulting fees have been recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties based on standard commercial terms.

FOURTH QUARTER EVENTS
The Company recorded a loss in the fourth quarter of $1,883,000 compared to a loss of $3,288,000 for the same quarter in 2008. In the fourth quarter of 2009, the Company had a foreign exchange loss of $919,000 compared to a gain of $6,000 in the same quarter of 2008. The foreign exchange loss is a result of the strengthening Canadian dollar in the fourth quarter of 2009 and its effect on the Company's cash position which is mainly held in United States dollars and Euros. In the fourth quarter of 2009, the Company had a write-off of $nil (2008- $2,119,000) associated with its mineral properties. Also during the fourth quarter of 2009, the Company had an unrealized loss of $nil (2008- $38,000) associated with the stock options which it held in CEGL. During the fourth quarter of 2008 the Company made the determination that the reduction in value of its investments is not temporary resulting in a write-down of its investments by $644,000. No similar transaction occurred in the fourth quarter of 2009. The loss for the quarter this year included a stock based compensation expense of $3,000 compared to $192,000 in the fourth quarter of 2008. In 2008, discontinued operations contributed $123,773 to income in the fourth quarter compared to $nil in 2009, the majority of which was the gain on the sale of the oil and gas assets of $119,000. Administration costs in the fourth quarter of 2009 were $491,000 compared to $260,000 in the same period of 2008. The increase was a result of higher salary costs and an enhance investor relations program in 2009. In addition during the fourth quarter of 2009 the Company had a general exploration expense on new property evaluations in Bulgaria, Serbia and Macedonia of $119,000 compared to $74,000 during 2008. In 2009 these costs also included costs associated with completing the work required to complete the earn-in under the Freeport option in Serbia. Depreciation expense in 2009 was $37,000 compared to $15,000 as a result of the acquisition of vehicles and equipment to make exploration activities more effective in 2009. In 2009 the Company also had accretion recovery of $15,000 and interest expense of $37,000 while in the fourth quarter of 2008 there were no similar expenses.

CONTRACTUAL OBLIGATIONS
The Company's mineral properties in Serbia and Macedonia were acquired under an option agreement with FMEC. The Company has a drilling commitment on the Karavansalija property to maintain the option agreements. The Company is up to date with this drilling commitment.

As part of the requirements to maintain the option in good standing, the Company must maintain the underlying properties in good standing.

In Macedonia, these properties are held pursuant to an Exploration Permit ("Permit") granted by the Ministry of Economy. These Permits have an initial term of four years with a right to extend the term under certain circumstances. The Company may withdraw from a Permit at any time. In the event of an economic discovery on a Permit, the Company has the right to apply for a mineral concession

("Concession"). The term for a Concession is for an initial term of 30 years to extract the mineralization renewable for an additional 30 years. The mining law in Macedonia was amended in July 2008 to modernize it to be more in line with current western legislation (the "Amended Law").

In Serbia, Exploration Permits are issued under the 1996 Law on Geological Exploration by the Serbian Ministry of Energy and Mines. An Exploration Permit is valid until the end of the calendar year in which it was issued and can be extended until the end of the following calendar year by filing an annual report on the previous year's work program and a proposed work program for the current year. The Exploration Permit grants rights to explore for mineral deposits, but not to exploit a mineral deposit should a discovery be made. In case of a discovery under the terms of an Exploration Permit, the transfer of the ownership rights to an Exploitation License are regulated under paragraph 17 of the 2005 Act on the Amendments to the Mining Act of 1995.

Future Accounting Pronouncements

(a) Business Combinations/Consolidated Financial Statements/Non-Controlling Interests

In January 2009, the CICA issued Sections 1582, "Business Combinations", 1601, "Consolidated Financial Statements", and 1602, "Non-Controlling Interests", which superseded current Sections 1581, "Business Combinations", and 1600 "Consolidated Financial Statements". These new sections replaced existing guidance on business combinations and consolidated financial statements to harmonize Canadian accounting for business combinations with IFRS. These sections will be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier adoption is permitted. If an entity applies these sections before January 1, 2011, it is required to disclose that fact and apply each of the new sections concurrently. The Company is currently evaluating the impact of the adoption of these changes on its consolidated financial statements.

(b) International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP and IFRS over an expected five year transitional period. In February 2008 the AcSB announced that January 1, 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP, affecting interim and annual financial statements relating to fiscal years after this time. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. The Company is currently assessing the impact of the convergence of Canadian GAAP with IFRS on results of operations, financial position and disclosures. A high level analysis has been completed to identify areas affected by the change. The Company will provide disclosures of the key elements of our plan and progress on this transition as the information becomes available during the transition period.

To transition to IFRS, the Company must apply "IFRS 1 - First Time Adoption of IFRS" which sets out the rules for first time adoption. In general, IFRS 1 requires an entity to comply with each IFRS effective at the reporting date for the entity's first IFRS financial statements. This requires that an entity apply IFRS to its opening IFRS balance sheet as at January 1, 2010 (i.e.: the balance sheet prepared at the beginning of the earliest comparative period presented in the entity's first IFRS financial statements).

Within IFRS 1 there are exemptions, some of which are mandatory and some of which are elective. The exemptions provide relief for companies from certain requirements in specified areas when the cost of complying with the requirements is likely to exceed the resulting benefit to users of financial statements. IFRS 1 generally requires retrospective application of IFRS's on first-time adoptions, but prohibits such application in some areas, particularly when retrospective application would require judgments by management about past conditions after the outcome of a particular transaction is already known.

On transition, management must apply the mandatory exemptions and make the determination as to which elective exemptions will be made under IFRS 1. Management has completed the high level analysis of the financial statement areas and is currently reviewing the analysis to make determinations on what elections will be taken. After these decisions are made, the impact on the financial statements will be determinable.

Management continues to assess the impact that IFRS will have on the aspects of the business including accounting policy, financial reporting, information technology and communications perspective. Management is currently reviewing accounting systems and assessing the changes that will be required and the strategies that will be employed. Communication and training strategies are also being developed by management.

CRITICAL ACCOUNTING POLICIES

A comprehensive discussion of the Company's significant accounting policies is contained in Note 3 to the consolidated financial statements. There have been no changes in accounting policies during the last year other than as described in note 2 of the financial statements.

Certain of these policies are recognized as critical because in applying these policies management is required to make judgments, assumptions and estimates that have a significant impact on the financial results of the Company. The estimates used in applying these critical accounting policies have been discussed with the Audit Committee of our Board of Directors and are discussed below.

Measurement uncertainties

Generally accepted accounting principles require management to make assumptions and estimates that affect the reported amounts and other disclosures in these consolidated financial statements. Actual results may differ from those estimates.

The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. The most significant estimates relate to the calculation of asset retirement obligations; the impairment of property and equipment, the calculation of depreciation and depletion; recoverability of accounts receivable, valuation of future income tax amounts, impairment testing and the calculation of stock based compensation.

By their nature, these estimates are subject to measurement uncertainty and the effect of changes in such estimates on the consolidated financial statements of future periods could be significant.

Mineral Properties

Direct costs relating to the acquisition, exploration and development of mineral properties are capitalized on an area of interest and mineral basis. These expenditures will be charged against income through unit-of production depletion when properties are developed to the stage of commercial production. Where the Company's exploration commitments are performed under option agreements with a third party, the proceeds of any option payments under such agreements are applied to the area of interest to the extent of costs incurred. The excess, if any, is credited to operations. If an area of interest is abandoned or management determines that the carrying value cannot be supported by future production or sale, the related costs are charged to operations.

QUARTERLY DATA

(in thousands of dollars except per share amounts)	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2008 *Q4*	2008 Q3	2008 Q2	2008 Q1
Revenue				-	-	-	-	-
Net loss - continuing operations	(1,883)	2,557	40	(313)	(3,412)	(366)	(160)	(437)
Per share - basic and diluted	(0.02)	0.02	0.00	(0.01)	(0.06)	(0.01)	(0.00)	(0.01)
Net income /(loss) - discontinued operations	-	-	-	-	124	9	62	37
Per share - basic and diluted	-	-	-	-	0.00	0.00	0.00	0.00
Net loss	(1,883)	2,557	40	(313)	(3,288)	(357)	(98)	(400)
Per share - basic and diluted	(0.02)	0.02	0.00	(0.01)	(0.06)	(0.01)	(0.00)	(0.01)
Total assets	16,686	18,247	18,879	5,795	6,264	8,425	7,673	7,555
Long term debt	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-

MANAGEMENT AND BOARD OF DIRECTORS

Mr. John Menzies resigned as Chief Executive Officer and a member of the Board effective January 31, 2010. Mr. Anthony Patriarco resigned as a member of the Board on March 10, 2010. Mr. Christopher Serin was appointed as Interim Chief Executive Officer on January 31, 2010 to replace Mr. Menzies. The Board of Directors has appointed a committee of Mr. Bell, Mr. Mason and Mr. Power to nominate replacement directors. The mandate of this committee is to identify well qualified candidates in order to strengthen the Board of Directors. It is expected that the committee will have found replacement directors prior to the Company’s annual meeting. Once the new board members have been nominated, the board will complete a search for a new Chief Executive Officer.

