

EURO RESSOURCES S.A.

INDEPENDENT AUDITORS' REPORT

(Year ended December 31, 2010)

INDEPENDENT AUDITORS' REPORT

To the shareholders and Board of directors of Euro Ressources S.A.

Report on the financial statements

We have audited the accompanying financial statements of Euro Ressources S.A., which comprise the balance sheet as at December 31, 2010 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of Euro Ressources S.A. as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Neuilly-sur-Seine, March 21, 2011

PricewaterhouseCoopers Audit

(signed) « *Bruno Tesnière* »

Bruno Tesnière



**IFRS Financial Statements and
Shareholder Report**
Fiscal year ended December 31, 2010

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I Balance Sheets

(in thousands of Euro)

	Notes	As at December 31 2010	As at December 31 2009
NON-CURRENT ASSETS		<u>€8,043</u>	<u>€8,409</u>
Intangible assets	4 & 18	8,043	7,525
Deferred tax	15.3	-	884
CURRENT ASSETS		<u>€23,792</u>	<u>17,799</u>
Trade receivables	5	9,897	5,689
Other current assets	5	37	34
Cash and cash equivalents	6	13,294	11,509
Assets classified as held for sale	19	564	567
TOTAL ASSETS		<u>€31,835</u>	<u>€26,208</u>
EQUITY – GROUP SHARE		<u>€6,177</u>	<u>€2,247</u>
Issued capital stock	7	625	625
Additional paid-in capital	7	29,477	46,976
Other reserves		(22,446)	(36,128)
Net profit for the year		18,521	10,774
TOTAL EQUITY		<u>€6,177</u>	<u>€2,247</u>
NON-CURRENT LIABILITIES		<u>143</u>	
Deferred tax liability	15.3	143	-
CURRENT LIABILITIES		<u>€5,515</u>	<u>€3,961</u>
Derivative financial instruments	8	-	2,550
Trade payables	9	198	180
Other liabilities	9	100	208
Current Income tax payable	9	5,217	958
Liabilities classified as held for sale	19	-	65
TOTAL EQUITY & LIABILITIES		<u>€31,835</u>	<u>€26,208</u>

II Income Statements

(in thousands of Euro)

	Notes	Fiscal Year Ended	
		December 31 2010	December 31 2009
Revenues from ordinary activities	10	28,584	19,452
Operating expenses	12	(1,035)	(1,765)
Depreciation and amortization expenses	14	(648)	(612)
Reversal of provision	14	-	538
Other income	11	568	-
OPERATING PROFIT		<u>€27,469</u>	<u>€17,613</u>
Financial income	13	434	44
Financial expenses	13	(1,906)	(1,239)
NET FINANCIAL EXPENSES		<u>€(1,472)</u>	<u>€(1,195)</u>
PROFIT BEFORE TAX		<u>€25,997</u>	<u>€16,418</u>
Income tax expense	15	(7,476)	(5,644)
NET PROFIT		<u>€18,521</u>	<u>€10,774</u>
EARNINGS PER SHARE			
Basic	16	€0.296	€0.172
Diluted		€0.296	€0.172

III Statements of Comprehensive Income

(in thousands of Euro)

	Fiscal Year Ended	
	December 31 2010	December 31 2009
PROFIT FOR THE YEAR	18,521	10,774
OTHER COMPREHENSIVE INCOME		
Currency translation differences	2,908	(533)
<i>Other comprehensive income (loss) for the year</i>	<i>2,908</i>	<i>(533)</i>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>€1,429</u>	<u>€10,241</u>

IV Cash Flow Statements

(in thousands of Euro)

	Notes	Fiscal Year Ended	
		December 31 2010	December 31 2009
CASH FLOW RELATING TO OPERATING ACTIVITIES			
NET PROFIT		18,521	10,774
<i>Elimination of expenses which do not have an impact on the cash flow and/or are not related to operating activities:</i>			
Depreciation and amortization expenses	14	648	612
Income tax expense	15	7,476	5,644
Derivative financial instruments	13	1,804	1,178
Reversal of provision (PER)	14	-	(538)
Gain related to sale of SOTRAPMAG	11	(568)	-
GROSS CASH FLOW FROM OPERATIONS GENERATED BY COMPANY BEFORE NET CHANGE IN OPERATING WORKING CAPITAL		27,882	17,670
Change in trade receivables and other current assets		(3,713)	(1,795)
Change in trade payables and other current liabilities		(216)	(906)
NET CHANGE IN OPERATING WORKING CAPITAL		(3,929)	(2,701)
Income tax paid		(2,170)	-
NET CASH FLOW FROM OPERATING ACTIVITIES		€1,783	€14,969
CASH FLOW RELATING TO FINANCING ACTIVITIES			
Reimbursement of derivative financial instrument	8	(2,616)	(3,534)
Payment of issuance premium	7	(17,499)	-
Payment of financial instruments related to foreign exchange forward contracts	13	(1,964)	-
CASH FLOW RELATING TO FINANCING ACTIVITIES		€(22,079)	€(3,534)
Impact of changes in foreign exchange rates or cash and cash equivalents		2,079	(392)
CHANGE IN CASH AND CASH EQUIVALENTS		€1,783	€11,043
OPENING BALANCE		11,511	468
CLOSING BALANCE		13,294	11,511
INCREASE/(DECREASE)		1,783	11,043

