EurOmaX
Resources Limited

Q3-2010

Third Quarter Report - September 2010

Management Discussion & Analysis

INTRODUCTION

This management discussion and analysis ("MD&A") has been prepared by management of EurOmax Resources Ltd. ("EurOmax" or the "Company") with respect to the quarter ended September 30, 2010 ("Q3-2010") financial results and should be read in conjunction with the unaudited consolidated financial statements and related notes for Q3-2010 and the audited consolidated financial statements, related notes and MD&A for the years ended December 31, 2009 and 2008.

The information in this MD&A is dated November 23, 2010.

The Company's financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The Company's reporting currency is the Canadian dollar.

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, mineral resources and property evaluation plans and programs. 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 November 23, 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.

COMPANY PROFILE AND CORPORATE STRATEGY

The Company is focused on identifying, acquiring and developing natural resource opportunities in Southeastern Europe (the "Region").

The Company's portfolio of properties includes gold prospects and prospects with gold and other metals. The Company is developing its projects combining western and top local geological expertise. After the identification and successful initial phases of exploration on a property, EurOmax intends to enter into strategic partnerships with mining companies for development and production. Ongoing dialogue with a number of mining producers is underway in an attempt to enter into one or more strategic partnerships on current properties. As one of the first western mineral exploration companies in the Region, EurOmax's local knowledge offers the potential to identify and acquire other potentially attractive exploration projects in Southeastern Europe.

EurOmax believes that the Region has underdeveloped natural resource potential and reduced political risk. While many of the countries in this area have not been subjected to the systematic exploration of mineral resources typical of western countries, they have more developed economic, legal and political climates than other developing regions of the world. In fact, Bulgaria and Romania have been members of the European Union since January 2007.

EurOmax has found that the potential to acquire natural resource properties in the 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 the Region, EurOmax has found that political and cultural issues can delay projects longer than is normal in North America.

On September 23, 2010 a new board of directors was appointed by the shareholders at the Company's annual shareholders' meeting.

The Company's new board of directors is reviewing EurOmax's current portfolio of properties and its future prospects. In the interim, the board of directors has formalized the Company's exploration strategy, which can be summarized as follows:

Exploration on Prospects and Company Properties:

- Identifying and securing potentially significant gold prospects in the Region.
- Exploring potentially significant gold properties in the Region which includes sufficient technical work (internal resources) and drilling programs (external contractors) to evaluate the properties with a view to minimizing the risk of development of uneconomic properties and to generate results that enhance the value of the properties from the perspective of prospective partners or acquirers.
- Securing of Mining Concessions on select properties, where appropriate.
- Preparing 43-101 compliant technical reports on select properties, where appropriate.
- Offering high quality properties to prospective partners.
- Developing a reputation for offering high quality properties to prospective partners.

Commercialization of Properties:

- Seeking partners that have the necessary technical expertise and financial capability to advance the Company's properties into production and to act as operators, including local companies with regional experience and/or companies with the requisite engineering and production expertise.
- Seeking multiple partners for development of the Company's properties.
- Generating shareholder value over the long term from royalties or other consideration (carried interest, participating interest, cash, shares, etc) on properties that have been developed to the point of production.

The Company will review and revise this strategy as required from time to time.

CORPORATE DEVELOPMENTS

Recent Developments

The following significant developments occurred during Q3-2010 and up to the date of this report:

Cash depletion – the $1.9 million cost of the contested shareholder meeting has significantly reduced the cash available for exploration programs. After payment of accounts payable and accrued liabilities as of September 30, the actual cash available was $1.5 million. The Company's new board of directors has factored this available cash balance into its ongoing transition process and corporate planning.

Property review – a formal review of all the Company's prospects and properties was initiated in October and is expected to be completed shortly. Based upon a preliminary review of the exploration results on the properties to date, it was concluded that the Ceovishte property in Serbia and the Kazandol property in Macedonia would not justify any additional exploration funds from the Company. Accordingly, the $3.5 million carrying value of both these properties has been written off. There may be additional property write-offs pending the final review of the Company's property portfolio.

Drilling program at Ilovitza, Macedonia – in order to drill a sufficient number of holes and gather the appropriate technical data to prepare a detailed application for a Mining Concession on this property, the Company has an active drilling program in place which is expected to continue for at least the balance of 2010. Since the exploration permit on this property expires on May 26, 2011, the Company is actively funding this exploration program in anticipation of applying for this Mining Concession.

Historical Developments
In 2007, EurOmax executed a geopolitical diversification of its operations in Southeastern Europe. Prior to that time all of the Company's activities were focused in Bulgaria. In 2007 the Company purchased options to acquire four exploration properties in Macedonia and five exploration properties in Serbia from Freeport McMoRan Exploration Company (formerly Phelps Dodge Exploration Corporation) ("FMEC") and its Macedonian and Serbian subsidiaries.

Under the terms of the Macedonian Agreement EurOmax acquired an option to acquire a 100% interest in the Macedonian properties and FMEC's Macedonian subsidiary PD Vardar dooel ("PDV") for consideration of US$600,000 and 100,000 EurOmax shares.

Under the terms of the Serbian Agreement EurOmax acquired an option to acquire a 100% interest in the Serbian properties and FMEC's shares of FMEC's Serbian subsidiary Mining and Geology South Danube Metals Beograd South ("SDM"), subject to exclusion of one of the SDM licenses, for consideration of 2,400,000 EurOmax shares.

In order to exercise the options EurOmax had to fulfill all concession requirements, fulfill minimum drilling commitments, and complete a US$1.5 million exploration program in each of Macedonia and Serbia over 3 years. FMEC retains a onetime only 90 day 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 expenditures on that property and fund the property though completion of a final feasibility study.

In 2008 the Company amended the Serbian Agreement with FMEC to allow the Company to also acquire a 100% interest in the excluded property, the Karavansalija property, for consideration of US$50,000 and 2,500,000 EurOmax shares. In order to exercise the option, the Company must complete a three-year exploration program to June 5, 2011, 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, including the 4,400 metres of drilling at the direction of FMEC on the Karavansalija property. In order to earn its interest FMEC must repay EurOmax 1.5 times its exploration expenditures and fund the property though completion of a final feasibility study. 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 two years ending June 5, 2010 on the Karavansalija property.

During 2009, EurOmax completed the required drilling commitment and exploration program required under the Serbian Agreement. EurOmax 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 Macedonian Agreement. During the first quarter of 2010, the Company spent approximately US$150,000 in remaining exploration requirements to complete its earn-in obligations under the Macedonian Agreement. It is expected that the ownership of FMEC's Macedonian subsidiary, PDV, will be transferred to EurOmax in 2011 once certain requirements under Macedonian law are completed.

As of September 30, 2010 insufficient drilling has been competed on any property under the Macedonian and Serbian Agreements to trigger FMEC's one time back-in rights. These rights will continue until sufficient drilling has been completed on each property. In the event that FMEC exercises its back-in right EurOmax would have a 30% interest in the project where the back-in right was exercised with FMEC being responsible for all expenditures through the completion of a final feasibility study.