OUTSTANDING SHARE DATA

As of April 28, 2010, the following securities were outstanding:

Share Capital: 120,062,039 common shares with a recorded value of $33,101,084

Share Purchase Warrants: as per note 10(d) of the financial statements.

Stock Options:

Stock options outstanding			Options exercisable	
Number of stock options outstanding	Weighted average exercise price	Weighted average remaining contractual life (months)	Number of stock options outstanding	Weighted average exercise price
	$			$
20,000	0.22	0.67	20,000	0.22
259,153	0.64	13.03	259,153	0.64
80,000	0.36	13.19	80,000	0.36
40,000	0.36	14.35	40,000	0.36
675,000	0.42	15.69	675,000	0.42
67,605	0.49	23.80	67,605	0.49
225,350	0.53	24.71	225,350	0.53
975,000	0.72	25.36	975,000	0.72
195,000	0.72	29.38	195,000	0.72
856,330	0.60	27.71	856,330	0.60
605,000	0.32	33.12	605,000	0.32
185,000	0.32	39.20	123,333	0.32
360,560	0.20	39.87	360,560	0.20
2,582,500	0.21	52.00	1,721,667	0.21
40,000	0.31	53.21	13,333	0.31
7,166,498	0.40	35.59	6,217,331	0.43

OPERATIONAL AND OTHER BUSINESS RISKS

The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in the forward-looking statements and information contained herein. The risks sets out below include those that are widespread and associated with any form of business and those that are specific risks associated with the Company's business and its involvement in the exploration and mining industry generally, and in southern Europe in particular. Shareholders and prospective investors should carefully consider, in light of their own financial circumstance, the factors set out herein.

Current Global Financial Conditions
Current global financial conditions have been characterized by volatility and several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to financing has been negatively impacted by many factors as a result of the global financial crisis. This may impact the Company's ability to obtain financing in the future at all, or on reasonable terms. Additionally, global economic conditions may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses.

Fluctuation of Commodity Prices

The Company's exploration and other mining activities have previously been, and may in the future be, significantly adversely affected by declines in commodity prices. Commodity prices are volatile and are affected by numerous factors beyond the Company's control such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major mining countries throughout the world. Any future serious drop in commodity prices or sustained low commodity prices could adversely impact the Company's future revenues, profits and cash flows. In particular, sustained low, or further reductions in, commodity prices could:

- reduce or eliminate the Company's ability to finance the exploration and development of existing and future mineral projects;
- force the Company to lose its interest in, or to sell, all or some of its properties;
- halt or delay the development of existing or new projects; and
- reduce the value of the Company's securities.

Furthermore, declining or sustained low commodity prices could impact the Company's operations by requiring a reassessment of the feasibility of any existing or new projects. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Dependence on Third Party Financing

The Company currently has no source of operational cash flow. As a result, the Company will continue to depend on third party financing to fund future working capital, capital expenditures, operating and exploration costs and other general corporate requirements. The success and the pricing of any such capital raising and/or debt financing will be dependent upon the prevailing market conditions at that time and upon the ability of a company without any significant projects already in production to attract significant amounts of debt and/or equity. There can be no assurance that such financing will be available to the Company or, if it is, that it will be offered on acceptable terms. Failure to obtain sufficient financing, as and when required, may result in a delay or indefinite postponement of exploration or development on any or all of the Company's properties.

Currency Risk

The Company maintains most of its working capital in Canadian and United States dollars. Although, the Company currently operates in Bulgaria, Macedonia and Serbia a significant portion of its operating costs are incurred in United States dollars or Euros. Accordingly, the Company is subject to fluctuations in the rates of currency exchange between the Canadian, United States dollar and the Euro. The Company has not hedged its exposure to currency fluctuations.

Economic and Political Instability in Foreign Jurisdictions

The Company currently operates in Bulgaria, Macedonia and Serbia. There are risks to conducting business in foreign countries. These risks may include, among others, invalidation of governmental orders and permits, corruption, uncertain political and economic environments, sovereign risk, war, civil disturbances, arbitrary changes in laws or policies, the failure of foreign parties to honour contractual relations, delays in obtaining or the inability to obtain necessary governmental permits, authorizations and consents, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on exports, instability due to economic under-development, inadequate infrastructure and increased financing costs. In addition, the enforcement by the Company of its legal rights to exploit its properties may not be recognized by any foreign government or by the court system of a foreign country. These risks may limit or disrupt the Company's operations, restrict the movement of funds or result in the deprivation of mining related rights or the taking of property by nationalization or expropriation without fair compensation.

Mineral Exploration and Development

Mineral resource exploration is highly speculative, involves substantial expenditures, and is frequently unsuccessful. Few prospects that are explored are ultimately developed into producing mines. To the extent that the Company continues to be involved in exploration, the long-term success of its operations will be related to the cost and success of its exploration programs. There can be no assurance that the

Company's exploration efforts will be successful. The success of exploration is determined in part on the following factors:

- the identification of potential mineralization based on superficial analysis;
- availability of prospective land;
- availability of government-granted exploration and exploitation permits;
- the quality of management and geological and technical expertise; and
- the capital available for exploration and development.

Substantial expenditures are required to determine if a project has economically mineable mineralization. It could take several years to establish proven and probable mineral reserves and to develop and construct mining and processing facilities. As a result of these uncertainties, there can be no assurance that current and future exploration programs will result in the discovery of mineral reserves and the development of mines.

Resource Estimates

The mineral resource estimates presented herein are made by Company personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance estimates will be accurate. The inclusion of mineral resource estimates should not be regarded as a representation that these amounts can be economically exploited and no assurances can be given that such resource estimates will be converted into reserves.

Operating Hazards and Other Uncertainties

The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- labour disputes and shortages;
- supply and shipping problems and delays;
- shortage of equipment and contractor availability;
- unusual or unexpected geological or operating conditions;
- fire;
- changes in the regulatory environment; and
- natural phenomena such as inclement weather conditions, floods and earthquakes.

These or other occurrences could result in damage to, or destruction of, mineral properties, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Company could also incur liabilities as a result of pollution and other casualties all of which could be very costly and could have a material adverse effect on the Company's financial position and results of operations.

Limitations on the transfer of cash or other assets

The Company is a Canadian company that conducts operations through foreign (principally Bulgaria, Macedonia and Serbia) subsidiaries and joint ventures, and substantially all of the Company's assets consist of equity in these entities. Accordingly, any limitation on the transfer of cash or other assets between the Company and these entities, or among these entities, could restrict the Company's ability to fund its operations efficiently.

Permitting Requirements

Mining operations require mining and other permits from the government. These permits may not be issued on a timely basis or at all, and such permits, when issued, may be subject to requirements or conditions with which it is burdensome or expensive to comply. Furthermore, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of existing permits, additional permits for any possible future changes to operations, or additional permits associated with new legislation.

Government Regulation

Mineral businesses are subject to regulation and intervention by governments in such matters as the imposition of specific exploration, drilling and development obligations; environmental protection controls and control over the development and abandonment of resource (including restrictions on production). As well, governments may regulate or intervene with respect to prices, taxes, royalties and the exportation of commodities. Such regulation may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the minerals industries could reduce demand for commodities produced, increase the Company's operating costs and have a material adverse impact on the Company.

Environmental Risks

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. There is no assurance that the Company will have or be able to obtain all necessary environmental approvals, licenses, permits or consents or be in compliance therewith or that notwithstanding its precautions, breaches of environmental laws (whether inadvertent or not) will not occur. The lack of or inability to obtain any such approvals, licences, permits or consents or any breaches of environmental laws, may result in penalties including fines or other sanctions, breach of the conditions of a mining concession or other consent or permit with possible revocation of the concession, consent or permit. In this regard, environmental hazards may exist on the properties in which the Company has an interest which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations, or its ability to develop its properties economically.

Litigation risks

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding could have a material adverse effect on the Company's financial position and results of operations.

Competition

The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious or base metals. The majority of these companies have greater financial resources, operational experience and technical capabilities. As a result, there can be no assurance that the Company will be able to compete successfully against other companies in acquiring new prospecting, development or mining rights.