V Statement of Changes in Equity

(in thousands of Euro)

	Share Capital	Additional paid-in capital	Translation adjustments	Retained earnings	Profit for the year	Total Equity
Position as of January 1, 2009	625	46,976	928	(36,523)		12,006
Total comprehensive income for year ended December 31, 2009			(533)		10,774	10,241
Position as of December 31, 2009 before appropriation of profit	625	46,976	395	(36,523)	10,774	22,247
Appropriation of 2009 profit				10,774	(10,774)	-
Position as of December 31, 2009 after appropriation of profit	625	46,976	395	(25,749)	-	22,247
Distribution of issuance premium (note 7)	-	(17,499)				(17,499)
Total comprehensive income for year ended December 31, 2010			2,908		18,521	21,429
Position as of December 31, 2010 before appropriation of profit	625	29,477	3,303	(25,749)	18,521	26,177

VI Notes to the Financial Statements

1) General information

1.1) EURO Ressources

Up until October 22, 2010, the EURO Ressources Group comprised the parent company, EURO Ressources S.A. ("EURO", the "Company" or the "Group"), and its 100%-owned subsidiary, Société de Travaux Publics et de Mines Aurifères en Guyane S.A.S. ("SOTRAPMAG"). On that date, SOTRAPMAG was transferred to Auplata S.A. ("AUPLATA"). The transfer of SOTRAPMAG occurred pursuant to the executed settlement agreement (November 10, 2009) with Golden Star Resources Ltd. ("GOLDEN STAR"), whereas EURO agreed to transfer ownership of SOTRAPMAG and of EURO's interest in the Paul Isnard Permis Exclusif de Recherches ("PER") (see notes 18 and 19 for more details) to GOLDEN STAR. In December 2009, GOLDEN STAR notified EURO that ownership of SOTRAPMAG and EURO's interest in the Paul Isnard PER was to be transferred to AUPLATA.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") to comply with Canadian requirements. Indeed, as at December 31, 2010, following the sale of its sole subsidiary, SOTRAPMAG, in October 2010, EURO no longer prepares and publishes consolidated financial accounts. In France, only French rules can be applied for establishment of individual accounts of listed companies.

EURO is a *Société Anonyme*, domiciled in metropolitan France with its registered office located in Paris.

Effective December 2, 2008, IAMGOLD Corporation ("IAMGOLD") became the parent company of EURO when it acquired 43.4 million shares (being 71.6% of the Company) through a successful tender offer. The tender offer was then re-opened, and by December 31, 2008, IAMGOLD had acquired additional shares to own 52.8 million shares, or 84.5% of the Company. From January 1, 2009 to December 31, 2010, IAMGOLD acquired additional shares of the company increasing its ownership to approximately 86%.

During the second quarter of 2009, EURO applied to the Toronto Stock Exchange for voluntary delisting of its ordinary shares, due to the low trading volume. The delisting from the Toronto Stock Exchange became effective after the close of business on July 17, 2009. EURO's ordinary shares are still being traded in Paris on the NYSE Euronext under the symbol "EUR".

These financial statements have been approved for publication by the Board of Directors on March 16, 2011.

1.2) Description of operations

The Group's operations are within the gold mining sector.

In 2004, EURO completed the acquisition of a royalty interest on the Rosebel mine in Suriname, operated by IAMGOLD. Until IAMGOLD's acquisition of EURO in late 2008, EURO's strategy was to acquire additional royalty interests on gold mining operations of a similar nature.

The Group's main source of revenue is the royalty relating to the Rosebel mine in Suriname. Operations at the mine are neither of a seasonal nor cyclical nature. Royalties are payable to EURO based on the volume of gold production from the mine and the market price of gold.

The Rosebel royalty payable by IAMGOLD applies to the first 7 million ounces of gold produced from the mine and is calculated on the basis of gold production at the Rosebel mine and the market price of gold based on the London pm fixing price. This amount is calculated based on 10% of the excess gold quarterly market price above US\$300 per ounce for gold production from the soft and transitional rock portions, and above US\$350 per ounce from the hard rock of the Rosebel property, and, in each case, after deducting a fixed royalty of 2% of production paid in-kind to the Government of Suriname.

1.3) List of Group companies

As at December 31, 2010 the financial statements only comprise the accounts of EURO. There has been a change in the Group's consolidation scope during 2010, since SOTRAPMAG was transferred to AUPLATA on October 22, 2010:

Company	EURO Ressources S.A.	SOTRAPMAG S.A.S.
Identification Number	390 919 082 00029	339 146 284 00015
Consolidation Method 2010	Parent Company	No consolidation
Consolidation Method 2009	Parent Company	Full Consolidation
% Control December 31, 2010	Parent Company	0%
% Control December 31, 2009	Parent Company	100%
% Interest December 31, 2010	100%	0%
% Interest December 31, 2009	100%	100%

2) Basis of accounting and presentation**2.1) Standards**

The financial statements are prepared in accordance with IFRS as approved by the International Accounting Standard Board ("IASB").

