



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, 2012 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Neuilly-sur-Seine, March 8, 2013

PricewaterhouseCoopers Audit

(signed) "*Bruno Tesnière*"

Bruno Tesnière

*PricewaterhouseCoopers Audit, SA, 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex
Téléphone: +33 (0)1 56 57 58 59, Fax: +33 (0)1 56 57 58 60, www.pwc.fr*



**IFRS Financial Statements and
Shareholders' Report**

Fiscal Year Ended December 31, 2012

Contents

FINANCIAL STATEMENTS

I.	Balance Sheets	1
II.	Income Statements	2
III.	Statements of Comprehensive Income	3
IV.	Cash Flow Statements	4
V.	Statements of Changes in Equity	5
VI.	Notes to Financial Statements	
1	General information	6
2	Basis of accounting and presentation	7
3	Management of financial risk	12
4	Intangible assets	14
5	Available-for-sale financial assets	14
6	Trade receivables and other current assets	15
7	Cash and cash equivalents	15
8	Share capital	15
9	Trade payables and other current liabilities	16
10	Revenues from ordinary activities	16
11	Other income	16
12	Operating expenses	17
13	Foreign exchange gain/loss	17
14	Amortization expense	17
15	Income tax	18
16	Earnings per share	19
17	Related parties	19
18	Assets held for sale	20
19	Option agreement with COLUMBUS	21

I

Balance Sheets

(in thousands of Euro)

	Notes	As at December 31, 2012	As at December 31, 2011
NON-CURRENT ASSETS		<u>€6,441</u>	<u>€7,019</u>
Intangible assets	4	6,235	7,019
Available-for-sale financial assets	5	206	-
CURRENT ASSETS		<u>€22,296</u>	<u>€18,629</u>
Trade receivables	6	11,131	11,657
Other current assets	6	27	228
Cash and cash equivalents	7	10,001	5,584
Assets held for sale	18	1,137	1,160
TOTAL ASSETS		<u>€28,737</u>	<u>€25,648</u>
EQUITY		<u>€26,433</u>	<u>€19,427</u>
Share capital	8	625	625
Additional paid-in capital	8	104	104
Other reserves		613	(4,452)
Net profit for the year		25,091	23,150
TOTAL EQUITY		<u>€26,433</u>	<u>€19,427</u>
NON-CURRENT LIABILITIES		<u>109</u>	<u>137</u>
Deferred tax liabilities	15.3	109	137
CURRENT LIABILITIES		<u>€2,195</u>	<u>€6,084</u>
Trade payables	9	147	207
Other current liabilities	9	109	94
Current income tax payable	9	1,939	5,783
TOTAL EQUITY AND LIABILITIES		<u>€28,737</u>	<u>€25,648</u>

II Income Statements

(in thousands of Euro, except per share amount)

	Notes	For Fiscal Year Ended	
		December 31, 2012	December 31, 2011
Revenues from ordinary activities	10	41,455	37,023
Operating expenses	12	(900)	(957)
Amortization expense	14	(666)	(606)
Other Income	11	239	176
OPERATING PROFIT		<u>€40,128</u>	<u>€35,636</u>
Investment income	-	28	2
Net foreign exchange loss	13	(303)	(294)
NET FINANCIAL EXPENSES		<u>€(275)</u>	<u>€(292)</u>
PROFIT BEFORE INCOME TAX		<u>€39,853</u>	<u>€35,344</u>
Income tax expense	15.1	(14,762)	(12,194)
NET PROFIT		<u>€25,091</u>	<u>€23,150</u>
EARNINGS PER SHARE (€share)			
Basic	16	<u>€0.401</u>	<u>€0.370</u>
Diluted	16	<u>€0.401</u>	<u>€0.370</u>

III Statements of Comprehensive Income

(in thousands of Euro)

	For Fiscal Year Ended	
	December 31, 2012	December 31, 2011
NET PROFIT	<u>25,091</u>	<u>23,150</u>
OTHER COMPREHENSIVE INCOME (LOSS)		
Currency translation adjustments	134	(546)
Unrealized gain (loss) on available-for-sale financial assets	(146)	29
Income tax impact on unrealized gain/loss on available-for-sale financial assets	<u>51</u>	<u>(10)</u>
Other comprehensive income (loss)	39	(527)
TOTAL COMPREHENSIVE INCOME	<u>€25,130</u>	<u>€22,623</u>

