



**Consolidated Financial Statements and  
Shareholder Report  
Third Quarter 2007**

## Contents

### CONSOLIDATED FINANCIAL STATEMENTS

I.	Consolidated Balance Sheets	1
II.	Consolidated Income Statements	2
III.	Consolidated Cash Flow Statements	3
IV.	Statement of Changes in Consolidated Equity	5
V.	Notes to the Consolidated Financial Statements	
	1 General information	6
	2 Basis of accounting and presentation	7
	3 Management of financial risk	7
	4 Intangible assets	8
	5 Property, plant and equipment	9
	6 Trade receivables and other current assets	9
	7 Cash and cash equivalents	9
	8 Share capital	10
	9 Stock-based payments	10
	10 Financial liabilities	11
	11 Trade payables and other current liabilities	12
	12 Revenue from ordinary activities and other operating income	13
	13 Operating expenses	13
	14 Financial income and expenses	13
	15 Depreciation and amortization expenses	14
	16 Tax	14
	17 Earnings per share	15
	18 Related parties	15
	19 Post Balance Sheet Events	16

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction	17
Statements regarding Forward-looking Information	17
Results of Operations	17
Outlook	19
Liquidity and Capital Resources	19
Key Financial Data	19
Hedging	20
Debt and Contractual Obligations	21
Share Capital	21
Critical Accounting Estimates	21
Change in Application of Accounting Policy	22
Related Party Transactions	22
Disclosure Controls and Procedures	22
Transactions with Golden Star Resources Ltd.	22
Post Balance Sheet Events	23

#### Notice to reader:

The unaudited interim financial statements and management's discussion and analysis of financial condition and results of operations for the quarter and nine months ended September 30, 2007 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. The Company's auditors have reviewed these statements. Financial information is presented in Euro in accordance with International Financial Reporting Standards as adopted by the European Union and in United States dollars, where appropriate. Readers are cautioned that these statements contain certain forward-looking information as described in Management's Discussion and Analysis.

# I Consolidated Balance Sheets

(in thousands of €uro)

	Notes	As at September 30 2007	As at December 31 2006
<b>NON-CURRENT ASSETS</b>		<b><u>€16,612</u></b>	<b><u>€17,321</u></b>
Intangible assets	4	8,805	9,940
Property, plant and equipment	5	3	3
Other financial assets		4	7
Deferred tax	16.3	7,800	7,371
<b>CURRENT ASSETS</b>		<b><u>€2,749</u></b>	<b><u>€3,168</u></b>
Trade receivables and similar accounts	6	2,069	1,700
Other current assets	6	113	165
Cash and cash equivalents	7	567	1,303
<b>TOTAL ASSETS</b>		<b><u>€19,361</u></b>	<b><u>€20,489</u></b>
<b>EQUITY – GROUP SHARE</b>		<b><u>€(1,177)</u></b>	<b><u>€(1,427)</u></b>
Issued capital stock	8	505	504
Additional paid-in capital	8	38,396	38,387
Transition adjustment		635	319
Other reserves		(40,538)	(38,095)
Retained earnings		(175)	(2,542)
<b>TOTAL EQUITY</b>		<b><u>€(1,177)</u></b>	<b><u>€(1,427)</u></b>
<b>NON-CURRENT LIABILITIES</b>		<b><u>€13,536</u></b>	<b><u>€14,908</u></b>
Loans	10	3,062	4,387
Other financial debt	10	3,036	3,003
Derivative financial instruments	10	7,438	7,518
<b>CURRENT LIABILITIES</b>		<b><u>€7,002</u></b>	<b><u>€7,008</u></b>
Loans	10	2,102	2,060
Derivative financial instruments	10	3,472	3,548
Gold hedge liabilities	11	885	831
Trade payables and similar accounts	11	488	489
Other liabilities	11	55	80
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b><u>€19,361</u></b>	<b><u>€20,489</u></b>

## II Consolidated Income Statements

(in thousands of €uro)

		For the Quarter ended		For Nine Months ended	
	Notes	Sept 30, 2007	Sept 30, 2006	Sept 30, 2007	Sept 30, 2006
Revenue from ordinary activities	12	2,024	2,002	5,289	5,558
Operating expenses	13	(532)	(422)	(1,597)	(1,190)
Depreciation and amortization expenses	15	(157)	(183)	(414)	(557)
<b>OPERATING PROFIT</b>		<b><u>€1,335</u></b>	<b><u>€1,397</u></b>	<b><u>€3,278</u></b>	<b><u>€3,811</u></b>
Financial income	14	40	42	105	133
Financial expenses	14	(3,467)	1,195	(4,365)	(6,502)
<b>NET FINANCIAL INCOME (EXPENSE)</b>		<b><u>€(3,427)</u></b>	<b><u>€1,237</u></b>	<b><u>€(4,260)</u></b>	<b><u>€(6,369)</u></b>
<b>PROFIT (LOSS) BEFORE TAX</b>		<b><u>€(2,092)</u></b>	<b><u>€2,634</u></b>	<b><u>€(982)</u></b>	<b><u>€(2,558)</u></b>
Future income tax recovery	16	571	(875)	807	774
<b>NET PROFIT (LOSS)</b>		<b><u>€(1,521)</u></b>	<b><u>€1,759</u></b>	<b><u>€(175)</u></b>	<b><u>€(1,784)</u></b>
Net profit (loss)		<b><u>€(1,521)</u></b>	<b><u>€1,759</u></b>	<b><u>€(175)</u></b>	<b><u>€(1,784)</u></b>
<b>EARNINGS (LOSS) PER SHARE</b>					
Basic		<b><u>€(0.030)</u></b>	<b><u>€0.036</u></b>	<b><u>€(0.003)</u></b>	<b><u>€(0.036)</u></b>
Diluted		<b><u>€(0.030)</u></b>	<b><u>€0.035</u></b>	<b><u>€(0.003)</u></b>	<b><u>€(0.036)</u></b>

