

EURO Ressources reports earnings for the first quarter ended March 31, 2023

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EURO RESSOURCES REPORTS EARNINGS FOR THE FIRST QUARTER ENDED MARCH 31, 2023

Paris, France, May 12, 2023: [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 first quarter ended March 31, 2023. These unaudited interim financial statements were approved by the Board of Directors on May 12, 2023. All financial amounts are expressed in Euros ("â,-" or "euros") unless otherwise specified.

Highlights

Under IFRS, EURO reported net earnings of â,-6.1 million (â,-0.098 per share) for the first quarter of 2023, compared to â,-3.2 million (â,-0.051 per share) for the first quarter of 2022.

EURO recorded revenues of â,-8.2 million in the first quarter of 2023 compared to revenues of â,-4.8 million for the first quarter of 2022.

Liquidity and capital resources

Cash at March 31, 2023 totaled â,-26.4 million as compared to â,-21.4 million at December 31, 2022. The increase was mainly due to 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 March 31, 2023, marketable securities were comprised of 19,095,345 shares of Orea Mining Corp. ("Orea") (8.4% of outstanding shares; December 31, 2022: 8.8%) and 3,819,069 shares of Allegiant Gold Ltd. ("Allegiant") (3.7% of outstanding shares; December 31, 2022: 3.7 %).

During the first quarter ended March 31, 2023, the Company recognized an unrealized gain under IFRS following the increase of the fair value of these marketable securities. Under IFRS, this gain of â,-0.4 million was recorded in other comprehensive income (gain of â,-0.3 million during the first quarter ended March 31, 2022).

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

As at March 31, 2023, 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. On March 1, 2023, Orea reported that it wished to obtain comfort on sanctions from the Canadian government prior to proceeding with closing. On May 4, 2023, Orea provided an update on the closing of the acquisition of the additional 55.01% interest in the Montagne d'Or project holding company. The French government and Nordgold have both extended the deadline to close the acquisition to May 31, 2023. A final response from the Canadian government to Orea's permit application regarding the acquisition is pending.

In the impairment test performed 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 as at December 31, 2022. No indication of recovery in the value of the royalty asset has been identified as at March 31, 2023.

First quarter ended March 31, 2023 compared to the same period in 2022 (IFRS)

Under IFRS, EURO reported net earnings of $\hat{a},-6.1$ million ($\hat{a},-0.098$ per share) for the first quarter of 2023 compared to $\hat{a},-3.2$ million ($\hat{a},-0.051$ per share) for the first quarter of 2022.

Revenues were $\hat{a},-8.2$ million during the first quarter of 2023, an increase compared to $\hat{a},-4.8$ million for the first quarter of 2022. Revenues were mainly attributable to the Rosebel royalty in the first quarter of 2023 and only attributable to the Rosebel royalty in 2022. The increase in revenues was mainly due to higher gold production of 57,414 ounces in the first quarter of 2023 compared to 35,213 ounces in the first quarter of 2022 ($\hat{a},-2.8$ million), a weakened euro ($\hat{a},-0.4$ million) and a higher average gold price in the first quarter of 2023 of US\$1,890 per ounce of gold compared to US\$1,877 per ounce of gold in the first quarter of 2022 ($\hat{a},-0.1$ million). Euro also accounted for revenues from the silver stream of the Bombore mine for $\hat{a},-0.1$ million.

During the first quarter of 2023, the Company recorded operating expenses of $\hat{a},-0.2$ million, compared to $\hat{a},-0.1$ million in the first quarter of 2022. The increase was mainly due to higher legal fees incurred during the first quarter of 2023 compared to the first quarter of 2022.

The investment income in the first quarter of 2023 was $\hat{a},-0.3$ million compared to $\hat{a},-0.01$ million in the first quarter of 2022. The increase was mainly due to the increase of the interest rates in the first quarter of 2023.

EURO recorded an income tax expense of $\hat{a},-2.0$ million in the first quarter of 2023 compared to $\hat{a},-1.4$ million in the first quarter of 2022. The increase was mainly due to the tax impact of higher earnings and the change in fair value of the marketable securities in the first quarter of 2023 compared to the first quarter of 2022, partially offset by translation adjustments.

Outlook

Since January 31, 2023, the Rosebel gold mine is 95%-owned and operated by Zijin, 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. No information on anticipated production for the year 2023 has been disclosed related to the

silver stream.

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, a silver stream from a subsidiary of Orezone Gold Corporation ("Orezone") and marketable securities. Since January 31, 2023, the Rosebel gold mine is 95%-owned and operated by [Zijin Mining Group Co. Ltd.](#) ("Zijin"). The existing royalty on Rosebel held by EURO will remain an obligation of 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 by [Orea Mining Corp.](#) 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. As at March 31, 2023, IAMGOLD France S.A.S. ("IAMGOLD France"), an indirect wholly owned subsidiary of IAMGOLD, owned 90% of all issued outstanding shares of EURO. As at March 31, 2023, 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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