



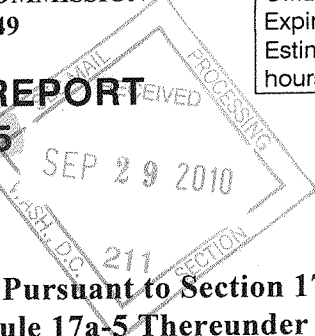
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB APPROVAL table with OMB Number, Expires, and Estimated average burden.

ANNUAL AUDITED REPORT FORM X-17A-5 PART III

SEC FILE NUMBER table with value 8-25132



FACING PAGE Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 07/01/09 AND ENDING 06/30/10 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Euro Pacific Capital, Inc. ADDRESS OF PRINCIPAL PLACE OF BUSINESS: 88 Post Road West, 3rd Floor Westport CT 06880

OFFICIAL USE ONLY table with FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT Peter Schiff 203-662-9700

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report* Marcum, LLP 53 State St., 38th Floor Boston MA 02109

CHECK ONE:

- Checked: Certified Public Accountant
Public Accountant
Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY table

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption.

OATH OR AFFIRMATION

I, Peter Schiff, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Euro Pacific Capital Inc., as of Sept 28th, 20 10, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

[Signature]
Signature
President
Title

[Signature] 9/28/2010
Notary Public

MARION LANICE MILLER
NOTARY PUBLIC
MY COMMISSION EXPIRES SEP. 30, 2012

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



SM
8/25/10

August 23, 2010

Mr. Peter Schiff
President
Euro Pacific Capital Inc.
88 Post Road West, 3rd Floor
Westport, CT 06880

RE: Euro Pacific Capital Inc. – CRD No.: 8361

Dear Mr. Schiff:

In reply to your letter dated August 19, 2010, please be advised that your request for an extension of time in which to file Euro Pacific Capital Inc. annual audited financial report as of June 30, 2010, pursuant to Rule 17a-5 under the Securities and Exchange Act of 1934, has been given due consideration and is hereby granted.

This extension of business days is granted based upon the representations made by your organization and by your outside independent auditors. If the information given to us is no longer accurate we expected to be notified immediately.

Please be aware that failure to file the annual audited financial report as of June 30, 2010 on or before September 29, 2010 could result in the assessment of a late filing fee of \$100 a day for up to ten days and can result in other regulatory or disciplinary action.

Very truly yours,

A handwritten signature in black ink, appearing to read "Stephen Poirier", is written over a horizontal line.

Stephen Poirier
Principal Regulatory Coordinator

SPP/jm

Copy to: Ms. Herani Dansamo
FINRA
Department of Financial Operations Policy
9509 Key West Avenue
Rockville, MD 20850

Mr. Andrew D. Caverly
Assistant Regional Director
U.S. Securities and Exchange Commission
33 Arch Street-23rd Floor
Boston, MA 02110-1424

Euro Pacific Capital, Inc.
88 Post Road West, 3rd Floor
Westport, CT 06880
www.europac.net

toll-free: 800.727.7922

203.662.9700

03.662.9771

EURO PACIFIC

capital

MEMBER
FINRA
SIPC
INC.

EURO PACIFIC CAPITAL, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

EURO PACIFIC CAPITAL, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholder of
Euro Pacific Capital, Inc.

We have audited the accompanying statement of financial condition of Euro Pacific Capital, Inc. (the "Company") as of June 30, 2010 and the related statements of income, shareholder's equity, and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Euro Pacific Capital, Inc. as of June 30, 2010 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the accompanying schedule of operating expenses and schedules I, II, and III are presented for the purpose of additional analysis and is not a required part of the basic financial statements. Schedules I, II, and III are supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Marcum LLP

Boston, MA
September 28, 2010

EURO PACIFIC CAPITAL, INC.
STATEMENT OF FINANCIAL CONDITION
YEAR ENDED JUNE 30, 2010

Assets

Current Assets

Cash	\$ 2,552,030
Cash, customer escrow	359,409
Deposits with clearing organizations	206,807
Receivables:	
Clearing organizations	342,304
Other	128,927
Investments in securities, at fair value	51,316
Securities owned, at fair value	158,438
Prepaid expenses and other assets	218,767
Deposits	88,657
Deferred tax asset	21,710

