

INDEPENDENT AUDITORS' REPORT

To the shareholders and Board of directors of Euro Ressources SA

Report on the Consolidated Financial Statements

Introduction

We have audited the accompanying consolidated financial statements of Euro Ressources SA and its subsidiaries (the Group) which comprise the consolidated balance sheet as of December 31, 2009 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Managements Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 auditors 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Paris, March 31 2010

PricewaterhouseCoopers Audit

(signed) « *Jean-François Châtel* »

Jean-François Châtel



**Consolidated Financial Statements and
Shareholder Report**

Fiscal year ended 31 December 2009

Contents

CONSOLIDATED FINANCIAL STATEMENTS

I.	Consolidated Balance Sheets	1
II.	Consolidated Income Statements	2
III.	Statement of Comprehensive Income	3
IV.	Consolidated Cash Flow Statements	4
V.	Statement of Changes in Consolidated Equity	5
VI.	Notes to the Consolidated Financial Statements	
	1 General information	6
	2 Basis of accounting and presentation	7
	3 Management of financial risk	14
	4 Intangible assets	16
	5 Property, plant and equipment	17
	6 Trade receivables and other current assets	18
	7 Cash and cash equivalents	18
	8 Share capital	18
	9 Stock-based payments	19
	10 Financial liabilities	19
	11 Trade payables and other current liabilities	20
	12 Revenue from ordinary activities and other operating income	20
	13 Operating expenses	21
	14 Financial income and expenses	21
	15 Depreciation and amortization expenses	22
	16 Tax	22
	17 Earnings (loss) per share	23
	18 Related parties	23
	19 Assets held for sale	24

I Consolidated Balance Sheets

(in thousands of €uro)

	Notes	As at 31 December 2009	As at 31 December 2008
NON-CURRENT ASSETS		<u>€8,409</u>	<u>€13,812</u>
Intangible assets	4	7,525	8,256
Property, plant and equipment	5	-	1
Other financial assets		-	3
Deferred tax	16.3	884	5,552
CURRENT ASSETS		<u>€17,799</u>	<u>€4,554</u>
Trade receivables and similar accounts	6	5,689	3,016
Other current assets	6	35	1,070
Cash and cash equivalents	7	11,509	468
Assets classified as held for sale	19	567	-
TOTAL ASSETS		<u>€26,208</u>	<u>€18,366</u>
EQUITY – GROUP SHARE		<u>€22,247</u>	<u>€12,005</u>
Issued capital stock	8	625	625
Additional paid-in capital	8	46,976	46,976
Other reserves		(36,127)	(40,280)
Retained earnings		10,774	4,684
TOTAL EQUITY		<u>€22,247</u>	<u>€12,005</u>
CURRENT LIABILITIES		<u>€3,961</u>	<u>€6,361</u>
Derivative financial instruments	10	2,550	2,440
Other financial debt	10	-	2,566
Trade payables and similar accounts	11	180	1,258
Other liabilities	11	208	97
Current Income tax payable	11	958	-
Liabilities classified as held for sale	19	65	-
TOTAL EQUITY & LIABILITIES		<u>€26,208</u>	<u>€18,366</u>

II Consolidated Income Statements

(in thousands of €uro)

	Notes	Fiscal Year Ended	
		31 December 2009	31 December 2008
Revenue from ordinary activities	12	19,452	12,437
Operating expenses	13	(1,765)	(4,023)
<i>Of which expenses related to IAMGOLD arbitration</i>	13	(6)	(137)
<i>Of which expenses related to the unsolicited takeover bid by IAMGOLD</i>	13	-	(1,971)
Depreciation and amortization expenses	15	(612)	(468)
Reversal of provision	15	538	-
OPERATING PROFIT		<u>€17,613</u>	<u>€7,946</u>
Financial income	14	44	206
Financial expenses	14	(1,239)	(1,161)
NET FINANCIAL EXPENSE		<u>€(1,195)</u>	<u>€(955)</u>
PROFIT (LOSS) BEFORE TAX		<u>€16,418</u>	<u>€6,991</u>
Income Tax Expense	16	(5,644)	(2,307)
NET PROFIT (LOSS) FOR THE YEAR		<u>€10,774</u>	<u>€4,684</u>
Net profit (loss)		€10,774	€4,684
EARNINGS (LOSS) PER SHARE			
Basic	17	€0.172	€0.077
Diluted		€0.172	€0.077

