



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED 30 SEPTEMBER 2009

Notice to Reader:

The accompanying management's discussion and analysis for the quarter ended 30 September 2009 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 European Union. 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 discussion and analysis is prepared as at 9 November 2009 and should be read in conjunction with, and is qualified by, our consolidated 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 European Union.

INTRODUCTION

EURO Ressources S.A. ("EURO" or the "Company") is a French company and is listed on Euronext in Paris. In accordance with French regulations, the Company prepares its consolidated accounts in Euro which is the presentation currency for its consolidated 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, its term loans and gold hedge liabilities. 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 is €1 = \$1.4630 for balance sheet items at 30 September 2009 (€1 = \$1.40974 as at 31 December 2008). The average currency exchange rate for the nine months ended 30 September 2009, used to present the consolidated income and cash flow statements, is €1 = \$1.36685 (2008: €1 = \$1.52254). The average currency exchange rate for the quarter ended 30 September 2009, used to present the consolidated income and cash flow statements, is €1 = \$1.42918 (€1 = 1.50671 for the third quarter in 2008)

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's principal business is to own certain gold exploration properties in French Guiana and royalties on operating gold mines. We currently own a royalty (the "Rosebel royalty") on the Rosebel gold mine in Suriname which is owned and operated by IAMGOLD Corporation ("IAMGOLD"). We receive quarterly payments from IAMGOLD on this royalty.

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 September 30, 2009,

IAMGOLD acquired additional shares of the company increasing its ownership to 85.75%. 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 on the NYSE Euronext in Paris under the symbol "EUR".

EURO's gold property interests in French Guiana primarily consist of eight concessions and an exploration permit at Paul Isnard. Consequent on the review of environmental matters related to mining activity in French Guiana, currently being undertaken by the French Government, there is uncertainty as to the areas where mining activity may be permitted in French Guiana.

Three months ended 30 September 2009 compared to three months ended 30 September 2008

We had record revenue of €5.28 million in the quarter ended 30 September 2009 compared to €3.20 million in the third quarter of 2008, an increase of 65%. Substantially all of this revenue is income from the Rosebel royalty. The Rosebel gold mine produced a record 111,657 ounces of gold during the third quarter of 2009, a 28% increase from the 86,955 ounces of gold produced in the third quarter of 2008. EURO continues to benefit from the improvements in throughput, cut-off grade optimization and recovery that were completed towards the end of 2008, and in addition there was a 10% increase in the average gold price for the quarter end 30 September 2009 (Q3:2009: \$959.97/ounce, Q3 2008: \$871.60/ounce).

The proportion of gold production from hard rock decreased to 21% in the third quarter of 2009 as compared to 34% in the third quarter of 2008, giving an effective participation threshold price of \$310.30 this quarter compared to \$316.81 in the comparative period of 2008: the resultant payable amount per ounce of attributable gold production increased from \$554.79 to \$649.67, an increase of 17%.

EURO recorded liquidated gold hedging costs for the third quarter 2009 of €1.0 million related to the 2,850 ounces of gold that were scheduled to be settled on October 29, 2009, this compares to no liquidated gold hedging costs for the same period in 2008.

General and administrative expenses in the third quarter of 2009 were €0.52 million, as compared to €0.63 million during the same quarter last year, a decrease of 17% due in part to the fact that last year in the third quarter of 2008 EURO started to incur substantial costs related to the takeover by IAMGOLD. EURO recorded no interest expense in the third quarter of 2009, because EURO repaid the loan to Macquarie Bank Limited ("Macquarie") in full in December of 2008, this compares to an interest expense of €0.01 million for the same period last year.

The increase in amortization expenses to €0.16 million (2008: €0.15 million), a 6% increase reflects the higher gold production for the quarter ended September 30, 2009.

Notwithstanding the economic effectiveness of the derivatives used to hedge certain of the future cash flow from the Rosebel royalty, implemented as a requirement of our loan from Macquarie, we have recognized against income the total unrealized mark-to-market position of our outstanding gold hedge position. Our financial instrument expense for the quarter ended 30 September 2009 was €0.3 million, which was comprised of a financial instrument gain of €0.70 related to the 5,700 ounces of gold remaining in our gold hedge position and a liquidated hedge expense of €1.0 million related to the 2,850 ounces of gold scheduled to mature on September 30, 2009, this compares to a financial instrument gain of €0.99 million for the same quarter last year.