### III Consolidated Cash Flow Statements (in thousands of €uro)

		For the Quarter ended		For Nine Months ended	
	Notes	Sept 30, 2007	Sept 30, 2006	Sept 30, 2007	Sept 30, 2006
CASH FLOW RELATING TO OPERATING ACTIVITIES					
NET PROFIT (LOSS) FROM CONSOLIDATED COMPANIES		(1,521)	1,759	(175)	(1,784)
Elimination of income and expenses which do not have an impact on the cash flow or are not related to operating activities:					
Depreciation, amortization and provisions	15	157	183	414	557
Change in deferred tax	16.3	(554)	875	(816)	(774)
Derivative financial instruments	14	2,356	(2,301)	711	3,143
Stock option expense		27	-	98	51
Impact of discounting other financial debt	14	83	88	272	263
Other			(7)		
GROSS CASH FLOW FROM OPERATIONS GENERATED BY CONSOLIDATED COMPANIES BEFORE NET CHANGE IN OPERATING WORKING CAPITAL					
		548	597	504	1,456
Change in trade receivables and other current assets		(24)	(58)	344	823
Change in trade payables and other current liabilities		(109)	(435)	36	461
NET CHANGE IN OPERATING WORKING CAPITAL					
		85	377	308	362
NET CASH FLOW FROM (USED IN) OPERATING ACTIVITIES					
		€463	€220	€196	€1,094
CASH FLOW RELATING TO INVESTING ACTIVITIES					
AMOUNTS PAID TO PURCHASE FIXED ASSETS		-	-	(2)	(5)
NET CASH FLOW FROM (USED IN) INVESTING ACTIVITIES					
		-	-	€(2)	€(5)
CASH FLOW RELATING TO FINANCING ACTIVITIES					
Capital Increase in Cash		(1)		8	
Borrowings issued and capitalized interest		27	34	79	210
Borrowings reimbursed		(479)	(306)	(958)	(1,550)
NET CASH FLOW RELATING TO FINANCING ACTIVITIES					
		€(453)	€(272)	€(871)	€(1,340)
Impact of changes in foreign exchange rates		(16)	(26)	(59)	(132)
CHANGE IN CASH AND CASH EQUIVALENTS					
		€(6)	€(78)	€(736)	€(383)
OPENING BALANCE		573	938	1,303	1,243
CLOSING BALANCE		567	860	567	860
(DECREASE)		(6)	(78)	(736)	(383)

### III Consolidated Cash Flow Statements - continued

(in thousands of €uro)

	As of September 30, 2007	As of December 31, 2006	CHANGE
<b>CURRENT ASSETS</b>			
Trade receivables	2,184	1,787	
Other assets	89	153	
Prepaid expenses	31	20	
<b>TOTAL CURRENT ASSETS</b>	<b><u>€2,304</u></b>	<b><u>€1,960</u></b>	<b><u>€344</u></b>
<b>CURRENT LIABILITIES</b>			
Trade payables	514	514	
Other current liabilities	993	958	
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>€1,508</u></b>	<b><u>€1,472</u></b>	<b><u>€36</u></b>
<b>NET CHANGE</b>			<b><u>€308</u></b>

#### IV Statement of Changes in Consolidated Equity

(in thousands of €uro)

	Capital Stock	Additional paid-in capital	Translation adjustment	Other reserves	Profit/loss for the year	Total Equity
<b>Position as of December 31, 2006 before appropriation of profit or loss</b>	505	38,387	319	(38,095)	(2,542)	(1,427)
Appropriation of 2006 loss				(2,542)	2,542	-
<b>Position as of December 31, 2006 after appropriation of profit or loss</b>	505	38,387	319	(40,637)	-	(1,427)
Capital Increase		9				9
Options Issued				98		98
Other			317			317
Loss for period to September 30, 2007					(175)	(175)
<b>Position as of September 30, 2007</b>	505	38,396	635	(40,538)	(175)	(1,177)



## V Notes to the Consolidated Financial Statements

### 1) General information

#### 1.1) Euro Ressources Group

The Euro Ressources Group comprises the parent company, EURO Ressources SA ("EURO", the "Company" or the "Group"), and its 100%-owned subsidiary SOTRAPMAG SARL ("SOTRAPMAG"). EURO is a *Société Anonyme*, domiciled in metropolitan France with its registered office located in Paris.

Until June 2006, EURO was a subsidiary of Golden Star Resources Ltd. ("Golden Star"), a Canadian company which held more than 50% of the Company's issued share capital. Consequent on the sale of part of Golden Star's shareholding in June 2006 such that it then held less than a 50% shareholding, EURO was no longer considered a subsidiary of Golden Star. Golden Star has subsequently sold substantially all of its shareholding in EURO.

The Company's common shares are traded on the Paris stock exchange's Eurolist by Euronext C compartment, under the symbol "EUR", and on the Toronto Stock Exchange, also under the symbol "EUR".

The present consolidated financial statements have been approved for publication by the Board of Directors on November 12, 2007

#### 1.2) Description of operations

The Group operates within the gold mining sector. Prior to 2005 its principal activity was exploring for gold and diamonds in French Guiana

In 2004, EURO completed a financial restructuring and refocused its activities on the acquisition and holding of royalty interests on operating gold mines. At the end of 2004, it completed the acquisition of a royalty interest on the Gross Rosebel mine in Suriname, operated by IAMGOLD Corporation. EURO intends to acquire additional royalty interests on gold mining operations of a similar nature.

The Group's main source of revenue is royalties received relating to the Gross Rosebel mine. Operations at the mine are neither of a seasonal nor cyclical nature. Royalties are payable to EURO based on the volume of gold production from the mine and the market price of gold. The current mine life is estimated to exceed 20 years.

#### 1.3) List of Group companies

As at September 30, 2007 the consolidated financial statements comprise the accounts of Euro and its subsidiary:

<b>Company Legal Form</b>	EURO Ressources SA	SOTRAPMAG SARL
<b>Identification Number</b>	390 919 082 00029	339 146 284 00015
<b>Registered Office</b>	23 rue du Roule 75001 Paris France	859 Rocade du Baduel Cayenne, French Guyana 97300
<b>Consolidation Method 2007</b>	Parent Company	Full Consolidation
<b>Consolidation Method 2006</b>	Parent Company	Full Consolidation
<b>% Control 2007</b>	Parent Company	100%
<b>% Control 2006</b>	Parent Company	100%
<b>% Interest 2007</b>	100%	100%
<b>% Interest 2006</b>	100%	100%



## 2) Basis of accounting and presentation

The interim consolidated financial statements are unaudited but have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the IASB. The unaudited interim consolidated financial statements have been prepared in accordance with IFRS 34, Interim Financial Reporting. The accounting policies are consistent with those applied in the consolidated financial statements for the fiscal year ended December 31, 2006.

