



# EURO Ressources <sup>SA</sup>

A Gold Resource  
Royalty Company

Unaudited Condensed Interim  
Financial Statements (per IFRS)  
Third Quarter ended September 30, 2019

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**Balance Sheets**  
**(Unaudited)**  
**(In thousands of euros)**

	Notes	September 30, 2019	December 31, 2018
<b>Non-current assets</b>		€ 10,261	€ 11,578
Royalty assets	4	8,490	8,438
Marketable securities	5	1,771	3,140
<b>Current assets</b>		<b>34,930</b>	<b>32,824</b>
Trade receivables	6	5,880	6,892
Other current assets		24	26
Income tax receivable		-	195
Cash	7	29,026	25,711
<b>Total assets</b>		€ 45,191	€ 44,402
<b>Equity</b>		€ 43,926	€ 43,849
Share capital	8.1	625	625
Additional paid-in-capital	8.1	84	84
Other reserves		31,514	27,417
Net profit for the period		11,703	15,723
<b>Non-current liabilities</b>		<b>386</b>	<b>424</b>
Deferred tax liabilities		386	424
<b>Current liabilities</b>		<b>879</b>	<b>129</b>
Trade payables and current liabilities		82	129
Income tax payable		797	-
<b>Total equity and liabilities</b>		€ 45,191	€ 44,402
Contingencies	15		

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

## Income Statements

(Unaudited)  
(In thousands of euros, except per share amount)

	Notes	Third quarter ended September 30,		Nine months ended September 30,	
		2019	2018	2019	2018
Revenues	11	€ 5,731	€ 5,381	€ 18,119	€ 16,959
Operating expenses	12	(109)	(92)	(422)	(383)
Amortization expense	4	(102)	(120)	(360)	(352)
Operating profit		5,520	5,169	17,337	16,224
Investment income		169	96	575	284
Foreign exchange gain (loss)		52	(5)	61	260
Net financial gain		221	91	636	544
Profit before income tax		5,741	5,260	17,973	16,768
Income tax expense	9	(2,240)	(2,014)	(6,270)	(5,861)
Net profit		€ 3,501	€ 3,246	€ 11,703	€ 10,907
Basic and diluted earnings per share (€/share)	8.2	€ 0.056	€ 0.052	€ 0.187	€ 0.175

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

**Statements of Comprehensive Income**  
**(Unaudited)**  
**(In thousands of euros)**

	Note	Third quarter ended September 30,		Nine months ended September 30,	
		2019	2018	2019	2018
Net profit		€ 3,501	€ 3,246	€ 11,703	€ 10,907
Other comprehensive income (loss) Items that will not be reclassified to the income statement					
Net unrealized change in fair value of marketable securities, net of tax	5	(777)	87	(1,324)	(3,998)
Currency translation adjustments		1,747	244	2,196	1,271
Other comprehensive income (loss)		970	331	872	(2,727)
Total comprehensive income		€ 4,471	€ 3,577	€ 12,575	€ 8,180

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

## Cash Flow Statements

(Unaudited)  
(In thousands of euros)

	Notes	Third quarter ended September 30,		Nine months ended September 30,	
		2019	2018	2019	2018
<b>Operating activities</b>					
Net profit		€ 3,501	€ 3,246	€ 11,703	€ 10,907
Elimination of items which do not have an impact on cash flow:					
Interest receivable on reimbursement of tax on dividend		-	-	-	(15)
Amortization expense		102	120	360	352
Foreign exchange loss (gain)		(52)	5	(61)	(260)
Income tax expense		2,240	2,014	6,270	5,861
Movements in non-cash working capital items	13	734	878	1,268	1,212
Cash from operating activities before income tax paid		6,525	6,263	19,540	18,057
Income tax paid		(1,772)	(2,061)	(5,180)	(3,278)
<b>Net cash flow from operating activities</b>		<b>4,753</b>	<b>4,202</b>	<b>14,360</b>	<b>14,779</b>
<b>Financing activities</b>					
Dividends paid	8.3	-	-	(12,498)	(9,374)
<b>Unrealized impact from changes in foreign currency exchange rates on cash</b>					
		1,131	101	1,453	859
<b>Increase in cash</b>		<b>5,884</b>	<b>4,303</b>	<b>3,315</b>	<b>6,264</b>
Cash, beginning of the period		23,142	17,441	25,711	15,480
<b>Cash, end of the period</b>		<b>€ 29,026</b>	<b>€ 21,744</b>	<b>€ 29,026</b>	<b>€ 21,744</b>

