



Rehabilitated areas of the Olympias tailings facility, Greece

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ABOUT THIS REPORT

This Report includes data on the operational, economic, environmental, and social performance of our six producing mines. While we discuss construction and development projects in relevant sections of this Report, our performance data is focused on our producing assets. Data represents the full 2015 calendar year, and all costs are reported in US dollars unless otherwise noted.

This Report has been prepared in accordance with the “Core” Global Reporting Initiative (GRI) fourth-generation (G4) Sustainability Reporting Guidelines (www.globalreporting.org/reporting/g4). We currently do not externally verify the Sustainability Report, but the content has been prepared and reviewed internally.

Where applicable, restatements of prior-year data have been highlighted throughout the Report. Restatements occur as a result of updated or more accurate data becoming available after our previous 2014 Sustainability Report publication date.

Other In-Country Sustainability Reporting

- **Greece** – Our Greek subsidiary, Hellas Gold publishes an annual Corporate Social Responsibility (CSR) report that is aligned with the GRI.
- **China** – Our Jinfeng operation in China voluntarily publishes an annual CSR report in accordance with various Chinese reporting guidelines.

We welcome feedback from stakeholders regarding our sustainability reporting. Please direct comments or requests for further information to: sustainability@eldoradogold.com.

ELDORADO GOLD at a GLANCE

Headquartered in Vancouver, Eldorado Gold is one of Canada's leading mid-tier public gold companies, with shares trading on the Toronto (TSX: ELD) and New York (NYSE: EGO) stock exchanges.

Eldorado's operations are global and we have assets in Turkey, China, Greece, Romania and Brazil. Our activities involve all facets of mining, including exploration, development, production and reclamation. In 2015, we produced 723,532 ounces of gold and had proven and probable gold reserves of approximately 25 million ounces. Eldorado is the largest foreign gold producer in China and operates the largest gold mine in Turkey.

Our 33 offices, operations and projects employ approximately 7,300 people worldwide. We operate as a decentralized business, with the majority of employees and management being nationals of the countries where our operations and offices are located.

Our success is based on a low-cost strategy, a highly skilled and dedicated workforce, safe and responsible operations, and long-term partnerships with the communities where we operate.

Eldorado has a market capitalization of over \$2 billion and revenues of approximately \$0.9 billion per year.

For more information on Eldorado Gold, our entities, and financial performance, please see our 2015 Annual Information Form on our website: www.eldoradogold.com/investors/financial-information/filings.

DID YOU KNOW?



Eldorado operates Turkey's largest gold mine: Kişladağ



Eldorado's assets in Greece have the potential to make the country a leading European gold producer



Production from our two Turkish mines accounts for more than 40% of Turkey's total annual gold production



Eldorado was the first Western company to build and operate a gold mine in China

KEY FACTS

~7,300

employees & contractors worldwide

5

countries of operation

6

producing mines

~25

years' experience in building and operating mines globally

~724,000 oz

gold produced in 2015

~25

Moz gold reserves

Crushed ore being transported via conveyor at Kişladağ, Turkey

OUR STRATEGY

We aim to build value for all those invested in us – from our employees to our neighbours and shareholders. We do this by discovering, acquiring, and developing quality gold assets in prospective jurisdictions. This has been our strategy for the past 20 years and underpins our vision to build a sustainable, high-quality business in the gold sector.



Kışladağ open pit at dusk, Turkey

OUR STRATEGIC PRIORITIES

Our success to date stems from a commitment to the following four strategic priorities.

1. Quality Assets

Our business is based on a portfolio of long-life, low-cost assets in prospective jurisdictions. The quality of our asset base allows us to achieve long-term growth with high margins, enhancing our ability to generate free cash flows and earnings per share.

2. Operational Excellence

We invest in new technologies and training our people in order to increase productivity, reduce risk and operate to guidance year-on-year.

3. Capital Discipline

Capital discipline underpins every business decision we make. We consider all competing uses of cash and prioritize capital for sustaining our operations and developing our key projects.

Our balance sheet strength is a key competitive advantage, as it positions us to develop our assets, take advantage of opportunities and withstand market pressures.

4. Accountability

We are committed to doing business honestly, respecting our neighbours, minimizing our environmental impacts and keeping our people safe. Operating this way is essential to the sustainability of our business.

“Eldorado has always focused on developing quality assets managed by strong technical teams, prioritizing stakeholder relationships at all levels and conducting exploration in prospective geological locations.”

Paul Wright
President and CEO

WHERE we OPERATE

Our activities span three continents: Europe, Asia and South America. We have strategically built our portfolio in under-explored, highly prospective areas that offer the potential for long-term growth and access to high-quality assets.

The maps below show the locations of our operations, along with Eldorado's percentage ownership of each asset.

EUROPE



LEGEND

OPERATING MINES

- 1 Efemçukuru, Turkey (Gold – 100%)
- 2 Kışladağ, Turkey (Gold – 100%)
- 3 Stratoni, Greece (Silver, Lead, Zinc – 95%)
- 4 Tanjianshan, China (Gold – 90%)
- 5 Jinfeng, China (Gold – 82%)
- 6 White Mountain, China (Gold – 95%)

ASIA



CONSTRUCTION PROJECTS

- 7 Olympias, Greece (Gold, Silver, Lead, Zinc – 95%)
- 8 Skouries, Greece (Gold, Copper – 95%)⁽¹⁾
- 9 Eastern Dragon, China (Gold, Silver – 75%)

EVALUATION & DEVELOPMENT PROJECTS

- 10 Perama Hill, Greece (Gold, Silver – 100%)⁽¹⁾
- 11 Certej, Romania (Gold, Silver – 81%)
- 12 Tocantinzinho, Brazil (Gold – 100%)

SOUTH AMERICA



CARE & MAINTENANCE

- 13 Vila Nova, Brazil (Iron Ore – 100%)

- Country Office

(1) Both Skouries and Perama Hill were put on care and maintenance in January 2016.

LETTER from the PRESIDENT and CEO



Paul Wright, President and CEO

Over the past 20 years, Eldorado Gold has built more than just mines. In that time, we have helped establish Turkey's gold mining industry, brought leading safety and environmental standards to new mining jurisdictions, and helped local communities achieve a better standard of living. Patience, dedication and dialogue have allowed us to enter six new countries, build and expand eight mines and develop Eldorado into a leading mid-tier gold producer.

Paul N. Wright
President and Chief Executive Officer

"Our six mines continued to outperform in 2015, exceeding our initial production guidance by nearly 10%."

"Our teams' efforts resulted in a 25% improvement in accident rates across our global operations."

1.03

Total Lost-Time Injury
Frequency Rate

"We will continue to invest in our people, our operations and our communities to ensure that we remain welcome partners in the areas where we operate."

The integrity of our teams and their ability to build relationships, trust and mutual respect with key stakeholders underpins our history of successful operations. We are guided by the values of honesty, openness and accountability and we continue to measure our performance beyond the balance sheet.

This report outlines our operational and sustainability performance for 2015. We use a wide range of metrics to track our progress from year to year, noting areas where we have improved and identifying areas where we can improve further. This data-driven approach helps us set targets for subsequent years and focus our resources on areas of mutual importance to our operations and stakeholders.

Exceeding Our Guidance

From an operational standpoint, our six mines continued to outperform in 2015. We produced a total of 723,532 ounces of gold, exceeding our initial guidance of 640,000 to 700,000 ounces. Cash operating costs were at the low end of our forecasts, finishing the year at \$552 per ounce, and all-in sustaining costs were \$842 per ounce. Accounting for depletion, our reserves and resources for the year were down slightly; however, we have an impressive total proven and probable gold reserve base of nearly 25 million ounces of gold and a leading reserve life in comparison to our peer group in the gold industry. With the price of gold significantly down from its 2011 high of over \$1,900 per ounce, we remain disciplined in allocating funds prudently to our growth projects so that we can maintain the financial flexibility that will enable us to sustain and grow our business.

Focusing on Safety

From our commitment to health and safety, I am proud to report that our teams' efforts resulted in a 25% improvement in accident rates across our global operations, achieving a total Lost-Time Injury Frequency Rate of 1.03. We had no fatalities in 2015, but I am deeply saddened to report the tragic death of Mr. Konstantinos Strounis, an experienced underground miner at our Stratoni mine in Greece, in February 2016. A mines inspector examined the scene immediately following the fatal accident and found no substandard operating conditions. We are waiting on the inspector's final report; however, we do not rest on that and are ensuring we do everything we can to prevent further incidents. Our internal investigation has resulted in findings that we have acted upon immediately, in order to reduce the likelihood of a similar accident occurring again.

Committed to Environmental Best Practices

On the environment side, we are proud to have achieved another year with no reportable environmental incidents. With Efemçukuru receiving ISO 14001 certification in 2015, all of our operations in Turkey and Greece are now certified to this global standard.

We demonstrated our commitment to implementing best practices at our mine sites by completing International Cyanide Management Code (ICMC) certification at our Jinfeng and Tanjianshan mines. This is an enormous accomplishment for our site teams and I am proud to report these are the first two gold mines in China to be ICMC certified.

As a member of the Mining Association of Canada, we achieved our 2015 target of assessing our operations' conformance to the protocols outlined in the Towards Sustainable Mining framework. All sites completed full reviews, and while each identified gaps at various stages of the protocols, we are working to further improve our internal processes and standards over the next two years as we move towards formal implementation of the framework at each of our operations.

Engaging to Build Trust

Our track record of building long-term relationships with local communities and all levels of government in Turkey, China and Brazil has set the bar for how we engage with our stakeholders in Greece. Despite the Greek courts upholding the legality of our permits for our Skouries and Olympias projects on numerous occasions, we continue to face permitting challenges with the current Greek Ministry of Environment and Energy. We strive to operate to the highest environmental, health, safety and community standards and we continue to work hard to demonstrate this responsible approach to the Greek government. We made a commitment to these projects when we acquired them back in 2012, and we remain dedicated to their development over the long term.

