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DISCLOSURES ABOUT THE LEGAL, FINANCIAL, ACCOUNTING AND OTHER  
CHARACTERISTICS OF EURO RESSOURCES S.A.



The present document regarding other information of EURO Ressources S.A. (the "Company" or "EURO") was filed with the *Autorité des marchés financiers* (the "AMF") on October 3, 2008 in accordance with article 231-28 of the general regulation of the AMF and the instruction n°2006-07 of July 25, 2006. The present document was edited under the responsibility of the Company.

Pursuant to the provisions of article 213-28 of the general regulation of the AMF, it is hereby specified that the disclosures about legal, financial, accounting and other characteristics of the Company are included in the Annual Financial Report as at December 31, 2007, the Mid Year Financial Report as at June 30, 2008, as well as the following document.

The present document is available on the AMF's website ([www.amf-france.org](http://www.amf-france.org)) and the Company's website ([www.euroressources.fr](http://www.euroressources.fr)).

## CONTENTS

1.	Information required pursuant to article 231-28 of the general regulation of the AMF ....	3
2.	Statement of the Author of the document .....	3
3.	Information regarding the share capital .....	
3.1	Shareholding and voting rights.....	3
3.2	Shareholder agreements.....	4
3.3	Potential dilution of the share capital .....	4
3.4	Authorization of share capital decrease.....	4
3.5	Authorization of share capital increase.....	4
3.6	Summary of EURO Ressources' share price: September 2007 to September 2008..	5
4.	Management, Executive and Supervisory bodies .....	5
5.	Management report for the period ended June 30, 2008 (published on August 25, 2008)	5
6.	Overview and Outlook .....	6
7.	Other recent events.....	
7.1	De-hedging .....	6
7.2	Liquidity .....	6
7.3	Arbitration.....	7
7.4	Paul Isnard .....	7
7.4.1	Renewal of the Paul Isnard PER .....	7
7.4.2	Litigation commenced in respect of Paul Isnard property .....	7
7.4.3	Situation of the illegal miners at Paul Isnard .....	7
7.4.4	Alluvial mining at Elysée .....	7

## **1. Information required pursuant to article 231-28 of the general regulation of the AMF**

Pursuant to article 231-28 of the general regulation of the AMF, it is stated that the disclosures about the legal, financial, accounting and other characteristics of the EURO are included in the annual report for the fiscal year ended on December 31, 2007, reports of the statutory auditors, filed with the AMF on April 30, 2008 and available on the Company's website, as well as the consolidated financial statements for the 1st semester of 2008 which include the management report on the consolidated accounts of the intermediate situation as at June 30, 2008 and the report of the statutory auditors on the half yearly financial statements, filed with the AMF on August 25, 2008 and available on the Company's website.

Significant recent events which occurred since the filing of the above mentioned documents are mentioned in paragraph 7 of this document.

## **2. Statement of the Author of the document**

*"I hereby state, after having taken all necessary measures to that extent, that the present document which was filed on October 3, 2008 and which shall be released on October 3, 2008 includes all of the information required pursuant to article 231-28 of the general regulation of the Autorité des marchés financiers and by the instruction n°2006-07 of July 25, 2006 of the Autorité des marchés financiers in the frame of the public tender offer launched by IAMGOLD for the shares of EURO Ressources. This information is, to the best of my knowledge, in accordance with the reality and do not contain omission likely to alter its meaning."*

Signed at Paris, October 3, 2008

**"James H Dunnett"**

James H. Dunnett  
Directeur-Général

## **3. Information regarding the share capital**

As of the date of the present document, the share capital of the Company is €605,914.60, divided into 60,591,460 common shares of par-value €0.01 each, fully paid up and of the same category. The total number of voting rights is 60,591,460.

### ***3.1 Shareholding and voting rights***

During the 1st semester of 2008, the Company was informed of a threshold crossing which had been disclosed in a statement published on the website of the *Autorité des marchés financiers*. This statement concerns an increase:

- March 13, 2008, a threshold was crossed as a result of the increase of the shares and voting rights held by Tocqueville Asset Management L.P. acting on behalf of funds under its management, which now amounts to 7.52% (208C0478).

The shareholding of the Company as at September 30, 2008 was held as follows:

Shareholders	Number of shares	% of the share capital
Directors and managers <sup>(1)</sup>	5.392.080	8,90%
Public <sup>(2)</sup>	55.199.380	91,10%
TOTAL	60.591.460	100,00%

(1) Including Xystus Holding Corp. Ltd. (a company beneficially owned by James H. Dunnett who is also the Directeur-Général of the Company).