Acquisition of Silk Road and Sale of Bulagou Property
The Company entered into a merger agreement with Silk Road Resources Ltd., ("Silk Road") a junior mining company in 2009. Silk Road had a mineral property in China (the "Bulagou Property") which was marketable. The merger of the Company and Silk Road was completed on June 29, 2009 through 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 (62,289,552 shares in total)and also issued stock options and warrants

to former Silk Road option-holders and warrant-holders under similar conversion terms to those available to Silk Road shareholders.

The summary of the Silk Road purchase consideration was 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 was 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 Bulagou property for net proceeds of $14.9 million. A gain on the sale of this property of $3,657,580 was included in income in 2009. Proceeds from the sale are being used to fund the Company's exploration programs and for general working capital purposes. The summary of the sale of the Bulagou Property is outlined below.

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

Subsequent to September 30, 2009, final adjustments to the acquisition of Silk Road including additional legal and other fees resulted in a reduction of the gain on the disposal of property and equipment being reduced by $26,968 from those reported as of September 30, 2009 of $3,684,548.

Acquisition of Thrace Resources

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 ("CEGL"). The purchase price for Thrace was the cancellation of 50% of an outstanding convertible note issued in December 2008 by International Resource Holdings Limited (IRH), the predecessor of CGEL, to EurOmax for 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 Thrace was 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 acquisition cost was allocated to the main property of Thrace, Breznik. Breznik has identified in situ mineral resource estimate calculated by independent consultants and 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.

In addition to the Breznik property, the Company also acquired the Rakitovo property in Bulgaria with the acquisition of Thrace

Since the beginning of 2010, EurOmax has conducted drilling activities at Breznik, Kazandol, Ilovitza, Karavansalija Trun and Rakitovo to further define the potential for economic mineralization.

RESULTS OF OPERATIONS

Three Months Ended September 30, 2010 and 2009

The Company recorded a net loss of $5,781,500 or $0.05 per share in Q3-2010 compared to net income of $2,547,376 or $0.02 per share in Q3-2009. The significant variances between the two comparative periods can be mostly traced to three non-recurring items:

- A write-down of two mineral properties in Q3-2010 against a charge to earnings of $3,521,055 (nil in Q3-2009),
- A charge to earnings of $1,863,333 in Q3-2010 for costs associated with a contested shareholder meeting (nil in Q3-2009)
- A gain on disposal of the Bulagou mineral property of $3,684,548 in Q3-2009 (nil in Q3-2010)_

Normalized net loss in Q3-2010 excluding the property write-downs and shareholder meeting expenses was $397,112, compared to a normalized net loss of $1,137,172 in Q3-2009.

In Q3-2010 the Company concluded that it was necessary to fully impair the carrying value of two of its properties. This decision was reached after a diligent technical review and assessment of the properties. Kazandol's write-down was $1,204,649 and the write-down on Ceovishte was $2,316,406, for a total of $3,521,055.

In Q3-2010, the Company has separately recorded expenses of $1,863,333 associated with a contested shareholder meeting which ultimately resulted in the change of the board of directors of the Company. These expenses include legal and solicitation expenses for management and dissident shareholders, additional mailing expenses incurred to keep shareholders informed and the resultant contractual termination payments to former management.

General and administrative expenses were $339,295 in Q3-2010 compared to $318,704 in the three months ended September 30, 2009 (“Q3-2009”). The increased expenses are a result of higher investor relations expenses, which in Q3- 2010 were $42,376 higher than in Q3-2009. The Company commenced an investor relations program in September 2009, prior to which these expenses were very limited. Salary expenditures decreased in Q3-2010 compared to Q3-2009 because the senior management positions of Chief Executive Officer and Chief Financial Officer were performed by one person, instead of two as was the case in Q3-2009. The savings from this combined role more than offset other salary increases between the comparative periods. During Q3-2010, general and administrative costs associated with the Company’s mineral exploration activities in Southeastern Europe were $143,294 compared to $93,854 in Q3-2009. The increase is a result of higher salaries as seasonal activity for 2010 covered the complete quarter compared to approximately 50% of the quarter in 2009. In Q3-2009 seasonal exploration activity did not start until mid-August after proceeds from the sale of the Bulagou Property were received. EurOmax does not capitalize general and administrative expenses.

In Q3-2010 the Company incurred $13,480 in general exploration expenses compared to $340,794 in Q3-2009 as the Company was not actively involved in the evaluation of potential projects and focused resources to existing properties in Q3-2010.

In Q3-2010 the Company incurred depletion, depreciation and accretion costs of $19,025 compared to $15,767 in Q3-2009. Increases are related to a higher current asset base.

The Company recorded a foreign exchange loss of $32,020 in Q3-2010 compared to $317,651 in Q3-2009. Due to the international nature of its operations, the Company holds most of its cash in United States dollars, and some of its expenses are denominated in United States dollars or Euros. Accordingly, EurOmax is subject to potential foreign exchange gains and losses. The Company’s cash balances increased significantly in mid-2009 after the merger with Silk Road and the subsequent sale of Bulagou. The loss on foreign exchange is a result of the strengthening of the Canadian dollar compared to the Euro and United States dollar in the reporting periods.

In Q3-2010 the Company did not record stock-based compensation expense as no options vested in the quarter (Q3-2009: $203,910).

Capital expenditures, including capitalized exploration costs were $1,397,571 in Q3-2010 (Q3-2009: $766,436). Details of exploration activity in the quarter are contained in the following sections.

Nine Months Ended September 30, 2010 and 2009

In the nine months ended September 30, 2010 (“YTD-2010”), the Company recorded a net loss of $7,435,414 or $0.06 per share, compared to net income of $2,273,667 or $0.03 per share in the nine months ended September 30, 2009 (“YTD-2009”).

The variance on a YTD basis is also directly related to a series of non-recurring items outlined in the preceding section. Normalized net loss YTD-2010 was $2,051,026, excluding property write-downs and the shareholder meeting expense, compared to normalized net loss YTD-2009 (excluding the gain from the sale of Bulagou) of $1,410,881. The variances on a normalized net loss basis is mainly attributed to an increase of $$535,001 in general and administrative expenses, which includes a $247,500 severance payment to the Company’s former Chief Executive Officer who left on January 31, 2010; higher investor relations expenses of $176,749 and higher legal fees of $103,548.

Capital expenditures YTD-2010 were $2,662,939 compared to $875,662 incurred YTD-2009. During Q3-2009 approximately $200,000 were spent for vehicles and other exploration equipment purchased in Southeastern Europe to allow effective exploration activities to be conducted. All other capital expenditures YTD-2010 and 2009 were for mineral exploration or associated activities in the Region.

