



**IFRS Financial Statements and  
Shareholders' Report**  
**Second Quarter Ended June 30, 2012**

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## I Balance Sheets

(in thousands of Euro)

	Notes	As at June 30, 2012	As at December 31, 2011
<b>NON-CURRENT ASSETS</b>		<b><u>€6,956</u></b>	<b><u>€7,019</u></b>
Intangible assets	4	6,882	7,019
Marketable securities	5	74	-
<b>CURRENT ASSETS</b>		<b><u>€27,108</u></b>	<b><u>€18,629</u></b>
Trade receivables	6	10,179	11,657
Other current assets	6	97	228
Cash and cash equivalents	7	15,641	5,584
Assets held for sale	17	1,191	1,160
<b>TOTAL ASSETS</b>		<b><u>€34,064</u></b>	<b><u>€25,648</u></b>
<b>EQUITY</b>		<b><u>€14,536</u></b>	<b><u>€19,427</u></b>
Share capital	8	625	625
Additional paid-in capital	8	104	104
Other reserves		1,803	(4,452)
Net profit for the period		12,004	23,150
<b>TOTAL EQUITY</b>		<b><u>€14,536</u></b>	<b><u>€19,427</u></b>
<b>NON-CURRENT LIABILITIES</b>		<b><u>136</u></b>	<b><u>137</u></b>
Deferred tax liabilities	14.2	136	137
<b>CURRENT LIABILITIES</b>		<b><u>€19,392</u></b>	<b><u>€6,084</u></b>
Trade payables	9	220	207
Other current liabilities	9	60	94
Dividend payable	9	18,124	-
Current income tax payable	9	988	5,783
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>€34,064</u></b>	<b><u>€25,648</u></b>

Subsequent events (note 19)

## II Income Statements

(in thousands of Euro, except per share amount)

	Notes	For the Quarter ended		For Six Months ended	
		June 30 2012	June 30 2011	June 30 2012	June 30 2011
Revenues from ordinary activities	10	10,138	7,478	20,139	15,373
Operating expenses	11	(236)	(260)	(442)	(493)
Depreciation and amortization expenses	13	(165)	(125)	(322)	(285)
<b>OPERATING PROFIT</b>		<b><u>€9,737</u></b>	<b><u>€7,093</u></b>	<b><u>€19,375</u></b>	<b><u>€14,595</u></b>
Financial income	12	177	51	211	61
Financial expenses	12	(454)	(402)	(470)	(407)
<b>NET FINANCIAL EXPENSES</b>		<b><u>€(277)</u></b>	<b><u>€(351)</u></b>	<b><u>€(259)</u></b>	<b><u>€(346)</u></b>
<b>PROFIT BEFORE INCOME TAX</b>		<b><u>€9,460</u></b>	<b><u>€6,742</u></b>	<b><u>€19,116</u></b>	<b><u>€14,249</u></b>
Income tax expense	14.1	(3,927)	(2,277)	(7,112)	(4,504)
<b>NET PROFIT</b>		<b><u>€5,533</u></b>	<b><u>€4,465</u></b>	<b><u>€12,004</u></b>	<b><u>€9,745</u></b>
<b>EARNINGS PER SHARE (€share)</b>					
Basic	15	<b><u>€0.089</u></b>	<b><u>€0.071</u></b>	<b><u>€0.192</u></b>	<b><u>€0.156</u></b>
Diluted	15	<b><u>€0.089</u></b>	<b><u>€0.071</u></b>	<b><u>€0.192</u></b>	<b><u>€0.156</u></b>

