



MANAGEMENT'S DISCUSSION AND ANALYSIS 2019

The following management's discussion and analysis ("MD&A") of EURO Ressources S.A. ("EURO" or the "Company") for the year ended December 31, 2019 and dated February 21, 2020, 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, 2019. 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 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, 2019, the Rosebel mine had produced 5.24 million ounces of gold and 1.76 million ounces of gold remain under the Rosebel royalty agreement. Per IAMGOLD, Rosebel's proven and probable gold reserves as at December 31, 2019 were estimated to be 3.5 million ounces of gold (December 31, 2018 – 3.8 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, 2019, 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, 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.

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. 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 21, 2020**Tidiane Barry**

Directeur Général, EURO Ressources S.A.
Country Director, Burkina Faso, IAMGOLD Essakane SA (a subsidiary of IAMGOLD Corporation)
Montréal, Québec, Canada

Sophie Hallé

Directeur Général Délégué, EURO Ressources S.A.
Senior Manager, Finance & Administration, IAMGOLD Corporation
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Susanne A. Hermans¹

Financial accounting consulting
Littleton, Colorado, United States of America

Janandre Lamprecht

Director, Reporting & Accounting Policy, IAMGOLD Corporation
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Senior Vice-President, Corporate Affairs, HSS and People, IAMGOLD Corporation
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Phillip Marks

Associate General Counsel, IAMGOLD Corporation
Toronto, Ontario, Canada

Affie A. Simanikas

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

Ian Smith^{1, 2}

Director, Canada Coal Inc. and Director & Chairman, Sanatana Resources Inc.
Vancouver, British Columbia, Canada

David H. Watkins^{1, 2}

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

¹ Member of the Audit Committee.

² Member of the Compensation Committee.

Stock Exchange Listing

EURONEXT

Symbol: EUR

During 2019, 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
France

Société anonyme with a share capital of €624,913
SIRET 390 919 082

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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\$1.1227 at December 31, 2019 (€1 for US\$1.1456 as at December 31, 2018). The average currency exchange rate for the year ended December 31, 2019, used to present the Company's income statements, statements of comprehensive income and cash flow statements, was €1 for US\$1.1204 (2018: €1 for US\$1.1829). Significant transactions are translated at the exchange rate of the date of the transaction.

RESULTS OF OPERATIONS UNDER IFRS**2019 compared to 2018 (IFRS)**

Under IFRS, EURO recorded a net profit of €16.0 million (€0.255 per share) in 2019 compared to €15.7 million (€0.252 per share) during 2018.

Revenues totaled €24.1 million in 2019, higher than revenues of €23.9 million reported in 2018. Revenues were mainly attributable to the Rosebel royalty of €24.2 million in 2019 (2018: €23.5 million). The increase in revenues was due to the combination of three items: the impact of a higher average gold price in 2019 of US\$1,393 per ounce of gold compared to US\$1,266 per ounce of gold in 2018 (€2.5 million), the impact of a weakened euro (€1.2 million), partially offset by a lower gold production of 264,307 ounces in 2019 compared to 302,114 ounces in 2018 (€3.0 million). In 2019, other royalties from third parties in French Guiana only included a reversal of a previously over estimated royalty receivable of -€0.1 million compared to revenues of €0.4 million in 2018.

Operating expenses in 2019 were €0.56 million compared to €0.48 million in 2018. The increase was mainly due to higher administrative costs and directors' fees in 2019.

The amortization expense of €0.47 million during 2019 was lower than the amortization expense of €0.51 million recorded during 2018, mainly due to lower gold production at the Rosebel mine partially offset by the impact of a weaker average euro in 2019.

The investment income in 2019 was €0.7 million compared to €0.4 million in 2018. The increase was mainly due to higher bank balances in 2019.

EURO recorded a foreign exchange gain of €0.06 million in 2019 compared to €0.27 million in 2018, mainly due to a smaller change in the closing foreign exchange rate of the Euro compared to the United States dollar in 2019 compared to 2018. This rate was used for the revaluation of dividends payable, bank accounts and income tax payable.

Under IFRS, EURO recorded an income tax expense of €7.94 million in 2019 compared to €7.86 million in 2018. The increase was mainly due to the tax effect of the change in fair value of the marketable securities partially offset by translation adjustments and the impact of a lower tax rate in 2019 compared to 2018.

Fourth quarter ended December 31, 2019 compared to the same period in 2018 (IFRS)

Under IFRS, EURO recorded a net profit of €4.2 million (€0.068 per share) for the fourth quarter of 2019 compared to €4.8 million (€0.077 per share) for the fourth quarter of 2018.

Revenues were €6.0 million during the fourth quarter of 2019, a decrease of 13% compared to revenues of €6.9 million during the fourth quarter of 2018. Revenues were attributable to the Rosebel royalty of €6.0 million (fourth quarter of 2018: €6.8 million). The decrease in revenues was mainly due to lower gold production with 59,052 ounces in the fourth quarter of 2019 compared to 88,940 ounces during the fourth quarter of 2018 (€2.3 million), partially offset by a higher average gold price during the fourth quarter of 2019 of US\$1,481 per ounce of gold compared to US\$1,226 per ounce of gold during the fourth quarter of 2018 (€1.3 million) and the weakened euro (€0.2 million). There were no other royalties from third parties in French Guiana during the fourth quarter of 2019 (fourth quarter of 2018: €0.1 million).

