



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED MARCH 31, 2011

Notice to Reader:

The accompanying management's discussion and analysis for the quarter ended March 31, 2011 has been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. The Company's auditors have not reviewed the management's discussion and analysis. Financial information is presented in Euros and, where appropriate, in United States dollars, in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board. Readers are cautioned that these statements contain certain forward-looking information as described in management's discussion and analysis.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis ("MD&A") is prepared as at May 11, 2011 and should be read in conjunction with, and is qualified by, our financial statements and related notes for the periods indicated. The financial statements have been prepared in Euros and in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board ("IASB").

INTRODUCTION

EURO Ressources S.A. ("EURO" or the "Company") is a French company and is listed on Euronext in Paris. The Company prepares its accounts in Euros which is the presentation currency for its financial statements. The functional currency of EURO is the United States dollar which is the denominational currency for its major transactions, such as income from Rosebel. Therefore, management has presented certain data in this MD&A in US dollars. All dollar amounts are United States dollars (US dollars or \$), unless otherwise designated.

The currency exchange rate used to present the financial statements in Euro was €1 for \$1.4168 for balance sheet items at March 31, 2011 (\$1.3287 as at December 31, 2010). The average currency exchange rate for the first quarter ended March 31, 2011, used to present the Company's income and cash flow statements, was \$1.3667 (2010 – \$1.38559).

STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements, with respect to our financial condition, results of operations, business prospects, plans, objectives, goals, strategies, future events, capital expenditure, and exploration and development efforts. Words such as "anticipates", "expects", "intends", "plans", "forecasts", "projects", "budgets", "believes", "seeks", "estimates", "could", "might", "should", and similar expressions identify forward-looking statements. Although we believe that our plans, intentions and expectations reflected in these forward-looking statements are reasonable, we cannot be certain that these plans, intentions or expectations will be achieved. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained in this Annual Report. These statements include comments regarding the establishment and estimates of mineral resources, exploration spending, the closing of certain transactions including acquisitions and offerings and expectations of future participation rights payments.

RESULTS OF OPERATIONS

Overview

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

The Rosebel royalty due by IAMGOLD applies to the first 7 million ounces of gold produced from the mine and the payments comprising the Rosebel royalty which IAMGOLD is required to pay 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.

This amount 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.

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, 2009 to March 31, 2011, IAMGOLD acquired additional shares of the Company increasing its ownership to approximately 86%.

First quarter of 2011 compared to first quarter of 2010

EURO recorded a net profit €5.28 million (€0.084 per share) for the first quarter of 2011 compared to a net profit of €3.47 million (€0.056 per share) for the first quarter of 2010.

EURO recorded revenue of €7.89 million for the first quarter of 2011, an increase of 41% as compared to €5.60 million for the first quarter of 2010. Substantially all of this revenue is income from the Rosebel royalty. The Rosebel gold mine produced 105,137 ounces of gold during the first quarter of 2011, a 7% increase from the 98,344 ounces of gold produced during the first quarter of 2010. The increase in revenue is primarily explained by the record average gold price for the quarter ended March 31, 2011 of \$1,386 per ounce as compared to \$1,109 per ounce for the first quarter of 2010, an increase of 25%.

The proportion of gold production from hard rock stayed the same at 15% for the first quarter of 2010 and 2011. The effective participation threshold price of \$307.43 for the first quarter of 2011 and the first quarter of 2010 (\$307.53 per ounce of gold) were almost identical also. However, the resultant participant threshold amount per ounce of attributable gold increased from \$802 to \$1,079, an increase of 35%, due in large part to the 25% increase in gold price for the quarter ended March 31, 2011.

Operating expenses for the first quarter of 2011 were €0.23 million, as compared to €0.25 million in the first quarter of 2010. This decrease of 8% reflects the general decline in activity for EURO.

The increase in amortization expense to €0.16 million for the first quarter of 2011 as compared to €0.15 million for the first quarter of 2010, a 7% increase, reflects the higher gold production at the Rosebel mine for the first quarter of 2011 as compared to the same period last year.

EURO recorded an income tax expense of €2.22 million for the first quarter of 2011.

The Company has recognized a deferred tax liability for the first quarter of 2011 in the amount of 0.13 million, all of which pertains to temporary differences, mostly due to the CVAE (property tax).

OUTLOOK

Over the next twelve months, the Rosebel royalty is expected to provide cash flow to the Company of approximately €28 million (US\$40 million), provided the price of gold and production at Rosebel stay fairly consistent with the numbers achieved during 2010. The Rosebel royalty production is anticipated to be approximately between 380,000 and 400,000 ounces in 2011. EURO's cash flow will primarily be affected by income tax payments, since there are no more tax losses carried forward to offset any future revenue. EURO expects its cash-flow will be adequate to meet all corporate and related expenses.

KEY FINANCIAL DATA

The financial information for the first quarter of 2011 and 2010 is presented in thousands of Euro, except per share data.

