

Condensed consolidated interim financial statements of

**EurOmax Resources Ltd.**

September 30, 2011

Unaudited – Prepared by Management

### **NOTICE**

The accompanying unaudited interim condensed 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 auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

# EurOmax Resources Ltd.

## Condensed consolidated interim statements of comprehensive loss

(Unaudited and Stated in Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>Expenses</b>				
Depreciation of equipment	17,042	19,025	56,262	57,905
Foreign exchange loss (gain)	9,974	(129,872)	11,293	153,779
General exploration	-	13,480	-	108,034
Share-based compensation	168,560	18,301	852,512	92,154
Other	-	(5,482)	-	(7,496)
General and administrative	676,162	339,295	1,644,364	1,425,261
Shareholders' meeting	-	1,863,333	-	1,863,333
Write-down of mineral right interests	-	3,521,055	-	3,521,055
	871,738	5,639,135	2,564,431	7,214,025
Loss before other items	(871,738)	(5,639,135)	(2,564,431)	(7,214,025)
Other items				
Other income (expense)	12,058	1,226	87,601	(3,171)
<b>Net loss</b>	(859,680)	(5,637,909)	(2,476,830)	(7,217,196)
<b>Other Comprehensive Income (Loss)</b>				
Gain (loss) on available-for sale financial asset	-	56,548	-	(247,445)
Cumulative translation adjustment	394,920	(77,750)	677,311	(295,115)
	394,920	(21,202)	677,311	(542,560)
<b>Comprehensive Loss</b>	(464,760)	(5,659,111)	(1,799,519)	(7,759,756)
Loss per share, basic and diluted	(0.01)	(0.05)	(0.02)	(0.06)
Weighted average number of common shares outstanding, basic and diluted	147,900,442	120,062,039	142,594,178	120,062,039

<b>EurOmax Resources Ltd.</b>			
<b>Condensed consolidated interim statements of financial position</b>			
(Unaudited and Stated in Canadian dollars)			
	Note	September 30, 2011	December 31, 2010
		\$	\$
<b>Assets</b>			
Current assets			
Cash and cash equivalents		4,588,083	1,252,773
Amounts receivable and prepaid deposits		1,013,668	969,480
		5,601,751	2,222,253
Restricted cash		101,047	49,900
Equipment		164,792	154,671
Unproven mineral right interests	5	10,070,099	6,571,692
		15,937,689	8,998,516
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities		221,185	248,780
		221,185	248,780
<b>Shareholders' equity</b>			
Share capital	6	41,121,784	34,061,257
Authorized			
Unlimited number of common shares without par value			
Issued and outstanding			
147,900,442 common shares			
Reserves	6	4,465,677	2,759,917
Accumulated other comprehensive loss		240,527	(436,784)
Deficit, accumulated during the exploration stage		(30,111,484)	(27,634,654)
		15,716,504	8,749,736
		15,937,689	8,998,516
Nature of operations			
	1		
Approved on behalf of the Board of Directors			
"Mark Gustafson"			
Mark Gustafson, Director			
"Donald Siemens"			
Donald Siemens, Director			

<b>EurOmax Resources Ltd.</b>							
<b>Condensed consolidated interim statements of changes in equity</b>							
(Unaudited and Stated in Canadian dollars)							
	Common shares		Reserves	Deficit during the exploration stage	Other comprehensive income (loss)	Total	
	Number	Amount					
		\$	\$	\$	\$	\$	
<b>Balance at December 31, 2010</b>	124,110,442	34,061,257	2,759,917	(27,634,654)	(436,784)	8,749,736	
Net loss for the period	-	-	-	(2,476,830)	-	(2,476,830)	
Cumulative translation adjustment	-	-	-	-	677,311	677,311	
Shares issued on private placement of common shares and warrants	22,500,000	6,711,668	1,163,332	-	-	7,875,000	
Share issue costs	-	(232,991)	(40,384)	-	-	(273,375)	
Shares issued on exercise of stock options	1,290,000	581,850	(269,700)	-	-	312,150	
Share-based compensation expense	-	-	852,512	-	-	852,512	
<b>Balance at September 30, 2011</b>	<b>147,900,442</b>	<b>41,121,784</b>	<b>4,465,677</b>	<b>(30,111,484)</b>	<b>240,527</b>	<b>15,716,504</b>	
<b>Balance at December 31, 2009</b>	<b>120,062,039</b>	<b>33,101,084</b>	<b>2,510,310</b>	<b>(19,426,951)</b>	<b>156,352</b>	<b>16,340,795</b>	
Net loss for the period	-	-	-	(7,217,196)	-	(7,217,196)	
Cumulative translation adjustment	-	-	-	-	(295,115)	(295,115)	
Unrealized loss on available-for-sale financial asset	-	-	-	-	(247,445)	(247,445)	
Share-based compensation expense	-	-	92,154	-	-	92,154	
<b>Balance at September 30, 2010</b>	<b>120,062,039</b>	<b>33,101,084</b>	<b>2,602,464</b>	<b>(26,644,147)</b>	<b>(386,208)</b>	<b>8,673,193</b>	