Title Matters

The Company periodically confirms the validity of its title to, or contract rights with respect to, each mineral property in which it has a material interest. However, the Company cannot guarantee that title to its properties will not be challenged. The Company's mineral properties could be subject to prior unregistered agreements, transfers or claims, and title could be affected by, among other things, undetected defects. In addition, the Company might be unable to operate its properties as permitted or to enforce its rights with respect thereto.

Insurance coverage could be insufficient

While the Company maintains insurance to protect against certain risks, the nature of these risks is such that liability could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. Losses from these events may cause substantial delays and require significant capital outlays, adversely affecting future financial performance and results of operations.

Dependence on Key Personnel

The success of the Company and its ability to continue to carry on operations is dependent upon its ability to retain the services of certain key personnel. The loss of their services to the Company may have a material adverse effect on the Company. The Company does not presently have “key person” life insurance for any of its officers.

Conflicts of Interest

Certain of the directors of the Company are directors of other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such matter. Furthermore, in appropriate cases the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The Management of Euromax Resources Ltd. is responsible for the preparation of all information included in this Annual Report. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include certain estimates that reflect Management's best estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects. The financial information contained elsewhere in this Annual Report has been reviewed to ensure consistency with that in the consolidated financial statements.

Management maintains appropriate systems of internal control that provide reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss or unauthorized use and financial records provide reliable and accurate information for the preparation of financial statements.

Deloitte & Touche LLP, an independent firm of chartered accountants, was appointed by the shareholders of Euromax Resources Ltd. to audit the consolidated financial statements of the Company and provide an independent professional opinion. Their report is presented with the consolidated financial statements.

The Board of Directors, through its Audit Committee, has reviewed the consolidated financial statements including notes thereto with Management and Deloitte & Touche LLP. The members of the Audit Committee are composed of a majority of independent directors who are not employees of the Company. The Company's Board of Directors has approved the information contained in the consolidated financial statements based on the recommendation of the Audit Committee.

“Christopher A. Serin”
Christopher A. Serin
Interim Chief Executive Officer and Chief Financial Officer

April 28, 2010

Deloitte & Touche LLP
2800 - 1055 Dunsmuir Street
4 Bentall Centre
P.O. Box 49279
Vancouver BC V7X 1P4
Canada

Tel: 604-669-4466
Fax: 604-685-0395
www.deloitte.ca

Auditors' Report

To the Shareholders of
EurOmax Resources Ltd.

We have audited the consolidated balance sheets of EurOmax Resources Ltd. as at December 31, 2009 and 2008 and the consolidated statements of operations and comprehensive income (loss), shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

(Signed) Deloitte & Touche LLP

Chartered Accountants
April 28, 2010

EurOmax Resources Ltd.

Consolidated statements of operations and comprehensive income (loss) years ended December 31, 2009 and 2008

	2009	2008
	$	$
Expenses		
Foreign exchange loss	**1,343,585**	14,672
General and administrative (Note 12)	**1,262,404**	819,554
General exploration expenses	**500,369**	39,879
Stock-based compensation	**253,760**	455,488
Depreciation	**65,581**	41,492
Write-down of property and equipment (Note 8)	**-**	2,119,357
Accretion of note receivable	**(14,742)**	-
Other (income) expense	**(24,698)**	66,543
	(3,386,259)	(3,556,985)
Other income (expenses)		
Write-down of investment (Note 9 (b))	**-**	(693,864)
Gain on settlement of derivative (Note 9 (a))	**183,081**	-
Gain on disposal of property and equipment (Note 8 (f))	**3,657,580**	-
Loss on stock options held (Note 9 (b))	**(4,058)**	(150,922)
Interest (expense) income	**(49,387)**	16,280
	3,787,216	(828,506)
Net income (loss) from continuing operations	**400,957**	(4,385,491)
Net income from discontinued operations (Note 6)	**-**	231,431
Net income (loss)	**400,957**	(4,154,060)
Other comprehensive income (loss)		
Gain on mark-to-market of investment, net of tax (Note 9)	**156,352**	1,008,846
Reclassification of losses recorded in earnings	**-**	(693,864)
	156,352	314,982
Comprehensive income (loss)	**557,309**	(4,469,042)
Basic and diluted earnings (loss) per share from		
Continuing operations	**0.00**	(0.09)
Discontinued operations	**-**	0.00
	0.00	(0.09)
Weighted average number of shares outstanding	**90,637,662**	49,682,904

See accompanying notes to the consolidated financial statements.

EurOmax Resources Ltd.

Consolidated balance sheets
as at December 31, 2009 and 2008

	2009	2008
	$	$
Assets		
Current assets		
Cash	**8,234,111**	331,012
Accounts receivable, prepaids and deposits	**689,580**	405,131
Derivative on convertible note (Note 9 (a))	**-**	35,380
Current assets of discontinued operations (Note 6)	**-**	15,809
	8,923,691	787,332
Note receivable (Note 9 (a))	**-**	125,757
Stock options held (Note 9 (b))	**-**	4,058
Investment (Note 9 (a))	**475,190**	76,014
Restricted cash (Note 7)	**47,223**	18,342
Property and equipment (Note 8)	**7,240,205**	5,268,454
	16,686,309	6,279,957
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**295,349**	770,592
Shareholders' equity		
Share capital (Note 10)	**33,101,084**	23,577,652
Warrants	**897,038**	548,544
Contributed surplus	**1,613,272**	1,160,912
Accumulated other comprehensive income	**156,352**	-
Deficit	**(19,376,786)**	(19,777,743)
	16,390,960	5,509,365
	16,686,309	6,279,957

Nature of operations and continuation of business (Note 1)

Approved by the Board

(Signed) Christopher A. Serin
Christopher A. Serin, Director

(Signed) Robert Power
Robert Power, Director

EurOmax Resources Ltd.
Consolidated statements of shareholders' equity
years ended December 31, 2009 and 2008

	Common shares				Accumulated other comprehensive		
	Shares	Amount	Warrants	Contributed surplus	income (loss)	Deficit	Total
		$	$	$	$	$	$
Balance at December 31, 2007	47,222,487	21,815,352	208,276	719,424	314,982	(15,623,683)	7,434,351
Net loss	-	-	-	-	-	(4,154,060)	(4,154,060)
Other comprehensive loss on mark-to-market of investment, net of tax	-	-	-	-	(1,008,846)	-	(1,008,846)
Reclassification of losses recorded in earnings	-	-	-	-	693,864	-	693,864
Comprehensive loss							(4,469,042)
Shares issued for:							
Issue for cash (Note 10 (b))	6,350,000	878,300	340,268	-	-	-	1,218,568
Exercise of stock options (Note 10 (c))	700,000	84,000	-	(14,000)	-	-	70,000
Mineral property (Note 10 (b))	2,500,000	800,000	-	-	-	-	800,000
Stock-based compensation (Note 10 (e))	-	-	-	455,488	-	-	455,488
Balance at December 31, 2008	56,772,487	23,577,652	548,544	1,160,912	-	(19,777,743)	5,509,365
Net income and comprehensive income	-	-	-	-	-	400,957	400,957
Other comprehensive income on mark-to-market of investment, net of tax (Note 9 (a))	-	-	-	-	156,352	-	156,352
Comprehensive income							557,309
Shares issued for:							
Issue for acquisition (Note 4)	62,289,552	9,343,432	378,494	198,600	-	-	9,920,526
Exercise of warrants	1,000,000	180,000	(30,000)	-	-	-	150,000
Stock-based compensation (Note 10 (e))	-	-	-	253,760	-	-	253,760
Balance at December 31, 2009	120,062,039	33,101,084	897,038	1,613,272	156,352	(19,376,786)	16,390,960

See accompanying notes to the consolidated financial statements.

EurOmax Resources Ltd.