IV Cash Flow Statements
(in thousands of Euro)

	For Fiscal Year Ended		
	Notes	December 31, 2012	December 31, 2011
CASH FLOW RELATING TO OPERATING ACTIVITIES			
NET PROFIT		25,091	23,150
<i>Elimination of expenses which do not have an impact on the cash flow and/or are not related to operating activities:</i>			
Amortization expense	14	666	606
Income tax expense	15.1	14,762	12,194
Other non-cash income	11	(200)	(117)
GROSS CASH FLOW FROM OPERATING ACTIVITIES BEFORE NET CHANGE IN OPERATING WORKING CAPITAL		40,319	35,833
Change in trade receivables and other current assets		353	(1,420)
Change in trade payables and other current liabilities		(41)	20
NET CHANGE IN OPERATING WORKING CAPITAL		312	(1,400)
Income tax paid		(18,595)	(11,540)
NET CASH FLOW FROM OPERATING ACTIVITIES		€22,036	€22,893
CASH FLOW RELATING TO FINANCING ACTIVITIES			
Payment of dividend/issuance premium	8	(18,124)	(29,373)
CASH FLOW USED IN FINANCING ACTIVITIES		€(18,124)	€(29,373)
Impact of changes in foreign exchange rates on cash and cash equivalents		€505	€(1,230)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		€4,417	€(7,710)
Cash and cash equivalents at the beginning of the year		5,584	13,294
Cash and cash equivalents at the end of the year		€10,001	€5,584

V Statements of Changes in Equity
(in thousands of Euro)

	Share Capital	Additional paid-in capital	Currency translation adjustments	Accumulated other comprehensive Income	Retained earnings	Net profit for the year	Total Equity
Position as of January 1, 2011	625	29,477	3,303	-	(7,228)	-	26,177
Distribution of issuance premium on July 11 and November 14, 2011 (note 8)	-	(29,373)	-	-	-	-	(29,373)
Total comprehensive income for year ended December 31, 2011	-	-	(546)	19	-	23,150	22,623
Position as of December 31, 2011 before appropriation of profit	625	104	2,757	19	(7,228)	23,150	19,427
Appropriation of 2011 profit	-	-	-	-	23,150	(23,150)	-
Position as of December 31, 2011 after appropriation of profit	625	104	2,757	19	15,922	-	19,427
Dividend (note 8)	-	-	-	-	(18,124)	-	(18,124)
Total comprehensive income for the year ended December 31, 2012	-	-	134	(95)	-	25,091	25,130
Position as of December 31, 2012	€625	€104	€2,891	€(76)	€(2,202)	€25,091	€26,433

VI Notes to Financial Statements

(Amounts in notes are in Euros, and tabular amounts are in thousands of Euros, except where otherwise indicated.)

1) General information

1.1) EURO Ressources S.A.

As a result of internal restructuring in 2012, IAMGOLD Corporation ("IAMGOLD") transferred all of its shares in EURO Ressources ("EURO" or the "Company") to its wholly owned subsidiary IAMGOLD France S.A.S., which owns today approximately 86% of all outstanding shares of EURO.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") to comply with Canadian requirements. Following the sale of its sole subsidiary, Société de Travaux Publics et de Mines Aurifères en Guyane S.A.S. ("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.

These financial statements have been approved for publication by the Board of Directors on February 28, 2013.

1.2) Description of operations

EURO owns a royalty on the Rosebel gold mine in Suriname (the "Rosebel royalty") which is owned and operated by IAMGOLD. EURO receives quarterly payments from IAMGOLD on this royalty.

The Rosebel royalty paid by IAMGOLD applies to the first 7 million ounces of gold produced from the mine and the related payments are calculated on the basis of gold production at the Rosebel mine and the market price of gold based on the London PM fixing price. As of December 31, 2012, the Rosebel mine has produced 3.2 million ounces of gold and there remains approximately 3.8 million ounces of gold under the royalty contract. The 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.

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, 2012 have been prepared on a historical cost basis, except for available-for-sale financial assets which are measured at fair value.