Looking Ahead

Our consistent production, organic exploration potential, financial stability and low debt, an enviable project pipeline and the long lives of our assets place us in a strong position for sustainable growth. Looking ahead, we have set ambitious targets for our operations in 2016 that encompass economic, health, safety, environmental and community aspects. Of note, we aim to become a signatory to the UN Global Compact and to strengthen the existing grievance mechanisms at sites. We will continue to invest in our people, our operations and our communities so that we remain welcome partners in the areas where we operate.

It is the passion and dedication of our global team that has built Eldorado into the company that it is today. I am honoured to work with people who exhibit quality and integrity in all that they do.

2015 HIGHLIGHTS & YEAR in REVIEW

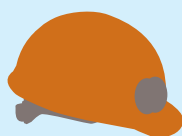


\$6.05 million
(\$11.1 million in 2014)⁽¹⁾

The amount we invested in social responsibility projects in the communities where we operate.

NaCN

Three of Eldorado's four sites using cyanide have achieved certification under the International Cyanide Management Code.



4.59 TRIFR
(6.69 in 2014)

A 31% reduction in our company-wide 2015 Total Recordable Injury Frequency Rate (TRIFR) per million hours worked. This reflects a company-wide reduction of lost-time injuries, medical-treatment injuries, and restricted-work injuries in 2015.

1.03 LTIFR
(1.38 in 2014)

A 25% reduction in our company-wide 2015 Lost-Time Injury Frequency Rate (LTIFR) per million hours worked. This is the fourth year that Eldorado has achieved an annual reduction in its LTIFR.



305%
(433% in 2014)

The total volume of water processed by our water treatment plants as a percentage of total water use across all of our sites. At Kışladağ, we recycled and reused nearly 35 times more water than we withdrew from local water sources.



99%

The percentage of employees at each of our sites who are from that country.

4,703 m³

The number of cubic metres of topsoil stockpiled for reclamation at Jinfeng in 2015.

23 ha

The number of hectares of rehabilitated land at our sites in 2015.

0

The number of reportable spills that occurred at Eldorado's sites in 2015.

2 million
plants and
250
species

The number of plants growing in our Olympias Plant Nursery – one of the largest nurseries in northern Greece – as part of Eldorado's rehabilitation and landscaping efforts in the region.

(1) Two large community projects (funding for a new elementary school and university buildings in Turkey) were completed in 2014, hence a decrease in 2015 community spend.

YEAR IN REVIEW

Q1 2015

- **Jinfeng:** Became the first operating mine in China to achieve International Cyanide Management Code (ICMC) certification
- **Vila Nova:** Was placed on care and maintenance pending a recovery in iron ore prices; unfortunately, this resulted in the termination of ~200 full-time positions

Q2 2015

- **Kişladağ:** Completed the recertification of the ISO 14001 environmental management system
- All operations in China began implementing the Country Strategic Occupational Health and Safety Plan
- **Jinfeng:** A \$444 fine was issued to our Jinfeng operation, related to two minor non-compliances of effluent discharge that occurred in Q1 and Q3 2014
- **Eastern Dragon:** Received Project Permit Approval from the National Development and Reform Commission, which included a review and verification of previous permits granted, including the Environmental Protection Assessment, the Social Risk Management Licence and all relevant business licences
- **Tocantinzinho:** Completed a positive feasibility study
- **Certej:** Completed a positive feasibility study

Q3 2015

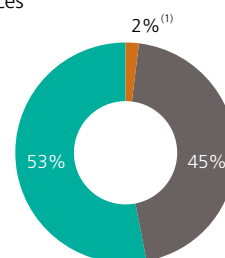
- **Efeçukuru:** Successfully completed the ISO 14001 and OHSAS 18001 (Occupational Health and Safety) external audits
- **Kişladağ:** Received an award from the Marmara region industrial zone recognizing the site's environmental management systems and performance
- **Jinfeng:** Invited to attend the 2015 Guizhou Provincial Corporate Social Responsibility Release Conference with Jinfeng's Corporate Social Responsibility Report
- **Tanjianshan:** Completed the raise of the tailings dam 4 without any significant health, safety or environmental incidents
- **Hellas Gold:** Greece's Ministry of Environment and Energy revoked approved technical studies, preventing the company from progressing its development plans in Halkidiki. In January 2016, Greece's top administrative court ruled that the decision to revoke Eldorado's mining licence was baseless
- **Hellas Gold:** Provided opportunities to 266 local summer student trainees from the Aristotle Municipality
- **Certej:** Romanian court ruled that our environmental permit for Certej is valid

Q4 2015

- All operations in Turkey, China and Greece completed a gap assessment against the Mining Association of Canada's Towards Sustainable Mining framework, to prepare for implementing this framework
- **Kişladağ:** Completed a biodiversity conservation site study; no impacts were found outside the mine site boundary
- **Kişladağ:** Delivered environmental management refresher training to over 1,000 employees and contractors
- **Tanjianshan:** Achieved ICMC certification in December
- **White Mountain:** Achieved 98% compliance with the ICMC. Full certification with the Code cannot be achieved until cyanide jurisdictional, manufacture and transport arrangements are agreed to and amended with the local government
- New site records of 543 days (Jinfeng) and 298 days (White Mountain) without a lost-time injury, as at December 31, 2015
- All of our China sites achieved zero lost-time injuries in 2015
- **Hellas Gold:** Received prizes in all four categories entered at the national HR Awards, including: Excellence in Workplace Well-being; Excellence in Performance Management Strategy; Best Performance Management Tools / Practices; and Best Local Recruitment Practices
- **Tocantinzinho:** Submitted our application for the installation licence to local authorities

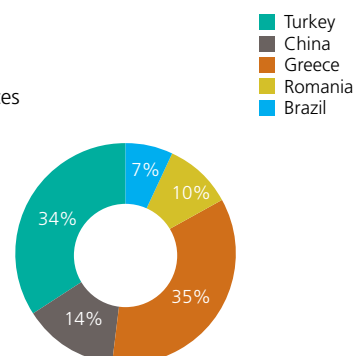
Gold Production 2015

Gold production of 723,532 ounces



Gold Reserves 2015

Gold reserves of ~25 million ounces





(1) Production is from tailings retreatment at Olympias.

OUR PERFORMANCE and TARGETS


Our focus on building value for all those invested in us and our commitment to operating to the highest health, safety, and environmental standards continues to drive our performance targets each year.

2015 PERFORMANCE





● Achieved ● Partially Achieved ● Not Achieved

Area	Target	Result	Comment
 Economic/ Operations	Produce between 640,000–700,000 ounces of gold	●	Produced 723,532 ounces of gold
	Deliver cash operating costs between \$570–\$615 per ounce	●	Cash operating costs of \$552 per ounce
	Deliver AISC between \$960–\$995 per ounce	●	AISC of \$842 per ounce
	Maintain gold reserves between 20 and 25 times the production rate	●	Gold reserves of ~25 million ounces, over 30 times the production rate
	Continue to advance our development projects at Skouries and Olympias in Greece	●	Phase I at Olympias was completed in early 2016; while Skouries was put on care and maintenance in January 2016, development progressed throughout 2015
	Remain in the lowest quartile of industry cash costs	●	Our flat cash costs year-on-year continues to place us in the lowest quartile of industry cash costs
	Maintain liquidity of no less than \$200 million	●	Total liquidity of ~\$668 million at year-end 2015 and rigorous planning, budgeting and forecasting processes in place
	Maintain a debt-to-capital ratio of less than 30%	●	Debt-to-capital ratio of 10.8%
	Pay a semi-annual dividend	●	Paid dividends of CDN\$0.02/share
 Health, Safety, Environment	Zero fatalities	●	No fatalities in 2015
	Reduce our LTIFR	●	Reduced LTIFR to 1.03 from 1.38 in 2015
	Identify and mitigate safety risks	●	30% reduction in accident rates at our Chinese operations
	Align sites' management processes with MAC's TSM Health and Safety protocol	●	All sites completed a full review throughout the year and found the existing safety management to be aligned with TSM at levels B and above
	Work to align our site, regional and corporate-level crisis management communication plans with MAC's TSM Crisis Management protocol	●	All sites reviewed and updated crisis management plans accordingly. Plans reflect TSM protocols
	Have no reportable environmental incidents	●	No reportable environmental incidents occurred in 2015
	Become ICMC compliant at all our Chinese operations (Jinfeng, Tanjianshan and White Mountain)	●	Jinfeng and Tanjianshan received ICMC certification in January and December 2015 respectively. White Mountain made significant improvements in safe cyanide management and continues to benchmark its activities against the Cyanide Code protocols, but is currently prevented from achieving compliance because its cyanide supplier and transporter have opted not to become a signatory to the Code

2015 PERFORMANCE

	Area	Target	Result	Comment
	Governance	Align sites' management processes with MAC's TSM Tailings Management protocol	●	Gap assessments were completed; all sites have undergone third-party review
		Improve the transparency of our commitment to health, safety and the environment by updating existing policies	●	Published updated policies in January 2016
		Improve the transparency of our commitment to human rights by formalizing a corporate policy	●	Published and distributed a human rights policy in January 2016
		Adhere to the World Gold Council's Conflict-Free Gold Standard	●	All our operations continue to meet the Conflict-Free Gold Standard
		Continue to be transparent by publishing annual reports to GRI guidelines	●	This is our fifth report which aims to incorporate elements of the Annual Reports as well
		Maximize the value of our Chinese assets	●	Exploration of listing assets on Hong Kong Stock Exchange or sale of assets ongoing
	Community	Continue to treat our host communities with respect and deliver tangible and ongoing benefits	●	Donations and community spending totalled \$6.5 million in 2015
		Expand our channels of engagement with stakeholders	●	Development of our sustainability blog and social media platforms
		Align sites' management processes with MAC's TSM Aboriginal and Community Outreach protocol	●	All sites have management processes for community outreach and completed assessments of these processes against the TSM protocol with results indicating a B or better rating

