EurOmaX
Resources Limited

Q1-2010

First Quarter Report, March 2009

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 first quarter ended March 31, 2010 financial results and should be read in conjunction with the unaudited consolidated financial statements and related notes for the quarter ended March 31, 2010 and the audited consolidated financial statements, related notes and MD&A for the years ended December 31, 2009 and 2008. This MD&A is dated May 27, 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 May 27, 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 March 31, 2010, 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. During the first quarter of 2010, the Company completed the remaining 842 metres of drilling in Macedonia to satisfy the minimum drilling commitment in the July 13, 2007 agreements. During the first quarter of 2010, the Company spent the approximately US$150,000 exploration requirement remaining at the end of 2009 to complete its earn-in obligations under the agreement covering the Macedonian properties. It is expected that the ownership of the Macedonian EurOmax will be transferred to EurOmax shortly once certain requirements under Macedonian law are completed. The one time back-in right for FMEC on each property will continue until the 10,000 metres of drilling have been completed. In the event that FMEC exercises its back-in right they will repay the Company twice its exploration expenditures and make all necessary expenditures for the completion of a feasibility study. At this stage EurOmax would have a 30% interest in the project where the back-in right was exercised.

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
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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

	Three Months Ended March 31 2009	Three Months Year Ended March 31 2008
Revenue	$ -	$ -
Net (loss)	$ (1,211,575)	$ (313,746)
Per share - basic and diluted	$ (0.01)	$ (0.01)
Comprehensive (loss)	$ (1,261,706)	$ (313,746.00)
Cash flows	$ (1,152,652)	$ (222,085)
Total assets	$ 15,549,910	$ 5,795,351
Long term debt	$ -	$ -
Dividends	$ -	$ -

CONTINUING OPERATIONS

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses amounted to $674,649 in the first quarter of 2010 as compared to $273,004 in the first quarter of 2009. The major increase of $247,500 for 2010 compared to 2009 was for a severance payment to the former chief executive officer of the Company who left on January 31, 2010. During 2009, general and administrative costs associated with the Company's mineral exploration activities in South-East Europe were $136,008 compared to $179,388 in 2009. The main reason for the decrease in these costs in 2010 is associated with salary recoveries associated with a greater utilization of the Company's exploration personnel in 2010 than in 2009. As the Company had funds to conduct exploration activities in 2010 the Company's exploration personnel were utilized on exploration projects rather than charged to overhead. Other corporate general and administrative costs in 2010 excluding the severance charge were amounted to $291,141 compared to $93,616 in 2009. In 2010 business promotion charges were approximately $90,000 more than in 2009. This increase was a result of participating in a number of trade shows to introduce the Company to potential investors in which the Company did not participate in 2009. The other major increases in 2010 compared to 2009 were $25,000 for travel, $21,000 for management fees, $50,000 for legal fees and $11,000 for general office expenses. The increase in travel was a result of greater activity in south-east Europe requiring greater presence in the region and other visits to review potential new projects. The management fee increase was a result of higher fees due to greater responsibility and corporate activity. During 2010, the Company required greater legal services because of corporate matters including legal advise regarding the severance of the former Chief Executive Officer.

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 the first quarter of 2009, the Company had a foreign exchange income of $9,030. 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 majority of these proceeds are 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 first quarter of 2010. As a result the foreign exchange loss in the first quarter of 2010 was $279,642. The following table shows the fluctuations in the Canadian dollar compared to the United States dollar and the Euro during 2010.

