



MANAGEMENT'S DISCUSSION AND ANALYSIS 2009

Notice to Reader:

The accompanying management's discussion and analysis for the year ended 31 December 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 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 OF THE COMPANY
List of the directors and officers as of March 16, 2010

Ian L. Boxall²
Businessman
George Town, Grand Cayman, Cayman Islands

Carol T. Banducci⁴
Chief Financial Officer
IAMGOLD Corporation
Toronto, Ontario, Canada

Susanne A. Hermans
Vice-Président, Finance and Directeur-Général Délégué
EURO Ressources S.A.
Littleton, Colorado, USA

Paul B. Olmsted⁴
Senior Vice President Corporate Development
IAMGOLD Corporation
Toronto, Ontario, Canada

Larry E. Phillips³
Directeur-Général,
EURO Ressources S.A.
Senior Vice President Corporate Affairs
IAMGOLD Corporation
Toronto, Ontario, Canada

Ian Smith^{1,2}
President and Chief Executive Officer
Santa Fe Metals Corp.
Vancouver, British Columbia, Canada

David H. Watkins^{1,2,5}
President
EURO Ressources S.A.
Executive Chairman
Atna Resources Ltd.
Vancouver, British Columbia, Canada

- (1) Member of the Compensation Committee.
- (2) Member of the Audit Committee.
- (3) Larry E. Phillips was appointed as Directeur-General on 14 January 2009, following the resignation of James H. Dunnett as Directeur General.
- (4) Carol T. Banducci and Paul Olmsted were appointed as Directors on 14 January 2009, following the resignations of both Allan J. Marter and Donald R. Getty
- (5) David Watkins was appointed as President of the Board of Directors following the resignation of Allan J. Marter on 14 January 2009

Stock Exchange Listing

EURONEXT, Compartment C - continuous

Symbol: EUR

Registrar and Transfer Agent

Questions regarding the change of stock ownership, consolidation of accounts, lost certificates, change of address and other such matters should be directed to:

BNP Paribas GCT

Emetteur assemblé

Immeuble Tolbiac

75450 Paris Cedex 09

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Telephone: 33 1 40 14 34 24

Equity Transfer and Trust Company

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Toronto ON M5H 4H1

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E-Mail: info@equitytransfer.com

Auditors

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92208 Neuilly-sur-Seine cedex

France

Co-Auditors

S&W Associés

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France

Registered Office

EURO Ressources S.A.

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Société anonyme with a share capital of €624,964.61

SIRET 390 919 082

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

The following discussion and analysis is prepared as at March 16, 2010 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 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 = \$1.4332 for balance sheet items at 31 December 2009 (€1 = \$1.40974 as at 31 December 2008). The average currency exchange rate for the twelve months ended 31 December 2009, used to present the consolidated income and cash flow statements, is \$1.39463 (2008: €1 = \$1.47134).

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 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 on the NYSE Euronext in Paris under the symbol "EUR".

The Company'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.

2009 compared to 2008

We had revenue of €19.45 million in 2009 compared to €12.43 million in 2008, an increase of 56%. Substantially all of this revenue is income from the Rosebel royalty. The Rosebel gold mine produced 412,491 ounces of gold during 2009 (2008: 331,131 ounces of gold), an increase of 25%. EURO is very fortunate to be able to continue to benefit from the improvements in throughput, cut-off grade optimization and recovery that were completed by IAMGOLD towards the end of 2008. This increase in revenue also reflects the increase in the average price of gold for the year of \$972.35 per ounce of gold as compared to \$871.96 per ounce of gold in 2008, an increase of 12%.

General and administrative expenses were €1.76 million, as compared to €4.02 million in 2008. Excluding the costs in 2008 related to the takeover bid by IAMGOLD and the IAMGOLD arbitration costs of €2.10 million, there was an 8% reduction in general and administrative costs as compared to last year. The company is striving to reduce these costs and completed in July of 2009, the delisting from the Toronto Stock Exchange as a cost reduction strategy and is continuing to find ways to reduce general and administrative expenses

The increase in amortization expenses to €0.61 million (2008: €0.47 million), a 30% increase, reflects the higher gold production at the Rosebel mine as compared to 2008

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.

We have recognized a temporary future tax credit in the 2009 balance sheet of €0.88 million being €0.85 from the gold forward sales contract. As at December 31, 2009, there is no more carry loss forward.

The profit for 2009 of €10.774 million (€0.172 per share) compares to a profit of €4.68 million (€0.078 per share) for 2008.

Q4 2009 compared to Q4 2008

EURO had revenue of €5.35 million in the quarter ended 31 December 2009 compared to €3.21 million in the fourth quarter of 2008, an increase of 67%. Substantially all of this revenue is income from the Rosebel royalty. The Rosebel gold mine produced 104,170 ounces of gold in the fourth quarter of 2009, a 16 % increase from the 89,651 ounces of gold produced in the fourth quarter of 2008. The increase is due to increased production at Rosebel and record average London PM gold price for the 4th quarter of 2009 (\$1,099.63 per ounce of gold, 2008: \$794.76 per ounce of gold).