Total Current Assets 4,128,365

Property and Equipment, Net 297,138

Total Assets \$ 4,425,503

Liabilities and Shareholder's Equity

Current Liabilities

Payables:	
Customers	\$ 298,275
Other	261,887
Clearing organizations	23,676
Accrued liabilities	2,635,114
Income taxes payable	138,714

Total Current Liabilities 3,357,666

Commitments and Contingencies (Note 8) -

Shareholder's Equity

Common stock, \$1 par value, 1,000 authorized shares, 1,000 shares issued and 600 outstanding	1,000
Additional paid-in-capital	296,935
Retained earnings	865,902
Less: cost of common stock held in treasury, 400 shares	(96,000)

Total Shareholder's Equity 1,067,837

Total Liabilities and Shareholder's Equity \$ 4,425,503

The accompanying notes are an integral part of these financial statements.

EURO PACIFIC CAPITAL, INC.

STATEMENT OF INCOME

YEAR ENDED JUNE 30, 2010

Revenues	
Brokerage revenue	\$ 28,457,622
Private placement commissions	8,273,172
Perth Mint trading revenue	1,891,568
Other revenue	<u>71,944</u>
Total Revenue	38,694,306
Operating Expenses	<u>38,318,421</u>
Operating Income	<u>375,885</u>
Net Income Before Income Tax	375,885
Provision for Income Taxes	<u>217,643</u>
Net Income	<u>\$ 158,242</u>

The accompanying notes are an integral part of these financial statements.

EURO PACIFIC CAPITAL, INC.

STATEMENT OF SHAREHOLDER'S EQUITY

YEAR ENDED JUNE 30, 2010

	Shares Issued	Common Stock	Additional Paid-in Capital	Treasury Shares	Treasury Stock	Retained Earnings	Total Shareholder's Equity
Balance - Beginning	1,000	\$ 1,000	\$ 296,935	(400)	\$ (96,000)	\$ 717,660	\$ 919,595
Capital distribution	--	--	--	--	--	(10,000)	(10,000)
Net income	--	--	--	--	--	158,242	158,242
Balance - Ending	<u>1,000</u>	<u>\$ 1,000</u>	<u>\$ 296,935</u>	<u>(400)</u>	<u>\$ (96,000)</u>	<u>\$ 865,902</u>	<u>\$ 1,067,837</u>

The accompanying notes are an integral part of these financial statements.

EURO PACIFIC CAPITAL, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2010

Cash Flows from Operating Activities

Net income	\$ 158,242
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	92,585
Deferred taxes	(21,710)
Unrealized gain on investments in securities	(25,890)
Changes in operating assets and liabilities:	
Deposits with clearing organizations	(104,690)
Customer escrow deposits	(5,543)
Receivables	(84,999)
Investments in securities	(25,426)
Securities owned	(158,438)
Prepaid expenses and other assets	(53,832)
Deposits	(24,597)
Payables	214,701
Accrued liabilities	1,063,693
Income taxes payable	138,714

Net Cash Provided by Operating Activities 1,162,810

Cash Flows from Investing Activities

Purchase of furniture, fixtures and equipment	<u>(204,199)</u>
---	------------------

Net Cash Used in Investing Activities (204,199)

Cash Flows from Financing Activities

Capital distributions	(10,000)
Payments on note payable	<u>(37,660)</u>

Net Cash Used in Financing Activities (47,660)

Net Increase in Cash and Cash Equivalents 910,951

Cash and Cash Equivalents - Beginning 1,641,079

Cash and Cash Equivalents - Ending \$ 2,552,030

Supplemental Disclosures of Cash Flow Information

Interest paid	<u>\$ 113,457</u>
Income taxes paid	<u>\$ 85,333</u>

The accompanying notes are an integral part of these financial statements.