Under IFRS, EURO recorded an income tax expense of €1.7 million during the fourth quarter of 2019 compared to €2.0 million during the fourth quarter of 2018. The decrease was mainly due to a decrease in revenues and translation adjustments, partially offset by the tax effect of the change in fair value of the marketable securities.

OUTLOOK

The Rosebel royalty production in 2019 was 264,307 ounces and is anticipated to be between 184,000 ounces and 205,000 ounces in 2020. In 2020, the Rosebel royalty is expected to provide revenues to the Company of between approximately €15.7 million and €17.6 million (US\$18.1 million and US\$20.2 million). These pre-tax numbers assume a gold price of US\$1,350 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 195,000 ounces, would be approximately US\$1.9 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 €0.8 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)	2019	2018
Revenues	24.1	23.9
Operating expenses	0.6	0.5
Profit before income tax	23.9	23.6
Income tax expense	7.9	7.9
Net profit	16.0	15.7
Basic and diluted profit per share	0.255	0.252
Total assets	48.2	44.4
Dividends paid	12.5	9.4
Dividends paid per share (€ per share)	0.20	0.15

Quarterly data

(In millions of euros, except per share data)	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	6.0	5.7	6.5	5.9	6.9	5.4	6.0	5.6
Net cash flow from operating activities	3.4	4.8	4.5	5.1	3.7	4.2	5.5	5.1
Net profit	4.2	3.5	4.7	3.6	4.8	3.2	3.7	3.9
Basic and diluted profit per share	0.068	0.056	0.074	0.057	0.077	0.052	0.059	0.063

LIQUIDITY AND CAPITAL RESOURCES

Cash at December 31, 2019 totaled €31.6 million as compared to €25.7 million at December 31, 2018. The increase was mainly due to cash flow from operating activities partially offset by dividends paid in 2019. 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, 2019, marketable securities comprised 19,095,345 shares of Columbus Gold Corp. ("Columbus") (10.6% 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%).

During the year ended December 31, 2019, the Company recognized an unrealized loss following the decrease of the fair value of these marketable securities. Under IFRS, this loss of €0.7 million was recorded in other comprehensive income (€8.5 million in 2018).

ROYALTY ASSETS

The carrying amounts on the Company's royalty assets are reviewed at each reporting date to determine whether there is any indication of impairment. No such indicator exists for the Rosebel royalty. Concerning the Paul Isnard royalty asset (representing €4,2M in statutory accounts), the Company's impairment review indicated that some facts and circumstances represent an indication of potential impairment as at December 31, 2019.

In January 2019, the French National Commission of Public Debate designated two guarantors 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 December 31, 2019, their conclusions were still pending.

On May 23, 2019, Mr. Francois de Rugy, former Minister of Ecological Transition and Solidarity, declared, at the end of the first Ecological Defence Council meeting,

- i) the project to be incompatible, in “its current state”, with environmental protection requirements and
- ii) a proposed reform of the French mining code by the end of 2019, finally postponed to a later date.

On the same day, Compagnie Minière Montagne d’Or (the JV) issued a press release reiterating its willingness to conduct an open and constructive dialogue with all parties and took note of the government’s expressed willingness to accelerate the reform of the mining code. This modernization is expected to integrate environmental requirements and to clarify the framework of the mining operations in France.

The recent statements by the French Government regarding Compagnie Minière Montagne d’Or, 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.

In the impairment test performed at December 31, 2019, the Company considered that the various authorizations and permits would be granted under conditions that will allow the JV to go on with this project. 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 year ended December 31, 2019.

SHARE CAPITAL

As at December 31, 2019, 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 2019.

DIVIDENDS

The annual ordinary and extraordinary general meeting of shareholders held May 22, 2019 approved dividends in the amount of €12.5 million (€0.20 per share) which were paid to the Company’s shareholders on June 13, 2019. The annual ordinary general meeting of shareholders held May 24, 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.

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, 2019.

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, 2018, except for the new accounting standards which were effective January 1, 2019, 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, 2019.

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after December 31, 2019. There are currently no such pronouncements that are expected to have a significant impact on the Company's financial statements upon adoption.

RELATED PARTY TRANSACTIONS

Revenues from royalties related to the Rosebel mine during 2019 were €24.2 million compared to €23.5 million during 2018. The related amount receivable at December 31, 2019 was €5.9 million (December 31, 2018: €6.8 million) and was included in trade receivables.

During 2019, the Company accounted for IAMGOLD's support fees totaling €0.08 million compared to €0.08 million in 2018. These charges are included in administrative costs in operating expenses. The related amount payable at December 31, 2019 was €0.009 million and was included in trade payables and other current liabilities (December 31, 2018: €0.02 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:

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