



MANAGEMENT’S DISCUSSION AND ANALYSIS FIRST QUARTER ENDED MARCH 31, 2018

The following management’s discussion and analysis (“MD&A”) of EURO Ressources S.A. (“EURO” or the “Company”) for the first quarter ended March 31, 2018 and dated May 9, 2018, is intended to supplement and complement the unaudited condensed interim financial statements and notes thereto as at and for the three months ended March 31, 2018, and 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 audited annual financial statements and related notes for December 31, 2017. 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. 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 principal asset is a gold production royalty from the Rosebel gold mine in Suriname (the “Rosebel royalty”). The Rosebel gold mine is 95%-owned by IAMGOLD Corporation (“IAMGOLD”), and is operated by IAMGOLD. EURO has approximately 62.5 million shares outstanding. At March 31, 2018, IAMGOLD France S.A.S., a wholly owned subsidiary of IAMGOLD, owned approximately 89.71% of all issued outstanding shares of EURO.

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 March 31, 2018, the Rosebel mine produced 4.8 million ounces of gold and 2.2 million ounces of gold remain under the Rosebel royalty contract. Rosebel’s proven and probable gold reserves as at December 31, 2017 were estimated to be 3.5 million ounces of gold. 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

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\$1.22865 at March 31, 2018 (€1 for US\$1.2020 as at December 31, 2017). The average currency exchange rate for the first quarter ended March 31, 2018, used to present the Company's income statements, statements of comprehensive income and cash flow statements, was €1 for US\$1.2220 (first quarter of 2017: €1 for US\$1.0655). Significant transactions are translated at the exchange rate of the date of the transaction.

RESULTS OF OPERATIONS UNDER IFRS

First quarter ended March 31, 2018 compared to the same period in 2017

Under IFRS, EURO recorded a net profit of €3.9 million (€0.063 per share) for the first quarter of 2018 compared to €4.1 million (€0.066 per share) for the first quarter of 2017.

Revenues were €5.6 million during the first quarter of 2018, a decrease of 14% compared to €6.5 million for the first quarter of 2017. Revenues were mainly attributable to the Rosebel royalty of €5.5 million (first quarter of 2017: €6.4 million). The decrease in revenues was mainly due to lower gold production with 68,793 ounces in the first quarter of 2018 compared to 78,272 ounces during the same period of 2017 (€0.8 million), and the strengthened euro (€0.8 million), partially offset by the higher average gold price during the first quarter of 2018 of US\$1,329 per ounce of gold compared to US\$1,219 per ounce of gold during the first quarter of 2017 (€0.7 million).

Operating expenses were €0.11 million during the first quarter of 2018 compared to €0.15 million during the same period last year. The decrease is mainly due to lower administrative costs and the interest income on the reimbursement of tax on dividends.

The amortization expense of €0.11 million during the first quarter of 2018 was lower than the amortization expense of €0.19 million recorded during the first quarter of 2017, mainly due to lower production and higher reserves at the Rosebel mine and the impact of a stronger euro.

EURO recorded income tax expense of €1.6 million during the first quarter of 2018 compared to €2.1 million during the first quarter of 2017. The decrease was mainly due to lower revenues, the deductible decrease in fair value of the marketable securities, and translation adjustments.

OUTLOOK

The Rosebel royalty production is anticipated to be between 311,000 ounces and 326,000 ounces in 2018. In 2018, the Rosebel royalty is expected to provide revenues to the Company of between approximately €23.7 million and €24.9 million (US\$28.0 million and US\$29.4 million). These pre-tax numbers assume a gold price of US\$1,250 per ounce and an exchange rate of €1 for US\$1.18. The impact of changes in the average gold price on EURO's annual revenues, based on an estimated production of 318,000 ounces, would be approximately US\$3.1 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 €1.2 million. EURO's cash flow is expected to be primarily affected by income tax payments and eventual payment of dividends. The Company maintains certain cash available to pursue opportunities that would enhance the Company's long-term business.

KEY FINANCIAL DATA**Quarterly financial information**

(In millions of euros, except per share data)	First quarter ended March 31,	
	2018	2017
Revenues	5.6	6.5
Operating expenses	0.1	0.1
Profit before income tax	5.5	6.2
Income tax expense	1.6	2.1
Net profit	3.9	4.1
Basic and diluted earnings per share	0.063	0.066
Total assets	41.8	45.0

Quarterly data

(In millions of euros, except per share data)	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	5.6	6.7	6.4	6.5	6.5	7.2	6.9	6.3
Net cash flow from operating activities	5.1	4.0	3.4	2.6	5.4	4.9	3.9	4.1
Net profit	3.9	6.1	4.3	4.2	4.1	4.1	4.4	3.3
Basic and diluted earnings per share	0.063	0.097	0.069	0.067	0.066	0.066	0.070	0.053

LIQUIDITY AND CAPITAL RESOURCES

Cash at March 31, 2018 totaled €20.2 million as compared to €15.5 million at December 31, 2017. The increase was mainly due to cash flow from operating activities. 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. Investments in marketable securities are recorded at fair value with changes in fair value recorded in other comprehensive income.

As at March 31, 2018, marketable securities were comprised of 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") (8.2% of outstanding shares; December 31, 2017: 0%).

Following the approval of an 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 in other comprehensive income, based on the fair value of shares received of C\$0.68 per share on the date of the transaction.

SHARE CAPITAL

As at March 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 the first quarter of 2018.

DIVIDENDS

In February 2018, the Board of Directors recommended a dividend in the amount of €9.4 million (€0.15 per share), subject to the approval by shareholders upon the next annual general meeting on May 23, 2018. The ex-dividend date will be June 12, 2018, the dividend record date will be June 13, 2018, and the dividend payment date will be on June 14, 2018.

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 3.9 of the Company's annual financial statements for the year ended December 31, 2017.

SIGNIFICANT ACCOUNTING POLICIES

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, 2017, except for the following new accounting standards and interpretations, which were effective January 1, 2018, and were applied in preparing these unaudited condensed interim financial statements as described in note 2.1.1 of the Company's unaudited condensed interim financial statements for the first quarter of 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 2.4 of the Company's unaudited condensed interim financial statements for the first quarter ended March 31, 2018.

RELATED PARTY TRANSACTIONS

Revenues from royalties related to the Rosebel mine during the first quarter of 2018 were €5.5 million compared to €6.4 million during the first quarter of 2017. The related amount receivable at March 31, 2018 was €5.5 million (December 31, 2017: €6.4 million) and was included in trade receivables.

During the first quarter of 2018, the Company accounted for IAMGOLD's support fees totaling €0.015 million compared to €0.033 million during the first quarter of 2017. These charges are included in administrative costs in operating expenses. The related amount payable at March 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 PROCEDURE 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:

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