### III Statements of Comprehensive Income (in thousands of Euro)

	Notes	For the Quarter ended		For Six Months ended	
		June 30 2012	June 30 2011	June 30 2012	June 30 2011
<b>NET PROFIT</b>		<b>5,533</b>	<b>4,465</b>	<b>12,004</b>	<b>9,745</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
Currency translation adjustments		1,944	(377)	1,284	(1,887)
Unrealized loss on available-for-sale assets	5	(45)	-	(86)	-
Tax on unrealized loss on available-for- sale assets		16	-	31	-
Other comprehensive income (loss)		<b>1,915</b>	<b>(377)</b>	<b>1,229</b>	<b>(1,887)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>€7,448</u></b>	<b><u>€4,088</u></b>	<b><u>€13,233</u></b>	<b><u>€7,858</u></b>

## IV Cash Flow Statements (in thousands of Euro)

	Notes	For the Quarter ended		For Six Months ended	
		June 30 2012	June 30 2011	June 30 2012	June 30 2011
<b>CASH FLOW RELATING TO OPERATING ACTIVITIES</b>					
NET PROFIT		5,533	4,465	12,004	9,745
<i>Elimination of expenses which do not have an impact on the cash flow:</i>					
Depreciation and amortization expenses	13	165	125	322	285
Income tax expense	14.1	3,927	2,277	7,112	4,504
		<hr/>	<hr/>	<hr/>	<hr/>
<b>GROSS CASH FLOW FROM OPERATING ACTIVITIES BEFORE NET CHANGE IN OPERATING WORKING CAPITAL</b>		<b>9,625</b>	<b>6,867</b>	<b>19,438</b>	<b>14,534</b>
Change in trade receivables and other current assets		451	231	1,725	1,550
Change in trade payables and other current liabilities		(38)	(30)	(29)	44
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN OPERATING WORKING CAPITAL</b>		<b>413</b>	<b>201</b>	<b>1,696</b>	<b>1,594</b>
Income tax paid		(10,416)	(7,790)	(11,935)	(8,050)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET CASH FLOW FROM (USED IN) OPERATING ACTIVITIES</b>		<b>€(378)</b>	<b>€(722)</b>	<b>€9,199</b>	<b>€8,078</b>
Impact of changes in foreign exchange rates on cash and cash equivalents		1,087	(296)	858	(1,137)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>€709</b>	<b>€(1,018)</b>	<b>€10,057</b>	<b>€6,941</b>
OPENING BALANCE		14,932	21,253	5,584	13,294
CLOSING BALANCE		15,641	20,235	15,641	20,235
INCREASE (DECREASE)		€709	€(1,018)	€10,057	€6,941

**V Statement of Changes in Equity**  
(in thousands of Euro)

	Share Capital	Additional paid-in capital	Currency translation adjustments	Accumulated other comprehensive Income	Retained earnings	Net profit for the period	Total Equity
<b>Position as of December 31, 2011 before appropriation of profit</b>	625	104	2,757	19	(7,228)	23,150	19,427
Appropriation of 2011 profit	-	-	-	-	23,150	(23,150)	-
<b>Position as of December 31, 2011 after appropriation of profit</b>	625	104	2,757	19	15,922	-	19,427
Dividend (note 8)	-	-	-	-	(18,124)	-	(18,124)
Total comprehensive income for the period ended June 30, 2012	-	-	1,284	(55)	-	12,004	13,233
<b>Position as of June 30, 2012</b>	<b>€625</b>	<b>€104</b>	<b>€4,041</b>	<b>€(36)</b>	<b>€(2,202)</b>	<b>€12,004</b>	<b>€14,536</b>

## VI Notes to the Interim Financial Statements

*(Amounts in notes are in Euros, and tabular amounts are in thousands of Euros, except where otherwise indicated.)*

### 1) General information

#### 1.1) EURO Ressources S.A.

Through a successful tender offer in late 2008, IAMGOLD Corporation (“IAMGOLD”) owns today approximately 86% of all outstanding shares of EURO Ressources S.A. (“EURO” or the “Company”). As a result of an internal restructuring in 2012, IAMGOLD transferred all of its shares in EURO to its wholly owned subsidiary IAMGOLD France. This transfer does not affect EURO.