EXPLORATION PROJECTS

Ilovitza Project, Macedonia

At Ilovitza in Southeastern 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 was the subject of a new tender which closed on November 1, 2010. The Company was present at the opening of bids for the tender on the Ilovitza 4 property area and was the successful bidder for this property. The Company has drilled a total of 9 holes totalling 4,495 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 test work 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 north and east of the inferred resource with the potential for the addition of significant tonnage at higher grades. During the first nine months of 2010 the Company drilled four holes to test the potential core area of the property. The first drillhole was an angle hole which at the bottom is approximately 100 metres east of the previous most eastern hole. The second drillhole is approximately 100 metres north of the previous most northern hole. The third and fourth holes further extend the mineralization approximately 200 metres to the north from prior drilling. The drilling has identified the highest gold grades on the Ilovitza 6 licence. Indications are that gold grades may be higher to the north in the geophysical anomaly. The results from the first two holes drilled are summarized below:

2010 ILOVITZA DRILL RESULTS

DDH Number	Total Depth (m)	From (m)	To (m)	Length (m)	Gold (g/t)	Copper (%)	Gold Equivalent (g/t)	Copper Equivalent (%)
Oxide Zone								
EOIC 1014	294	-	75	75	0.31	n/a	0.31	n/a
Primary Zone								
EOIC 1014	294	75	235	160	0.34	0.34	0.88	0.56
EOIC 1015	519	99	450	351	0.42	0.25	0.82	0.52

Notes: Hole EOIC 1014 was abandoned at a depth of 294 metres prior to target depth

Gold and copper equivalent grades calculated using a gold price of USD1,100 per ounce and a copper price of USD2.50 per pound. No adjustment has been made for metallurgical recoveries.

The Company spent $607,949 YTD-2010 and $230,766 in Q3-2010 on exploration of this project. A revised 43-101 compliant resource report is being completed for this project.

Kazandol Project, Macedonia

The Kazandol oxide copper project is located approximately 50 kilometres southwest of the Ilovitza project in Southeastern Macedonia. Exploration 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. During 2010, 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 have confirmed a potential zone of oxide copper mineralization over an area 900 metres long and 400 metres wide at Kazandol North.

The results of the drilling at Kazandol North, which are true thickness, are summarized below:

2010 KAZANDOL NORTH DRILL RESULTS

DDH Number	Total Depth (m)	From (m)	To (m)	Length (m)	Copper Percent
EKDR 1030	60	-	18	18	0.37
EKDR 1031	51	-	18	18	0.31
EKDR 1032	45	-	21	21	0.31
EKDR 1033	6	-	6	6	0.53
EKDR 1037	25	-	25	25	0.39
EKDR 1038	81	8	51	43	0.25
including		20	34	14	0.38
EKDR 1039	99	-	44	44	0.29
including		16	29	13	0.56
		70	89	19	0.37
EKDR 1040	72	-	6	6	0.50
		12	18	6	0.29
		23	41	18	0.31
EKDR 1041	36	8	21	13	0.28
EKDR 1042	33	-	8	8	0.42
		17	25	8	0.24
EKDR 1044	33	16	25	9	0.62
EKDR 1046	60	2	6	4	0.37
EKDR 1047	72	34	45	11	0.27
EKDR 1048	54	-	44	44	0.37

The drill program was also focused on identifying a potential extension of this mineralization to the south of the Kazandol North Zone. The drill results, which are true thickness, on Kazandol South are summarized below.

2010 KAZANDOL SOUTH DRILL RESULTS

RCDH Number	Total Depth (m)	From (m)	To (m)	Length (m)	Copper Percent
EKDR 1009	87	76	78	2	0.61
EKDR 1010	30	19	21	2	0.37
EKDR 1013	51	11	15	4	0.26
EKDR 1015	105	27	38	11	0.21
EKDR 1020	60	-	13	13	0.16
EKDR 1021	35	8	13	5	0.44
EKDR 1022	47	8	22	14	0.13
EKDR 1026	78	23	38	15	0.14
EKDR 1027	77	-	11	11	0.10
EKDR 1029	60	24	32	8	0.16

The Company spent $391,191 YTD-2010 and $10,662 in Q3-2010 on exploration of this project. Euromax has decided that the results from this project do not compare favourably to the results on other properties. As a consequence the Company does not anticipate directly conducting further exploration at Kazandol and has fully written–off the project's carrying value of $1,204,649 against a charge to earnings in Q3-2010. EurOmax will maintain its ownership in the Kazandol Licence and attempt to joint venture the project with a third party.

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 YTD-2010 and had no expenses in Q3-2010 on exploration of this project. The Company did not find any potential economic mineralization from its exploration on the Ceovishte Licence and as a consequence will be returning the Licence to the Serbian government. The Company has fully written–off the project's carrying value of $2,316,406 against a charge to earnings in Q3-2010.

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. The 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 to the end of 2009. During 2010, an additional four holes totaling 1,598 metres have been drilled and assay results are pending. In addition prior to entering into the option agreement FMEC drilled 28 holes totaling 10,058 metres at Karavansalija. The Company spent $507,847 YTD-2010 and $386,232 in Q3-2010 on exploration of this 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 0.5 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. During 2009, the Company drilled four holes totalling 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 26 drill holes totalling 3,610 metres was conducted 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. During 2010 the first phase of drilling extended the strike of the high grade Breznik gold-silver deposit (Zone 1) from nearly 1,000 metres to approximately 2,200metres. Drilling also identified a parallel zone (Zone 2) to the previously identified high grade gold-silver deposit. A previously unknown Gold – Copper target has also been identified. The second phase of drilling at Breznik in 2010 was designed to further define the results of the first phase and test the continuity of the mineralization to depth. A new 43-101 compliant resource including these additional drill holes is being prepared.

Results from the second phase of the 2010 program are pending. Results from the first phase of the 2010 program in Zone 1 include 1. 3 meters at 8.94 g/t gold; 6.1 metres at 5.38 g/t gold; and 1 metre at 7.23 g/t gold in the previously explored structure. This structure remains open to the west although it does not outcrop but is below alluvial cover. The results from the drilling in Vein 1 are:

2010 ZONE 1 DRILL RESULTS

DDH Number	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)
BC 1095	46.0	47.3	1.3	8.94	7.0
	69.5	82.7	13.2	1.02	14.2
including	79.7	82.7	3.0	3.37	28.3
BC 1096	35.6	41.7	6.1	5.38	3.5
including	35.6	36.6	1.0	26.60	9.0
BC 1097	66.6	73.0	6.4	1.39	7.5
including	72.0	73.0	1.0	3.64	6.0
BC 1098	59.7	63.8	4.1	1.29	8.1
including	61.7	62.7	1.0	3.19	10.0
BC 1099	32.2	35.4	3.2	1.33	9.9
BC 10100	56.0	57.0	1.0	7.23	46.0
	61.8	63.4	1.6	3.44	44.0
BC 10103	No significant results				

In parallel Zone 2, results include 4. 4 metres at 3.82 g/t gold followed by 1 meter at 6.71 g/t gold and 2 metres at 5.66 g/t gold followed by 1 meter at 4.45 g/t gold. This zone has been traced over a strike length of approximately 300 metres and is open at depth and to the east and west. The results from drilling in Zone 2 are:

2010 ZONE 2 DRILL RESULTS

DDH Number	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)
BC 10100	52.6	101.3	48.7	1.08	11.3
including	52.6	57.0	4.4	3.82	25.3
and	91.4	92.4	1.0	6.71	10.0
BC 10102	58.8	94.0	35.2	0.66	11.7
including	58.8	60.8	2.0	5.66	7.5
and	90.0	91.0	1.0	4.45	225.0
BC 10104	26.6	27.6	1.0	4.59	31.0

One diamond drill hole was completed on a target north east of the Breznik gold – silver deposit. This drill hole encountered a gold – copper zone including 20.7 metres grading 1.02 g/t gold and 0.58% copper. The results of this hole are:

2010 NEW ZONE DRILL RESULTS

DDH Number	From (m)	To (m)	Length (m)	Gold (g/t)	Copper (%)
BC 101050	45.0	95.7	50.7	0.56	0.33
including	75.0	95.7	20.7	1.02	0.58

The Company spent $639,804 YTD- 2010 and $477,943 in Q3-2010 on exploration of this project.

Trun Project, Bulgaria

The Trun project located in Bulgaria was acquired under a permit issued by the government of Bulgaria on October 7, 2004. This Trun permit expires on May 28, 2011 unless extended for one year or by the issue of a commercial discovery certificate. This project covers an area of 67.5 square kilometres. The property was the subject of mining in the southern portion of the permit from a series of small open pits and underground workings at Zlata from 1939 to 1974 where it is reported that 717,000 tonnes were mined at a grade of 5.97 grams per tonne. In addition there was a small open pit at Krushov Dol where 590,000 tonnes at a grade of 1.77 grams per tonne and 14.43 grams per tonne silver were reported to be mined from 1965 to 1974. Teck Resources Limited ("Teck") had an option to earn a 55% interest in the Trun property by spending $3 million over 4 years. Upon Teck earning its initial 55% interest, it had the option to increase its interest to 70% by spending an additional $10 million on the property. Teck terminated the option agreement in 2008 and did not earn the initial 55%. The Company wrote off its investment in the property at the end of 2008.

A further review of the project in 2010 resulted in a decision to follow-up on the work of Teck. This review indicated that the gold mineralization at Trun indicates the potential for Intrusion Related Gold ("IRG") deposits. A number of IRG deposits have been found in Europe and Asia with similar geological age and setting to Trun including Vasilkovskoe in Kazakhstan, Mokrsko in the Czech Republic and Jilau in Tajikistan. A belt of IRG deposits is located in Alaska where the Fort Knox, Dublin Gulch, Pogo and Donlin Creek deposits are located in the Tintina Gold Belt. In 2010, a series of 12 drill holes totalling 2,223 metres was conducted to identify the potential dimensions of the identified IRG style at Logo in the northern portion of the permit and the potential of IRG mineralization in the southern portion of the permit. Logo is one of a series of IRG style targets which have been identified on the fringes of an intrusion. The Logo target has been traced over an area 1,200 metres long by 300 metres wide. The mineralization is a stacked series of sheeted gently dipping zones in hornsfels on the edge of the granite intrusion. The drilling approximates the true thickness of the mineralized zone. The results of the drilling received to date at Logo are summarized below:

2010 LOGO DRILL RESULTS

DDH Number	Total Depth (m)	From (m)	To (m)	Length (m)	Gold (g/t)	Tungsten (%)
MTC 1060	399	78	230	152	0.69	n/a
including		163	217	54	1.15	0.05
MTC 1064	247	3	27	24	0.26	n/a
		55	163	108	0.64	0.07
including		111	158	47	0.93	0.07
MTC 1067	201	77	97	20	1.45	0.08

The K2 target which is in the vicinity of the previous Zlata and Krushov Dol operations has been traced over a length of 600 metres by 150 metres wide. The mineralization is a stacked series of sheeted gently dipping zones in granite at the edge of the granite intrusion. The drilling approximates the true thickness of the mineralized zones.

2010 K2 DRILL RESULTS

DDH Number	Total Depth (m)	From (m)	To (m)	Length (m)	Gold (g/t)	Tungsten (%)
MTC 1058	145	-	99	99	0.49	n/a
including		79	99	20	0.90	n/a
MTC 1059	188	80	91	11	0.62	n/a
MTC1061	117	9	43	34	0.28	0.04
including		20	34	14	ancient workings	
MTC 1062	212	0	50	20	0.94	n/a
including		6	13	7	ancient workings	
including		25	37	12	2.8	n/a
MTC1063	212	133	147	14	1.01	n/a
		166	191	25	0.34	n/a
MTC 1065	212	115	128	13	0.42	n/a
		175	197	22	0.43	n/a
MTC 1066	120		no significant intercepts			
MTC 1068	148		no significant intercepts			

The Company is in the process of having a 43-101 compliant report prepared for the Trun project. It is expected that this report will identify a 43-101 compliant resource for Logo. The Company spent $287,632 YTD-2010 and $148,145 in Q3-2010 on exploration of this project.

Rakitovo Project, Bulgaria

The Rakitovo project located in Bulgaria was acquired from CEGL on October 7, 2009. The Rakitovo permit was issued on May 28, 2004 and expires on May 28, 2011 unless extended for one year or by the issue of a commercial discovery certificate. This project covers an area of 33 square kilometres. Rakitovo is a high grade gold-silver vein system which has been identified over a strike of nearly 1,500 metres. The mineralization identified by drilling and surface exploration at Rakitovo has a high level of arsenic which may make commercial extraction problematic. In 2010, the Company drilled four holes totaling 898 metres to determine whether the mineralization extended to depth and also whether the level of arsenic associated with the mineralization was at a level low enough to allow environmentally acceptable recovery of the gold and silver mineralization.

The Company spent $158,916 in Q3-2010 and YTD-2010 on exploration of this project.

LIQUIDITY AND FINANCIAL RESOURCES

At September 30, 2010, the Company had positive working capital of $2,281,743 compared to $8,628,342 at December 31, 2009 including a cash balance at September 30, 2010 of $2,863,044 (December 31, 2009: $8,234,111). Accounts receivable and prepaid expenses increased to $780,561 at September 30, 2010 compared to $689,580 as at December 31, 2009. Accounts receivable at September 30, 2010 include a prepayment of $79,595 compared to $263,501 as at December 31, 2009 for exploration in Macedonia. Refunds due from GST/HST and VAT as at September 30, 2010 were $561,215 compared to $199,275 at December 31, 2009. There are two components to this increase; in Canada, the GST/HST is higher by $215,842 because of the rate increase associated with the conversion from GST (5%) to HST (5 to 13%) and the GST/HST associated with the contested shareholder meeting; in Bulgaria the VAT is higher by $146,098 as a result of the increased exploration activity in that country. The VAT refund in Bulgaria can take several quarters to recover. Accounts payable and accrued liabilities were $1,361,862 at September 30, 2010 compared to $295,349 at the end of 2009. Accounts payable at September 30, 2010 include accrued expenses of $1,216,017 associated with the contested shareholder meeting (December 31, 2009: $nil).