Consolidated statements of cash flows
years ended December 31, 2009 and 2008

	2009	2008
	$	$
Operating activities		
Net income (loss) from continuing operations	**400,957**	(4,385,491)
Items not involving cash		
Gain on settlement of derivative	**(183,081)**	-
Gain on disposal of property and equipment (Note 8)	**(3,657,580)**	-
Unrealized foreign exchange loss	**738,918**	-
Loss on stock options held	**4,058**	150,922
Depreciation	**65,581**	41,492
Accretion of note receivable	**(14,742)**	-
Stock-based compensation	**253,760**	455,488
Write-down of investment	**-**	693,864
Write-down of property and equipment	**-**	2,119,357
Net change in non-cash working capital balances (Note 13)	**(1,444,866)**	731,031
Cash used by continuing operations	**(3,836,995)**	(193,337)
Cash provided by discontinued operations (Note 6)	**15,809**	166,113
	(3,821,186)	(27,224)
Investing activities		
Acquisition of property and equipment	**(1,833,060)**	(2,878,525)
Restricted cash deposits (Note 7)	**(31,482)**	14,580
Corporate acquisitions, net of cash acquired (Notes 4 and 5)	**(167,452)**	-
Proceeds on sale of mineral properties, net of costs (Note 8 (f))	**14,946,346**	-
Proceeds from sale of discontinued operations (Note 6)	**-**	303,000
Cash provided by continuing operations	**12,914,352**	(2,560,945)
Cash used by discontinued operations	**-**	(80,409)
	12,914,352	(2,641,354)
Financing activities		
Repayment of short-term loan	**(853,750)**	-
Issue of shares, net of issuance costs	**150,000**	1,288,568
Loan receivable	**250,000**	-
	(453,750)	1,288,568
Effect of foreign exchange rate changes on cash and cash equivalents	**(736,317)**	(3,463)
Net increase (decrease) in cash	**7,903,099**	(1,383,473)
Cash, beginning of year	**331,012**	1,714,485
Cash, end of year	**8,234,111**	331,012

Supplemental cash flow information (Note 13)

1. Nature of operations and continuation of business

The consolidated financial statements include the accounts of EurOmax Resources Ltd. (the "Company") and the accounts of its wholly-owned subsidiaries, 7167911 Canada Ltd., Power Fortune Limited, Silk Road Exploration Limited, Omax International Ltd., Omax Energy Ltd., Martern EOOD ("Martern"), EOX Services Ltd., Thrace Resources EOOD, EurOmax Macedonia dooel Skopje and Scala Mines EOOD ("Scala").

The Company is in the process of exploring its mineral properties in Bulgaria, Serbia and Macedonia which have the potential for the discovery of economically recoverable minerals. The measurement of certain assets and liabilities is dependent on future events therefore the preparation of these consolidated financial statements requires the use of estimates, which may vary from actual results. The success of the Company's exploration and development of its mineral interests in Bulgaria, Serbia and Macedonia is influenced by significant financial risks, legal and political risks, commodity prices, and the ability of the Company to discover economically recoverable reserves and to bring such reserves into future profitable production. The amounts shown for mineral interests represent net costs incurred to date and do not necessarily represent present or future values. Such estimates have been made using careful judgments and conform to the significant accounting policies summarized below.

As at December 31, 2009, the Company operates in one segment being the exploration and development of mineral properties. The Company's exploration, development and production of natural resources activities in western Canada were disposed of in December 2008 (Note 6).

These consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. The Company's ability to continue on a going concern basis depends on its ability to achieve sustained profitable operations and/or raise additional financing as required.

2. Change in accounting policies

(a) Goodwill and other intangible assets

Effective January 1, 2009, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3064, *Goodwill and Intangible Assets*, which replaced Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. The new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets subsequent to their initial recognition. The adoption of this standard did not have a significant impact on the consolidated financial statements.

(b) Credit risk and the fair value of financial assets and financial liabilities

In January 2009, the CICA issued EIC-173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*, which requires the Company to consider its own credit risk as well as the credit risk of its counterparty when determining the fair value of financial assets and liabilities, including derivative instruments. The accounting treatment provided in EIC-173 have been applied in the preparation of these consolidated financial statements. The adoption of this standard did not have an impact on the valuation of financial assets or liabilities

2. Change in accounting policies (continued)

(c) Mining exploration costs

In March 2009, the CICA issued EIC-174, *Mining Exploration Costs*, which provides guidance to mining enterprises related to the accounting and the conditions that a mining enterprise should consider when determining the need to perform an impairment review of such costs. The accounting treatments provided in EIC-174 have been applied in the preparation of these consolidated financial statements and did not have an impact on the accounting for exploration costs.

(d) Financial instruments - recognition and measurement

In July 2009, the Accounting Standards Board approved amendments to Section 3855, *Financial Instruments - Recognition and Measurement*, in order to converge with international standards for impairment of debt instruments by changing the categories into which debt instruments are required and permitted to be classified. These amendments will permit (or require in certain circumstances) entities to reclassify certain investments in debt instruments, amend the guidance regarding impairment measurement for held-to-maturity debt instruments and require reversals of impairment losses for available-for-sale debt instruments when conditions have changed. These amendments apply only to investments in debt instruments and do not apply to investments in equity instruments or to debt instruments that have been designated at origination as held-for-trading. The amendments are effective for annual financial statements for fiscal years beginning on or after November 1, 2008. The adoption of this standard did not have an impact on the classification of its investments in debt instruments.

(e) *Financial instruments - disclosures*

In June 2009, the CICA amended Section 3862, *Financial Instruments - Disclosures*, to include additional disclosure requirements about fair value measurement for financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. Additional disclosures are included in Note 14.

3. Significant accounting policies

(a) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly owned. All intercompany balances and transactions have been eliminated.

Variable interest entities (“VIEs”), which include, but are not limited to, special purpose entities, trusts, partnerships, and other legal structures, as defined by the Accounting Standards Board in Accounting Guideline (“AcG”) 15, *Consolidation of Variable Interest Entities* (“AcG 15”), are entities in which equity investors do not have the characteristics of a “controlling financial interest” or there is not sufficient equity at risk for the entity to finance its activities without additional subordinated financial support. VIEs are subject to consolidation by the primary beneficiary who will absorb the majority of the entities’ expected losses and/or expected residual returns. The Company has not identified any VIEs at December 31, 2009.

3. Significant accounting policies (continued)

(b) Measurement uncertainties

Generally accepted accounting principles ("GAAP") require management to make assumptions and estimates that affect the reported amounts and other disclosures in these consolidated financial statements. Actual results may differ from those estimates.

The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. The most significant estimates relate to the calculation of asset retirement obligations; the impairment of property and equipment, and the calculation of depreciation and depletion; recoverability of accounts receivable, valuation of future income tax amounts, impairment testing and the calculation of stock based compensation.

(c) Cash and cash equivalents

Cash equivalents consists of balances with banks and investments in highly liquid short-term deposits with a maturities from the date of acquisition of three months or less. The Company had no cash equivalents at December 31, 2009 (2008 - $Nil).

(d) Property and equipment

(i) Office and other equipment

Office and other equipment are depreciated over their estimated useful lives on a straight-line basis over 3 to 10 years.

(ii) Mineral properties

Direct costs relating to the acquisition, exploration and development of mineral properties are capitalized on an area of interest and mineral basis. These expenditures will be charged against income through unit-of production depletion when properties are developed to the stage of commercial production. Where the Company's exploration commitments are performed under option agreements with a third party, the proceeds of any option payments under such agreements are applied to the area of interest to the extent of costs incurred. The excess, if any, is credited to operations. If an area of interest is abandoned or management determines that the carrying value cannot be supported by future production or sale, the related costs are charged to operations.

(e) Asset retirement obligations

The estimated fair value of each asset retirement obligation is recorded in the period a reclamation obligation is created. Fair value is estimated using the present value of the estimated future cash outflows to rehabilitate the asset at the Company's credit-adjusted risk-free interest rate. The obligation is reviewed regularly by Company management based upon current regulations, costs, technologies and industry standards. The discounted obligation is initially capitalized as part of the carrying amount of the related mineral property. The increase in mineral properties is depleted on the same basis as the remainder of the costs associated with the mineral property. The liability is subsequently adjusted for the passage of time and is recognized as an accretion expense in the statement of loss. Actual restoration expenditures are charged to the accumulated obligation as incurred. As at December 31, 2009, the Company has no asset retirement obligations related to its mineral properties in Bulgaria, Serbia and Macedonia.

3. Significant accounting policies (continued)

(f) Income taxes

Income taxes are accounted for using the liability method of income tax allocation. Under the liability method, income tax assets and liabilities are recorded to recognize future income tax inflows and outflows arising from the settlement or recovery of assets and liabilities at their carrying values. Income tax assets are also recognized for the benefits from tax losses and deductions that cannot be identified with particular assets or liabilities, provided those benefits are more likely than not to be realized. Future income tax assets and liabilities are determined based on the substantively enacted tax rates in the period of anticipated realization.

(g) Stock-based compensation

All stock-based awards are measured and recognized using a fair value method based on Black-Scholes model. The fair value of the stock-based compensation awards at the date of the grant is accrued and charged to operations, with the offsetting credit to contributed surplus, on a straight-line basis over the vesting period. When options are exercised, the proceeds, together with the amount recorded in contributed surplus, are recorded to share capital. The Company accounts for the forfeiture of stock options as they occur.

(h) Earnings (loss) per share

Net earnings (loss) per share is calculated based on the weighted average number of common shares outstanding during the period. The diluted weighted average number of shares takes into account the dilutive effect of options and warrants. Under the treasury stock method, only “in the money” options and warrants are included in the weighted average diluted number of shares. It is assumed that any proceeds obtained upon the exercise of options and warrants plus the unamortized portion of stock-based compensation would be used to purchase common shares at the average price during the period. The weighted average number of shares is then reduced by the number of shares acquired.