EURO PACIFIC CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 1 – NATURE OF ORGANIZATION

Euro Pacific Capital, Inc. (the “Company”), a California corporation has been approved as a registered broker-dealer with the Securities and Exchange Commission (“SEC”) under SEC Rule 15(b) and Financial Industry Regulatory Agency (“FINRA”).

The Company operates pursuant to the (k)(2)(ii) exemptive provision of the SEC Rule 15c3-3, pursuant to SEC Rule 17a(d)(3) and does not hold customer funds or securities. The Company conducts business on a fully disclosed basis whereby the execution and clearance of trades are handled by another broker/dealer. The Company does not hold funds or securities for or owe funds or securities to customers other than noted in Note 3. As a result, the Company is exempt from certain provisions and requirements of the SEC.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION

The Company has established revenue recognition policies for each of its income items, including brokerage revenue, private placement commission, and Perth Mint trading revenue.

PRIVATE PLACEMENT COMMISSION REVENUE

Private placement commission revenues include gains, losses, and fees, net of syndicate expenses, arising from securities offerings in which the Company acts as an agent. Private placement commissions are recorded at the time the transaction is completed and the commission earned is reasonably determinable.

BROKERAGE REVENUE

The Company earns commissions through stock purchases and sale transactions, mutual fund purchases, government and corporate bonds transactions, fee-based managed accounts, and ticket charges. The Company earns revenue in the form of 12b-1 fees and interest on account balances. The earnings process is substantially complete at the trade date in accordance with the regulations of the SEC and accounting principles generally accepted in the United States of America, (“U.S. GAAP”).

EURO PACIFIC CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

BROKERAGE REVENUE (CONTINUED)

The Company also receives credit adjustments for clearing charge adjustments that are netted against any clearing charges the Company may incur for the period. These adjustments are recognized as income in the period received, unless otherwise noted by the clearing firm.

Unrealized gains and losses are recorded at the time that the Company reconciles its trading positions with the market value. The unrealized gains or losses are adjusted to market until the position is settled or the trade is cancelled.

PERTH MINT TRADING REVENUE

Perth Mint revenues include fees charged arising from gold and silver certificate offerings in which the Company acts as an agent. Perth Mint revenue is recorded on a trade date basis.

PROPERTY AND EQUIPMENT

Property and equipment, including leasehold improvements, are recorded at cost and are depreciated over the estimated useful lives of the related assets, which range from three to seven years. Repair and maintenance costs are expensed as incurred. Leasehold improvements are depreciated over the shorter of the lease term or estimated useful life. Improvements, which increase the productive value of assets, are capitalized and depreciated over the remaining useful life of the related asset.

RECEIVABLE FROM AND PAYABLE TO CLEARING ORGANIZATIONS

The balances shown as receivable from and payable to clearing organizations represent amounts due in connection with the Company's normal transactions involving trading of securities. Management considers all receivables to be collectible, therefore no allowance for doubtful accounts has been provided.

VALUATION OF INVESTMENTS IN SECURITIES AT FAIR VALUE – DEFINITION AND HIERARCHY

In accordance with U.S. GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

EURO PACIFIC CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

VALUATION OF INVESTMENTS IN SECURITIES AT FAIR VALUE – DEFINITION AND HIERARCHY (CONTINUED)

In determining fair value, the Company used various valuation approaches. In accordance with U.S. GAAP, a fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the input as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Company in determining fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

EURO PACIFIC CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

VALUATION OF INVESTMENTS IN SECURITIES AT FAIR VALUE – DEFINITION AND HIERARCHY (CONTINUED)

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

VALUATION TECHNIQUES

INVESTMENTS IN SECURITIES AND SECURITIES OWNED

The Company values investments in securities that are freely tradable and are listed on a national securities exchange at their last sales price as of the last business day of the year. Many cash and over-the-counter ("OTC") contracts have bid and ask prices that can be observed in the marketplace. Bid prices reflect the highest price that the marketplace participants are willing to pay for an asset. Ask prices represent the lowest price that the marketplace participants are willing to accept for an asset. The Company's policy for securities traded in the OTC markets and listed securities for which no sale was reported on that date are valued at their last reported "bid" price if held long, and last reported "ask" price if sold short.