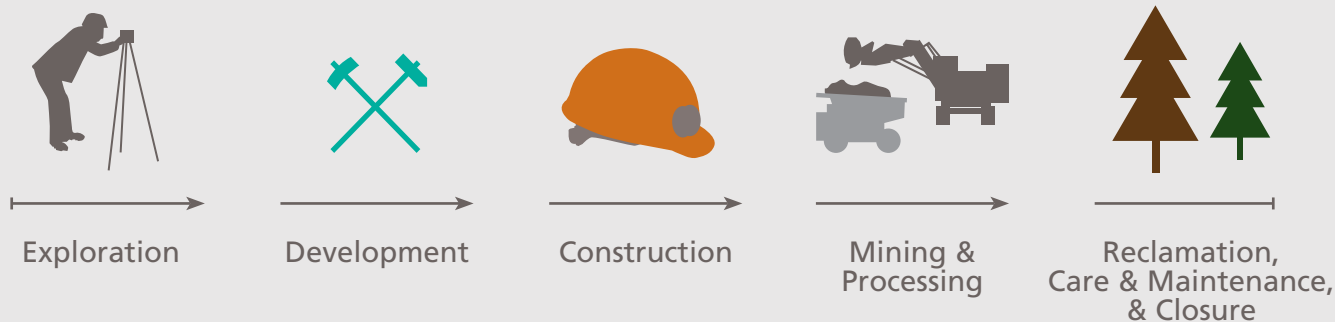
2016 TARGETS

	Area	Target
	Economic/Operations	Produce between 565,000–630,000 ounces of gold
		Deliver cash operating costs between \$585–\$620 per ounce
		Maintain gold reserves between 20 and 25 times the production rate
		Maintain a debt-to-capital ratio of less than 30%
	Health, Safety, Environment	Zero fatalities
		Achieve a minimum 10% year-on-year improvement in the Reportable Injury Frequency Rate
		Implement a Corporate Safety Directive across all regions
		Improve scores at sites for MAC's Health and Safety protocol
		Conduct review for alignment with the Voluntary Principles on Security and Human Rights; implement plans to close any gaps
		Have no reportable environmental incidents
		Continue ICMC compliance at current operating sites, design new projects to standards upon start-up
Increase availability and transparency of environmental data collected at sites		
	Governance	Review plans for an employee diversity policy
		Become a signatory to the UN Global Compact
		Develop reporting systems compliant with the <i>Extractive Sector Transparency Measures Act</i> guidelines to enhance transparency of payments in the countries where we operate. Initial reporting under the act is due by May 2017
	Community	Implement formal grievance mechanisms at sites that do not already have one

OUR BUSINESS

CREATING VALUE THROUGHOUT THE MINING LIFE CYCLE

We find, mine and produce gold. At each stage of the mining process, we aim to create value for all of our stakeholders while operating responsibly. For us, this means developing strategies to mitigate our risks and impacts while also building opportunities for those whose lives our operations touch, either directly or indirectly.



Exploration

Our exploration and business development teams actively look for new resources within our focus jurisdictions and in new regions. They assess early and advanced stage exploration projects and conduct near-mine and grassroots exploration programs with the aim of adding value through discovery in order to increase our resources and reserves.

During grassroots exploration, small teams visit prospective areas to conduct geological surveys and sampling. If results indicate a possible mineralized deposit, we drill exploration holes to determine whether economically viable concentrations of metals exist. During this phase, we engage with local community members to identify their social and environmental concerns. We also begin conducting environmental baseline studies.

These studies give us a picture of the capital costs required for development and the longer-term economics of the project. We are then able to decide if a capital investment makes economic sense, in order to begin construction.

We also conduct extensive environmental testing during this phase to establish baseline data for air, water, soil and biodiversity. This information becomes part of the Environmental Impact Assessment (EIA) (also known as an Environmental Impact Study) that must be completed and approved by the relevant authorities before a mine can be developed. The environmental permitting process also enables us to consult with the community to obtain input and commentary.

Infrastructure development initiatives – such as improving roads, building sewage systems and drilling water wells – may also commence, according to local community needs.



Development

During the development stage, we complete feasibility studies to determine:

- The optimal mining methods and mineral recovery processes for a project
- The required infrastructure
- The best placement of facilities, based on thorough impact and mitigation assessments
- The required monitoring, closure and reclamation plans



Construction

Once our EIA is approved and we have received any other relevant permits, we can begin construction. The risk mitigation measures identified in the EIA guide all of our activities.

Construction employs the greatest number of people in the mining life cycle and we add significant value to local economies through this job growth. We aim to hire local residents and we train all of our employees and contractors in the industry's leading environmental, health and safety practices, procedures and controls.

Based on our dialogue with local communities, we identify gaps in skills and capacity, provide on-the-job training and if needed work with local technical schools and universities to enhance their mining-specific and trades programs so that local residents can increase their prospects of employment with us.



Mining and Processing

During production, ore is extracted from underground and/or open pit mines. It is then processed to extract metals such as gold and silver. The leftover waste is placed in an engineered facility or placed back underground as backfill. An ongoing monitoring plan – to test air, water and soil quality, and noise, blast vibration and dust levels – enables us to comply with environmental regulations.

We add value during the production phase through a commitment to operational excellence and community engagement. New equipment and technologies, continuous improvement projects, low accident rates, good environmental stewardship, and effective internal procedures all combine to deliver productivity benefits. Consultation with local communities helps us identify where we can help create new opportunities for sustainable economic development.



Reclamation, Care and Maintenance, and Closure

Restoring the land so it is compatible with the surrounding landscape is a priority for us and our communities. How we conduct our rehabilitation in one jurisdiction impacts our welcome in another jurisdiction. Prior to and throughout a mine's operation, we develop plans for mine closure. These address:

- **Decommissioning** – dismantling project infrastructure such as facilities and buildings
- **Reclamation** – revegetating disturbed areas
- **Ongoing monitoring** – long-term monitoring of environmental parameters
- **Closure costs** – provisions are made and updated regularly

Whenever possible, remediation is done during the mine's operation, and topsoil from mining and construction areas is stored for later use in reclamation activities. We investigate different plant, shrub and tree species suitable for local propagation in studies that are typically done in onsite greenhouses.

When we close a mine site, we conduct further reclamation activities as required in our EIA so that the environment can successfully transition to a productive ecosystem.



Tocantinzinho gold project, Brazil

SPOTLIGHT: RESPONSIBLE FROM THE START: OUR TOCANTINZINHO PROJECT

As we advance our Tocantinzinho project in Brazil through the permitting process, an environmental consulting company has been conducting baseline assessments on the water, soil, air, archaeological, flora and fauna conditions of the project area. At the same time, we are complying with 60 conditions of environmental monitoring, as set out in our environmental licences, and are reporting the results to the relevant local, state and national environmental agencies. For example, we monitor surface and groundwater to analyze 19 physicochemical parameters, and we present this data in a monthly environmental monitoring report to the environmental agencies of the state.

We are also looking ahead to identify opportunities to share the economic benefits associated with the project. In 2016, we will conduct a capacity assessment of local stakeholders to establish a baseline understanding of the skills and education levels in the project area. We plan to establish two training centres to offer vocational training aligned with the project's skills requirements.



Vila Nova iron ore mine, Brazil

SPOTLIGHT: MAINTAINING ENVIRONMENTAL RESPONSIBILITIES DURING CARE AND MAINTENANCE AT VILA NOVA

In January 2015, we put our Vila Nova iron ore mine in Brazil on care and maintenance. Environmental monitoring at the operation continues, and we report to state and federal environmental agencies on a monthly, quarterly and bi-annual basis. Although no mining or processing activities are occurring at the site, our compliance with legal conditions and reclamation activities remains unchanged, and no notices of violations were issued by environmental agencies in 2015. We also continue to support our community outreach activities – for example, we maintain our support for the Athlete of the Future Program, which was launched in 2013 in partnership with local schools to stimulate interest in academics and sports. For more information on our Athlete of the Future program, view our video: www.eldoradogold.com/news-and-media/video-library/.

OUR APPROACH to RESPONSIBLE MINING

For Eldorado, operating responsibly means protecting the environment, providing safe workplaces for our people, maintaining good relationships with our stakeholders, and investing in infrastructure, economic development, health and education in the communities where we operate. From exploration to reclamation, we anticipate our impacts and monitor our progress in order to achieve the high standards we have set for ourselves.

This commitment to excellence is our approach everywhere we do business.

OUR GUIDING PRINCIPLES

Our guiding principles underpin all that we do.

