



**Consolidated Financial Statements and
Shareholder Report
First Quarter 2008**

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CONSOLIDATED FINANCIAL STATEMENTS

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Notice to reader:

The unaudited interim financial statements and management's discussion and analysis of financial condition and results of operations for the quarter ended 31 March 2008 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 €uro 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 31 March 2008	As at 31 December 2007
NON-CURRENT ASSETS		<u>€15,114</u>	<u>€16,204</u>
Intangible assets	4	7,702	8,368
Property, plant and equipment	5	2	3
Other financial assets		3	4
Deferred tax	16	7,407	7,829
CURRENT ASSETS		<u>€3,601</u>	<u>€3,587</u>
Trade receivables and similar accounts	6	3,277	2,931
Other current assets	6	104	99
Cash and cash equivalents	7	220	557
TOTAL ASSETS		<u>€18,715</u>	<u>€19,791</u>
EQUITY – GROUP SHARE		<u>€3,390</u>	<u>€3,776</u>
Issued capital stock	8	606	606
Additional paid-in capital	8	45,559	45,634
Translation adjustment		674	810
Other reserves		(41,240)	(40,511)
Retained earnings		791	(763)
TOTAL EQUITY		<u>€3,390</u>	<u>€3,776</u>
NON-CURRENT LIABILITIES		<u>€6,728</u>	<u>€7,846</u>
Loans		-	447
Other financial debt		-	-
Derivative financial instruments	10	6,728	7,399
CURRENT LIABILITIES		<u>€5,597</u>	<u>€6,169</u>
Loans	10	1,534	1,603
Derivative financial instruments	10	2,448	2,615
Gold hedge liabilities	11	944	1,270
Trade payables and similar accounts	11	499	514
Other liabilities	11	172	168
TOTAL EQUITY & LIABILITIES		<u>€18,715</u>	<u>€19,791</u>

II Consolidated Income Statements

(in thousands of €uro)

	Notes	Quarter Ended	
		31 March, 2008	31 March, 2007
Revenue from ordinary activities	12	3,151	1.341
Operating expenses	13	(411)	(503)
Depreciation and amortization expenses	15	(106)	(106)
Other income		-	-
Other expenses		(8)	-
OPERATING PROFIT		<u>€2,626</u>	<u>€732</u>
Financial income	14	14	24
Financial expenses	14	(1,642)	(1,237)
NET FINANCIAL EXPENSE		<u>€(1,628)</u>	<u>€(1,213)</u>
PROFIT (LOSS) BEFORE TAX		<u>€998</u>	<u>€(481)</u>
Income Tax Expense	16	(207)	151
NET PROFIT (LOSS) FOR THE QUARTER		<u>€791</u>	<u>€(330)</u>
Net profit (loss)		€791	€(330)
EARNINGS (LOSS) PER SHARE			
Basic		€0.013	€(0.007)
Diluted		€0.013	€(0.007)

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

	Notes	Quarter Ended	
		31 March 2008	31 March 2007
CASH FLOW RELATING TO OPERATING ACTIVITIES			
NET PROFIT (LOSS) FROM CONSOLIDATED COMPANIES		791	(330)
<i>Elimination of expenses which do not have an impact on the cash flow and/or are not related to operating activities:</i>			
Depreciation, amortization and provisions	15	106	106
Provisions		-	-
Deferred tax	16	207	(151)
Derivative financial instruments	14	615	(18)
Stock option expense		33	40
Impact of discounting other financial debt	14	-	91
Amortization of loan costs		8	-
Other		-	-
GROSS CASH FLOW FROM OPERATIONS GENERATED BY CONSOLIDATED COMPANIES BEFORE NET CHANGE IN OPERATING WORKING CAPITAL		1,760	(262)
Change in trade receivables and other current assets		311	(390)
Change in trade payables and other current liabilities		(385)	18
NET CHANGE IN OPERATING WORKING CAPITAL		696	(407)
NET CASH FLOW FROM OPERATING ACTIVITIES		€1,065	€145
CASH FLOW RELATING TO INVESTING ACTIVITIES			
AMOUNTS PAID TO PURCHASE FIXED ASSETS		-	-
NET CASH FLOW (USED IN) INVESTING ACTIVITIES		€ -	€ -
CASH FLOW RELATING TO FINANCING ACTIVITIES			
Capital decrease in cash		(75)	-
Borrowings issued and capitalized interest		(32)	16
Borrowings repaid		(380)	(509)
Early settlement of derivative financial instrument		(746)	-
NET CASH FLOW RELATING TO FINANCIAL ACTIVITIES		€(1,233)	€(493)
Impact of changes in foreign exchange rates		(169)	(49)
CHANGE IN CASH AND CASH EQUIVALENTS		€(337)	€(396)
OPENING BALANCE		557	1,303
CLOSING BALANCE		220	907
INCREASE/(DECREASE)		(337)	(396)