DERIVATIVE CONTRACTS

The Company records its derivative activities at fair value. Gains and losses from derivative contracts are included in net realized gain or loss and net change in unrealized appreciation on investments in securities recorded as other revenue in the statement of income. Derivative contracts consist of warrants.

EURO PACIFIC CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

VALUATION TECHNIQUES (CONTINUED)

DERIVATIVE CONTRACTS (CONTINUED)

Depending on the underlying security and the terms of the transaction, the fair value of certain derivatives may be able to be modeled using a series of techniques including the Black-Scholes option-pricing model, simulation models, or a combination thereof. Pricing models take into account the contract terms (including maturity) as well as multiple inputs, including, where applicable, time value, implied volatility, equity prices, interest rate yield curves, prepayment speeds, interest rates, loss severities, credit risks, credit curves, default rates, and currency rates. Certain pricing models do not entail material subjectivity as the methodologies employed include pricing inputs that are observed from actively quoted markets. In the case of more established derivative contracts, the pricing models used by the Company are widely accepted by marketplace participants. Derivative contracts are generally categorized in Levels 2 or 3 of the fair value hierarchy, unless actively traded in which they would be categorized as Level 1.

SECURITIES OWNED

Proprietary securities transactions in regular-way trades are recorded on the trade date, as if they had settled. Profit and loss arising from all securities and commodities transactions entered into for the account and risk of the Company are recorded on a trade date basis. Customers' securities and commodities transactions are reported on a settlement date basis with related commission income and expenses reported on a trade date basis.

Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net in the statement of financial condition.

FOREIGN CURRENCY TRANSACTIONS

Assets denominated in foreign currencies are translated at year-end rates of exchange, while the income statement accounts are translated at rates of exchange existing at month's end. Gains or losses resulting from foreign currency transactions are included in net income.

INCOME TAXES

The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years.

EURO PACIFIC CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES (CONTINUED)

The Company recognizes and measures its unrecognized tax benefit and expense and assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefit and expense is adjusted when new information is available or when an event occurs that requires a change. Potential interest and penalties associated with such uncertain tax positions are recorded as a component of income tax expense.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Accordingly, actual results could differ from those estimates.

SUBSEQUENT EVENTS

The Company has evaluated subsequent events through September 28, 2010, the date the financial statements were available to be issued. All material subsequent events requiring adjustment to or disclosure in the financial statements are reflected therein.

NOTE 3 – CUSTOMER ESCROW AND PURCHASE DEPOSITS

The Company receives payments from clients for the purchase of precious metal certificates offered through the Perth Mint. The payments are deposited into an escrow account pending purchase of the certificate on behalf of the client with an offsetting entry to a client purchase deposit liability account. As of June 30, 2010, the Company had \$359,409 in customer escrow deposits and client purchase deposit liabilities. The client purchase liability is presented as payable to customers in the statement of financial condition on a net basis.

EURO PACIFIC CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 4 – FAIR VALUE MEASUREMENTS

The following table presents information about the Company's assets measured at fair value as of June 30, 2010.

	Level 1	Level 2	Level 3	Total
Assets				
Investments in securities - Warrants	\$ -	\$ 51,316	\$ -	\$ 51,316
Securities owned - Common stock	158,438	-	-	158,438
Total	<u>\$ 158,438</u>	<u>\$ 51,316</u>	<u>\$ -</u>	<u>\$ 209,754</u>

NOTE 5– DERIVATIVE CONTRACTS

Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The Company's derivative activities and exposure to derivative contracts are classified by their primary underlying risks of equity price risks. In addition to its primary underlying risks, the Company is also subject to additional counterparty risk due to the inability of its counterparties to meet the terms of their contracts.