The profit for the third quarter 2009 of €3.12 million (€0.05 per share) compares to a profit of €2.20 million (€0.036 per share) for the respective quarter in 2008.

Nine months ended 30 September 2009 compared to nine months ended 30 September 2008

We recorded a net profit €7.74 million (€0.12 per share) during the first nine months of 2009, compared to a net profit of €4.23 million (€0.07 per share) for the first nine months of 2008. We had record revenue from royalties for the first nine months of 2009 of €14.10 million compared to €9.22 million for the first nine months of 2008, with €13.73 million earned from the Rosebel royalty (€8.99 million during the same period last year). The 53% increase in revenue for the first nine months of 2009 is mainly due to a record increase in gold production for the first nine months of 2009 to 308,322 ounces of gold, as compared to 241,480 ounces of gold for the same period last year, a 28% increase. There was also a 4% increase in the average gold price for the nine months ended September 30, 2009 as compared to the same period last year (2009: \$930.60/ounce, 2008: \$897.15/ounce).

We have recognized a future tax credit on balance sheet of €1.77 million being €0.69 million against the unrealized mark-to-market position at September 30, 2009 and €0.97 million in respect to cumulative net operating losses.

OUTLOOK

Over the next twelve months, the Rosebel royalty is expected to provide cash flow to the Company of approximately \$28 million as compared to our outlook of \$17 – 20 million during the same period last year, assuming the forecast increase in production at Rosebel is maintained and the gold price stays fairly constant. Additional fair value derivative losses, primarily reflecting increased gold prices, may adversely affect our stated earnings; however this accounting treatment will not directly impact cash-flow. We expect our cash-flow will be adequate to meet all corporate and related expenses, including scheduled debt service.

KEY FINANCIAL DATA

The financial information for the third quarter 2009 and 2008 is presented in thousands of Euro, except per share data

	2009	2008
	Q3	Q3
Total revenue	€5,280	€3,207
Gain (loss) on derivatives	(300)	990
Total revenue less loss on derivatives	4,980	4,197
Net profit (loss) before tax	4,302	3,417
Income tax (expense) recovery	(1,184)	(1,215)
Net profit (loss)	3,120	2,202
Earnings (loss) per share, basic	0.050	0.036
Earnings (loss) per share, fully diluted	0.050	0.036
Total assets	21,996	18,397
Total long-term financial liabilities	-	3,244
Cash dividends declared	Nil	Nil

Quarterly data in thousands of Euro except per share data

	2009	2009	2009	2008
	Q3	Q2	Q1	Q4
Net Revenue	4,980	4,761	3,593	€3,149
Cash provided by (used) in operating activities	4,446	3,363	2,611	1,146
Net profit (loss)	3,120	2,721	1,902	456
Net profit (loss) per share, basic	0.05	0.04	0.03	0.007
fully diluted – per share	0.05	0.04	0.03	0.007

	2008	2008	2008	2007
	Q3	Q2	Q1	Q4
Net Revenue	€4,210	€2,577	€1,540	€(148)
Cash provided by (used) in operating activities	2,445	1,406	1,065	813
Net profit (loss)	2,202	1,236	791	(582)
Net profit (loss) per share, basic	0.04	0.02	0.01	(0.01)
fully diluted – per share	0.04	0.02	0.01	

LIQUIDITY AND CAPITAL RESOURCES

Consolidated cash and cash equivalents at 30 September 2009 totaled €7.72 million. All of the cash is unrestricted, since Macquarie Bank Limited revised its credit agreement with EURO at the beginning of August 2009. We expect to have sufficient cash flow to fund our on-going operational needs.

For the first time since the reorganization of EURO in 2004, we do not have a working capital deficiency, even though the contingent Rosebel royalty is not recorded as a current asset. We are on target to liquidate our remaining hedge by the end of 2009, with settlement in January 2010.

We anticipate that the Rosebel royalty will be paid on the forecast production at Rosebel, and our hedging program assures certain minimum revenue per ounce of production, we have adequate liquidity to meet our obligations as they become due.

HEDGING

As required by the loan agreement from Macquarie, we entered into a cash-settled forward sales agreement in January 2005 which obligated us to sell 5,700 ounces of gold to the financial institution at the end of each calendar quarter, beginning 31 March 2005 and every three months thereafter until 30 June 2007. Settlement occurs at the end of the month following the calendar quarter. During the third quarter 2005, we entered into a further similar cash settled forward sales contract which obligates us to sell a further 5,700 ounces of gold to Macquarie at the end of each

calendar quarter, beginning in the third quarter of 2007 until 31 December 2009. In both contracts, cash settlement occurs on the 29th day of the month following the end of the calendar quarter.

