

EURO Ressources reports earnings for the year ended December 31, 2022

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EURO RESSOURCES REPORTS EARNINGS FOR THE YEAR ENDED DECEMBER 31, 2022

Paris, France, February 23, 2023: [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, 2022. These audited financial results were approved by the Board of Directors on February 23, 2023. All financial amounts are expressed in Euros ("â,-" or "euros") unless otherwise specified.

Highlights

Under French GAAP, EURO reported net earnings of â,-12.9 million (â,-0.206 per share) for the year ended December 31, 2022, compared to â,-10.1 million (â,-0.162 per share) for the year ended December 31, 2021.

Under IFRS, EURO reported net earnings of â,-11.3 million (â,-0.182 per share) for the year ended December 31, 2022, compared to â,-7.6 million (â,-0.122 per share) in 2021.

Under French GAAP, EURO recorded revenues of â,-22.2 million in 2022, higher than revenues of â,-12.8 million reported in 2021.

Under IFRS, EURO recorded revenues of â,-22.2 million in 2022, higher than revenues of â,-12.6 million reported in 2021.

On June 9, 2022, EURO paid dividends in the amount of â,-15.6 million (â,-0.25 per share).

Liquidity and capital resources

Cash at December 31, 2022 totaled â,-21.4 million as compared to â,-20.4 million at December 31, 2021. The increase was mainly due to cash flow from operating activities, partially offset by dividends and income tax 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 December 31, 2022, marketable securities comprised 19,095,345 shares of Orea Mining Corp. ("Orea") (8.8% of outstanding shares; December 31, 2021: 9.3%) and 3,819,069 shares of Allegiant Gold Ltd. ("Allegiant") (3.7% of outstanding shares; December 31, 2021: 4.9%).

Under IFRS, in 2022, the Company recognized an unrealized loss of â,-0.5 million in other comprehensive

income following the decrease of the fair value of these marketable securities (loss of $\hat{a},-1.2$ million in 2021).

Under French GAAP, a loss of $\hat{a},-1.0$ million was recorded following the decrease of the fair value of the marketable securities (2021: gain of $\hat{a},-0.4$ million), in the financial results in the statement of earnings.

Royalty assets
(Refer to MD&A for more details)

As at December 31, 2022, the Company's impairment review indicated that the facts and circumstances did not represent an indication of potential impairment for Rosebel and Bombore.

The statements by the French Government in 2019 regarding the Compagnie Minière Montagne d'Or (the joint venture) 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 May 10, 2022, Orea reported that the French Supreme Court has admitted the final appeal of the French Government on the renewal of the Montagne d'Or project mining titles, following the fact that the Administrative Court of Appeal in Bordeaux had rejected the French Government's appeal in July 2021. On August 31, 2022, Orea reported that it has entered into a legally binding letter agreement with Nordgold to obtain its 55.01% interest in the Montagne d'Or joint-venture, following the sanctions imposed by the United States on Nordgold. On September 13, 2022, Orea confirmed that the French Government responsible for overseeing matters related to Russian sanctions, has approved the proposed transaction with Nordgold. On December 21, 2022, Orea published its financial statements as of September 30, 2022 in which the investment relating to the Montagne d'Or project is fully depreciated. On January 4, 2023, Orea announced that it has signed a Definitive Agreement to acquire Nordgold's 55.01% interest in the Montagne d'Or joint-venture company ("HoldingCo"). The Definitive Agreement was signed with the approval of the French treasury which is responsible for overseeing matters related to Russian sanctions.

As part of the impairment test performed as at December 31, 2022, the Company considered the historical uncertainties related to obtaining the various authorizations and permits necessary for Orea to continue this project, the change in shareholding that occurred during the year following the sanctions imposed on Nordgold and the major uncertainties regarding the financing of the project and the fact that Orea has fully depreciated its investment in its last published annual accounts. Thus, as at December 31, 2022, the Company considered that the events that occurred in 2022 questioned the viability of the project and its ability to generate future economic interest. Consequently, the Company has fully impaired the value of its royalty asset at the end of the year. Under IFRS, an impairment charge of $\hat{a},-5.2$ million ($\hat{a},-4.2$ million under French GAAP) was recognized in the income statement for the year ended December 31, 2022.