The Company holds 3,169,788 shares of CEGL, a company listed on the Australian Stock Exchange. At September 30, 2010 these shares had a fair value of $221,519 (December 31, 2009: $475,190) representing 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 the date of sale as there is little liquidity of the stock. The Company accounts for its investment in CGEL as “available for sale ".

During the nine months ended September 30, 2010 capital expenditures were funded by existing cash reserves. The Company will need to raise additional cash resources to meet its planned exploration expenditures and other financial commitments in the near future. There can be no assurance that financing, whether debt or equity, will 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.

RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2010, the Company paid or accrued management, severance and consulting fees in the amount of $796,714 (YTD-2009 - $208,900) to current and former directors or companies controlled by current and former directors. These amounts include $510,000 (YTD-2009 – $nil) associated with severance payments to two former officers of the Company. Of these amounts $262,500 (2009 -$23,563) is included in accounts payable and accrued liabilities at September 30, 2010.

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.

The 2010 related party transactions include fees for the Senior Vice President Exploration who was not a related party until September 2009.

CONTRACTUAL OBLIGATIONS

The Company’s mineral properties in Serbia and Macedonia were acquired under option agreements 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 Exploration Permits (“Permits”) 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 the Permits 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.

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.

In Bulgaria, the properties are held pursuant to an exploration permit granted by the Ministry of Environment and Waters (the "Ministry") under the Underground Natural Resources Act of Bulgaria with an initial term of three years. These exploration permits are subject to two extensions of two years followed by one additional one year extension at the discretion of the Ministry. Extensions are normally granted provided that the agreed work program has been completed. The last extension will only be granted if resources have been identified on the permit and require further evaluation prior to the designation of a Commercial Discovery by the Ministry. The holder of an exploration permit may apply for the designation of a Commercial discovery. The holder of an exploration permit which has a Commercial Discovery may apply for a Production Concession. Production Concessions have a term of 35 years which can be extended for an additional 15 years.

FUTURE ACCOUNTING PRONOUNCEMENTS

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 does not believe the adoption of these changes will have an impact on its consolidated financial statements.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") IMPLEMENTATION PLAN

In February 2008, the Accounting Standards Board ("AcSB") approved a strategic plan which requires public companies to adopt IFRS for fiscal periods beginning on or after January 1, 2011. The Company will therefore be required to have comparative financial information prepared under IFRS as of January 1, 2010.

The Company has initiated its IFRS conversion project and set the following timing objectives: to be in a position to convert its December 31, 2009 Canadian GAAP Balance Sheet to IFRS in Q4-2010, to track IFRS-Canadian GAAP differences in its financial statements through 2010 (ongoing) and to produce IFRS financial statements as of January 1, 2011.

The Company believes that the adoption of IFRS will not have a major effect on its overall operations except for the fact that the conversion effort may require additional resources (external) to assist with the documentation process and on an ongoing basis, disclosure requirements will increase substantially. The Company will be able to continue using its current information technology platforms.

The Company has identified key areas affected by the conversion to IFRS: impairment analysis and measurement of stock-based compensation.

The functional currency of the parent company will be the Canadian dollar; subsidiaries will need to determine and document their own functional currencies and the Company's presentation currency will continue to be the Canadian dollar. The translation of the financial statements of each company in the group to Canadian dollars, for presentation purposes, under IFRS will be as follows: All assets and liabilities will be translated at closing rates (as opposed to the translation under Canadian GAAP where non-monetary assets and liabilities are translated at historical rates) and income and expenses will be translated at average rates (as they are under Canadian GAAP), with all resulting exchange differences recognized as a separate component of equity (as opposed to including translation gains or losses in income as occurs under Canadian GAAP). The Company has elected to translate equity accounts at historical rates (under Canadian GAAP, historical rates are used), and not at current rates. The Company's choice of using historical rates translation of its equity accounts will have no impact on total equity as the resulting exchange differences will be recognized in a separate component of equity.

Impairment requirements are more stringent under IFRS than under Canadian GAAP. Annual impairment testing will be required in respect of the Company's mineral properties.

The Company has considered the potential effect of share based payments under IFRS and has concluded that there will be certain impact on its financial statements on adoption of IFRS, as options granted by the Company vest beyond the year of grant. Under IFRS, the concept of “graded vesting” frontloads the stock based compensation expense for options granted such that the expense is higher in initial quarters and reduces as options vest, as opposed to “straight line vesting” under Canadian GAAP. The calculation of the underlying fair value under both IFRS and Canadian GAAP is the same and the changes are only with respect to the timing of the allocation of the resulting cost as options vest.

CRITICAL ACCOUNTING POLICIES

A comprehensive discussion of the Company’s significant accounting policies is contained in Note 3 to the September 30, 2010 unaudited consolidated financial statements. There have been no changes in accounting policies since December 31, 2009.

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 (expressed in thousands of dollars except per share amounts)

	Quarters Ended			
	September 30, 2010	**June 30, 2010**	**March 31, 2010**	**December 31, 2009**
Earnings (Loss) continuing operations	(5,782)	(442)	(1,212)	(1,883)
Earnings (Loss) Per Share	(0.05)	-	(0.01)	(0.02)
Earnings (Loss) discontinued operations	-	-	-	-
Earnings (Loss) Per Share	-	-	-	-
Earnings (Loss)	(5,782)	(442)	(1,212)	(1,883)
Earnings (Loss) Per Share	(0.05)	-	(0.01)	(0.02)
	September 30, 2009	**June 30, 2009**	**March 31, 2009**	**December 31, 2008**
Earnings (Loss) continuing operations	2,557	40	(313)	(4,009)
Earnings (Loss) Per Share	0.02	-	(0.01)	(0.08)
Earnings (Loss) discontinued operations	-	-	-	124
Earnings (Loss) Per Share	-	-	-	-
Earnings (Loss)	2,557	40	(313)	(3,885)
Earnings (Loss) Per Share	0.02	-	(0.01)	(0.07)

OUTSTANDING SHARE DATA

As of November 23, 2010, the Company had outstanding: 120,062,039 common shares, 7,004,900 share purchase warrants with exercise prices ranging from $0.13 to $0.20 per share and 7,146,498 stock options, with exercise prices ranging from $0.20 to $0.72 per share.

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 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

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 and officers of the Company are directors or officers 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 EurOmax Resources Ltd. (the “Company”) have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditors have not performed a review of these interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for interim reviews of financial statements.

“Mark G. Gustafson”	**“Christopher A. Serin”**
Chief Executive Officer	Chief Financial Officer

Vancouver, British Columbia
November 23, 2010

EurOmax Resources Ltd.