EURO presents its financial statements in Euros (€ or Euro). 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 are presented in these financial statements in US dollars ("\$\$") and in Canadian dollars ("C\$").

2.1.1) Revisions, amendments and interpretations to the published standards which took effect in 2012

In July 2011, an amendment to IFRS 7, Financial instruments: Disclosures, on transfer of financial assets became effective.

This amendment is part of the IASB's comprehensive review of off-balance sheet activities. The amendments promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial assets.

This amendment has no impact on EURO as no financial assets are transferred.

There are no other IFRSs, IASs or IFRIC interpretations issued, that are effective for the first time for the financial year beginning on or after January 1, 2012 that would be expected to have a material impact on EURO.

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2013, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of EURO, except the amendments to IAS 1, Presentation of financial statements regarding other comprehensive income.

The main change resulting from these amendments is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they can potentially be reclassified to the income statement subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

IFRS 10, Consolidated financial statements, IFRS 11, Joint arrangements, and IFRS 12, Disclosure of interests in other entities, should have no impact on EURO as EURO has no subsidiary, joint arrangement or associate. The Company evaluated its investments and does not believe there will be an impact on its financial statements upon the adoption of IFRS 10, IFRS 11 and IFRS 12.

There are no other standards, interpretations and amendments that would be expected to have a material impact on EURO.

2.2) 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 rights related to Rosebel and Paul Isnard Properties and any impairment of non-current assets.

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

2.3) Functional and presentation currencies

The functional currency is determined on the basis of the economic environment in which the company 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 and the related cash, are denominated.

The functional currency of EURO is in US dollars and financial statements 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.

Measurement rules

Financial statements in US dollars are converted into Euros as follows:

- Assets and liabilities are translated at the closing rate at the date of the balance sheet;
- Income and expenses for each significant transaction are translated at the exchange rate at the date of the transaction; otherwise an average rate for the period is used;
- Equity transactions are translated using the exchange rate at the date of the transaction;
- Translation adjustments arising from conversion of the financial statements into the presentation currency are recognized in other comprehensive income.

2.4) Segmented information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for assessing performance of the operating segments, has been identified as the Directeur-Général who makes strategic decisions.

The chief operating decision maker considers the business from a product perspective. Only one segment has been identified, namely revenues from gold mine royalties.

Concerning information about geographical areas, only one geographical area has been identified, namely Canada. The Rosebel royalty emanates from Canada and accounts for almost 100% of the Company's operating revenues.

2.5) 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 *Paul Isnard PER* (Paul Isnard Permit (*Permis Exclusif de Recherche*) ("PER")). These costs have been written off since 1999. However, at the end of 2009, EURO reversed the impairment provision on the PER by €578,000 (US\$750,000), which represented the value attributed to the PER (note 18).

Other intangible assets

Other 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 cost, less accumulated amortization and accumulated impairment charges, if any. They comprise:

- the royalty right in respect of the Rosebel mine, and
- the royalty right in respect of the Paul Isnard Concessions. In 2011, this right has been classified as assets held for sale (note 4).

The amortization expense is calculated on a unit-of-production basis 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.

2.6) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories (financial assets at fair value through profit or loss or loans and receivables). They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

At inception, they are recorded at fair value. The changes in their fair value and the related tax impact are accounted for in other comprehensive income until investments are disposed of or when there is objective evidence of impairment in value.

When financial assets are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to the income statement as gains or losses from financial assets.

If the fair value of a financial asset declines below its carrying amount, the Company performs qualitative and quantitative assessments of whether the impairment is either significant or prolonged. If an unrealized loss on an available-for-sale financial asset has been recognized in other comprehensive income and it is deemed to be either significant or prolonged, any cumulative loss that had been recognized in other comprehensive income is reclassified as an impairment loss in the income statement.

Once an available-for-sale financial asset has been impaired, all subsequent losses calculated as the difference between the acquisition cost and current fair value, less any previously recognized impairment loss, are recognised in the income statement. If the fair value of a previously impaired available-for-sale financial asset subsequently recovers, the unrealized gain is recorded in other comprehensive income. Previously recorded impairment losses are not subject to reversal.

2.7) Impairment of assets

Assets with finite useful lives are subjected to impairment testing whenever an indication exists that impairment has occurred.