III Statement of Comprehensive Income

(in thousands of €uro)

	For Twelve Months ended		
	Notes	31 Dec 2009	31 Dec 2008
PROFIT FOR THE PERIOD		10,774	4,684
OTHER COMPREHENSIVE INCOME			
Currency translation differences		(533)	118
<i>Other comprehensive income for the period</i>		(533)	118
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>€10,242</u>	<u>€4,802</u>

IV Consolidated Cash Flow Statements

(in thousands of €uro)

	Notes	Fiscal Year Ended	
		31 December 2009	31 December 2008
CASH FLOW RELATING TO OPERATING ACTIVITIES			
NET PROFIT (LOSS) FROM CONSOLIDATED COMPANIES		10,774	4,684
<i>Elimination of expenses which do not have an impact on the cash flow and/or are not related to operating activities:</i>			
Depreciation, amortization and provisions	15	612	468
Income Tax Expense	16	5,644	2,307
Derivative financial instruments	14	1,178	(52)
Stock option expense		-	67
Amortization of loan costs			38
Reversal of Provision (PER)	15	(538)	-
GROSS CASH FLOW FROM OPERATIONS GENERATED BY CONSOLIDATED COMPANIES BEFORE NET CHANGE IN OPERATING WORKING CAPITAL		17,670	7,511
Change in trade receivables and other current assets		(1,795)	(660)
Change in trade payables and other current liabilities		(906)	(790)
NET CHANGE IN OPERATING WORKING CAPITAL		(2,702)	(1,451)
NET CASH FLOW FROM OPERATING ACTIVITIES		€14,969	€6,061
CASH FLOW RELATING TO INVESTING ACTIVITIES			
AMOUNTS PAID TO PURCHASE FIXED ASSETS		-	-
NET CASH FLOW (USED IN) INVESTING ACTIVITIES		€ -	€ -
CASH FLOW RELATING TO FINANCING ACTIVITIES			
Capital increase in cash		-	1,361
Reimbursement of derivative financial instrument		(3,534)	-
Borrowings repaid		-	(2,178)
Early settlement of derivative financial instrument		-	(5,199)
NET CASH FLOW RELATING TO FINANCIAL ACTIVITIES		€(3,534)	€(6,016)
Impact of changes in foreign exchange rates		(392)	(134)
CHANGE IN CASH AND CASH EQUIVALENTS		€11,043	€(89)
OPENING BALANCE		468	557
CLOSING BALANCE		11,511	468
INCREASE/(DECREASE)		11,043	(89)

V Statement of Changes in Consolidated Equity

(in thousands of €uro)

	Capital Stock	Additional paid-in capital	Other reserves	Profit/loss for the year	Total Equity
Position as of 1 January 2008	606	45,634	(40,464)		5,776
Capital Increase	19	1,342			1,361
Options Issued			67		67
Total comprehensive income for the period to December 31, 2008			118	4,684	4,802
Position as of 31 December 2008 before appropriation of profit	625	46,976	(40,279)	4,684	12,005
Appropriation of 2008 profit			4,684	(4,684)	-
Position as of 31 December 2008 after appropriation of profit	625	46,976	(35,595)	-	12,005
Capital Increase	-	-			-
Options Issued			-		-
Total comprehensive income for the period to December 31, 2009			(533)	10,774	10,242
Position as of 31 December 2009 before appropriation of profit	625	46,976	(36,128)	10,774	22,247

VI Notes to the Consolidated Financial Statements

1) General information

1.1) Euro Ressources Group

The Euro Ressources Group comprises the parent company, EURO Ressources SA (“EURO”, the “Company” or the “Group”), and its 100%-owned subsidiary, Société de Travaux Publics et de Mines Aurifères en Guyane S.A.R.L. (“SOTRAPMAG”). EURO is a *Société Anonyme*, domiciled in metropolitan France with its registered office located in Paris.