Consolidated statements of loss (income)
(unaudited - prepared by management)

	Three months ended September 30		Nine months ended September 30	
	2010	2009	**2010**	2009
	$	$	**$**	$
Expenses				
General and administrative (Note 10)	**339,295**	318,704	**1,425,261**	890,260
Shareholder meeting (Note 10)	**1,863,333**	-	**1,863,333**	-
General exploration	**13,480**	340,794	**108,034**	381,002
Write-off of mineral properties	**3,521,055**	-	**3,521,055**	-
Stock-based compensation	**-**	203,910	**172,600**	250,293
Depletion, depreciation and accretion	**19,025**	15,767	**57,905**	38,054
Other	**(5,482)**	1,470	**(7,496)**	1,130
Foreign exchange loss	**32,020**	317,651	**291,551**	339,964
	5,782,726	1,198,296	**7,432,243**	1,900,703
Other expenses (income)				
(Gain) on conversion of note receivable	**-**	(73,070)	**-**	(70,316)
(Gain) on investment	**-**	(9,615)	**-**	(435,806)
Loss on stock option held	**-**	2,281	**-**	4,058
Loss (gain) on disposal of property and equipment	**-**	(3,684,548)	**4,440**	(3,684,548)
Interest (income) expense	**(1,226)**	19,280	**(1,269)**	12,242
	(1,226)	(3,745,672)	**3,171**	(4,174,370)
Net loss (income) and comprehensive loss (income)	**5,781,500**	(2,547,376)	**7,435,414**	(2,273,667)
Net loss (income) and comprehensive loss (income) per share				
Basic and diluted	**0.05**	(0.02)	**0.06**	(0.03)
Weighted average number of shares				
Basic and diluted	**120,062,039**	119,062,039	**120,062,039**	80,996,202

EurOmax Resources Ltd.

Consolidated balance sheets
(unaudited - prepared by management)

	September 30 2010	December 31, 2009
	$	$
Assets		
Current assets		
Cash and cash equivalents	**2,863,044**	8,234,111
Accounts receivable, prepaids and deposits	**780,561**	689,580
	3,643,605	8,923,691
Investment (Note 8)	**221,519**	475,190
Restricted cash (Note 6)	**51,470**	47,223
Property and equipment (Note 7)	**6,325,969**	7,240,205
	10,242,563	16,686,309
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**1,361,862**	295,349
	1,361,862	295,349
Shareholders' equity		
Share capital (Note 9)	**33,101,084**	33,101,084
Warrants	**897,038**	897,038
Contributed surplus	**1,785,872**	1,613,272
Accumulated other comprehensive (loss) income	**(91,093)**	156,352
Deficit	**(26,812,200)**	(19,376,786)
	8,880,701	16,390,960
	10,242,563	16,686,309

Nature and continuance of operations and going concern (Note 1)

Approved by the Board

(Signed) Mark G. Gustafson

Mark G. Gustafson, Director

(Signed) Donald R. Siemens

Donald R. Siemens, Director

EurOmax Resources Ltd.

Consolidated statements of shareholders' equity
Nine months ended September 30, 2010 and year ended December 31, 2009
(unaudited - prepared by management)

	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 income on mark-to-market of investment, net of tax	-	-		-	156,352	-	156,352
Comprehensive income							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	-	-		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 loss and comprehensive loss	-	-	-	-	-	(7,435,414)	(7,435,414)
Other comprehensive loss on mark-to-market of investment, net of tax	-	-	-	-	(247,445)	-	(247,445)
Comprehensive loss							(7,682,859)
Stock-based compensation	-	-	-	172,600	-	-	172,600
Balance at September 30, 2010	120,062,039	33,101,084	897,038	1,785,872	(91,093)	(26,812,200)	8,880,701

See accompanying notes to the consolidated financial statements.

EurOmax Resources Ltd.

Consolidated statements of cash flows
(unaudited - prepared by management)

	Three months ended September 30		Nine months ended September 30	
	2010	2009	**2010**	2009
	$	$	**$**	$
Operating activities				
Net (loss) income	**(5,781,500)**	2,547,376	**(7,435,414)**	2,273,667
Items not involving cash				
Loss (gain) on disposal of property and equipment	**-**	(3,684,548)	**4,440**	(3,684,548)
Write-off of mineral properties (Note 7)	**3,521,055**	-	**3,521,055**	-
Unrealized foreign exchange loss	**(9,322)**	-	**-**	-
(Gain) on conversion of note receivable	**-**	(73,070)	**-**	(70,316)
Unrealized (gain) on investment	**-**	(9,615)	**-**	(435,806)
Loss on stock option held	**-**	2,281	**-**	4,058
Stock-based compensation	**-**	203,910	**172,600**	250,293
Depreciation	**19,025**	15,767	**57,905**	38,054
	(2,250,742)	(997,899)	**(3,679,414)**	(1,624,598)
Net change in non-cash working capital balances (Note 11)	**1,022,059**	(3,241,424)	**975,533**	(1,082,035)
	(1,228,683)	(4,239,323)	**(2,703,881)**	(2,706,633)
Investing activities				
Proceeds on sale of property and equipment	**-**	13,697,468	**-**	13,697,468
Adjustment of property and equipment acquired	**-**	1,688,626	**-**	-
Disposal of note receivable	**-**	(123,683)	**-**	(105,549)
Restricted cash deposits	**(5,147)**		**(5,147)**	-
Acquisition of property and equipment	**(1,397,571)**	(766,436)	**(2,662,939)**	(875,662)
	(1,402,718)	14,495,975	**(2,668,086)**	12,716,257
Financing activity				
Issue of share capital, net of issuance costs	**-**	-	**-**	-
	-	-	**-**	-
Effect of foreign exchange rate changes on cash and cash equivalents	**855**	1,048	**900**	2,050
Net (decrease) increase in cash	**(2,630,546)**	10,257,700	**(5,371,067)**	10,011,674
Cash and cash equivalents, beginning of period	**5,493,590**	84,984	**8,234,111**	331,012
Cash and cash equivalents, end of period	**2,863,044**	10,342,684	**2,863,044**	10,342,686
Supplemental cash flow information				
Interest expense	**-**	19,280	**-**	27,303
Interest received	**1,226**	-	**1,269**	15,601
Non-cash investing and financing transactions				
Acquisition of Silk Road (Note 4)	**-**	-	**-**	10,133,453

See accompanying notes to the consolidated financial statements.

1. Nature and continuance of operations and going concern

This accompanying unaudited 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 , Martern Macedonia dooel, Euromax Resources Serbia d.o.o., South Danube Metals Beograd d.o.o and Scala Mines EOOD ("Scala").

The Company is in the process of exploring its mineral properties in Bulgaria, Serbia and Macedonia and has not yet determined whether its mineral properties contain reserves that are economically recoverable. 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 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 less amounts written-off 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.

The Company operates in one segment being the exploration and development of mineral properties.