	Q1 2011	Q1 2010
Total revenue	€7,895	€5,607
Loss on derivatives	-	-
Net Revenue	7,895	5,607
Profit before tax	7,507	5,214
Income tax expense	(2,227)	(1,745)
Net profit	5,280	3,469
Earnings per share, basic	0.084	0.056
Earnings per share, fully diluted	0.084	0.056
Total assets	37,213	29,738
Total long-term liabilities	128	-

Quarterly data in thousands of EURO, except per share data

	2011 Q1	2010 Q4	2010 Q3	2010 Q2
Net Revenue	€7,895	€9,750	€7,374	€4,051
Cash provided by operating activities	8,800	4,228	7,560	4,374
Net profit	5,280	8,096	4,478	2,478
Net profit per share, basic	0.084	0.130	0.072	0.040
Net profit per share, diluted	0.084	0.130	0.072	0.040

	2010 Q1	2009 Q4	2009 Q3	2009 Q2
Net Revenue	€5,607	€4,947	€4,980	€4,761
Cash provided by in operating activities	5,622	4,548	4,446	3,363
Net profit	3,469	3,032	3,120	2,721
Net profit per share, basic	0.056	0.049	0.050	0.044
Net profit per share, diluted	0.056	0.049	0.050	0.044

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents at March 31, 2011 totaled €21.25 million. All of the cash and cash equivalents are unrestricted. EURO expects to have sufficient cash flow to fund its on-going operational needs.

During the fourth quarter of 2009, EURO began investing some of its cash surplus in money market investments that were compliant with its short-term investment strategy to ensure reasonable return with an appropriate level of risk.

SHARE CAPITAL

As at March 31, 2011 and the date of this report, the Company had 62,496,461 common shares outstanding with a par value of €0.01 per share.

As at March 31, 2011 and the date of this report, the Company's share capital was (in thousands of Euro):

Par	€ 625
Premium	<u>29,477</u>
Total Share Capital	<u>€ 30,102</u>

CRITICAL ACCOUNTING ESTIMATES

Preparation of EURO's financial statements requires the use of estimates and assumptions that can affect reported amounts of assets, liabilities, revenues and expenses. Accounting policies relating to current and future values, depreciation, depletion or amortization, future royalty payments, equipment, and expense accruals are subject to estimates and assumptions regarding reserves, gold recoveries, future gold prices and future mining activities.

Until the end of 2009, the Company had written off substantially all of its investments in exploration properties in French Guiana based upon its previous assessments of the amounts recoverable from these properties. However, through the completed settlement agreement with GOLDEN STAR in late 2009, it was determined that the recoverable value of the Permis Exclusif de Recherches ("PER") needed to be updated as at December 31, 2009 to reflect the estimated value ascribed to it (\$750,000), see "ASSETS HELD FOR SALE" for further explanation.

RELATED PARTY TRANSACTIONS

Mr. Larry E. Phillips, Executive Vice President, Corporate Affairs of IAMGOLD was appointed a Director on December 31, 2008 and as Directeur-Général on January 14, 2009. IAMGOLD holds directly approximately 86% of all outstanding shares.

ASSETS HELD FOR SALE

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

On October 22, 2010, SOTRAPMAG was effectively transferred to AUPLATA.

The Permis Exclusif de Recherches ("PER"), which will be replaced by the Permis d'Exploitation ("PEX"), will be transferred to SOTRAPMAG once it has been granted by the French authorities.

In January 2010, EURO was notified by the Ministry of ecology, energy, sustainable development and the sea, in charge of green technologies and climate negotiations, that the PER could not be renewed after November 2010. For this reason, EURO in agreement with AUPLATA applied for an operating permit (Permis d'exploitation ("PEX")), which was filed on November 30, 2010. This application also encompasses a transfer of the PEX to SOTRAPMAG,

once granted. The PEX will cover a much smaller area (14.4 square kilometers), but the area that it covers has been subject to a prefeasibility study. No application for a PEX can be made if it cannot be demonstrated that substantial work has been performed and that there is economic viability.

As a result of the settlement agreement with GOLDEN STAR for the transfer of Paul Isnard properties, the recoverable value of the PER was updated as at December 31, 2009. At the end of 2010, it was determined that this value still is justified based on the following reasons:

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

As a consequence, as at March 31, 2011, EURO maintains the reinstatement of the PEX value of US\$750,000 (€529,000) on its books.

DISCLOSURE CONTROLS AND PROCEDURE AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company has no employees and, prior to the disposition of SOTRAPMAG in October 2010, limited subsidiary activities. Accordingly, the Directeur-Général and Vice-Président Finance have reasonable assurance that material information relating to the Company are known to them and the Directeur-Général and Vice-Président Finance have concluded that the Company's disclosure controls and procedures and internal control over financial reporting are effective.

ADDITIONAL INFORMATION

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

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