



EURO RESSOURCES REPORTS EARNINGS FOR THE YEAR ENDED DECEMBER 31, 2020

Paris, France, February 18, 2021: EURO Ressources S.A. (“EURO” or “the Company”) (Paris: EUR) today announced its audited statutory financial results prepared in accordance with French Generally Accepted Accounting Principles (“GAAP”) and its audited financial results prepared in accordance with International Financial Reporting Standards (“IFRS”) for the year ended December 31, 2020. These audited financial results were approved by the Board of Directors on February 18, 2021. All financial amounts are expressed in Euros (“€” or “euros”) unless otherwise specified.

Highlights

Under French GAAP, EURO reported a net profit of €10.8 million (€0.173 per share) for the year ended December 31, 2020, compared to €16.2 million (€0.259 per share) for the year ended December 31, 2019.

Under IFRS, EURO reported a net profit of €14.0 million (€0.223 per share) for the year ended December 31, 2020, compared to €16.0 million (€0.255 per share) in 2019.

Under French GAAP, EURO recorded revenues of €19.2 million in 2020, lower than revenues of €24.2 million reported in 2019.

Under IFRS, EURO recorded revenues of €19.2 million in 2020, lower than revenues of €24.1 million reported in 2019.

On June 11, 2020, EURO paid dividends in the amount of €12.5 million (€0.20 per share).

Liquidity and capital resources

Cash at December 31, 2020 totaled €31.5 million as compared to €31.6 million at December 31, 2019. The decrease was mainly due to the dividends and income tax 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 December 31, 2020, marketable securities comprised 19,095,345 shares of Orea Mining Corp. (“Orea”) (9.7% of outstanding shares; December 31, 2019: 10.6%) and 3,819,069 shares of Allegiant Gold Ltd. (“Allegiant”) (6.2% of outstanding shares; December 31, 2019: 6.2%).

Under IFRS, in 2020, the Company recognized an unrealized gain of €0.7 million in other comprehensive income following the increase of the fair value of these marketable securities (loss of €0.7 million in 2019).

Under French GAAP, a loss of €0.5 million was recorded following the decrease of the fair value of the Orea marketable securities and a provision reversal of €0.3 million following the increase of the fair value of the Allegiant marketable securities (2019: loss of €0.5 million), in the financial results in the statement of earnings.

Royalty assets

(Refer to MD&A for more detail)

As at December 31, 2020, 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 22, 2020, Orea Mining Corp. announced that the engineering studies for the project improvements and modifications initiated for the mining permits are substantially complete with final fauna and flora studies due in February 2021. 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. In the impairment test performed at December 31, 2020, the Company considered 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 year ended December 31, 2020.

Comments on financial results prepared in accordance with French GAAP for the year ended December 31, 2020 compared to 2019

Under French GAAP, revenues totaled €19.2 million in 2020, a decrease compared to revenues of €24.2 million reported in 2019. Revenues were attributable to the Rosebel royalty of €19.2 million in 2020 (2019: €24.2 million). The decrease in revenues was mainly due to lower gold production of 160,412 ounces in 2020 compared to 264,307 ounces in 2019 (€9.9 million) due to lower throughput resulting from the temporary work stoppage from June 12 to July 24, 2020 related to the introduction of COVID-19 safety protocols, (see news releases dated July 20, 2020 and July 27, 2020), and reflecting an increasing proportion of higher grade ore sourced from the Saramacca deposit which resulted in reduced production from the Rosebel concession. The Saramacca deposit is not included in the property as per the participation right agreement. The decrease in revenues is also due to a strengthened euro (€0.1 million), partially offset by a higher average gold price in 2020 of US\$1,718 per ounce of gold compared to US\$1,393 per ounce of gold in 2019 (€5.0 million).

Under French GAAP, operating expenses (excluding amortization and depreciation expenses) totaled €1.1 million in 2020 compared to €0.9 million in 2019. The increase was mainly due to higher administrative costs, including fees incurred as part of transaction evaluations.

The amortization expense of €0.2 million in 2020 was lower compared to €0.4 million in 2019 mainly due to lower gold production at the Rosebel mine in 2020.

The investment income was €0.3 million in 2020 compared to €0.7 million in 2019. The decrease was mainly due to lower interest rates applied to bank balances in 2020.

Financial results included a foreign exchange loss on bank accounts under French GAAP of €2.7 million in 2020 compared to a foreign exchange gain on bank accounts of €0.7 million in 2019. The foreign exchange loss is mainly due to a significant fluctuation of foreign exchange rates in 2020 used for the conversion of bank accounts held in US dollars. This negative exchange rate differential in 2020 compared to the positive variance in 2019 was mainly due to the strengthening of the euro against the US dollar in 2020 compared to a weakening in 2019.

Under French GAAP, EURO recorded an income tax expense of €4.4 million in 2020 compared to €7.6 million in 2019. The decrease was mainly due to the tax impact of lower earnings and 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.

2020 compared to 2019 (IFRS)

Under IFRS, EURO recorded a net profit of €14.0 million (€0.223 per share) in 2020 compared to €16.0 million (€0.255 per share) during 2019.