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

## Statements of Changes in Equity (Unaudited) (In thousands of euros)

	Share capital	Additional paid-in capital	Fair value reserve	Currency translation adjustments	Retained earnings	Net profit for the period	Total equity
<b>Balance as of</b>							
<b>December 31, 2018</b>	€ 625	€ 84	€ (1,562)	€ 5,710	€ 23,269	€ 15,723	€ 43,849
Appropriation of 2018 profit	-	-	-	-	15,723	(15,723)	-
<b>Position as of December 31, 2018 after appropriation of profit</b>	<b>625</b>	<b>84</b>	<b>(1,562)</b>	<b>5,710</b>	<b>38,992</b>	<b>-</b>	<b>43,849</b>
Dividends (note 8.3)	-	-	-	-	(12,498)	-	(12,498)
Total comprehensive income	-	-	(1,324)	2,196	-	11,703	12,575
<b>Balance as at</b>							
<b>September 30, 2019</b>	€ 625	€ 84	€ (2,886)	€ 7,906	€ 26,494	€ 11,703	€ 43,926

	Share capital	Additional paid-in capital	Fair value reserve	Currency translation adjustments	Retained earnings	Net profit for the period	Total equity
<b>Balance as of</b>							
<b>December 31, 2017</b>	€ 625	€ 84	€ 3,819	€ 3,857	€ 13,986	€ 18,657	€ 41,028
Appropriation of 2017 profit	-	-	-	-	18,657	(18,657)	-
<b>Position as of December 31, 2017 after appropriation of profit</b>	<b>625</b>	<b>84</b>	<b>3,819</b>	<b>3,857</b>	<b>32,643</b>	<b>-</b>	<b>41,028</b>
Dividends (note 8.3)	-	-	-	-	(9,374)	-	(9,374)
Total comprehensive income	-	-	(3,998)	1,271	-	10,907	8,180
<b>Balance as at</b>							
<b>September 30, 2018</b>	€ 625	€ 84	€ (179)	€ 5,128	€ 23,269	€ 10,907	€ 39,834

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

## Notes to Unaudited Condensed Interim Financial Statements

*(Amounts in notes are in euros, and tabular amounts are in thousands of euros, except where otherwise indicated.)*

### 1) Corporate information

EURO Ressources S.A. (“EURO” or the “Company”) is a *Société Anonyme*, domiciled in metropolitan France with its registered office located in Paris. EURO is a listed company in France who does not prepare consolidated financial statements.

As at September 30, 2019, IAMGOLD France S.A.S. (“IAMGOLD France”), an indirect wholly owned subsidiary of IAMGOLD Corporation (“IAMGOLD”), owned approximately 89.71% of all issued and outstanding shares of EURO and 94.25% of the voting rights of EURO (note 8.1). EURO’s securities trade on the NYSE Euronext of Paris stock exchange under the symbol EUR.

Main assets of the Company 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 royalty is payable by IAMGOLD. The Rosebel gold mine is 95%-owned by 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” or the “JV”).

### 2) Basis of preparation

#### 2.1) Statement of compliance

EURO’s unaudited condensed interim financial statements (“interim financial statements”) as and for the third quarter and nine months ended September 30, 2019 and 2018 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as approved by the International Accounting Standard Board (“IASB”) to comply with Canadian requirements. In France, only French generally accepted accounting principles can be applied for establishment of individual accounts of listed companies.

The interim financial statements of EURO as at and for the third quarter ended September 30, 2019 have been prepared in accordance with IAS 34, Interim Financial Reporting, and do not include all of the information required for annual financial statements. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These financial statements have been prepared on a historical cost basis, except for marketable securities which are measured at fair value.

These interim financial statements have been approved for publication by the Board of Directors on November 8, 2019.

