



**EURO RESSOURCES REPORTS EARNINGS FOR THE  
SECOND QUARTER AND SIX MONTHS ENDED JUNE 30, 2021**

Paris, France, August 5, 2021: EURO Ressources S.A. (“EURO” or “the Company”) (Paris: EUR) today announced its unaudited statutory interim financial results prepared in accordance with French Generally Accepted Accounting Principles (“GAAP”) and its unaudited condensed interim financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) for the six months ended June 30, 2021. These unaudited interim financial statements were approved by the Board of Directors on August 5, 2021. All financial amounts are expressed in Euros (“€” or “euros”) unless otherwise specified.

**Highlights**

Under French GAAP, EURO reported a net profit of €4.5 million (€0.072 per share) for the six months ended June 30, 2021 (€1.1 million for the second quarter of 2021 (€0.018 per share)) compared to €8.5 million (€0.137 per share) for the six months ended June 30, 2020 (€3.5 million for the second quarter of 2020 (€0.055 per share)).

Under IFRS, EURO reported a net profit of €3.3 million (€0.054 per share) for the six months ended June 30, 2021 (€1.5 million for the second quarter of 2021 (€0.024 per share)) compared to €8.3 million (€0.132 per share) for the six months ended June 30, 2020 (€3.3 million for the second quarter of 2020 (€0.053 per share)).

EURO recorded revenues of €5.7 million in the first six months of 2021 (€2.2 million in the second quarter of 2021) compared to revenues of €12.5 million in the first six months of 2020 (€5.2 million reported in the second quarter of 2020).

On June 10, 2021, EURO paid dividends of €15.6 million (€0.25 per share).

**Liquidity and capital resources**

Cash at June 30, 2021 totaled €22.4 million as compared to €31.5 million at December 31, 2020. The decrease was mainly due to the dividends paid, partially offset by cash flow from operating activities.

**Marketable securities**

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

As at June 30, 2021, marketable securities were comprised of 19,095,345 shares of Orea Mining Corp. (“Orea”) (9.3% of outstanding shares; December 31, 2020: 9.7%) and 3,819,069 shares of Allegiant Gold Ltd. (“Allegiant”) (4.9% of outstanding shares; December 31, 2020: 6.2%).

During the six month period ended June 30, 2021, the Company recognized an unrealized loss under IFRS following the decrease of the fair value of these marketable securities. Under IFRS, this loss of €0.9 million was recorded in other comprehensive income (gain of €0.3 million during the six months ended June 30, 2020). Under French GAAP, the gain of €0.2 million was recorded in investment income in the statement of earnings.

## **Royalty assets**

*(Refer to MD&A for more detail)*

As at June 30, 2021, the Company's impairment review indicated that the facts and circumstances did not represent an indication of potential impairment. In May 2019, The French Government declared the Montagne D'Or project not yet compatible with environmental requirements. The statements by the French Government regarding the Compagnie Minière Montagne d'Or (the joint venture) in May 2019, to which the Paul Isnard royalty is attached, have created some uncertainty around the delivery of the various authorizations and permits not yet obtained and required for developing the project, and can potentially affect the operational and financial capacities of the project. On December 24, 2020, the Cayenne Administrative Court ordered the French State to extend the Montagne d'Or mining concessions within 6 months of the decision. On February 3, 2021, the French Government announced that it was appealing the Administrative Court's decision to extend the Montagne d'Or mining concessions. On July 7, 2021, Orea Mining Corp. declared that the parties presented their pleadings before the Administrative Court of Appeal in Bordeaux, France, on July 6, 2021. On July 22, 2021, Orea Mining Corp. announced that the Administrative Court of Appeal in Bordeaux has rejected the French Government's appeal and request for a stay of execution of the court rulings of December 24, 2020. In those circumstances, the Company is maintaining the same assumption from the impairment test related to the Paul Isnard royalty asset performed as at December 31, 2020. The Company continues to assume that the various authorizations and permits would be granted under conditions that will allow the JV to go on with this project, though the timing is somewhat uncertain. No impairment charges were recorded in the statement of earnings for the second quarter ended June 30, 2021.