Exchange rate to convert to $1 Canadian

	USD	Euro
High	0.9277	0.6586
Low	0.9939	0.7345
Average	0.9602	0.6930
Period-end	0.9812	0.7292
May 27, 2010	0.9369	0.7639

The high to low range for the United States dollar and Euro fluctuated by 7% and 11% respectively in the first quarter of 2010. These levels of fluctuation have a significant effect on the Company's foreign cash holdings which were more than $6.6 million at year end. During 2010, the United States dollar weakened compared to the Canadian dollar. However, at the date hereof the United States dollar has more than recovered all of its loss during the first quarter. The Euro has continued to weaken during 2010. A revaluation of the value of the Company's cash holdings as at March 31, 2010 to the date hereof would result in an increase in these holdings of $81,670 or 1% to $6,707,372

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DEPLETION, DEPRECIATION AND ACCRETION

Depreciation expenses for both the first quarters of2010 and 2009 of $20,832 and $11,762 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.

CAPITAL EXPENDITURES

Capital expenditures for the first quarter of 2010 of $457,126 is an increase of 45% from the $61,181 spent in the first quarter of 2009. The current focus of capital expenditures is on mineral exploration and development in South-East Europe. All of capital expenditures in the first quarters of 2010 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. During the first quarter of 2010 the Company drilled one hole to test the potential core area of the property. No results are available at the date hereof. The Company spent $194,047 in the first quarter of 2010 on exploration of the Ilovitza project.

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. The Company has completed a total of 2,342 metres of reverse circulation drilling in 48 holes to test the continuity of the copper oxide mineralization. The results of this program are awaited. This project offers the potential for an early oxide copper production. The Company spent $127,545 in the first quarter of 2010 on exploration of the Kazandol project.

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 $48,597 in the first quarter of 2010 on exploration of the Ceovishte project.

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 $60,911 in the first quarter of 2010 on exploration of the Karavansalija project.

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 2010 the Company has received the results of a preliminary metallurgical testing which indicates the Breznik ore is amenable to gravity concentration with flotation to recover additional gold from the gravity concentration tailings. The results of this study are not sufficient to define an optimal processing method. In 2010, a series of drill holes totaling approximately 1,000 metres was commenced to identify the potential extension of known mineralization to the west. This drilling would allow the Company to apply for a commercial discovery certificate over the known mineralization areas. The Company spent $26,025 in the first quarter of 2010 on exploration of the Breznik project.

LIQUIDITY AND FINANCIAL RESOURCES

At March 31, 2010, the Company had positive working capital of $7,164,727 compared to $8,597,342 at the end of 2009 including a cash balance at March 31, 2010 of $6,625,692 compared to $8,234,111 at the end of 2009. Accounts receivable and prepaid expenses increased to $790,548 as at March 31, 2010 compared to $689,580 as at December 31, 2008. The accounts receivable as at March 31, 2010 include a prepayment of $392,042 compared to $263,501 as at December 31, 2009 for exploration in Serbia and Macedonia. Accounts payable and accrued liabilities were $251,513 at the end of the first quarter of 2010 compared to $295,349 at the end of 2009

The Company holds 3,169,788 shares of CEGL. At March 31, 2010 these assets were valued at $415,747 (December 31, 2009 - $475,190) and represents approximately 2.5% 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 quarter ended March 31, 2010 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 three months ended March 31, 2010, the Company paid or accrued management, severance and consulting fees in the amount of $340,026 (2009 - $55,000) to current and former directors or companies controlled by current and former directors. Of these amounts $nil (2009 -$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.