# EurOmax Resources Ltd.

## Condensed consolidated interim statements of cash flows

Nine months ended September 30,

(Unaudited and Stated in Canadian dollars)

	2011	2010
	\$	\$
<b>Operating activities</b>		
Net loss	(2,476,830)	(7,217,196)
Items not involving cash		
Depreciation of equipment	56,262	57,905
Share-based compensation	852,512	92,154
Other	-	4,440
Write-down of mineral right interests	-	3,521,055
Amounts receivable and prepaid deposits	(44,188)	(90,981)
Accounts payable and accrued liabilities	(27,595)	1,066,514
	(1,639,839)	(2,566,109)
<b>Investing activities</b>		
Restricted cash deposits	(51,147)	(5,147)
Expenditures on equipment and unproven mineral right interests	(3,127,021)	(2,662,939)
	(3,178,168)	(2,668,086)
<b>Financing activities</b>		
Common shares issued by private placement	7,875,000	-
Share issue costs	(273,375)	-
Proceeds from exercise of options	312,150	-
	7,913,775	-
Increase (decrease) in cash and cash equivalents	3,095,768	(5,234,195)
Effect of exchange rate changes on cash	239,542	(136,872)
Cash and cash equivalents, beginning of period	1,252,773	8,234,111
<b>Cash and cash equivalents, end of period</b>	<b>4,588,083</b>	<b>2,863,044</b>

# EurOmax Resources Ltd.

## Condensed consolidated interim schedule of unproven mineral right interests

(Unaudited and Stated in Canadian dollars)

	Bulgaria			Macedonia	Serbia	Total
	Trun	Breznik	Rakitovo	Ilovitza	KMC	
	\$	\$	\$	\$	\$	\$
<b>Balance, January 1, 2011</b>	281,299	1,045,135	166,960	2,628,974	2,449,324	6,571,692
<b>Exploration expenditures:</b>						
Assays and analysis	71,319	-	-	35,807	4,793	111,919
Drilling	686,761	180,961	-	957,229	31,405	1,856,356
Geological consulting	345,530	28,559	16,021	506,163	3,741	900,014
Geophysical contractors	-	-	-	-	4,294	4,294
Other	85,196	9,860	-	35,890	49,034	179,980
	1,470,105	1,264,515	182,981	4,164,063	2,542,591	9,624,255
<b>Other items:</b>						
Acquisition costs and payments	-	-	-	31,819	-	31,819
Exchange differences	86,018	73,989	10,707	152,047	91,264	414,025
<b>Balance, September 30, 2011</b>	<b>1,556,123</b>	<b>1,338,504</b>	<b>193,688</b>	<b>4,347,929</b>	<b>2,633,855</b>	<b>10,070,099</b>

# EurOmax Resources Ltd.

## Notes to the condensed consolidated interim financial statements

September 30, 2011

(Stated in Canadian dollars)

Unaudited and Stated in Canadian Dollars

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### 1. Corporate information

These condensed consolidated financial statements include the accounts of EurOmax Resources Ltd. (the "Company" or "EurOmax") and of its wholly-owned subsidiaries, Omax International Ltd., Martern EOOD ("Martern"), EOX Services Ltd., Thrace Resources EOOD, EurOmax Macedonia doel, Skopje, Martern Macedonia doel, EurOmax Resources Serbia d.o.o. (inactive), South Danube Metals Beograd d.o.o., Scala Mines EOOD ("Scala") (inactive), Power Fortune Limited (inactive) and Silk Road Exploration Limited (inactive).