EURO is a French company and prepares its financial accounts in euros (€) and is obliged to prepare and present its consolidated statements in euros. However, 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 its borrowings, are denominated. Certain additional information is presented in these consolidated financial statements in US dollars ("\$").

### 2.1) Interpretations and amendments to the published standards which took effect in 2007

Application of the following amendments and interpretations became obligatory with effect from the 2007 fiscal year:

- IFRS 7: Financial Instruments – Information to be provided on financial instruments (replacement of standard IAS 30, revision of standard IAS 32 and amendment of standard IAS 1}
- IAS 1: Amendment related to share capital (resulting from standard IFRS 7)
- IFRIC 10: Interim Financial Reporting and Impairment
- IFRIC 9: Reassessment of Embedded Derivatives
- IFRIC 8: Scope of IFRS 2 (Share Based Payment)
- IFRIC 7: Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies

Having analyzed these amendments and interpretations, management concluded that they did not apply to the Group's operations with the exception of IFRS 7, IAS 1 and IFRIC 10; none of these had a material impact on the Group's financial statements of the period.

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

The Group has decided not to opt for early adoption of new standards, and interpretations and amendments to existing standards, not applicable until fiscal years commencing after January 1, 2007. Among such new standards, interpretations and amendments, the Group has identified the following requirements which will apply to it during the coming years:

- IAS 23: Amendments to standard IAS 23 - Borrowing Costs
- IFRS 8: Operating Segments

The impact of these new requirements on the Group's financial statements is currently being assessed.

## 3) Management of financial risk

The Group's activities expose it to different types of financial risk: market risk (notably foreign currency risk and risk of changes in value due to fluctuation in interest rates and in the market price for gold), credit risk, liquidity risk and cash flow risk also due to fluctuation in interest rates. The Group has a risk management program which is focused on the volatility of the financial markets and which seeks to minimize the potentially unfavorable effects of that volatility for the Group's financial performance.

**3.1) Market risk**

- **Price risk:** the Group is exposed to the risk of changes in the market price for gold which it partially hedges by engaging in forward sales of gold.
- **Foreign currency risk:** EURO Ressources is exposed to foreign currency risk given that its transactions are mainly denominated in US dollars while its presentation currency is the euro.

**3.2) Credit risk**

The Group is subject to credit risk given that 97% of its revenue is concentrated on one company, IAMGOLD, which operates the Gross Rosebel mine.

**3.3) Liquidity risk**

Prudent management of liquidity risk implies retaining a sufficient level of liquidities, disposing of appropriate credit facilities and being able to liquidate market positions. The Group believes that its recurring financial resources are adequate to cover all its expenditure.

**3.4) Interest rate, cash flow and fair value risks**

The Group does not hold any interest-bearing assets.

The Group is exposed to an interest rate cash flow risk in respect of its borrowings from Macquarie Bank Limited (see note 10.1) which bear interest on a variable rate basis. The Group has estimated that this risk does not require hedging to protect against possible increases in the variable loan interest rate.

**4) Intangible assets**  
(in thousands of €uro)

	December 31, 2006	Increase	Decrease	Translation adjustment	Sept 30, 2007
<b>Gross values</b>					
Paul Isnard	4,164			(312)	3,852
Gross Rosebel	11,627			(870)	10,757
<b>Total</b>	<b>€15,791</b>	<b>-</b>	<b>-</b>	<b>€(1,182)</b>	<b>€14,609</b>
<b>Amortization</b>					
Paul Isnard	(4,164)			312	(3852)
Gross Rosebel	(1,687)	(412)		146	(1,952)
<b>Total</b>	<b>€(5,851)</b>	<b>€(412)</b>	<b>-</b>	<b>€458</b>	<b>€(5,804)</b>
<b>Net values</b>					
Paul Isnard	-	-		-	-
Gross Rosebel	9,940	(412)		(724)	8,805
<b>Total</b>	<b>€9,940</b>	<b>€(412)</b>	<b>-</b>	<b>€(724)</b>	<b>€8,805</b>

On March 23, 2007, EURO concluded a memorandum of understanding with Golden Star (see Note 18) regarding, amongst other things:

- an amendment to the previous agreement with Golden Star for the acquisition of the Paul Isnard concessions and exploration permit held by EURO in French Guiana;
- the granting to EURO of an option to settle for cash the contingent payments otherwise payable determined from future production in terms of the Rosebel acquisition agreement.

## 5) Property, plant and equipment (in thousands of €uro)

	December 31, 2006	Increase	Decrease	Translation adjustment	Sept 30, 2007
<b>Gross values</b>					
Other property, plant and equipment	5	2	-	(1)	6
<b>Total</b>	<b>€5</b>	<b>€2</b>	<b>-</b>	<b>€(1)</b>	<b>€6</b>
<b>Depreciation</b>					
Equipment and tools	-	-	-	-	-
Other property, plant and equipment	(2)	(2)	-	1	(3)
<b>Total</b>	<b>€(2)</b>	<b>€(1)</b>	<b>-</b>	<b>1</b>	<b>€(3)</b>
<b>Net values</b>					
Equipment and tools	-	-	-	-	-
Other property, plant and equipment	3	-	-	-	3
<b>Total</b>	<b>€3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>€3</b>

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

Current assets	Sept 30, 2007	December 31, 2006
Trade receivables and similar accounts <sup>1</sup>	2,069	1,700
<b>Subtotal of trade receivables and similar accounts</b>	<b>2,069</b>	<b>1,700</b>
Tax and social security receivables	83	146
Prepaid expenses	30	19
<b>Subtotal other current assets</b>	<b>113</b>	<b>165</b>
<b>Total</b>	<b>€2,182</b>	<b>€1,865</b>

<sup>1</sup> Trade receivables include €1.895 million of amounts receivable from IAMGOLD.