(2) Including 3,000,097 shares (4.95%) held by IAMGOLD-Québec Management Inc. a 100% owned subsidiary of IAMGOLD.

To the Company's knowledge, no shareholder, other than Xystus Holding Corp. Ltd. and Tocqueville Asset Management L.P., holds directly or indirectly more than 5% of the share capital or voting rights of the Company.

To the Company's knowledge, no shareholder holds directly or indirectly more than 10% of the share capital or voting rights of the Company.

As at September 30, 2008, the Company does not hold any of its own shares.

### **3.2 Shareholder agreements**

To the Company's knowledge, there are no shareholder agreements in force.

### **3.3 Potential dilution of the share capital**

The number of shares and the amount of the share capital may increase as a result of the exercise of options granted through the share subscription Option Plan of the Company.

As at June 30, 2008, there were 1,905,001 of share options granted and outstanding, with an average exercise price of €0.76. No options have been granted or exercised since that date.

### **3.4 Authorization of share capital decrease**

N/A.

### **3.5 Authorization of share capital increase**

The extraordinary shareholder's meeting dated December 11, 2006 (first resolution) delegated to the Board of directors, for a 26-months duration, the ability (*délégation de compétence*) to increase the share capital of the Company, via one or several issuances, up to an amount of € 1,000,000, by the issuance of shares (with the exception of preferred shares – *actions de préférence*) or other securities giving access, immediately or later, to the capital of the Company. € 100,986 of this delegation has been exercised through the rights issue completed in November 2007.

No issuance of shares under this discretion is in process or under consideration.

### **3.6 Summary of EURO Ressources' share price from September 2007 to September 2008**

	High (€)	Low (€)	Volume
September 2007	1.18	0.88	20,885,220
October	1.20	1.00	10,975,386
November	1.16	0.82	9,049,863
December	1.01	0.85	6,443,279
January 2008	1.14	0.75	21,264,800
February	1.03	0.86	14,507,878
March	1.14	0.93	14,331,949
April	1.04	0.89	7,812,170
May	1.00	0.90	4,742,960
June	1.02	0.95	3,522,632
July	1.05	0.95	4,980,613
August	1.01	0.84	3,015,953
September	1.23	1.12	9,968,402

## **4. Management, Executive and Supervisory bodies**

All directors' mandates were renewed by the shareholders' meeting of June 26, 2008. Mandates of Mr. Allan J. Marter, Mr. James H. Dunnett and Ms. Susanne A. Hermans have been renewed respectively as Président du Conseil d'administration, Directeur-Général and Directeur-Général Délégué by the Board of directors of June 26, 2008.

The Board of the Company currently comprises 6 directors:

- Mr. Allan J. Marter, Président du Conseil d'Administration,
- Mr. James H. Dunnett,
- Mr. Donald R. Getty,
- Mr. Ian L. Boxall,
- Mr. Ian B. Smith,
- Mr. David H. Watkins.

Mr. James H. Dunnett is the Directeur-Général of the Company and is assisted in his functions by Ms. Susanne Hermans as Directeur Général Délégué.

## **5. Management report as at end of June 2008 (published on August 25, 2008)**

The total balance as at June 30, 2008 amounts to K€17,747 compared to K€19,791 as at December 31, 2007. The total of intangible assets and fixed assets as at June 30, 2008 amount to K€ 7,600 compared to K€ 8,371 as at December 31, 2007. As at June 30, 2008, consolidated equity capital amounts to K€7,641 compared to K€5,776 as at December 31, 2007.

Consolidated financial statements of the EURO group for the 1<sup>st</sup> semester of 2008 show operating profits for the period of K€4,968 compared to K€1,944 for the six months ended June 30, 2007, and net consolidated results of net profit of K€2,027 for the six months ended June 30, 2008 compared to K€1,346 for the six months ended June 30, 2007.

For further information regarding the Company's management report as at the end of June 2008 please refer to the Mid Year Financial Report as at June 30, 2008 filed with the AMF on August 25, 2008.

## **6. Overview and Outlook**

EURO's principal business is to own royalties on operating gold mines; it also owns certain gold exploration properties in French Guiana. EURO holds the participation right referred to as the "Rosebel Royalty" on the Rosebel gold mine in Suriname, owned and operated by IAMGOLD Corporation.

