



**EURO RESSOURCES REPORTS EARNINGS FOR THE  
THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2019**

Paris, France, November 8, 2019: EURO Ressources S.A. (“EURO” or “the Company”) (Paris: EUR) today announced its unaudited statutory interim financial results prepared in accordance with International Financial Reporting Standards (“IFRS”) for the nine months ended September 30, 2019. These unaudited interim financial statements were approved by the Board of Directors on November 8, 2019. All financial amounts are expressed in Euros (“€” or “euros”) unless otherwise specified.

**Highlights**

Under IFRS, EURO reported a net profit of €3.5 million (€0.056 per share) and €11.7 million (€0.187 per share) for the three and nine months ended September 30, 2019, respectively, compared to €3.2 million (€0.052 per share) and €10.9 million (€0.175 per share) for the three and nine months ended September 30, 2018, respectively.

EURO recorded revenues of €18.1 million in the first nine months of 2019 (€5.7 million in the third quarter of 2019) compared to revenues of €17.0 million in the first nine months of 2018 (€5.4 million reported in the third quarter of 2018).

**Liquidity and capital resources**

Cash at September 30, 2019 totaled €29.0 million as compared to €25.7 million at December 31, 2018. The increase was mainly due to cash flow from operating activities partially offset by the dividends paid.

**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 September 30, 2019, marketable securities were comprised of 19,095,345 shares of Columbus Gold Corp. (“Columbus”) (11.3% of outstanding shares; December 31, 2018: 12.0%) and 3,819,069 shares of Allegiant Gold Ltd. (“Allegiant”) (6.2% of outstanding shares; December 31, 2018: 6.3 %).

During the nine month period ended September 30, 2019, the Company recognized an unrealized loss under IFRS following the decrease of the fair value of these marketable securities. Under IFRS, this loss of €1.5 million was recorded in other comprehensive income (€7.2 million during the nine months ended September 30, 2018).

## **Royalty assets**

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

As at September 30, 2019, 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. A new French mining code is expected to be enacted by the end of 2019, which will clarify the framework and the environmental standards of the mining operations in France. The recent statements by the French Government regarding Compagnie Minière Montagne d'Or (the JV) in May 2019, to which the Paul Isnard royalty is attached, creates 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. Nevertheless, work continues on both the design of the project and the environmental framework around it. 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, 2018. The Company continues to assume that the various authorizations and permits will 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 third quarter ended September 30, 2019.

## **RESULTS OF OPERATIONS UNDER IFRS**

### **Nine months ended September 30, 2019 compared to the same period in 2018 (IFRS)**

Under IFRS, EURO reported a net profit of €11.7 million (€0.187 per share) for the nine months ended September 30, 2019 compared to €10.9 million (€0.175 per share) for the nine months ended September 30, 2018.

During the nine months ended September 30, 2019, EURO accounted for revenues of €18.1 million, an increase compared to revenues of €17.0 million for the same period in 2018. Revenues were mainly attributable to the Rosebel royalty of €18.2 million (nine months ended September 30, 2018: €16.7 million). The increase in revenues was due to the combination of three items: the impact of a higher average gold price in the first nine months of 2019 of US\$1,353 per ounce of gold compared to US\$1,283 per ounce of gold in the first nine months of 2018 (€1.2 million), the impact of a weakened euro (€1.1 million), partially offset by a lower gold production of 205,255 ounces in the first nine months of 2019 compared to 213,174 ounces in the first nine months of 2018 (€0.8 million). During the first nine months of 2019, other royalties from third parties in French Guiana only included a reversal of a previously over estimated royalty receivable of -€0.1 million compared to revenues of €0.3 million in the first nine months of 2018.

Operating expenses for the nine months ended September 30, 2019 were €0.42 million compared to €0.38 million in the same period in 2018. The increase was mainly due to higher legal, audit and directors' fees in 2019.