Financial statements for the period ended December 31, 2010 have been prepared using the historical cost basis of accounting adjusted by revaluation through profit or loss of financial liabilities in order to recognize derivative financial instruments at their fair value.

Preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates, and the use of estimates is described in Note 2.3

EURO prepares its financial accounts in Euros (€ or Euro) and presents its statements in Euros. However, the functional currency of EURO is the US dollar, since this is the currency in which its major transactions, such as income from royalties and the related cash are denominated. Certain additional information is presented in these consolidated financial statements in US dollars ("\$").

2.1.1 Revisions, amendments and interpretations to the published standards which took effect in 2010

Application of the following revisions, amendments and interpretations became obligatory with effect from the 2010 fiscal year:

IAS 24 – Related Party Disclosures (version published by the IASB on April 11, 2009)

The objective of this Standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

A party is related to an entity if:

- (a) directly, or indirectly through one or more intermediaries, the party:
 - (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - (ii) has an interest in the entity that gives it significant influence over the entity; or
 - (iii) has joint control over the entity;
- (b) the party is a member of the key management personnel of the entity or its parent.

The criteria for related party are met for the following reasons:

IAMGOLD owns approximately 86% of all outstanding shares of EURO and, therefore, has significant control over EURO's operations.

EURO's Directeur-General is a senior executive vice-president of IAMGOLD and, therefore key management personnel.

Three of EURO's board members are senior executives of IAMGOLD and as a consequence of significant influence over EURO's operations.

Other:

The following revisions, amendments and interpretations are not applicable to EURO or do not have a significant impact on the presentation of EURO's financial statements:

- IAS 27 – Revised consolidated and separate financial statements
- IAS 39 – Financial Instruments: Classification and measurement - amendment
- IFRS 1 – First annual improvements to IFRS
- Amendments to IFRS 2 – Group Cash-settled Share-based Payment Transactions
- IFRS 3R – Business Combinations
- IFRIC 12 – Service Concession Arrangements
- IFRIC 15 – Agreements for the Construction of Real Estate
- IFRIC 16 – Hedges of a net investment in a foreign operation
- IFRIC 17 – Distribution of non-cash assets to owners
- IFRIC 18 – Transfer of assets from customers
- IFRIC 19 – Extinguishing financial liabilities with equity instruments

2.1.2) Standards, and interpretations and amendments to existing standards, pending application

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning January 1, 2010. These standards do not apply to EURO:

- IAS 21 – The effects of changes in foreign exchange rates
- IAS 28 – Investments in associates
- IAS 31 – Interests in joint ventures
- IAS 32 – Classification of rights issues
- IFRS 3R – Business Combinations (Amendments)
- IFRIC 13 – Customer loyalty programs
- IFRIC 14 – Limit on defined benefit asset minimum funding requirements and their interaction

2.2) Consolidated methods

Until October 22, 2010, SOTRAPMAG was a subsidiary over which the parent company, EURO, exercised control, i.e. the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Control is presumed to exist when the parent owns, directly or indirectly through other subsidiaries, more than half of the voting rights of the entity. Subsidiaries are fully consolidated with effect from the date of control and cease to be consolidated as soon as control has ceased.

Control ceased on October 22, 2010, when SOTRAPMAG was transferred to AUPLATA.

Intra-group transactions, balances and unrealized profits on transactions are eliminated on consolidation. Subsidiaries' accounting policies have been aligned on those of the Group.

Results of subsidiaries acquired or disposed of during the fiscal year are included in the consolidated income statement from the date of acquisition or until the date of disposal.

2.3) Use of estimates

When preparing financial statements in accordance with IFRS, management is led to make certain estimates and retain certain assumptions that may have an impact on the amounts of assets and liabilities, income and expenses and contingent liabilities recognized at the balance sheet date. Management regularly reviews those estimates based on the information at its disposal. The assumptions retained for the purpose of determining EURO's present and future obligations take into account the applicable technological, commercial and contractual constraints.

Material items subject to such estimates and assumptions include the valuation of the Rosebel rights, any impairment of non-current assets and deferred tax.

When events and circumstances evolve in a different manner to that anticipated, the actual results may differ from those estimates.

2.4 Conversion of financial statements expressed in foreign currencies

Determination of the functional currency

The functional currency is determined on the basis of the economic environment in which the parent operates.

Analysis of material transactions in EURO's economic environment suggests that its functional currency is the US dollar since this is the currency in which its major transactions, such as income from royalties, are denominated.

Bookkeeping and presentation of the accounts

Individual books of account for EURO are prepared in US dollars and are presented in Euros.

Recognition of transactions in the functional currency

Transactions denominated in foreign currencies are recognized in amounts equating to their value in the functional currency on the basis of the spot exchange rates applying on the transaction dates.

In practice, companies maintaining their accounts in US dollar convert all their transactions on the basis of the spot exchange rates applying on the transaction dates.