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	**2010**	**2009**				**20**	
except per share amounts)	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	***Q4***	**Q3**
Revenue					-	-	-
Net loss - continuing operations	(1,212)	(1,883)	2,557	40	(313)	(3,412)	(366)
Per share - basic and diluted	(0.01)	(0.02)	0.02	0.00	(0.01)	(0.06)	(0.01)
Net income /(loss) - discontinued operations	-	-	-	-	-	124	9
Per share - basic and diluted	-	-	-	-	-	0.00	0.00
Net loss	(1,212)	(1,883)	2,557	40	(313)	(3,288)	(357)
Per share - basic and diluted	(0.01)	(0.02)	0.02	0.00	(0.01)	(0.06)	(0.01)
Total assets	15,550	16,686	18,247	18,879	5,795	6,264	8,425
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 May 27, 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
	$			$
259,153	0.64	12.03	259,153	0.64
80,000	0.36	12.19	80,000	0.36
40,000	0.36	13.35	40,000	0.36
675,000	0.42	14.69	675,000	0.42
67,605	0.49	22.80	67,605	0.49
225,350	0.53	23.71	225,350	0.53
975,000	0.72	24.36	975,000	0.72
195,000	0.72	28.38	195,000	0.72
856,330	0.60	26.71	856,330	0.60
605,000	0.32	32.12	605,000	0.32
185,000	0.32	38.20	123,333	0.32
360,560	0.20	38.87	360,560	0.20
2,582,500	0.21	51.00	1,721,667	0.21
40,000	0.31	52.21	26,667	0.31
7,146,498	0.40	34.69	6,210,664	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.

NOTICE FROM MANAGEMENT

To the Shareholders of
EurOmax Resources Ltd.

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), we report that the accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

"Christopher A. Serin"

Interim Chief Executive Officer and Chief Financial Officer

Vancouver, British Columbia
May 27, 2010

EurOmax Resources Ltd.

Consolidated statements of loss and comprehensive loss
years ended March 31, 2010 and 2009

	2010	2009
	$	$
Expenses		
Foreign exchange loss (gain)	**279,642**	(9,030)
General and administrative (Note 11)	**674,649**	273,004
General exploration expenses	**65,583**	13,154
Stock-based compensation	**169,133**	38,883
Depreciation	**20,832**	11,762
Other (income) expense	**(2,692)**	641
	1,207,147	328,414
Other expenses (income)		
Loss (gain) on note receivable	**-**	(6,220)
Loss (gain) on investment	**-**	(456)
Losson disposal of property and equipment	**4,440**	-
Loss on stock options held (Note 7 (b))	**-**	815
Interest expense (income)	**(12)**	(8,807)
	4,428	(14,668)
Net income (loss)	**(1,211,575)**	(313,746)
Other comprehensive loss		
Gain (loss) on mark-to-market of investment, net of tax	**(50,131)**	-
	(50,131)	-
Comprehensive income (loss)	**(1,261,706)**	(313,746)
Basic and diluted (loss) earnings per share from	**(0.01)**	(0.01)
Weighted average number of shares outstanding	**120,062,040**	56,772,487

EurOmax Resources Ltd.

Consolidated balance sheets

	March 31 2010	December 31 2009
	$	$
Assets		
Current assets		
Cash and cash equivalents	**6,625,692**	8,234,111
Accounts receivable, prepaids and deposits	**790,548**	689,580
	7,416,240	8,923,691
Investment (Note 7 (a))	**415,747**	475,190
Restricted cash (Note 5)	**45,864**	47,223
Property and equipment (Note 6)	**7,672,059**	7,240,205
	15,549,910	16,686,309
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**251,513**	295,349
Non-current liabilities of discontinued operations (Note 4)	**-**	-
	251,513	295,349
Shareholders' equity		
Share capital (Note 8)	**33,101,084**	33,101,084
Warrants	**897,038**	897,038
Contributed surplus	**1,782,405**	1,613,272
Accumulated other comprehensive income	**106,231**	156,352
Deficit	**(20,588,361)**	(19,376,786)
	15,298,397	16,390,960
	15,549,910	16,686,309

Nature of operations and continuance of business (Note 1)

Approved by the Board

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

(Signed) Robert Power
Robert Power, Director

See accompanying notes to the consolidated financial statements.

EurOmax Resources Ltd.