Comments on financial results prepared in accordance with French GAAP for the year ended December 31, 2022 compared to 2021

Under French GAAP, revenues totaled $\hat{a},-22.2$ million in 2022, an increase compared to revenues of $\hat{a},-12.8$ million reported in 2021. Revenues were mainly attributable to the Rosebel royalty in 2022 and only attributable to the Rosebel royalty in 2021. The increase in revenues was mainly due to higher gold production of 163,200 ounces in 2022 compared to 104,319 ounces in 2021 ($\hat{a},-7.1$ million) and a weakened euro ($\hat{a},-2.5$ million), partially offset by a lower average gold price in 2022 of US\$1,794 per ounce of gold compared to US\$1,797 per ounce of gold in 2021 ($\hat{a},-0.1$ million). In 2022, EURO also accounted for revenues from the silver stream of the Bombore mine for $\hat{a},-0.1$ million. The revenues also included a foreign exchange gain on commercial operations of $\hat{a},-0.02$ million ($\hat{a},-0.2$ million in 2021).

Under French GAAP, operating expenses (excluding amortization and depreciation expenses) totaled $\hat{a},-0.8$ million in 2022, same level as 2021.

The amortization expense of $\hat{a},-0.2$ million in 2022 was higher compared to $\hat{a},-0.1$ million in 2021 mainly due to higher gold production at the Rosebel mine in 2022.

The investment income was $\hat{a},-0.3$ million in 2022 compared to $\hat{a},-0.1$ million in 2021. The increase was mainly due to the increase of the interest rates in 2022.

Financial results included a foreign exchange gain on bank accounts under French GAAP of $\hat{a},-1.1$ million in 2022 compared to a foreign exchange gain on bank accounts of $\hat{a},-1.5$ million in 2021. The foreign exchange gain is mainly due to a fluctuation of foreign exchange rates in 2022 used for the conversion of bank accounts held in US dollars. This exchange rate differential in 2022 compared to 2021 was mainly due to the weakening of the euro against the US dollar in 2022 compared to 2021.

Under French GAAP, an impairment loss on investment of royalty interests of $\hat{a},-4.2$ was recorded in 2022 related to the Paul Isnard royalty asset (nil in 2021).

Under French GAAP, EURO recorded an income tax expense of $\hat{a},-4.5$ million in 2022 compared to $\hat{a},-3.8$ million in 2021. The increase was mainly due to the tax impact of higher earnings, partially offset by the tax impact of the change in fair value of the marketable securities and 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.

2022 compared to 2021 (IFRS)

Under IFRS, EURO recorded net earnings of $\hat{a},-11.3$ million ($\hat{a},-0.182$ per share) in 2022 compared to $\hat{a},-7.6$ million ($\hat{a},-0.122$ per share) during 2021.

Under IFRS, revenues totaled $\hat{a},-22.2$ million in 2022, higher than revenues of $\hat{a},-12.6$ million reported in 2021. Revenues were mainly attributable to the Rosebel royalty in 2022 and only attributable to the Rosebel royalty in 2021. The increase in revenues was mainly due to higher gold production of 163,200 ounces in 2022 compared to 104,319 ounces in 2021 ($\hat{a},-7.1$ million) and a weakened euro ($\hat{a},-2.5$ million), partially offset by a lower average gold price in 2022 of US\$1,794 per ounce of gold compared to US\$1,797 per ounce of gold in 2021 ($\hat{a},-0.1$ million). In 2022, EURO also accounted for revenues from the silver stream of the Bombore mine for $\hat{a},-0.1$ million.

Operating expenses in 2022 were $\hat{a},-0.6$ million compared to $\hat{a},-0.7$ in 2021. The decrease was mainly due to lower administrative costs and legal fees, partially offset by higher directors' fees.

The amortization expense of $\hat{a},-0.3$ million during 2022 was higher than the amortization expense of $\hat{a},-0.2$ million recorded during 2021, mainly due to higher gold production at the Rosebel mine.

An impairment loss on investment of royalty interests of $\hat{a},-5.2$ million was recorded in 2022 related to the Paul Isnard royalty asset (nil in 2021).

The investment income in 2022 was $\hat{a},-0.3$ million compared to $\hat{a},-0.1$ million during the same period in 2021. The increase was mainly due to the increase of the interest rates in 2022.

EURO recorded a foreign exchange loss of $\hat{a},-0.3$ million in 2022 compared to a loss of $\hat{a},-0.2$ million in 2021, mainly due to the revaluation of dividends payable, bank accounts and income tax payable.