## 7) Cash and cash equivalents (in thousands of €uro)

	Sept 30, 2007	December 31, 2006
Marketable securities	53	48
Cash	405	884
Restricted cash <sup>1</sup>	109	370
Accrued interest receivable	-	1
<b>Total</b>	<b>€567</b>	<b>€1,303</b>

<sup>1</sup> The royalties paid by IAMGOLD are paid to a restricted account at Macquarie Bank. These funds may only be used for approved corporate expenditures.

**8) Share capital**

As of September 30, 2007 the Company's share capital comprises 50,492,884 common shares with a nominal value of €0.01 per share. There were no shares issued during the third quarter of 2007.

	Number of shares	Nominal value	Share Capital (in 000 Euro)	Additional paid-in capital (in 000 of Euro)
<b>As at December 31, 2006</b>	<b>50,442,884</b>	<b>€0.01</b>	<b>€504</b>	<b>€ 38,387</b>
<b>As of Sept 30, 2007</b>	<b>50,492,884</b>	<b>€0.01</b>	<b>€505</b>	<b>€ 38,396</b>

**9) Stock-based payments**

The subscription price for a share covered by an option/(purchase commitment) is denominated in Euros and will be equal to 80% of the closing price on Euronext Paris during the 20 consecutive days of trading preceding the date of grant of the option.

During the third quarter of 2007, outstanding stock options were as follows:

	Average Exercise Price	Number of Share Options
<b>As of December 31, 2006</b>	<b>€0.73</b>	<b>1,475,000</b>
Granted	€0.85	100,001
Exercised	€0.21	(50,000)
<b>As of September 30, 2007</b>	<b>€0.75</b>	<b>1,525,001</b>
Not exercisable	€0.97	525,000
Exercisable	€0.64	1,000,001

The following are the maturities and prices for the stock options available at September 30, 2007:

Year of maturity	Average exercise price	Number of Share Options
2014	€0.21	50,000
2015	€0.27	400,000
2016	€0.97	975,000
2017	€0.85	100,001

On August 3, 2007, 50,000 options were granted of which all vested with effect of the date of grant. No other stock based transactions occurred during the third quarter 2007.

**10) Financial Liabilities (in thousands of euro)**

	Sept 30, 2007	December 31, 2006
Macquarie Bank Limited loan	453	1,774
Golden Star loan	2,609	2,613
Other financial debt	3,036	3,003
Derivative financial instruments	7,438	7,518
<b>Total non-current financial liabilities</b>	<b>€ 13,536</b>	<b>€ 14,908</b>
Macquarie Bank Limited loan	2,068	1,936
Accrued interest on loans	34	124
Derivative financial instruments	3,472	3,548
<b>Total current financial liabilities</b>	<b>€ 5,574</b>	<b>€ 5,608</b>

**10.1) Macquarie Bank Limited loan**

The Company's bank borrowings comprise a loan from Macquarie Bank Limited ("Macquarie"). This was drawn in two tranches:

The first tranche of \$6 million was drawn on January 7, 2005, and used to pay the first installment of the Rosebel purchase price. The loan principal was repayable in nine equal quarterly installments of \$666,667 commencing July 29, 2005. Final maturity is July 29, 2007. On April 26, 2007, Macquarie agreed to extend the principal payment due on April 29, 2007 until January 29, 2009. A fee of \$13,333 was charged by Macquarie for this extension.

A second tranche of \$3 million was drawn on September 30, 2005, and used to pay part of the second installment of the Rosebel purchase price. The principal amount is repayable in five equal quarterly installments of \$600,000 commencing on October 29, 2007. Final maturity is on October 29, 2008.

The applicable interest rate is LIBOR (London Interbank Offered Rate) plus 2.5% p.a.

The Company is required to respect certain financial ratios during the period of the loan. As a condition of the loan, the Company was required to implement a program of forward sales of gold (see note 10.4). At September 30, 2007, the Company was in full compliance with these financial ratios.

**10.2) Golden Star loan**

On September 30, 2005, the Company borrowed \$3.0 million from Golden Star to assist in paying the second installment of the Rosebel royalty acquisition price. The loan carried interest until December 31, 2005 at the rate of 6% p.a. payable quarterly and thereafter at 12% p.a. until full repayment. This loan is subordinated to the Macquarie loan and principal repayment may not be made until the Macquarie loan is fully repaid, except from funds derived other than from the Rosebel royalty.

The interest capitalized at September 30, 2007 amounted to €506,000 (€340,000 at December 31, 2006). On March 23, 2007, EURO concluded a memorandum of understanding with Golden Star in terms of which Golden Star, subject to certain conditions, agreed to provide an underwriting commitment of \$5 million to support a rights issue, and in consideration of that support, EURO agreed that to fully repay the loan principal and interest from the proceeds of that rights issue. During September 2007, the Company launched the rights issue which is scheduled to close before the end of November 2007. Interest on the loan was revised to 5% p.a. with effect from September 30, 2007.

**10.3) Other financial liabilities**

On March 23, 2007, EURO concluded a memorandum of understanding with Golden Star in terms of which EURO was granted an option by Golden Star to settle the contingent element of the purchase price consideration for the Rosebel Royalty. On September 30, 2007, the Company exercised this option for \$4.4 million, to be paid out of the proceeds of the rights issue, expected to close before the end of November 2007. As at September 30, 2007, an amount of €3.0 million is shown as a contingent liability to Golden Star, which amount was reflected as an addition to the acquisition price for Rosebel. On payment to Golden Star of the \$4.4 million option price, an adjustment will be made to the carrying value of Rosebel to reflect this amount in substitution of the contingent purchase price liability.

**10.4) Derivative financial instruments**

For the purpose of the Macquarie financing, EURO was required to hedge a portion of the Rosebel royalty revenue against fluctuations in the market price for gold. EURO therefore concluded two forward sale agreements for gold:

A forward sale agreement for 57,000 ounces of gold at \$421 per ounce for settlement in 10 equal calendar quarter amounts of 5,700 ounces, commencing January 2005, settling 29 days after each calendar quarter. EURO settled its last forward sale agreement of 5,700 ounces of gold at \$421 per ounce on July 31, 2007.

A second forward sale agreement for 57,000 ounces of gold at \$458.50 per ounce for settlement in 10 equal calendar quarter amounts of 5,700 ounces, commencing July 2007, settling 29 days after each calendar quarter.