As of September 30, 2010, the Company has no source of operating cash flows, has not yet achieved profitable operations, has accumulated losses of $26,812,200 (December 31, 2009: $19,376,786) and expects to incur further losses in the development of its business, all of which cast substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon the Company obtaining additional equity and/or debt financing and/or new strategic partners and obtaining the necessary permits in connection with the development of its properties in Southeastern Europe. There is no assurance that such financing and/or strategic partnerships or the necessary permits will be obtained on favourable terms or at all. Failure to obtain such financing and/or strategic partnerships and the necessary permits could result in the delay or indefinite postponement of further exploration of the Company's properties and may result in the Company not meeting any of its operational and capital requirements.

The Company's unaudited financial statements do not include any adjustments to the recoverability and classification or recorded assets, or the amount or classification of liabilities, all of which would be necessary if the going concern assumption was not appropriate. Such adjustments could be material.

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. Basis of Presentation

The financial statements of the Company have been prepared in accordance with Canadian Generally Accepted Accounting Principles for interim financial statements and therefore do not include all of the information and notes required for annual financial statements. These statements follow the same accounting policies and methods of application as the most recent annual financial statements. Accordingly, they should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2009.

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.

(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 maturities from the date of acquisition of three months or less. The Company had no cash equivalents at September 30, 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 September 30, 2010, the Company has no asset retirement obligations related to its mineral properties.

(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 the Black-Scholes option pricing 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

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) *Accounting pronouncements*

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 impact of adopting these new standards is not expected to have an impact on the Company's consolidated financial statements.

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 one of the Company's subsidiaries. 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 was 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.

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

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

Purchase consideration was 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 was based on estimates of fair value and was 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 was the fair value of the cancellation of one-half of the convertible note issued by IRH to the Company on December 10, 2008 or $241,892.

The allocation of the purchase price assigned to the assets and liabilities of Thrace was based on estimates of fair value and was 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$50,000 (2009 - US$45,000). As a condition of providing these guarantees the Company's banker required that the Company place a deposit in the amount of US$50,000 (2009 - US$45,000) in a segregated account.

7. Property and equipment

			September 30, 2010
	Cost	**Accumulated depletion and depreciation**	**Net book value**
	$	**$**	**$**
Office and other equipment	**434,375**	**(256,281)**	**178,094**
Mineral properties			
Bulgaria, Macedonia and Serbia	**6,147,875**	**-**	**6,147,875**
	6,582,250	**(256,281)**	**6,325,969**

			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		
	Rakitovo	Breznik	Trun	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	2,774	-	-	-	-	9,034
Assays and analysis	-	51,208	19,378	15,976	10,744	-	10,770	108,075
Drilling	128,044	471,729	237,562	214,770	290,902	-	282,884	1,625,889
Geological Consulting	19,006	91,024	25,452	104,819	115,279	28,815	157,457	541,852
Geophysical contractors	-		-					-
Other	11,866	19,584	2,466	55,626	191,025	19,782	56,737	357,085
Property write-offs	-	-	-	(1,204,649)	-	(2,316,406)	-	(3,521,055)
Balances								
September 30, 2010	158,916	1,024,491	287,632	-	2,197,126	-	2,479,711	6,147,875

Mineral interest by category

	Bulgaria			Macedonia		Serbia		
	Rakitovo	Breznik	Trun	Kazandol	Ilovitza	Ceovishte	Karavansalija	Total
	$	$	$	$	$	$	$	$
Acquisition	-	238,527	2,774	273,390	410,085	520,200	851,545	2,296,521
Assays & analysis	-	72,628	19,378	21,209	58,909	50,164	49,112	271,400
Drilling	128,044	551,133	237,562	371,438	895,489	1,044,639	1,071,203	4,299,507
Geological Consulting	19,006	125,330	25,452	303,325	404,659	314,075	294,049	1,485,896
Geophysical contractors	-	-	-	-	40,102	70,705	-	110,807
Other	11,866	36,872	2,466	235,287	387,881	316,624	213,801	1,204,798
Property write-off	-	-	-	(1,204,649)	-	(2,316,406)	-	(3,521,055)
Balances								
September 30, 2010	158,916	1,024,491	287,632	-	2,197,126	-	2,479,711	6,147,875

7. Property and equipment (continued)

Mineral properties (continued)

The Company is currently engaged in exploring on one property in Macedonia, one property in Serbia and three properties in Bulgaria.

(a) 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. 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.

Rakitovo

The Rakitovo Licence was granted pursuant to an agreement entered into between the Ministry and Martern, a Bulgarian subsidiary, dated May 28, 2004. This Licence covers an area of 33.3 square kilometres. In order to maintain this Licence in good standing Martern was required to conduct work programs agreed with the Ministry. These work programs were completed and the property was sold to CGEL on October 24, 2006. The term of the Rakitovo licence was extended to May 28, 2011.

On October 7, 2009, the Company reacquired the Rakitovo licence through the acquisition of CGEL's Bulgarian subsidiary Thrace Resources EOOD (Note 5). As of September 30, 2010, the Company has expended $158,916 (December 31, 2009 - $nil) in exploration expenditures.

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 19.1 square kilometres. In order to maintain this Licence in good standing Martern was required to conduct work programs agreed with the Ministry. 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 September 30, 2010, the Company has expended $785,964 (December 31, 2009 - $154,420) in exploration expenditures.

7. Property and equipment (continued)

Mineral properties (continued)

(a) BULGARIA (continued)

Trun

The Trun Licence was granted pursuant to an agreement entered into between the Ministry and Martern dated July 7, 2004. This Licence covers an area of 67.5 square kilometres. In order to maintain this Licence in good standing Martern is required to work programs agreed with the Ministry. This work was completed and the Licence has been extended until July 7, 2011. The Company wrote-off its investment in Trun in 2008, but after a re-examination of prior results has re-commenced exploration. As of September 30, 2010 the Company has expended $287,632 (December 31, 2009 - $nil) in exploration expenditures.

(b) MACEDONIA

On July 11, 2007, the Company acquired an option to earn a 100% interest in nine properties in Macedonia Under the terms of the option agreement, the Company paid US$500,000 and issued 100,000 common shares in order to acquire this option. In order to exercise the option the Company was required to 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 September 30, 2010, the Company has completed $2,718,300 (December 31, 2009 - $1,719,160) in exploration expenditures.

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. In the event of an economic discovery on a Permit, the Company has the right to apply for a mineral concession (“Concession”). The Concession runs for an initial term of 30 years.

(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. 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 new 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. The work commitment under this Permit is drilling ten holes. As of September 30, 2010, a total of 16 holes (December 31, 2009 - 13) have been drilled on the Ilovitza Permits. As of September 30, 2010, the Company has expended $1,787,041 (December 31, 2009 - $1,179,092) in exploration expenditures.

7. Property and equipment (continued)

Mineral properties (continued)

(b) MACEDONIA (continued)

(ii) Kazandol

The Kazandol Permit was issued on July 3, 2005 with a primary term until July 3, 2009. This permit was extended until July 3, 2011 by the Macedonian government. The work commitment under this Permit is the drilling of 20 holes. As of September 30, 2010, a total of 48 holes (December 31, 2009 - 5) have been drilled on the Kazandol Permits. As of September 30, 2010, the Company has expended $931,259 (December 31, 2009 - $540,068) in exploration expenditures. On September 30, 2010 the Company wrote-off the carrying value of the Kazandol Permit because results were not sufficient to justify future exploration. The Company will maintain its ownership of the Kazandol Permit as allowed pursuant to Macedonian law.