#### 2.2) Accounting policies

These interim financial statements, including comparatives, have been prepared following the same accounting policies and methods of computation as the annual audited financial statements for the year ended December 31, 2018, except for the following new accounting standards and interpretations, which were effective January 1, 2019, and were applied in preparing these interim financial statements. These are summarized as follows:



**IFRS 16, Leases**

In January 2016, the IASB issued IFRS 16, Leases. The objective of IFRS 16 is to bring all leases on balance sheet for lessees. IFRS 16 requires lessees to recognize a “right of use” asset and a lease liability calculated using a prescribed methodology. The mandatory effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019. IFRS 16 requires lessees to recognize assets and liabilities for substantially all leases on the balance sheet, as well as corresponding depreciation and interest expense. The Company adopted IFRS 16 for the annual period beginning January 1, 2019. EURO does not have any lease agreements and accordingly, there was no impact upon the adoption of this standard.

**IFRIC 23, Uncertainty over income tax treatments**

On June 7, 2017, the IASB issued IFRIC Interpretation 23, Uncertainty over income tax treatments. The interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The interpretation is applicable for annual periods beginning on or after January 1, 2019. There was no impact upon the adoption of this standard.

**2.3) Functional and presentation currencies**

Financial statements of the Company are presented in Euros (“€” or “euros”).

The functional currency of EURO is the United States dollars (“US\$”), determined on the basis of the economic environment in which the Company operates. The United States dollar is the currency in which major transactions of the Company, such as income from royalties and the related cash, are denominated. Certain additional information are presented in these financial statements in United States dollars and in Canadian dollars (“C\$”).

Transactions denominated in foreign currencies (€ and C\$) are converted into the Company’s functional currency (US\$) on the basis of the spot exchange rates applied on the transaction dates. Foreign exchange gains and losses are related to the revaluation of bank accounts and other balance sheet accounts denominated in foreign currencies, and the revaluation and payment of dividends and income tax payable. Foreign exchange gains and losses are included in the income statements. Foreign exchange gains and losses related to deferred tax liabilities are included in the income tax expense.

Financial statements in United States dollars are then converted into euros as follows:

- Assets and liabilities are translated at the closing rate at the date of the balance sheet;
- Income and expenses for each significant transaction are translated at the exchange rate at the date of the transaction; otherwise an average rate for the period is used;
- When a gain or loss on financial assets at fair value through other comprehensive income (“OCI”), is recognized in OCI, the translation differences are also recognized in OCI;
- Equity transactions are translated using the exchange rate at the date of the transaction.

Translation adjustments arising from conversion of the financial statements into the presentation currency are recognized in other comprehensive income (“currency translation adjustments”). The currency exchange rate used to present the balance sheets in euros was €1 for US\$1.0908 at September 30, 2019 (€1 for US\$1.1456 as at December 31, 2018). The average currency exchange rate for the first nine months ended September 30, 2019, used to present the Company’s income statement, statement of comprehensive income and cash flow statement, was €1 for US\$1.1262 (first nine months ended September 30, 2018: €1 for US\$1.1964). Significant transactions are translated at the exchange rate of the date of the transaction. The fluctuation in foreign exchange rates explains the currency translation adjustments in the statement of comprehensive income.

### 3) Management of financial risk

EURO is exposed to different types of financial risks:

- Market risk (principally the market price for gold and marketable securities, and foreign currency risk),
- Credit risk, and
- Liquidity risk.

EURO monitors the volatility of financial markets and seeks to minimize the potentially unfavorable effects of that volatility for EURO's financial performance.

#### 3.1) Market risk

##### 3.1.1) Gold price risk

EURO is exposed to the risk of changes in the market price of gold. The Rosebel royalty production is anticipated to be between 250,000 ounces and 271,000 ounces in 2019. The lowered gold production guidance, compared to the range of 323,000 to 339,000 ounces in the first quarter of 2019, is primarily due to the impact of a security incident which resulted in the temporary suspension of mining activities subsequent to the second quarter of 2019. In 2019, the Rosebel royalty is expected to provide revenues to the Company of between approximately €20.9 million and €22.7 million (US\$23.6 million and US\$25.6 million). These pre-tax numbers assume a gold price of US\$1,300 per ounce and an exchange rate of €1 for US\$1.13. The impact of changes in the average gold price on EURO's annual revenues, based on an estimated production of 260,000 ounces, would be approximately US\$2.6 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 €1.1 million.

##### 3.1.2) Foreign currency translation risk

The functional currency of EURO is the United States dollars ("US\$") and its financial statements are presented in euros. EURO is exposed to foreign currency translation risk arising from various currency exposures, primarily with respect to the euro. Most revenues are initially denominated in the US\$ functional currency. On the other side, the income tax expense is denominated in euros which is not the Company's functional currency. Accordingly, the largest foreign currency translation risk is related to income tax expense.