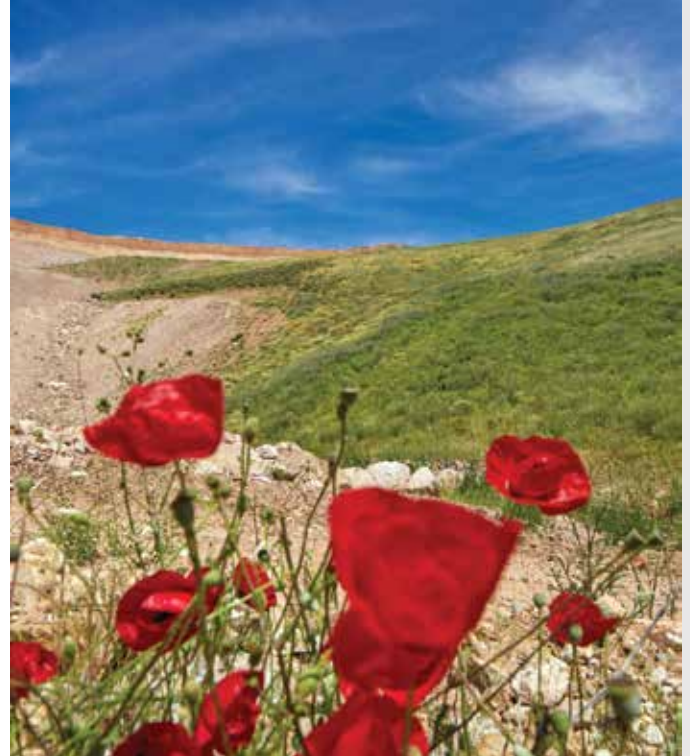


OUR GUIDING FRAMEWORKS

To support our internal policies and rigorous controls on ethical conduct, health and safety, and environmental and social responsibility, we participate in several global initiatives that establish standards and guidelines for best practice in these areas. Many of these frameworks have been developed in consultation with non-governmental organizations, academics, regulators and other stakeholder groups, and provide a means to verify, measure and report on our performance. These include:

- World Gold Council's Conflict-Free Gold Standard
- United Nations Guiding Principles on Business and Human Rights
- Voluntary Principles on Security and Human Rights
- ISO 14001 Environmental Management Systems Standard
- OHSAS 18001 Occupational Health and Safety Management Systems Standard
- International Cyanide Management Code
- Mining Association of Canada's Towards Sustainable Mining (TSM) Framework
- Global Reporting Initiative (GRI) G4
- Carbon Disclosure Project

Please see page 30 for a case study on how we have implemented the International Cyanide Management Code at our sites, and visit our website to view a copy of our Conflict-Free Gold Report: www.eldoradogold.com/responsibility/our-approach/accountability.



Reclaimed areas at Kışladağ, Turkey

SPOTLIGHT: IMPLEMENTING MAC'S TOWARDS SUSTAINABLE MINING FRAMEWORK

In 2015, we advanced our implementation of the Mining Association of Canada's (MAC) Towards Sustainable Mining (TSM) framework. Specifically, we identified four of the six TSM protocols as priorities for implementation: Tailings Management, Community Outreach, Safety and Health, and Crisis Management. In 2015, all operations conducted gap assessments against the management system requirements in each of the six protocols. As expected, we found that our sites' existing practices already reflected many of the guidelines suggested by the TSM framework, particularly in the areas of Safety and Health and Community Outreach. For Crisis Management and Tailings Management, while existing practices and maintenance were deemed robust, we identified opportunities to further improve our alignment with the TSM protocols and have started taking action on these opportunities. Our development projects are also incorporating the TSM protocols into their management programs.



Water collection and reclamation in progress at Kışladağ, Turkey

CONTRIBUTING to SUSTAINABLE DEVELOPMENT

Our operations contribute to the broader social and economic development of the communities and countries where we operate.

BUILDING OPPORTUNITIES AND ENRICHING LIVES

The benefits of our mining projects go far beyond the value of the metals we produce. Our projects create a series of direct, indirect and induced impacts that benefit local communities and national economies. This ripple effect of economic activity multiplies as it moves outwards from our mining projects.

Mining Creates Employment

Our mining projects create significant job opportunities for local communities and beyond. Direct jobs are created at the mine itself and indirect jobs are created throughout the industry supply chain. Jobs in the wider economy are created as demand increases for local services, such as shops, restaurants, hotels, schools and hospitals. The International Council on Mining and Metals (ICMM) estimates that for every one direct mining employee, three to five people may be employed indirectly elsewhere in the host nation's economy.

Our emphasis on ongoing training provides our employees with opportunities to develop their skills while they work with us and enables them to pursue new opportunities once our operations end.

Mining Generates Revenues

Our mines can be a significant source of income for employees and for governments. Our projects generate revenues in the form of wages, income taxes (personal and corporate), royalties and exports. Depending on metal prices, production from our assets can contribute significantly to a country's trade balance. Studies by the ICMM indicate that for every \$1 of economic activity invested by a mining project, an additional \$3 or more is generated elsewhere in the host economy.



Primary school in Uşak province, Turkey

Mining Builds Communities

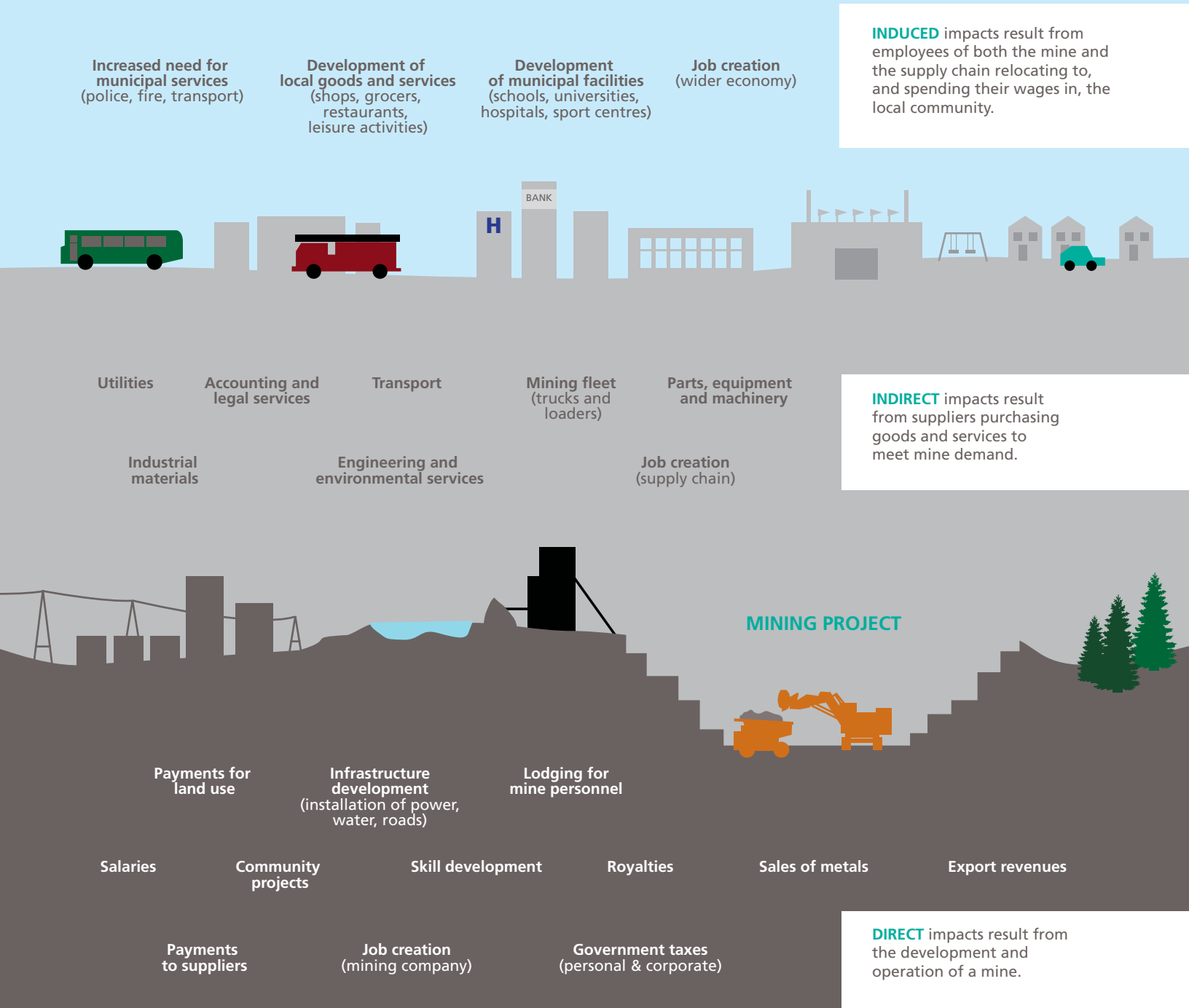
The infrastructure we build for new mining projects, such as power, water and road development, also benefits local communities, particularly in more remote regions. Water wells have been used for agricultural activities in Greece and road development has improved transportation between villages near our Jinfeng mine in China. Our projects have also directly contributed to the well-being of communities through donations to health centres and sports facilities and by funding tuition costs and educational initiatives for local students, including at the university level. In Turkey, we helped construct a 42-classroom building for Uşak University and a primary school for 480 students, in addition to having worked with local farmers to develop agricultural co-ops. Improving educational outcomes for children and the ability to access better markets for farmers helps generate local economic capacity and a growing regional tax base.



“Mining is one of the few industries that can still transform societies and provide quality of life for people in remote places around the world that other industries don't necessarily reach.”

Paul Wright
President and CEO

ECONOMIC IMPACTS OF A MINING PROJECT



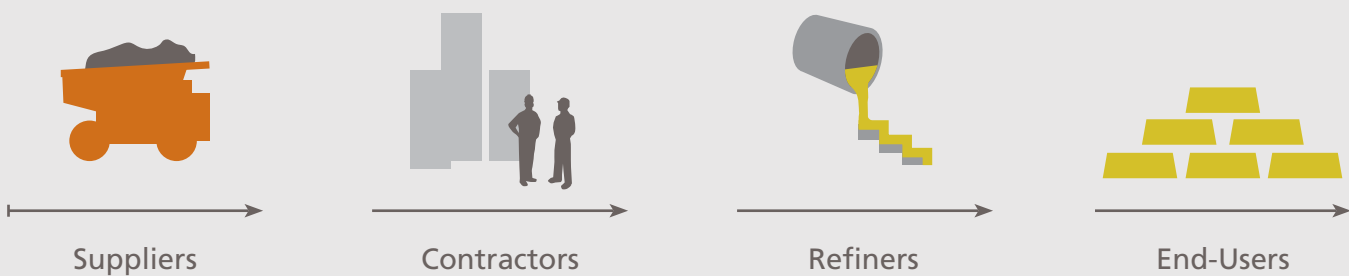
OUR VALUE CHAIN and LOCAL PROCUREMENT

As a key source of employment and raw materials, mining is connected to almost all industries and their value chains. We recognize that our operations and investments have a profound impact locally, regionally and nationally. With operations and development projects in diverse jurisdictions across three continents, our value chain directly impacts numerous sectors and industries, including:

- Retail and consumer
- Financial and investment
- Manufacturing
- Infrastructure and urban development
- Mobility
- Power and electricity

The diagram below illustrates examples of Eldorado Gold's own value chain, and industry and end-user demand for our products.