In terms of these cash settled forward sales contracts, when the average price for the London PM gold fix for the calendar quarter is less than the contract price, the financial institution will pay an amount to EURO equal to the difference between the average price for that quarter and the contract times 5,700 ounces. If the prior calendar quarter average price exceeds the contract price per ounce we will pay the financial institution an amount equal to the difference between the average price and the contract price per ounce times 5,700 ounces. The contract price for the initial cash settled forward sales contract was \$421.00. It is \$458.50 for the second series of sales.

The hedge is structured to reflect and offset the variable nature of the gold price used in calculating the amount due to the Company in terms of the Rosebel royalty. Since the Rosebel royalty is calculated quarterly on the average gold price and 10% of attributable production, the 5,700 ounces of each quarterly contract represent a hedge of 57,000 of attributable production per quarter.

At 30 September 2009, we had 5,700 ounces in gold derivative contracts outstanding, at a contract price of \$458.50, with the following maturities:

Scheduled Maturity	2009				
	Q1	Q2	Q3	Q4	Total
Gold ounces	-	-	-	5,700	5,700

SHARE CAPITAL

As at 30 September 2009 and the date of this report, we had 62,496,461 common shares outstanding with a par value of €0.01 per share.

As at 30 September 2009 and the date of this report, our share capital was:

Par	€ 625
Premium	<u>46,976</u>
Total Share Capital	<u>€ 47,601</u>

CRITICAL ACCOUNTING ESTIMATES

Preparation of our consolidated 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 and amortization of bank loans, future royalty payments, equipment, and expense accruals are subject to estimates and assumptions regarding reserves, gold recoveries, future gold prices and future mining activities.

We have written off substantially all of our investments in exploration properties based upon our previous assessments of the amounts recoverable from these properties. We continue to retain title to certain properties after impairment write-offs as future events and discoveries may ultimately prove that they have significant value.

RELATED PARTY TRANSACTIONS

Mr. Larry E. Phillips, Senior Vice President, Corporate Affairs of IAMGOLD was appointed a Director on 31 December 2008 and as Directeur-Général on 14 January 2009. IAMGOLD holds 85.75% of all outstanding shares.

PAUL ISNARD

On 23 March 2007, EURO signed a memorandum of understanding with Golden Star regarding, amongst other things, an amendment to the previous agreement with Golden Star for their acquisition of the Paul Isnard concessions and exploration permit held by EURO in French Guiana. This amendment provided for the sale of the Paul Isnard properties in exchange for a royalty consideration payable to EURO. Golden Star was required to complete a feasibility study on Paul Isnard within one year of signing the memorandum, however Golden Star has not completed the required feasibility study.

Consequent on the review of environmental matters related to mining activity in French Guiana, currently being undertaken by the French Government, there is uncertainty as to the areas where mining activity may be permitted in French Guiana. Until such time as this review is concluded, not anticipated before the end of 2009, it is not expected that significant further activity will be undertaken on Paul Isnard.

EURO received a report from the Office National des Forêts (ONF) dated July 3, 2009 which identifies 81 hectares of land at Paul Isnard in need of rehabilitation. Euro is investigating the extent of the rehabilitation work required to determine the costs involved. Liability for these costs could rest with Euro's subsidiary, SOTRAPMAG, the holder of the Paul Isnard concessions, if it is unable to recover these costs from COTMIG, the party responsible for having worked on the land.

LITIGATION IN CANADA BETWEEN EURO AND GOLDEN STAR

On 29 September 2008, litigation commenced in Canada between EURO and Golden Star concerning the Paul Isnard property held by EURO. EURO has asked the Court to confirm Golden Star's repudiation of the Option Agreement on Paul Isnard and is seeking damages from Golden Star. Golden Star has filed a countersuit seeking transfer of the Paul Isnard properties to Golden Star. Golden Star also seeks monetary damages. EURO considers Golden Star's claim to be without merit. Negotiations are ongoing to reach an amicable settlement.

DISCLOSURE CONTROLS AND PROCEDURE AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company has no employees and limited subsidiary activities. Accordingly, the Directeur-Général and Vice-Président, Finance have reasonable assurance that material information relating to the Company and its consolidated subsidiaries 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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