A Gold Resource Royalty Company

**NEWS RELEASE** Paris: EUR

# EURO RESSOURCES REPORTS EARNINGS FOR THE SECOND QUARTER AND SIX MONTHS ENDED JUNE 30, 2018

Paris, France, August 9, 2018: EURO Ressources S.A. ("EURO" or "the Company") (Paris: EUR) today announced its unaudited statutory interim financial results prepared in accordance with French Generally Accepted Accounting Principles ("GAAP") and its unaudited condensed interim financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") for the six months ended June 30, 2018. These unaudited interim financial statements were approved by the Board of Directors on August 9, 2018. All financial amounts are expressed in Euros ("€" or "euros") unless otherwise specified.

## Highlights

Under French GAAP, EURO reported a net profit of €8.5 million (€0.137 per share) for the six months ended June 30, 2018 compared to €6.7 million (€0.108 per share) for the six months ended June 30, 2017.

Under IFRS, EURO reported a net profit of €7.7 million (€0.123 per share) for the six months ended June 30, 2018 compared to €8.3 million (€0.133 per share) for the six months ended June 30, 2017.

EURO recorded revenues of €11.6 million in the first six months of 2018 (€6.0 million in the second quarter of 2018) compared to revenues of €13.0 million in the first six months of 2017 (€6.5 million reported in the second quarter of 2017).

On June 14, 2018, EURO paid dividends of €9.4 million (€0.15 per share).

## Liquidity and capital resources

Cash at June 30, 2018 totaled €17.4 million as compared to €15.5 million at December 31, 2017. The increase was mainly due to cash flow from operating activities partially offset by the dividends paid.

## Marketable securities

EURO holds marketable securities related to mining companies which are part of a volatile market. Share market price exposure risk is related to the fluctuation in the market price of marketable securities. Investments in marketable securities are recorded at fair value.

As at June 30, 2018, marketable securities were comprised of 19,095,345 shares of Columbus Gold Corp. ("Columbus") (12.0% of outstanding shares; December 31, 2017: 12.0%) and 3,819,069 shares of Allegiant Gold Ltd. ("Allegiant") (8.2% of outstanding shares; December 31, 2017: 0%).

Following the approval of a spin-out arrangement by Columbus' shareholders on November 27, 2017, EURO received on January 30, 2018, a common share of Allegiant for every five Columbus shares held. This transaction resulted in a gain of €1.7 million based on the fair value of shares received of C$0.68 per share on the date of the transaction. Under IFRS, this gain was accounted for in other comprehensive income, and under French GAAP, this gain was accounted for in financial income in net earnings.

During the six month period ended June 30, 2018, the Company recognized an unrealized loss following the decrease of the fair value of these marketable securities. Under IFRS, the loss of €7.3 million was recorded in other comprehensive income. Under French GAAP, the loss of €1.6 million was recorded in financial expenses in the statement of earnings.

**Comments on financial results prepared in accordance with French GAAP for the six month period ended June 30, 2018 compared to the same period in 2017**

Under French GAAP and IFRS, revenues were €11.6 million during the six months ended June 30, 2018, a decrease compared to revenues of €13.0 million for the six months ended June 30, 2017. These revenues were mainly attributable to the Rosebel royalty of €11.42 million compared to €12.85 million during the six months ended June 30, 2017. The decrease in revenues was due to the combination of three items: the impact of a stronger euro (€1.37 million) and lower gold production of 142,371 ounces in the first six months of 2018 compared to 155,572 ounces in the first six months of 2017 (€1.08 million), partially offset by the impact of a higher average gold price in the first six months of 2018 of US$1,317 per ounce of gold compared to US$1,238 per ounce of gold in the first six months of 2017 (€1.04 million). Other royalties were €0.15 million from third parties in French Guiana during the first six months of 2018 (first six months of 2017: €0.15 million).

Under French GAAP, operating expenses (excluding amortization expense) for the six months ended June 30, 2018 were €0.45 million compared to €0.52 million during the same period in 2017. The decrease was mainly due to lower administrative costs and lower taxes in 2018.

The depreciation expense related to intangible assets was €0.20 million during the first half of 2018 compared to €0.29 million during the first six months of 2017. This decrease was related to a lower gold production and to the increase in Rosebel's gold reserves.

The Company also recorded as an exceptional income a reimbursement of €0.1 million in 2017 by the Government of France of operating taxes paid in prior years.

Financial results include a foreign exchange gain on bank accounts under French GAAP of €0.8 million in the first six months of 2018 compared to a foreign exchange loss on bank accounts and receivables of €1.7 million in the first six months of 2017. This foreign exchange gain in 2018 compared to a loss in 2017 is mainly due to the weakening of the closing foreign exchange rate of the Euro compared to the American dollar in 2018 compared to a strengthening in 2017.

During the first six months ended June 30, 2018, EURO recorded an income tax expense of €3.6 million compared to €4.0 million during the six months ended June 30, 2017. The decrease was mainly due to the absence of tax on dividends in 2018 compared to 2017.

**Select IFRS financial results**

Since December 31, 2010, EURO no longer prepares and publishes consolidated financial statements for French purposes; only French GAAP can be applied for the presentation of statutory financial statements and approval by the shareholders. However, in order to comply with Canadian requirements and have equivalency of information between French financial requirements and Canadian financial requirements, the following information on the IFRS financial results is provided for comparison purposes.

**Six months ended June 30, 2018 compared to the same period in 2017 (IFRS)**

Under IFRS, EURO reported a net profit of €7.7 million (€0.123 per share) for the six months ended June 30, 2018 compared to €8.3 million (€0.133 per share) for the six months ended June 30, 2017.