OUR VALUE CHAIN



Suppliers

Suppliers provide the materials and goods needed at our operations, such as mining equipment, fuel, explosives and chemicals. Where possible, we try to purchase goods and services from local suppliers in surrounding communities or within the host country. In those cases where we can't procure specialist goods or services locally, we work within our jurisdictions to improve capacity or, on occasion, import from external suppliers.

Contractors

Contractors are hired for numerous activities across all stages of the mining life cycle. They provide access to specialized technical knowledge and skills, cost efficiencies, and satisfy short-term capacity demands such as during shutdowns or routine maintenance.

Refiners

Refiners purchase gold doré bars in order to further process and purify the metal. Once purified, gold bullion is registered on a commodities exchange such as CME Group, or traded in markets such as the London Bullion Market.

End-Users

End-users of gold are widespread and include individuals, investors, scientists, manufacturers and central banks. The value of gold has been recognized for centuries and its unique properties (it is malleable, conductive, does not tarnish and alloys well) mean that the precious metal is used in a variety of applications, including jewelry, electronics and computers, dentistry and medicine, aerospace, and medals and awards.

LOCAL PROCUREMENT

The purchase of goods and services typically makes up 50-60% of the production cost of mining. Increasing the share of procurement that is captured by local firms can have a significant impact on the domestic economy in our operating jurisdictions.

While we do not have a formal policy, we encourage the purchasing departments at all of our sites to hire locally and use local suppliers wherever possible. We take action at our sites to identify and work with local suppliers to improve their capacity and ability to work with us. This maximizes our positive economic contribution in the regions where we operate and creates an effective network of suppliers close to operations, improving our operational efficiency.

Our broad target is to increase the percentage of the materials purchased from companies near our operations and projects every year. Local suppliers are developing their businesses and are increasingly capable of providing a larger proportion of the products and services required at our sites. Domestic suppliers of goods and services were the biggest recipients of our supplier expenditure in 2015, accounting for 84% of our host-country investment.

LOCAL PROCUREMENT:

- Creates jobs
- Promotes skill development and technology transfer
- Increases integration into global value chains
- Formalizes local economies
- Lowers procurement costs
- Strengthens our social licence to operate



Local electricians work at Efemçukuru, Turkey

SPOTLIGHT: LOCAL PROCUREMENT IN TURKEY

After five years in operation, there are now nine local independent companies that provide services such as transport, welding, maintenance or electrical to our Efemçukuru mine site in Turkey. These contractors employ just over 100 people from the immediate local villages. The companies started by completing small pieces of work during the mine construction phase and have now gained the skills, certificates and licences needed to work on larger projects at the mine site. The Efemçukuru Construction Department works with local suppliers, helping them obtain the necessary permits and licences or gain additional skills needed to continue to work at the operation.

One such company is the Kizildaglılar Nakliyat Transport Service. Established in 2010 by 25 local community members, the company initially operated a single tank truck that was contracted to provide dust control on the mine access road at Efemçukuru. Today, the firm has just under 50 employees and a fleet of 20 vehicles. In addition to site services, the company also provides transport for Eldorado employees and visitors to and from site, and transfers for local high school and junior high school students.

TABLE 1: PAYMENTS TO SUPPLIERS

(\$ Millions)	Turkey	China	Greece	Romania	Brazil	Total All Jurisdictions
Payment to domestic suppliers	193	140	164	20	6	523
Payment to international suppliers	51	0	37	8	0	97
Total	244	140	201	28	6	620
% Spend on domestic versus international suppliers	79%	100%	81%	70%	97%	84%

We define "local" as procurement from contractors and suppliers located within the neighbouring villages and communities of our sites. However, for data-reporting purposes, we report on "payments to suppliers" within the categories of domestic and international suppliers only. Domestic suppliers include both local and national suppliers. If the money is spent within the country (even if the company is a multinational), we categorize it as an in-country or domestic spend.

GOVERNANCE and TRANSPARENCY

Central to Eldorado's record as a trusted operator is a commitment to ethical business practices and high standards of corporate governance. We recognize the importance of having an integrated approach to managing our operations, risks and relationships.



Efemçukuru processing plant, Turkey

BOARD OF DIRECTORS

Governance at Eldorado is headed by our Board of Directors. The Board provides senior management with independent and objective advice. Our corporate governance policies explicitly require the Chairman of our Board and all members of our Board committees to be independent. Together, the Board works with senior management to set long-term goals, develop strategy and monitor Eldorado's progress toward achieving its goals. The Board also regularly evaluates our principal business risks and monitors the effectiveness of our risk management process.

Our Board is composed of the following committees: Audit, Compensation, Corporate Governance and Nominating, and Sustainability.

Sustainability Committee

The Sustainability Committee oversees our policies, programs and practices in the areas of environment, health, safety, community relations and security. The Committee seeks to be assured that Eldorado consistently promotes ethical, transparent and responsible behaviour, and meaningfully engages its stakeholders.

The Sustainability Committee receives detailed quarterly reports from all sites and works with Eldorado leadership to suggest directives for senior management to pursue. The Committee receives a briefing within 24 hours if a fatality, serious lost-time injury, significant environmental incident or anything that is legally reportable occurs. The Committee periodically visits our sites for first-hand validation and interaction with our operations personnel.

For more information on our Board committees, visit www.eldoradogold.com/about-us/leadership/board-committees.

SENIOR MANAGEMENT OVERSIGHT

Eldorado operates with a decentralized, yet coordinated business infrastructure. Our senior management team in Vancouver works closely with management teams in each of our operating jurisdictions, ensuring a clear line of sight to each operation. Ultimate accountability for social and environmental performance rests with our President and Chief Executive Officer, while day-to-day responsibility is shared at the corporate level by the Chief Operating Officer, the Senior Vice President, Operations, and the Vice President, Investor Relations and Corporate Communications.

In addition to frequent site visits, our senior management team aims for open communication and appropriate oversight through weekly reporting on safety, health, environment and community performance from site general managers and country managers.

CORPORATE DISCLOSURE AND TRANSPARENCY

Our governance systems are designed so that we consistently evaluate and effectively manage our risks; this, in turn, helps us stay focused on our long-term planning, decision-making and communication. We believe that clear, comprehensive disclosure and open communication with our stakeholders will continue to encourage confidence in the legitimacy and honesty of our business practices.

Governance Policies

Our Code of Business Conduct and Ethics, Anti-Bribery and Corruption Policy, and Insider Trading Policy reinforce our standards and values and outline our expectation that our employees and suppliers will operate in accordance with the highest standards of legal and ethical behaviour. We also outline our commitments to protecting the environment and the safety of our people and neighbours in our Environmental and Health and Safety policies. These were updated in 2015. In early 2016, we published a Human Rights Policy. For more information, visit www.eldoradogold.com/about-us/governance.

Sustainability Factors in Compensation

Regular performance reviews are performed at our sites, typically on an annual basis, although some sites conduct monthly performance reviews. Health, safety and environmental key performance indicators are embedded into performance reviews that are linked to compensation decisions.

Revenue Transparency

Revenue transparency is critical to our investors and stakeholders. Beyond public financial reporting, we aspire to further increase the level of disclosure we make with respect to payments made to governments as part of a broader industry mandate to fight corruption. We recognize the importance of initiatives such as the Extractive Industries Transparency Initiative (EITI) in improving revenue transparency, as well as in strengthening government and company systems, informing public debate, and enhancing stakeholder trust. While we do not operate in any EITI signatory countries, both Canada and the European Union (EU) have passed laws that require mandatory public reporting of payments to governments by the extractive sector. The respective laws are:

- Canada's Extractive Sector Transparency Measures Act (ESTMA), which came into force on June 1, 2015
- EU's Transparency and Accounting Directives (EU Directives), introduced in 2013

Eldorado's first report under ESTMA – covering payments made to foreign and domestic governments at all levels during the 2016 fiscal year – will be published by the May 29, 2017 deadline prescribed by the Act. Reporting will be publicly available and will summarize Eldorado's payments of taxes, royalties, fees, bonuses, production entitlements, dividends, and other categories of payment prescribed by the Act.

Under the EU Directives, member states were required to adopt the requirements into domestic law in 2015, becoming effective as of January 1, 2016. Currently, Romania has implemented this legislation, while legislation in Greece is not yet in effect. We do not have mining operations in the Netherlands, therefore our Dutch subsidiaries fall outside the scope of the EU Directives.

TABLE 2: PAYMENTS TO GOVERNMENTS⁽¹⁾

(\$ Millions)	Turkey	China	Greece	Romania	Brazil	Total All Juristictions
Royalties and land-use payments	2.41	3.01	0.60	0.00	0.00	6.02
Income and other corporate tax	44.60	19.40	0.44	0.00	0.00	64.43
Employee taxes	15.56	2.50	9.14	0.51	0.97	28.69
Other ⁽²⁾	34.00	30.69	36.65	0.57	0.40	102.31
Total	96.57	55.60	46.82	1.08	1.37	201.45

(1) In future reporting, payments to Governments will be calculated and presented in a manner consistent with requirements outlined by the Extractive Sector Transparency Measures Act.

