



MANAGEMENT’S DISCUSSION AND ANALYSIS FIRST QUARTER ENDED MARCH 31, 2021

The following management’s discussion and analysis (“MD&A”) of EURO Ressources S.A. (“EURO” or the “Company”), dated May 5, 2021, 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, 2021. This MD&A has been prepared by management and approved by the Audit Committee and the Board of Directors of the Company, and should be read in conjunction with EURO’s audited annual financial statements and related notes for December 31, 2020 and the related MD&A. 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 Orea Mining Corp. and Nord Gold SE (“Compagnie Minière Montagne d’Or” or the “JV”).

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 March 31, 2021, the Rosebel mine had produced 5.4 million ounces of gold and 1.6 million ounces of gold remain under the Rosebel royalty agreement. Per IAMGOLD, Rosebel’s proven and probable gold reserves as at December 31, 2020 were estimated to be 3.4 million ounces of gold (December 31, 2019 – 3.5 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, Orea 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. As at March 31, 2021, 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, 2021, 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. In addition, the Company faces the risk of potential direct or indirect operational impacts resulting from infectious diseases or pandemics, such as the COVID-19 outbreak. 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.

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\$1.17425 at March 31, 2021 (€1 for US\$1.2228 as at December 31, 2020). The average currency exchange rate for the first quarter ended March 31, 2021, used to present the Company's income statements, statements of other comprehensive income and cash flow statements, was €1 for US\$1.2153 compared to €1 for US\$1.1103 for the first quarter of 2020. Significant transactions are translated at the exchange rate of the date of the transaction.

RESULTS OF OPERATIONS UNDER IFRS

First quarter ended March 31, 2021 compared to the same period in 2020 (IFRS)

Under IFRS, EURO reported a net profit of €1.9 million (€0.030 per share) for the first quarter of 2021 compared to €5.0 million (€0.080 per share) for the first quarter of 2020.

Revenues were €3.5 million during the first quarter of 2021, a decrease compared to €7.2 million for the first quarter of 2020. Revenues were only attributable to the Rosebel royalty in the first quarter of 2021 and 2020. The decrease in revenues was mainly due to lower gold production of 29,232 ounces in the first quarter of 2021 compared to 65,399 ounces in the first quarter of 2020 (€4.0 million) due to lower throughput, and reflecting an increasing proportion of higher grade ore sourced from the Saramacca deposit which resulted in reduced production from the Rosebel concession. The Saramacca deposit is not included in the property as per the participation right agreement. The decrease in revenues is also due to a strengthened euro (€0.3 million), partially offset by a higher average gold price in the first quarter of 2021 of US\$1,794 per ounce of gold compared to US\$1,583 per ounce of gold in the first quarter of 2020 (€0.6 million).

During the first quarter of 2021, the Company recorded operating expenses of €0.12 million, same level as the first quarter of 2020.

EURO recorded an income tax expense of €1.4 million in the first quarter of 2021 compared to €2.2 million in the first quarter of 2020. The decrease was mainly due to the tax impact of lower earnings in the first quarter of 2021 compared to the same period in 2020, partially offset by translation adjustments and by the tax impact of the change in fair value of the marketable securities.

OUTLOOK

The Rosebel royalty production is anticipated to be between 144,000 ounces and 171,000 ounces in 2021. In 2021, the Rosebel royalty is expected to provide revenues to the Company of between approximately €16.5 million and €19.6 million (US\$19.7 million and US\$23.3 million). These pre-tax numbers assume a gold price of US\$1,750 per ounce and an exchange rate of €1 for US\$1.19. The impact of changes in the average gold price on EURO's annual revenues, based on an estimated production of 158,000 ounces, would be approximately US\$1.5 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 €0.9 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.

KEY FINANCIAL DATA**Quarterly financial information**

(In millions of euros, except per share data)	First quarter ended March 31,	
	2021	2020
Revenues	€ 3.5	€ 7.2
Profit before income tax	€ 3.3	€ 7.2
Income tax expense	€ 1.4	€ 2.2
Net profit	€ 1.9	€ 5.0
Basic net earnings (€ per share)	€ 0.030	€ 0.080
Total assets	€ 49.3	€ 53.5

Quarterly data

(In millions of euros, except per share data)	2021	2020					2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Revenues	3.5	3.0	3.8	5.2	7.2	6.0	5.7	6.5	
Net cash flow from operating activities	1.7	2.6	2.7	5.4	4.2	3.4	4.8	4.5	
Net profit	1.9	2.8	3.0	3.3	4.9	4.2	3.5	4.7	
Basic and diluted earnings per share	0.030	0.044	0.047	0.053	0.080	0.068	0.056	0.074	

LIQUIDITY AND CAPITAL RESOURCES

Cash at March 31, 2021 totaled €34.6 million compared to €31.5 million at December 31, 2020. 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. Under IFRS, investments in marketable securities are recorded at fair value with changes in fair value recorded in other comprehensive income.

