

# Euro Ressources Reports Earnings For The Period Ended June 30, 2016

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PARIS, August 4, 2016: [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 interim financial results prepared in accordance with International Financial Reporting Standards ("IFRS") for the six months ended June 30, 2016. These unaudited interim financial results were approved by the Board of Directors on August 4, 2016. All financial amounts are expressed in Euros ("€" or "euros") unless otherwise specified.

## Highlights

Under French GAAP, EURO reported a net profit of €6.7 million (€0.107 per share) for the six months ended June 30, 2016 compared to €7.5 million (€0.120 per share) for the six months ended June 30, 2015. The decrease is mainly the result of lower revenues, higher foreign exchange losses in 2016, partially offset by lower operating expenses and lower income tax expense.

Under IFRS, EURO reported a net profit of €7.4 million (€0.119 per share) for the six months ended June 30, 2016 compared to €6.4 million (€0.102 per share) for the six months ended June 30, 2015. The increase was mainly the result of lower income tax expense and lower operating expenses partially offset by lower revenues.

The difference between French GAAP and IFRS net profit is mainly due to higher foreign exchange loss under French GAAP.

Under French GAAP and IFRS, revenues were €12.0 million during the six months ended June 30, 2016, a decrease of 2% compared to revenues of €12.2 million for the same period in 2015. Revenues were mainly attributable to the Rosebel royalty of €11.8 million (six months ended June 30, 2015: €12.0 million). The decrease in revenues was due to lower production with 148,392 ounces in the six months ended June 30, 2016 compared to 155,297 ounces in the same period of 2015 (€0.6 million), partially offset by a higher average gold price in the six months ended June 30, 2016 of US\$1,222 per ounce compared to US\$1,206 per ounce in the six months ended June 30, 2015 (€0.2 million) and the impact of a weaker euro. Other royalties were €0.15 million from third parties in French Guiana during the first six months of 2016 (first six months of 2015: €0.19 million).

On June 16, 2016, EURO paid a dividend of €12.5 million (€0.20 per share).

## Liquidity and capital resources

Cash at June 30, 2016 totaled €1.8 million compared to €7.5 million at December 31, 2015. EURO expects to have sufficient cash flow to fund its on-going operational needs.

Comments on financial results under French GAAP for the six months ended June 30, 2016 from the French "Rapport de Gestion" (equivalent of Management's Discussion and Analysis)

Operating expenses (excluding amortization expense) for the six months ended June 30, 2016 were €0.3 million compared to €0.7 million during the same period in 2015. The difference was mainly due to an adjustment of the 2015 administrative costs recorded during the first quarter of 2016.

The amortization expense of €0.28 million during the first half of 2016 was higher compared to €0.23 million

during the same period in 2015 mainly due to lower gold reserves at the Rosebel mine.

During the first six months ended June 30, 2016, EURO recorded an income tax expense of ?4.1 million compared to ?4.5 million during the six months ended June 30, 2015. The decrease in 2016 was mainly due to the impact of higher foreign exchange loss in 2016.

Comments on financial results for the second quarter ended June 30, 2016 from EURO's IFRS Management's Discussion and Analysis

EURO reported a net profit of ?3.3 million (?0.053 per share) for the second quarter of 2016 compared to ?3.6 million (?0.057 per share) for the second quarter of 2015. The decrease was mainly the result of higher income tax expense partially offset by higher revenues from royalties in 2016.

Revenues were ?6.3 million during the second quarter of 2016, an increase of 5% compared to revenues of ?6.0 million for the second quarter of 2015. Revenues were mainly attributable to the Rosebel royalty of ?6.2 million (second quarter of 2015: ?5.9 million). The increase in revenues was due to a higher average gold price in the second quarter of 2016 of US\$1,260 per ounce of gold compared to US\$1,192 per ounce of gold in the second quarter of 2015 (?0.4 million), and a higher gold production of 76,668 ounces in the second quarter of 2016 compared to 75,472 ounces in the second quarter of 2015 (?0.1 million), partially offset by the impact of a stronger euro. Other royalties were ?0.1 million from third parties in French Guiana during the second quarter of 2016 (second quarter of 2015: ?0.1 million).

During the second quarter of 2016, the Company recorded operating expenses of ?0.19 million compared to ?0.25 million during the same period in 2015. The difference was mainly due to lower support fees from [IAMGold Corp.](#) ("IAMGOLD") in 2016.

The amortization expense of ?0.21 million during the second quarter of 2016 was higher than the amortization expense of ?0.14 million recorded during the same period in 2015, mainly due to lower gold reserves at the Rosebel mine.

EURO recorded a foreign exchange gain of ?0.03 million in the second quarter of 2016 compared to ?0.05 million in the second quarter of 2015, mainly due to the revaluation of dividend payable and bank accounts.

EURO recorded an income tax expense of ?2.6 million in the second quarter of 2016 compared to ?2.0 million in the second quarter of 2015. The increase was mainly due to translation adjustments.

Six months ended June 30, 2016 compared to the same period in 2015

Operating expenses for the six months ended June 30, 2016 were ?0.18 million, lower than ?0.49 million in the same period in 2015. The difference was mainly due to an adjustment of the 2015 administrative costs recorded during the first quarter of 2016 (refer to the Related party transactions section in the Company's second quarter interim financial statements).

The amortization expense of ?0.35 million during the first six months of 2016 was higher than the amortization expense of ?0.29 million recorded during the same period in 2015, mainly due to lower gold reserves at the Rosebel mine.

EURO recorded an income tax expense of ?4.1 million in the six months ended June 30, 2016 compared to ?5.0 million in the same period of 2015. The decrease was mainly due to translation adjustments.

Outlook

In 2016, the Rosebel royalty is expected to provide revenues to the Company of between approximately

?21.9 million and ?22.6 million (US\$24.1 million and US\$24.9 million). These pre-tax numbers assume a gold price of US\$1,150 per ounce and an exchange rate of ?1 for US\$1.1. The Rosebel royalty production is anticipated to be between 300,000 and 310,000 ounces in 2016. The impact of changes in the average gold price on EURO's annual revenues, based on an estimated production of 305,000 ounces, would be approximately US\$3.0 million for each US\$100 per ounce change in the gold price. EURO's cash flow will primarily be affected by income tax payments, since there are no tax losses carried forward to offset any future net income. EURO expects its cash flow will be adequate to meet all corporate and related expenses.

#### About EURO

EURO is a French company whose principal asset is a royalty payable by [IAMGold Corp.](#) ("IAMGOLD") related to the gold production of the Rosebel gold mine in Suriname (the "Rosebel royalty"). The Rosebel gold mine is 95%-owned by IAMGOLD, and it is operated by IAMGOLD.; EURO has approximately 62.5 million shares outstanding.; IAMGOLD France S.A.S., an indirect wholly owned subsidiary of IAMGOLD, owned approximately 89.71% of all issued and outstanding shares of EURO at June 30, 2016.

*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:  
EURO RESSOURCES REPORTS EARNINGS FOR THE PERIOD ENDED JUNE 30, 2016

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