



**IFRS Financial Statements and
Shareholders' Report**
Second Quarter ended June 30, 2011

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FINANCIAL STATEMENTS

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I Balance Sheets

(in thousands of Euro)

	Notes	As at June 30 2011	As at December 31 2010
NON-CURRENT ASSETS		<u>€7,111</u>	<u>€8,043</u>
Intangible assets	4 & 16	7,111	8,043
CURRENT ASSETS		<u>€28,350</u>	<u>€23,792</u>
Trade receivables	5	7,506	9,897
Other current assets	5	89	37
Cash and cash equivalents	6	20,235	13,294
Assets classified as held for sale	16	520	564
TOTAL ASSETS		<u>€35,461</u>	<u>€31,835</u>
EQUITY		<u>€4,662</u>	<u>€26,177</u>
Issued capital stock	7	625	625
Additional paid-in capital	7	104	29,477
Other reserves		(5,812)	(22,446)
Net profit for the year		9,745	18,521
TOTAL EQUITY		<u>€4,662</u>	<u>€26,177</u>
NON-CURRENT LIABILITIES		<u>125</u>	<u>143</u>
Deferred tax liability	13.2	125	143
CURRENT LIABILITIES		<u>€30,674</u>	<u>€5,515</u>
Trade payables	8	209	198
Other liabilities	8	85	100
Issuance Premium Payable	7,8	29,067	-
Current Income tax payable	8	1,313	5,217
TOTAL EQUITY & LIABILITIES		<u>€35,461</u>	<u>€31,835</u>

II Income Statements

(in thousands of Euro, except per share amount)

	Notes	For the Quarter ended		For Six Months ended	
		June 30 2011	June 30 2010	June 30 2011	June 30 2010
Revenues from ordinary activities	9	7,478	5,852	15,373	11,459
Operating expenses	10	(260)	(296)	(493)	(549)
Depreciation and amortization expenses	12	(125)	(140)	(285)	(287)
OPERATING PROFIT		<u>€7,093</u>	<u>€5,417</u>	<u>€14,595</u>	<u>€10,624</u>
Financial income	11	51	403	61	416
Financial expenses	11	(402)	(1,868)	(407)	(1,874)
NET FINANCIAL (EXPENSE)		<u>€(351)</u>	<u>€(1,466)</u>	<u>€(346)</u>	<u>€(1,459)</u>
PROFIT BEFORE TAX		<u>€6,742</u>	<u>€3,951</u>	<u>€14,249</u>	<u>€9,165</u>
Income tax expense	13	(2,277)	(1,473)	(4,504)	(3,218)
NET PROFIT		<u>€4,465</u>	<u>€2,478</u>	<u>€9,745</u>	<u>€5,947</u>
EARNINGS PER SHARE					
Basic	14	€0.071	€0.040	€0.156	€0.095
Diluted	14	€0.071	€0.040	€0.156	€0.095

III Statements of Comprehensive Income

(in thousands of Euro)

	Notes	For the Quarter ended		For Six Months ended	
		June 30 2011	June 30 2010	June 30 2011	June 30 2010
NET PROFIT FOR THE PERIOD		4,465	2,478	9,745	5,947
OTHER COMPREHENSIVE INCOME					
Currency translation differences		(377)	2,501	(1,887)	4,004
Other comprehensive income (loss) for the period		(377)	2,501	(1,887)	4,004
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>€4,088</u>	<u>€4,979</u>	<u>€7,858</u>	<u>€9,951</u>

IV Cash Flow Statements

(in thousands of Euro)