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
Position as of 31 December 2007 before appropriation of profit or loss	606	45,634	810	(40,511)	(763)	5,776
Appropriation of 2007 loss				(763)	763	-
Position as of 31 December 2007 after appropriation of profit or loss	606	45,634	810	(41,274)	-	5,776
Capital decrease		(75)				(75)
Options issued				34		34
Other			(136)			(136)
Profit for the period to 31 March 2008					791	791
Position as of 31 March 2008	606	45,559	674	(41,240)	791	6,390

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, Société de Travaux Publics et de Mines Aurifères en Guyane S.A.R.L. (“SOTRAPMAG”). EURO is a *Société Anonyme*, domiciled in metropolitan France with its registered office located in Paris.

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”.

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 it then held less than a 50% shareholding and EURO was no longer a subsidiary of Golden Star. Golden Star has subsequently declared their shareholding to be less than 5%.

These unaudited consolidated financial statements have been approved for publication by the Board of Directors on 25 April 2008.

1.2) Description of operations

The Group’s operations are within the gold mining sector.

In 2004, EURO completed the acquisition of a royalty interest on the 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.

1.3) List of Group companies

As at 31 March 2008 the consolidated financial statements comprise the accounts of Euro and its subsidiary. There has been no change in the Group’s consolidation scope since 31 December 2007:

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

2) Basis of accounting and presentation

2.1) Standards

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

As at 31 March 2008, these standards differ from the International Financial Reporting Standard as approved by the International Accounting Standard Board ("IASB") by the following standards and interpretations that have not yet been approved by the European Union:

- IFRIC 12 "Service concession"
- IFRIC 13 "Customer loyalty"
- IFRIC 14 "The limit on a Defined Benefit Asset Minimum funding requirements and their interaction"
- IAS 23R "Borrowing Costs"
- IAS 1R1 "Presentation of Financial statements - a revised presentation"

As at 31 March 2008 these standards and interpretations are either not yet in force or not applicable to Euro Ressources. Therefore, these consolidated financial statements are also prepared in accordance with the International Financial Reporting Standards as approved by the International Accounting Standard Board.

The consolidated financial statements for the quarter ended 31 March 2008 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.

Preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates. The main ones are described in Note 2.3.

EURO is a French company and prepares its financial accounts in euros (€ or Euro) and presents 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 ("\$").

2.1.1 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
- IFRIC 11: "IFRS 2": Group and Treasury Share Transactions

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.

2.1.2) 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 1 January 2007. Among such new standards, interpretations and amendments, the Group has identified the following requirements which may 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 risks: market risk (principally: the market price for gold, foreign currency risk and risk of changes in value of derivative instruments due to fluctuation in interest rates), credit risk, liquidity risk and interest rate risk. The Group has a risk management program which monitors 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**3.1.1) Gold Price risk****Royalty variance**

The Group is exposed to the risk of changes in the market price of gold. Its revenue from the Rosebel royalty is determined with reference to the simple average of the London PM gold price for each calendar quarter. The Rosebel royalty attributable production in 2007 was approx. 270,000 ounces and is anticipated to be approx 300,000 ounces in 2008. The table below illustrates the impact of changes in the calendar quarter average gold price on EURO's revenue, based on 300,000 ounces of attributable production:

Gold price/oz change –average per quarter	\$25	\$50	\$75	\$100
Change in royalty revenue	\$750,000	\$1,500,000	\$2,250,000	\$3,000,000

Derivative variance

As part of its risk management program, the Group holds certain gold derivative forward sales contracts which mirror the method of calculation of the applicable gold price calculation under the Rosebel royalty for the respective calendar quarter (see Note 10.2). At the end of each calendar quarter, the associated forward sales contract is liquidated and the difference between the settlement price for that quarter and the contractual price of \$458.50/ounce is settled. The table below illustrates the impact of changes in the calendar quarter average gold price on the liquidated settlement amount for each 1,000 ounces of gold forward contract (equivalent to 10,000 ounces of attributable production), which is netted against EURO's revenue.