Consolidated statements of shareholders' equity
Three months ended March 31, 2010 and year ended December 31, 2009

	Common shares				Accumulated other comprehensive		
	Shares	Amount	Warrants	Contributed surplus	income (loss)	Deficit	Total
		$	$	$	$	$	$
Balance at December 31, 2008	56,772,487	23,577,652	548,544	1,160,912	-	(19,777,743)	5,509,365
Net loss	-	-	-	-	-	400,957	400,957
Other comprehensive loss on mark-to-market of investment, net of tax	-	-	-	-	156,352	-	156,352
Comprehensive loss							557,309
Shares issued for:							
Issue for acquisition	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 8 (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
Net income and comprehensive income	-	-	-	-	-	(1,211,575)	(1,211,575)
Other comprehensive income on mark-to-market of investment, net of tax					(50,121)		(50,121)
Comprehensive loss							(1,261,696)
Stock-based compensation (Note 8 (e))	-	-	-	169,133	-	-	169,133
Balance at March 31, 2010	120,062,039	33,101,084	897,038	1,782,405	106,231	(20,588,361)	15,298,397

See accompanying notes to the consolidated financial statements.

EurOmax Resources Ltd.

Consolidated statements of cash flows
three months ended March 31, 2010 and 2009

	2010	2009
	$	$
Operating activities		
Net loss from continuing operations	**(1,211,575)**	(313,746)
Items not involving cash		
Loss on disposal of property and equipment	**4,440**	-
Unrealized foreign exchange loss	**9,322**	-
Unrealized loss (gain) on note receivable	**-**	(6,220)
Unrealized loss (gain) on stock options held	**-**	(815)
Unrealized loss (gain) on investment	**-**	456
Stock-based compensation	**169,133**	38,883
Depletion, depreciation and accretion	**20,832**	11,762
Net change in non-cash working capital balances (Note 13)	**(144,804)**	47,595
	(1,152,652)	(222,085)
Investing activities		
Acquisition of property and equipment	**(457,126)**	(67,181)
	(457,126)	(67,181)
Financing activity		
Issue of shares and warrants, net of issuance costs	**-**	-
Effect of foreign exchange rate changes on cash and cash equivalents	**1,359**	(401)
Net decrease in cash and cash equivalents	**(1,608,419)**	(289,667)
Cash and cash equivalents, beginning of year	**8,234,111**	331,012
Cash and cash equivalents, end of year	**6,625,692**	41,345
Cash and cash equivalents is comprised of		
Cash	**6,625,692**	41,345
Short-term deposits	**-**	-
	6,625,692	41,345
	-	
Supplemental cash flow information		
Interest received	**12**	8,806

See accompanying notes to the consolidated financial statements.

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, 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 March 31, 2010, the Company operates in one segment being the exploration and development of mineral properties.

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.

Uncertainty also exists with respect to the recoverability of the carrying value of certain resource properties. The ability of the Company to realize on its investment in resource properties is contingent upon resolution of the uncertainties and confirmation of the Company's title to the resource properties.

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 13.

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 March 31, 2010.

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 and 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 March 31, 2010 (2009 - $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 three to 10 years.

(iii) 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.

3. Significant accounting policies (continued)

(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.

(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 forfeiture of such 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 also 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.

3. Significant accounting policies (continued)

(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.

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.

3. Significant accounting policies (continued)

(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 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 ("IFRS")

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.

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.

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

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	9,343,433
Fair value stock options	198,600
Fair value warrants	378,493
Transaction costs	224,630
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:

	$
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

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 Silk Road is based on preliminary estimates of fair value and 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

6. 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 banker provided the government with a guarantee to cover these bonds in the amount of US$45,000 (2009 - 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 (2009 - US$15,000) in a segregated account.

7. Property and equipment

			March 31, 2010
	Cost	**Accumulated depletion and depreciation**	**Net book value**
	$	**$**	**$**
Office and other equipment	**407,148**	**219,208**	**187,940**
Mineral properties			
Bulgaria, Macedonia and Serbia	**7,484,120**	**-**	**7,484,120**
	7,891,268	**219,208**	**7,672,060**

			December 31, 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

No general and administrative costs have been capitalized in 2010 or 2009.