	Notes	For the Quarter ended		For Six Months ended	
		June 30 2011	June 30 2010	June 30 2011	June 30 2010
CASH FLOW RELATING TO OPERATING ACTIVITIES					
NET PROFIT		4,465	2,478	9,745	5,947
<i>Elimination of income and expenses which do not have an impact on the cash flow or are not related to operating activities:</i>					
Depreciation and amortization expenses	12	125	140	285	287
Income tax expense	13	2,277	1,473	4,504	3,218
Financial instrument expense	11	-	1,801	-	1,801
GROSS CASH FLOW FROM OPERATING ACTIVITIES BEFORE NET CHANGE IN OPERATING WORKING CAPITAL		6,867	5,892	14,534	11,253
Change in trade receivables and other current assets		231	249	1,550	456
Change in trade payables and other current liabilities		(30)	(329)	44	(276)
NET CHANGE IN OPERATING WORKING CAPITAL		201	(80)	1,594	180
Income tax paid		(7,790)	(1,438)	(8,050)	(1,438)
NET CASH FLOW FROM (USED IN) OPERATING ACTIVITIES		€(722)	€4,374	€8,078	€9,995
CASH FLOW RELATING TO FINANCING ACTIVITIES					
Payment of issuance premium		-	(17,499)	-	(17,499)
Payment of financial instruments		-	(1,970)	-	(4,580)
NET CASH FLOW RELATING TO FINANCING ACTIVITIES		€-	€(19,469)	€-	€(22,079)
Impact of changes in foreign exchange rates on cash and cash equivalents		(296)	1,496	(1,137)	2,224
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		€(1,018)	€(13,599)	€6,941	€(9,860)
OPENING BALANCE		21,253	15,250	13,294	11,511
CLOSING BALANCE		20,235	1,651	20,235	1,651
INCREASE (DECREASE)		€ (1,018)	€ (13,599)	€6,941	€(9,860)

V Statement of Changes in Equity

(in thousands of Euro)

	Share Capital	Additional paid-in capital	Translation adjustments	Retained earnings	Profit for the period	Total Equity
Position as of December 31, 2010 before appropriation of profit	625	29,477	3,303	(25,749)	18,521	26,177
Appropriation of 2010 profit				18,521	(18,521)	-
Position as of December 31, 2010 after appropriation of profit	625	29,477	3,303	(7,228)	-	26,177
Declaration of Issuance Premium on June 21, 2011 (note 7)		(29,373)				(29,373)
Total comprehensive income for the period ended June 30, 2011			(1,887)		9,745	7,858
Position as of June 30, 2011	625	104	1,416	(7,228)	9,745	4,662

VI Notes to the Financial Statements

1) General information

1.1) EURO Ressources

Effective December 2, 2008, IAMGOLD Corporation (“IAMGOLD”) became the parent company of EURO Ressources S.A. (“EURO”) when it acquired 43.4 million shares (being 71.6% of the Company) through a successful tender offer. The tender offer was then re-opened, and by December 31, 2008, IAMGOLD had acquired additional shares to own 52.8 million shares, or 84.5% of the Company. From January 1, 2009 to June 30, 2011, IAMGOLD acquired additional shares of the company increasing its ownership to approximately 86%.

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

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

These financial statements have been approved for publication by the Board of Directors on August 11, 2011.

1.2) Description of operations

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

The Rosebel royalty due by IAMGOLD applies to the first 7 million ounces of gold produced from the mine and the payments comprising the Rosebel royalty which IAMGOLD is required to pay are calculated on the basis of gold production at the Rosebel mine and the market price of gold based on the London pm fixing price.

This amount is calculated based on 10% of the excess gold market price above US\$300 per ounce for soft and transitional ore, and above US\$350 per ounce for hard rock ore, and, in each case, after deducting a fixed royalty of 2% of production paid in-kind to the Government of Suriname.

1.3) List of companies

As at June 30, 2011 the financial statements only comprise the accounts of EURO. There has been a change in EURO’s consolidation scope during 2010, since SOTRAPMAG was transferred to AUPLATA on October 22, 2010:

Company	EURO Ressources S.A.
Identification Number	390 919 082 00029
Consolidation Method 2011	Parent Company
% Control June 30, 2011	Parent Company
% Interest June 30, 2011	100%

2) Basis of accounting and presentation

2.1) Standards

The financial statements are prepared in accordance with IFRS as approved by the International Accounting Standard Board (“IASB”).