Change in gold price/ounce – quarterly average	\$25	\$50	\$75	\$100
Change in settlement amount	\$25,000	\$50,000	\$75,000	\$100,000

3.1.2) Foreign currency translation risk

EURO is a French company that is exposed to foreign currency translation risk given that its transactions are mainly denominated in US dollars but presented in Euros, with 96% of its revenue in US dollars and 4% in Euros. Operational costs incurred in Euros exceed revenue denominated

in Euros however, this risk is considered negligible since the excess of our Euro denominated expenses over revenue is a small proportion of total expenses.

(in 000s)		US \$	€	C\$	% exposed to currency translation
Revenue	€3,151	€3,018	€133	-	96%
Expenses	€2,167	€8,702	€883	€365	87%
<i>Operational</i>	€419	€147	€163	€109	35%
<i>Financial</i>	€1,642	€1,642	-	-	100%
<i>Amortization</i>	€106	€106	-	-	100%

3.1.3) Derivative instrument interest rate risk

The mark-to-market value of the gold derivative instruments used to hedge our gold price risk varies according to the forward contango on gold prices which is directly correlated to interest rates. As at 31 March 2008, our unliquidated mark-to-market loss on these positions was €9.2 million and a 1% p.a. increase or decrease in interest rates is estimated to increase or decrease the loss by €0.1 million, respectively. The impact of interest rate changes will reduce as the gold derivative forward sales contracts are liquidated according to their schedule (see Note 10.2).

3.2) Credit risk

The Group is subject to a concentrated credit risk with 96% of its first quarter 2008 revenue 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. The Group believes that its recurring financial income and established credit facilities are adequate for this purpose and EURO is in full compliance of the financial and liquidity covenants under its existing credit facility.

3.4) Interest rate risk

The Group does not hold significant interest-bearing assets and has limited borrowing under its credit facility from Macquarie Bank (see Note 10.1) and accordingly, variance in interest rates poses limited financial risk to the Group. Our financial indebtedness at 31 March 2008 was \$2.47 million and with a scheduled duration of approximately 9 months. An adverse variance in interest rates of 1% per annum over the remaining term of the indebtedness would have an adverse impact of approximately \$10,000.

4) Intangible assets (in thousands of €uro)

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

	31 December 2007	Increase	Decrease	Translation adjustment	31 March 2008
<u>Gross values</u>					
Paul Isnard	3,732			(253)	3,479
Rosebel	10,423			(707)	9,716
Total	€14,155	-	-	€(959)	€13,196
<u>Amortization</u>					
Paul Isnard	(3,732)			253	(3,479)
Rosebel	(2,055)	(105)		146	(2,015)
Total	€(5,787)	€(106)	-	€399	€(5,494)
<u>Net values</u>					
Paul Isnard	-	-		-	-
Rosebel	8,368	(105)		(561)	7,702
Total	€8,368	€(105)	-	€(561)	€7,702

On 23 March 2007, EURO concluded a memorandum of understanding with Golden Star regarding, amongst other things, an amendment to the previous agreement with Golden Star for their acquisition of the Paul Isnard concessions and exploration permit held by EURO in French Guiana. This amendment provides for a sale of Paul Isnard in exchange for a royalty consideration. This amendment remains subject to final documentation.

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

	31 December 2007	Increase	Decrease	Translation adjustment	31 March 2008
<u>Gross values</u>					
Other property, plant and equipment	6	-	-	(1)	5
Total	€6	-	-	€(1)	€5
<u>Depreciation</u>					
Other property, plant and equipment	(3)	(1)	-	1	(3)
Total	€(3)	€(1)	-	€1	€(3)
<u>Net values</u>					
Other property, plant and equipment	3	(1)	-	-	3
Total	€3	€(1)	-	-	€2

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

Current assets	31 March 2008	31 December 2007
Trade receivables and similar accounts ¹	3,277	2,931
Subtotal of trade receivables and similar accounts	3,277	2,931
Tax and social security receivables	65	84
Prepaid expenses	39	15
Subtotal other current assets	104	99
Total	€3,381	€3,030

¹ Trade receivables include €3.277 million of amounts receivable from IAMGOLD. Included in this amount is a total of €0.4 million withheld by IAMGOLD. The Company objects to IAMGOLD's action and is pursuing arbitration, see Note 19.

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

	31 March 2008	31 December 2007
Marketable securities ²	50	54
Cash	149	472
Restricted cash ¹	21	31
Total	€220	€57

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

² There is no difference between the fair value and the accounting value.

