

The attached Management's Discussion and Analysis is being refilled with a date of February 22, 2019, which is the date of the auditor's report on EURO Ressources S.A.'s financial statements for the year ended December 31, 2018, as filed on SEDAR on February 25, 2019.

Other than the date of the attached Management's Discussion and Analysis, there are no changes from the Management's Discussion and Analysis as filed on February 25, 2019.



## MANAGEMENT'S DISCUSSION AND ANALYSIS 2018

The following management's discussion and analysis ("MD&A") of EURO Ressources S.A. ("EURO" or the "Company") for the year ended December 31, 2018 and dated February 22, 2019, has been prepared by management and approved by the Audit Committee and 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, 2018. Financial information is presented in Euros (€ or euros), unless stated otherwise and in accordance with International Financial Reporting Standards ("IFRS") as approved by the International Accounting Standards Board. Additional information on EURO can be found at [www.sedar.com](http://www.sedar.com). EURO's securities trade on the NYSE Euronext of 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 main assets are a royalty on the Rosebel gold mine production in Suriname (the "Rosebel royalty"), a royalty on the Paul Isnard concessions, and marketable securities. The Rosebel gold mine is 95%-owned by IAMGOLD Corporation ("IAMGOLD"), and is operated by IAMGOLD. The royalty on the Paul Isnard concessions is a net smelter returns production royalty on future production of the Paul Isnard concessions and an area of interest surrounding the concessions in French Guiana, owned under a joint venture agreement between Columbus Gold Corp. and Nord Gold SE (Compagnie Minière Montagne d'Or).

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 Afternoon London Price. As of December 31, 2018, the Rosebel mine had produced 5.0 million ounces of gold and 2.0 million ounces of gold remain under the Rosebel royalty agreement. Per IAMGOLD, Rosebel's proven and probable gold reserves as at December 31, 2018 were estimated to be 3.8 million ounces of gold (December 31, 2017 – 3.51 million ounces of gold). These reserves do not include reserves of the Saramacca deposit of the Rosebel mine as they are not included in the definition of the property per the participation right agreement. 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.

A feasibility study for Montagne d'Or (part of the larger Paul Isnard sector) was filed in May 2017. On November 27, 2018, Columbus announced that the Montagne d'Or joint venture provided its official decision to French authorities to move forward with permitting and development of the Montagne d'Or gold mine. The decision takes into account the recommendations of the French National Commission of Public Debate to make certain modifications to the project. There is opposition to the Montagne d'Or mine development, principally by non-governmental organizations and some politicians.

EURO has approximately 62.5 million shares outstanding. At December 31, 2018, IAMGOLD France S.A.S. ("IAMGOLD France"), a wholly owned subsidiary of IAMGOLD, owned approximately 89.71% of all issued outstanding shares of EURO. Per the regulation (Article L.233-7 of the French Commercial Code), IAMGOLD France declared it had exceeded, on September 23, 2018, the threshold of 90% of the voting rights of EURO. As at December 31, 2018, IAMGOLD France held 56,058,191 shares representing 112,116,382 voting rights or 94.25% of the voting rights of EURO. This threshold crossing results from a double voting rights allocation.

#### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

All information included in this MD&A, including any information as to the Company's future financial or operating performance, and other statements that express management's expectations or estimates of future performance, other than statements of historical fact, constitute forward-looking information or forward-looking statements and are based on expectations, estimates and projections as of the date of this MD&A. 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. Forward-looking statements are generally identifiable by, but are not limited to, the use of the words such as "anticipates", "expects", "intends", "plans", "forecasts", "projects", "budgets", "believes", "seeks", "estimates", "could", "might", "should", and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies and, as such, undue reliance must not be placed on them. The Company cautions the reader that reliance on such forward-looking statements involve risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of EURO to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward-looking statements. Forward-looking statements are in no way guarantees of future performance. These statements may include comments regarding the closing of certain transactions including acquisitions and offerings and expectations of future participation rights payments. For a comprehensive discussion of the risks faced by the Company, and which may cause the actual financial results, operating performance or achievements of EURO to be materially different from the Company's estimated future results, operating performance or achievements expressed or implied by forward-looking information or forward-looking statements, please refer to the Company's latest Annual Information Form ("AIF"), filed with Canadian securities regulatory authorities, at [www.sedar.com](http://www.sedar.com). The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as required by applicable law.