If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

A prior period impairment loss is tested for possible reversal of impairment whenever an event or change in circumstance indicates the impairment may have reversed. If it has been determined that the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount to a maximum of the carrying value that would have been determined had no impairment loss been recognized in prior periods. An impairment loss reversal is recognized in the income statements.

The recoverable amount is determined based on the present value of estimated future cash flows from each long-lived asset, which are calculated based on numerous assumptions such as proven and probable reserves, estimates of discount rates, and realizable gold prices. Management's assumptions and estimate of future cash flows are subject to risk and uncertainties, particularly in market conditions where higher volatility exists, and may be partially or totally outside of the Company's control. Therefore, it is reasonably possible that changes could occur with evolving economic conditions, which may affect the recoverability of the Company's long-lived assets. If the Company fails to achieve its valuation assumptions or if any of its long-lived assets experiences a decline in its fair value, then this may result in an impairment charge in future periods, which would reduce the Company's earnings.

2.8) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the balance sheet approach, in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts in the IFRS financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

EURO considers that the Cotisation sur la Valeur Ajoutée des Entreprises ("C.V.A.E.") (value added tax) is an income tax.

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, money market investments, bank demand deposits and other investments with initial maturities not exceeding three months.

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 gold price as determined by the corresponding royalty agreement with the owner of the royalty property. They are recognized on an accrual basis.

2.13) Other income

Other income represents non-recurring income from activities other than those generated in normal business operations.

2.14) Financial income and expense

Financial income and expense comprises interest income in respect of bank accounts, loans and current accounts and also includes foreign exchange gains and losses related to the revaluation of bank accounts and other significant balance sheet accounts denominated in euros, and the revaluation and payment of dividends and income taxes.

3) Management of financial risk

EURO is exposed to different types of financial risks:

- The market risk (principally: the market price for gold and foreign currency risk),
- The credit risk, and
- The liquidity risk.

EURO has a risk management program which monitors the volatility of financial markets and seeks to minimize the potentially unfavorable effects of that volatility for EURO'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. Revenues from the Rosebel royalty are determined with reference to the average of the London PM gold price for each calendar quarter. The Rosebel royalty production in 2012 was 402,000 ounces and is anticipated to be approximately between 384,000 and 405,000 ounces in 2013. The table below illustrates the impact of changes in the quarterly average gold price on EURO's annual revenues, based on an estimated production of 405,000 ounces:

Change in gold price per ounce (US\$/ oz)	\$25	\$50	\$75	\$100
Change in royalty revenues (US\$000)	1,013	2,026	3,039	4,052

3.1.2) Foreign currency translation risk

EURO is exposed to foreign currency translation risk arising from various currency exposures, primarily with respect to the Euro currency. With revenues increasing, EURO's income tax expense represents the largest foreign currency translation risk as it is denominated in the Euro currency.

(in thousands of Euro)	2012	US \$	€	C\$	% exposed to currency translation risk
Revenues from ordinary activities	€41,455	€41,067	€388	€-	1%
Other income	€239	€-	€-	€239	100%
Expenses	€16,603	€1,140	€15,437	€26	93%
Operating	€900	€474	€400	€26	47%
Net financial expenses	€275	€-	€275	€-	100%
Income tax	€14,762	€-	€14,762	€-	100%
Amortization	€666	€666	€-	€-	0%

3.2) Credit risk

EURO is subject to a concentrated credit risk with almost 100% of its revenues 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 minimal.

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. 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 no better investment opportunities. The objective is to ensure reasonable shareholders' return and appropriate safeguard of the Company's assets.

4) Intangible assets
(in thousands of Euro)

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

	December 31 2010	Increase	Transferred to assets held for sale	Translation adjustment	December 31 2011
<u>Gross values</u>					
Rosebel	11,554	-	-	311	11,865
Paul Isnard Concessions ¹	574	-	(580)	6	-
Total	€12,128	€	€(580)	€317	€11,865
<u>Accumulated amortization</u>					
Rosebel	(4,085)	(606)	-	(155)	(4,846)
Total	€(4,085)	€(606)	€	€(155)	€(4,846)
<u>Net values</u>					
Rosebel	7,469	(606)	-	156	7,019
Paul Isnard Concessions ¹	574	-	(580)	6	-
Total	€8,043	€(606)	€(580)	€162	€7,019