8) Share capital

As of 31 March 2008 the Company's share capital comprises 60,591,460 common shares with a nominal value of €0.01 per share.

There were no shares issued during the first quarter of 2008.

	Number of shares	Nominal value	Share Capital (in 000 €uro)	Additional paid-in capital (in 000 of €uro)
As at 31 December 2007	60,591,460	€0.01	€606	€45,634
As at 31 March 2008	60,591,460	€0.01	€606	€45,559

9) Stock-based payments

EURO's Stock Option Plan permits the board of directors of EURO to grant stock options to eligible participants at a minimum subscription price 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 first quarter of 2008, the stock options issued, granted and outstanding, were as follows:

	Average Exercise Price	Number (in 000)
As of 31 December 2007	€0.75	1,525
Granted	€0.75	305
Exercised	-	-
As of 31 March 2008	€0.75	1,830
Not exercisable	€0.75	418
Exercisable	€0.75	1,412

The following are the maturities and prices for the stock options available at 31 March 2008:

Year of maturity	Average exercise price	Number of Share Options
2014	€0.30	60,000
2015	€0.30	480,000
2016	€0.54	1,170,000
2017	€0.83	120,001

Options Granted:

On 14 February 2008, 305,000 options were granted to the existing holders of stock options. Each option holder was granted one additional option to acquire one common share for consideration price of €0.75 per common share for every five existing stock options held, such additional options only be exercisable to the extent of the holder's existing stock options that are exercised.

235,400 of the 305,000 options vested immediately; 9,600 will vest at the end of June 2008, 15,000 will vest at the end of October 2008, 30,000 will vest at the end of January 2009 and 15,000 will vest at the end of October 2009, subject to the continuing validity of the underlying grant.

No options were exercised during the first quarter of 2008.

Options Vested:

On 1 January 2008, 102,000 options vested as part of 600,000 options granted on 30 June 2006. The remaining 198,000 unvested options vest as to:

48,000 on 30 June 2008
150,000 on 1 January 2009

subject to the condition that the Optionee remain eligible at those dates.

10) Financial liabilities (in thousands of €uro)

	31 March 2008	31 December 2007
Macquarie Bank Limited loan	-	447
Other financial debt	-	-
Derivative financial instruments	6,728	7,399
Total non-current financial liabilities	€6,728	€7,846
Macquarie Bank Limited loan	1,534	1,597
Accrued interest on loans	-	5
Derivative financial instruments	2,448	2,615
Total current financial liabilities	€3,982	€4,217

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 7 January 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 29 July 2005 with final maturity scheduled for 29 July 2007. On 26 April 2007, Macquarie agreed to extend the principal payment due on 29 April 2007 until 29 January 2009. A fee of \$13,333 was charged by Macquarie for this extension.

A second tranche of \$3 million was drawn on 30 September 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 that commenced on 29 October 2007. Final maturity is on 29 October 2008. In the table below, the Macquarie bank loan is presented at its fair value.

The scheduled maturity of the loan is detailed below

In thousands of \$	Payments due by period				
	Total	< 1 Year	1- 3 Years	4- 5 Years	> 5 Years
Macquarie Bank Limited	\$2,467	\$2,467	-	-	-

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 10.2). At 31 March 2008, the Company was in full compliance with these financial ratios.

10.2) 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 31 July 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.

Following the liquidation of the 3,200 ounces of hedge at their scheduled maturity and the liquidation of 3,200 ounces of the hedge in advance of their scheduled maturity, we had 31,200 ounces of gold derivative contracts outstanding at 31 March 2008, all at a contract price of \$458.50, with the following maturities:

	2008				2009			Total
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Gold ounces	-	3,700	4,700	5,700	5,700	5,700	5,700	31,200

At 31 March 2008 the negative fair value of the forward sale agreements for gold amounted to \$14.5 million (€9.17 million) (compared to \$14.7 million, or €10 million at 31 December, 2007) resulting in a loss of \$0.92 million (€0.61 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)

	31 March 2008	31 December 2007
Trade payables	499	514
Tax and social security liabilities	134	148
Gold hedge liabilities	944	1,270
Other liabilities ¹	38	20
Total	€1,615	€1,952

¹ Other liabilities mainly comprise directors' fees due in respect of the first quarter 2008

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

	31 March 2008	31 March 2007
Rosebel Royalty	3,018	1,231
Other operating income	133	110
Total	€3,151	€1,341

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 Guiana.