### **Comments on financial results prepared in accordance with French GAAP for the six month period ended June 30, 2021 compared to the same period in 2020**

Under French GAAP and IFRS, EURO accounted for revenues of €5.7 million, a decrease compared to revenues of €12.5 million for the same period in 2020. Revenues were only attributable to the Rosebel royalty for the first six months ended June 30, 2021 and 2020. The decrease in revenues was mainly due to lower gold production of 47,404 ounces in the first six months of 2021 compared to 107,794 ounces in the first six months of 2020 (€7.0 million) primarily due to lower head grades and throughput as a result of heavy rains that impacted the mining activities during the first six months of 2021. The decrease in revenues is also due to a strengthened euro (€0.5 million), partially offset by a higher average gold price in the first six months of 2021 of US\$1,803 per ounce compared to US\$1,633 per ounce in the first six months of 2020 (€0.7 million).

Under French GAAP, operating expenses (excluding amortization expense) for the six months ended June 30, 2021 were €0.34 million compared to €0.57 million during the same period in 2020. The decrease was mainly due to lower administrative costs in 2021.

The depreciation expense related to intangible assets was €0.07 million during the first half of 2021 compared to €0.15 million during the first six months of 2020. This decrease was mainly due to lower production at the Rosebel mine.

Financial results included a foreign exchange gain on bank accounts under French GAAP of €0.57 million in the first six months of 2021 compared to a foreign exchange gain on bank accounts of €0.04 million in the first six months of 2020. The increase of the foreign exchange gain was mainly due to the strengthening of the Euro compared to the United States dollar in 2021 compared to the same period in 2020.

During the first six months ended June 30, 2021, EURO recorded an income tax expense of €1.7 million compared to €3.5 million during the six months ended June 30, 2020. The decrease was mainly due to the tax impact of lower earnings, partially offset by translation adjustments.

## **Select IFRS financial results**

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

### **Six months ended June 30, 2021 compared to the same period in 2020 (IFRS)**

Under IFRS, EURO reported a net profit of €3.3 million (€0.054 per share) for the six months ended June 30, 2021 compared to €8.3 million (€0.132 per share) for the six months ended June 30, 2020.

Under IFRS, revenues totaled €5.7 million in the first half of 2021 compared to revenues of €12.5 million during the same period in 2020, the same as under French GAAP as explained above.

Operating expenses for the six months ended June 30, 2021 were €0.26 million compared to €0.33 million in the same period in 2020. The decrease was mainly due to lower administrative costs in 2021.

The amortization expense of €0.08 million during the six months ended June 30, 2021 was lower than the amortization expense of €0.19 million recorded during the same period in 2020, mainly due to lower production at the Rosebel mine.

EURO recorded a foreign exchange loss of €0.25 million in the first six months of 2021 compared to a loss of €0.18 million in the first six months of 2020, mainly due to the revaluation of dividends payable, bank accounts and income tax payable.

EURO recorded an income tax expense of €1.8 million in the six months ended June 30, 2021 compared to €3.7 million in the same period of 2020. The decrease was mainly due to the tax impact of lower earnings, partially offset by translation adjustments.

### **Second quarter ended June 30, 2021 compared to the same period in 2020 (IFRS)**

Under IFRS, EURO reported a net profit of €1.5 million (€0.024 per share) for the second quarter of 2021 compared to €3.3 million (€0.053 per share) for the second quarter of 2020.

Revenues were €2.2 million during the second quarter of 2021, a decrease compared to €5.2 million for the second quarter of 2020. Revenues were only attributable to the Rosebel royalty in the second quarter of 2021 and 2020. The decrease in revenues was mainly due to lower gold production of 18,172 ounces in the second quarter of 2021 compared to 42,395 ounces in the second quarter of 2020 (€3.0 million) primarily due to lower head grades and throughput as a result of heavy rains that impacted the mining activities during the quarter. The decrease in revenues is also due to a strengthened euro (€0.2 million), partially offset by a higher average gold price in the second quarter of 2021 of US\$1,816 per ounce compared to US\$1,711 per ounce in the second quarter of 2020 (€0.2 million).

