



MANAGEMENT’S DISCUSSION AND ANALYSIS THIRD QUARTER ENDED SEPTEMBER 30, 2021

The following management’s discussion and analysis (“MD&A”) of EURO Ressources S.A. (“EURO” or the “Company”), dated November 4, 2021, is intended to supplement and complement the unaudited condensed interim financial statements and notes thereto for the third quarter and nine months ended September 30, 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. (“Orea”) 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 September 30, 2021, the Rosebel mine had produced 5.48 million ounces of gold and 1.52 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. 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. As further discussed in this MD&A, 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 September 30, 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 September 30, 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\$1.1578 at September 30, 2021 (€1 for US\$1.2228 as at December 31, 2020). The average currency exchange rate for the first nine months ended September 30, 2021, used to present the Company's income statements, statements of other comprehensive income and cash flow statements, was €1 for US\$1.1997 compared to €1 for US\$1.1265 for the first nine months of 2020 (US\$1.1838 and US\$1.1670 for the third quarter of 2021 and 2020, respectively). Significant transactions are translated at the exchange rate of the date of the transaction.

RESULTS OF OPERATIONS UNDER IFRS

Third quarter ended September 30, 2021 compared to the same period in 2020 (IFRS)

Under IFRS, EURO reported a net profit of €1.7 million (€0.026 per share) for the third quarter of 2021 compared to €3.0 million (€0.047 per share) for the third quarter of 2020.

Revenues were €3.4 million during the third quarter of 2021, a decrease compared to €3.8 million for the third quarter of 2020. Revenues were only attributable to the Rosebel royalty in the third quarter of 2021 and 2020. The decrease in revenues was mainly due to a lower average gold price in the third quarter of 2021 of US\$1,790 per ounce compared to US\$1,909 per ounce in the third quarter of 2020 (€0.3 million), lower gold production of 28,754 ounces in the third quarter of 2021 compared to 28,861 ounces in the third quarter of 2020 and by a strengthened euro (€0.1 million combined).

During the third quarter of 2021, the Company recorded operating expenses of €0.16 million compared to €0.15 million during the same period in 2020.

EURO recorded an income tax expense of €1.6 million in the third quarter of 2021 compared to €0.6 million in the third quarter of 2020. The increase was mainly due to the translation adjustments and the tax impact of the change in fair value of the marketable securities, partially offset by the tax impact of lower earnings.

Nine months ended September 30, 2021 compared to the same period in 2020 (IFRS)

Under IFRS, EURO reported a net profit of €5.0 million (€0.080 per share) for the nine months ended September 30, 2021 compared to €11.2 million (€0.179 per share) for the nine months ended September 30, 2020.

During the nine months ended September 30, 2021, EURO accounted for revenues of €9.1 million, a decrease compared to revenues of €16.2 million for the same period in 2020. Revenues were only attributable to the Rosebel royalty for the first nine months ended September 30, 2021 and 2020. The decrease in revenues was mainly due to lower gold production of 76,158 ounces in the first nine months of 2021 compared to 136,655 ounces in the first nine months of 2020 (€7.0 million) primarily due to lower head grades and throughput as a result of heavy rains that impacted the mining activities during the first nine months of 2021. The decrease in revenues was also due to a strengthened euro (€0.5 million), partially offset by a higher average gold price in the first nine months of 2021 of US\$1,798 per ounce of gold compared to US\$1,691 per ounce of gold in the first nine months of 2020 (€0.4 million).

Operating expenses for the nine months ended September 30, 2021 were €0.42 million compared to €0.48 million in the same period in 2020. The decrease was mainly due to lower administrative costs in 2021.

The amortization expense of €0.13 million during the nine months ended September 30, 2021 was lower than the amortization expense of €0.24 million recorded during the same period in 2020, mainly due to lower gold production at the Rosebel mine.

EURO recorded a foreign exchange loss of €0.25 million in the first nine months of 2021 compared to a loss of €0.15 million in the first nine months of 2020, mainly due to the revaluation of dividends payable, bank accounts and income tax payable.

EURO recorded an income tax expense of €3.4 million in the nine months ended September 30, 2021 compared to €4.4 million in the same period of 2020. The decrease was mainly due to the tax impact of lower earnings, partially offset by the translation adjustments and the tax impact of the change in fair value of the marketable securities.