The predominant source of revenue from ordinary activities is from royalty income 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 the quarter ended 31 March	
	2008	2007
Other investment income	4	4
Foreign exchange gain	10	20
Total financial income	€14	€24
Interest on Macquarie loan	29	78
Effect of discounting other financial debt	-	92
Interest on Golden Star Loan	-	69
Foreign exchange loss	3	20
Financial instrument expenses (gain)	614	(18)
Gold hedge expenses	996	996
Total financial expenses	€1,642	€1,237
Net financial income (expense)	€(1,628)	€(1,213)

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

	For the quarter ended 31 March	
	2008	2007
Amortization charge in respect of intangible assets	105	105
Depreciation charge in respect of plant, property and equipment	1	1
Total	€106	€106

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:

	For the quarter ended 31 March	
	2008	2007
Profit (loss) before tax	€998	€(481)
Theoretical tax calculated at the legal rate applicable in the country of each subsidiary	(333)	160
Tax related to non-taxable revenue items	-	12
Tax related to non-deductible expenses	(6)	-
Tax related to permanent differences	(11)	(13)
Utilization of tax losses carried forward	-	-
Other	29	(8)
Translation adjustment	114	-
Effective tax	€(207)	€151

The corporate income tax rate applied for fiscal 2007 and 2008 is 33 1/3%.

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

Corporate income tax recovery (expense) comprises the following:

	For the quarter ended 31 March	
	2008	2007
Current income tax recovery (expense)		
Deferred tax recovery (expense) on temporary differences and tax losses carried forward	(207)	151
Total	€(207)	€151

16.3) Deferred tax assets

Deferred tax assets amount to €7.40 million. The principal categories of deferred tax assets are:

- **Tax losses carried forward** of EURO, amounting to €12.8 million generating a deferred tax asset of €4.2 million.
- **Temporary difference:**
Deferred tax asset arising from gold forward sale contracts: €3.2 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 (loss) per share

Earnings (loss) 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 the quarter ended 31 March	
	2008	2007
Net profit (loss) attributable to holders of common shares (in thousands)	€ 791	€ (330)
Weighted average number of common shares	60,594,461	50,442,884
Earnings (loss) per Share		
Basic	€0.013	€(0.007)
Diluted	€0.013	€(0.007)

18) Related parties

Information on Related Parties:

	Xystus Holdings Corp. Ltd.
Presentation of related parties	XYSTUS which owns 7.86% of EURO: James H. Dunnett is the beneficial owner and chief executive of Xystus
Nature of relationship between related parties	Management fees payable by EURO to Xystus Holdings Corp. Ltd. in 2008 were €0.032 million.

19) Arbitration

In October 2007 IAMGOLD determined to withhold a portion of the Rosebel royalty then due to EURO. This deduction was made without discussion or consultation with EURO and purports to be a revision to the basis of the royalty payments made by Cambior from the inception of production at Rosebel and a revision to the payments made by IAMGOLD since its acquisition of Cambior in late 2006. Further deductions were made against the royalty payable in January and April 2008 in respect to production in the fourth quarter of 2007 and the first quarter of 2008. The total withheld and recorded by EURO as a receivable in these financial statements is \$0.62 million (€0.39 million).

In unilaterally making these deductions, IAMGOLD has sought to attribute as a royalty determined in ounces of gold, cash payments made to the Suriname Government and Grassalco under the operating agreement for Rosebel. It has then used this arbitrary calculation of ounces to reduce the attributable ounces of production on which the Rosebel royalty is calculated and paid to EURO. Management believes there is no basis for such a computation under the Participation Agreement between Cambior (now IAMGOLD) and EURO. Consequently, EURO has objected to this unilateral deduction and sought arbitration as provided for in the Participation Agreement. The arbitration process is now proceeding.

The table below summarises by period the deductions made by IAMGOLD. EURO has made no risk provision against these amounts in the financial statements as management considers IAMGOLD's re-interpretation of the Participation Agreement is contrary to the contract and not in accord with the intentions of the original parties to the agreement, as demonstrated by four years of previous practice and payment.

	2005	2006	2007	Q1 2008
Amount withheld	\$15,035	\$174,665	\$271,676	\$162,059

Management is confident that the amounts withheld by IAMGOLD will be paid at the conclusion of the arbitration process.

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

The following discussion and analysis is prepared as at 25 April 2008 and should be read in conjunction with, and is qualified by, our consolidated financial statements and related notes for the periods indicated. The financial statements have been prepared in Euros and in accordance with International Financial Reporting Standards as adopted by the European Union.