The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) to comply with Canadian requirements. As at December 31, 2010, following the sale of its sole subsidiary, Société de Travaux Publics et de Mines Aurifères en Guyane S.A.S. (“SOTRAPMAG”), in October 2010, EURO no longer prepares and publishes consolidated financial accounts. In France, only French rules can be applied for establishment of individual accounts of listed companies.

EURO is a *Société Anonyme*, domiciled in metropolitan France with its registered office located in Paris.

These financial statements have been approved for publication by the Board of Directors on August 10, 2012.

#### 1.2) Description of operations

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

The Rosebel royalty paid by IAMGOLD applies to the first 7 million ounces of gold produced from the mine and the related payments 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. As of June 30, 2012, the Rosebel mine has produced 2.9 million ounces of gold and there remains approximately 4.1 million ounces of gold under the royalty contract.

The royalty 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.

#### 1.3) List of companies

As at June 30, 2012, the financial statements only comprise the accounts of EURO.



## 2) Basis of accounting and presentation

### 2.1) Standards

The interim financial statements are prepared in accordance with the International Financial Reporting Standards (“IFRS”) as approved by the International Accounting Standard Board (“IASB”). The interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. Accounting policies are consistent with those applied in the financial statements for the fiscal year ended December 31, 2011.

Financial statements for the six months ended June 30, 2012 have been prepared using the historical cost basis of accounting adjusted by revaluation through profit or loss of financial liabilities in order to recognize derivative financial instruments at their fair value.

EURO prepares its financial accounts in Euros (€ or Euro) and presents its financial statements in Euros. The functional currency of EURO is the US dollar, since this is the currency in which its major transactions, such as income from royalties and the related cash are denominated. Certain additional information are presented in these financial statements in US dollars (“\$”) and in Canadian dollars (“C\$”).

#### 2.1.1) Revisions, amendments and interpretations to the published standards which took effect in 2012

There are no IFRSs, IASs or IFRIC interpretations issued, that are effective for the first time for the financial year beginning on or after January 1, 2012 that would be expected to have a material impact on EURO.

#### 2.1.2) Standards, and interpretations and amendments to existing standards, pending application

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on EURO.

## 3) Management of financial risk

EURO is exposed to different types of financial risks:

- The market risk (principally: the market price for gold and foreign currency risk),
- The credit risk, and
- The liquidity risk.

EURO has a risk management program which monitors the volatility of financial markets and seeks to minimize the potentially unfavorable effects of that volatility for EURO’s financial performance.

### 3.1) Market risk

#### 3.1.1) Gold Price risk

##### Royalty variance

EURO is exposed to the risk of changes in the market price of gold. Revenues from the Rosebel royalty are determined with reference to the average of the London PM gold price for each calendar quarter. The Rosebel royalty production in 2011 was 406,000 ounces and is anticipated to be approximately between 390,000 and 415,000 ounces in 2012. The table below illustrates the impact of changes in the calendar quarter average gold price on EURO’s revenues, based on 415,000 ounces of production:

Gold price/oz change – average per quarter (US\$/ oz)	\$25	\$50	\$75	\$100
Change in royalty revenues (US\$000)	1,038	2,075	3,113	4,150

### 3.1.2) Foreign currency translation risk

EURO is exposed to foreign currency translation risk arising from various currency exposures, primarily with respect to the Euro currency. With revenues increasing, EURO's tax expense has also increased substantially and it represents the largest foreign currency translation risk, because it is denominated in the Euro currency.

(in €000s)	Six months ended June 30, 2012	US \$	€	C\$	% exposed to currency translation risk
Revenues from ordinary activities	€20,139	€19,932	€207	-	1%
Expenses	€7,876	€563	€7,296	€17	93%
<i>Operating</i>	€442	€241	€184	€17	45%
<i>Income tax</i>	€7,112	€-	€7,112	-	100%
<i>Amortization</i>	€322	€322	-	-	0%

### 3.2) Credit risk

EURO is subject to a concentrated credit risk with almost 100% of its revenues receivable from one source, namely the Rosebel royalty. This royalty is payable by one company, IAMGOLD, which operates the Rosebel mine. Management considers that in view of the financial standing and nature of IAMGOLD's continuing operating activities, the risk of loss is small.