Measurement rules

In order to present financial statements denominated in Euros, the results and financial position of EURO are converted into Euros on the basis of the individual accounts prepared in the functional currency.

For this purpose, a distinction is made between assets and liabilities, income and expenses and equity to which different translation rules apply.

➤ **Assets and Liabilities**

Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

➤ **Income and expenses**

Income and expenses for each income statement are translated at an average rate for the period;

➤ **Equity**

Equity is translated using the exchange rate at the date of the transaction.

➤ Translation adjustments

The exchange differences arising from conversion of the financial statements into the presentation currency are recognized within equity.

2.5) Segmented information

Two levels of segmented information are published.

First level:

Information analyzed by business segment: only one segment has been identified namely income from gold mine royalties.

Second level:

Information analyzed by geographic segment: only one material segment has been identified, namely Canada. The Rosebel royalty emanates from Canada and accounts for almost 100% of the Company's operating revenue.

2.6) Intangible assets

Costs of prospecting and valuation

The costs of prospecting and valuation include all the costs of mining exploration, including interest expense, incurred for the Paul Isnard PER. These costs have been written off since 1999. However, at the end of 2009, EURO reversed the depreciation on the PER by €538,000 (US\$750,000), which represented the cost attributed to the PER. (see note 19 for more detail).

Software

Software is classified as an intangible asset with a finite useful life giving rise to depreciation over periods ranging from one to three years.

Other intangible assets

Intangible assets are recognized:

- if it is probable that the expected future economic benefits associated with them will flow to the entity, and
- if their cost can be measured reliably.

Other intangible assets are measured at amortized cost based on their applicable useful lives. Other intangible assets comprise the royalty rights in respect of the Rosebel mine and the royalty right in respect of the Paul Isnard concessions. They are recognized at their acquisition cost, based on the expected level of production from the mine, and are amortized on the basis of the actual duration of operation.

The amortization charge is calculated by applying to the carrying amount of the rights on January 1 the ratio between the quantity of metal extracted during the year and the total estimated quantity of metal remaining to be extracted as of January 1. In accordance with IFRS, any material change in the estimated total amount of the mine's reserves gives rise to a prospective recalculation of the amortization schedule for the mining rights.

2.7) Impairment of assets

Intangible assets with indefinite useful lives are systematically subjected to impairment testing at least annually as of December 31 or more often if any indication exists that impairment has occurred.

Tangible and intangible fixed assets with finite useful lives are subjected to impairment testing whenever an indication exists that impairment has occurred.

2.8) Deferred tax

Deferred tax is calculated for each taxable entity on the basis of the temporary differences between the tax basis amounts and carrying amounts of the entity's assets and liabilities.

Deferred tax liabilities are systematically recognized in respect of all taxable temporary differences; deferred tax assets are recognized to the extent that it is probable that sufficient future taxable profits will be generated against which to allocate the deductible temporary differences. In particular, deferred tax assets are recognized for each entity's tax losses carried forward if it appears sufficiently probable that it will be possible to use them against future taxable profits.

The carrying amount of deferred tax assets and liabilities are reviewed on a quarterly basis.

Deferred tax is calculated using the tax rates expected to apply to the periods during which deferred tax liabilities will be settled or deferred tax assets recovered.

2.9) Trade receivables and other current assets

Trade receivables and other current assets are initially recognized at their fair value which generally equates with their nominal amount. They are subject to impairment testing if any indication of impairment exists. Any excess of their carrying amount over their recoverable amount is recognized as an operating expense. An impairment loss may be reversed, in which case the reversal is recognized as operating income.

2.10) Cash and cash equivalents

Cash and cash equivalents mainly comprise liquidities, bank demand deposits and other investments with initial maturities not exceeding three months. Any bank overdrafts are classified as current liabilities.

2.11) Trade payables and other current liabilities

Trade payables and other current liabilities are initially recognized at their fair value which generally equates with their nominal amount.

2.12) Revenues from ordinary activities

Revenues from ordinary activities comprise royalty income. Royalties are payable based on volume of gold production and the realized gold price or the London bullion market fixing. They are recognized on an accrual basis.

2.13) Financial income and expense

Financial income and expense comprises interest receivable in respect of bank accounts, loans and current accounts and also includes foreign exchange gains/losses on financing and operational transactions, as well as changes in the fair value of derivative financial instruments.

3) Management of financial risk

The Group's activities expose it to different types of financial risks:

- The market risk (principally: the market price for gold, foreign currency risk and risk of changes in value of derivative instruments due to fluctuation in interest rates),
- The credit risk, and
- The liquidity risk.

The Group has a risk management program which monitors the volatility of the financial markets and which seeks to minimize the potentially unfavorable effects of that volatility for the Group's financial performance.