	December 31, 2011	Increase	Translation adjustment	December 31, 2012
<u>Gross values</u>				
Rosebel	11,865	-	(229)	11,636
Total	€11,865	€	€(229)	€11,636
<u>Accumulated amortization</u>				
Rosebel	(4,846)	(666)	111	(5,401)
Total	€(4,846)	€(666)	€111	€(5,401)
<u>Net values</u>				
Rosebel	7,019	(666)	(118)	6,235
Total	€7,019	€(666)	€(118)	€6,235

¹ In 2010, the Paul Isnard Concessions were accounted for in exchange of the transfer of SOTRAPMAG to AUPLATA (note 18). At December 31, 2011, the Paul Isnard Concessions in the amount of €580,000 (\$750,000) have been classified as assets held for sale, in relation with the pending Option exercised with COLUMBUS Gold Corporation ("COLUMBUS") (note 19).

5) Available-for-sale financial assets
(in thousands of Euro)

	December 31, 2012	December 31, 2011
Marketable securities ¹	206	-
Total	€206	€

¹ Shares received from COLUMBUS on December 21, 2011 in connection with the pre-exercise payment from the Option agreement entered into on December 5, 2011 (note 18) and shares received on August 31, 2012 in connection with the amendment to the Option agreement signed on July 25, 2012 (note 19). In 2012, these marketable securities have been moved from current assets to non-current assets due to the amendment to the Option agreement with COLUMBUS, and the intention of management not to dispose them within 12 months.

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

Current assets	December 31, 2012	December 31, 2011
Trade receivables ¹	11,131	11,657
Subtotal of trade receivables	€11,131	€11,657
Tax and social security receivables	27	70
Marketable securities (note 5)	-	158
Subtotal other current assets	27	228
Total	€11,158	€11,885

¹ Trade receivables included €10.98 million of amounts receivable from IAMGOLD at December 31, 2012 (€11.491 million at December 31, 2011).

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

	December 31, 2012	December 31, 2011
Cash equivalents ^{1,2}	1,206	1,227
Cash ²	8,795	4,357
Total	€10,001	€5,584

¹ There is no difference between the fair value and the carrying amount.

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

Through December 2012, EURO continued to invest some of 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.

8) Share capital

As of December 31, 2012, the Company's share capital comprised 62,496,461 common shares with a nominal value of €0.01 per share. There were no shares issued during 2012.

During the Annual Shareholders Meeting held on June 26, 2012 in Paris, shareholders approved a dividend distribution in the amount of €18,124,000 (€0.29 per share) that was paid on September 18, 2012.

This was the first dividend distribution for EURO and any future distributions of dividends will be proposed by the Board of Directors after taking 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 GAAP.

	Number of shares	Nominal value per share	Share capital (in 000 Euro)	Additional paid-in capital (in 000 Euro)
As at December 31, 2010	62,496,461	€0.01	625	29,477
Declaration of Issuance Premium on June 21, 2011				€(29,373)
As at December 31, 2011	62,496,461	€0.01	€625	€104
As at December 31, 2012	62,496,461	€0.01	€625	€104

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

	December 31, 2012	December 31, 2011
Trade payables	147	207
Tax and social security liabilities	73	63
Intercompany with IAMGOLD	24	19
Directors' fees	12	12
Other current liabilities	109	94
Current income tax payable	1,939	5,783
Total current liabilities	€2,195	€6,084

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

	For fiscal year ended December 31,	
	2012	2011
Rosebel royalty	41,067	36,771
Other revenues	388	252
Total revenues from ordinary activities	€41,455	€37,023

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.

11) Other income
(in thousands of Euro)

	For fiscal year ended December 31,	
	2012	2011
Non-cash income from COLUMBUS ¹	200	117
Cash income from COLUMBUS ²	39	59
Other income	€239	€176

¹ Following the amendment to the Option agreement with COLUMBUS on July 25, 2012 and the approval by the Toronto Stock Exchange on August 22, 2012, EURO received 650,000 additional shares of COLUMBUS (notes 5, 18, 19).

² On November 30, 2012, EURO received C\$50,000 as its first annual maintenance payment pursuant to the option agreement entered into on December 5, 2011 (note 19).