The contracts provide that when the quarterly average of the London PM gold price is less than the settlement price, Macquarie pays EURO the difference between the average price and the contractual price for 5,700 ounces of gold. Conversely, when the quarterly average of the London PM gold price is higher than the contractual price, EURO pays the financial institution the difference between the average price and the settlement price for 5,700 ounces of gold.

During the quarter ended September 30, 2007, the quarterly average of the London PM gold price exceeded \$458.50 per ounce and the Group accrued a payment due to Macquarie of \$1.3 million (€0.9 million) in settlement of the contracts for that calendar quarter, payable October 29, 2007.

At September 30, 2007 the negative fair value of the forward sale agreements for gold amounted to \$15.571 million (€10.910 million) (compared to \$14.610 million, or €11.1 million at December 31, 2006) resulting in a loss of \$0.96 million (€0.71 million). The Group has decided to account for changes in the fair value of this financial instrument through the income statement.

**11) Trade payables and other current liabilities  
(in thousands of €uro)**

	<b>Sept 30, 2007</b>	<b>December 31, 2006</b>
Trade payables	488	489
Tax and social security liabilities	25	18
Golden Star	-	34
Gold hedge liabilities	885	831
Other liabilities <sup>1</sup>	30	28
<b>Total</b>	<b>€ 1,428</b>	<b>€ 1,400</b>

<sup>1</sup> Other liabilities mainly comprise directors' fees due in respect of the third quarter 2007

**12) Revenue from ordinary activities and other operating income**  
(in thousands of €uro)

	For Nine Months ended	
	Sept 30, 2007	Sept 30, 2006
Rosebel royalties	5,026	5,377
Other operating income	263	182
<b>Total</b>	<b>€ 5,289</b>	<b>€ 5,558</b>

Revenue from ordinary activities is 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 Guyana.

The predominant source of revenue from ordinary activities is from royalties related to operations at the Rosebel mine.

**13) Operating expenses**

Operating expenses mainly comprise:

- administrative expenses,
- directors' fees,
- fees related to the preparation and audit of the unconsolidated and consolidated financial statements,
- legal fees, and
- costs relating to the reporting obligations of the Company in France and Canada.

**14) Financial income and expenses**  
(in thousands of €uro)

	For Nine Months ended	
	Sept 30, 2007	Sept 30, 2006
Other investment income	19	13
Foreign exchange gain	86	120
<b>Total financial income</b>	<b>€105</b>	<b>€133</b>
Interest on Macquarie loan	192	296
Effect of discounting other financial debt	272	263
Interest on Golden Star loan	200	289
Foreign exchange loss	52	42
Financial instrument expenses	711	3,143
Gold hedge expenses	2,938	2,469
<b>Total financial expenses</b>	<b>€4,365</b>	<b>€6,502</b>
<b>Net financial income (expense)</b>	<b>€(4,260)</b>	<b>€(6,369)</b>



**15) Depreciation and amortization expenses**  
(in thousands of €uro)

	For Nine Months ended	
	Sept 30, 2007	Sept 30, 2006
Amortization charge in respect of intangible assets	412	546
Depreciation charge in respect of plant, property and equipment	2	11
<b>Total</b>	<b>€414</b>	<b>€557</b>

**16) Tax****16.1) Tax Reconciliation**  
(in thousands of €uro)

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:

	Sept 30, 2007
<b>Profit (loss) before tax</b>	<b>€(982)</b>
Theoretical tax calculated at the legal rate applicable in the country of each subsidiary	327
Tax related to non-taxable revenue items	-
Tax related to non-deductible expenses	1
Tax related to permanent differences	(62)
Utilization of tax losses carried forward	604
Other	49
Translation adjustment	(112)
<b>Effective tax</b>	<b>€807</b>

The corporate income tax rate applied for fiscal year 2007 is 33 1/3%.

**16.2) Tax Recovery**  
(in thousands of €uro)

Corporate income tax recovery comprises the following:

	Sept 30, 2007
Current income tax recovery/(expense)	(9)
Deferred tax recovery on temporary differences and tax losses carried forward	816
<b>Total</b>	<b>€807</b>

**16.3) Deferred tax assets**

Deferred tax assets amount to €7.79 million. The principal categories of deferred tax assets are:

- **Tax losses carried forward** of EURO, amounting to €11.7 million generating a deferred tax asset of €3.91 million.
- **Temporary difference:**  
Deferred tax asset arising from gold forward sale contracts: €3.88 million.

Losses carried forward have been utilized on the basis of the business plan presented by management, which provide reasonable reassurance that these losses carried forward may be offset against future taxable income, within the immediate future (less than 5 years).

**17) Earnings per share**

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

	For Nine Months ended	
	Sept 30, 2007	Sept 30, 2006
Net profit (loss) attributable to holders of common shares	€ (175)	€ (1,784)
Weighted average number of common shares	50,492,055	49,402,884
<b>Earning per Share</b>		
Basic	€(0.003)	€(0.036)
Diluted	€(0.003)	€(0.036)

**18) Related parties**

Information on Related Parties:

	Golden Star Resources Ltd.	Xystus Holdings Corp. Ltd.
<b>Presentation of related parties</b>	EURO Ressources shareholder	XYSTUS which owns 7.74% of EURO: James H. Dunnnett is the beneficial owner and chief executive of Xystus
<b>Nature of relationship between related parties</b>	Loan of €2.60 million – see note 10.2. Other financial liabilities of €3.03 million for contingent element of the Rosebel purchase consideration – see note 10.3	23
<b>Balance, maturity date and repayment terms</b>	To be paid from proceeds of the Company's rights issue - see notes 10.2 and 10.3 and below	Not applicable

## 19) Post Balance Sheet Events

On September 29, 2007 the company announced a rights issue to be made to its shareholders. This was launched on October 3, 2007, and all shareholders received one right for each share held and five rights entitled the holder to purchase one additional share on payment of €0.75. On November 9, 2007 EURO was advised by BNP Paribas, its transfer agent, that applications for subscriptions had been confirmed for 84.8% of the rights issued with additional applications by way of over-allotments for 42.6% of the total rights issued. Confirmation of the allocation of rights available for the over-allotment applications is anticipated on November 14, 2007 and final closing of the issue is expected shortly thereafter.