Effective December 2, 2008, 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 to December 31, 2009, 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 the 17th of July, 2009. EURO’s ordinary shares are still being traded in Paris on the NYSE Euronext under the symbol “EUR”.

These consolidated financial statements have been approved for publication by the Board of Directors on March 16, 2010.

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 Gross Rosebel mine. 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.

1.3) List of Group companies

As at 31 December, 2009 the consolidated financial statements comprise the accounts of Euro and its subsidiary. There has been no change in the Group’s consolidation scope during 2009:

Company	EURO Ressources SA	SOTRAPMAG SARL
Identification Number	390 919 082 00029	339 146 284 00015
Registered Office	23 rue du Roule 75001 Paris France	859 Rocade du Baduel Cayenne, French Guiana 97300
Consolidation Method 2009	Parent Company	Full Consolidation
Consolidation Method 2008	Parent Company	Full Consolidation
% Control 2009	Parent Company	100%
% Control 2008	Parent Company	100%
% Interest 2009	100%	100%
% Interest 2008	100%	100%

2) Basis of accounting and presentation

2.1) Standards

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

As at 31 December 2009, these standards differ from the International Financial Reporting Standard as approved by the International Accounting Standard Board ("IASB") by the following standards and interpretations that have not yet been approved by the European Union:

- IAS 24 – Related Party Disclosures (version published by the IASB on 04/11/2009)
- Amendments to IFRS 1 – Additional exemptions for First Time Adopters
- IFRS 9 – Financial Instruments – Classification and Measurement of Financial Assets

As at 31 December 2009 these standards, amendments and interpretations are either not yet in force or not applicable to EURO.

Therefore, these consolidated financial statements are also prepared in accordance with the International Financial Reporting Standards as approved by the International Accounting Standard Board.

The consolidated financial statements for the period ended 31 December 2009 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 is a French company and prepares its financial accounts in euros (€ or Euro) and presents its consolidated 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 is 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 2009

Application of the following revisions, amendments and interpretations became obligatory with effect from the 2009 fiscal year:

- IAS 1 R – Presentation of Financial Statements – a revised presentation

The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The group has elected to present two statements: an income statement and a statement of comprehensive income. The annual financial statements have been prepared under the revised disclosure requirements.

IFRS 8 - Operating Segments

IFRS 8 replaces IAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Only one reportable segment has been identified namely income from gold mine royalties. As a consequence, IFRS 8 has no impact on the presentation of Euro's financials compared to IAS 14.

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

- Amendments to IAS 23 - Borrowing Costs
- Amendments to IAS 32 - Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and obligations arising on liquidation
- Amendments to IAS 39 – Eligible hedged items
- Amendments to IAS 39 and to IFRIC 9 – Embedded Derivatives
- Amendments IFRS1 and IAS 27 - cost of an investment in a subsidiary, jointly controlled entity or associate
- Amendments to IFRS 2 – Share-based payments – vesting conditions and cancellations
- IFRIC 11 – IFRS 2 - Group and treasury share transactions
- IFRIC 13 – Customer loyalty programs
- IFRIC 14 – IAS 19– The Limit on a defined benefit asset, minimum funding requirements and their interaction

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 1 January 2009 and have not been early adopted. These standards do not apply to EURO:

- First annual improvements to IFRS
- IFRS 3 – 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

2.2) Consolidated methods

A subsidiary is an entity over which the parent company, EURO, exercises 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.