In 2011, EURO received a pre-exercise payment of €176,000 from COLUMBUS in cash and shares in connection with the Option agreement entered into on December 5, 2011.

12) Operating expenses
(in thousands of Euro)

	For fiscal year ended December 31,	
	2012	2011
Administrative costs	469	476
Directors' fees	76	65
Audit fees	101	140
Legal fees	78	107
Legal exchange and listing fees	103	111
Operating taxes	73	58
Total operating expenses	€900	€957

13) Foreign exchange gain/loss
(in thousands of Euro)

	For fiscal year ended December 31,	
	2012	2011
Foreign exchange gain (loss) related to the revaluation of bank accounts denominated in euro	191	(638)
Foreign exchange gain (loss) related to the revaluation and payment of income taxes	135	(748)
Foreign exchange gain (loss) related to the revaluation and payment of the dividend/ issuance premium distribution	(613)	1,100
Foreign exchange loss related to the revaluation of other balance sheet accounts	(16)	(8)
Net foreign exchange loss	€(303)	€(294)

14) Amortization expense
(in thousands of Euro)

	For fiscal year ended December 31,	
	2012	2011
Amortization charge in respect of intangible assets (note 4)	666	606
Total amortization expense	€666	€606

15) Income tax
(in thousands of Euro)**15.1) Tax reconciliation**

The income tax expense differs from the amount that would have been computed by applying the income tax rate for corporations in France of 34.43% in 2012 (2011: 34.43%) to profit before income tax. The reasons for the differences are as follows:

	For fiscal year ended December 31,	
	2012	2011
Profit before income tax	€39,853	€35,344
Theoretical tax calculated at the corporate income tax rate applicable in the country	(13,721)	(12,169)
Tax effects of C.V.A.E. (value added tax)	(374)	(322)
Additional tax on dividend payment ¹	(544)	-
Translation adjustment	(122)	295
Tax related to non-deductible items	(25)	(22)
Other	24	24
Income tax expense	€(14,762)	€(12,194)

¹ In August 2012, the French government enacted the second rectifying Finance Act, which imposes a 3% additional tax on all dividend distributions.

15.2) Current and deferred income tax expense
(in thousands of Euro)

	For fiscal year ended December 31,	
	2012	2011
Current income tax expense	(14,768)	(12,203)
Deferred income tax expense on temporary differences	6	9
Total	€(14,762)	€(12,194)

15.3) Deferred tax liabilities

Deferred tax liabilities amounted to €109,000 at the end of December 2012, all of which pertain to temporary differences, mostly due to the value added tax (*Cotisation sur la Valeur Ajoutée des Entreprises* ("C.V.A.E.")). There are no tax losses carried forward. The movements related to the deferred tax liabilities are as follows:

(In thousands of euro)	2012	2011
At January 1	€(137)	€(143)
Translation adjustment	11	7
Deferred income tax expense per the income statement	6	9
Tax charge relating to components of other comprehensive income	11	(10)
At December 31	€(109)	€(137)

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

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

	For fiscal year ended December 31,	
	2012	2011
Net profit attributable to holders of common shares	€ 25,091	€ 23,150
Weighted average number of common shares	62,496,461	62,496,461
Earnings per share (€/share)		
Basic	€0.401	€0.370
Diluted	€0.401	€0.370

17) Related parties

Information on related parties:

Presentation of related parties	IAMGOLD France S.A.S., an indirect wholly owned subsidiary of IAMGOLD, is the majority shareholder of EURO (approximately 86% of all outstanding and diluted shares)
Nature of relationship between related parties	Management fees incurred with IAMGOLD during 2012 were €0.21 million (2011: €0.21 million) and payable at December 31, 2012 were €0.024 million (December 31, 2011: €0.02 million).