WARRANTS

In the normal course of business, the Company may receive warrants as part of its private placement activities which they record as revenue and an investment. The value of a warrant has two components: time value and intrinsic value. A warrant has a limited life and expires on a certain date. As time to the expiration date of a warrant approaches, the time value of a warrant will decline. In addition, if the stock underlying the warrant declines in price, the intrinsic value of an "in the money" warrant will decline. Further, if the price of the stock underlying the warrant does not exceed the strike price of the warrant on the expiration date, the warrant will expire worthless. As a result, there is the potential for the Company to lose its entire investment in a warrant.

The Company is exposed to counterparty risk from the potential failure of an issuer of warrants to settle its exercised warrants. The maximum risk of loss from counterparty risk to the Company is the fair value of the contracts and its basis of the warrants. The Company considers the effects of counterparty risk when determining the fair value of its investments in warrants.

EURO PACIFIC CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 5— DERIVATIVE CONTRACTS (CONTINUED)

VOLUME OF DERIVATIVE ACTIVITIES

At June 30, 2010, the volume of the Company's derivative activities based on their notional amounts and number of contracts, categorized by primary underlying risk, are as follows:

Primary Underlying Risk	Long Exposure	
	Notional Amounts	Number of Contracts
Equity price:		
Warrants	\$ 263,711	79,349

Notional amounts for warrants are based on the number of contracts times the fair value of the underlying instruments as if exercised at June 30, 2010.

IMPACT OF DERIVATIVES ON THE STATEMENT OF FINANCIAL CONDITION AND STATEMENT OF INCOME

The following table identifies the fair value amounts of derivative instruments included in the statement of financial condition as investments in securities, categorized by primary underlying risk, at June 30, 2010. The following table also identifies the net gain amount included in net realized gain or loss and net change in unrealized appreciation on investments in securities recorded as other revenue in the statement of income, categorized by primary underlying risk, for the year ended June 30, 2010:

Primary Underlying Risk	Derivative Assets	Amount of Gain
Equity price:		
Warrants	\$ 51,316	\$ 25,890

NOTE 6 – FIXED ASSETS

As of June 30, 2010, fixed assets consisted of the following:

Furniture and fixtures	\$ 237,730
Computers	381,519
Auto	118,257
Leasehold improvements	29,050
Total	766,556
Less: accumulated depreciation	469,418
Net fixed assets	\$ 297,138

EURO PACIFIC CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 7 – INCOME TAXES

The current and deferred portion of the income tax expense (benefit) included in the statement of income for the year ended June 30, 2010 are as follows:

	Current	Deferred
Federal	\$ 140,274	\$ (13,669)
State	99,079	(8,041)
	<u>\$ 239,353</u>	<u>\$ (21,710)</u>

As of June 30, 2010, timing differences arising in deferred tax assets consist of differences between depreciation, legal accruals and accrued bonuses for financial statement purposes versus tax return purposes. The total income tax provision differs from the income tax at the statutory federal and state and local income tax rates mainly due to certain officer compensation expenses deductible for federal tax purposes but not for certain state and local tax purposes.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

OPERATING LEASES

The Company leases office space in various locations including Westport, Connecticut, Newport Beach, California, North Palm Beach, Florida, and New York, New York. These leases expire on various dates through 2015.

Rent expense was \$397,469 for the year ended June 30, 2010.

Future minimum lease payments under the Company's non-cancelable operating leases at June 30, 2010 were as follows:

2011	\$ 531,866
2012	375,542
2013	272,453
2014	178,461
2015	168,232
	<u>\$ 1,526,554</u>

EURO PACIFIC CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 8 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

LITIGATIONS AND CLAIMS

The Company is involved in various judicial, regulatory, and arbitration proceedings concerning matters arising in connection with the conduct of its business. At June 30, 2010, the Company was the defendant or co-defendant in various lawsuits. Management believes, based on currently available information, that the results of such proceedings in the aggregate will not have a material, adverse effect on the Company's financial condition.

The Company had accrued expenses of approximately \$146,000 for the year ended June 30, 2010, related to legal fees and estimated probable settlement costs relating to the Company's defense in various lawsuits.

NOTE 9 – PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company has a qualified 401K Plan under IRC section 401a. Employees are eligible to participate in this plan after one (1) full year of employment and 1000 hours of service. The company makes no contribution to this Plan.