On the closing of the rights issue the Company expects to conclude payment of the debt and interest owed under the Golden Star loan (see Notes 10.2 and 18) and the payment of the \$4.4 million option price as settlement of the additional purchase price consideration payable for the Rosebel purchase (see Notes 10.3 and 18).

On October 23, 2007, EURO was advised by IAMGOLD that it had revised the method used to calculate the Rosebel Royalty and had deducted \$286,281 in respect to prior periods and \$67,346 in respect to payment due in Q3 2007. These deductions reflect the price participation with respect to monetary payments made by IAMGOLD to Grassalco, which IAMGOLD has now determined to treat as an imputed number of ounces of gold calculated, as if a royalty and then deduct it from the production used to compute the payments due to EURO. EURO advised IAMGOLD that it disagreed with this revised interpretation of the agreements terms and has sent a formal Objection Notice. EURO intends to take all appropriate steps to obtain full payment of all amounts now deducted.

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

The following discussion and analysis is prepared as at November 12, 2007 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 €uro and in accordance with International Financial Reporting Standards.

### 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 is obligated to prepare its consolidated accounts in €uro, and the €uro is therefore 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 royalties and its term loans. Therefore, management has presented certain data in the MD&A in US dollars.

The currency exchange rate used to present the financial statements in €uro is €1 = \$1.42718 for balance sheet items (€1 = \$1.3202 as at December 31, 2006). The average currency exchange rate for the nine months ended September 30, 2007, used to present the consolidated income and cash flow statements, is 1.35166 (€1 = \$1.24498 for the nine months year ended September 30, 2006). The average currency exchange rate for the quarter ended September 30, 2007, used to present the consolidated income and cash flows statements, is €1 = \$1.37417 (€1 = \$1.27512 for the third quarter in 2006).

### STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This Quarterly Report 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 Quarterly 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 royalty and similar interests 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 royalty payments from IAMGOLD. We are actively seeking to acquire additional royalty rights.

We continue to own certain gold exploration properties and property interests in French Guiana: in March 2007 we reached an agreement in principle with Golden Star Resources Ltd. ("Golden Star") on, amongst other things, our Paul Isnard property in French Guiana. Under this agreement, Golden Star committed to expedite exploration and feasibility studies on the property.

Prior to 2005, our business was gold and diamond exploration in French Guiana.

**Three months ended September 30, 2007 compared to three months ended September 30, 2006**

We recognized €2.02 million of revenue in the quarter ended September 30, 2007, compared to €2.00 million of revenue in the quarter ended September 30, 2006. Substantially all of this revenue is income from the Rosebel Royalty. The Rosebel gold mine produced 75,227 ounces of gold in the third quarter this year, a 3% decrease from the 77,837 ounces produced in the third quarter of last year. Liquidated hedging costs associated with the revenue were €0.91 million in the third quarter of 2007, compared with liquidated hedging costs in the third quarter of 2006 of €0.89 million. After accounting for losses on gold derivatives liquidated during the period, net revenue at Rosebel was €1.11 million in the third quarter this year, compared to the net revenue of €1.11 million for the same quarter last year.

General and administrative expenses were €0.5 million for the quarter (Q3 2006: €0.4 million). This increase reflects continuing high legal and accounting expenses associated with the dual listing on the Euronext and the Toronto Stock Exchange and compliance with dual regulations for capital raising activities. The reduction in interest expense, €0.12 million this quarter compared with €0.15 million in Q3 2006, reflects the continued reduction in debt to Macquarie Bank Limited ("Macquarie").

The decrease in amortization expenses to €0.16 million (Q3 2006: €0.18 million) reflects decreased production at Rosebel. The charge of €0.08 million for debt accretion (Q3 2006: €0.09 million) relates to the accounting treatment for the deferred component of the Rosebel Royalty purchase consideration. See post balance sheet events for more details.

Notwithstanding the economic effectiveness of the derivatives used to hedge certain of the future cash flow from the Rosebel Royalty, in support of our loan repayment obligations, we have recognized fair value of these derivatives against income, being the total unrealized mark-to-market losses of our outstanding gold hedge position. There was a non-cash unrealized mark-to-market derivative loss of €2.35 million in the third quarter this year compared with a non-cash mark-to-market gain of €2.30 million in the third quarter last year, before tax adjustments. These gains and losses do not affect our current cash-flow. If hedge accounting had been available, these prospective losses would have been brought to account against the matching income, and the contango costs inherent in the mark-to-market loss now reflected against income would not arise. The large swing in the unrealized mark-to-market derivative position between the two quarters reflects the changing gold price between those quarters.

We have recognized a future tax credit of €0.57 million for the third quarter of 2007, compared with reduction in future tax credit of €0.88 million in the same quarter last year. The resultant net loss of €1.52 million compares to a profit of €1.76 million in the third quarter of 2006.

**Nine months ended September 30, 2007 compared to nine months ended September 30, 2006**

We recorded a net loss of €0.18 million during the first nine months of 2007, compared to a €1.78 million loss for the first nine months of 2006. Revenue from royalties represented nearly all of our revenue of €5.29 million (€5.56 million for first nine months of 2006) with €5.02 million earned from the Rosebel Royalty (€5.38 during same period last year). The reduction in revenue from 2006 to 2007 mainly relates to the strike in the first quarter of 2007 and the heavy rains during that same quarter.

The continued rise in the price of gold (\$665.58 average for the first nine months of 2007 compared with an average of \$600.73 for the same period last year) would have provided an increase in revenue for the period although we recorded a decrease in revenue, which is largely due to reduced production at Rosebel and the impact of the foreign exchange 11% rise in value of Euro against our functional currency of US Dollars.

We recorded a non-cash mark-to-market loss of €0.71 million (compared with the same period in 2006 when we recorded a non-cash mark-to-market loss of €3.14 million) arising from the accounting treatment for our gold hedging contracts which are valued as at the last day of the respective periods. This non-cash income does not affect the cash-flow or liquidity of the Company during the period.

**OUTLOOK**

Over the next 12 months, the Rosebel Royalty is expected to provide cash flow to the Company of about \$15 million at current gold prices of around \$800 per ounce, offset by an estimated liquidated hedging expense of approximately \$7.9 million.