Under IFRS, EURO recorded an income tax expense of $\hat{a},-4.6$ million in 2022 compared to $\hat{a},-4.0$ million in 2021. The increase was mainly due to the tax impact of higher earnings, partially offset by the tax impact of the change in fair value of the marketable securities and translation adjustments.

Fourth quarter ended December 31, 2022 compared to the same period in 2021 (IFRS)

Under IFRS, EURO recorded a net earnings of $\hat{a},-2.0$ million ($\hat{a},-0.033$ per share) for the fourth quarter of 2022 compared to $\hat{a},-2.6$ million ($\hat{a},-0.042$ per share) for the fourth quarter of 2021.

Revenues were $\hat{a},-7.1$ million during the fourth quarter of 2022, an increase compared to revenues of $\hat{a},-3.5$ million during the fourth quarter of 2021. Revenues were only attributable to the Rosebel royalty in the fourth quarter of 2022 and only attributable to the Rosebel royalty in 2021. The increase in revenues was mainly due to a higher gold production of 52,426 ounces in the fourth quarter of 2022 compared to 28,162 ounces during the fourth quarter of 2021 ($\hat{a},-2.9$ million) and by a weakened euro ($\hat{a},-0.9$ million), partially offset by a lower average gold price during the fourth quarter of 2022 of US\$1,725 per ounce of gold compared to US\$1,795 per ounce of gold during the fourth quarter of 2021 ($\hat{a},-0.3$ million). In 2022, EURO also accounted for revenues from the silver stream of the Bombore mine for $\hat{a},-0.1$ million.

An impairment loss on investment of royalty interests of $\hat{a},-5.2$ was recorded in 2022 related to the Paul Isnard royalty asset (nil in 2021).

Under IFRS, EURO recorded an income tax recovery of $\hat{a},-0.5$ million during the fourth quarter of 2022 compared to an income tax expense of $\hat{a},-0.6$ million during the fourth quarter of 2021. The decrease was mainly due to the tax impact of lower earnings due to the impairment loss on investment of royalty interests recorded in the fourth quarter of 2022 and translation adjustments, partially offset by the tax impact of the change in fair value of the marketable securities.

Outlook

The Rosebel royalty production in 2022 was 163,200 ounces. On October 18, 2022, IAMGOLD has entered into a definitive agreement with [Zijin Mining Group Co. Ltd.](#) ("Zijin") to sell its 95% interest in Rosebel Gold Mines N.V.. The transaction closed on January 31, 2023, and as such, no information on anticipated production for the year 2023 has been disclosed for the Rosebel royalty.

Orezone announced on December 1, 2022 that the Bombore Gold Mine had achieved commercial production.

EURO's cash flow is expected to be primarily affected by income tax payments.

Global COVID-19 pandemic

COVID-19 impacts have been limited but remain closely monitored and controlled on a case-by-case basis.

Subsequent Event

On October 18, 2022, IAMGOLD announced that it has entered into a definitive agreement with [Zijin Mining Group Co. Ltd.](#) to sell its 95% interest in Rosebel Gold Mines N.V. for cash consideration of \$360 million. The transaction closed on January 31, 2023.

The existing royalty on Rosebel held by EURO will remain an obligation of IAMGOLD. The Royalty payments will continue to be paid by IAMGOLD on a quarterly basis, based on gold production reports provided to IAMGOLD by Zijin.

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, a silver stream from a subsidiary of Orezone Gold Corporation ("Orezone") and marketable securities. On October 18, 2022, IAMGOLD

announced that it had entered into a definitive agreement with [Zijin Mining Group Co. Ltd.](#) to sell its interests in the Rosebel mine. The transaction closed on January 31, 2023. The existing royalty on Rosebel held by EURO will remain an obligation of IAMGOLD (see Subsequent Event). 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. Orea Mining Corp. now holds a 100% interest in the Montagne d'Or project. The silver stream entitles EURO to receive 50% of the payable silver production over the life of mine on Orezone's Bombore mine, located in Burkina Faso, West Africa.

EURO has approximately 62.5 million shares outstanding. At December 31, 2022, IAMGOLD France S.A.S. ("IAMGOLD France"), a wholly owned subsidiary of IAMGOLD, owned 90% of all issued outstanding shares of EURO. As at December 31, 2022, IAMGOLD France held 56,242,153 shares representing 112,300,344 voting rights or 94.38% of the voting rights of EURO.

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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Attachment

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