NOTE 10 – FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND CONCENTRATIONS OF CREDIT RISK

The Company maintains several bank accounts at financial institutions. These accounts are insured either by the Federal Deposit Insurance Commission ("FDIC") up to \$250,000 or the Securities Investor Protection Corporation ("SIPC) up to \$500,000. At times during the year ended June 30, 2010, cash balances held in financial institutions were in excess of the FDIC and SIPC's insured limits. The Company has not experienced any losses in these accounts and management believes that it has placed its cash on deposit with financial institutions which are financially stable.

NOTE 11 – EQUITY METHOD INVESTMENT

The Company has an investment in a private company, Euro Pacific Halter Asia Fund, Inc., ("EPHA"), and owns 40,000 shares of \$.001 par value common stock for a total initial investment of \$40 representing a 40% ownership position in EPHA. EPHA was in a loss position as of June 30, 2010 greater than the carrying value of the investment thus reducing the Company's investment to \$0. The investment in EPHA and their operation is immaterial to the financial position and results of operations of the Company.

EURO PACIFIC CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

NOTE 12 – NET CAPITAL REQUIREMENTS

The Company is a registered broker-dealer and, accordingly, is subject to the SEC Uniform Net Capital Rule (“Rule 15c3-1”), which requires the Company to maintain minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. As of June 30, 2010, the Company had net capital of \$192,115 which was less than the required net capital of \$223,844. The Company’s ratio of aggregate indebtedness to net capital was 17.35 to 1 at June 30, 2010 which exceeded the required ratio of 15 to 1.

SUPPLEMENTARY INFORMATION

EURO PACIFIC CAPITAL, INC.

SCHEDULE OF OPERATING EXPENSES

YEAR ENDED JUNE 30, 2010

Salaries and wages	\$ 21,443,914
Commissions	8,518,129
Clearing charges	3,484,539
Legal and professional	733,145
Payroll tax expense	678,264
Rent and utilities	447,228
Computer supplies and maintenance	353,094
Insurance	297,980
Consulting	265,744
Legal settlements	386,675
Licenses and permits	169,697
Telephone	160,371
Travel and entertainment	155,559
Regulatory fees	139,064
IT support	122,241
Postage and delivery	117,813
Office expense	114,120
Internet expense	112,555
Accounting	109,381
Research	105,081
Depreciation and amortization	92,585
Miscellaneous	69,699
Advertising	60,279
Web page	52,013
Exchange fees	37,527
Automobile	20,304
Business development	19,763
Repairs and maintenance	12,102
Outside services	10,507
Payroll-processing fee	9,772
Taxes - Other	6,386
Public relations	5,665
Due diligence	3,616
Referral fees	2,072
Interest expense	902
Trade shows	635
Total Operating Expenses	\$ 38,318,421

REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5

To the Board of Directors and Shareholder of
Euro Pacific Capital, Inc.

In planning and performing our audit of the financial statements of Euro Pacific Capital, Inc. (the "Company") as of and for the year ended June 30, 2010 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control related to the identification of haircuts on securities within the net capital computation and the recognition of expenses and accruals that we consider to be significant deficiencies, and communicated them in writing to management and those charged with governance on September 28, 2010.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at June 30, 2010 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Boston, MA
September 28, 2010

EURO PACIFIC CAPITAL, INC.