3.1) Market risk

3.1.1) Gold Price risk

Royalty variance

EURO is exposed to the risk of changes in the market price of gold. Its revenue from the Rosebel royalty is determined with reference to the average of the London PM gold price for each calendar quarter. The Rosebel royalty production in 2010 was 416,000 ounces and is anticipated to be approximately between 360,000 and 380,000 ounces in 2011. The table below illustrates the impact of changes in the calendar quarter average gold price on EURO's revenue, based on 416,000 ounces of production:

Gold price/oz change –average per quarter	\$25	\$50	\$75	\$100
Change in royalty revenues (US\$000)	1,040	2,080	3,120	4,160

Derivative variance

As at December 31, 2010, EURO had no financial instrument related to gold. As at December 31, 2009 there were 5,700 ounces of gold derivative contracts outstanding, at a contract price of \$458.50, which were settled in January 2010 (also see note 8 for more details).

3.1.2) Foreign currency translation risk

EURO is exposed to foreign currency translation risk arising from various currency exposures, primarily with respect to Euro. Operational costs incurred in Euros exceed revenues denominated in Euros, however, this risk is considered negligible since the excess of Euro denominated expenses over revenues is a small proportion of total expenses.

(in €000s)		US \$	€	C\$	% exposed to currency translation risk
Revenues	€28,584	€28,395	€187	-	1%
Expenses	€3,589	€3,000	€529	€60	15%
Operational	€1,035	€446	€529	€60	51%
Financial	€1,906	€1,906	-	-	0%
Amortization	€648	€648	-	-	0%

EURO is a French company. As required by French law, dividends and issuance premium shall be paid in Euros. In April 2010, EURO entered into a foreign exchange forward contract with its financial institution to mitigate the impact of foreign exchange on the issuance premium that was paid in May 2010 (see note 13).

3.2) Credit risk

EURO is subject to a concentrated credit risk with almost 100% of its revenue 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 small.

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. EURO reimbursed its credit facility at the end of 2008. Since October 2009, the Company has been investing its surplus cash to maximize profits and to mitigate any potential risk. EURO has specific guidelines that are followed under its short-term investment policy. EURO reviews its strategies for investments on a quarterly basis and ensures that ratings of financial institutions have remained excellent and that there are not better investment opportunities. The objective is to ensure reasonable shareholder return and appropriate safeguard of the Company's assets.

4) Intangible assets (in thousands of Euro)

The carrying values of the intangible assets of the Group are set out in the tables below:

	December 31 2008	Increase	Decrease/ Reversal	Transferred to assets held for sale	Translation adjustment	December 31 2009
<u>Gross values</u>						
Paul Isnard (PER)	3,899	-	-	(3,835)	(64)	-
Rosebel	10,890	-	-	-	(178)	10,712
Total	€14,788	€-	€	€(3,835)	€(242)	€10,712
<u>Amortization / Depreciation</u>						
Paul Isnard (PER)	(3,899)	-	538 ¹	3,312	49	-
Rosebel	(2,633)	(612)	-	-	58	(3,187)
Total	€(6,532)	€(612)	€538	€3,312	€107	€(3,187)
<u>Net values</u>						
Paul Isnard (PER)	-	-	538	(523)	(15)	-
Rosebel	8,257	(612)	-	-	(120)	7,525
Total	€8,257	€(612)	€538	€(523)	€(135)	€7,525

	December 31 2009	Increase	Decrease/ Reversal	Transferred to assets held for sale	Translation adjustment	December 31 2010
<u>Gross values</u>						
Rosebel	10,712	-	-	-	842	11,554
Paul Isnard concessions	-	574 ²	-	-	-	574
Total	€10,712	€574	€	€	€842	€12,128
<u>Amortization / Depreciation</u>						
Rosebel	(3,187)	(648)	-	-	(250)	(4,085)
Paul Isnard concessions	-	-	-	-	-	-
Total	€(3,187)	€(648)	€	€	€(250)	€(4,085)
<u>Net values</u>						
Rosebel	7,525	(648)	-	-	592	7,469
Paul Isnard Concessions	-	574	-	-	-	574
Total	€7,525	€(74)	€	€	€592	€8,043

¹ Reversal of the provision on Paul Isnard (PER) in connection with its transfer to AUPLATA in the amount of €538,000 (US\$750,000), see also note 19.

² Non-monetary asset in exchange for transfer of SOTRAPMAG to AUPLATA in the amount of €574,000 (US\$750,000), see also note 18.

5) Trade receivables and other current assets
(in thousands of Euro)

Current assets	December 31 2010	December 31 2009
Trade receivables ¹	9,897	5,689
Subtotal of trade receivables	9,897	5,689
Tax and social security receivables	35	34
Prepaid expenses	2	-
Subtotal other current assets	37	34
Total	€9,934	€5,723

¹ Trade receivables include €9.783 million of amounts receivable from IAMGOLD.

6) Cash and cash equivalents
(in thousands of Euro)

	December 31 2010	December 31 2009
Cash equivalents ^{1,2}	1,193	6,143
Cash ²	12,101	5,366
Total	€13,294	€11,509

¹ There is no difference between the fair value and the accounting value.

² Almost 100% of EURO's available cash is held in US dollars

In October 2009 EURO began investing its excess liquidity in money market investments that were compliant with its short-term investment strategy to ensure reasonable return with an appropriate level of risk (see Note 3.3).

7) Share capital

As of December 31, 2010, the Company's share capital comprises 62,496,461 common shares with a nominal value of €0.01 per share.