### 3.3) Liquidity risk

Prudent management of liquidity risk requires the retention of adequate liquidity to meet expected expenditures and possible contingencies. EURO believes that its recurring operational income is adequate to cover spending requirements. Since October 2009, the Company has been investing its surplus cash to maximize profits and to mitigate any potential risk. EURO has specific guidelines that are followed under its short-term investment policy. EURO reviews its strategies for investments on a quarterly basis and ensures that ratings of financial institutions have remained excellent and that there are no better investment opportunities. The objective is to ensure reasonable shareholders' return and appropriate safeguard of the Company's assets.

#### 4) Intangible assets (in thousands of Euro)

The carrying values of the intangible assets of EURO are set out in the tables below:

	December 31, 2011	Increase	Translation adjustment	June 30, 2012
<b>Gross values</b>				
Rosebel	11,865	-	329	12,194
<b>Total</b>	<b>€11,865</b>	<b>€</b>	<b>€329</b>	<b>€12,194</b>
<b>Amortization / Depreciation</b>				
Rosebel	(4,846)	(322)	(144)	(5,312)
<b>Total</b>	<b>€(4,846)</b>	<b>€(322)</b>	<b>€(144)</b>	<b>€(5,312)</b>
<b>Net values</b>				
Rosebel	7,019	(322)	185	6,882
<b>Total</b>	<b>€7,019</b>	<b>€(322)</b>	<b>€185</b>	<b>€6,882</b>

#### 5) Marketable securities (in thousands of Euro)

	June 30, 2012	December 31, 2011
Marketable securities <sup>1</sup>	74	-
<b>Total</b>	<b>€74</b>	<b>€</b>

<sup>1</sup>Shares received from COLUMBUS Gold Corporation ("COLUMBUS") on December 21, 2011 in connection with the pre-exercise payment from the option agreement entered into on December 5, 2011 (note 18), have been classified as available-for-sale financial assets. Investments in marketable securities are recorded at fair value. During the second quarter, these marketable securities have been moved from current assets to other non-current assets due to the amendment to the option agreement with COLUMBUS (note 19), allowing for an extension to exercise the option for one additional year.

#### 6) Trade receivables and other current assets (in thousands of Euro)

Current assets	June 30, 2012	December 31, 2011
Trade receivables <sup>1</sup>	10,179	11,657
<b>Subtotal of trade receivables</b>	<b>€10,179</b>	<b>€11,657</b>
Tax and social security receivables	87	70
Prepaid expenses	10	-
Marketable securities (note 5)	-	158
<b>Subtotal other current assets</b>	<b>97</b>	<b>228</b>
<b>Total</b>	<b>€10,276</b>	<b>€11,885</b>

<sup>1</sup> Trade receivables included €10.005 million of amounts receivable from IAMGOLD at June 30, 2012 (€11.491 million at December 31, 2011).

**7) Cash and cash equivalents**  
(in thousands of Euro)

	June 30, 2012	December 31, 2011
Cash equivalents <sup>1,2</sup>	1,263	1,227
Cash <sup>2</sup>	14,378	4,357
<b>Total</b>	<b>€15,641</b>	<b>€5,584</b>

<sup>1</sup> There is no difference between the fair value and the carrying amount.

<sup>2</sup> Almost 100% of EURO's available cash is held in US dollars.

During the second quarter of 2012, EURO has continued to invest some of its excess liquidity in money market investments that were compliant with its short-term investment strategy to ensure reasonable return with an appropriate level of risk (note 3.3).

**8) Share capital**

As of June 30, 2012, the Company's share capital comprises 62,496,461 common shares with a nominal value of €0.01 per share.

There were no shares issued during the first six months of 2012.