**List of the directors and officers as of February 22, 2019****Carol T. Banducci**

Executive Vice-President and Chief Financial Officer, IAMGOLD Corporation  
Toronto, Ontario, Canada

**Susanne A. Hermans<sup>1</sup>**

Financial accounting consulting  
Littleton, Colorado, United States of America

**Line Lacroix**

Directeur-Général Délégué, EURO Ressources S.A.  
Montréal, Québec, Canada

**Benjamin Little**

Directeur-Général, EURO Ressources S.A.  
Senior Vice-President, Corporate Affairs, HSS and People, IAMGOLD Corporation  
Toronto, Ontario, Canada

**Phillip Marks**

Associate General Counsel, IAMGOLD Corporation  
Toronto, Ontario, Canada

**Affie A. Simanikas**

Vice-President, Operations Finance, IAMGOLD Corporation  
Toronto, Ontario, Canada

**Ian Smith<sup>1,2</sup>**

Director, Canada Coal Inc.  
Vancouver, British Columbia, Canada

**David H. Watkins<sup>1,2</sup>**

President, EURO Ressources S.A.  
Director, Golden Minerals Company and Commander Resources Ltd.  
Oak Bay, British Columbia, Canada

<sup>1</sup> Member of the Audit Committee.

<sup>2</sup> Member of the Compensation Committee.

**Stock Exchange Listing**

EURONEXT

Symbol: EUR

During 2018, the Company's shares were listed on Compartment B of Euronext Paris.

**Registrar and Transfer Agent**

Questions regarding the change of stock ownership, consolidation of accounts, lost certificates, change of address and other such matters should be directed to:

Société Générale Securities Services  
SGSS/SBO/CIS/ISS/SRP  
32 rue du Champ de Tir CS 30812  
44308 Nantes Cedex 3, France  
www.sharinbox.societegenerale.com

TSX Trust  
200 University Avenue, Suite 300  
Toronto, Ontario, Canada M5H 4H1  
Toll Free: 1 (866) 393-4891  
Fax: (416) 361-0470  
tmxeinvestorservices@tmx.com  
www.tsxtrust.com/resources/investor-centre

**Auditors**

PricewaterhouseCoopers Audit, SA  
63 rue de Villiers  
92208 Neuilly-sur-Seine Cedex  
France

**Registered Office**

EURO Ressources S.A.  
23 rue du Roule  
75001 Paris  
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**Société anonyme** with a share capital of €624,913  
SIRET 390 919 082

**Information requests should be addressed to:**

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**INTRODUCTION**

EURO presents its financial statements in Euros (€ or euros). Under IFRS, the functional currency of EURO 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\$1.1456 at December 31, 2018 (€1 for US\$1.2020 as at December 31, 2017). The average currency exchange rate for the year ended December 31, 2018, used to present the Company's income statements, statements of comprehensive income and cash flow statements, was €1 for US\$1.1829 (2017: €1 for US\$1.1273). Significant transactions are translated at the exchange rate of the date of the transaction.

**RESULTS OF OPERATIONS UNDER IFRS****2018 compared to 2017 (IFRS)**

Under IFRS, EURO recorded a net profit of €15.7 million (€0.252 per share) in 2018 compared to €18.7 million (€0.299 per share) during 2017.

Revenues totaled €23.9 million in 2018 lower than revenues of €26.1 million reported in 2017. Revenues were mainly attributable to the Rosebel royalty for €23.5 million in 2018 (2017: €25.7 million). Revenues were lower mainly due to the impact of lower gold production with 302,114 ounces in 2018 compared to 318,117 ounces during 2017 (€1.31 million), and the negative impact of a stronger euro (€1.13 million), partially offset by the impact of a higher average gold price of US\$1,266 per ounce in 2018 compared to US\$1,258 per ounce in 2017 (€0.28 million).

Operating expenses in 2018 were €0.5 million similar to the net amount incurred in 2017. In 2017, operating expenses included the interest on the reimbursement receivable of the tax on dividends (€0.16 million) and the reimbursement by the Government of France of operating taxes paid in prior years (€0.1 million), mainly offset by higher administrative costs and legal fees compared to 2018.

The amortization expense of €0.5 million during 2018 was lower than the amortization expense of €0.6 million recorded during 2017, mainly due to lower gold production at the Rosebel mine.

