



MANAGEMENT’S DISCUSSION AND ANALYSIS THIRD QUARTER ENDED SEPTEMBER 30, 2017

The following management’s discussion and analysis (“MD&A”) of EURO Ressources S.A. (“EURO” or the “Company”) for the third quarter and nine months ended September 30, 2017 and dated November 10, 2017, has been prepared by management and approved by the Board of Directors of the Company. This MD&A should be read in conjunction with EURO’s annual audited financial statements and related notes for December 31, 2016. Financial information is presented in Euros (€ or euros), unless stated otherwise and in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the International Accounting Standards Board. Additional information on EURO can be found at www.sedar.com. EURO’s securities trade on the NYSE Euronext Paris stock exchange under the symbol EUR. Readers are cautioned that this financial information contains certain forward-looking information as described in this MD&A.

About EURO

EURO is a French company whose principal asset is a royalty payable by IAMGOLD Corporation (“IAMGOLD”) related to the gold production of the Rosebel gold mine in Suriname (the “Rosebel royalty”). The Rosebel gold mine is 95%-owned by IAMGOLD, and is operated by IAMGOLD. EURO has approximately 62.5 million shares outstanding. IAMGOLD France S.A.S., an indirect wholly-owned subsidiary of IAMGOLD, owned approximately 89.71% of all issued and outstanding shares of EURO at September 30, 2017.

EURO receives quarterly royalty payments from IAMGOLD. The Rosebel royalty payments from IAMGOLD apply to the first seven million ounces of gold production at the Rosebel mine and the market price of gold based on the London PM fixing price. As of September 30, 2017, the Rosebel mine had produced approximately 4.6 million ounces of gold since the beginning of its production, and 2.4 million ounces of gold remain under the Rosebel royalty contract. Rosebel’s proven and probable gold reserves as at December 31, 2016 were estimated to be 2.1 million ounces of gold and increased to 3.7 million ounces as at June 30, 2017. The Rosebel royalty is calculated based on 10% of the excess gold market price above US\$300 per ounce for soft and transitional ore, and above US\$350 per ounce for hard rock ore, and, in each case, after deducting a fixed royalty of 2% of production paid in-kind to the Government of Suriname.

STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements, with respect to the Company's financial condition, results of operations, business prospects, plans, objectives, goals, strategies, future events and capital expenditure. Words such as "anticipates", "expects", "intends", "plans", "forecasts", "projects", "budgets", "believes", "seeks", "estimates", "could", "might", "should", and similar expressions identify forward-looking statements. Although the Company believes that its plans, intentions and expectations reflected in these forward-looking statements are reasonable, the Company cannot be certain that these plans, intentions or expectations will be achieved. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained in this MD&A. These statements may include comments regarding the closing of certain transactions including acquisitions and offerings and expectations of future participation rights payments.

INTRODUCTION

Under IFRS, EURO presents its financial statements in euros and the functional currency is the United States dollar, since this is the currency in which its major transactions, such as income from royalties and the related cash are denominated.

The currency exchange rate used to present the balance sheets in euros was €1 for US\$1.1814 at September 30, 2017 (€1 for US\$1.0554 as at December 31, 2016). The average currency exchange rate for the first nine months ended September 30, 2017, used to present the Company's income statements, statements of other comprehensive income and cash flow statements, was €1 for US\$1.1101 compared to €1 for US\$1.1102 for the first nine months of 2016 (US\$1.1705 and US\$1.1128 for the third quarter of 2017 and 2016, respectively). Significant transactions were translated at the exchange rate of the date of the transaction.

RESULTS OF OPERATIONS UNDER IFRS**Third quarter ended September 30, 2017 compared to the same period in 2016**

Under IFRS, EURO reported a net profit of €4.3 million (€0.069 per share) for the third quarter of 2017 compared to €4.4 million (€0.070 per share) for the third quarter of 2016.

Revenues were €6.4 million during the third quarter of 2017, lower compared to revenues of €6.9 million for the third quarter of 2016. Revenues were mainly attributable to the Rosebel royalty of €6.3 million (third quarter of 2016: €6.7 million). The decrease in revenues was mainly due to the impact of a lower average gold price in the third quarter of 2017 of US\$1,278 per ounce of gold compared to US\$1,335 per ounce of gold in the third quarter of 2016 (€0.4 million), and a stronger euro (€0.3 million), partially offset by the impact of higher gold production of 78,951 ounces in the third quarter of 2017 compared to 75,296 ounces in the third quarter of 2016 (€0.2 million). Other royalties from third parties in French Guiana were €0.15 million during the third quarter of 2017 (third quarter of 2016: €0.16 million).