The share capital of the Company changed during the last two fiscal years, as detailed below:

	Number of shares	Nominal value	Share Capital (in 000 Euro)	Additional paid-in capital (in 000 Euro)
As at December 31, 2008	62,496,461	€0.01	€625	€46,976
As at December 31, 2009	62,496,461	€0.01	€625	€46,976
Issuance premium paid on May 25, 2010				(17,499)
As at December 31, 2010	62,496,461	€0.01	€625	€29,477

There were no shares issued during 2009 and 2010.

On May 25, 2010, the Company distributed to all shareholders of record an issuance premium in the amount of €17.499 million.

The issuance premium was related to the shareholders' paid-in-capital anytime there was an issuance of capital by the Company less the par value. This distribution was tax free for all shareholders. The amount of the distribution of issuance premium represented the accumulation of excess cash.

Any future distributions of issuance premium will be proposed by the Board of Directors after taking into account various factors, including the Company's operating results, financial condition, current and anticipated cash needs, and will be subject to shareholder approval.

8) Financial liabilities (in thousands of Euro)

	December 31, 2010	December 31, 2009
Derivative financial instruments	-	2,550
Total current financial liabilities	€	€2,550

Derivative financial instruments

For the purpose of the Macquarie financing, EURO was required to hedge a portion of the Rosebel royalty revenue against fluctuations in the market price for gold. EURO therefore concluded two forward sale agreements for gold:

A forward sale agreement for 57,000 ounces of gold at \$421 per ounce for settlement in 10 equal calendar quarter amounts of 5,700 ounces, commencing January 2005, settling 29 days after each calendar quarter. EURO settled its last forward sale agreement of 5,700 ounces of gold at \$421 per ounce on July 31, 2007.

A second forward sale agreement for 57,000 ounces of gold at \$458.50 per ounce for settlement in 10 equal calendar quarter amounts of 5,700 ounces, commencing July 2007, settling 29 days after each calendar quarter.

The contracts provided that in respect of each quarter, when the quarterly average of the London PM gold price was less than the settlement price, Macquarie paid EURO the difference between the average price and the contractual price for 5,700 ounces of gold. Conversely, when the quarterly average of the London PM gold price was higher than the contractual price, EURO paid Macquarie the difference between the average price and the settlement price for 5,700 ounces of gold.

During 2009, EURO liquidated 2,850 ounces of gold that were settled at the end of October 2009. As at 31 December 2009 the last 5,700 ounces of gold derivative contracts matured, at a contract price of \$458.50, with settlement at the end of January 2010.

9) Trade payables and other current liabilities
(in thousands of Euro)

	December 31, 2010	December 31, 2009
Trade payables	198	180
Tax and social security liabilities	70	178
Intercompany with IAMGOLD	18	17
Other liabilities ¹	12	13
Current income tax payable	5,217	958
Total	€5,515	€1,346

¹Other liabilities mainly comprise directors' fees due in respect of the fourth quarters of 2009 and of 2010.

10) Revenues from ordinary activities
(in thousands of Euro)

	For fiscal year ended December 31	
	2010	2009
Rosebel royalty	28,395	19,257
Other revenues	189	195
Total revenues from ordinary activities	€28,584	€19,452

Revenues from ordinary activities are derived from two categories of activity:

- royalties related to the operation of the Rosebel mine, and
- royalties related to mining operations by third parties in French Guiana.

The predominant source of revenue from ordinary activities is from royalty income related to operations at the Rosebel mine.

11) Other income
(in thousands of Euro)

	For fiscal year ended December 31	
	2010	2009
Gain on sale of SOTRAPMAG	568	-
Other Income	€568	€

The gain on the sale of SOTRAPMAG pertains to the concessions that were transferred to AUPLATA on October 22, 2010 (see note 18 for further explanation).

12) Operating expenses
(in thousands of Euro)

	For fiscal year ended December 31	
	2010	2009
Costs related to takeover bid by IAMGOLD	-	6
Administrative costs	503	624
Directors' fees	73	63
Audit fees	137	128
Legal fees	171	149
Legal exchange and listing fees	100	103
Professional taxes	51	365
Costs related to the security of the Paul Isnard properties	-	327
Total Operational Expenses	€1,035	€1,765

13) Financial income and expenses
(in thousands of Euro)

	For fiscal year ended December 31	
	2010	2009
Other investment income	13	8
Foreign exchange gain	421	36
Total financial income	€434	€44
Foreign exchange loss	102	61
Financial instrument expense	1,804 ¹	1,178
Total financial expenses	€1,906	€1,239
Net financial expense	€(1,472)	€(1,195)

¹Foreign Exchange Forward Contract

A foreign exchange forward contract is a binding obligation to buy or sell certain amount of foreign currency at a pre-agreed rate of exchange, on a certain future date. It is the simplest manner for covering foreign exchange risk because it locks in an exchange rate.