(In thousands of euros)	Nine months ended September 30, 2019				Exposure to currency translation risk %
	Total	US\$	€	C\$	
Revenues	€ 18,119	€ 18,119	€ -	€ -	-
Operating expenses	€ 422	€ 175	€ 203	€ 44	59%
Investment income	€ 575	€ 575	€ -	€ -	-
Income tax expense	€ 6,270	€ -	€ 6,270	€ -	100%

#### 3.2) Credit risk

EURO is subject to a concentrated credit risk with almost 100% of its revenues receivable from one source, namely the Rosebel royalty. This royalty is payable by one company, IAMGOLD, which operates the Rosebel mine. Management considers that in view of the financial standing and nature of IAMGOLD's continuing operating activities, the risk of loss is minimal.

**3.3) Liquidity risk**

Prudent management of liquidity risk requires the retention of adequate liquidity to meet expected expenditures and possible contingencies. EURO believes that its recurring operational income is adequate to cover spending requirements.

**4) Royalty assets**

	December 31, 2018		Movement	Translation adjustment	September 30, 2019	
<u>Costs</u>						
Rosebel <sup>1</sup>	€	13,401	€	-	€	673
Paul Isnard <sup>2</sup>		4,888		-		246
		18,289		-		919
<u>Accumulated amortization</u>						
Rosebel		(9,851)		(360)		(507)
	€	<b>8,438</b>	€	<b>(360)</b>	€	<b>412</b>
					€	<b>8,490</b>

	December 31, 2017		Movement	Translation adjustment	December 31, 2018	
<u>Costs</u>						
Rosebel <sup>1</sup>	€	12,772	€	-	€	629
Paul Isnard <sup>2</sup>		4,659		-		229
		17,431		-		858
<u>Accumulated amortization</u>						
Rosebel		(8,892)		(505)		(454)
	€	<b>8,539</b>	€	<b>(505)</b>	€	<b>404</b>
					€	<b>8,438</b>

<sup>1</sup> The Rosebel royalty quarterly payments from IAMGOLD apply to the first seven million ounces of gold produced from the Rosebel mine and are calculated on the basis of gold production at the Rosebel mine and the market price of gold based on the Afternoon London Price. As of September 30, 2019, the Rosebel mine had produced approximately 5.19 million ounces of gold and 1.81 million ounces of gold remained under the Rosebel royalty agreement. Per IAMGOLD, Rosebel's proven and probable gold reserves as at December 31, 2018 were estimated to be 3.80 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.

<sup>2</sup> The net smelter returns production royalty covers future production of the Paul Isnard concessions and an area of interest surrounding the concessions in French Guiana. Royalty income will be calculated by applying the percentage of royalty to the net smelter returns royalty established based on revenues from the sale of gold calculated per the average monthly gold price (in United States dollars) less applicable deductions per the agreement. The royalty percentage is 1.8% on the first two million ounces of gold and 0.9% on the next three million ounces of gold.

As at September 30, 2019, the Company's impairment review indicated that the facts and circumstances did not represent an indication of potential impairment.

In regards to Montagne D'Or project, the French National Commission of Public Debate designated two guarantors in January 2019 responsible for the participation of the public in the Project development up until the opening of the public inquiry for the permit applications. As of September 30, 2019, their conclusions were still pending.

In May 2019, The French Government declared the Project not yet compatible with environmental requirements. A new French mining code is expected to be enacted by the end of 2019, which will clarify the framework and the environmental standards of the mining operations in France. The recent statements by the French Government regarding Compagnie Minière Montagne d'Or (the JV) in May 2019, to which the Paul Isnard royalty is attached, creates some uncertainty around the delivery of the various authorizations and permits not yet obtained and required for developing the Project, and can potentially affect the operational and financial capacities of the project. Failure to obtain operating permits would result in the need to depreciate in full the net book value of the assets relating to the Paul Isnard royalty. Nevertheless, work continues on both the design of the Project and the environmental framework around it.

Per Columbus' news release on October 8, 2019, the French government appointed in September a new mining delegate and coordinator of mining projects in French Guiana, which new mandate is to define and implement actions for the development of a responsible mining industry in French Guiana.