INTRODUCTION

EURO Ressources S.A. ("EURO" or the "Company") is a French company and is listed on Euronext in Paris. In accordance with French regulations, the Company prepares its consolidated accounts in Euro which is the presentation currency for its consolidated financial statements. The functional currency of EURO is the United States dollar which is the denominational currency for its major transactions, such as income from Rosebel, its term loans and gold hedge liabilities. Therefore, management has presented certain data in this MD&A in US dollars. All dollar amounts are United States dollars (US dollars or \$), unless otherwise designated.

The currency exchange rate used to present the financial statements in Euro is €1 = \$1.58000 for balance sheet items at 31 March 2008 (€1 = \$1.47285 as at 31 December 2007). The average currency exchange rate for the three months ended 31 March 2008, used to present the consolidated income and cash flow statements, is \$1.49777 (2007: €1 = \$1.3104).

STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements, with respect to our financial condition, results of operations, business prospects, plans, objectives, goals, strategies, future events, capital expenditure, and exploration and development efforts. Words such as "anticipates", "expects", "intends", "plans", "forecasts", "projects", "budgets", "believes", "seeks", "estimates", "could", "might", "should", and similar expressions identify forward-looking statements. Although we believe that our plans, intentions and expectations reflected in these forward-looking statements are reasonable, we cannot be certain that these plans, intentions or expectations will be achieved. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained in this Annual Report. These statements include comments regarding: the establishment and estimates of mineral resources, exploration spending, the closing of certain transactions including acquisitions and offerings and expectations of future participation rights payments.

RESULTS OF OPERATIONS

Overview

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

We continue to own certain gold exploration properties and property interests in French Guiana. On 23 March 2007 we concluded a memorandum of understanding ("MoU") with Golden Star Resources Ltd. ("Golden Star") regarding, amongst other things, an amendment to the previous agreement with Golden Star for their acquisition of the Paul Isnard concessions and exploration permit held by EURO in French Guiana. This MoU provides for a sale consideration determined in a manner similar to a royalty. This amendment remains subject to final documentation.

First quarter of 2008 compared to the first quarter of 2007

We had revenue of €3.15 million in the quarter ended 31 March 2008 compared to €1.34 million in the first quarter of 2007. Substantially all of this revenue is income from the Rosebel royalty. Liquidated hedging costs associated with our scheduled loan repayments in the first quarter of 2008 were €1.00 million (2007: €0.99 million) providing net revenue after hedging of €2.16 million (2007: €0.34 million). The increase in revenue from Rosebel primarily reflects the increase in the average gold price to \$924.83/ounce for the first quarter 2008 compared to \$649.82/ounce for the same period last year, a 42.3% increase. The proportion of gold production from hard rock increased to 35.71% from 8.1% in the first quarter of 2007 giving an effective participation threshold price of \$317.86 this quarter compared to \$304.03 a year ago: the resultant amount payable per ounce of attributable production increased from \$345.79 to \$606.97, an increase of 75.53%. Production of 76,002 ounces during the first quarter of 2008 was 59.6 % higher compared to 47,610 ounces in the first quarter of 2007, when production was adversely affected by a strike at Rosebel.

General and administrative expenses were €0.41 million (2007: €0.50 million), an 18% reduction reflecting improved managerial control of expenses. Interest expense decreased in the first quarter of 2008 to €0.03 million (2007: €0.15 million) reflecting the retirement in September 2007 of the loan from Golden Star and reduced principal outstanding to Macquarie Bank.

Amortization expenses at €0.10 million (2007: €0.10 million) were the same as the first quarter last year although production was that much higher, reflecting the change in accounting estimates of the resource at Rosebel to include the full amount of the remaining participating ounces under the Rosebel royalty, which resulted in a higher resource base in computing the amortization per ounce of production. Following settlement in full of the contingent element of the Rosebel royalty, there was no debt accretion charge during the quarter (2007: €0.09 million).

Notwithstanding the economic effectiveness of the derivatives used to hedge certain of the future cash flow from the Rosebel royalty, which were implemented as a requirement of our loan from Macquarie, we have recognized against income the total unrealized mark-to-market position of our outstanding gold hedge position. The unrealized mark-to-market derivative losses in the first quarter of 2008 of €0.61 million (2007: a gain of €0.018 million), before tax adjustment, do not reflect or affect current cash-flow. If hedge accounting had been available, these prospective losses would have been brought to account against the matching income. Also, the contango costs inherent in the mark-to-market loss now reflected against income would not arise.