Additional fair value losses, primarily reflecting increased gold prices, may adversely affect our stated earnings; however this accounting treatment will not adversely impact cash-flow. We expect our cash-flow from royalties will enable us to adequately meet all anticipated operational and debt service obligations.

On closing of our rights offering, we intend to use the €7.6 million of proceeds to reduce our debt to Golden Star and seek to mitigate our hedging liabilities to Macquarie.

**LIQUIDITY AND CAPITAL RESOURCES**

Consolidated cash at September 30, 2007 was €0.6 million, including €0.10 million restricted cash. We expect to have sufficient cash flow to fund our on-going operational needs and provide sufficient resources to advance acquisition opportunities.

On closing of our rights offering, we intend to use the €7.6 million of proceeds to reduce our debt to Golden Star and seek to mitigate our hedging liabilities to Macquarie.

As a consequence of not recording the contingent Rosebel Royalty income for future periods as a current receivable in 2007, but reporting the related mark-to-market hedging liabilities as current liabilities, we report a working capital deficiency. Since we anticipate that the Rosebel Royalty will be paid on a forecast production at Rosebel in excess of the 5,700 ounces of production hedged each quarter, we have adequate liquidity to meet our obligations as they become due.

We intend to seek additional acquisitions of gold mineral interests and will likely require additional capital to complete any such transaction. In addition to established cash-flow, we anticipate arranging a combination of equity and debt transactions as sources of capital. There remains no assurance we can obtain additional funding at acceptable prices.

**KEY FINANCIAL DATA**

The key financial information for the third quarter 2007 and 2006 is presented in the following tables:

**In thousands of €uro  
except per share data**

	<b>2007 Q3</b>	<b>2006 Q3</b>
Total Revenue	€ 2,024	€ 2,002
Liquidated loss on derivatives	(910)	(890)
Total Revenue less loss on derivatives	1,114	1,112
Net Profit (Loss )	€ (1,521)	€ 1,759
Net Profit (loss) per share, basic	€ (0.03)	€ 0.036
fully diluted – per share	€ (0.03)	€ 0.035
Total assets	€ 19,361	€ 20,684
Total long-term financial liabilities	€ 13,536	€ 14,649
Cash dividends declared	Nil	Nil

The quarterly data for the first three quarters of 2007 and 2006 reflect the exchange rates used in the Financial Statements to convert US dollar amounts to €uro. Other periods reflect a conversion of our results expressed in US dollars, converted to €uro at the average exchange rate for the respective financial year.

**In thousands of €uro  
except per share data**

Total Revenues less loss on derivatives

Cash provided by/(used) in operating activities

Net profit/(loss)

Net profit/(loss) per share, basic  
fully diluted – per share

<b>2007 Q3</b>	<b>2007 Q2</b>	<b>2007 Q1</b>	<b>2006 Q 4</b>
€ 1,114	€ 875	€ 345	€ 1,277
463	(404)	145	107
€ (1,521)	€1,670	€ (330)	€ (790)
€(0.030)	€ 0.033 € 0.033	€(0.007)	€(0.015)
<b>2006 Q 3</b>	<b>2006 Q 2</b>	<b>2006 Q 1</b>	<b>2005 Q 4</b>
€ 1,112	€ 1,977	€ 950	€1,124
221	622	254	77
€1,759	€ (681)	€(2,860)	€2,344
€0.036 €0.035	€(0.014) €(0.014)	€(0.058)	€0.037 €0.011

Total Revenues less loss on derivatives

Cash provided by/(used) in operating activities

Net profit/(loss)

Net profit/(loss) per share, basic  
fully diluted – per share

**HEDGING**

As required by the loan agreement with Macquarie, we entered into a cash-settled forward sales agreement in January 2005 and sold 5,700 ounces of gold to Macquarie each calendar quarter, beginning March 31, 2005 and every calendar quarter thereafter through June 30, 2007. During the third quarter 2005, we entered into a further cash settled forward sales contract and sold a further 5,700 ounces of gold to Macquarie each calendar quarter, beginning in the third quarter of 2007 until December 31, 2009. In both contracts, cash settlement occurs on the 29<sup>th</sup> day of the month following the calendar quarter.

In terms of these cash settled forward sales contracts, when the average price of 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 and is \$458.50 for the second series contract.

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, to the extent of attributable production of 57,000 ounces per quarter. Attributable gold production in the third quarter of 2007 (after the deduction of the government royalties) was 73,722 ounces and 188,795 ounces for the first nine months of 2007. The London PM gold fix averaged \$665.58 per ounce during the first nine months of 2007, and we showed a liquidated derivative loss of €2.9 million with respect to gold hedging for the first nine months of 2007.



We have the following gold derivative contracts outstanding at September 30, 2007:

	Maturity Date of Gold Forward Contracts			
	2007	2008	2009	Total
Ounces of gold	5,700	22,800	22,800	51,300
Average Price	\$458.50	\$458.50	\$458.50	\$458.50

## DEBT AND CONTRACTUAL OBLIGATIONS

The amounts shown below, which are all payable in US dollars, are undiscounted to show full expected cash requirements, in thousands of dollars in respect to debt and contractual obligations.

In thousands of US\$	Payments Due by Period				
	Total	< 1 Year	1- 3 Years	4- 5 Years	> 5 Years
Golden Star Resources Ltd.	\$5,123	\$ -	\$3,722	\$115-	\$1,286-
Macquarie Bank Limited	3,667	\$3,000	\$667	-	-
<b>Total</b>	<b>\$8,790</b>	<b>\$3,000</b>	<b>\$4,389</b>	<b>\$115-</b>	<b>\$1,286</b>

## SHARE CAPITAL

As at September 30, 2007 and the date of this report, we had 50,492,884 common shares outstanding with a par value of €0.01 per share.

### Common Shares – as of September 30, 2007 and the date of this report:

	€	\$
Par	505	721
Premium	<u>38,396</u>	<u>54,798</u>
Total Share Capital	<u>€38,901</u>	<u>\$55,519</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.