(2) Payments of taxes related to procurement of goods and services including withholding taxes, import and fuel duties. Also includes indirect taxes (such as value-added tax) where these are not repaid to the company during the period.

STAKEHOLDER ENGAGEMENT

We build trust through our ongoing collaboration with a broad range of stakeholders, which involves listening and responding to stakeholder interests and concerns.

OUR STAKEHOLDERS

We define our core group of stakeholders as employees, contractors, suppliers, investors, local community members, governments, non-governmental organizations (NGOs) and industry groups. Each stakeholder group has unique expectations, and we therefore tailor our engagement practices to best meet their needs.



Talking with local communities near Jinfeng, China

HOW WE INTERACT WITH OUR STAKEHOLDERS

Stakeholder	Ways We Interact
Employees	<ul style="list-style-type: none"> ■ Corporate, regional and site personnel engagement ■ Employee newsletters, social media and email ■ Workplace health and safety committees ■ Performance and development reviews
Shareholders	<ul style="list-style-type: none"> ■ Perception studies ■ Annual shareholder meeting ■ Quarterly conference calls to discuss results ■ Frequent meetings
Government	<ul style="list-style-type: none"> ■ Ongoing communication and dialogue with government officials at the municipal, regional and national levels
Suppliers and contractors	<ul style="list-style-type: none"> ■ Ongoing communication and dialogue between representatives ■ Performance reviews
Industry associations	<ul style="list-style-type: none"> ■ Membership in industry associations such as the International Cyanide Management Institute, the World Gold Council, the Mining Association of British Columbia, and the Mining Association of Canada (MAC). We also participate in several working committees, such as MAC's International Social Responsibility Committee
NGOs	<ul style="list-style-type: none"> ■ At Kışladağ, we established an independent environmental committee, which includes representatives from NGOs
Communities	<ul style="list-style-type: none"> ■ Ongoing community engagement activities, including collaborative community projects ■ Neighbourhood meetings ■ Site tours for local residents and students ■ Regional newsletters, local media and social media

COMMUNITY ENGAGEMENT

Effective communication with our local stakeholders is important to our continued success and we have made this integral to our operating approach for decades. We have established various methods for communicating with local stakeholders that emphasize two-way dialogue and provide opportunities for local stakeholders to submit anonymous feedback to our site personnel. Please see Table 3 for details on the various communication methods currently established at our operations.

Moving forward, Eldorado has committed to implementing a framework consistent with the Voluntary Principles on Security and Human Rights, and we are reviewing our approach to monitoring, documenting and reporting on community feedback – including grievances – at each operation in order to improve the way we track and respond to stakeholder concerns.

GOVERNMENT RELATIONS

Mining is a heavily regulated industry and our operations are subject to the laws and policies of the countries in which we operate. Our in-country teams maintain regular dialogue with government authorities at the local, regional and national levels in order to better understand government objectives and policies, provide information about our projects, discuss relevant issues, and advance our permits. At the corporate level, we work with ministerial offices and diplomats, both in Canada and abroad, to communicate our development successes and challenges.

We advocate for clear, fair and transparent regulation and proactively share our experience as a global operator to help governments develop and maintain appropriate legislation. We do not participate in any party politics or make payments to any political parties.

TABLE 3: COMMUNICATION WITH LOCAL STAKEHOLDERS

	Turkey		China			Greece
	Kışladağ	Efemçukuru	Jinfeng	White Mountain	Tanjianshan ⁽¹⁾	Stratoni, Skouries, Olympias
Local site grievance mechanism	Y	Y	Y	Y	N	N ⁽²⁾
Email feedback	N	N	N	N	N	Y
Site office – Open door policy	Y	Y	Y	Y	Y	Y
Informal engagement (daily interaction in communities)	Y	Y	Y	Y	N	Y
Formal engagement	Y	Y	Y	Y	N	Y

(1) Tanjianshan is in a remote location, over 40 km from the nearest local community.

(2) A local site grievance mechanism is planned but not implemented. Feedback through other mechanisms (e.g. email, meetings, website, etc.) are forwarded to the responsible departments, investigated and responded to.

TABLE 4: REQUESTS AND COMPLAINTS RECEIVED

	Turkey		China			Greece
	Kışladağ	Efemçukuru	Jinfeng	White Mountain	Tanjianshan ⁽¹⁾	Stratoni, Skouries, Olympias
Number received	3	71	18	133	–	10
Predominant topics	Blasting vibration; dust	Dust; road maintenance	Community investment; local procurement	Blasting vibration; dust; water-related; employment	–	Desire for employment

(1) Tanjianshan is in a remote location, over 40 km from the nearest local community.

MATERIALITY ASSESSMENT

This Report is an important tool we use to communicate with our various external stakeholders and we conduct an annual materiality assessment to identify the key topics and aspects that should receive attention in this Report. Although we have a clear understanding of what is important from an internal perspective, the annual materiality assessment process enables us to consider external views when we are identifying and selecting the sustainability topics to report on.

We use the Global Reporting Initiative's definition of materiality to determine the material topics to include in our Report. A topic is material if, in the view of senior management and/or key stakeholder groups, it is of such importance that it could in the short, medium or long term:

- Have a substantive influence on the assessments and decisions of our stakeholders, or
- Significantly impact Eldorado's economic, environmental and social performance



Tending to saplings in our plant nursery at Kişladağ, Turkey

IDENTIFICATION

As part of our formal process to identify material topics, we analyzed the prominent internal and external trends and events of 2015.

External Analysis

The mining industry engages with many interest groups, including governments, investors, contractors and suppliers, service providers, mining-affected communities, civil society organizations, organized labour, academia, research institutions and downstream users. When thinking about the most important topics of 2015, we considered the various perceptions that external stakeholder groups hold regarding the performance of Eldorado and the mining industry in general. We relied on stakeholder engagement records and other internal communications, as well as external resources such as media and industry reports to identify the material topics of greatest concern to external stakeholder groups.

Internal Analysis

Building on the comprehensive materiality assessment conducted by a third party for the 2014 Sustainability Report, we asked key internal stakeholders across our offices, operations and projects to identify the key achievements, challenges and trends of 2015. The results of this survey were then analyzed in the context of the wider trends and events in the mining industry; global economic, social and environmental conditions; political landscapes; and popular opinion.

Principles that guide our identification of material issues include:

- **Stakeholder Inclusiveness:** Have we identified and engaged with our key stakeholders?
- **Relevance:** Have we considered the relevance of all identified issues?
- **Significance:** How important is the topic to our stakeholders?
- **Control:** How much do we own or control the issue?
- **Influence:** How do we influence the issue?
- **Transparency:** Are we clearly and openly reporting on the issue?

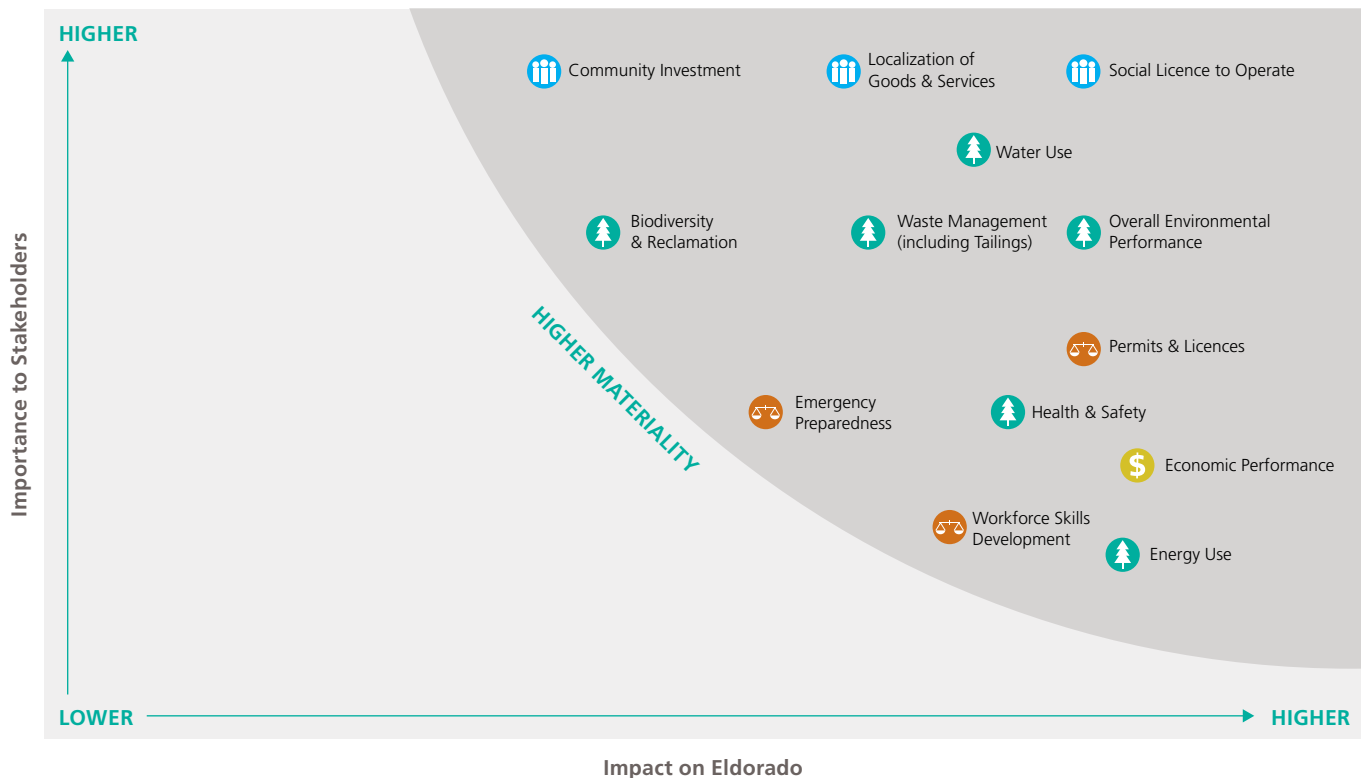
PRIORITIZATION

Over 40 topics were identified during the materiality assessment process. We assessed the relative importance of each topic to inform how much coverage we should allocate to the topic in our Report. If a topic is of greater importance, we include greater analysis of and commentary on the issue to explain how it impacts or could potentially impact Eldorado or its stakeholder groups, and how we manage the topic.