EURO recorded a foreign exchange gain of €0.27 million in 2018 compared to a loss of €0.28 million in 2017, mainly due to the weakening of the closing foreign exchange rate of the euro relative to the United States dollar in 2018 compared to a strengthening in 2017. This rate was used for the revaluation of dividends payable, bank accounts and income tax receivable.

Investment income was €0.4 million in 2018 compared to €0.2 million in 2017 and was mainly related to bank accounts.

Under IFRS, EURO recorded an income tax expense of €7.9 million in 2018 compared to €6.2 million in 2017. This increase was mainly due to the recognition in 2017 of the tax receivable of €1.6 million related to the 3% tax on dividends paid in previous years, and the tax effect of a taxable foreign exchange gain in 2018 compared to a deductible foreign exchange loss in 2017 (€1.4 million), partly offset by the tax effect of the decline in fair value of marketable securities in 2018 (€1.0 million), the decrease in revenues in 2018 (€0.6 million) and the absence of the tax on dividends in 2018 (€0.3 million). Also, the deferred income tax and related foreign exchange loss included in the income tax expense was higher by €0.6 million.

**Fourth quarter ended December 31, 2018 compared to the same period in 2017 (IFRS)**

Under IFRS, EURO recorded a net profit of €4.8 million (€0.077 per share) for the fourth quarter of 2018 compared to €6.1 million (€0.097 per share) for the fourth quarter of 2017.

Revenues were €6.9 million during the fourth quarter of 2018, an increase of 3% compared to revenues of €6.7 million during the fourth quarter of 2017. Revenues were mainly attributable to the Rosebel royalty of €6.8 million (fourth quarter of 2017: €6.6 million). The increase in revenues was mainly due to higher gold production with 88,940 ounces in the fourth quarter of 2018 compared to 83,595 ounces during the fourth quarter of 2017 (€0.4 million), and the weakened euro (€0.2 million), partially offset by the lower average gold price during the fourth quarter of 2018 of US\$1,226 per ounce of gold compared to US\$1,275 per ounce of gold during the fourth quarter of 2017 (€0.4 million).

Under IFRS, EURO recorded income tax expense of €2.0 million during the fourth quarter of 2018 compared to €0.4 million during the fourth quarter of 2017. The increase was mainly due to the refund of €1.6 million recorded in 2017 of the 3% tax on dividends paid during prior years as mentioned above.

**OUTLOOK**

The Rosebel royalty production in 2018 was 302,114 ounces and is anticipated to be between 332,000 ounces and 347,000 ounces in 2019. In 2019, the Rosebel royalty is expected to provide revenues to the Company of between approximately €25.1 million and €26.3 million (US\$28.9 million and US\$30.2 million). These pre-tax numbers assume a gold price of US\$1,225 per ounce and an exchange rate of €1 for US\$1.15. The impact of changes in the average gold price on EURO's annual revenues, based on an estimated production of 339,000 ounces, would be approximately US\$3.3 million for each US\$100 per ounce change in the gold price. The impact of a 5% change in the average foreign exchange rate on EURO's annual revenues would be approximately €1.3 million. EURO's cash flow is expected to be primarily affected by income tax payments.

**KEY FINANCIAL DATA****Annual financial information**

(In millions of euros, except per share data)	2018	2017
Revenues	23.9	26.1
Operating expenses	0.5	0.5
Profit before income tax	23.6	24.8
Income tax expense	7.9	6.2
Net profit	15.7	18.7
Basic and diluted profit per share	0.252	0.299
Total assets	44.4	43.1
Dividends paid	9.4	9.4
Dividends paid per share (€ per share)	0.15	0.15

**Quarterly data**

(In millions of euros, except per share data)	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	6.9	5.4	6.0	5.6	6.7	6.4	6.5	6.5
Net cash flow from operating activities	3.7	4.2	5.5	5.1	4.0	3.4	2.6	5.4
Net profit	4.8	3.2	3.7	3.9	6.1	4.3	4.2	4.1
Basic and diluted profit per share	0.077	0.052	0.059	0.063	0.097	0.069	0.067	0.066

**LIQUIDITY AND CAPITAL RESOURCES**

Cash at December 31, 2018 totaled €25.7 million as compared to €15.5 million at December 31, 2017. The increase was mainly due to cash flow from operating activities partially offset by dividends paid in 2018. EURO expects to have sufficient cash flow to fund its on-going operational needs.