Under IFRS, revenues totaled €11.6 million in the first half of 2018 compared to revenues of €13.0 million during the same period in 2017, the same as under French GAAP as explained above.

Operating expenses for the six months ended June 30, 2018 were €0.29 million compared to €0.26 million in the same period in 2017. The increase is mainly explained by the reimbursement of operating taxes of €0.1 million, recorded in 2017, by the Government of France paid in prior years, partially offset by lower administrative costs in 2018.

The amortization expense of €0.23 million during the six months ended June 30, 2018 was lower than the amortization expense of €0.37 million recorded during the same period in 2017, mainly due to lower production and higher reserves at the Rosebel mine and the impact of a stronger euro.

EURO recorded a foreign exchange gain of €0.27 million in the first six months of 2018 compared to a loss of €0.31 million in the first six months of 2017, mainly due to the weakening of the closing foreign exchange rate of the Euro compared to the American dollar in 2018 compared to a strengthening in 2017. This rate was used for the revaluation of dividends payable, bank accounts and income tax receivable.

EURO recorded an income tax expense of €3.8 million in the six months ended June 30, 2018 similar to the income tax expense in the same period of 2017. Higher translation adjustments in 2018 were offset by the impact of a lower taxable income and the absence of the tax on dividends in 2018.

**Second quarter ended June 30, 2018 compared to the same period in 2017 (IFRS)**

Under IFRS, EURO reported a net profit of €3.7 million (€0.059 per share) for the second quarter of 2018 compared to €4.2 million (€0.067 per share) for the second quarter of 2017.

Revenues were €6.0 million during the second quarter of 2018, lower compared to revenues of €6.5 million for the second quarter of 2017. Revenues were mainly attributable to the Rosebel royalty of €5.9 million (second quarter of 2017: €6.4 million). The decrease in revenues was due to the combination of three items: a stronger euro (€0.57 million) and lower gold production of 73,579 ounces in the second quarter of 2018 compared to 77,300 ounces in the second quarter of 2017 (€0.30 million), partially offset by the impact of a higher average gold price in the second quarter of 2018 of US$1,306 per ounce of gold compared to US$1,257 per ounce of gold in the second quarter of 2017 (€0.33 million). Other royalties from third parties in French Guiana were €0.1 million during the second quarter of 2018 (second quarter of 2017: €0.1 million).

During the second quarter of 2018, the Company recorded operating expenses of €0.18 million compared to €0.11 million during the same period in 2017. The increase is mainly explained by the reimbursement of operating taxes of €0.1 million, recorded in 2017, by the Government of France paid in prior years, partially offset by lower administrative costs in 2018.

The amortization expense of €0.12 million during the second quarter of 2018 was lower than the amortization expense of €0.18 million recorded during the second quarter of 2017, mainly due to lower production and higher reserves at the Rosebel mine and the impact of a stronger euro.

EURO recorded a foreign exchange gain of €0.2 million in the second quarter of 2018 compared to a loss of €0.3 million in the second quarter of 2017, mainly due to the weakening of the closing foreign exchange rate of the Euro compared to the American dollar in the second quarter of 2018 compared to a strengthening in same period in 2017. This rate was used for the revaluation of dividends payable, bank accounts and income tax receivable.

EURO recorded an income tax expense of €2.3 million in the second quarter of 2018 compared to €1.8 million in the second quarter of 2017. The increase was mainly due to translation adjustments partially offset by the impact of a lower taxable income and the absence of the tax on dividends in 2018.

**Outlook**

In 2018, the Rosebel royalty production per IAMGOLD's guidance is anticipated to be between 311,000 ounces and 326,000 ounces. In 2018, the Rosebel royalty is expected to provide revenues to the Company of between approximately €23.7 million and €24.9 million (US$28.0 million and US$29.4 million). These pre-tax numbers assume a gold price of US$1,250 per ounce and an exchange rate of €1 for US$1.18. The impact of changes in the average gold price on EURO's annual revenues, based on an estimated production of 318,000 ounces, would be approximately US$3.1 million for each US$100 per ounce change in the gold price. The impact of a 5% change in the average foreign exchange rate on EURO's annual revenues would be approximately €1.2 million. EURO's cash flow is expected to be primarily affected by income tax payments and eventual payment of dividends. The Company maintains certain cash available to pursue opportunities that would enhance the Company's long-term business.

**About EURO**

EURO is a French company whose principal asset is a gold production royalty from the Rosebel gold mine in Suriname (the "Rosebel royalty"). The Rosebel gold mine is 95%-owned by IAMGOLD Corporation ("IAMGOLD"), and is operated by IAMGOLD. EURO has approximately 62.5 million shares outstanding. At June 30, 2018, IAMGOLD France S.A.S., a wholly owned subsidiary of IAMGOLD, owned approximately 89.71% of all issued outstanding shares of EURO.

***Statements Regarding Forward-Looking Information:*** *Some statements in this news release are forward-looking statements. Investors are cautioned that forward-looking statements are inherently uncertain and involve risks and uncertainties. There can be no assurance that future developments affecting the Company will be those anticipated by management.*

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Additional information relating to EURO Ressources S.A. is available on SEDAR at www.sedar.com. Further requests for information should be addressed to:

Benjamin Little
Directeur-Général
Tel: +1 416 933 4954
Email: blittle@euroressources.net

Line Lacroix
Directeur-Général Délégué
Tel: +1 450 677 2056
Email : llacroix@euroressources.net