(i) Foreign currency translation

The Company follows the temporal method when translating foreign currency transactions and the financial statements of its integrated subsidiaries.

Under this method, foreign currency denominated assets and liabilities are translated at the exchange rate prevailing at the balance sheet date for monetary items and at the transaction date for non-monetary items. Revenues and expenses, except depletion and depreciation, are translated at average exchange rates for the year. Depletion and depreciation are translated at the same rate as the related assets. Exchange gains or losses on translation of current and non-current monetary items are included in the determination of net income (loss).

(j) Financial instruments - recognition and measurement

All financial instruments are initially recorded at fair value. Financial assets are designated upon inception into one of the following four categories: held-to-maturity, held-for-trading, available-for-sale or loans-and-receivables. Financial liabilities are designated upon inception as either held-for-trading or other-financial-liabilities.

Financial instruments classified as held-for-trading are measured at fair value with unrealized gains and losses recognized in net income for the period. The Company’s stock options held and cash are classified as held-for-trading.

3. Significant accounting policies (continued)

(j) Financial instruments - recognition and measurement (continued)

Financial instruments classified as loans-and-receivables, held-to-maturity and other-financial-liabilities are measured at amortized cost. The Company's accounts receivable are classified as loans-and-receivables while accounts payable are classified as other-financial-liabilities.

Financial instruments classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Company's investment is classified as available-for-sale.

Transactions costs associated with held-for-trading financial instruments are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the instrument.

(k) Future accounting pronouncements

(i) Business combinations/consolidated financial statements/non-controlling interests

In January 2009, the CICA issued Sections 1582, *Business Combinations*, 1601, *Consolidated Financial Statements*, and 1602, *Non-Controlling Interests*, which superseded current Sections 1581, *Business Combinations*, and 1600, *Consolidated Financial Statements*. These new sections replaced existing guidance on business combinations and consolidated financial statements to harmonize Canadian accounting for business combinations with International Financial Reporting Standards ("IFRS"). These sections will be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier adoption is permitted. If an entity applies these sections before January 1, 2011, it is required to disclose that fact and apply each of the new sections concurrently. The Company is currently evaluating the impact of the adoption of these changes on its consolidated financial statements.

(ii) International Financial Reporting Standards

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. On February 13, 2008, the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

4. Acquisition of Silk Road Resources Ltd.

In June 2009, a subsidiary of the Company acquired 100% of the outstanding common shares of Silk Road Resources Ltd. ("Silk Road") pursuant to a court approved Plan of Arrangement between Silk Road and the Company's subsidiary. The Company issued 62,289,552 common shares or 2.2535 common shares for each common share of Silk Road outstanding at the closing. Silk Road owned interests in two Chinese joint ventures. The purchase cost of Silk Road was $10,145,157. The Plan of Arrangement was accounted for as an asset acquisition as Silk Road is not considered to constitute a business in accordance with EIC-124. The expenses associated with Silk Road have been recognized from the date of the closing of the transaction, which was June 30, 2009.

4. Acquisition of Silk Road Resources Ltd. (continued)

The purchase consideration of $10,145,157 was comprised of 62.3 million common shares, the outstanding options and warrants from Silk Road and transaction costs. Each common share was valued at $0.15, being the closing price on the date of the closing of the transaction. The Company exchanged the options and warrants of Silk Road which were outstanding at the closing date for options and warrants of the Company at an exchange ratio of 2.2535 and at a price equivalent to the original price divided by 2.2535. The following weighted average assumptions were used for the Black Scholes option pricing model to estimate the fair value of the stock options and warrants.

Risk-free interest rate	1.52%
Expected life of options and warrants (years)	2.6
Expected volatility of each option granted	150%
Dividend yield per share	Nil

Purchase consideration is as follows:

	$
Share capital	9,343,432
Fair value stock options	198,600
Fair value warrants	378,494
Transaction costs	224,631
Consideration	10,145,157

The allocation of the purchase price assigned to the assets and liabilities of Silk Road is based on estimates of fair value and is as follows:

	$
Cash	11,704
Accounts receivable and prepaid expenses	56,956
Loan to EurOmax	250,000
Investment in Chinese mineral properties	11,260,770
Accounts payable	(580,523)
Short-term loan	(853,750)
Net value of assets and liabilities at fair market value	10,145,157

5. Purchase of Thrace Resources EOOD

(a) On March 16, 2009, the Company entered into an agreement to purchase all of the outstanding shares of Thrace Resources EOOD ("Thrace") from International Resource Holdings Limited ("IRH"). This agreement was subject to all necessary regulatory approvals, including approval of the IRH shareholders, which was received on September 23, 2009. Thrace holds the Bulgarian properties sold by EurOmax to IRH in 2006. The consideration paid by the Company is the fair value of the cancellation of one-half of the convertible note issued by IRH to the Company on December 10, 2008 or $241,892.

The allocation of the purchase price assigned to the assets and liabilities of Thrace is based on estimates of fair value and is as follows:

	$
Cash	45,475
Mineral properties	232,267
Accounts payable	(35,850)
	241,892

(b) During the year ended December 31, 2009, IRH also entered into an agreement with a private Australian company, Clean Global Energy Pty. Ltd., to acquire all of the assets. One of the conditions to this agreement was the conversion of the balance of the convertible note outstanding with EurOmax into common shares of IRH. Effective October 7, 2009, the convertible note was converted to common shares of IRH. As a result of the conversion, the Company was issued an additional 3,679,152 common shares of IRH for a total of 12,679,152 common shares. As part of the transaction the common shares of IRH were consolidated on a 1 new share for each 4 old shares, thereby giving EurOmax 3,169,788 common shares, and the name was changed to Clean Global Energy Limited ("CGEL"). As of the date of the transaction, the Company held a 2.25% interest in CGEL.

6. Discontinued operations

On December 1, 2008, the Company completed an agreement with a third party for the sale of all of its producing oil and gas interests. The sale price was $303,000, subject to closing adjustments. The Company's oil and gas operations have been accounted for as discontinued operations. Results of the Company's oil and gas assets have been included in the financial statements up to the closing date of the sale (the date that control was transferred to the purchaser).

	2008
	$
Cash proceeds of sale	303,000
Oil and gas assets sold	(199,141)
Asset retirement obligation	14,701
Gain on sale of discontinued operations	118,560

6. Discontinued operations (continued)

Assets and liabilities of discontinued operations as at December 31, 2009 included current assets of $Nil (2008 - $15,809).

	2008
	$
Revenue	
Petroleum and natural gas sales	179,458
Expenses	
Production	41,831
Transportation	5,714
Depletion and accretion	19,042
	66,587
Net income	112,871
Gain on sale	118,560
Net income from discontinued operations	231,431

7. Restricted cash

During the year ended December 31, 2004, under the terms of the mineral licenses granted to the Company in Bulgaria, a bond for potential environmental reclamation was required to be deposited with the Ministry of Environment and Water. The Company's bank provided the government with a guarantee to cover these bonds in the amount of US$45,000 (2008 - US$15,000). As a condition of providing these guarantees the Company's banker required that the Company place a deposit in the amount of US$45,000 (2008 - US$15,000) in a segregated account.

8. Property and equipment

			2009
	Cost	**Accumulated depletion and depreciation**	**Net book value**
	$	**$**	**$**
Office and other equipment	**428,050**	**214,839**	**213,211**
Mineral properties			
Bulgaria, Macedonia and Serbia	**7,026,994**	**-**	**7,026,994**
	7,455,044	**214,839**	**7,240,205**

8. Property and equipment (continued)

			2008
	Cost	Accumulated depletion and depreciation	Net book value
	$	$	$
Office and other equipment	242,403	162,834	79,569
Mineral properties			
Bulgaria, Macedonia and Serbia	5,188,885	-	5,188,885
	5,431,288	162,834	5,268,454

No general and administrative costs have been capitalized in 2009 or 2008.