Compensation to the directors of the Company for fiscal years 2012 and 2011 was as follows:

- Each independent director received an annual retainer of \$20,000 gross and an additional \$1,250 gross per meeting attended and \$1,000 gross for each meeting of a committee of the Board attended in 2012 and 2011.
- Mr. Ian L. Boxall was paid \$17,251 in 2011 in respect of 2011, \$5,438 in 2012 in respect of 2011, \$19,126 in 2012 in respect of 2012 and \$5,438 in 2013 in respect of 2012.
- Mr. David Watkins was paid \$17,251 in 2011 in respect of 2011, \$5,438 in 2012 in respect of 2011, \$19,126 in 2012 in respect of 2012 and \$5,438 in 2013 in respect of 2012.
- Mr. Ian Smith was paid \$17,251 in 2011 in respect of 2011, \$5,438 in 2012 in respect of 2011, \$19,126 in 2012 in respect of 2012 and \$5,438 in 2013 in respect of 2012.
- Mr. Brian Trnkus, Directeur-Général of EURO and Vice-President Finance of IAMGOLD did not receive any directors' fees during 2012 and 2011.
- Following the vacancy of directorship created by Mr. Benjamin Little's resignation in June 2012, Mr. Phillip Marks, Senior Legal Counsel of IAMGOLD was elected as director at the annual shareholders' meeting in Paris. In his function as director, he did not receive any directors' fees during 2012 and 2011.
- Mr. Paul Olmsted, Senior Vice-President, Corporate Development of IAMGOLD, did not receive any directors' fees during 2012 and 2011.

Key management compensation:

Compensation to the key management officers of the Company for the fiscal years 2011 and 2012 was as follows:

- Ms Susanne Hermans received \$150,000 in 2011 in respect of 2011, a discretionary bonus of \$10,000 in 2012 in respect of 2011 and \$150,000 in 2012 in respect of 2012.
- The other officers did not receive any compensation during 2012 and 2011. Compensations of officers that are also senior executives of IAMGOLD are included in management fees paid to IAMGOLD.

18) Assets held for sale (in thousands of Euro)

As at December 31, 2012, EURO's assets held for sale are summarized as follows:

Assets classified as held for sale	December 31, 2012	December 31, 2011
<i>Paul Isnard PER</i> (costs of mining exploration incurred for the Paul Isnard Permit (<i>Permis Exclusif de Recherche</i>) ("PER"))	4,166	4,248
<i>Accumulated depreciation on Paul Isnard PER</i>	(3,598)	(3,668)
Subtotal Paul Isnard PER (net carrying amount)	568	580
Intangible asset related to the royalty on gold production from the Paul Isnard concessions receivable from AUPLATA	569	580
Total	€1,137	€1,160

The "Paul Isnard Properties" are comprised of eight mineral concessions held by SOTRAPMAG and the Paul Isnard PER held by EURO.

In 2009, EURO agreed to transfer ownership of SOTRAPMAG and of EURO's interest in the PER to AUPLATA, in exchange of a royalty on gold production from the Paul Isnard Properties (the "royalty agreement"). The royalty will be equal to the difference between the market price of an ounce of gold and US\$400 multiplied by 10% of gold production up to two million ounces and by 5% of gold production between two and five million ounces. The completion date of the transfers to AUPLATA was initially expected by June 2010 pending the approval of the transfer of SOTRAPMAG and of the PER by the French authorities.

- Paul Isnard PER

In January 2010, EURO was notified by the French Authorities 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 expires on May 30, 2013. This application also encompasses a transfer of the PEX to SOTRAPMAG, once granted. The PEX covers 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 at December 31, 2012, the PEX had not been granted yet.

As a result of the settlement agreement for the transfer of Paul Isnard Properties, the recoverable value of the PER was updated as at December 31, 2009. At the end of December 2012, it was determined that this value is still justified based on the following reasons:

- 1) The mining plan ("*schéma minier*") in French Guiana has been approved.
- 2) COLUMBUS amended its Option agreement with AUPLATA related to the Paul Isnard Properties at the end of 2011 (note 19).
- 3) In 2011 and 2012, the price of gold has remained high, which could justify expedient exploration and exploitation on these properties.

As a consequence, as at December 31, 2012, EURO maintains the reinstatement of the PER net value of \$750,000 (€568,000) in its books.

- Intangible asset related to the royalty on gold production from the Paul Isnard concessions

On October 22, 2010, SOTRAPMAG was transferred to AUPLATA and EURO recorded an intangible asset related to the royalty on gold production from the concessions in the amount of \$750,000 (€569,000).