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

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.

As of September 30, 2011, the Company has no source of operating cash flows, has not yet achieved profitable operations, has accumulated losses of \$30,111,484 (December 31, 2010 - \$27,634,654) 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. Failure to obtain future 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 condensed consolidated interim financial statements do not include any adjustments to the recoverability and classification of 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 mineral 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 mineral properties.

The head office, principal address and registered and records office of the Company are located at 1950-400 Burrard Street, Vancouver, B.C. V6C 3A6.

The condensed consolidated interim financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated.



# EurOmax Resources Ltd.

## Notes to the condensed consolidated interim financial statements

September 30, 2011

(Stated in Canadian dollars)

Unaudited and Stated in Canadian Dollars

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### 2. Basis of preparation

#### (a) *Statement of compliance*

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed consolidated interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting, and IFRS 1, First-time Adoption of International Financial Reporting Standards. The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's condensed consolidated interim financial statements for the period ended March 31, 2011. The Company has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. Note 10 discloses the impact of the transition to IFRS on the Company's financial position as at September 30, 2010 and comprehensive income and loss for the three and nine months ended September 30, 2010, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended December 31, 2010.

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of November 18, 2011, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2011 could result in restatement of these condensed consolidated interim financial statements, including the transition adjustments recognized on change-over to IFRS.

These condensed consolidated interim financial statements should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended December 31, 2010 and the Company's condensed consolidated interim financial statements for the period ended March 31, 2011 prepared in accordance with IFRS applicable to interim financial statements.

#### (b) *Basis of presentation*

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. The comparative figures presented in these condensed consolidated interim financial statements are in accordance with IFRS and have not been audited.

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated.

# EurOmax Resources Ltd.

## Notes to the condensed consolidated interim financial statements

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(c) *Adoption of new and revised standards and interpretations*

The IASB has issued the following standards which have not yet been adopted by the Company. Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

The following is a brief summary of the new standards:

IFRS 9 – Financial instruments - classification and measurement

IFRS 9 is the first part of a new standard on classification and measurement of financial assets and financial liabilities that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two measurement categories: amortized cost and fair value.

IFRS 10 – Consolidation

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 - Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 - Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received on the sale of an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

# EurOmax Resources Ltd.

## Notes to the condensed consolidated interim financial statements

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### Amendments to Other Standards

In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements and IAS 28, Investments in Associates and Joint Ventures. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13.

### 3. Segmented information

At September 30, 2011 the Company has one reportable operating segment, being mineral exploration.

An operating segment is defined as a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

The Company operates in four geographical areas, being Bulgaria, Serbia, Macedonia and Canada. The following is an analysis of the Company's assets by geographical area and reconciled to the Company's consolidated financial statements:

	September 30,	December 31,
	2011	2010
	\$	\$
Assets by geographic segment, at cost		
Bulgaria		
Current assets	596,079	453,259
Restricted cash	101,047	49,900
Equipment	136,991	134,088
Unproven mineral right interests	3,088,315	1,493,394
	<b>3,922,432</b>	<b>2,130,641</b>
Serbia		
Current assets	565,774	16,073
Equipment	5,369	812
Unproven mineral right interests	2,633,855	2,449,324
	<b>3,204,998</b>	<b>2,466,209</b>
Macedonia		
Current assets	182,385	65,397
Equipment	22,432	19,771
Unproven mineral right interests	4,347,929	2,628,974
	<b>4,552,746</b>	<b>2,714,142</b>
Canada		
Current assets	4,257,513	1,687,524
	<b>4,257,513</b>	<b>1,687,524</b>
	<b>15,937,689</b>	<b>8,998,516</b>

# EurOmax Resources Ltd.

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(Stated in Canadian dollars)

Unaudited and Stated in Canadian Dollars

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#### 4. Loss per share

The calculation of basic and diluted loss per share for the relevant periods is based on the following data:

	Three months ended September 30,	
	2011	2010
Net loss from operations for the purpose of basic and diluted loss per share	\$ (859,680)	\$ (5,637,909)
Weighted average number of shares for the purpose of basic and diluted loss per share	147,900,442	120,062,039

  

	Nine months ended September 30,	
	2011	2010
Net loss from operations for the purpose of basic and diluted loss per share	\$ (2,476,830)	\$ (7,217,196)
Weighted average number of shares for the purpose of basic and diluted loss per share	142,594,178	120,062,039

All outstanding stock options and warrants were anti-dilutive for the relevant periods.