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

The 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 consolidated 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 the Group'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, the valuation of hedging instruments, deferred tax and the stock-based payment plan.

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 the Group'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 derivative liabilities are denominated.

Determination of the presentation currency

The parent company, EURO, is a company governed by French law and is therefore obliged to prepare its consolidated accounts in Euros. The Euro has therefore been defined as the presentation currency for the Group's consolidated accounts.

Bookkeeping and presentation of the accounts of consolidated companies

The individual books of account of each Group company are prepared in their respective functional or local currencies namely:

- EURO: in US dollars
- SOTRAPMAG: in Euros

and each 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, the 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 consolidated financial statements denominated in Euros, the results and financial position of each entity are converted into Euros on the basis of the individual entity 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) Segment information

Two levels of segment 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 98% 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 Paul Isnard. These costs have been entirely written off since 1999.

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.

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) Property, plant and equipment

Property, plant and equipment are measured at their cost of acquisition less cumulative depreciation and the cumulative amount of any impairment losses.

The amount initially recognized for an amount of property, plant or equipment is allocated by material component whenever components are subject to different useful lives.

Depreciation is charged on a straight-line basis over each component's expected useful life. The following table presents the useful lives most commonly applied:

Property, plant and equipment	Method	Duration
Equipment and tools	Straight-line	5 years
Vehicles	Straight-line	3 to 5 years
Office and computer equipment	Straight-line	3 to 5 years

Estimated useful lives are regularly reviewed and any changes in estimates give rise to adjustment of the related prospective depreciation schedules.

Whenever the carrying amount of an asset is in excess of the estimated recoverable amount, the carrying amount is immediately aligned to its recoverable amount, by recognition of an impairment loss.

2.8) Impairment of tangible and intangible fixed assets

Intangible assets with indefinite useful lives are systematically subjected to impairment testing at least annually as of 31 December 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.

2.9) Other financial assets

Other financial assets comprise guarantee deposits.

2.10) 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 is 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.

2.11) Trade receivables and similar accounts

Trade receivables and similar accounts are initially recognized at their fair value which generally equates with their nominal amount. They are subjected 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.

2.12) 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.

2.13) Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognized at their fair value net of any transaction costs. Borrowings are subsequently measured at amortized cost; any difference between the issue amount (net of transaction costs) and the amount repayable is recognized in profit or loss over the duration of the loan using the effective interest method.

Borrowings are classified as current liabilities except when the Group has an unconditional right to defer repayment until at least 12 months after the balance sheet date, in which case they are classified as non-current liabilities.

2.14) Derivative financial instruments

Derivative financial instruments are recognized at their fair value since inception and are revalued on the last day of each quarter using the London PM gold price in US dollars. The accounting treatment of related gains and losses depends on whether or not derivatives are designated as hedging instruments and, if so, on the nature of the hedged items.

The Company does not engage in hedge accounting so all changes in the fair value of derivatives are immediately recognized in the income statement as part of net financial expense.

The fair value of a derivative is classified as a current asset or liability when the remaining maturity of the underlying is of less than 12 months duration.

2.15) Trade payables and similar accounts

Trade payables and similar accounts are initially recognized at their fair value which generally equates with their nominal amount.

2.16) Revenue from ordinary activities

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

2.17) 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.

2.18) Stock-based payments

The Company has implemented a stock subscription plan which authorizes the Board of Directors to grant stock subscription options to certain executives, managers and employees of the Company or of Group companies.

The plan provides for issue of a maximum number of 6,059,146 common shares. Options have an exercise period of up to 10 years and may have a vesting period of up to three years.

The fair value of the options granted is recognized as an operating expense at the time of vesting.

At each balance sheet date, the entity records the number of options outstanding, both exercisable and not-exercisable, and those forfeited or expired during the reporting period.

Amounts received by the Company when options are exercised are credited to “capital stock” (for the nominal amount of the stock issued) and to “additional paid-in capital” (for the amount received net of the nominal amount of the stock issued and of any directly attributable transaction costs).

