



MANAGEMENT’S DISCUSSION AND ANALYSIS FIRST QUARTER ENDED MARCH 31, 2016

The following management’s discussion and analysis (“MD&A”) of EURO Ressources S.A. (“EURO” or the “Company”) for the first quarter ended March 31, 2016 and dated May 4, 2016, has been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. This MD&A should be read in conjunction with EURO’s annual audited financial statements and related notes for December 31, 2015. The Company’s auditors have not reviewed this MD&A. Financial information is presented in Euros (€ or euros), unless stated otherwise and in accordance with International Financial Reporting Standards as adopted 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 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 principal asset is a gold production royalty from the Rosebel gold mine in Suriname (the “Rosebel royalty”). The Rosebel gold mine is 95%-owned by IAMGOLD Corporation (“IAMGOLD”), and it is operated by IAMGOLD. EURO has approximately 62.5 million shares outstanding. IAMGOLD France S.A.S., an indirect wholly owned subsidiary of IAMGOLD, owned approximately 89.71% of all issued and outstanding shares of EURO at March 31, 2016.

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 London PM fixing price. As of March 31, 2016, the Rosebel mine produced 4.1 million ounces of gold and 2.9 million ounces of gold remain under the Rosebel royalty contract. 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.

STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

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. Words such as "anticipates", "expects", "intends", "plans", "forecasts", "projects", "budgets", "believes", "seeks", "estimates", "could", "might", "should", and similar expressions identify forward-looking statements. Although the Company believes that its plans, intentions and expectations reflected in these forward-looking statements are reasonable, the Company cannot be certain that these plans, intentions or expectations will be achieved. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained in this MD&A. These statements may include comments regarding the closing of certain transactions including acquisitions and offerings and expectations of future participation rights payments.

INTRODUCTION

EURO presents its financial statements in Euros (€ or euros). 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\$1.1378 at March 31, 2016 (€1 for US\$1.0860 as at December 31, 2015). The average currency exchange rate for the first quarter ended March 31, 2016, used to present the Company's income statements, statements of other comprehensive income and cash flow statements, was €1 for US\$1.0857 (first quarter of 2015: €1 for US\$1.526). Significant transactions were translated at the exchange rate of the date of the transaction.

RESULTS OF OPERATIONS

Three months ended March 31, 2016 compared to three months ended March 31, 2015

EURO reported a net profit of €4.1 million (€0.066 per share) for the first quarter of 2016 compared to €2.8 million (€0.045 per share) for the first quarter of 2015. The increase was mainly the result of lower income tax expense partially offset by lower revenues from royalties in 2016.

Revenues were €5.7 million during the first quarter of 2016, a decrease of 8% compared to revenues of €6.2 million for the first quarter of 2015. Revenues were mainly attributable to the Rosebel royalty of €5.6 million (first quarter of 2015: €6.1 million). The decrease in revenues was due to lower gold production of 71,723 ounces in the first quarter of 2016 compared to 79,825 ounces in the first quarter of 2015 (€0.6 million), and a lower average gold price in the first quarter of 2016 of US\$1,183 per ounce of gold compared to US\$1,218 per ounce of gold in the first quarter of 2015 (€0.2 million), partially offset by the weaker euro (€0.3 million). Other royalties were €0.1 million from third parties in French Guiana during the first quarter of 2016 (first quarter of 2015: €0.1 million).

During the first quarter of 2016, the Company recorded operating expenses with a credit balance of (€0.015 million) compared to operating expenses of €0.247 million during the same period in 2015. The difference was mainly due to an adjustment of the 2015 administrative costs recorded during the first quarter of 2016 (refer to the Related party transactions section of this MD&A).

The amortization expense of €0.14 million during the first quarter of 2016 was similar to the amortization expense recorded during the same period in 2015.

EURO recorded a foreign exchange gain of €0.01 million in the first quarter of 2016 compared to a foreign exchange loss of €0.12 million in the first quarter of 2015, mainly due to the revaluation of bank accounts and a greater volatility of the euro compared to the US\$ during the first quarter of 2015.

EURO recorded an income tax expense of €1.5 million in the first quarter of 2016 compared to €2.9 million in the first quarter of 2015. The decrease was mainly due to translation adjustments.