#### 5. Unproven mineral right interests

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

(a) **BULGARIA**

These properties are held pursuant to an exploration licence ("Licence") issued by the government of Bulgaria. The 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.

*Trun*

The Trun Licence was granted pursuant to an agreement entered into between the Ministry of Environment and Water of Bulgaria (the "Ministry") and Martern, a Bulgarian subsidiary, dated July 7, 2004. This Licence covers an area of 67 square kilometres. In order to maintain this Licence in good standing, Martern completed work programs approved by the Ministry. The Trun Licence formally expired on July 12, 2011 and the Company has submitted all the reports necessary for a one year extension.

# EurOmax Resources Ltd.

## Notes to the condensed consolidated interim financial statements

September 30, 2011

(Stated in Canadian dollars)

Unaudited and Stated in Canadian Dollars

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### *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 completed work programs approved by the Ministry. The Company has applied for a Commercial Discovery Certificate to transition Breznik from an exploration permit to a mining concession, which may be granted in 2011 or in early 2012.

### *Rakitovo*

The Rakitovo Licence was granted pursuant to an agreement entered into between the Ministry and Martern dated May 28, 2004. This Licence covers an area of 33.3 square kilometres. In order to maintain this Licence in good standing, Martern completed work programs approved by the Ministry. The Rakitovo licence was extended to May 28, 2012.

### (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 completed 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 of the properties. In order to earn a 70% interest in any of such properties, the vendor must pay the Company an amount equal to twice the total of the Company's exploration expenditures on that property and fund the property through completion of a final feasibility study.

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.

### *Ilovitza*

The Ilovitza property consists of 2 permits, Ilovitza 4 and Ilovitza 6. The Ilovitza 4 permit was re-issued on February 21, 2011. The Ilovitza 6 permit was extended until May 31, 2011 and the Company is actively preparing all the required reports for a mining concession application, which is required to be submitted by November 22, 2011. EurOmax, through a wholly owned subsidiary, now owns a 100% interest in the Ilovitza property, subject to the back-in right.

### (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, the Company completed a US\$1.5 million exploration program over 3 years. The option agreement was amended on June 6, 2008 to add the Karavansalija ("KMC") property by payment of US\$50,000 and the issuance of 2.5 million common shares. The KMC project was subject to certain back-in rights. In July 2011, the option agreement was amended and the optioner agreed to forego its option to acquire a 70% interest in the KMC property in exchange for a 2% net smelter return royalty on gold, and a 1.5% net smelter return royalty on

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all base and precious metals other than gold, extracted from the KMC property. EurOmax, through a wholly owned subsidiary, now owns a 100% interest in the KMC property, subject to these royalty obligations.

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.

The KMC Exploration Permit was issued on July 7, 2004 and is extended on an annual basis. This Exploration Permit covers 42 square kilometres.

### 6. Capital and reserves

#### (a) Capital

At September 30, 2011, the Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

On February 24, 2011, the Company completed a non-brokered private placement consisting of 22,500,000 units (the "Units") in the Company, at a price of \$0.35 per Unit, for gross proceeds of \$7,875,000. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each full warrant entitles the holder to acquire one additional common share of the Company until February 24, 2012, at an exercise price of \$0.50.

The warrants issued were valued by the Company at \$1,403,972. The aggregate fair market value of the warrants and the shares issued in the private placement was distributed on a pro-rata basis between share capital and the warrants reserve.

The Company incurred share issue costs of \$273,375 in connection with the private placement, including commissions of \$231,000 and \$42,375 of filing and legal costs.

In the nine months ended September 30, 2011, the Company received proceeds of \$312,150 from the exercise of 1,290,000 share purchase options.

#### (b) Reserves

Reserves consist of the accumulated fair value of common share options and share purchase warrants recognized as share-based compensation.

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 determines the terms and provisions of the options at the time of grant. Options under the plan generally have a term of five years and, in most cases, vest one third at the date of grant, one third after six months and one third one year from the date of grant. The exercise price of each option equals the closing market value of the Company's common shares on the day preceding the date of grant.