OUTLOOK

The Rosebel royalty production is anticipated to be between 90,000 ounces and 110,000 ounces in 2021. The range of production guidance has been maintained since Q2 2021. In 2021, the Rosebel royalty is expected to provide revenues to the Company of between approximately €10.1 million and €12.5 million (US\$12.1 million and US\$15.0 million). These pre-tax numbers assume a gold price of US\$1,745 per ounce and an exchange rate of €1 for US\$1.20. The impact of changes in the average gold price on EURO's annual revenues, based on an estimated production of 100,000 ounces, would be approximately US\$1.0 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 €0.6 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)	Third quarter ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Revenues	€ 3.4	€ 3.8	€ 9.1	€ 16.2
Profit before income tax	€ 3.3	€ 3.6	€ 8.4	€ 15.6
Income tax expense	€ 1.6	€ 0.6	€ 3.4	€ 4.4
Net profit	€ 1.7	€ 3.0	€ 5.0	€ 11.2
Basic net earnings (€ per share)	€ 0.026	€ 0.047	€ 0.080	€ 0.179
Total assets			€ 38.8	€ 45.2

Quarterly data

(In millions of euros, except per share data)	2021			2020				2019
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues	3.4	2.2	3.5	3.0	3.8	5.2	7.2	6.0
Net cash flow from operating activities	1.0	4.1	1.7	2.6	2.7	5.4	4.2	3.4
Net profit	1.7	1.5	1.8	2.8	3.0	3.3	4.9	4.2
Basic and diluted earnings per share	0.026	0.054	0.030	0.044	0.047	0.053	0.080	0.068

LIQUIDITY AND CAPITAL RESOURCES

Cash at September 30, 2021 totaled €23.9 million compared to €31.5 million at December 31, 2020. The decrease was mainly due to the dividends and income tax paid, partially offset by 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 September 30, 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") (4.9% of outstanding shares; December 31, 2020: 6.2%).

During the nine months ended September 30, 2021, the Company recognized an unrealized gain under IFRS following the increase of the fair value of these marketable securities. Under IFRS, this gain of €0.7 million was recorded in other comprehensive income (gain of €0.2 million during the nine months ended September 30, 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 September 30, 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.

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 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.

On July 7, 2021, Orea declared that the parties presented their pleadings before the Administrative Court of Appeal in Bordeaux, France, on July 6, 2021.

On July 22, 2021, Orea announced that the Administrative Court of Appeal in Bordeaux has rejected the French Government's appeal and request for a stay of execution of the court rulings of December 24, 2020. In its ruling, the Court of Appeal concluded that the arguments put forth by the French Government were without merit and that the joint venture submitted complete applications and met all requirements for the renewal of the mining concessions.

Orea announced on September 1, 2021 that the JV had selected a new project design based on best available techniques that would reduce significantly the environmental impacts.

On October 7, 2021, Orea reported that it had received confirmation that the French Government had filed a final appeal to the French Supreme Court on the renewal of the Montagne d'Or mining titles. The Supreme Court will conduct an analysis on whether to admit or reject to hear the appeal.

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 third quarter ended September 30, 2021.

SHARE CAPITAL

As at September 30, 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 nine month period of 2021.

DIVIDENDS

The annual general meeting of shareholders held May 19, 2021 approved dividends in the amount of €15.6 million (€0.25 per share) which were paid to the Company's shareholders 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 third quarter of 2021 were €3.4 million (first nine months of 2021: €9.1 million) compared to €3.8 million during the third quarter of 2020 (first nine months of 2020: €16.2 million). The related amount receivable at September 30, 2021 was €3.5 million (December 31, 2020: €2.9 million) and was included in trade receivables.

During the third quarter of 2021, the Company accounted for IAMGOLD's support fees totaling €0.018 million (first nine months of 2021: €0.055 million) compared to €0.017 million during the third quarter of 2020 (first nine months of 2020: €0.053 million). These charges are included in administrative costs in operating expenses. The related amount payable at September 30, 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. Despite widespread mass immunization programs limiting the spread of the virus in many countries, the emergence of new variants is causing infection rates to increase in certain areas, particularly among unvaccinated populations. The lifting of restrictions on the movement of people and goods, social distancing measures, restrictions on group gatherings, quarantine requirements and contact tracing varies from country to country and often within countries. 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.

The situation in Suriname continues to be fragile and workforce productivity levels across the country have been adversely impacted which has resulted in the overall reduced activity levels at Rosebel throughout the year. The site continues to monitor and implement mitigating measures to reduce the impact. The construction of the additional rooms at the campsite is complete. Approximately 24% of the workforce is now fully vaccinated.

SUBSEQUENT EVENT

On October 15, 2021, EURO closed its previously announced acquisition of a silver stream from a subsidiary of Orezone Gold Corporation (“Orezone”) for US\$7.15 million.

The silver stream entitles EURO to receive 50% of the payable silver production over the life of mine on Orezone’s Bomboré Project (“Bomboré”), located in Burkina Faso, West Africa. The silver stream also stipulates a minimum guaranteed delivery obligation in favour of EURO of 37,500 ounces of silver per annum subject to a catch-up payment on a shortfall on specified timelines, until delivery of 375,000 ounces of payable silver after which the minimum annual payment guarantee will no longer apply. Orezone has the right to buy back 50% of the silver stream in certain circumstances for US\$7.15 million.

Full details of the transaction can be found in EURO’s news release dated March 1, 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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