During the third quarter of 2017, the Company recorded operating expenses of €0.12 million, equivalent to the same period in 2016.

The amortization expense of €0.13 million during the third quarter of 2017 was lower than the amortization expense of €0.17 million during the same period in 2016, mainly due to the impact of higher gold reserves at the Rosebel mine.

EURO recorded an income tax expense of €1.9 million in the third quarter of 2017 compared to €2.2 million in the third quarter of 2016. The decrease was mainly due to lower taxable income during the third quarter of 2017 explained by lower revenues and a higher deductible foreign exchange loss.

Nine months ended September 30, 2017 compared to the same period in 2016

Under IFRS, EURO reported a net profit of €12.6 million (€0.201 per share) for the nine months ended September 30, 2017 compared to €11.8 million (€0.189 per share) for the nine months ended September 30, 2016.

Revenues were €19.4 million during the nine months ended September 30, 2017, an increase compared to revenues of €18.9 million for the same period in 2016. Revenues were mainly attributable to the Rosebel royalty of €19.1 million (nine months ended September 30, 2016: €18.6 million). The increase in revenues was due to higher production with 234,523 ounces in the nine months ended September 30, 2017 compared to 223,687 ounces in the same period of 2016 (€0.7 million), partially offset by the impact of a lower average gold price in the nine months ended September 30, 2017 of US\$1,251 per ounce compared to US\$1,260 per ounce in the nine months ended September 30, 2016 (€0.2 million). Other royalties were €0.3 million from third parties in French Guiana during the first nine months of 2017 (first nine months of 2016: €0.3 million).

Operating expenses for the nine months ended September 30, 2017 were €0.38 million compared to €0.30 million in the same period in 2016. The increase was due to a fee reduction recorded during the first quarter of 2016 to adjust the 2015 administrative costs (refer to the Related party transactions section of this MD&A). In 2017, operating expenses included a reimbursement of €0.1 million by the Government of France of operating taxes paid in prior years, partially offset by higher administrative costs and legal fees.

The amortization expense of €0.50 million during the first nine months of 2017 was lower than the amortization expense of €0.52 million during the same period in 2016, mainly due to the impact of higher gold reserves at the Rosebel mine.

EURO recorded a foreign exchange loss of €0.3 million in the first nine months of 2017 compared to a gain of €0.1 million in the first nine months of 2016, mainly due to the revaluation of dividends payable, bank accounts and income tax receivable.

EURO recorded an income tax expense of €5.8 million in the nine months ended September 30, 2017 compared to €6.3 million in the same period of 2016. The decrease was mainly due to a lower taxable income (mainly explained by a higher deductible foreign exchange loss partially offset by higher revenues), translation adjustments and a lower tax on dividends in 2017.

OUTLOOK

In 2017, the Rosebel royalty production is anticipated to be between 311,000 and 321,000 ounces, and the Rosebel royalty is expected to provide revenues to the Company of between approximately €25.1 million and €25.9 million (US\$27.8 million and US\$28.8 million). These pre-tax numbers assume a gold price of US\$1,250 per ounce and the 2017 actual average exchange rate of €1 for US\$1.1101. The impact of changes in the average gold price on EURO's annual revenues, based on an estimated production of 316,000 ounces, would be approximately US\$3.1 million for each US\$100 per ounce change in the gold price. EURO's cash flow is expected to be primarily affected by income tax payments, since there are no tax losses that can be carried forward to offset any future taxes payable. EURO expects its cash flow will be adequate to meet all corporate and related expenses.

KEY FINANCIAL DATA**Quarterly financial information**

(In millions of euros, except per share data)	Third quarter ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Revenues	€ 6.4	€ 6.9	€ 19.4	€ 18.9
Profit before income tax	€ 6.2	€ 6.6	€ 18.3	€ 18.2
Income tax expense	€ 1.9	€ 2.2	€ 5.8	€ 6.3
Net profit	€ 4.3	€ 4.4	€ 12.6	€ 11.8
Basic net earnings (€ per share)	€ 0.069	€ 0.070	€ 0.201	€ 0.189
Total assets			€ 36.1	€ 31.0

Quarterly data

(In millions of euros, except per share data)	2017			2016				2015
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues	6.4	6.5	6.5	7.2	6.9	6.3	5.7	5.3
Net cash flow from operating activities	3.4	2.6	5.4	4.9	3.9	4.1	3.2	3.1
Net profit	4.3	4.2	4.1	4.1	4.4	3.3	4.1	2.7
Basic and diluted net profit (€ per share)	0.069	0.067	0.066	0.066	0.070	0.053	0.066	0.045

LIQUIDITY AND CAPITAL RESOURCES

Cash at September 30, 2017 totaled €11.8 million compared to €11.1 million at December 31, 2016. EURO expects to have sufficient cash flow to fund its on-going operations.