# EurOmax Resources Ltd.

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September 30, 2011

(Stated in Canadian dollars)

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During the nine months ended September 30, 2011, the Company granted 700,000 stock options to officers, employees and directors at an exercise price of \$0.31 with an expiry date of February 3, 2016, 575,000 stock options to officers, employees and directors at an exercise price of \$0.35 with an expiry date of March 22, 2016 and 900,000 stock options to officers, employees and directors at an exercise price of \$0.35 with an expiry date of April 20, 2016.

In 2010, the Company granted 5,200,000 stock options to officers, employees and directors at an exercise price of \$0.13 with an expiry date of November 30, 2015. The weighted average fair value of the options issued during the three months ended September 30, 2011 was estimated at \$0.30 per option (2010: \$0.13) at the grant date using the Black-Scholes option pricing model. The weighted average assumptions used for the calculation were:

	<b>Nine months ended September 30, 2011</b>	Year ended December 31, 2010
Risk free interest rate	<b>2.21%</b>	2.01%
Expected life	<b>3.52 years</b>	3.70 years
Expected volatility (i)	<b>179.35%</b>	175.46%
Expected dividend per share	<b>\$Nil</b>	\$Nil

(i) Expected volatility has been based on historical volatility of the Company's publicly traded shares.

A share-based compensation cost of \$632,644 for the options granted in the nine months ended September 30, 2011 will be amortized over the vesting period, of which \$489,271 was recognized in the nine months ended September 30, 2011.

The total share-based compensation calculated for the nine months ended September 30, 2011 was \$852,512 (2010 - \$92,154).

The following is a summary of option transactions under the Company's stock option plan:

	<b>Nine months ended September 30, 2011</b>		Year ended December 31, 2010	
	<b>Number of options</b>	<b>Weighted average exercise price \$</b>	Number of options	Weighted average exercise price \$
Balance, beginning of period	<b>10,683,228</b>	<b>0.28</b>	7,812,268	0.40
Options granted	<b>2,175,000</b>	<b>0.34</b>	5,200,000	0.13
Options exercised	<b>(1,290,000)</b>	<b>0.24</b>	(198,403)	0.21
Options expired	<b>(1,272,808)</b>	<b>0.54</b>	(515,770)	0.33
Options forfeited	<b>(1,290,000)</b>	<b>0.58</b>	(1,614,867)	0.37
Balance, end of period	<b>9,005,420</b>	<b>0.22</b>	10,683,228	0.28

# EurOmax Resources Ltd.

## Notes to the condensed consolidated interim financial statements

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The following table summarizes information about stock options outstanding and exercisable at September 30, 2011:

Exercise price	Options outstanding	Options outstanding		Options outstanding and exercisable	Options exercisable	
		Weighted average exercise price	Weighted average remaining contractual life (years)		Weighted average exercise price	Weighted average remaining contractual life (years)
\$		\$			\$	
0.13-0.17	5,200,000	0.13	4.16	3,607,750	0.13	4.17
0.18-0.26	1,017,920	0.21	2.65	1,017,920	0.21	2.65
0.27-0.34	967,500	0.31	3.61	734,173	0.31	3.38
0.35-0.35	1,475,000	0.35	4.52	689,334	0.35	4.51
0.36-0.72	345,000	0.72	0.71	345,000	0.72	0.71
	9,005,420	0.22	3.86	6,394,177	0.22	3.69

During the nine months ended September 30, 2011, the Company granted 11,250,000 (2010 - nil) warrants at an exercise price of \$0.50 with an expiry date of February 24, 2012. The fair value of the warrants issued during the nine months ended September 30, 2011 was estimated at \$0.12 per warrant at the grant date using the Black-Scholes option pricing model. The weighted average assumptions used for the calculation were:

	<b>Nine months ended September 30, 2011</b>
Risk free interest rate	<b>1.69</b>
Expected life	<b>1 year</b>
Expected volatility (i)	<b>114.66%</b>
Expected dividend per share	<b>\$Nil</b>

(i) Expected volatility has been based on historical volatility of the Company's publicly traded shares.

Number of warrants outstanding as at January 1, 2011	Issued during the year	Number of warrants expired/ exercised during the year	Balance of warrants outstanding as at Sept. 30, 2011	Exercise price per warrant \$	Expiry date
3,154,900	-	-	3,154,900	0.16	May 25, 2012
-	11,250,000	-	11,250,000	0.50	February 24, 2012
3,154,900	11,250,000	-	14,404,900		



# EurOmax Resources Ltd.

## Notes to the condensed consolidated interim financial statements

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### 7. Related party transactions

Unless otherwise stated, related party transactions are measured at the exchange amount, being the amount of consideration established and agreed to by the related parties. Amounts due to or from related parties are unsecured, non-interest bearing and are due on demand.