The top 13 material topics are outlined in the matrix on the next page based on the significance of their economic, environmental and social impacts, as well as their influence on the assessments and decisions of stakeholders.

RESULTS AND ANALYSIS

Our stakeholders are interested in the issues and risks that affect Eldorado's long-term business performance and sustainable development. The most significant trend identified in 2015 is the strong desire for more complete, comprehensive and transparent communication on environmental, social and governance performance. This has informed our approach to reporting on all of our material topics this year.



MOST MATERIAL TOPICS IN 2015

	Issue	Relevance
	Economic/ Operations Economic performance	Our ability to operate at a profit and return value to all our stakeholders is central to our contribution to sustainable development.
	Health, safety, environment Overall environmental performance	Improving our environmental performance and reducing our footprint improves our stakeholder interactions, credibility and reputation.
	Waste management	Effective management of tailings and waste reduces the environmental risks and impacts associated with unplanned discharges.
	Water	Water management and recycling practices limit our reliance on water sources and prevents the release of contaminated water.
	Health and safety	Protecting the health and safety of employees, contractors and communities is our biggest priority and a cornerstone of our company.
	Biodiversity and reclamation	Identifying and protecting high value species and habitats, and returning landscapes to conditions similar to pre-disturbance, is critical to our social licence to operate and ability to advance new projects.
	Energy use	Reducing our energy use and associated greenhouse gas emissions is essential to improve our efficiency, lower operating costs, improve air quality and reduce our contribution to human-induced climate change.
	Governance Permits and licences	Obtaining permits and licences in a timely fashion is critical for our project development and continued ability to operate.
	Emergency preparedness	By planning for emergencies, we identify, prioritize and implement controls for potential hazards at each of our sites, which help to minimize their impact while safeguarding our employees and the environment.
	Workforce skills development	Investing in training and education can empower our workforce, raise productivity, boosts innovation, encourage broader investment and expand labour market opportunities.
	Community Social licence	Government and community support for our activities remained our most material issue in 2015, in order to maintain our social licence to operate.
	Localization of goods and services	Local employment and procurement provides significant direct and indirect benefits in the regions where we operate.
	Community investment	Investing in our communities helps to improve the education, health and sustainable development of local economies, both during and after mine life.

OUR COMMUNITIES – BUILDING OPPORTUNITIES

Everywhere we operate we aim to enrich lives by developing lasting opportunities for local communities. For the past 20 years, we have built partnerships with our stakeholders to improve infrastructure, health, education and support projects that will endure beyond the life of our operations.



Children play in the streets of Efemçukuru village, near Efemçukuru mine, Turkey

UNDERSTANDING HOW WE CAN CONTRIBUTE

We have conducted studies to anticipate and manage the social and economic impacts of our operations. Social Impact Assessments (SIAs) represent a best-practice approach to identifying local stakeholders and their social, cultural and economic characteristics. The purposes of an SIA are to analyze how a mining project may affect communities and define strategies to minimize negative impacts and maximize positive benefits. In addition to the operations listed in Table 5, our Certej and Eastern Dragon projects have also completed SIAs.



Donating clothes to local Buyi women near Jinfeng, China

TABLE 5: LOCAL IMPACT ASSESSMENT AND MANAGEMENT TOOLS

	Turkey		China			Greece
	Kışladağ	Efemçukuru	Jinfeng	White Mountain	Tanjianshan ⁽¹⁾	Stratoni, Skouries, Olympias
Formalized stakeholder mapping	N	Y	N	N	N	Y
Social impact assessment	Y	Y	N	N	N	In progress
Public disclosure of impact assessments	Y	Y	N	N	N	Y
Local community development programs	Y	Y	Y	Y	N	Y

(1) Tanjianshan is in a remote location, over 40 km from the nearest local community.

LOCAL COMMUNITY INVESTMENT

Our operations are located in diverse jurisdictions, each with their own cultural and social characteristics. As a result, we have adopted site-specific approaches to community investment that are appropriate to the local customs, values, and needs, yet are based on the same core principles of community inclusion and transparency in decision-making.

TABLE 6: PAYMENTS TO COMMUNITIES AND COMMUNITY INVESTMENTS

(\$ Millions)	Turkey	China	Greece	Romania	Brazil	Total
Payments to communities and community investments	0.96	2.33	2.63	0.11	0.02	6.05

Community Investment by Operation

Kışladağ, Turkey

Community relations personnel meet with stakeholders, local leaders, village mukhtars, mayors and sub-governors on an ongoing basis. There is a community interest group that meets every six months to determine investment priorities.

2015 Highlights:

- Maintaining potable water sources for nine villages
- Maintaining a sewage system for five villages
- Maintaining village halls for three villages

Efemçukuru, Turkey

Each quarter, community relations personnel engage with local communities through defined communication channels to collaboratively evaluate, prioritize and select community projects to be completed. Community investment projects are generally focused on health, education, agriculture and infrastructure.

2015 Highlights:

- Promoting education by providing vehicles and transportation for 44 students from local villages to and from their schools. In 2004, there was only one high school graduate in Efemçukuru Village. There are now 51 high school students and 7 university students from Efemçukuru. School uniforms and stationary were also provided to students in 2015, and general insurance costs for the local elementary school are paid by the mine
- Investing in infrastructure including roads, the sewage system, a health clinic, an ambulance service, and weekly visits to local villages by the company doctor
- Continuing to support the Efemçukuru Agriculture Development Cooperative, an initiative to promote modern agricultural techniques to increase crop quality and yields



Girls play in Gümüşkol village near Kışladağ mine, Turkey

Jinfeng, China

At the beginning of each year, the Four-Party Coalition (see case study on page 27) creates a list of agreed-upon community development projects. Benefits from the projects are aligned with stakeholder needs and implementation progress is monitored throughout the year.

2015 Highlights:

- Career training program for 25 female college students of Zhenfeng county
- House-to-house footpath cementing in Bainitian sub-village
- Sugar cane plantation
- Sponsorship for four college entrants and 48 high school students in the community
- Ongoing Magazine-Lannigou Road upgrading

White Mountain, China

Water supply and road improvements were identified as top infrastructure priorities by the communities near our White Mountain operations.

2015 Highlights:

- Water supply improvements
- Continued road upgrades – 938 metres of public road through the community were paved by a local contractor
- Education initiatives
- Other public welfare investments, including the installation of solar street lighting and opening a new medical clinic

Annual income per capita in Diaoshuihu village has nearly tripled since 2009, when Eldorado first acquired White Mountain.

Tanjianshan, China

Our Tanjianshan operation does not have local communities nearby. However, in 2015 we made donations to schools in the nearest community, which is approximately 40 kilometres away.

Greece

At our operations and development projects in Greece, community investment priorities are set after discussions with representatives of the local villages. They are also based on the annual materiality analysis Hellas Gold conducts as part of its Greek Corporate Social Responsibility reporting. Most community investments are for ongoing needs and infrastructure projects that are shared equally among community stakeholders. We also hold monthly meetings with the heads of the villages to discuss adjustments and evaluate the success of the infrastructure investments to date.

2015 Highlights:

- Continued to support the local health centre in Paleohori
- Maintained local roads
- Maintained local monuments
- Donated to schools

Over the past four years, we have provided over \$4 million to the Municipality of Aristotle, where our Skouries and Olympias projects are located, to fund improvements to street paving, lighting, sewage and other municipal infrastructure. As our projects advance, we will continue to focus on community initiatives that develop sustainable social capital such as infrastructure development, educational initiatives and health care.



Cemented footpaths in local villages near Jinfeng, China



A Four-Party meeting in session at Jinfeng, China

SPOTLIGHT: THE FOUR-PARTY COALITION: COLLABORATIVE COMMUNITY ENGAGEMENT IN CHINA

At all of our locations, we collaboratively engage with local communities to help their members build opportunities. In China, where Eldorado is the largest foreign gold producer, our community relations teams work closely with local stakeholders to better understand their concerns and find solutions to the issues that matter the most to them.

At two of our three mines in China, we have a Four-Party Coalition model in place to promote positive community relations and development. Set up in 2009 at White Mountain and in 2012 at Jinfeng, the coalition is made up of representatives from our mines, local government, host communities and academic institutions. The group meets monthly to discuss community issues and to identify and prioritize programs and activities that improve living standards and build local capacity. These include infrastructure development, improved access to education and health care, and agricultural initiatives.

Both mines promote the development of local businesses by providing them with opportunities to undertake contracts for the mines. For example, at both locations, local community members have started businesses that manufacture bricks from process tailings.

By involving local stakeholders in collective planning, decision-making and implementation, the Four-Party Coalition represents a best-practice approach to rural community development in China. The Coalition has received praise from all levels of government in China and has gained state-wide media attention.

MANAGING our ENVIRONMENTAL FOOTPRINT

We are committed to protecting our air, water and soil – resources that we all share. This is why we carefully plan, design and build our operations to limit their environmental footprint only to what is absolutely necessary. It is why we implement new technologies to get the best efficiency out of the resources and materials we use, strictly adhere to safety and environmental regulations, and reclaim areas no longer needed for mining use. And it is why we maintain systems to identify, manage, monitor and mitigate our potential impacts from project inception through to closure.