In April 2010, EURO entered into a foreign exchange forward contract with its financial institution to mitigate the impact of foreign exchange on the issuance premium that was paid in May 2010. As required by French law, the issuance premium was to be paid in Euros. As the Rosebel royalty is received in US dollars and EURO cash balances are carried in US dollars (see also note 6), a foreign exchange forward contract was entered into to ensure EURO would have sufficient liquidity to meet the issuance premium. The forward price agreed to was €1 for \$1.3570 and on the day of maturity the exchange rate was €1 for \$1.2201. Given the unanticipated devaluation of the Euro at that time, a realized financial instrument expense of €1.8 million (equivalent of \$2.39 million) was recorded in the income statement.

14) Depreciation and amortization expenses / reversal
(in thousands of Euro)

	For fiscal year ended December 31	
	2010	2009
Amortization charge in respect of intangible assets (note 4)	648	612
Total expenses	€648	€612
Reversal of Provision on the PER of Paul Isnard (note 4)	-	538
Total Reversal	€	€538

15) Tax
(in thousands of Euro)**15.1) Tax Reconciliation**

Reconciliation of the theoretical tax liability calculated at the tax rate applicable to corporations in France may be reconciled to the effective tax as follows:

	For fiscal year ended December 31	
	2010	2009
Profit before tax	€25,997	€16,418
Theoretical tax calculated at the legal rate applicable in the country of each subsidiary	(8,952)	(5,472)
Deductible long term capital loss on sale of SOTRAPMAG	2,694	-
Tax related to non-deductible expenses	(27)	(20)
Tax effects of CVAE (property tax) ¹	(222)	(76)
Other	(28)	(212)
Translation adjustment	(941)	136
Effective tax	€(7,476)	€(5,644)

The corporate income tax rate applied for fiscal year 2010 is 34 1/3% and 33 1/3% for fiscal year 2009.

¹In accordance with IAS 12, the qualification of the C.V.A.E. (French equivalent of property tax), as an income tax resulted in accounting for December 31, 2009 a deferred tax liability on the temporary differences which existed at that date and to record a net expense on the income statement of that year, since this law was enacted in 2009. This expense related to the deferred tax liability is shown on the line "income tax expense". In addition, for years 2010 and beyond, the total amount of the current and deferred expense related to the C.V.A.E. will be presented on the same line.

15.2) Current income tax expense

Corporate income tax expense comprises the following:

	For fiscal year ended December 31	
	2010	2009
Current income tax expense	(6,396)	(958)
Deferred tax expense on temporary differences and tax losses carried forward	(1,080)	(4,686)
Total	€(7,476)	€(5,644)

15.3) Deferred taxes

Deferred tax liabilities amount to €0.14 million, all of which pertains to temporary differences, mostly due to the C.V.A.E. (property tax). In 2009 the deferred tax assets amounted to €0.88 million and related to temporary differences principally from the gold forward sales contracts in the amount of €0.85 million.

There are no tax losses carried forward.

16) Earnings per share (in thousands of Euro, except per share amount)

Earnings per share are calculated based on the net income attributable to EURO divided by the average number of shares in issue during the fiscal year (excluding treasury stock).

	For fiscal year ended December 31	
	2010	2009
Net profit attributable to holders of common shares	€ 18,521	€ 10,774
Weighted average number of common shares	62,496,461	62,496,461
Earnings per share (€/share)		
Basic	€0.296	€0.172
Diluted	€0.296	€0.172

17) Related parties

Information on Related Parties:

	IAMGOLD
Presentation of related parties	IAMGOLD is majority shareholder of EURO Ressources S.A. (approximately 86% of all outstanding and diluted shares)
Nature of relationship between related parties	Management Fees incurred to date are €0.220 million and payable at December 31, 2010 are €0.018 million.

Directors' fees:

Compensation to the directors of the Company for the fiscal years 2010 and 2009 was as follows:

Each director received an annual retainer of \$20,000 gross (2009: \$16,000 gross). Each director received an additional \$1,250 gross (2009: \$1,000 gross) per meeting attended and \$1,000 gross (2009: \$750 gross) for each meeting of a committee of the Board attended.

In 2009, Mr. Allan J. Marter received \$750 in respect of 2009. Mr. Allan J. Marter resigned as Director on January 14, 2009.

Mr. Ian L. Boxall was paid \$15,075 in 2009 in respect of 2009, \$6,300 in 2010 in respect of 2009, \$18,188 in 2010 in respect of 2010, and \$5,438 in 2011 in respect of 2010.

Mr. Donald R. Getty received \$750 in 2009 in respect of 2009. Mr Donald R. Getty resigned as Director of the Company on January 14, 2009.

Mr. David Watkins received \$15,075 in 2009 in respect of 2009, \$6,300 in 2010 in respect of 2009, \$18,938 in 2010 in respect of 2010, and \$5,438 in 2011 in respect of 2010.

Mr. Ian Smith received \$15,075 in 2009 in respect of 2009, \$6,300 in 2010 in respect of 2009, \$18,938 in 2010 in respect of 2010, and \$5,438 in 2011 in respect of 2010 paid.

Ms. Carol T. Banducci, senior executive director of IAMGOLD, did not receive any directors' fees during 2010 or 2009. She resigned as director on August 10, 2010. In her place, Mr. Brian Trnkus, Vice-President Corporate controller of IAMGOLD was appointed. In his function as director, he has not received any directors' fees in 2010.