In those circumstances, the Company is maintaining the same assumption from the impairment test related to the Paul Isnard royalty asset performed as at December 31, 2018. In the view of the Company, it is premature to conclude that an impairment should be made on the Paul Isnard royalty asset at this stage. The Company continues to assume that the various authorizations and permits will be granted under conditions that will allow the JV to go on with this Project, though the timing is somewhat uncertain. No impairment charges were recorded in the statement of earnings for the third quarter ended September 30, 2019.

## **5) 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 September 30, 2019, marketable securities comprised 19,095,345 shares of Columbus Gold Corp. ("Columbus") (11.3% of outstanding shares; December 31, 2018: 12.0%) and 3,819,069 shares of Allegiant Gold Ltd. ("Allegiant") (6.2% of outstanding shares; December 31, 2018: 6.3%).

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 €1,699,000 during the first quarter of 2018 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.

	Third quarter ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Balance, beginning of the period	€ 2,552	€ 4,206	€ 3,140	€ 9,644
Fair value of marketable securities received	-	-	-	1,699
Change in fair value of marketable securities	(865)	15	(1,478)	(7,236)
Translation adjustment	84	114	109	228
Balance, end of the period	€ 1,771	€ 4,335	€ 1,771	€ 4,335

Unrealized gains or losses related to the change in market price of marketable securities are recorded in accumulated other comprehensive income within equity.

	Third quarter ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Net unrealized change in fair value of marketable securities, net of tax				
Fair value of marketable securities received	€ -	€ -	€ -	€ 1,699
Change in fair value of marketable securities	(865)	15	(1,478)	(7,236)
Income tax impact	88	72	154	1,539
	€ (777)	€ 87	€ (1,324)	€ (3,998)

## 6) Trade receivables

	Note	September 30, 2019	December 31, 2018
Trade receivables from IAMGOLD	14	€ 5,880	€ 6,796
Other trade receivable		-	96
		€ 5,880	€ 6,892

## 7) Cash

	September 30, 2019	December 31, 2018
Cash <sup>1</sup>	€ 29,026	€ 25,711

<sup>1</sup> 1% of EURO's available cash was held in euros as at September 30, 2019 and December 31, 2018.

**8) Share capital****8.1) Common shares**

	<b>Number of shares</b>	<b>Nominal value per share</b> (In euros per share)	<b>Share Capital</b> (In thousands of euros)	<b>Additional paid-in capital</b> (In thousands of euros)
<b>As at September 30, 2019 and December 31, 2018</b>	<b>62,491,281</b>	<b>€ 0.01</b>	<b>€ 625</b>	<b>€ 84</b>

**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 since at least two years (application of article L. 225-123 of the French commercial code).

As at September 30, 2019, IAMGOLD France, an indirect wholly owned subsidiary of IAMGOLD, owned approximately 89.71% of all issued and 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 September 30, 2019, 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.

	<b>September 30, 2019</b>	<b>December 31, 2018</b>
Total number of common shares	<b>62,491,281</b>	62,491,281
Double voting rights	<b>56,468,416</b>	56,468,416
Total number of voting rights	<b>118,959,697</b>	118,959,697

**8.2) Earnings per share****Basic earnings per share computation**

	<b>Third quarter ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Net profit attributable to holders of common shares	€ <b>3,501</b>	€ 3,246	€ <b>11,703</b>	€ 10,907
Basic and diluted weighted average number of common shares	<b>62,491,281</b>	62,491,281	<b>62,491,281</b>	62,491,281
Basic and diluted earnings per share attributable to holders of common shares	€ <b>0.056</b>	€ 0.052	€ <b>0.187</b>	€ 0.175

**Diluted earnings per share computation**

The double voting rights do not have a dilutive effect on the earnings per share computation.

**8.3) Dividends**

The amount of distributable dividends is based on the annual financial statements prepared in accordance with French GAAP.

	Nine months ended September 30,	
	2019	2018
Dividends paid June 13, 2019 <sup>1</sup>	€ 12,498	€ -
Dividends paid June 14, 2018 <sup>2</sup>	-	9,374
	€ 12,498	€ 9,374

<sup>1</sup> The annual ordinary and extraordinary general meeting of shareholders held May 22, 2019 approved dividends in the amount of €12,498,000 (€0.20 per share) which were paid to the Company's shareholders on June 13, 2019.

<sup>2</sup> The annual ordinary general meeting of shareholders held May 23, 2018 approved dividends in the amount of €9,374,000 (€0.15 per share) which were paid to the Company's shareholders on June 14, 2018.