The Rosebel Royalty acquired from Golden Star has been capitalized as the net present value of the future consideration to be paid to Golden Star, calculated at an annual discount rate of 12%, being the marginal borrowing rate for the Company. In determining the payments to be made, the reserve and resource components of the Rosebel gold mine have been reviewed by a Qualified Person who prepared the Company's report in terms of Canadian National Instrument 43-101. Based on this report, the calculation has utilized 100% of the Proven and Probable Reserves, 67% of the Indicated Resources and 33% of the Inferred Resources.

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.

### **CHANGE IN APPLICATION OF ACCOUNTING POLICY**

Prior to the 2005 year-end, we changed the application of our hedge accounting policies to record mark-to-market assets and liabilities on our derivative gold hedges against income in the period they arise. Historically, we had formally documented all relationships between the hedging instruments and hedged items with the intention of presenting our derivatives as an effective hedge and accounting for them as qualifying for hedge accounting. As a consequence of this change, we amended and restated our quarterly results for the first three quarters of 2005.

### **RELATED PARTY TRANSACTIONS**

Prior to December 2006 Golden Star was the parent company of EURO (until June 2006) or its largest shareholder (until December 2006). Mr. James H. Dunnett, Directeur-Général, provides services to the Company through Xystus Holdings Corp. Ltd., of which Mr. Dunnett is chief executive and which is a 7.74% shareholder of EURO.

### **DISCLOSURE CONTROLS AND PROCEDURE**

The Company has limited employees and 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 are effective.

### **TRANSACTIONS INVOLVING GOLDEN STAR RESOURCES LTD.**

#### **Memorandum of Understanding**

On March 26, 2007, EURO entered into a memorandum of understanding with Golden Star regarding:

- i) an amendment to the previous agreement with Golden Star for the acquisition of the Paul Isnard concessions and exploration permit held by EURO in French Guiana;
- ii) the granting to EURO of an Option to settle for a single cash payment the remaining contingent payments payable in terms of the Rosebel acquisition agreement;
- iii) the agreement by Golden Star, subject to certain conditions, to provide an underwriting commitment of \$5 million to a rights issue by EURO; and
- iv) the agreement by EURO to repay the outstanding principal and interest due to Golden Star by EURO from the proceeds of a rights issue underwritten per (iii), and
- v) full forgiveness of the debt remaining from the re-organization undertaken in 2004, otherwise due to Golden Star from the proceeds of sale of the Paul Isnard Property.

Further details of the agreement in respect of Paul Isnard properties and the Rosebel contingent payment Option are as follows:

#### **Rosebel Royalty**

Golden Star granted an option to EURO to settle the contingent future additional purchase payments due by EURO to Golden Star under the Rosebel Royalty purchase agreement. The Option provided for a cash payment of \$4,150,000 on or before June 30, 2007 with a right to extend the option period to December 31, 2007 for an addition of \$250,000 to the Option price for each quarter's deferral. On September 30, 2007 EURO exercised its Option to settle the contingent future additional purchase payments to Golden Star in the amount of US\$4.4 million from the proceeds of the rights offering. See Post Balance Sheet events for more details.

**Paul Isnard exploration properties in French Guiana**

Under the amendment to the previous agreement with Golden Star on the Paul Isnard concessions and PER (the "Properties") held by EURO in French Guiana, Golden Star agreed to certain exploration and development commitments and will pay a royalty on production as the purchase price of the transaction.

The principal terms of the agreement are:

- EURO will receive royalty payments from production on the Properties calculated as to:
  - 10% on the first two million ounces of production
  - 5% on the next three million ounces of production

in both cases multiplied by the market price of gold in excess of \$400/ounce. The market price of gold being determined as the simple average of the London PM gold fix for each calendar quarter.
- By November 2007, Golden Star will spend €1,215,000 on the Paul Isnard exploration permit held by EURO.
- Golden Star undertakes to complete a feasibility study on at least one project on the Properties within 12 months.
- Subject to a positive feasibility study, Golden Star will commence commercial production within 30 months.
- In the event of commercial production being delayed, Golden Star will pay advance royalties of \$1 million per annum.

**POST BALANCE SHEET EVENTS**

On September 29, 2007 the company announced a rights issue to be made to its shareholders. This was launched on October 3, 2007, and all shareholders received one right for each share held and five rights entitled the holder to purchase one additional share on payment of €0.75. On November 9, 2007 EURO was advised by BNP Paribas, its transfer agent, that applications for subscriptions had been confirmed for 84.8% of the rights issued with additional applications by way of over-allotments for 42.6% of the total rights issued. Confirmation of the allocation of rights available for the over-allotment applications is anticipated on November 14, 2007 and final closing of the issue is expected shortly thereafter.

On the closing of the rights issue the Company expects to conclude payment of the debt and interest owed under the Golden Star loan (see Notes 10.2 and 18) and the payment of the \$4.4 million option price is settlement of the additional purchase price consideration payable for the Rosebel purchase (see Notes 10.3 and 18).

On October 23, 2007, EURO was advised by IAMGOLD that it had revised the method used to calculate the Rosebel Royalty and had deducted \$286,281 in respect to prior periods and \$67,346 in respect to payment due that in the Q3 2007. These deductions reflect the price participation with respect to monetary payments made by IAMGOLD to Grassalco, which IAMGOLD has now determined to treat as an imputed number of ounces of gold calculated, as if a royalty and then deduct it from the production used to compute the payments due to EURO. EURO advised IAMGOLD that it disagreed with this revised interpretation of the agreements terms and has sent a formal Objection Notice. EURO intends to take all appropriate steps to obtain full payment of all amounts now deducted.

### **ADDITIONAL INFORMATION**

Additional information relating to EURO Ressources S.A. is available on SEDAR at [www.sedar.com](http://www.sedar.com). Information related to the Rosebel Royalty can be found at IAMGOLD's website at [www.iamgold.com](http://www.iamgold.com).

Further requests for information should be addressed to:

James H. Dunnett,  
Directeur-Général  
Tel: +1 604 710 2242  
Fax: +1 604 608 3283  
Email : [jhdunnett@aol.com](mailto:jhdunnett@aol.com)

Susanne A. Hermans,  
Vice Président Finance  
Tel: +1 303 204 7771  
Fax; +1 303 496 0971  
Email: [shermans@euroressources.net](mailto:shermans@euroressources.net)