Mr. Larry Phillips and Mr. Paul Olmsted, also senior executives of IAMGOLD, did not receive any directors' fees during 2010 and 2009.

Key management compensation:

Compensation to the key management officers of the Company for the fiscal years 2010 and 2009 was as follows:

Ms Susanne Hermans received \$150,000 in 2009 in respect of 2009 and \$150,000 in 2010 in respect of 2010.

The other officers did not receive any compensation during 2010 and 2009. Compensations of officers that are also senior executives of IAMGOLD are included in management fees paid to IAMGOLD.

18) Completed Transfer of SOTRAPMAG to AUPLATA

The Paul Isnard properties are comprised of eight mineral concessions held by SOTRAPMAG and the Paul Isnard Permis Exclusif de Recherches ("PER"), held by EURO, (collectively, the "Paul Isnard Properties").

On November 18, 2009, the Company entered into a settlement agreement with GOLDEN STAR to bring an end to the litigation between the two parties regarding the Paul Isnard properties. Pursuant to the terms of the settlement agreement, EURO has agreed to transfer ownership of SOTRAPMAG and of EURO's interest in the PER to GOLDEN STAR in exchange of a royalty on gold production from the Paul Isnard properties. The royalty, as historically agreed between the parties, is equal to 10% for production of up to 2,000,000 ounces of gold of the excess of the market price of gold over US\$400, and 5% for the cumulative production of between 2,000,000 and 5,000,000 ounces of gold.

In December 2009, GOLDEN STAR notified EURO that ownership of SOTRAPMAG and EURO's interest in the PER was to be transferred to AUPLATA.

EURO shall transfer Paul Isnard Properties in exchange for a non-monetary asset, royalty on gold production. According to IAS 38, the cost of such an intangible asset should be measured at fair value. If the acquired asset cannot be measured at fair value, its cost is measured at the fair value of the asset given up. The royalty cannot be measured at fair value because the resources reported are categorized as "inferred" and do not necessarily present economic viability. In 2009

EURO measured the royalty at the fair value of the Paul Isnard properties transferred to AUPLATA, based on the sale between GOLDEN STAR and AUPLATA, whereby AUPLATA paid GOLDEN STAR for the Paul Isnard properties and two other exploration properties in French Guiana. Based on that sale, the value of Paul Isnard properties was estimated by the Company to be \$1,500,000 (\$750,000 for the PER and \$ 750,000 for the concessions). In 2010, the data related to the value of the Paul Isnard properties was reviewed and it was determined that the amounts from last year could still be justified for the following reasons:

- 1) The mining schema (“schéma minier”) in French Guiana is still pending and the areas in French Guiana where exploration and exploitation are permitted are still under review.
- 2) A third party has entered into an option agreement with AUPLATA related to the Paul Isnard properties.
- 3) In 2010, the price of gold has reached record levels, which could justify expedient exploration and exploitation on these properties.

On October 22, 2010, SOTRAPMAG was effectively transferred to AUPLATA. EURO has recorded an intangible asset related to the royalty on AUPLATA in the amount of \$750,000 (see note 4).

The Permis Exclusif de Recherches (“PER”), which will be replaced by the Permis d’Exploitation (“PEX”), (see note 19 for further explanation) will be transferred to SOTRAPMAG once it has been granted by the French authorities.

19) Assets held for sale

In January 2010, EURO was notified by the Ministry of ecology, energy, sustainable development and the sea, in charge of green technologies and climate negotiations, that the PER could not be renewed after November 2010. For this reason, EURO in agreement with AUPLATA applied for an operating permit (Permis d’exploitation (“PEX”)), which was filed on November 30, 2010. This application also encompasses a transfer of the PEX to SOTRAPMAG, once granted. The PEX will cover a much smaller area (14.4 square kilometers), but the area that it covers has been subject to a prefeasibility study. No application for a PEX can be made if it cannot be demonstrated that substantial work has been performed and that there is economic viability.

As a result of the settlement agreement with GOLDEN STAR for the transfer of Paul Isnard properties, the recoverable value of the PER was updated as at December 31, 2009. In 2010, it was determined that this value still is justified based on the reasons outlined in note 18. As a consequence, as at December 31, 2010, EURO still has continued to reverse the depreciation on the PER by US\$750,000.

The assets and liabilities of SOTRAPMAG and EURO’s interest in the PER have been presented as “Held for Sale” as at December 31, 2010 and December 31, 2009 as summarized in the table below:

Assets classified as held for sale (in 000 Euro)	December 31 2010	December 31 2009
Paul Isnard	4,136	3,835
Depreciation of Paul Isnard	(3,572)	(3,312)
Trade Receivables ¹	-	42
Cash	-	2
Total	€564	€567

¹ trade receivables from GOLDEN STAR

Liabilities classified as held for sale (in 000 Euro)	December 31 2010	December 31 2009
Trade payables	-	38
Other current liabilities ¹	-	27
Total	€	€65

¹ Amount owed to IAMGOLD France