During the Annual Shareholders Meeting held on June 26, 2012 in Paris, shareholders approved a dividend distribution in the amount of €18,124,000 (€0.29 per share) to be paid on September 18, 2012.

This is the first dividend distribution for EURO and any future distributions of dividends will be proposed by the Board of Directors after taking into account various factors, including EURO's operating results, financial condition, current and anticipated cash needs, and will be subject to shareholders' approval.

	Number of shares	Nominal value per share	Share Capital (in 000 Euro)	Additional paid- in capital (in 000 Euro)
As at December 31, 2011	62,496,461	€0.01	€625	€104
As at June 30, 2012	62,496,461	€0.01	€625	€104

**9) Trade payables and other current liabilities**  
(in thousands of Euro)

	June 30, 2012	December 31, 2011
Trade payables	220	207
<b>Other current liabilities</b>		
Tax and social security liabilities	26	63
Intercompany with IAMGOLD	19	19
Directors' fees	15	12
<b>Subtotal of other current liabilities</b>	<b>60</b>	<b>94</b>
Dividend payable	18,124	-
Current income tax payable	988	5,783
<b>Total current liabilities</b>	<b>€19,392</b>	<b>€6,084</b>

**10) Revenues from ordinary activities**  
(in thousands of Euro)

	Six Months Ended June 30	
	2012	2011
Rosebel royalty	19,933	15,263
Other revenues	206	110
<b>Total revenues from ordinary activities</b>	<b>€20,139</b>	<b>€15,373</b>

Revenues from ordinary activities are derived from two categories of activity:

- royalties related to the operation of the Rosebel mine, and
- royalties related to mining operations by third parties in French Guiana.

**11) Operating expenses**  
(in thousands of Euro)

	Six Months Ended June 30	
	2012	2011
Administrative costs	253	247
Directors' fees	36	33
Audit fees	57	86
Legal fees	46	80
Legal exchange and listing fees	30	17
Operating taxes	20	30
<b>Total Operating Expenses</b>	<b>€442</b>	<b>€493</b>

**12) Financial income and expenses**  
(in thousands of Euro)

	Six Months Ended June 30	
	2012	2011
Other investment income	15	1
Foreign exchange gain <sup>1</sup>	196	60
<b>Total financial income</b>	<b>€11</b>	<b>€61</b>
Foreign exchange loss <sup>2</sup>	(470)	(407)
<b>Total financial expenses</b>	<b>€(470)</b>	<b>€(407)</b>
<b>Net financial expenses</b>	<b>€(259)</b>	<b>€(346)</b>

<sup>1</sup> Foreign exchange gain

The foreign exchange gain essentially relates to the gain recognized from the income tax and other operating tax payments made during the first six months of 2012.

<sup>2</sup> Foreign exchange loss

The foreign exchange losses essentially relate to the revaluation of significant euro denominated balance sheet accounts at the end of June 2012.

**13) Depreciation and amortization expenses**  
(in thousands of Euro)

	Six Months Ended June 30	
	2012	2011
Amortization charge in respect of intangible assets (note 4)	322	285
<b>Total expenses</b>	<b>€322</b>	<b>€285</b>

**14) Income tax**  
(in thousands of Euro)**14.1) Tax Reconciliation**

Reconciliation of the theoretical tax liability calculated at the tax rate applicable to corporations in France may be reconciled to the effective tax as follows:

	Six Months Ended June 30	
	2012	2011
<b>Profit before tax</b>	<b>€19,116</b>	<b>€14,249</b>
Theoretical tax calculated at the corporate income tax rate applicable in the country	(6,563)	(4,892)
Tax effects of C.V.A.E. (value added tax)	(263)	(194)
Translation adjustment	(286)	582
<b>Income tax expense</b>	<b>€(7,112)</b>	<b>€(4,504)</b>

The corporate income tax rate applied for the first six months of 2011 and 2012 is 34<sup>1</sup>/<sub>3</sub>%.