7. Property and equipment (continued)

Mineral properties

Mineral interest additions by area of interest

	Bulgaria	Macedonia		Serbia		
	Breznik	Kazandol	Ilovitza	Ceovishte	Karavansalija	Total
	$	$	$	$	$	$
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	839,985
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	7,026,994
Additions 2010						
Acquisition	6,260					6,260
Assays and analysis						-
Drilling		44,284	117,256			161,540
Geological Consulting	14,069	62,645	36,601	28,815	42,977	185,107
Geophysical contractors						-
Other	5,696	20,616	40,191	19,782	17,934	104,219
Balances						
March 31, 2010	410,712	941,003	1,783,224	2,316,406	2,032,775	7,484,120

Mineral interest by category

	Bulgaria	Macedonia		Serbia		
	Breznik	Kazandol	Ilovitza	Ceovishte	Karavansalija	Total
	$	$	$	$	$	$
Acquisition	238,527	273,390	410,085	520,200	851,545	2,293,747
Assays & analysis	21,420	5,233	48,165	50,164	38,342	163,324
Drilling	79,405	200,952	721,843	1,044,639	788,320	2,835,158
Geological Consulting	48,375	261,151	325,982	314,075	179,569	1,129,152
Geophysical contractors	-	-	40,102	70,705	-	110,807
Other	22,985	200,277	237,048	316,624	174,999	951,933
Balances						
March 31, 2010	410,712	941,003	1,783,224	2,316,406	2,032,774	7,484,120

The Company is currently engaged in exploring and, if warranted, the development of two properties in Macedonia, two properties in Serbia and one property in Bulgaria.

7. Property and equipment (continued)

Mineral properties (continued)

(a) 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 March 31, 20109, the Company has completed $2,040,753 (US$1,947,520) (December 31, 2009 - $1,719,160 (US$1,638,726)) 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 March 31, 2010, the Company has completed $3,561,530 (US$3,304,841) (December 31, 2009 - $3,452,022 (US$3,199,691)) in exploration expenditures.

(b) *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 March 31, 2010, the Company has expended $170,102 (US$171,398) (December 31, 2009 - $144,077 (US$152,420)) in exploration expenditures.

7. Property and equipment (continued)

Mineral properties (continued)

(c) *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 March 31, 2009, a total of 13 holes (December 31, 2009 - 13) have been drilled on the Ilovitza Permits. As of March 31, 2010, the Company has expended $1,373,140 (US$1,316,687) (December 31, 2009 - $1,179,092 (US$1,130,362)) in exploration expenditures.

(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 March 31, 2010, a total of 18 holes (December 31, 2009 - 5) have been drilled on the Ilovitza Permits. As of March 31, 2010, the Company has expended $667,613 (US$630,833) (December 31, 2009 - $540,364 (US$508,364)) in exploration expenditures.

7. Property and equipment (continued)

Mineral properties (continued)

(d) 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 March 31, 2010, the Company has expended $1,796,205 (US$1,652,700) (December 31, 2009 - $1,747,608 (US$1,606,037)) 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 March 31, 2010, the Company has expended $1,181,229 (US$1,093,852) (December 31, 2009 - $1,120,318 (US$1,035,365)) on exploration expenditures.

7. Property and equipment (continued)

Mineral properties (continued)

(e) China

On July 16, 2009, the Company closed the sale of its interest in the 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 outlined below.

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

8. 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 March 31, 2010, these shares had a fair value of $475,190 (December 31, 2009 - $475,190). The Company also recorded other comprehensive loss of $50,131 (year ended December 31, 2009 – other comprehensive income of $156,352) in the three months ended March 31, 2010 in respect of mark-to-market on the value of the CGEL shares.

9. Share capital

(a) *Authorized*

Unlimited common voting shares

(b) 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) 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.