3) Management of financial risk

The Group's activities expose it to different types of financial risks: 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), credit risk and liquidity risk (investment of excess liquidity).

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

The Group 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 simple average of the London PM gold price for each calendar quarter. The Rosebel royalty attributable production in 2009 was approx. 404,000 ounces and is anticipated to be approx 400,000 ounces in 2010. The table below illustrates the impact of changes in the calendar quarter average gold price on EURO's revenue, based on 404,000 ounces of attributable production:

Gold price/oz change –average per quarter	\$25	\$50	\$75	\$100
Change in royalty revenue	\$1,010,000	\$2,020,000	\$3,030,000	\$4,040,000

Derivative variance

As part of its risk management program, the Group holds certain gold derivative forward sales contracts which mirror the method of calculation of the applicable gold price calculation under the Rosebel royalty for the respective calendar quarter (see Note 10). At the end of each calendar quarter, the associated forward sales contract is liquidated and the difference between the settlement price for that quarter and the contractual price of \$458.50/oz. is settled. As at 31 December 2009 there were 5,700 ounces of gold derivative contracts outstanding, at a contract price of \$458.50, with settlement at the end of January 2010. (see Note 10).

3.1.2) Foreign currency translation risk

EURO is a French company that is exposed to foreign currency translation risk given that its transactions are mainly denominated in US dollars but presented in Euros, with 99% of its revenue in US dollars and 1% in Euros. Operational costs incurred in Euros exceed revenue denominated in Euros however, this risk is considered negligible since the excess of our Euro denominated expenses over revenue is a small proportion of total expenses.

(in 000s)		US \$	€	C\$	% exposed to currency translation risk
Revenue	€19,452	€19,257	€195	-	99%
Expenses	€3,616	€2,323	€1,230	€64	36%
Operational	€1,765	€472	€1,230	€64	73%
Financial	€1,239	€1,239	-	-	100%
Amortization	€612	€612	-	-	100%

3.2) Credit risk

The Group is subject to a concentrated credit risk with 99% 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. The Group believes that its recurring financial income is adequate. The company has no more credit facilities, since it paid off its debt at the end of 2008. Since October 2009, the company has been investing its surplus cash, so as to maximize profits, but at the same time mitigate any potential risk. The Group has specific guidelines that are followed and which are outlined in their short-term investment policy. The Group reviews the strategies for investment of cash on a quarterly basis to ensure that the ratings of the financial institutions have remained excellent and that there are not better investment opportunities it should be investing in so as to maximize shareholder return and safeguard the Company's assets.

4) Intangible assets (in thousands of €uro)

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

	31 December 2007	Increase	Decrease/ Reversal	Decrease	Translation adjustment	31 December 2008
<u>Gross values</u>						
Paul Isnard (PER)	3,732				167	3,899
Rosebel	10,423				467	10,890
Total	€14,155	€ -	-	€-	€634	€14,788
<u>Amortization / Depreciation</u>						
Paul Isnard (PER)	(3,732)				(167)	(3,899)
Rosebel	(2,055)	(466)			(112)	(2,633)
Total	€(5,787)	€(466)	-	€-	€(279)	€(6,532)
<u>Net values</u>						
Paul Isnard (PER)	-	-			-	-
Rosebel	8,368	(466)			355	8,256
Total	€8,368	€(466)	-	€-	€355	€8,256

	31 December 2008	Increase	Decrease/ Reversal	Transferred to assets held for sale	Translation adjustment	31 December 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	50	-
Rosebel	(2,633)	(612)			59	(3,186)
Total	€(6,532)	€(612)	538	€3,312	€109	€(3,186)
<u>Net values</u>						
Paul Isnard (PER)	-		538	(523)	(14)	-
Rosebel	8,256	(612)			(120)	7,525
Total	€8,256	€(612)	538	€(523)	€(134)	€7,525