Financial statements for the period ended June 30, 2011 have been prepared using the historical cost basis of accounting adjusted by revaluation through profit or loss of financial liabilities in order to recognize derivative financial instruments at their fair value.

EURO prepares its financial accounts in Euros (€ or Euro) and presents its 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 the related cash are denominated. Certain additional information are presented in these financial statements in US dollars (“\$”).

2.1.1 Revisions, amendments and interpretations to the published standards which took effect in 2011

Since the beginning of 2011, there has been one new, amendment to the published standards:

- Amendment to IFRIC 14 – Prepayments of a Minimum Funding Requirement

This amendment has no effect on EURO’s financial statements.

All other revisions, amendments and interpretations to the published standards can be found in EURO’s 2010 IFRS Financial Statements and Shareholders’ Report.

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

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning January 1, 2011. These standards do not apply to EURO:

- IAS 21 – The effects of changes in foreign exchange rates
- IAS 28 – Investments in associates
- IAS 31 – Interests in joint ventures
- IAS 32 – Classification of rights issues
- IFRS 3R – Business Combinations (Amendments)
- IFRIC 13 – Customer loyalty programs

3) Management of financial risk

EURO’s activities expose it to different types of financial risks:

- The 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),
- The credit risk, and
- The liquidity risk.

EURO 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 EURO’s financial performance.

3.1) Market risk**3.1.1) Gold Price risk****Royalty variance**

EURO is exposed to the risk of changes in the market price of gold. Its revenue from the Rosebel royalty is determined with reference to the average of the London PM gold price for each calendar quarter. The Rosebel royalty production in 2010 was 416,000 ounces and is anticipated to be approximately between 360,000 and 380,000 ounces in 2011. The table below illustrates the impact of changes in the calendar quarter average gold price on EURO's revenue, based on 380,000 ounces of production:

Gold price/oz change –average per quarter	\$25	\$50	\$75	\$100
Change in royalty revenues (US\$000)	950	1,900	2,850	3,800

3.1.2) Foreign currency translation risk

EURO is exposed to foreign currency translation risk arising from various currency exposures, primarily with respect to Euro. Operational costs incurred in Euros exceed revenues denominated in Euros, however, this risk is considered negligible since the excess of Euro denominated expenses over revenues is a small proportion of total expenses.

(in €000s)		US \$	€	C\$	% exposed to currency translation risk
Revenues	€15,373	€15,263	€110	-	1%
Expenses	€1,185	€908	€258	€19	23%
Operational	€493	€216	€258	€19	56%
Financial	€407	€407	-	-	0%
Amortization	€285	€285	-	-	0%

3.2) Credit risk

EURO is subject to a concentrated credit risk with almost 100% of its 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. EURO believes that its recurring operational income is adequate to cover spending requirements. Since October 2009, the Company has been investing its surplus cash to maximize profits and to mitigate any potential risk. EURO has specific guidelines that are followed under its short-term investment policy. EURO reviews its strategies for investments on a quarterly basis and ensures that ratings of financial institutions have remained excellent and that there are not better investment opportunities. The objective is to ensure reasonable shareholder return and appropriate safeguard of the Company's assets.

4) Intangible assets (in thousands of Euro)

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

	December 31 2010	Increase	Decrease/ Reversal	Translation adjustment	June 30 2011
<u>Gross values</u>					
Rosebel	11,554	-	-	(932)	10,622
Paul Isnard concessions	574	-	-	(47)	527 ¹
Total	€12,128	€-	€-	€(979)	€11,149
<u>Amortization / Depreciation</u>					
Rosebel	(4,085)	(285)	-	332	(4,038)
Paul Isnard concessions	-	-	-	-	-
Total	€(4,085)	€(285)	€-	€332	€(4,038)
<u>Net values</u>					
Rosebel	7,469	(285)	-	(600)	6,584
Paul Isnard Concessions	574	-	-	(47)	527
Total	€8,043	€(285)	€-	€(647)	€7,111

¹ Non-monetary asset in exchange for transfer of SOTRAPMAG to AUPLATA in the amount of €527,000 (\$750,000). See also note 16.