A summary of the status of the Company's stock option plan as at December 31, 2009 and March 31, 2010 and changes during the periods then ended are as follows:

	Number of options	Weighted average exercise price per share
		$
Balance, December 31, 2008	3,007,500	0.50
Options granted	4,887,268	0.33
Options forfeited	(82,500)	0.33
Balance, December 31, 2009	7,812,268	0.40
Options granted	-	-
Options exercised	-	-
Options forfeited	(645,770)	0.34
Balance, March 31, 2010	7,166,498	0.40

The weighted average remaining term of the stock options as at March 31, 2010 is 3.05 years.

8. Share capital (continued)

(c) (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
	$			$
20,000	0.22	1.67	20,000	0.22
259,153	0.64	14.03	259,153	0.64
80,000	0.36	14.19	80,000	0.36
40,000	0.36	15.35	40,000	0.36
675,000	0.42	16.69	675,000	0.42
67,605	0.49	24.80	67,605	0.49
225,350	0.53	25.71	225,350	0.53
975,000	0.72	26.36	975,000	0.72
195,000	0.72	30.38	195,000	0.72
856,330	0.60	28.71	856,330	0.60
605,000	0.32	34.12	605,000	0.32
185,000	0.32	40.20	123,333	0.32
360,560	0.20	40.87	360,560	0.20
2,582,500	0.21	53.00	860,833	0.21
40,000	0.31	54.21	13,333	0.31
7,166,498	0.40	36.59	5,356,498	0.47

8. Share capital (continued)

(d) Share purchase warrants

Number of warrants outstanding as at January 1, 2010	Issued during the year	Number of warrants expired/ exercised during the year	Balance of warrants outstanding as at March 31, 2010	Exercise price per warrant	Expiry date
				$	
3,850,000	-	-	3,850,000	0.20	December 31, 2010
750,000			750,000	0.60	August 20, 2010
3,154,900	-	-	3,154,900	0.12	May 25, 2012
7,754,900	-	-	7,754,900		

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 25,2010
5,600,000	3,154,900	1,000,000	7,754,900		

10. Commitments and contingencies

(a) The Company has no future commitments. At March 31, 2010, the Company had no forward commodity contracts in place.

11. Related party transactions

During the three months ended March 31, 2010, the Company paid or accrued management, severance and consulting fees in the amount of $340,026 (2009 - $55,000) to current and former directors or companies controlled by current and former directors. Of these amounts $nil (2009 -$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.

12. Change in non-cash operating working capital

	2010	2009
	$	$
Decrease (increase) in accounts receivable, prepaids and deposits, derivative on convertible note, and note receivable	**(100,968)**	257,338
(Decrease) increase in accounts payable and accrued liabilities	**(43,836)**	(209,743)
	(144,804)	47,595

13. 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, whileunobservable 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 March 31, 2010 and December 31, 2009 for assets and liabilities measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
2010				
Investment	415,747	-	-	415,747

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

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.

13. Financial risk management (continued)

(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 nvestments 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 March 31, 2010, 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	5,116,631	1,090,707	130,034	274,411	-
Accounts receivable	391,850	-	22,827	150,292	-
Prepaid expenses	-	-	830	72,752	-
Stock option held	-	-	-	-	-
Investments	-	-	-	-	415,747
Accounts payable and accrued liabilities	-	-	(1,875)	(89,247)	-
As stated in Canadian dollars	5,508,482	1,090,708	151,816	408,207	415,747

Based on the above net exposures as of March 31, 2010 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 $757,000 (for an increase a $551,000 for the United States dollar; $109,000 for the Euro; $15,000 increase for the Macedonian denar; $41,000 for the Bulgarian leva and a $42,000 increase for the Australian dollar) in the Company's net income.

(c) *Credit risk*

Credit risk is the risk of an unexpected loss if a customer or 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 or recovery of value added taxes from the governments of Bulgaria and Macedonia. The Company's maximum credit exposure was $7,309,447 at March 31, 10

13. Financial risk management (continued)

(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 14.

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.

14. Capital risk management

The Company includes as capital its common shares, 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.

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

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