The increase in the unrealized mark-to-market derivative loss in the first quarter of 2008 compared to the small gain in the 2007 quarter, reflects the net of a much higher gold price less the reduction to 31,200 ounces from 62,700 ounces in the outstanding hedge book through scheduled maturity and, in part, early liquidation. The larger increase in the gold price over the quarter this year from \$836.50 to \$915.80 at 31 March 2008 compared to an increase over the comparative quarter of 2007 from \$639.70 to \$661.75 at 31 March 2007, was applied to a smaller number of outstanding hedged ounces, but offset by the liquidated losses brought to account during the first quarter of 2008 from both scheduled maturity and early liquidation. A liquidated loss of €0.74 million was recorded during the current quarter on the early liquidation of 3,200 ounces of the hedge.

We have recognized a future tax credit on the first quarter 2008 balance sheet of €7.40 million (31 December 2007: €7.83 million) being €3.20 million against the unrealized mark-to-market losses recorded at 31 March 2008 and €4.20 million in respect to cumulative net operating losses.

The profit for the first quarter 2008 of €0.79 million (€0.013 per share) compares to a loss of €0.33 million (€0.007 per share) for the first quarter of 2007.

OUTLOOK

Over the next twelve months, the Rosebel royalty is expected to provide cash flow to the Company of about \$18 million as compared to nearly \$11 million during the same time period in 2007, assuming IAMGOLD's forecast production at Rosebel is achieved and current gold prices are maintained. Additional fair value derivative losses, primarily reflecting increased gold prices, may adversely affect our stated earnings; however this accounting treatment will not directly impact cash-flow. We expect our cash-flow will be adequate to meet all corporate and related expenses, including scheduled debt service.

KEY FINANCIAL DATA

The financial information for the first quarter 2008 and 2007 is presented in thousands of Euro, except per share data.

	2008 Q1	2007 Q1
Total revenue	€ 3,151	€ 1,341
Loss on derivatives	(996)	(996)
Total revenue less loss on derivatives	2,155	345
Net profit (loss)	€ 791	€ (330)
Net profit (loss) per share, basic	€ 0.013	€(0.007)
Net profit (loss) per share, fully diluted	€ 0.013	€(0.007)
Total assets	€18,715	€ 19,736
Total long-term financial liabilities	€ 6,728	€ 15,125
Cash dividends declared	nil	nil

All financial data in the tables is in thousands of Euro, except per share data

	2008 Q1	2007 Q4	2007 Q3	2007 Q2
Total revenues less loss on derivatives	€2,155	€1,462	€1,114	€875
Cash provided by (used) in operating activities	1,065	813	463	(404)
Net profit (loss)	791	(582)	(1,521)	1,670
Net profit (loss) per share, basic	€0.013	€(0.01)	€(0.03)	€0.03
fully diluted – per share	€0.013			€0.03

	2007 Q1	2006 Q4	2006 Q3	2006 Q2
Total revenues less loss on derivatives	€345	€1,277	€1,122	€1,032
Cash provided by (used) in operating activities	145	107	511	526
Net profit (loss)	(330)	(790)	1,709	(844)
Net profit (loss) per share, basic	€(0.01)	€(0.01)	€0.03	€(0.02)
fully diluted – per share			€0.03	

LIQUIDITY AND CAPITAL RESOURCES

Consolidated cash and cash equivalents at 31 March 2008 totaled €0.2 million, including €0.02 million of restricted cash. We expect to have sufficient cash flow to fund our on-going operational needs and to provide sufficient resources to investigate acquisition opportunities.

As a consequence of not recording the contingent Rosebel royalty for 2008 as a current receivable, we report a working capital deficiency. Since we anticipate that the Rosebel royalty will be paid on the forecast production at Rosebel, and our hedging program assures certain minimum revenue per ounce of production, we have adequate liquidity to meet our obligations as they become due.

We continue to investigate additional acquisitions of gold mineral interests and would require additional capital to complete any such transaction. In addition to using established cash-flow, we would anticipate arranging a combination of equity and debt transactions as sources of capital to fund such transactions. There is no assurance that we will identify suitable acquisitions or, that we could obtain additional funding at acceptable prices.