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

5) **Property, plant and equipment**
(in thousands of €uro)

	31 December 2007	Increase	Decrease	Translation adjustment	31 December 2008
<u>Gross values</u>					
Other property, plant and equipment	6		-	(1)	5
Total	€6	€-	€-	€(1)	€5
<u>Amortization</u>					
Other property, plant and equipment	(3)	(2)	-	1	(4)
Total	€(3)	€(2)	€-	€1	€(4)
<u>Net values</u>					
Other property, plant and equipment	3	(2)	-	-	1
Total	€3	€(2)	€-	€-	€1

	31 December 2008	Increase	Decrease	Translation adjustment	31 December 2009
<u>Gross values</u>					
Other property, plant and equipment	5	-	(1)	-	4
Total	€5	€-	€(1)	€-	€4
<u>Amortization</u>					
Other property, plant and equipment	(4)	-	2	(2)	(4)
Total	€(4)	€-	€2	€(2)	€(4)
<u>Net values</u>					
Other property, plant and equipment	1	-	1	(2)	1
Total	€1	€-	€1	€(2)	€-

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

Current assets	31 December 2009	31 December 2008
Trade receivables and similar accounts ¹	5,689	3,016
Subtotal of trade receivables and similar accounts	5,689	3,016
Tax and social security receivables	35	161
Advances, guarantees	-	890
Prepaid expenses	-	20
Subtotal other current assets	35	1,070
Total	€5,724	€4,086

¹ Trade receivables include €5.642 million of amounts receivable from IAMGOLD.

7) Cash and cash equivalents
(in thousands of €uro)

	31 December 2009	31 December 2008
Marketable securities ¹	6,143	-
Cash	5,366	468
Total	€11,509	€468

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

At the beginning of August, 2009, Macquarie Bank reviewed its credit agreement with EURO and determined that all of EURO's cash was now unrestricted.

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

8) Share capital

As of 31 December, 2009 the Company's share capital comprises 62,496,461 common shares with a nominal value of €0.01 per share.

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

	Number of shares	Nominal value	Share Capital (in 000 €uro)	Additional paid-in capital (in 000 of €uro)
As at 31 December 2007	60,591,460	€0.01	€606	€ 45,634
12 December 2008	1,905,001	€0.01	€19	€1,342
As at 31 December 2008	62,496,461	€0.01	€625	€46,976
As at 31 December 2009	62,496,461	€0.01	€625	€46,976

There were no shares issued during 2009.

9) Stock-based payments

EURO's Stock Option Plan permits the board of directors of EURO to grant of stock options to eligible participants at a minimum subscription price equal to 80% of the closing price on Euronext Paris during the 20 consecutive days of trading preceding the date of grant of the option.

In December 2008 all outstanding options remaining were exercised.

	2009		2008	
	Average Exercise Price	Number (in 000)	Average Exercise Price	Number (in 000)
As of 1 January	-	-	€0.75	1,525
Granted	-	-	€0.79	380
Exercised	-	-	€0.75	1,905
Expired	-	-	-	-
As of 31 December	€-	-	€-	-

No options were granted during 2009.

10) Financial liabilities (in thousands of €uro)

	31 December 2009	31 December 2008
Derivative financial instruments	2,550	2,440
Other financial debt	-	2,566
Total current financial liabilities	€ 2,550	€ 5,006

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 31 July 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 provide that in respect of each quarter, when the quarterly average of the London PM gold price is less than the settlement price, Macquarie pays 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 is higher than the contractual price, EURO pays 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.

11) Trade payables and other current liabilities (in thousands of €uro)

	31 December 2009	31 December 2008
Trade payables	180	1,258
Tax and social security liabilities	178	62
Intercompany with IAMGOLD	17	-
Other liabilities ¹	13	35
Current income tax payable	958	-
Total	€ 1,346	€ 1,355

¹Other liabilities mainly comprise directors' fees due in respect of the fourth quarters 2008 and 2009

12) Revenue from ordinary activities and other operating income (in thousands of €uro)

	For fiscal year ended 31 December	
	2009	2008
Rosebel Royalty	19,257	12,158
Other operating income	195	279
Total	€ 19,452	€ 12,437

Revenue from ordinary activities is 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.