There were no related party transactions during the periods ended September 30, 2011 and 2010.

### 8. Supplemental cash flow information

#### (a) Non-cash financing activities

In the nine months ended September 30, 2011 and 2010, the Company incurred the following non-cash financing transactions:

	Nine months ended September 30,	
	2011	2010
	\$	\$
Transfer of contributed surplus upon exercise of stock options	269,700	-

#### (b) Cash payments for interest and taxes

In the nine months ended September 30, 2011 and 2010, the Company did not make any cash payments for interest and income taxes.

### 9. Approval of the financial statements

The condensed consolidated interim financial statements of EurOmax for the three and nine months ended September 30, 2011 were approved and authorized for issue by the Board of Directors on November 18, 2011.

### 10. First time adoption of IFRS

The Company adopted IFRS on January 1, 2011 with a transition date of January 1, 2010.

Under IFRS 1, *First Time Adoption of International Financial Reporting Standards*, IFRS are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under Canadian GAAP recorded to retained earnings unless certain exemptions are applied.

# EurOmax Resources Ltd.

## Notes to the condensed consolidated interim financial statements

September 30, 2011

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Unaudited and Stated in Canadian Dollars

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The Company elected to take the following IFRS 1 optional exemptions:

- Not to restate previous business combinations and the accounting thereof;
- Reset the cumulative translation difference reserve for all foreign operations to zero at the date of transition to IFRS;
- Share-based payments – IFRS 2 Share-based payments encourages application of its provisions to equity instruments granted on or before November 7, 2002, but permits the application only to equity instruments granted after November 7, 2002 that had not vested by the transition date. The Company has chosen to apply the exemption under IFRS 1 and applied IFRS 2 for all outstanding equity instruments granted after November 7, 2002 that had not vested by the transition date.

The following paragraphs explain the significant differences between Canadian GAAP and the current IFRS accounting policies applied by the Company. These differences result in the adjustments presented in the following tables.

Note 1 Under Canadian GAAP, the Company and all of its subsidiaries had a Canadian dollar measurement currency. Under IFRS, the functional currency of the parent company is the Canadian dollar, functional currencies of the subsidiaries are the Bulgarian Lev, Macedonian denar and Serbian dinar, and the Company's presentation currency is the Canadian dollar. The assets and liabilities of all entities where the functional currency is different from the presentation currency are translated for presentation purposes at the date of the statement of financial position, and equity accounts are translated at historical rates, resulting in an adjustment on transition to IFRS and a cumulative translation adjustment on each statement of financial position date. The cumulative translation adjustment was reset to zero, against deficit, on the date of transition to IFRS.

Note 2 Under Canadian GAAP, the Company recorded share-based compensation on a straight-line basis over the vesting period. Under IFRS, the Company records share based compensation for each tranche within an award over the vesting period of the corresponding tranche.

# EurOmax Resources Ltd.

## Notes to the condensed consolidated interim financial statements

September 30, 2011

(Stated in Canadian dollars)

Unaudited and Stated in Canadian Dollars

### Reconciliation of statement of financial position

The reconciliation between the Canadian GAAP and IFRS consolidated statement of financial position at September 30, 2010 is provided below:

<b>EurOmax Resources Ltd.</b>				
Condensed consolidated interim statements of financial position				
(Stated in Canadian dollars)				
(Unaudited)				
		<b>September 30,</b>		<b>September 30,</b>
		<b>2010</b>	<b>Transition</b>	<b>2010</b>
		<b>(Canadian GAAP)</b>	<b>Impact</b>	<b>(IFRS)</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>				
Current assets				
Cash and cash equivalents		2,863,044	-	2,863,044
Amounts receivable, prepaids and deposits		780,561	-	780,561
		3,643,605	-	3,643,605
Available-for-sale financial asset		221,519	-	221,519
Restricted cash		51,470	-	51,470
Equipment		178,094	(154)	177,940
Unproven mineral right interests		6,147,875	(207,354)	5,940,521
		10,242,563	(207,508)	10,035,055
<b>Liabilities</b>				
Current liabilities				
Accounts payable and accrued liabilities		1,361,862	-	1,361,862
		1,361,862	-	1,361,862
<b>Shareholders' equity</b>				
Share capital		33,101,084	-	33,101,084
Contributed surplus		2,682,910	(80,446)	2,602,464
Accumulated other comprehensive income		(91,093)	(295,115)	(386,208)
Deficit, accumulated during the exploration stage		(26,812,200)	168,053	(26,644,147)
		8,880,701	(207,508)	8,673,193
		10,242,563	(207,508)	10,035,055