HEDGING

As required by the loan agreement from Macquarie, we entered into a cash-settled forward sales agreement in January 2005 which obligated us to sell 5,700 ounces of gold to the financial institution at the end of each calendar quarter, beginning 31 March 2005 and every three months thereafter until 30 June 2007. Settlement occurs at the end of the month following the calendar quarter. During the third quarter 2005, we entered into a further similar cash settled forward sales contract which obligates us to sell a further 5,700 ounces of gold to Macquarie at the end of each calendar quarter, beginning in the third quarter of 2007 until 31 December 2009. In both contracts, cash settlement occurs on the 29th day of the month following the calendar quarter.

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

The hedge is structured to reflect and offset the variable nature of the gold price used in calculating the amount due to the Company in terms of the Rosebel royalty. Since the Rosebel

royalty is calculated quarterly on the average gold price and 10% of attributable production, the 5,700 ounces of each quarterly contract represent a hedge of 57,000 of attributable production per quarter.

Following the liquidation of hedges at their scheduled maturity and the liquidation of 3,200 ounces of the hedge in advance of their scheduled maturity, we had 31,200 ounces of gold derivative contracts outstanding at 31 March 2008, all at a contract price of \$458.50, with the following maturities:

	2008			2009				
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Total
Gold ounces	-	3,700	4,700	5700	5,700	5,700	5,700	31,200

DEBT AND CONTRACTUAL OBLIGATIONS

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

In thousands of dollars	Payments due by period				
	Total	< 1 Year	1- 3 Years	4- 5 Years	> 5 Years
Macquarie Bank Limited	\$2,467	\$2,467	-	-	-

SHARE CAPITAL

As at 31 March 2008 and the date of this report, we had 60,591,460 common shares outstanding with a par value of €0.01 per share. As at 31 March 2008 and the date of this report, our share capital was:

Par	€
Premium	606
Total Share Capital	<u>45,559</u>
	<u>€46,165</u>

CRITICAL ACCOUNTING ESTIMATES

Preparation of our consolidated financial statements requires the use of estimates and assumptions that can affect reported amounts of assets, liabilities, revenues and expenses. Accounting policies relating to current and future values, depreciation, depletion and amortization of bank loans, future royalty payments, equipment, and expense accruals are subject to estimates and assumptions regarding reserves, gold recoveries, future gold prices and future mining activities.

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

RELATED PARTY TRANSACTIONS

Mr. James H. Dunnett, Directeur-Général, provides advisory 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.

PAUL ISNARD - Memorandum of Understanding

On 23 March 2007, EURO entered into a memorandum of understanding with Golden Star regarding various matters which have all been consummated, except the transaction regarding Paul Isnard which awaits final documentation. The principal terms of this agreement on Paul Isnard are:

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 purchase consideration equivalent to a royalty on production.

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, and
 - 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.

As at the date of this report, Golden Star had fulfilled the required expenditures on Paul Isnard, and has submitted a preliminary assessment on the property but has not completed the required feasibility study.

Arbitration

In October 2007 IAMGOLD determined to withhold a portion of the Rosebel royalty then due to EURO. This deduction was made without discussion or consultation with EURO and purports to be a revision to the basis of the royalty payments made by Cambior from the inception of production at Rosebel and a revision to the payments made by IAMGOLD since its acquisition of Cambior in late 2006. Further deductions were made against the royalty payable in January and April 2008 in respect to production in the fourth quarter of 2007 and the first quarter of 2008. The total withheld and recorded by EURO as a receivable in these financial statements is \$0.62 million (€0.39 million).

In unilaterally making these deductions, IAMGOLD has sought to attribute as a royalty determined in ounces of gold, cash payments made to the Suriname Government and Grassalco under the operating agreement for Rosebel Gold Mines NV. It has then used this arbitrary calculation of ounces to reduce the attributable ounces of production on which the Rosebel

royalty is calculated and paid to EURO. Management believes there is no basis for such a computation under the Participation Agreement between Cambior (now IAMGOLD) and EURO. Consequently, EURO has objected to this unilateral deduction and sought arbitration as provided for in the Participation Agreement.

	2005	2006	2007	Q1 2008
Amount withheld	\$15,035	\$174,665	\$271,676	\$162,059

Management is confident that the amounts withheld by IAMGOLD will be paid at the conclusion of the arbitration process. This process is now underway.

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.

ADDITIONAL INFORMATION

Additional information relating to EURO Ressources S.A. is available on SEDAR at www.sedar.com. Information related to the Rosebel Royalty can be found at IAMGOLD's website at www.iamgold.com. Further requests for information should be addressed to:

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