**MARKETABLE SECURITIES**

EURO holds marketable securities related to mining companies which are part of a volatile market. Share market price exposure risk is related to the fluctuation in the market price of marketable securities. Under IFRS, investments in marketable securities are recorded at fair value with changes in fair value recorded in other comprehensive income.

As at December 31, 2018, marketable securities comprised 19,095,345 shares of Columbus Gold Corp. ("Columbus") (12.0% of outstanding shares; December 31, 2017: 12.0%) and 3,819,069 shares of Allegiant Gold Ltd. ("Allegiant") (6.3% of outstanding shares; December 31, 2017: 0%).

Following the approval of a spin-out arrangement by Columbus' shareholders on November 27, 2017, EURO received on January 30, 2018, a common share of Allegiant for every five Columbus shares held. This transaction resulted in a gain of €1.7 million accounted for per IFRS in other comprehensive income, based on the fair value of shares received of C\$0.68 per share on the date of the transaction.

During the year ended December 31, 2018, the Company recognized an unrealized loss following the decrease of the fair value of these marketable securities. Under IFRS, this loss of €8.5 million was recorded in other comprehensive income.

**ROYALTY ASSETS**

The carrying amounts of the Company's royalty assets are reviewed at each reporting date to determine whether there is any indication of impairment. No such indicator existed for the Rosebel royalty as of December 31, 2018. Concerning the Paul Isnard royalty, in 2018, the modalities of the technical analysis of the project implementation created some uncertainty that could trigger the delivery of the various authorization and permits not yet obtained and required for developing the project, and potentially affect the operational and financial capacities of the Montagne d'Or joint venture (Compagnie Minière Montagne d'Or) to go on with the project. Therefore, an impairment test was performed as such uncertainties could result in a full write-off of the carrying amount of the Paul Isnard royalty asset (carrying amount as at December 31, 2018: €4.9 million). In the impairment test performed at December 31, 2018, the Company considered that the various authorization and permits would be granted under conditions that will allow the Compagnie Minière Montagne d'Or to go on with this project. This assumption is notably based on the press release issued on November 16, 2018 by Compagnie Minière Montagne d'Or



confirming its decision to go on with the project with a number of changes and improvements. This decision was published in the "Journal Officiel" on December 5, 2018. On that basis, the Company concluded that no impairment charge was required to be recorded in the income statement for the year ended December 31, 2018.

## **SHARE CAPITAL**

As at December 31, 2018, 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 2018.

## **DIVIDENDS**

The annual ordinary general meeting of shareholders held May 23, 2018 approved dividends in the amount of €9.4 million (€0.15 per share) which were paid to the Company's shareholders on June 14, 2018. 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.

Any dividends proposed by the Board of Directors take into account various factors, including EURO's net profit, financial condition, current and anticipated cash needs and are subject to shareholders' approval. The amount of distributable dividends is based on the annual financial statements prepared in accordance with French generally accepted accounting principles.

## **CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The Company's management makes judgments in 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 significant accounting judgments, estimates and assumptions of the Company are reflected in note 4.9 of the Company's audited financial statements for the year ended December 31, 2018.

## **SIGNIFICANT ACCOUNTING POLICIES**

The Company's 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, 2017, except for the new accounting standards which were effective January 1, 2018, and were applied in preparing these audited financial statements as described in note 3 of the Company's audited financial statements for the year ended December 31, 2018.

## **NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

For a discussion of new accounting standards that may impact the Company in the future, refer to note 5 of the 2018 Company's audited financial statements.

## **RELATED PARTY TRANSACTIONS**

Revenues from royalties related to the Rosebel mine during 2018 were €23.5 million compared to €25.7 million during 2017. The related amount receivable at December 31, 2018 was €6.8 million (December 31, 2017: €6.4 million) and was included in trade receivables.

During 2018, the Company accounted for IAMGOLD's support fees totaling €0.08 million compared to €0.12 million in 2017. These charges are included in administrative costs in operating expenses. The related amount payable at December 31, 2018 was €0.02 million and was included in trade payables and other current liabilities (December 31, 2017: €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](http://www.sedar.com). Information related to the Rosebel royalty can be found at IAMGOLD's website at [www.iamgold.com](http://www.iamgold.com). Further requests for information should be addressed to:

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