**9) Income tax**

The income tax expense differs from the amount that would have been computed by applying the income tax rate for corporations in France. In 2019, the income tax rate applicable to profit before income tax was of 28% for the first taxable income of €0.5 million and 31% for the remainder as well as an additional social contribution tax of 3.3% applied to the tax rate. In 2018, the income tax rate applicable to profit before income tax was of 28% for the first taxable income of €0.5 million and 33<sup>1</sup>/<sub>3</sub>% for the remainder as well as an additional social contribution tax of 3.3% applied to the tax rate.

**10) Fair value measurements**

The fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as derived from prices.
- Level 3 inputs are unobservable inputs for the asset or liability.

There have been no changes in the classification of financial instruments in the fair value hierarchy since December 31, 2018.

**10.1) Assets and liabilities measured at fair value on a recurring basis**

As at September 30, 2019, the Company's following assets were recorded at fair value as follows.

	Level 1	Level 2	Level 3	Total
Marketable securities	€ 1,771	-	-	€ 1,771
Cash	€ 29,026	-	-	€ 29,026

**10.2) Valuation techniques**

## Marketable securities

The fair value of marketable securities included in Level 1 is determined based on a market approach. The closing price is a quoted market price from the exchange market that is the principal active market for that particular security.

**11) Revenues**

	Third quarter ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Royalties related to the operation of the Rosebel mine	€ 5,731	€ 5,273	€ 18,196	€ 16,697
Royalties related to mining operations from third parties <sup>1</sup>	-	108	(77)	262
	€ 5,731	€ 5,381	€ 18,119	€ 16,959

<sup>1</sup> Royalties related to mining operations from third parties were over accrued in December 2018.

**12) Operating expenses**

	Third quarter ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Administrative costs	€ 8	€ 25	€ 110	€ 108
Directors' fees (including withholding taxes)	29	24	83	72
Audit fees	21	20	72	67
Legal fees	27	3	69	57
Exchange and listing fees	24	20	88	93
Interest on reimbursement of tax on dividends	-	-	-	(14)
	€ 109	€ 92	€ 422	€ 383

**13) Movements in non-cash working capital items**

	Third quarter ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Change in trade receivables and other current assets	€ 783	€ 1,057	€ 1,319	€ 1,474
Change in trade payables and other current liabilities	(49)	(179)	(51)	(262)
	€ 734	€ 878	€ 1,268	€ 1,212



**14) Related party transactions**

Revenues from royalties related to the Rosebel mine during the third quarter of 2019 were €5,731,000 (first nine months of 2019: €18,196,000) compared to €5,273,000 during the third quarter of 2018 (first nine months of 2018: €16,697,000). The related amount receivable at September 30, 2019 was €5,880,000 (December 31, 2018: €6,796,000) and was included in trade receivables.

During the third quarter of 2019, the Company accounted for IAMGOLD's support fees totalling €18,000 (first nine months of 2019: €59,000) compared to €21,000 during the third quarter of 2018 (first nine months of 2018: €60,000). These charges are included in administrative costs in operating expenses. The related amount payable at September 30, 2019 was €6,000 and was included in trade payables and other current liabilities (December 31, 2018: €22,000).

**15) Provisions for litigation claims and regulatory assessments**

By their nature, contingencies will only be determined when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

The Company may be subject to assessments by regulatory authorities which can be complex and subject to interpretation. Assessments may relate to matters such as income and other taxes. The Company is diligent and exercises informed judgment to interpret the provisions of applicable laws and regulations as well as their application and administration by regulatory authorities to reasonably determine and pay the amounts due. From time to time, the Company may undergo a review by the regulatory authorities and in connection with such reviews, disputes may arise with respect to the Company's interpretations about the amounts due and paid.

Legal advisors and other subject matter experts assess the potential outcome of litigation and regulatory assessments. Accordingly, the Company establishes provisions for future disbursements considered probable.

A provision is booked when (i) the Company has a present legal or constructive obligation towards a third party as a result of a past event, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) the amount of the obligation can be estimated reliably.

As at September 30, 2019, the Company did not have any provisions for litigation claims or regulatory assessments as management considered the related risk to be low. Further, the Company does not believe that claims or regulatory assessments for which no provision has been recorded would have a material impact on the financial position of the Company.