The proportion of gold production from hard rock decreased to 15% from 32% in the fourth quarter of 2008 giving an effective participation threshold price of \$307.40 this quarter compared to \$315.95 in the comparative period of 2008: the resultant payable amount per ounce of attributable

gold production increased from \$478.81 to \$792.23, an increase of 65%, largely due to the 38% increase in gold price and the 16% increase in gold production.

EURO recorded liquidated gold hedging costs for the fourth quarter of 2009 of €2.55 million related to the last 5,700 ounces of gold scheduled to be settled at the end of January 2010, this compares to no scheduled gold hedging cost for the fourth quarter of 2008. However, EURO did liquidate in the fourth quarter of 2008 8,550 ounces of gold in advance of their respective scheduled maturities for a total cost of €2.74 million

General and administrative expenses in the fourth quarter of 2009 were €0.18 million, as compared to €2.55 million in the same quarter last year, including €0.07 million associated with the IAMGOLD arbitration and €1.79 million of costs associated with the unsolicited takeover bid. Excluding these costs, there was a 75% decrease in G&A costs compared to the €0.69 million of similar expenses in the fourth quarter of 2008.

The increase in amortization expenses to €0.15 million (2008: €0.10 million), a 38% increase reflects the higher gold production for the quarter ended December 31, 2009.

The profit for the 4th quarter of 2009 of €3.03 million (€0.049 per share) compares to a profit of €0.46 million (€0.007 per share)

OUTLOOK

Over the next twelve months, the Rosebel royalty is expected to provide cash flow to the Company of approximately \$30 million, provided the price of gold and production at Rosebel stay fairly consistent with the numbers achieved during 2009. We expect our cash-flow will be adequate to meet all corporate and related expenses.

KEY FINANCIAL DATA

All financial data in table is in thousands of Euro except per share data

Annual data - financial year ended 31 December

	2009	2008	2007
Total revenue	€,19,452	€12,437	€8,086
Loss on derivatives	(1,178)	(961)	(6,594)
Total revenue less loss on derivatives	18,274	11,476	1,492
Net profit (loss) before tax	16,418	6,991	(1,701)
Income tax (expense) recovery	(5,644)	(2,307)	938
Net profit (loss)	10,774	4,684	(763)
Earnings (loss) per share, basic	0.172	0.078	(0.015)
Earnings (loss) per share, fully diluted	0.172	0.078	(0.015)
Total assets	26,208	18,366	19,791
Total long-term financial liabilities	-	-	7,846
Cash dividends declared	Nil	Nil	Nil

Quarterly data in thousands of Euro except per share data

	2009	2009	2009	2009
	Q4	Q3	Q2	Q1
Net Revenue	€4,947	4,980	4,761	3,593
Cash provided by (used) in operating activities	4,548	4,446	3,363	2,611
Net profit (loss)	3,032	3,120	2,721	1,902
Net profit (loss) per share, basic	0.049	0.04	0.04	0.03
fully diluted – per share	0.049	0.04	0.04	0.03
	2008	2008	2008	2008
	Q4	Q3	Q2	Q1
Net Revenue	€3,149	€4,210	€2,577	€1,540
Cash provided by (used) in operating activities	1,146	2,445	1,406	1,065
Net profit (loss)	456	2,202	1,236	791
Net profit (loss) per share, basic	0.007	0.04	0.02	0.01
fully diluted – per share	0.007	0.04	0.02	0.01

LIQUIDITY AND CAPITAL RESOURCES

Consolidated cash and cash equivalents at 31 December 2009 totaled €11.51 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.

During the 4th quarter of 2009, EURO began investing some of its surplus cash in marketable securities that were compliant with its short-term investment strategy to ensure maximum return with an appropriate level of risk.

At the end of 2009, EURO has liquidated its last remaining gold hedge of 5,700 ounces. Settlement occurred at the end of January 2010.

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.

During 2009, EURO liquidated 2,850 ounces of gold that were settled at the end of October 2009 and liquidated the remaining 5,700 ounces of gold that were settled at the end of January 2010.

SHARE CAPITAL

As at 31 December 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 31 December 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.

Until last year, we had written off substantially all of our investments in exploration properties based upon our previous assessments of the amounts recoverable from these properties. However, in view of the pending transfer of the concessions and PER to Golden Star, we have reversed a portion of the depreciation on the PER to reflect the estimated sale price (see paragraph on “Assets held for sale”).

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 approximately 86% of all outstanding shares.

In connection with the Management Services Agreement that was signed at the beginning of February 2009, EURO has incurred services fees to date of €0.192 million and €0.017 million are payable as at December 31, 2009

In connection with security costs put in place on the Paul-Isnard properties in French Guiana, IAMGOLD France (a wholly owned subsidiary of IAMGOLD) has incurred reimbursable expenses that are payable as at December 31, 2009 of €0.027 million.

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.

DISCLOSURE CONTROLS AND PROCEDURE AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company has no employee 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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