Mineral properties

Mineral interest additions by area of interest

	Bulgaria		Macedonia		Serbia				
	Trun	Breznik	Kazandol	Ilovitza	Rudnitza	Ceovishte	Karavansalija	Others	Total
	$	$	$	$	$	$	$	$	$
Balances									
December 31, 2007	854,115	-	354,400	849,195	727,483	716,455	-	135,515	3,637,163
Additions 2008									
Acquisition	4,347	-					851,545		855,892
Assays and analysis	-	-	3,391	30,231	2,343	28,439	38,242	5,245	107,891
Drilling	-	-	156,668	358,685	71,199	386,181	548,605	179,070	1,700,408
Geological Consulting	-	-	97,307	137,333	27,039	134,337	68,906	49,041	513,963
Geophysical contractors	-		-	40,102	-	-	-	-	40,102
Other	-	-	71,991	94,332	26,619	122,416	100,124	37,341	452,823
	858,462	-	683,757	1,509,878	854,683	1,387,828	1,607,422	406,212	7,308,242
Property write-off	(858,462)	-	-	-	(854,683)	-	-	(406,212)	(2,119,357)
Balances									
December 31, 2008	-	-	683,757	1,509,878	-	1,387,828	1,607,422	-	5,188,885
Additions 2009									
Acquisition	-	232,267	-	-	-	-	-	-	232,267
Assays and analysis	-	21,420	1,082	-	-	21,724	100	-	44,326
Drilling	-	79,405	-	-	-	520,866	239,715	-	839,986
Geological Consulting	-	34,306	80,157	55,430	-	124,082	67,687	-	361,662
Geophysical contractors		-	-	-	-	70,705	-	-	70,705
Other	-	17,289	48,462	23,869	-	142,604	56,940	-	289,164
Balances									
December 31, 2009	-	384,687	813,458	1,589,177	-	2,267,809	1,971,864	-	7,026,995

8. Property and equipment (continued)

Mineral properties (continued)

Mineral interest by category

	Bulgaria		Macedonia		Serbia				
	Trun	Breznik	Kazandol	Ilovitza	Rudnitza	Ceovishte	Karavansalija	Others	Total
	$	$	$	$	$	$	$	$	$
Acquisition	-	232,267	273,390	410,085	-	520,200	851,545	-	2,287,487
Assays and analysis	-	21,420	5,233	48,165	-	50,164	38,342	-	163,324
Drilling	-	79,405	156,668	604,587	-	1,044,639	788,320	-	2,673,619
Geological consulting	-	34,306	198,506	289,381	-	285,259	136,593	-	944,045
Geophysical contractors		-	-	40,102	-	70,705	-	-	110,807
Other	-	17,289	179,661	196,857	-	296,842	157,064	-	847,713
Balances December 31, 2009	-	384,687	813,458	1,589,177	-	2,267,809	1,971,864	-	7,026,995

The Company is currently engaged in exploring and, if warranted, the development of two properties in Macedonia and two properties in Serbia. During 2008 the Company discontinued exploration on one property in Bulgaria and four properties in Serbia and wrote off $2,119,357 related to costs incurred to date on those properties.

(a) On June 6, 2008, the Company acquired an option to acquire a 100% interest in the Karavanslija property by the payment to the vendor of US$50,000, and issuing 2,500,000 shares. In order to exercise the option the Company must complete an exploration program over 3 years including 4,400 meters of drilling at the direction of the vendor. The vendor retains a one-time only 90-day back-in right after EurOmax has completed 20,000 metres of drilling, wherein the vendor may elect to earn a 70% interest by completing a feasibility study and paying to the Company a 1% net smelter royalty ("NSR"). If the vendor does not exercise its back-in right, the Company shall pay to the vendor a 1% NSR on any production from the Karavansalija property.

(b) On July 11, 2007, the Company acquired an option to earn a 100% interest in nine properties in Macedonia and Serbia.

Under the terms of the Macedonian agreement, the Company paid US$500,000 and issued 100,000 common shares in order to acquire an option to acquire a 100% interest in the Macedonian properties. In order to exercise the option the Company must complete a US$1.5 million exploration program over 3 years. The vendor retains a one time only 90 day back in-right, whereby the vendor may elect to earn a 70% interest, after the Company has completed 10,000 metres on any property. In order to earn its interest, the vendor must repay the Company twice its exploration expenditure and fund the property though completion of a final feasibility study. As of December 31, 2009, the Company has completed $1,719,160 (US$1,638,726) (2008 - $1,510,160 (US$1,450,620)) in exploration expenditures.

Under the terms of the Serbian agreement, the Company paid US$100,000 and issued 2.4 million common shares in order to acquire an option to acquire a 100% interest in the Serbian properties. In order to exercise the option EurOmax must complete a US$1.5 million exploration program over 3 years. On each of the Serbian and Macedonian properties the vendor retains a one time only 90 day back in-right, whereby the vendor may elect to earn a 70% interest, after the Company has completed 10,000 metres of drilling on any property. In order to earn its interest the vendor must repay EurOmax twice its exploration expenditure and fund the property though completion of a final feasibility study. As of December 31, 2009, the Company has completed $3,452,022 (US$3,199,691) (2008 - $2,180,599 (US$2,042,416)) in exploration expenditures.

8. Property and equipment (continued)

Mineral properties (continued)

(c) Bulgaria

These properties are held pursuant to an exploration licence ("Licence") issued by the government of Bulgaria. These Licences have an initial term of three years with a right to extend the term up to eight years under certain circumstances. The Company may withdraw from a Licence at any time. In the event of an economic discovery on a Licence, the Company has the right to obtain a mineral concession ("Concession"). The term for a Concession is for the necessary period to extract the mineralization discovered but generally runs from 35 to 50 years plus if necessary an extension.

Breznik

The Breznik Licence was granted pursuant to an agreement entered into between the Ministry and Martern dated May 28, 2004. This Licence covers an area of 98 square kilometres. In order to maintain this Licence in good standing Martern was required to conduct work programs agreed with the Ministry for an estimated cumulative minimum amount of US$45,500, US$150,500 and US$355,500 at the end of the first, second and third years respectively. These work programs were completed and the property was sold to CGEL on October 24, 2006. The term of the Breznik licence was extended to May 28, 2011.

On October 7, 2009, the Company reacquired the Breznik licence through the acquisition of CGEL's Bulgarian subsidiary Thrace Resources EOOD (Note 5). As of December 31, 2009, the Company has expended $144,077 (US$152,420) (2008 - $Nil (US$Nil)) in exploration expenditures.

(d) Macedonia

These properties are held pursuant to an Exploration Permit ("Permit") granted by the Ministry of Economy. These Permits have an initial term of four years with a right to extend the term under certain circumstances. The Company may withdraw from a Permit at any time. In the event of an economic discovery on a Permit, the Company has the right to apply for a mineral concession ("Concession"). The term for a Concession is for an initial term of 30 years to extract the mineralization renewable for an additional 30 years. The mining law in Macedonia was amended in July 2008 to modernize it to be more in line with current western legislation (the "Amended Law").

(i) Ilovitza

The Ilovitza property is comprised of two Permits. The Ilovitza 4 Permit was issued on May 10, 2004 with a primary term to May 10, 2008. The work commitment under this primary term is a drilling commitment. This Permit covers 15.3 square kilometres and has an annual rental of US$5,516. The Company applied for extension of this Permit under the prior legislation and the Amended Law but was denied the extension. The property covered by this Permit will be the subject of a tender by the Macedonian government. The Ilovitza 6 Permit, which covers 1.98 square kilometres, was issued on May 26, 2005 with a primary term to May 26, 2009. This permit was extended until May 26, 2011 by the Macedonian government in September 2009 pursuant to the Amended Law. The work commitment under this Permit is drilling ten holes. This Permit has an annual rental of Macedonian Denar 715. As of December 31, 2009, a total of 13 holes (2008 - 13) have been drilled on the Ilovitza Permits. As of December 31, 2009, the Company has expended $1,179,092 (US$1,130,362) (2008 - $1,099,793 (US$1,058,988) in exploration expenditures.

8. Property and equipment (continued)

Mineral properties (continued)

(d) Macedonia (continued)

(ii) Kazandol

The Kazandol Permit was issued on July 3, 2005 with a primary term until July 3, 2009. This permit was extended until July 3, 2011 by the Macedonian government pursuant to the Amended Law. The work commitment under this Permit is the drilling of 20 holes. The annual rental on this Permit is US$10,462. As of December 31, 2009, a total of 5 holes (2008 - 5) have been drilled on the Ilovitza Permits. As of December 31, 2009, the Company has expended $540,068 (US$508,364) (2008 - $410,367 (US$391,632) in exploration expenditures.

(e) Serbia

Under the terms of the Serbian agreement, the Company paid US$100,000 and the issued 2.4 million common shares in order to acquire an option to acquire a 100% interest in the Serbian properties. In order to exercise the option the Company must complete a US$1.5 million exploration program over 3 years on the properties. On each of the properties the vendor retains a one time only 90 day back in-right, whereby the vendor may elect to earn a 70% interest, after the Company has completed 10,000 metres on any property. In order to earn its interest, the vendor must repay EurOmax twice its exploration expenditure and fund the property though completion of a final feasibility study.