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

Current assets	June 30 2011	December 31 2010
Trade receivables ¹	7,506	9,897
Subtotal of trade receivables	7,506	9,897
Tax and social security receivables	76	35
Advances	3	-
Prepaid expenses	10	2
Subtotal other current assets	89	37
Total	€7,595	€9,934

¹ Trade receivables include €7.437 million of amounts receivable from IAMGOLD.

6) Cash and cash equivalents (in thousands of Euro)

	June 30 2011	December 31 2010
Cash equivalents ^{1,2}	1,098	1,193
Cash ²	19,137	12,101
Total	€20,235	€13,294

¹ There is no difference between the fair value and the accounting value.

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

During the first six months of 2011, EURO has continued to invest some of its excess liquidity in money market investments that were compliant with its short-term investment strategy to ensure reasonable return with an appropriate level of risk (see Note 3.3).

7) Share capital

As of June 30, 2011, the Company's share capital comprises 62,496,461 common shares with a nominal value of €0.01 per share.

There were no shares issued during the first six months of 2011.

During the Annual Shareholders Meeting held on June 21, 2011 in Paris, the shareholders approved the distribution of an issuance premium, in the maximum amount of €29,373,000, which was to be paid in two installments:

The first installment occurred on Monday, July 11, 2011 in the amount of €0.28 per share and the second installment will occur on November 14, 2011, in the maximum amount of €0.19 per share, provided EURO's disposable funds are deemed sufficient for its on-going operational needs.

The issuance premium is related to the shareholders' paid-in-capital anytime there was an issuance of capital by EURO less the par value. The distribution is tax-free for all shareholders. The amount of the approved distribution of issuance premium represents the accumulation of excess cash.

Any future distributions of issuance premium or dividends will be proposed by the Board of Directors after taking into account various factors, including EURO's operating results, financial condition, current and anticipated cash needs, and will be subject to shareholder approval.

	Number of shares	Nominal value per share	Share Capital (in 000 Euro)	Additional paid-in capital (in 000 Euro)
As at December 31, 2010	62,496,461	€0.01	€625	€29,477
Declaration of Issuance Premium on June 21, 2011	-	-	-	€(29,373)
As at June 30, 2011	62,496,461	€0.01	€625	€104

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

	June 30, 2011	December 31, 2010
Trade payables	209	198
Tax and social security liabilities	55	70
Intercompany with IAMGOLD	17	18
Other liabilities ¹	13	12
Issuance Premium Payable	29,067	-
Current income tax payable	1,313	5,217
Total	€ 30,674	€ 5,515

¹Other liabilities mainly comprise directors' fees due in respect of the fourth quarter of 2010 and the second quarter of 2011.

9) Revenues from ordinary activities
(in thousands of Euro)

	For six months ended June 30	
	2011	2010
Rosebel royalty	15,263	11,426
Other revenues	110	33
Total revenues from ordinary activities	€ 15,373	€ 11,459

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

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

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

10) Operating expenses
(in thousands of Euro)

	For six months ended June 30	
	2011	2010
Administrative costs	247	240
Directors' fees	33	41
Audit fees	86	63
Legal fees	80	110
Legal exchange and listing fees	17	74
Professional taxes	30	21
Total Operational Expenses	€493	€549

11) Financial income and expenses

	For six months ended June 30	
	2011	2010
Other investment income	1	12
Foreign exchange gain	60	404
Total financial income	€61	€416
Foreign exchange loss	407	74
Financial instrument expense	-	1,801 ¹
Total financial expenses	€407	€1,874
Net financial expenses	€(346)	€(1,459)

Foreign Exchange Forward Contract¹

In April 2010, EURO entered into a foreign exchange forward contract with its financial institution to mitigate the impact of foreign exchange on the issuance premium to be paid in Euros in May 2010. The forward price agreed to was €1 for \$1.3570 and on the day of maturity the exchange rate was €1 for \$1.2201 resulting in a realized financial instrument expense of €1.8 million (equivalent of \$2.39 million) recorded in the income statement.