19) Option agreement with COLUMBUS

On December 5, 2011, EURO entered into an Option agreement with COLUMBUS that would allow for the restructuring of the Paul Isnard Royalty ("royalty on gold production from the Paul Isnard concessions, and the Paul Isnard PER") (the "Option"). The Option provides COLUMBUS with the ability to purchase from EURO the existing Paul Isnard Royalty in return for cash, shares of COLUMBUS and a retained net smelter royalty (as more detailed below). The Option is only exercisable when COLUMBUS will have earned a 100% direct or indirect interest in the Paul Isnard Properties. EURO maintains the right to compel COLUMBUS to exercise the Option. The Option expires on July 30, 2015 if not exercised. The approval or non-approval of the PEX by the French authorities does not change the terms and conditions of the Option agreement.

In 2011, COLUMBUS paid an option fee of C\$250,000 (€176,000), which was comprised of the following:

- C\$166,667 (€117,000) in shares of COLUMBUS at the 20-day volume weighted average price ("VWAP"), and
- C\$83,333 (€59,000) in cash.

Under the VWAP, as of December 21, 2011, each share of COLUMBUS was valued at C\$0.703 (€0.524), which translated to EURO receiving 237,017 shares in COLUMBUS, representing less than 0.3% of all outstanding shares.

In addition, until the Option is exercised or has expired, COLUMBUS must pay an annual C\$50,000 maintenance fee at the anniversary date of the signed Option agreement. On November 30, 2012, COLUMBUS paid its first annual maintenance fee in the amount of C\$50,000 (€39,000).

Once the Option has been exercised, COLUMBUS must make the following payments:

- C\$4.2 million cash,
- 12,865,600 shares of COLUMBUS (approximately 12.6% of existing shares (excluding warrants and options) as of November 30, 2012) subject to possible upward adjustments based on certain events and the VWAP at the time of exercise, and
- A 1.8% net smelter royalty on the first 2 million ounces of gold followed by a 0.9% net smelter royalty on the next 3 million ounces of gold. This royalty is capped at five million ounces.

Before the end of 2011, AUPLATA and COLUMBUS amended their respective agreement allowing COLUMBUS to accelerate its ability to earn a 100% direct or indirect interest in the Paul Isnard Properties. This amendment to the agreement was approved by the TSX Venture exchange on December 23, 2011 and by the French authorities on April 13, 2012. On July 25, 2012, EURO signed an amendment to the Option agreement with COLUMBUS and received 650,000 additional shares in consideration of granting the extension. The amendment gives COLUMBUS one additional year to consider exercising the Option. Prior to the amendment, the Option would expire 120 days following the date on which COLUMBUS obtained the Paul Isnard Properties.

The original agreement stated that if COLUMBUS completed a subsequent equity offering, before the exercise of the Option, at a share price that was less than the original deemed share price (C\$0.65 per share), there would be an automatic adjustment upward of the total Option exercise shares received by COLUMBUS. COLUMBUS completed an equity offering in May 2012 at C\$0.55 per share and as a consequence, COLUMBUS upon exercise of the Option, will give EURO additional shares.

The Option agreement remains unchanged except for the key terms of the amendment listed below, which have been approved by the TSX-V on August 22, 2012:

- EURO received on August 31, 2012, 650,000 additional shares of COLUMBUS, valued at C\$255,000 (€200,000), in consideration of the amendment to the Option agreement.
- Increase in the number of shares to be paid to EURO of 2,409,376 additional shares (due to the May 2012 COLUMBUS equity issue), upon exercise of the Option (total of shares in COLUMBUS related to the future exercise of the Option now being 15,274,976 shares or 14.9% of outstanding shares excluding warrants and options).
- The deemed share price for future share price adjustment consideration now being C\$0.45 per share.

On January 16, 2013, the royalty agreement initially signed on October 22, 2010 between COLUMBUS and AUPLATA was transferred to COLUMBUS. AUPLATA remains jointly and severally liable with COLUMBUS for all obligations resulting from the royalty agreement. No consideration was given to EURO in connection with the transfer of the royalty agreement and, therefore, no gain or loss was recorded on this transfer.

On February 4, 2013, COLUMBUS provided EURO with the Earn-in Notice, confirming that on January 16, 2013, it had taken a 100% direct interest in all of the outstanding shares of SOTRAPMAG and had acquired a 100% indirect interest in the Paul Isnard Properties.