Under IFRS, revenues totaled €19.2 million in 2020, higher than revenues of €24.1 million reported in 2019. Revenues were primarily attributable to the Rosebel royalty of €19.2 million in 2020 (2019: €24.2 million). The decrease in revenues was mainly due to lower gold production of 160,412 ounces in 2020 compared to 264,307 ounces in 2019 (€9.9 million) due to lower throughput resulting from the temporary work stoppage from June 12 to July 24, 2020 related to the introduction of COVID-19 safety protocols, and reflecting an increasing proportion of higher grade ore sourced from the Saramacca deposit which resulted in reduced production from the Rosebel concession. The Saramacca deposit is not included in the property as per the participation right agreement. The decrease in revenues is also due to a strengthened euro (€0.1 million), partially offset by a higher average gold price in 2020 of US\$1,718 per ounce of gold compared to US\$1,393 per ounce of gold in 2019 (€5.0 million). There were no other royalties from third parties in French Guiana for 2020 (2019: -€0.1 million due to a reversal of a previously over estimated royalty receivable).

Operating expenses in 2020 were €0.7 million compared to €0.6 million in 2019. The increase was mainly due to higher administrative costs, including fees incurred as part of transaction evaluations.

The amortization expense of €0.3 million during 2020 was lower than the amortization expense of €0.5 million recorded during 2019, mainly due to lower gold production at the Rosebel mine.

The investment income in 2020 was €0.3 million compared to €0.7 million during the same period in 2019. The decrease was mainly due to lower interest rates applied to bank balances in 2020.

EURO recorded a foreign exchange loss of €0.1 million in 2020 compared to a gain of €0.1 million in 2019, mainly due to the revaluation of dividends payable, bank accounts and income tax payable.

Under IFRS, EURO recorded an income tax expense of €4.4 million in 2020 compared to €7.9 million in 2019. The decrease was mainly due to the tax impact of lower earnings and translation adjustments.

Fourth quarter ended December 31, 2020 compared to the same period in 2019 (IFRS)

Under IFRS, EURO recorded a net profit of €2.8 million (€0.044 per share) for the fourth quarter of 2020 compared to €4.2 million (€0.068 per share) for the fourth quarter of 2019.

Revenues were €3.0 million during the fourth quarter of 2020, a decrease compared to revenues of €6.0 million during the fourth quarter of 2019. Revenues were only to the Rosebel royalty in the fourth quarter of 2020 and 2019. The decrease in revenues was mainly due to lower gold production of 23,758 ounces in the fourth quarter of 2020 compared to 59,052 ounces during the fourth quarter of 2019 (€3.6 million), and a strengthened euro (€0.2 million), partially offset by a higher average gold price during the fourth quarter of 2020 of US\$1,874 per ounce of gold compared to US\$1,481 per ounce of gold during the fourth quarter of 2019 (€0.8 million).

Under IFRS, EURO recorded an income tax expense of €0.1 million during the fourth quarter of 2020 compared to €1.7 million during the fourth quarter of 2019. The decrease was mainly due to the tax impact of lower earnings and translation adjustments.

Outlook

The Rosebel royalty production in 2020 was 160,412 ounces and is anticipated to be between 144,000 ounces and 171,000 ounces in 2021. In 2021, the Rosebel royalty is expected to provide revenues to the Company of between approximately €16.5 million and €19.6 million (US\$19.7 million and US\$23.3 million). These pre-tax numbers assume a gold price of US\$1,750 per ounce and an exchange rate of €1 for US\$1.19. The impact of changes in the average gold price on EURO's annual revenues, based on an estimated production of 158,000 ounces, would be approximately US\$1.5 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 €0.9 million. EURO's cash flow is expected to be primarily affected by income tax payments.

GLOBAL COVID-19 PANDEMIC

The global COVID-19 pandemic continues to evolve including the continuing imposition of restrictions on the movement of people and goods, social distancing measures, restrictions on group gatherings, quarantine requirements and contact tracing. 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.

Rosebel implemented strict COVID-19 protocols to ensure the health and safety of employees, including social distancing, the mandatory use of masks in public places or where social distancing is not possible, modifications to work rotations, the use of rapid antigen tests on 40% of employees entering the site and all contact cases and symptomatic cases on site were isolated in separate designated blocs. Confirmed cases at site were transported to Paramaribo for isolation and treatment in government medical facilities. As these protocols were embedded in the operations, the workforce recall was expanded with Rosebel operating at 75% of mining capacity by the end of the fourth quarter 2020. To accommodate the full workforce under the COVID-19 protocols, a project is underway that is expected to add an additional 300 beds by the second quarter 2021. The Mill was operating at its normal rate by the end of July with ore sourced mainly from stockpiles. Mine direct feed is planned to increase with the augmented manpower on site by the second quarter 2021.

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 December 31, 2020, IAMGOLD France S.A.S. ("IAMGOLD France"), a wholly owned subsidiary of IAMGOLD, owned approximately 89.71% of all issued outstanding shares of EURO. As at December 31, 2020, 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. Further requests for information should be addressed to:

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