During the second quarter of 2021, the Company recorded operating expenses of €0.14 million compared to €0.21 million during the same period in 2020. The decrease was mainly explained by lower administrative costs in 2021.

The amortization expense of €0.03 million during the second quarter of 2021 was lower than the amortization expense of €0.08 million recorded during the second quarter of 2020, mainly due to lower production at the Rosebel mine.

EURO recorded a foreign exchange loss of €0.18 million in the second quarter of 2021 compared to a loss of €0.19 million in the second quarter of 2020, mainly due to the revaluation of dividends payable, bank accounts and income tax payable.

EURO recorded an income tax expense of €0.4 million in the second quarter of 2021 compared to €1.5 million in the second quarter of 2020. The decrease was mainly due to the tax impact of lower earnings and the tax impact of the change in fair value of the marketable securities.

## **Outlook**

The Rosebel royalty production for 2021 has been adjusted downward to 90,000 to 110,000 ounces from 144,000 to 171,000 ounces. The reduction reflects the multitude of challenges that have and are continuing to adversely impact the operations, including the unusually severe rainy season and the continued uncertainty related to the COVID-19 pandemic. In 2021, the Rosebel royalty is expected to provide revenues to the Company of between approximately €10.1 million and €12.5 million (US\$12.1 million and US\$15.0 million). These pre-tax numbers assume a gold price of US\$1,745 per ounce and an exchange rate of €1 for US\$1.20. The impact of changes in the average gold price on EURO's annual revenues, based on an estimated production of 100,000 ounces, would be approximately US\$1.0 million for each US\$100 per ounce change in the gold price. The impact of a 5% change in the average foreign exchange rate on EURO's annual revenues would be approximately €0.6 million. EURO's cash flow is expected to be primarily affected by income tax payments. The Company maintains certain cash available to pursue opportunities that would enhance the Company's long-term business.

## **Global COVID-19 pandemic**

The global COVID-19 pandemic continues to evolve. Despite widespread mass immunization programs limiting the spread of the virus in many countries, the emergence of new variants is causing infection rates to surge in certain areas, particularly among unvaccinated populations. The lifting of restrictions on the movement of people and goods, social distancing measures, restrictions on group gatherings, quarantine requirements and contact tracing varies from country to country and often within countries. The Company has been closely monitoring and taking necessary measures to manage the impact of the COVID-19 pandemic on all aspects of its operations.

There was a significant increase in COVID-19 cases due to the emergence of a new variant in Suriname during the second quarter. The increase in cases and social impacts, including multiple lockdowns and a strained healthcare system, had a disruptive effect on the operations at the Rosebel mine. Several mitigating controls have been put in place, including a mandatory antigen testing program, with all workers on the 14/7 work rotation being tested in an effort to reduce the impact on operations. More recently, cases have been decreasing and the additional 360 beds that have been added to the camp to safely accommodate an optimal workforce have now been commissioned.

## **About EURO**

EURO is a French company whose main assets are a royalty on the Rosebel Gold Mine production in Suriname (the "Rosebel royalty"), a royalty on the Paul Isnard concessions, and marketable securities. The Rosebel Gold Mine is 95%-owned by IAMGOLD Corporation ("IAMGOLD"), and is operated by IAMGOLD. The royalty on the Paul Isnard concessions is a net smelter returns production royalty on future production of the Paul Isnard concessions and an area of interest surrounding the concessions in French Guiana, owned under a joint venture agreement between Orea Mining Corp. and Nord Gold SE.

EURO has approximately 62.5 million shares outstanding. At June 30, 2021, IAMGOLD France S.A.S. ("IAMGOLD France"), an indirect wholly owned subsidiary of IAMGOLD, owned approximately 89.71% of all issued outstanding shares of EURO. As at June 30, 2021, IAMGOLD France held 56,058,191 shares representing 112,116,382 voting rights or 94.25% of the voting rights of EURO. This threshold crossing results from a double voting rights allocation.

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

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

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