The amortization expense of €0.36 million during the nine months ended September 30, 2019 was higher than the amortization expense of €0.35 million recorded during the same period in 2018, mainly due to the impact of a weaker average euro in 2019 partially offset by lower gold production at the Rosebel mine.

The investment income for the first nine months ended September 30, 2019 was €0.58 million compared to €0.28 million during the same period in 2018. The increase was mainly due to higher bank balances in 2019.

EURO recorded a foreign exchange gain of €0.06 million in the first nine months of 2019 compared to a gain of €0.26 million in the first nine months of 2018, mainly due to a smaller change in the closing foreign exchange rate of the Euro compared to the United States dollar in 2019 compared to the same period in 2018. This rate was used for the revaluation of dividends payable, bank accounts and income tax payable.

EURO recorded an income tax expense of €6.3 million in the nine months ended September 30, 2019 compared to €5.9 million in the same period of 2018. The increase was mainly due to translation adjustments and the tax effect of the change in fair value of the marketable securities.

### **Third quarter ended September 30, 2019 compared to the same period in 2018 (IFRS)**

Under IFRS, EURO reported a net profit of €3.5 million (€0.056 per share) for the third quarter of 2019 compared to €3.2 million (€0.052 per share) for the third quarter of 2018.

Revenues were €5.7 million during the third quarter of 2019, an increase compared to €5.4 million for the third quarter of 2018. Revenues were mainly attributable to the Rosebel royalty of €5.7 million (third quarter of 2018: €5.3 million). The increase in revenues was due to the combination of three items: the impact of a higher average gold price in the third quarter of 2019 of US\$1,472 per ounce of gold compared to US\$1,213 per ounce of gold in the third quarter of 2018 (€1.2 million), the impact of a weakened euro (€0.2 million), partially offset by a lower gold production of 57,511 ounces in the third quarter of 2019 compared to 70,803 ounces in the third quarter of 2018 (€1.0 million). There were no other royalties from third parties in French Guiana during the third quarter of 2019 (third quarter of 2018: €0.1 million).

During the third quarter of 2019, the Company recorded operating expenses of €0.11 million compared to €0.09 million during the same period in 2018. The increase was mainly explained by higher legal fees partially offset by lower administrative costs for the third quarter of 2019.

The amortization expense of €0.10 million during the third quarter of 2019 was lower than the amortization expense of €0.12 million recorded during the third quarter of 2018, mainly due to lower production at the Rosebel mine.

The investment income for the third quarter of 2019 was €0.17 million compared to €0.10 million during the same period in 2018. The increase was mainly due to higher bank balances in 2019.

EURO recorded an income tax expense of €2.2 million in the third quarter of 2019 compared to €2.0 million in the third quarter of 2018. The increase was mainly due to translation adjustments partially offset by the tax impact of the change in fair value of the marketable securities.

### **Outlook**

The Rosebel royalty production is anticipated to be between 250,000 ounces and 271,000 ounces in 2019. The lowered gold production guidance, compared to the range of 323,000 to 339,000 ounces in the first quarter of 2019, is primarily due to the impact of a security incident which resulted in the temporary suspension of mining activities subsequent to the second quarter of 2019. In 2019, the Rosebel royalty is expected to provide revenues to the Company of between approximately €20.9 million and €22.7 million (US\$23.6 million and US\$25.6 million). These pre-tax numbers assume a gold price of US\$1,300 per ounce and an exchange rate of €1 for US\$1.13. The impact of changes in the average gold price on EURO's annual revenues, based on an estimated production of 260,000 ounces, would be approximately US\$2.6 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 €1.1 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.

### **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 Columbus Gold Corp. and Nord Gold SE.

EURO has approximately 62.5 million shares outstanding. At September 30, 2019, 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. Per the regulation (Article L.233-7 of the French Commercial Code), IAMGOLD France declared it had exceeded, on September 23, 2018, the threshold of 90% of the voting rights of EURO. As at September 30, 2019, 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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