As at March 31, 2021, marketable securities were comprised of 19,095,345 shares of Orea Mining Corp. ("Orea") (9.3% of outstanding shares; December 31, 2020: 9.7%) and 3,819,069 shares of Allegiant Gold Ltd. ("Allegiant") (6.2% of outstanding shares; December 31, 2020: 6.2%).

During the first quarter ended March 31, 2021, the Company recognized an unrealized loss under IFRS following the decrease of the fair value of these marketable securities. Under IFRS, this loss of €1.0 million was recorded in other comprehensive income (€1.1 million during the first quarter ended March 31, 2020).

ROYALTY ASSETS

The carrying amounts of the Company's royalty are reviewed at each reporting date to determine whether there is any indication of impairment.

Rosebel mine

No indication of impairment was identified for the Rosebel royalty as at March 31, 2021.

Paul Isnard project

During 2019, the following events took place:

- The appointment in January of two guarantors of public participation in the development of the project until the opening of the public inquiry into the permit applications by France's Commission Nationale du Débat Public (CNDP).
- The announcement on May 23 by the Ministry of Ecological Transition and Solidarity following the end of the first meeting of the Ecological Defence Council of the incompatibility of the project in "its current state" with the environmental protection requirements. Following this announcement, the Compagnie Minière Montagne d'Or (the joint venture) reaffirmed through a press release its commitment to maintaining an open and constructive dialogue with all stakeholders.

The statements by the French Government regarding the Compagnie Minière Montagne d'Or, to which the Paul Isnard royalty is attached, have created 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.

As of March 31, 2021, the CNDP has not yet submitted its conclusions.

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.

On December 22, 2020, Orea Mining Corp. announced that the engineering studies for the project improvements and modifications initiated for the mining permits are substantially complete.

On December 24, 2020, the Cayenne Administrative Court ordered the French State to extend the Montagne d'Or mining concessions within 6 months of the decision.

On February 3, 2021, the French Government announced that it was appealing the Administrative Court's decision to extend the Montagne d'Or mining concessions.

In the impairment test performed at December 31, 2020, 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. The Company believes that it is premature to conclude that an impairment should be recorded on the Paul Isnard royalty asset at this stage. Therefore, The Company continues to assume that the various authorizations and permits would be granted under conditions that will allow the joint venture to go forward with this project, although the timing is somewhat uncertain. No impairment charges were recorded in the statement of earnings for the first quarter ended March 31, 2021.

SHARE CAPITAL

As at March 31, 2021, 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 2021.

DIVIDENDS

In February 2021, the Board of Directors recommended a dividend in the amount of €15.6 million (€0.25 per share), subject to the approval by shareholders upon the next annual general meeting on May 19, 2021. The ex-dividend date will be June 8, 2021, the dividend record date will be June 9, 2021, and the dividend payment date will be on June 10, 2021.

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 annual financial statements for the year ended December 31, 2020.

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, 2020.

RELATED PARTY TRANSACTIONS

Revenues from royalties related to the Rosebel mine during the first quarter of 2021 were €3.5 million compared to €7.2 million during the first quarter of 2020. The related amount receivable at March 31, 2021 was €3.6 million (December 31, 2020: €2.9 million) and was included in trade receivables.

During the first quarters of 2021 and 2020, the Company accounted for IAMGOLD's support fees totaling €0.02 million. These charges are included in administrative costs in operating expenses. The related amount payable at March 31, 2021 was €0.006 million and was included in trade payables and other current liabilities (December 31, 2020: €0.006 million).

GLOBAL COVID-19 PANDEMIC

The global COVID-19 pandemic continues to evolve including the continuing imposition of restrictions on the movement of people and goods, social distancing measures, restrictions on group gatherings, quarantine requirements and contact tracing. Despite the beginning of mass immunization campaigns across several countries, another wave of new COVID-19 cases is emerging globally, triggering the return of more aggressive mitigation strategies. These include the re-imposition of hard social distancing measures such as quarantines, curfews and lockdowns in certain jurisdictions. The Company has been closely monitoring and taking necessary measures to manage the impact of the COVID-19 pandemic on all aspects of its operations.

There has been an increase in positive COVID-19 cases during the first quarter in Suriname and, as a result, additional restrictions around daily commuting of employees to limit the contact within the site and neighboring communities have been implemented, resulting in the necessity to add site accommodations at Rosebel which is in progress. To accommodate the full workforce under established COVID-19 protocols, a project has been underway at Rosebel that added 150 beds in the first quarter 2021, enabling mining capacity to increase and will add a further 210 beds in the second quarter of 2021.

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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