No foreign exchange forward contract was entered into during the first six months of 2011.

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

	For six months ended June 30	
	2011	2010
Amortization charge in respect of intangible assets (note 4)	285	287
Total expenses	€285	€287

13) Tax
(in thousands of Euro)**13.1) Tax Reconciliation**

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

	For six months ended June 30	
	2011	2010
Profit before tax	€14,249	€9,165
Theoretical tax calculated at the legal rate applicable in the country of each subsidiary	(4,892)	(3,147)
Tax related to non-deductible expenses	-	44
Tax effects of CVAE (property tax)	(194)	(102)
Translation adjustment	582	(13)
Effective tax	€(4,504)	€(3,218)

The corporate income tax rate applied for the first six months of 2010 and 2011 is 34 1/3%

13.2) Deferred taxes

Deferred tax liabilities amount to €0.13 million, all of which pertains to temporary differences, mostly due to the C.V.A.E. (property tax). There are no tax losses carried forward.

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

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

	For six months ended June 30	
	2011	2010
Net profit attributable to holders of common shares	€ 9,745	€ 5,947
Weighted average number of common shares	62,496,461	62,496,461
Earnings per share (€/share)		
Basic	€0.156	€0.095
Diluted	€0.156	€0.095

15) Related parties

Information on Related Parties:

	IAMGOLD
Presentation of related parties	IAMGOLD is majority shareholder of EURO Ressources S.A. (approximately 86% of all outstanding and diluted shares)
Nature of relationship between related parties	Management Fees incurred during the first six months of 2011 are €0.10 million and payable at June 30, 2011 are €0.017 million.

16) Assets held for sale

The Paul Isnard properties are comprised of eight mineral concessions held by SOTRAPMAG and the Paul Isnard Permis Exclusif de Recherches ("PER"), held by EURO, (collectively, the "Paul Isnard Properties").

On October 22, 2010, SOTRAPMAG was effectively transferred to AUPLATA. EURO has recorded an intangible asset related to the royalty on AUPLATA in the amount of \$750,000 (see note 4).

The Permis Exclusif de Recherches ("PER"), which will be replaced by the Permis d'Exploitation ("PEX"), will be transferred to SOTRAPMAG once it has been granted by the French authorities.

In January 2010, EURO was notified by the Ministry of ecology, energy, sustainable development and the sea, in charge of green technologies and climate negotiations, that the PER could not be renewed after November 2010. For this reason, EURO in agreement with AUPLATA applied for an operating permit (Permis d'exploitation ("PEX")), which was filed on November 30, 2010. This application also encompasses a transfer of the PEX to SOTRAPMAG, once granted. The PEX will cover a much smaller area (14.4 square kilometers), but the area that it covers has been subject to a prefeasibility study. No application for a PEX can be made if it cannot be demonstrated that substantial work has been performed and that there is economic viability.

As a result of the settlement agreement with GOLDEN STAR for the transfer of Paul Isnard properties, the recoverable value of the PER was updated as at December 31, 2009. At the end of June 30, 2011, it was determined that this value still is justified based on the following reasons:

- 1) The mining schema ("schéma minier") in French Guiana is still pending and the areas in French Guiana where exploration and exploitation are permitted are still under review.
- 2) A third party has entered into an option agreement with AUPLATA related to the Paul Isnard properties.
- 3) In 2010 and during the first six months of 2011, the price of gold has reached record levels, which could justify expedient exploration and exploitation on these properties.

As a consequence, as at June 30, 2011, EURO maintains the reinstatement of the PEX value of \$750,000 (€520,000) in its books.

The assets representing EURO's interest in the PER have been presented as "Held for Sale" as at June 30, 2011 and December 31, 2010 as summarized in the table below:

Assets classified as held for sale (in 000 Euro)	June 30 2011	December 31 2010
Paul Isnard	3,804	4,136
Depreciation of Paul Isnard	(3,284)	(3,572)
Total	€520	€564