OUTLOOK

In 2016, the Rosebel royalty is expected to provide revenues to the Company of between approximately €21.9 million and €22.6 million (US\$24.1 million and US\$24.9 million). These pre-tax numbers assume a gold price of US\$1,150 per ounce and an exchange rate of €1 for US\$1.1. The Rosebel royalty production is anticipated to be between 300,000 and 310,000 ounces in 2016. The impact of changes in the average gold price on EURO's annual revenues, based on an estimated production of 305,000 ounces, would be approximately US\$3.0 million for each US\$100 per ounce change in the gold price. EURO's cash flow will primarily be affected by income tax payments, since there are no tax losses carried forward to offset any future revenue. EURO expects its cash flow will be adequate to meet all corporate and related expenses.

KEY FINANCIAL DATA

Quarterly financial information

(In millions of euros, except per share data)	2016 Q1	2015 Q1
Revenues	€ 5.7	€ 6.2
Profit before income tax	€ 5.6	€ 5.7
Income tax expense	€ 1.5	€ 2.9
Net profit	€ 4.1	€ 2.8
Basic and diluted net profit (€ per share)	€0.066	€0.045
Total assets	€ 31.9	€ 31.0

Quarterly data

(In millions of euros, except per share data)	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	€ 5.7	€ 5.3	€ 5.3	€ 6.0	€ 6.2	€ 6.9	€ 6.3	€ 5.0
Net cash flow from operating activities	€ 3.2	€ 3.1	€ 3.7	€ 3.5	€ 5.3	€ 5.5	€ 3.3	€ 2.7
Net profit	€ 4.1	€ 2.7	€ 3.4	€ 3.6	€ 2.8	€ 3.4	€ 3.5	€ 2.6
Basic and diluted net profit (€ per share)	€0.066	€0.045	€0.054	€0.057	€0.045	€0.055	€0.055	€0.041

LIQUIDITY AND CAPITAL RESOURCES

Cash at March 31, 2016 totaled €10.2 million compared to €7.5 million at December 31, 2015. All of the cash is unrestricted. EURO expects to have sufficient cash flow to fund its on-going operational needs.

DIVIDENDS

Any dividends proposed by the Board of Directors will take into account various factors, including EURO's net profit, financial condition, current and anticipated cash needs, and will be subject to shareholders' approval. The amount of distributable dividends will be based on the annual financial statements prepared in accordance with French generally accepted accounting principles.

In April 2016, the Board of Directors recommended a dividend in the amount of €12.5 million (€0.20 per share), subject to the approval by shareholders upon the next annual general meeting on May 25, 2016. The ex-dividend date will be June 14, 2016, the dividend record date will be June 15, 2016, and the dividend payment date will be on June 16, 2016. The proposed dividend would result in a substantial pay-out to shareholders and would provide approximately US\$1.4 million to the Company to pursue opportunities that could contribute to the long-term strength of the business.

SHARE CAPITAL

As at March 31, 2016, 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 2016.

CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The Company's management makes judgments in its process of 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 critical judgments, estimates and assumptions of the Company are reflected in note 2.10 of the Company's financial statements for the year ended December 31, 2015.

NEW ACCOUNTING POLICIES

The Company's financial statements have been prepared following the same accounting policies and methods of computation as the annual audited financial statements for the fiscal year ended December 31, 2015.

FUTURE ACCOUNTING POLICIES

For a discussion of future accounting policies that may impact the Company, refer to note 2.1.2 of the Company's unaudited condensed interim financial statements for the first quarter ended March 31, 2016.

RELATED PARTY TRANSACTIONS

Revenues from royalties related to the Rosebel mine during the first quarter of 2016 were €5.6 million compared to €6.1 million during the first quarter of 2015. The related amount receivable at March 31, 2016 was €5.3 million (December 31, 2015: €5.2 million) and was included in trade receivables.

During the first quarter of 2016, IAMGOLD adjusted support fees charged to EURO and sent a fee reduction to adjust the 2015 fees based on the actual cost incurred by IAMGOLD. During the first quarter of 2016, the Company accounted for support fees totalling €0.03 million less the 2015 adjustment of €0.15 million, compared to a total fee of €0.1 million in the first quarter of 2015. These charges are included in administrative costs in operating expenses. The related amount receivable at March 31, 2016 was €0.15 million (December 31, 2015: €0.02 million) and was included in trade receivables.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Directeur-Général and the Directeur-Général Délégué have reasonable assurance that material information relating to the Company are known to them. The Directeur-Général and the Directeur-Général Délégué have concluded that the Company's disclosure controls and procedures and internal control over financial reporting are effective.

ADDITIONAL INFORMATION

Additional information relating to EURO Ressources S.A. is available on SEDAR at www.sedar.com. Information related to the Rosebel royalty can be found at IAMGOLD's website at www.iamgold.com. Further requests for information should be addressed to:

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