Exploration Permits are issued under the 1996 Law on Geological Exploration by the Serbian Ministry of Energy and Mines. An Exploration Permit is valid until the end of the calendar year in which it was issued and can be extended until the end of the following calendar year by filing an annual report on the previous year's work program and a proposed work program for the current year. The Exploration Permit grants rights to explore for mineral deposits, but not to exploit a mineral deposit should a discovery be made. In case of a discovery under the terms of an Exploration Permit, the transfer of the ownership rights to an Exploitation License are regulated under paragraph 17 of the 2005 Act on the Amendments to the Mining Act of 1995.

(i) Ceovishte

The Ceovishte Exploration Permit was issued on December 7, 2005 and has been extended on an annual basis since that time. The term of the Ceovishte Exploration Permits has been extended until December 31, 2010 pursuant to Serbian mining legislation. This Exploration Permit covers 47.8 square kilometres. There is no annual rental on this Exploration Permit. As of December 31, 2009, the Company has expended $1,747,608 (US$1,606,037) (2008 - $867,627 (US$789,709)) on exploration expenditures.

(ii) Karavansalija

The Karavansalija Exploration Permit was issued on July 7, 2004. The term of this Exploration Permit has been extended until December 31, 2010 pursuant to Serbian mining legislation. As of December 31, 2009, the Company has expended $1,120,318 (US$1,035,365) (2008 - $755,877 (US$694,418)) on exploration expenditures.

8. Property and equipment (continued)

Mineral properties (continued)

(f) China

On July 16, 2009, the Company closed the sale of its interest in Jiaxin Minerals Co. Ltd., a Chinese joint venture company. This resulted in a gain on the disposal of the interest of $3,657,580. The summary of the sale is below.

	$
Proceeds	18,717,219
Chinese withholding taxes paid	(1,335,203)
Legal fees	(237,614)
Commission	(1,870,774)
Other expenses	(327,282)
	14,946,346
Less	
Property and equipment	11,288,766
Gain on disposal of property and equipment	3,657,580

9. Investment

(a) In 2006, the Company sold three of its mineral properties to CGEL listed on the Australian stock exchange. A portion of the consideration was nine million shares of IRH valued at $769,878 at the time of issue. These shares are classified as available-for-sale. On October 7, 2009, CGEL acquired IRH by way of a reverse take-over. As part of this transaction the shares of IRH were consolidated on a 1:4 basis resulting in the Company holding 2,250,000 shares of CGEL. In addition on the same date, the Company acquired an additional 919,788 shares of CGEL on the conversion of a convertible note issued by CGEL on December 10, 2008. As at December 31, 2009, these shares had a fair value of $475,190 (2008 - $76,014). The Company recorded a gain of $183,081 (2008 - $Nil) on the fair value of the convertible note in operations. The Company also recorded other comprehensive income of $156,352 (2008 - impairment charge of $693,864) in 2009 in respect of mark-to-market on the value of the CGEL shares.

(b) In 2007, as a shareholder of IRH, the Company exercised its right to acquire 4.5 million options to purchase shares in IRH for $42,115. These stock options held were classified as held-for-trading. These stock options expired unexercised on August 31, 2009. A loss of $4,058 was recognized in operations in 2009 (2008 - loss of $150,922).

10. Share capital

(a) Authorized

Unlimited common voting shares

(b) Share capital

On June 6, 2008, the Company purchased an option to acquire a 100% interest (see Note 6) in the Karavansalija mineral property in Macedonia. As part of the consideration for this option the Company issued 2,500,000 common shares at a price of $0.32 or $800,000.

Pursuant to a private placement which closed on August 20, 2008, the Company raised gross proceeds of $750,000 through the sale of 1,500,000 units at $0.50 per unit. The total issue costs associated with this private placement was $8,250 resulting in net proceeds to the Company of $741,750. Each unit consists of one common share and one half warrant. Each warrant is non transferable entitles the holder to purchase one common share at a price of $0.60 until August 20, 2010.

The Company ascribed a value, on a relative fair value basis, of $170,522 to the warrants issued as part of the private placements using the Black-Scholes model with the following assumptions: a risk free rate of 2.75%, expected life of 2.0 years, expected volatility of 150%, and no dividend yield.

Pursuant to a private placement which closed on December 31, 2008, the Company raised gross proceeds of $485,000 through the sale of 4,850,000 units at $0.10 per unit. The total issue costs associated with this private placement was $8,182 resulting in net proceeds to the Company of $481,835. Each unit consists of one common share and one warrant. Each warrant is non transferable and entitles the holder to purchase one common share at a price of $0.15 until December 31, 2009 or $0.20 from January 1, 2010 until December 31, 2010.

The Company ascribed a value, on a relative fair value basis, of $169,746 to the warrants issued as part of the private placements using the Black-Scholes model with the following assumptions: a risk free rate of 1.09%, expected life of 2 years, expected volatility of 150%, and no dividend yield.

In June 2009, the Company issued 62,289,552 common shares as part of the consideration for the acquisition of Silk Road (see Note 4). The shares had a fair market value of $9,343,432 at the closing date of the transaction.

(c) Stock options

The Company has a stock option plan under which directors, officers, consultants and employees of the Company are eligible to receive stock options. The maximum number of shares reserved for issuance upon exercise of all options granted under the plan is equal to 10% of the then issued and outstanding common shares. The Board of Directors shall determine the terms and provisions of the options at the time of grant. Options under the plan generally have a term of five years and are vested as to one third at the date of grant, one third after six months and one third after 18 months from the date of grant. The exercise price of each option equals the market value of the Company’s common shares on the date of grant.

10. Share capital (continued)

(c) Stock options (continued)

A summary of the status of the Company's stock option plan as at December 31, 2009 and 2008 and changes during the years then ended are as follows:

	Number of options	Weighted average exercise price per share
		$
Balance, December 31, 2007	2,870,000	0.46
Options granted	1,122,500	0.32
Options exercised	(700,000)	0.10
Options forfeited	(285,000)	0.40
Balance, December 31, 2008	3,007,500	1.50
Options granted	4,887,268	0.33
Options forfeited	(82,500)	0.33
Balance, December 31, 2009	7,812,268	0.40

The weighted average remaining term of the stock options as at December 31, 2009 is 3.04 years.

10. Share capital (continued)

(c) Stock options (continued)

Stock options outstanding			Options exercisable	
Number of stock options outstanding	Weighted average exercise price	Weighted average remaining contractual life (months)	Number of stock options outstanding	Weighted average exercise price
	$			$
150,000	0.32	1.45	150,000	0.32
495,770	0.34	2.29	495,770	0.34
20,000	0.22	4.67	20,000	0.22
259,153	0.64	17.03	259,153	0.64
80,000	0.36	17.19	80,000	0.36
40,000	0.36	18.35	40,000	0.36
675,000	0.42	19.69	675,000	0.42
67,605	0.49	27.80	67,605	0.49
225,350	0.53	28.71	225,350	0.53
975,000	0.72	29.36	975,000	0.72
195,000	0.72	33.38	195,000	0.72
856,330	0.60	31.71	856,330	0.60
605,000	0.32	37.12	605,000	0.32
185,000	0.32	43.20	123,333	0.32
360,560	0.20	43.87	360,560	0.20
2,582,500	0.21	56.00	860,833	0.21
40,000	0.31	57.21	13,333	0.31
7,812,268	0.40	36.49	6,002,268	0.45

10. Share capital (continued)

(d) Share purchase warrants

Number of warrants outstanding as at January 1, 2009	Issued during the year	Number of warrants expired/ exercised during the year	Balance of warrants outstanding as at December 31, 2009	Exercise price per warrant	Expiry date
				$	
4,850,000	-	1,000,000	3,850,000	0.15	December 31, 2010
750,000			750,000	0.60	August 20, 2010
-	3,154,900	-	3,154,900	0.12	May 25, 2012
5,600,000	3,154,900	1,000,000	7,754,900		

Number of warrants outstanding as at January 1, 2007	Issued during the year	Number of warrants expired/ exercised during the year	Balance of warrants outstanding as at December 31, 2008	Exercise price per warrant	Expiry date
				$	
2,800,000	-	2,800,000	-	-	
1,365,000	-	-	1,365,000	0.60	September 10, 2008
4,165,000	-	2,800,000	1,365,000		

(e) Stock-based compensation

The estimated fair value of the options granted were calculated on the date of grant using the Black-Scholes option pricing model with weighted average assumptions for grants as follows:

	2009	2008
Weighted average risk-free interest rate	**2.29%**	3.23%
Expected life of options (years)	**3.5**	3.3
Expected volatility of each option granted	**150%**	125%
Dividend yield per share	**Nil**	Nil

The weighted average fair value of the stock options granted during the year is $0.14 (2008 - $0.23).