(c) SERBIA

On July 11, 2007, the Company acquired an option to earn a 100% interest in five properties in Serbia. Under the terms of the option agreement, the Company paid US$100,000 and issued 2.4 million common shares in order to acquire this option. In order to exercise the option EurOmax was required to 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 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.

This option agreement was amended on June 6, 2008 to add the Karavansalija property by payment of US$50,000 and the issuance of 2.5 million common shares. On the Karavansalija property 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 20,000 metres of drilling, including 4,000 metres at the direction of the vendor on this property. In order to earn its interest, the vendor must repay the Company 150% of its exploration expenditure and fund the property though completion of a final feasibility study. If the vendor does not exercise this back-in right or the Company does not complete the required drilling then the party which does not fulfill the obligations will retain a 1% Net Smelter Return.

As of September 30, 2010, the Company expended $3,981,466 (December 31, 2009 - $3,425,022) in exploration expenditures.

7. Property and equipment (continued)

Mineral properties (continued)

(c) SERBIA (continued)

Exploration Permits are issued 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. In case of a discovery under the terms of an Exploration Permit, the transfer of the ownership rights to an Exploitation License are similar to mineral concessions in Bulgaria and Macedonia.

(i) Ceovishte

The Ceovishte Exploration Permit was issued on December 7, 2005 and has been extended on an annual basis since that time. This Exploration Permit covers 47.8 square kilometres. As of September 30, 2010, the Company has expended $1,796,206 (December 31, 2009 - $1,747,609) on exploration expenditures. On September 30, 2010 the Company wrote-off the carrying value of the Ceovishte Exploration Permit which will be returned to the Serbian Ministry of Energy and Mines.

(ii) Karavansalija

The Karavansalija Exploration Permit was issued on July 7, 2004 and extended on an annual basis since. This Exploration Permit covers 60 square kilometres. As of September 30, 2010, the Company has expended $1,628,166 (December 31, 2009 - $1,120,319) on exploration expenditures.

(d) 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

Subsequent to September 30, 2009, final adjustments to the acquisition of Silk Road (Note4) and additional legal and other fees resulted in a reduction of $26,968 to the gain on the disposal of this property from the amount reported as of September 30, 2009 of $3,684,548.

8. Investment

In 2006, the Company sold three of its mineral properties to CGEL, a company 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 an “available-for-sale” investment. On October 7, 2009, CGEL acquired IRH and the IRG shares were consolidated on a 1:4 basis. As a result, the Company now holds 2,250,000 shares of CGE. The Company also acquired an additional 919,788 shares of CGEL on the conversion of a convertible note issued by CGEL on December 10, 2008.

As at September 30, 2010, these shares had a fair value of $221,519 (December 31, 2009 - $475,190). The Company recorded other comprehensive loss of $247,445 (year ended December 31, 2009 – other comprehensive income of $156,352) in the nine months ended September 30, 2010 in respect of mark-to-market adjustments to the fair value of the CGEL shares.

9. Share capital

(a) *Authorized*

Unlimited number of common 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.

9. Share capital (continued)

A summary of the status of the Company's stock option plan as at December 31, 2009 and September 30, 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	(665,770)	0.28
Balance, September 30, 2010	7,146,498	0.40

The weighted average remaining term of the stock options as at September 30, 2010 is 2.56 years.

Stock options outstanding		Weighted	Stock options exercisable	
Number of stock options outstanding	Weighted average exercise price	average remaining contractual life (months)	Number of stock options outstanding	Weighted average exercise price
	$			$
259,153	0.64	8.03	259,153	0.64
80,000	0.36	8.19	80,000	0.36
40,000	0.36	9.35	40,000	0.36
675,000	0.42	10.69	675,000	0.42
67,605	0.49	18.80	67,605	0.49
225,350	0.53	19.71	225,350	0.53
975,000	0.72	20.36	975,000	0.72
195,000	0.72	24.38	195,000	0.72
856,330	0.60	22.71	856,330	0.60
605,000	0.32	28.12	605,000	0.32
185,000	0.32	34.20	123,333	0.32
360,560	0.20	34.87	360,560	0.20
2,582,500	0.21	47.00	1,721,667	0.21
40,000	0.31	48.21	26,666	0.31
7,146,498	0.40	30.69	6,210,664	0.43

9. 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 September 30, 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	0.13	May 25, 2012[1]
7,754,900	-	(750,000)	7,004,900		

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	0.13	May 25, 2012[1]
5,600,000	3,154,900	1,000,000	7,754,900		

[1] The exercise price increases to $0.16 on May 26, 2010

10. Related party transactions

During the nine months ended September 30, 2010, the Company paid or accrued management, severance and consulting fees in the amount of $796,714 (2009 - $208,900) to current and former directors of the Company and to companies controlled by current and former directors of the Company. These amounts include $510,000 (2009 – $nil) associated with severance payments to two former officers of the Company. Of these amounts $262,500 (2009 -$23,563) is included in accounts payable and accrued liabilities at September 30, 2010.

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.

11. Changes in non-cash operating working capital

	Three Months Ended September 30		Nine Months Ended September 30	
	2010	2009	**2010**	2009
	$	$	**$**	$
Decrease (increase) in accounts receivable, prepaid expenses and deposits	**(176,440)**	(775,518)	**(90,981)**	(595,160)
Increase (decrease) in accounts payable	**1,198,499**	(1,612,156)	**1,066,514**	(486,875)
Decrease in short-term loan	**-**	(853,750)	**-**	-
	1,022,059	(3,241,424)	**975,533**	(1,082,035)

Corporate Information

Directors

Mark G. Gustafson – Chief Executive Officer
John Nugent – Chairman of the Board[1,2]
Donald R. Siemens [1,2]
Randal Matkaluk[1,2,]

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

Officers and Management

Mark G. Gustafson – President & Chief Executive Officer
Christopher A. Serin – Chief Financial Officer
Dimitar L. Dimitrov – Senior Vice President Exploration

Banker

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

Auditor

Deloitte & Touche LLP
Vancouver, British Columbia

Legal Counsel

DuMoulin Black LLP
Vancouver

Registrar & Transfer Agent

Computershare Trust Company of Canada

Stock Exchange

TSX Venture Exchange

Stock Symbol

EOX

Shares Outstanding

120,062,039

Investor Contact

Mark G. Gustafson,
Tel: +1 -604-669-5999
Email: markg@euromaxresources.com

Head Office

Suite 3083-595 Burrard Street
VANCOUVER BC
V7Z 1L3 CANADA
Main: + 1 604-669-5999
Fax: + 1 604-682-2802
euromax @euromaxresources.com
http://www.euromaxresources.com