COMPUTATION OF NET CAPITAL REQUIREMENTS PURSUANT TO RULE 15c3-1

JUNE 30, 2010

SCHEDULE I

	<u>Audited Net Capital</u>
Computation of net capital	
Total shareholder's equity	\$ 1,067,837
Less: non-allowable assets from the Statement of Financial Condition	779,705
Add: other allowable credits	<u>10,314</u>
Net capital before haircuts on securities	298,446
Less: haircuts on securities	<u>106,331</u>
Net capital	192,115
Computation of basic net capital requirement	
Minimum net capital requirement:	
1/15 x aggregate indebtedness	\$ 223,844
or minimum dollar net capital requirement	<u>100,000</u>
Net capital deficit	<u>\$ (31,729)</u>
Total aggregate indebtedness	<u>\$ 3,357,666</u>
Percentage of aggregate indebtedness to net capital	<u>1748%</u>
<p>There were reconciling items per this report and the most recent quarterly filing by the Company of Part II of the Focus Report with respect to the computation of the net capital under Rule 15(c)(3)-1, as follows:</p>	
Previously reported net capital	\$ 392,724
Adjustments to:	
Haircuts on securities	(106,331)
Other allowable credits	10,314
Audit Adjustments:	
Investments and securities owned	(35,966)
Income taxes	100,797
Accrued expenses	<u>(169,423)</u>
Audited net capital, per above	<u>\$ 192,115</u>

See Independent Auditors' Report

EURO PACIFIC CAPITAL, INC.

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
PURSUANT TO RULE 15c3-3**

JUNE 30, 2010

SCHEDULE II

The Company is exempt from the reserve requirements pursuant to Rule 15c3-3 under paragraph (k)(2)(ii).

EURO PACIFIC CAPITAL, INC.

**INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS
PURSUANT TO RULE 15c3-3**

JUNE 30, 2010

SCHEDULE III

Information relating to possession or control requirements is not applicable to Euro Pacific Capital, Inc. as the Company qualifies for exemption under Rule 15c3-3(k)(2)(ii).

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EURO PACIFIC

capital

MEMBER
FINRA
SIPC
INC.

EURO PACIFIC CAPITAL, INC.

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES RELATED
TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION**

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION

To the Board of Directors and Shareholder of
Euro Pacific Capital, Inc.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [(Form SIPC-7) to the Securities Investor Protection Corporation (SIPC)] for the year ended June 30, 2010, which were agreed to by Euro Pacific Capital, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC, solely to assist you and the other specified parties in evaluating Euro Pacific Capital, Inc.'s compliance with the applicable instructions to Form SIPC-7. Euro Pacific Capital, Inc.'s management is responsible for Euro Pacific Capital, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;
2. Compared the audited Form X-17A-5 for the year ended June 30, 2010, as applicable, with the Form SIPC-7 for the year ended June 30, 2010, noting no differences in the amounts reported on such forms;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences; and
5. Noted there was no overpayment to be applied to the current assessment when compared with Form SIPC-7 on which it was originally computed.



We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Boston, Massachusetts
September 28, 2010

EURO PACIFIC CAPITAL, INC.
SCHEDULE OF ASSESSMENT PAYMENTS
FOR THE YEAR ENDED JUNE 30, 2010

General assessment		\$ 82,709
Less: payments made:		
	<u>Date Paid</u>	<u>Amount</u>
	1/25/10	\$ 33,822
	8/25/10	\$ 48,848
		<u>82,670</u>
		(82,670)
Interest on late payment(s)		<u> --</u>
Total assessment balance and interest due		<u>\$ 39</u>
Payment made with Form SIPC 7		<u>\$ 39</u>

EURO PACIFIC CAPITAL, INC.

DETERMINATION OF SIPC NET OPERATING REVENUES

FOR THE YEAR ENDED JUNE 30, 2010

Total revenue		<u>\$ 38,633,533</u>
Additions		<u> --</u>
Deductions:		
Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts and from transactions in security future products		14,089
Revenues from commodity transactions		--
Commissions, floor brokerage and clearance paid to other SIPC members in in connection with securities transactions		3,349,955
Reimbursements for postage in connection with proxy solicitation		--
Net gain from securities in investment accounts		--
100% of commissions and markups earned from transactions in certificates of deposit, treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date		--
Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business		--
Other revenue not related either directly or indirectly to the securities business		2,185,096
Greater of:		
Total interest and dividend expense but not in excess of total interest and dividend income	903	
Forty percent of interest earned on customers securities accounts	<u> --</u>	<u> 903</u>
Total deductions		<u>5,550,043</u>
SIPC net operating revenues		<u>\$ 33,083,490</u>
General assessment @ .0025		<u>\$ 82,709</u>