# EurOmax Resources Ltd.

## Notes to the condensed consolidated interim financial statements

September 30, 2011

(Stated in Canadian dollars)

Unaudited and Stated in Canadian Dollars

### Reconciliations of total comprehensive loss

Reconciliations between the Canadian GAAP and IFRS total comprehensive loss for the three and nine months ended September 30, 2010 are provided below.

#### **Three months ended September 30, 2010:**

<b>EurOmax Resources Ltd.</b>				
Condensed consolidated interim statements of comprehensive loss				
Three months ended September 30, 2010				
(Stated in Canadian dollars)				
(Unaudited)				
		<b>Canadian GAAP</b>	<b>Transition Impact</b>	<b>IFRS</b>
		\$	\$	\$
<b>Expenses</b>				
Depreciation of equipment		19,025	-	19,025
Foreign exchange loss (gain)		32,020	(161,892)	(129,872)
General exploration		13,480	-	13,480
Share-based compensation		-	18,301	18,301
Other		(5,482)	-	(5,482)
General and administrative		339,295	-	339,295
Shareholders' meeting		1,863,333	-	1,863,333
Write-down of mineral right interests		3,521,055	-	3,521,055
		5,782,726	(143,591)	5,639,135
Loss before other items		(5,782,726)	143,591	(5,639,135)
Other items				
Other income		1,226	-	1,226
<b>Net loss</b>		<b>(5,781,500)</b>	<b>143,591</b>	<b>(5,637,909)</b>
<b>Other Comprehensive Income (Loss)</b>				
Gain on available-for sale financial asset		56,548	-	56,548
Cumulative translation adjustment		-	(77,750)	(77,750)
		56,548	(77,750)	(21,202)
<b>Comprehensive Loss</b>		<b>(5,724,952)</b>	<b>65,841</b>	<b>(5,659,111)</b>

# EurOmax Resources Ltd.

Notes to the condensed consolidated interim financial statements

September 30, 2011

(Stated in Canadian dollars)

Unaudited and Stated in Canadian Dollars

## Nine months ended September 30, 2010:

<b>EurOmax Resources Ltd.</b>				
Condensed consolidated interim statements of comprehensive loss				
Nine months ended September 30, 2010				
(Stated in Canadian dollars)				
(Unaudited)				
		<b>Canadian GAAP</b>	<b>Transition Impact</b>	<b>IFRS</b>
		\$	\$	\$
<b>Expenses</b>				
Depreciation of equipment		57,905	-	57,905
Foreign exchange loss (gain)		291,551	(137,772)	153,779
General exploration		108,034	-	108,034
Share-based compensation		172,600	(80,446)	92,154
Other		(7,496)	-	(7,496)
General and administrative		1,425,261	-	1,425,261
Shareholders' meeting		1,863,333	-	1,863,333
Write-down of mineral right interests		3,521,055	-	3,521,055
		7,432,243	(218,218)	7,214,025
Loss before other items		(7,432,243)	218,218	(7,214,025)
Other items				
Other loss		(3,171)	-	(3,171)
<b>Net loss</b>		<b>(7,435,414)</b>	<b>218,218</b>	<b>(7,217,196)</b>
<b>Other Comprehensive Loss</b>				
Loss on available-for sale financial asset		(247,445)	-	(247,445)
Cumulative translation adjustment		-	(295,115)	(295,115)
		(247,445)	(295,115)	(542,560)
<b>Comprehensive Loss</b>		<b>(7,682,859)</b>	<b>(76,897)</b>	<b>(7,759,756)</b>

### Statement of cash flows

The IFRS transition adjustments noted above did not have an impact on cash and cash equivalents. There was no change to investing and financing cash flow sub-totals.