SUBSEQUENT EVENT

Refund of the 3% tax on dividends

On October 6, 2017, the Constitutional Court of France ruled that the 3% tax on dividends in its entirety is contrary to the Constitution. Therefore, whatever the origin of the dividends distributed (distribution of dividends from subsidiaries or operating profit), this 3% tax is abolished from that date. The Constitutional Court's decision also applies retrospectively. EURO's estimated refund of tax on dividends paid from 2014 to 2017 of €1.56 million will be accounted for during the fourth quarter of 2017.

DIVIDENDS

The annual ordinary general meeting of shareholders held May 24, 2017 approved dividends in the amount of €9.4 million (€0.15 per share) which were paid to the Company's shareholders on June 15, 2017.

SHARE CAPITAL AND VOTING RIGHTS

As at September 30, 2017, and the date of this MD&A, the Company had 62,491,281 common shares outstanding with a par value of €0.01 per share. There were no shares issued during the first nine months of 2017.

As at September 30, 2017, there was a total number of 62,819,142 voting rights. Pursuant to Article 223-11, paragraph 2 of the AMF General Regulations, the total number of voting rights is calculated on the basis of all shares to which are attached voting rights, including shares deprived of voting rights. The number of voting rights is different from the number of outstanding shares due to the automatic granting of double voting rights to the shareholders holding registered shares for at least two years (application of article L. 225-123 of the French commercial code).

CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The Company's management makes judgments in its process of applying its accounting policies in the preparation of its financial statements. In addition, the preparation of financial data requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments, estimates and assumptions of the Company are reflected in note 3.9 of the Company's financial statements for the year ended December 31, 2016.

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company's unaudited condensed interim financial statements have been prepared following the same accounting policies and methods of computation as the annual audited financial statements for the fiscal year ended December 31, 2016.

For a discussion of new accounting standards issued but not yet effective that may impact the Company, refer to note 2.1.2 of the Company's unaudited condensed interim financial statements for the third quarter ended September 30, 2017.

RELATED PARTY TRANSACTIONS

Revenues from royalties related to the Rosebel mine during the third quarter of 2017 were €6.3 million (first nine months of 2017: €19.1 million) compared to €6.7 million during the third quarter of 2016 (first nine months of 2016: €18.6 million). The related amount receivable from IAMGOLD at September 30, 2017 was €6.2 million (December 31, 2016: €7.4 million) and was included in trade receivables.

During the third quarter of 2017, the Company accounted for IAMGOLD's support fees totaling €0.03 million (first nine months of 2017: €0.09 million). During the third quarter of 2016, the Company accounted for IAMGOLD's support fees totaling €0.03 million. During the first nine months of 2016, IAMGOLD adjusted support fees charged to EURO and provided a credit adjustment of €0.145 million to adjust the 2015 fees based on the actual cost incurred by IAMGOLD as per the agreement. This adjustment resulted in a net recovery of €0.054 million during the first nine months of 2016. These charges are included in administrative costs in operating expenses. The related amount payable at September 30, 2017 was €0.03 million and was included in trade payables and other current liabilities (December 31, 2016: €0.03 million).

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Directeur-Général and the Directeur-Général Délégué have reasonable assurance that material information relating to the Company are known to them. The Directeur-Général and the Directeur-Général Délégué have concluded that the Company's disclosure controls and procedures and internal control over financial reporting are effective.

ADDITIONAL INFORMATION

Additional information relating to EURO Ressources S.A. is available on SEDAR at www.sedar.com. Information related to the Rosebel royalty can be found at IAMGOLD's website at www.iamgold.com. Further requests for information should be addressed to:

Benjamin Little
Directeur-Général
Tel: +1 416 933 4954
Email: blittle@euroressources.net

Line Lacroix
Directeur-Général Délégué
Tel: +1 450 677 2056
Email: llacroix@euroressources.net