The Rosebel Royalty provides EURO with revenues based on gold production and quarterly average gold prices and is paid quarterly by IAMGOLD. The Rosebel gold mine commenced production in 2004: IAMGOLD has recently stated that it has nearly completed the mill expansion and optimization program which, combined with a revised mine plan, is forecast to substantially expand the rate of gold production. At full utilization of the 11 million tpa mill capacity, gold production at Rosebel would exceed 400,000 ounces per annum, based on the average reserve grade of 1.25 g/t. At current gold prices of around \$850/ounce, this level of production would provide in excess of \$20 million in annual revenue to EURO from the Rosebel Royalty.

Management has been actively seeking to acquire additional royalties and, immediately prior to the unsolicited tender offer from IAMGOLD, was engaged in active discussions for the development of a diversified gold royalty portfolio. These discussions are continuing: the potential business combination would build on the substantial gold royalty income from Rosebel and the Company's near debt free position.

EURO also owns certain gold property interests in French Guiana (see 7.4 below).

## **7. Other recent events**

### ***7.1 De-hedging***

On September 10, 2008, EURO published a press release announcing that it had completed the liquidation of the gold hedge for the first quarter of 2009, with settlement due at the end of October 2008. The remaining gold hedge of 17,100 ounces comprises three equal quarterly tranches in each of the second, third and fourth quarters of 2009.

### ***7.2 Liquidity***

Following receipt of payment from IAMGOLD in July 2008 of nearly \$4.3 million in cash in respect to royalty for the second quarter, EURO has approximately \$1 million of cash as at September 30, 2008. On receipt of the third quarter royalty payment during October, the Company's liquidity will increase further to in excess of \$2 million, after scheduled debt principal repayment of \$600,000 and settlement of the

liquidated hedge relating to the first quarter of 2009. At that time, the Company may consider pre-paying all of the remaining \$666,667 outstanding under the loan from Macquarie Bank Limited.

### **7.3 Arbitration**

IAMGOLD has withheld a total of \$0.8 million from payments due to EURO under the Rosebel Royalty. EURO has commenced arbitration proceedings in this regard and cross-examinations are scheduled for October 9, 2008. Nothing produced in evidence to date has altered management's opinion that IAMGOLD's actions are without merit.

### **7.4 Paul Isnard**

#### **7.4.1 Renewal of the Paul Isnard PER**

On September 15, 2008 EURO filed the outstanding documentation required by the *Ministère de l'Ecologie du Développement et de l'Aménagement Durable* (the "MEDAD") to enable the second renewal of the Paul Isnard *Permis Exclusif de Recherches* ("PER") to proceed. The renewal requested is for a 3 year period expiring November 2010 and requires aggregate exploration expenditures of €600,000.

The PER covers an area of 140 km<sup>2</sup> and is adjacent to the 8 mineral concessions held by EURO through its wholly owned subsidiary, Société de Travaux Publics et de Mines Aurifères en Guyane S.A.R ("SOTRAPMAG").

#### **7.4.2 Litigation commenced in respect of Paul Isnard property**

On September 25, 2008, litigation was commenced in Canada (BC) between EURO and Golden Star Resources Ltd. ("Golden Star") concerning the Paul Isnard property held by EURO and its subsidiary in French Guiana. EURO seeks confirmation from the Court of Golden Star's repudiation of the Option Agreement on Paul Isnard, and is seeking damages from Golden Star.

Golden Star filed a countersuit in Canada (Ontario) on September 26, 2008 seeking transfer of the Paul Isnard properties to Golden Star. As an alternative to transfer of the Paul Isnard properties, Golden Star seeks monetary damages.

#### **7.4.3 Situation of the illegal miners at Paul Isnard**

EURO has been made aware of increased activity by illegal miners at Paul Isnard. On September 8, 2008 EURO registered a complaint with the State Prosecutor in Cayenne (filed on September 11, 2008), requesting assistance in curtailing this activity. As part of EURO's response to these developments, EURO has recently commissioned consultants to prepare a report recommending the most appropriate course of action.

#### **7.4.4 Alluvial mining at Elysée**

The mining of alluvial materials at Elysée on the Paul Isnard concessions, has been undertaken by COTMIG, a local Cayenne operator, commencing in 2000. This agreement expired during August 2008 and terms for its renewal have not yet been agreed. The consultants commissioned by EURO to report on the security situation at Paul Isnard will also prepare a recommendation for the most appropriate continued exploitation of Elysée.