13) Operating expenses
(in thousands of €uro)

	For fiscal year ended 31 December	
	2009	2008
Costs related to takeover bid by IAMGOLD	6	1,971
Costs related to IAMGOLD arbitration	-	137
Administrative costs	625	1,035
Directors' Fees	63	143
Audit fees	128	148
Legal fees	149	259
Legal exchange and listing fees	103	129
Professional taxes	365	134
Stock options	-	67
Costs related to the security on the Paul Isnard properties	327	-
Total Operational Expenses	€1,765	€4,023

14) Financial income and expenses
(in thousands of €uro)

	For fiscal year ended 31 December	
	2009	2008
Other investment income	8	41
Foreign exchange gain	37	165
Total financial income	€44	€206
Interest on Macquarie loan	-	68
Foreign exchange loss	61	93
Financial instrument expense	1,178	961
Other	-	38
Total financial expenses	€1,239	€1,161
Net financial income (expense)	€(1,195)	€(955)

15) Depreciation and amortization expenses / reversal
(in thousands of €uro)

	For fiscal year ended 31 December	
	2009	2008
Amortization charge in respect of intangible assets	612	466
Depreciation charge in respect of plant, property and equipment	-	2
Total expenses	€612	€468
Reversal of the provision on the PER of Paul Isnard	538	
Total reversal	€538	€-

16) Tax**16.1) Tax Reconciliation**
(in thousands of €uro)

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 31 December	
	2009	2008
Profit (loss) before tax	€16,418	€6,991
Theoretical tax calculated at the legal rate applicable in the country of each subsidiary	(5,472)	(2,330)
Tax related to non-deductible expenses	(20)	(46)
Deferred Tax on CVAE (property tax) ¹	(76)	
Tax related to permanent differences	-	3
Other	(212)	
Translation adjustment	135	66
Effective tax	€(5,644)	€(2,307)

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

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 CVAE will be presented on the same line.

**16.2) Current income tax recovery/(expense)
(in thousands of €uro)**

Corporate income tax recovery comprises the following:

	For fiscal year ended 31 December	
	2009	2008
Current income tax recovery/(expense)	(958)	-
Deferred tax recovery on temporary differences and tax losses carried forward	(4,686)	(2,307)
Total	€(5,644)	€(2,307)

16.3) Deferred tax assets

Deferred tax assets amount to €0.88 million. Since there is no more tax losses carried forward, the deferred tax asset relates to temporary differences principally from the gold forward sales contracts in the amount of €0.85 million.

17) Earnings (loss) per share

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

	For fiscal year ended 31 December	
	2009	2008
Net profit (loss) attributable to holders of common shares	€ 10,774	€ 4,684
Weighted average number of common shares	62,496,461	60,690,624
Earnings (loss) per Share		
Basic	€0.172	€0.077
Diluted	€0.172	€0.077

18) Related parties

Information on Related Parties:

	IAMGOLD Corporation
Presentation of related parties	IAMGOLD is majority shareholder of EURO Ressources S.A. (86% of all outstanding and diluted shares)
Nature of relationship between related parties	Management Fees incurred to date are €0.192 million and payable at December 31, 2009 are €0.017 million and reimbursable expenses incurred and payable related to Paul Isnard security in French Guiana are €0.027 million.

The information relating to director's compensation includes the payments of director's fees and stock subscription options granted.