11. Income taxes

(a) Significant components of the Company's future tax assets include the following:

	2009	2008
	$	$
Tax values in excess of net book value of property and equipment	**42,948**	44,666
Foreign exploration	**123,136**	128,062
Financing fees	**3,963**	6,042
Non-capital loss carryforwards	**348,952**	187,264
Capital loss carryforwards	**88,454**	91,992
Valuation allowance	**(607,453)**	(458,026)
	-	-

(b) Income tax expense differs from that which would be expected from applying the combined effective Canadian federal and provincial income tax rates of 30% (2008 - 31.00%) to net loss as follows:

	2009	2008
	$	$
Expected income tax expense (recovery)	**120,287**	(1,359,502)
Change resulting from		
Stock-based compensation	**76,128**	141,201
Differences in tax rates between Canada and foreign jurisdictions	**(331,953)**	758,435
Other	**(13,889)**	(78,218)
Income tax benefit not recorded	**149,427**	538,084
	-	-

(c) At December 31, 2009, the Company has non-capital operating losses of approximately $1,396,000 (2008 - $720,000) and net capital losses of approximately $708,000 (2008 - $708,000) in Canada for which no benefit has been recognized in the consolidated financial statements. The capital losses are without expiry and the operating losses expire as follows:

	$
2025	143,000
2027	153,000
2028	446,000
2029	654,000
	1,396,000

11. Income taxes (continued)

(c) (continued)

At December 31, 2009, the Company has losses of Bulgarian Lev ("BGN") 3,404,000 (2008 - BGN 2,551,000). These losses expire as follows:

	BGN
2010	41,000
2011	237,000
2012	248,000
2013	677,000
2014	1,348,000
2015	853,000
	3,404,000

12. Related party transactions

During the year ended December 31, 2009, the Company paid or accrued management and consulting fees in the amount of $322,668 (2008 - $221,000) to current and former directors or companies controlled by current and former directors. Of these amounts $15,749 (2008 -$54,306) is included in accounts payable and accrued liabilities at year end. Management and consulting fees have been recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties based on standard commercial terms.

13. Supplementary cash flow information

(a) Net change in non-cash operating working capital

	2009	2008
	$	$
Decrease (increase) in accounts receivable, prepaids and deposits, derivative on convertible note, and note receivable	**(353,250)**	260,755
(Decrease) increase in accounts payable and accrued liabilities	**(1,091,616)**	420,276
	(1,444,866)	681,031

13. Supplementary cash flow information (continued)

(b) Non-cash investing and financing activities

	2009	2008
	$	$
Transfer of contributed surplus on exercise of warrants	**30,000**	-
Shares issued on acquisition of Silk Road	**9,343,432**	-
Issue of options and warrants on acquisition of Silk Road	**577,094**	-
Repayment of note receivable on acquisition of Thrace	**241,892**	-
Repayment of note receivable in exchange for shares of CEGL	**241,892**	-
Shares issued for property	**-**	800,000

(c) Supplementary cash flow information

	2009	2008
	$	$
Interest received	-	16,280

14. Financial risk management

(a) Fair value of financial instruments

The amended Section 3862, *Financial Instruments - Disclosures*, requires an explanation about how fair value is determined for assets and liabilities measured in the financial statements at fair value and established a hierarchy for which these assets and liabilities must be grouped based on whether inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtain from independent sources, while unobservable inputs reflect the Company's assumptions. The two types of inputs create the following fair value hierarchy:

- Level 1 - observable inputs such as quoted prices in active markets;
- Level 2 - inputs, other than the quoted market prices in active markets, which are observable, either directly and/or indirectly; and
- Level 3 - unobservable inputs for the asset or liability in which little or no market data exists, therefore require an entity to develop its own assumptions.

The following table summarizes the fair value measurement by level at December 31, 2009 and December 31, 2008 for assets and liabilities measured at fair value on a recurring basis:

Assets measured at fair value

	Level 1	Level 2	Level 3	Total
	$	$	$	$
2009				
Investment	475,190	-	-	475,190

14. Financial risk management (continued)

(a) *Fair value of financial instruments (continued)*

The Company's other financial instruments include cash, accounts receivable and accounts payable, and accrued liabilities. Due to the demand and short-term maturity of these financial instruments, the fair value approximates the carrying amount.

The Company's financial instruments are exposed to certain financial risks, including market risk with respect to currency risk, interest risk, credit risk, liquidity risk, market risk and commodity price risk.

(b) *Currency risk*

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Bulgaria, Canada, Macedonia, and Serbia. Its functional currency is the Canadian dollar. The majority of its cash is held in United States dollars and Euros. As a result, a change in the currency exchange rates between the Canadian dollar and the United States dollar or Euro may have a material effect on the Company's results of operations, financial position or cash flows. The Bulgarian leva is fixed to the Euro as part of its entry into the European Union. Most of the Company's costs in Macedonia and Serbia are denominated in either United States dollars or Euros. The Company has minimal expenditures which are actually paid in Macedonian denar and Serbian dinar. The Macedonian denar and the Serbian dinar, although not fixed to the Euro, are closely associated to it. The Company's investments and stock options held trade on the Australian Stock Exchange and are traded in Australian dollars. The Company is converting a portion of its United States dollars to Euros and Canadian dollars to meet its needed currency estimates over the foreseeable future. As of December 31, 2009, the Company is exposed to currency risk through assets and liabilities denominated in Canadian dollars, Bulgarian leva, Serbian dinar, Macedonian denar, Euros, United States dollars and Australian dollars.

	United States dollars	Euros	Macedonian denar	Bulgarian leva	Australian dollars
	$	$	$	$	$
Cash and cash equivalents	7,235,590	735,508	43,520	297,646	-
Accounts receivable	263,501	-	15,015	137,523	-
Prepaid expenses	-	-	913	89,895	-
Investments	-	-	-	-	475,190
Accounts payable and accrued liabilities	(15,749)	-	(458)	(67,523)	-
As stated in Canadian dollars	7,483,343	735,509	58,990	457,540	475,190

Based on the above net exposures as of December 31, 2009 and assuming that all other variables remain constant, a 10% depreciation or appreciation of the United States dollar, Euro, Macedonian denar, Bulgarian leva and Australian dollar against the Canadian dollar would result in an increase/decrease of approximately $921,000 (for an increase a $748,000 for the United States dollar; $74,000 for the Euro; $6,000 increase for the Macedonian denar; $46,000 for the Bulgarian leva and a $48,000 increase for the Australian dollar) in the Company's net income.

14. Financial risk management (continued)

(c) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and large European international financial institutions. The Company's accounts receivable consists primarily of receivables from an international mining company that provides operating services for the Company's projects in Serbia and Macedonia and value added taxes from the governments of Bulgaria and Macedonia. The Company's maximum credit exposure was $8,497,612 at December 31, 2009.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage in Note 15.

Accounts payable and accrued liabilities are generally payable within ninety days or less.

(e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments included in cash and cash equivalents is limited because these investments, although held for trading, are generally held to maturity.

(f) Commodity price risk

The ability of the company to develop its mineral properties and the future profitability of the Company are directly related to the market price of copper and gold. These commodities are priced in United States dollars but the cost of operation will be denominated in Bulgarian leva, Macedonian denar or Serbian dinar depending on the location of any economic resources discovered.

15. Capital risk management

The Company includes as capital its common shares, warrants and contributed surplus. The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. As the Company has minimal cash flow from operations, to maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including capital deployment, results from the exploration of its properties and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

15. Capital risk management (continued)

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company does not expect to need additional capital resources in order to carry out an optimal exploration plan and operations through the next year. Any new capital resources may be provided by the attempted sale of investments or the issue of new shares.

Corporate Information

Directors

Christopher Serin – Interim Chief Executive Officer and Chief Financial Officer
Robert Power – Chairman of the Board[1,2]
David Bell[1,2]
Michael Mason[1,2,]

(1) Member of the Audit Committee
(2) Member of the Compensation Committee

Officers and Management

Christopher A. Serin – Interim Chief Executive Officer and Chief Financial Officer
Dimitar L. Dimitrov – Senior Vice President Exploration

Banker

Bank of Montreal, Vancouver
ING Bank, Sofia, Bulgaria
Bank of Bermuda, Bermuda

Auditor

Deloitte & Touche LLP
Vancouver, British Columbia

Legal Counsel

Lawson Lundell
Vancouver & Calgary

Registrar & Transfer Agent

Computershare Trust Company of Canada

Stock Exchange

TSX Venture Exchange

Stock Symbol

EOX

Shares Outstanding

120,062,040

Investor Contacts

Robert Ferguson,
Tel: +1 778 945 2116
Email: r.ferguson@euromaxresources.com

EurOmaX
Resources Limited

Head Office

Suite 511 – 475 Howe Street.,
VANCOUVER BC
V6C 2B3 CANADA
Main: + 1 604 669 5999
Fax: + 1 604 608 3344
euromax @euromaxresources.com
http://www.euromaxresources.com