



A Gold Resource Royalty
Company

NEWS RELEASE

Paris: EUR

**EURO RESSOURCES REPORTS EARNINGS FOR THE
FIRST QUARTER ENDED MARCH 31, 2020**

Paris, France, May 11, 2020: EURO Ressources S.A. (“EURO” or “the Company”) (Paris: EUR) today announced its unaudited statutory interim financial results prepared in accordance with International Financial Reporting Standards (“IFRS”) for the first quarter ended March 31, 2020. These unaudited interim financial statements were approved by the Board of Directors on May 8, 2020. All financial amounts are expressed in Euros (“€” or “euros”) unless otherwise specified.

Highlights

Under IFRS, EURO reported a net profit of €5.0 million (€0.080 per share) for the first quarter of 2020, compared to €3.6 million (€0.057 per share) for the first quarter of 2019.

EURO recorded revenues of €7.2 million in the first quarter of 2020 compared to revenues of €5.9 million for the first quarter of 2019.

Liquidity and capital resources

Cash at March 31, 2020 totaled €36.5 million as compared to €31.6 million at December 31, 2019. The increase was mainly due to cash flow from operating activities.

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.

As at March 31, 2020, marketable securities were comprised of 19,095,345 shares of Columbus Gold Corp. (“Columbus”) (10.2% of outstanding shares; December 31, 2019: 10.6%) and 3,819,069 shares of Allegiant Gold Ltd. (“Allegiant”) (6.2% of outstanding shares; December 31, 2019: 6.2 %).

During the quarter ended March 31, 2020, the Company recognized an unrealized loss under IFRS following the decrease of the fair value of these marketable securities. Under IFRS, this loss of €1.1 million was recorded in other comprehensive income (€0.2 million during the quarter ended March 31, 2019).

Royalty assets

(Refer to MD&A for more detail)

As at March 31, 2020, the Company's impairment review indicated that the facts and circumstances did not represent an indication of potential impairment. In May 2019, The French Government declared the Montagne D'Or project not yet compatible with environmental requirements. A new French mining code that was expected to be enacted by the end of 2019, finally postponed to a later date, will clarify the framework and the environmental standards of the mining operations in France. The 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. Nevertheless, work continues on both the design of the project and the environmental framework around it. 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, 2019. The Company continues to assume that the various authorizations and permits would 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 quarter ended March 31, 2020.

First quarter ended March 31, 2020 compared to the same period in 2019 (IFRS)

Under IFRS, EURO reported a net profit of €5.0 million (€0.080 per share) for the first quarter of 2020 compared to €3.6 million (€0.057 per share) for the first quarter of 2019.

Revenues were €7.2 million during the first quarter of 2020, an increase compared to €5.9 million for the first quarter of 2019. Revenues were attributable to the Rosebel royalty of €7.2 million (first quarter of 2019: €6.0 million). The increase in revenues was due to the combination of three items: the impact of a higher average gold price in the first quarter of 2020 of US\$1,583 per ounce of gold compared to US\$1,304 per ounce of gold in the first quarter of 2019 (€1.6 million), the impact of a weakened euro (€0.2 million), partially offset by a lower gold production of 65,399 ounces in the first quarter of 2020 compared to 71,536 ounces in the first quarter of 2019 (€0.5 million). There were no other royalties from third parties in French Guiana during the first quarter of 2020 (first quarter of 2019: -€0.1 million due to a reversal of a previously over estimated royalty receivable).

During the first quarter of 2020, the Company recorded operating expenses of €0.12 million compared to €0.14 million during the same period in 2019. The decrease was mainly explained by lower administrative costs and audit fees for the first quarter of 2020.

EURO recorded an income tax expense of €2.2 million in the first quarter of 2020 compared to €2.3 million in the first quarter of 2019. The decrease was mainly due to the tax impact of the change in fair value of the marketable securities partially offset by the tax impact of higher earnings in the first quarter of 2020 compared to the same period in 2019.

Outlook

The Rosebel royalty production is anticipated to be between 180,000 ounces and 200,000 ounces in 2020. In 2020, the Rosebel royalty is expected to provide revenues to the Company of between approximately €18.0 million and €20.1 million (US\$20.1 million and US\$22.5 million). These pre-tax numbers assume a gold price of US\$1,500 per ounce and an exchange rate of €1 for US\$1.12. The impact of changes in the average gold price on EURO's annual revenues, based on an estimated production of 190,000 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 €1.0 million. EURO's cash flow is expected to be primarily affected by income tax payments. The Company maintains certain cash available to pursue opportunities that would enhance the Company's long-term business.

GLOBAL COVID-19 CRISIS

While the impact of the crisis on the Company's results was not significant in the first quarter of 2020, the precise impact continues to evolve and the adverse effect on the Company could be significant in future periods. Management continues to assess the impact the global COVID-19 crisis could have on all aspects of its operations.

The Rosebel mine in Suriname continues to operate, however, at less than full capacity due to the absence of certain members of the workforce for quarantine or other preventative purposes. The site was moved into self-confinement on March 22, 2020 to better protect employees and communities, and to support the continuity of these operations.

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.

EURO has approximately 62.5 million shares outstanding. At March 31, 2020, IAMGOLD France S.A.S. ("IAMGOLD France"), an indirect wholly owned subsidiary of IAMGOLD, owned approximately 89.71% of all issued outstanding shares of EURO. As at March 31, 2020, 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.

Statements Regarding Forward-Looking Information: *Some statements in this news release are forward-looking statements. Investors are cautioned that forward-looking statements are inherently uncertain and involve risks and uncertainties. There can be no assurance that future developments affecting the Company will be those anticipated by management.*

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Additional information relating to EURO Ressources S.A. is available on SEDAR at www.sedar.com. Further requests for information should be addressed to:

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