Directors' fees:

Compensation to the directors of the Company for the fiscal years 2008 and 2009 was as follows:

Each director received an annual retainer of \$16,000 gross, each director received an additional \$1,000 gross per meeting attended and \$750 gross for each meeting of a committee of the Board attended

Mr. James H. Dunnett: \$16,500 paid in 2008 in respect of 2008 and \$7,500 in respect of 2008 paid in 2009. Mr. James H. Dunnett resigned as Director of the company on December 31, 2008.

Mr. Allan J. Marter: \$16,500 paid in 2008 in respect of 2008, \$7,500 in respect of 2008 paid in 2009 and \$750 in respect of 2009 paid in 2009. Mr. Allan J. Marter resigned as Director on January 14, 2009.

Mr. Ian L. Boxall: \$17,850 paid in 2008 in respect of 2008 and \$7,275 in respect of 2008 paid in 2009, \$15,075 paid in 2009 in respect of 2009 and \$6,300 in respect of 2009 paid in 2010.

Mr. Donald R. Getty: \$18,600 paid in 2008 in respect of 2008, \$8,025 in respect of 2008 paid in 2009 and \$750 in respect of 2009 paid in 2009. Mr Donald R. Getty resigned as Director of the Company on January 14, 2009.

Mr. David Watkins: \$21,225 paid in 2008 in respect of 2008, \$9,600 in respect of 2008 paid in 2009, \$15,075 paid in 2009 in respect of 2009 and \$6,300 in respect of 2009 paid in 2010.

Mr. Ian Smith: \$17,425 paid in 2008 in respect of 2008, \$9,600 in respect of 2008 paid in 2009, \$15,075 paid in 2009 in respect of 2009 and \$6,300 in respect of 2009 paid in 2010.

The other directors: Ms. Carol Banducci, Mr. Larry Phillips and Mr. Paul Olmsted, senior executives of IAMGOLD Corporation, did not receive any directors fees during 2009.

19) Assets held for sale

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 which are held by EURO and Société de Travaux Publics et de Mines Aurifères en Guyane S.A.R.L. ("SOTRAPMAG"), EURO's wholly-owned subsidiary in French Guiana.

The Paul Isnard properties are comprised of eight mineral concessions held by SOTRAPMAG and the Paul Isnard Permis Exclusif de Recherches ("PER") (collectively, the "Paul Isnard Properties"). The renewal of the PER was granted in January 2010 until the end of November 2010.

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, and EURO will receive a royalty on gold production from the Paul Isnard Properties. The royalty, as historically agreed between the parties, is equal to the difference between the market price of gold and US\$400.00 multiplied by 10% of gold production up to two million ounces and by 5% of gold production between two and five million ounces.

EURO will 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. EURO has decided to measure the royalty at the fair value of the Paul Isnard Properties transferred to Golden Star.

Golden Star notified EURO in December 2009 that ownership of SOTRAPMAG and of EURO's interest in the PER was to be transferred to Auplata S.A. The completion date of the transfers to

Auplata S.A. is expected by June 2010 pending the approval of the transfer of SOTRAPMAG by the French authorities. Based on the transaction between Golden Star and Auplata for the selling of Paul Isnard Properties and two other exploration properties in French Guyana, the value of Paul Isnard properties has been estimated by the Company to US\$1,500,000 (US\$ 750,000 for the PER and US\$ 750,000 for the concessions).

As a result of the settlement agreement with Golden Star for the transfer of Paul Isnard Properties, the recoverable value of the PER has to be updated as at December, 31 2009. For the record, concessions have no book value. As a consequence, as at December 31, 2009, EURO has reversed 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, 2009 as summarized in the below table.

Assets classified as held for sale	31 December 2009	31 December 2008
Paul Isnard	3,835	-
Depreciation of Paul Isnard	(3,312)	-
Trade Receivables ¹	42	-
Cash	2	-
Total	€567	€-

¹ trade receivables from Golden Star

Liabilities classified as held for sale	31 December 2009	31 December 2008
Trade payables	38	-
Other current liabilities ¹	27	-
Total	€65	€-

¹ Amount owed to IAMGOLD France