**14.2) Deferred tax liabilities**

Deferred tax liabilities amounted to €136,000 at the end of June 2012, all of which pertain to temporary differences, mostly due to the value added tax (*Cotisation sur la Valeur Ajoutée des Entreprises* ("C.V.A.E.")). There are no tax losses carried forward.

**15) Earnings per share**  
(in thousands of Euro, except per share amount)

Earnings per share are calculated based on the net income attributable to EURO divided by the average number of shares in issue during the fiscal period (excluding treasury stock).

	Six Months Ended June 30	
	2012	2011
Net profit attributable to holders of common shares	€ 12,004	€ 9,745
Weighted average number of common shares	62,496,461	62,496,461
<b>Earnings per share (€/share)</b>		
Basic	<b>€0.192</b>	<b>€0.156</b>
Diluted	<b>€0.192</b>	<b>€0.156</b>

**16) Related parties**

Information on related parties:

	IAMGOLD
<b>Presentation of related parties</b>	IAMGOLD France, a 100% wholly owned subsidiary of IAMGOLD, is the majority shareholder of EURO (approximately 86% of all outstanding and diluted shares)
<b>Nature of relationship between related parties</b>	Management fees incurred during the first six months of 2012 were €0.11 million (2011: €0.10 million) and payable at June 30, 2012 were €0.02 million (December 31, 2011: €0.02 million).

**17) Assets held for sale**

As at June 30, 2012, EURO's assets held for sale are summarized as follows:

Assets classified as held for sale (in 000 Euro)	June 30, 2012	December 31, 2011
<i>Paul Isnard PER</i> (costs of mining exploration incurred for the Paul Isnard Permit ( <i>Permis Exclusif de Recherche</i> ) ("PER"))	4,366	4,248
<i>Accumulated depreciation on Paul Isnard PER</i>	(3,771)	(3,668)
Subtotal Paul Isnard PER (net carrying value)	595	580
Intangible asset related to the Royalty on gold production from the Paul Isnard concessions receivable from AUPLATA	596	580
<b>Total</b>	<b>€1,191</b>	<b>€1,160</b>

The "Paul Isnard Properties" are comprised of eight mineral concessions held by SOTRAPMAG and the Paul Isnard PER held by EURO.

In 2009, EURO agreed to transfer ownership of SOTRAPMAG and of EURO's interest in the PER to AUPLATA, in exchange of a royalty on gold production from the Paul Isnard Properties. The royalty will be equal to the difference between the market price of an ounce of gold and US\$400 multiplied by 10% of gold production up to two million ounces and by 5% of gold production between two and five million ounces. The completion date of the transfers to AUPLATA was initially expected by June 2010 pending the approval of the transfer of SOTRAPMAG and of the PER by the French authorities.

- Paul Isnard PER

In January 2010, EURO was notified by the French Authorities 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 expires on May 30, 2013. This application also encompasses a transfer of the PEX to SOTRAPMAG, once granted. The PEX covers 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 at June 30, 2012, the PEX had not been granted yet.

As a result of the settlement agreement for the transfer of Paul Isnard Properties, the recoverable value of the PER was updated as at December 31, 2009. At the end of June 2012, it was determined that this value is still justified based on the following reasons:

- 1) The mining plan ("*schéma minier*") in French Guiana has been approved.
- 2) COLUMBUS Gold Corporation ("COLUMBUS") amended its Option agreement with AUPLATA related to the Paul Isnard Properties at the end of 2011 (note 18).
- 3) In 2011 and during the first six months of 2012, the price of gold has remained high, which could justify expedient exploration and exploitation on these properties.

As a consequence, as at June 30, 2012, EURO maintains the reinstatement of the PER net value of \$750,000 (€595,000) in its books. The change of value is due to the foreign exchange translation recorded at the end of each reporting period.

- Intangible asset related to the royalty on gold production from the Paul Isnard concessions

On October 22, 2010, SOTRAPMAG was transferred to AUPLATA and EURO reversed an impairment provision previously recorded for an intangible asset related to the royalty on gold production from the Paul Isnard concessions in the amount of \$750,000. The carrying value as at June 30, 2012 was €596,000.



## 18) Option agreement with COLUMBUS

Before the end of 2011, AUPLATA and COLUMBUS amended their respective agreement allowing COLUMBUS to accelerate its ability to earn a 100% direct or indirect interest in the Paul Isnard Properties. This amendment to the agreement was approved by the TSX Venture exchange on December 23, 2011 and by the French authorities on April 13, 2012.

On December 5, 2011, EURO entered into an Option agreement with COLUMBUS that would allow for the restructuring of the Paul Isnard Royalty ("Royalty on gold production from the Paul Isnard concessions, and the Paul Isnard PER") (the "Option"). The Option provides COLUMBUS with the ability to purchase from EURO the existing Paul Isnard Royalty in return for cash, shares of COLUMBUS and a retained net smelter royalty (as more detailed below). The Option is only exercisable when COLUMBUS will have earned a 100% direct or indirect interest in the Paul Isnard Properties. EURO maintains the right to compel COLUMBUS to exercise the Option. The Option expires on July 30, 2015 if not exercised. The approval or non-approval of the PEX by the French authorities does not change the terms and conditions of the Option agreement.

In 2011, COLUMBUS paid an option fee of C\$250,000 (€186,000), which was comprised of the following:

- C\$166,667 (€124,000) in shares of COLUMBUS at the 20-day volume weighted average price ("VWAP"), and
- C\$83,333 (€62,000) in cash.

Under the VWAP, as of December 21, 2011, each share of COLUMBUS was valued at C\$0.703 (€0.524), which translated to EURO receiving 237,017 shares in COLUMBUS, representing less than 0.3% of all outstanding shares.

In addition, until the Option is exercised or has expired, COLUMBUS must pay an annual C\$50,000 maintenance fee at the anniversary date of the signed Option agreement.

Once the Option has been exercised, COLUMBUS must make the following payments:

- C\$4.2 million cash,
- 12,865,600 shares of COLUMBUS (approximately 12.6% of existing shares (excluding warrants and options) as of June 30, 2012) subject to possible upward adjustments based on certain events and the VWAP at the time of exercise, and
- A 1.8% net smelter royalty on the first 2 million ounces of gold followed by a 0.9% net smelter royalty on the next 3 million ounces of gold. This royalty is capped at five million ounces.

## 19) Amendment to the option agreement with COLUMBUS

On July 25, 2012, EURO signed an amendment to the Option agreement with COLUMBUS. The amendment gives COLUMBUS one additional year to consider exercising the Option. Prior to the amendment, the Option would expire 120 days following the date on which COLUMBUS obtained the Paul Isnard Properties. COLUMBUS has obtained a 100% beneficial interest in the Paul Isnard Properties and is in the process of transferring legal title. Under the original agreement, COLUMBUS would have been required to elect to exercise the Option sometime in late 2012.

The original agreement stated that if COLUMBUS completed a subsequent equity offering, before exercise of the Option, at a share price that was less than the original deemed share price (C\$0.65 per share), there would be an automatic adjustment upward of the total Option exercise shares received by COLUMBUS. COLUMBUS completed an equity offering in May 2012 at C\$0.55 per share and as a consequence, COLUMBUS upon exercise of the Option, will give EURO additional shares.

Terms of the Option agreement (note 18) are unchanged except for the key terms of the amendment listed below which are subject to TSX-V approval:

- Payment to EURO of 650,000 additional shares of COLUMBUS in consideration of the amendment to the Option agreement. On the date of the amendment, these shares were valued at C\$228,000 (€184,000).
- Payment to EURO of 2,409,376 additional shares of COLUMBUS relating to the May 2012 COLUMBUS equity issue, upon exercise of the Option (total of shares in COLUMBUS related to the future exercise of the Option now being 15,274,976 shares).
- The deemed share price for future share price adjustment consideration now being C\$0.45 per share.