Efemçukuru vineyard, Turkey

We are focused on maintaining sound environmental practices in all of our activities with the aim of developing and operating our mines in a responsible manner. Across all our operations and development sites, our actions are guided by the following principles for environmental excellence:

- Ensuring that the protection of human health and the natural environment is accomplished at the same time as benefits are derived from economic and social development
- Providing necessary training on environmental matters to contribute to greater environmental awareness in our operating jurisdictions
- Protecting environment-related social and cultural assets
- Making sure that all environmental legislation is strictly observed and complied with
- Keeping all concerned parties – including employees, suppliers, contractors, and local communities – informed of technical subjects and legal arrangements regarding the environment
- Informing the public, relevant government institutions and other stakeholders of our environmental performance in a fully transparent manner

ENVIRONMENTAL MANAGEMENT SYSTEMS

We have achieved certification under the International Standards Organization 14001 (ISO 14001) Environmental Management System at several of our operations. The overall aim of ISO 14001 is to support environmental protection and prevent pollution. ISO 14001 represents a stringent guideline created to help organizations achieve environmental goals, using a structured approach that enables consistent environmental performance over time. Establishing environmental management systems at our operations has involved:

- Developing site-specific environmental policies
- Establishing objectives and processes to achieve the policy commitments
- Continuously taking action as needed to improve performance
- Demonstrating our performance through regular audits and reporting

Our two mines in Turkey (Efemçukuru and Kışladağ) as well as our Halkidiki assets in Greece (Stratoni, Olympias and Skouries) are ISO 14001 certified. In 2015, Efemçukuru and Kışladağ passed interim external audits to confirm their conformance with the ISO 14001 standard.

Our Chinese assets have developed environmental management systems that are based on the ISO 14001 standard, but have not sought certification. Certification under the ISO 14001 standard is an exceptionally rigorous process, and our Chinese assets have instead focused on achieving certification under the International Cyanide Management Code, which in itself, requires a rigorous environmental management system to be in place to achieve certification.

Every newly recruited employee, including the personnel of suppliers and contractors, must complete environmental training, and all existing employees are provided with ongoing environmental training to keep their environmental knowledge up to date.



“We take our responsibility of preparing for and managing the mineral extraction process very seriously. We do all that we can to ensure that our activities have the least possible impact on our environment.”

Paul Skayman
Chief Operating Officer



The ICMC audit at Tanjianshan, China



Informing local community members about our cyanide safety procedures near Jinfeng, China

SPOTLIGHT: RAISING THE BAR: ACHIEVING ICMC CERTIFICATION IN CHINA

Cyanide management is a core focus of our operating and monitoring activities at our sites that use cyanide to separate gold from ore. We use very dilute solutions, in the range of 0.01-0.05% sodium cyanide, and we have strict protocols and procedures in place for cyanide storage, handling and disposal.

To ensure that our operations are implementing global best practices in cyanide management, we applied to become a Cyanide Code signatory in 2012. The International Cyanide Management Code is a voluntary initiative for gold mining companies aimed at protecting human health and preventing adverse environmental impacts. The Code provides guidance on the safe management of cyanide before, during and after the gold recovery process. Certification involves an independent audit of mining operations to verify that sites' policies and procedures meet the Code's rigorous standards. Audit results are made public to inform stakeholders of the status of cyanide management practices at the certified operation.

Our flagship mine, Kişladağ in Turkey, was certified in 2013, and our Jinfeng and Tanjianshan mines became the first two gold mines in China to be certified, in 2015. As part of certification, we developed and implemented additional health, safety and environmental management systems and procedures in order to fully comply with all nine of the Code's principles:

- 1. Production.** Our mines use suppliers who limit their workers' and the environment's exposure to cyanide.
- 2. Transportation.** Our cyanide transporters have rigorous emergency response plans and cyanide management practices.
- 3. Handling and storage.** Our unloading, storing and mixing facilities comply with the Code, with effective ventilation and measures to prevent cyanide from leaching.
- 4. Operations.** Updated policies and emergency procedures that govern sites' management and control of cyanide help facilitate its safe use.

- 5. Decommissioning.** When our operations end, we have stringent decommissioning plans in place to protect human health and wildlife.
- 6. Worker safety.** From contractors to employees, we consider the exposure risk to everyone on our sites, and work to minimize or eliminate this risk.
- 7. Emergency response.** In the event of an emergency, our sites are prepared to protect human health and minimize environmental impacts through training and investment in appropriate response equipment.
- 8. Training.** Cyanide management is the responsibility of our employees and contractors, and their competency, skill and awareness begin with the training we provide them to safely operate with and respond to any issues with cyanide.
- 9. Dialogue.** We've successfully maintained communications with local populations and communities, informing them about our plans and the safety of our facilities.

Despite making significant improvements to cyanide management procedures at our White Mountain mine in China, the site does not currently comply with Cyanide Code Principles 1 and 2 because our cyanide supplier and transporter are not yet signatories to the Code. Rather than switch to a certified supplier, which would result in longer transport times and increased hazards associated with moving dangerous materials over significantly greater distances, our risk assessment resulted in our decision to continue working with our current close-proximity supplier and encourage its improved procedures and adoption of the Code over time.

For more information on the Cyanide Code, please visit: www.cyanidecode.org.

ENVIRONMENTAL IMPACT ASSESSMENTS

Environmental Impact Assessments (EIAs) are conducted to evaluate the potential impacts a proposed project may have on environmental resources and the people who depend on them. As part of permitting during project development, we comprehensively identify potential impacts and submit mitigation plans to regulators. Once completed, EIAs are comprehensive documents that include baseline studies to assess the current state of the environment at the proposed mine site. They also identify potential effects of our planned activities and outline steps to minimize any identified risks. EIAs require extensive consultation with local communities, as well as considerable input from technical and environmental experts.

ENVIRONMENTAL MONITORING

In line with international best practices, Eldorado regularly monitors air, soil and water quality, as well as noise levels and energy use at our operations. This not only confirms that we are operating within regulations but also provides us with a benchmark upon which we can implement programs to further minimize our use of water, energy and chemicals.

As part of our commitment to transparency and accountability, we helped establish Independent Environmental Committees at Kışladağ and Efemçukuru in Turkey, and at Stratoni, Olympias and Skouries in Greece. These external groups include academics, scientists and representatives from the local authorities. Committee members collect environmental data from our sites and submit it to a third-party laboratory for testing, to ensure independence and accuracy. This approach has helped us develop our credibility by providing our stakeholders with third-party information they can trust. To further promote transparency, we are close to finalizing an online database where all of the environmental data from Stratoni, Skouries and Olympias will be publicly available in 2016.

ENVIRONMENTAL FINES AND PENALTIES

We incurred one fine in 2015 associated with an environmental non-compliance in 2014. A \$444 fine was issued to our Jinfeng operation for a permit non-compliance related to effluent discharge that occurred the prior year. In Q1 2014, the site reported total suspended solids 0.9 times above standard, and in Q3 2014 ammonia nitrate was 1.2 times above standard. No fines or penalties related to an environmental non-compliance in 2015 were received.

In early 2016, the Ministry of Environment and Energy in Greece issued two decisions imposing fines to Hellas Gold regarding alleged environmental non-compliances that occurred between 2012 and 2014 at Olympias and Stratoni. Site inspections were carried out during this period by the environmental inspectors, and in response to their findings, Hellas Gold prepared and submitted detailed answers. Despite the responses, the Ministry imposed the fines totaling €1.7 million, and Hellas Gold has filed respective appeals for the cancellation of the fines before the Administrative Court in Athens.



Flowers blooming on the reclaimed tailings area at Olympias, Greece

SPOTLIGHT: HELPING CONTRACTORS MANAGE THEIR ENVIRONMENTAL PRACTICES IN GREECE

Our Hellas Gold Procurement Department has been working to incorporate environmental practices into supply chain planning, in direct partnership with the company's Environment Division and Internal Environmental Management.

Hellas Gold has developed a Contractor Environmental Management Handbook that is included in all tender notices. It forms an integral part of the contracts awarded at our mining and project facilities. The Handbook's primary objective is to facilitate environmental protection and prevent environmental degradation. Contractors are required to train their staff about environmental issues at regular intervals, and our Handbook forms part of their training materials.



"Environmental monitoring is just like other tracking systems – such as weather forecasts and traffic reports. It helps us to understand our natural environment so we can make better decisions on how we manage and protect it."

Doug Jones
Senior VP of Operations

MANAGING our INPUTS

Water and energy are fundamental mining inputs, and we recognize the many economic, environmental and social benefits to improving efficiency when using these resources. In this section, we summarize our management approach and 2015 performance related to water and energy use.



Water treatment plant at Kışladağ, Turkey

WATER USE

Availability and access to water is critical for our mining operations. We use water for mineral processing, dust suppression, slurry transport, and personal consumption; therefore, responsibly managing water is essential to our sustainable development over the long term. While we do not set quantitative targets regarding water consumption, our water use is strictly controlled across all of our sites, and each operation has implemented practices that reduce, reuse and recycle water.

Monitoring Water Resources

Across our operations, we withdrew nearly 12 million cubic metres of water during the mining process in 2015. This includes water removed from our mines following precipitation as well as groundwater that must be continuously pumped out from our underground mines. Overall, we experienced an 8% increase in total water withdrawals in 2015 compared to 2014 volumes, largely attributable to mine dewatering.

Water use is continuously monitored using flow meters, and we regularly take water quality samples from groundwater and surface water sources within and around our sites. We compare water quality results with the limit values set out in pertinent regulations and our operating permits, and we share these detailed results with regulators and government, typically on a quarterly basis.

Water availability varies by site. For operations that have limited access to water, such as Kışladağ and Tanjianshan, we have implemented extensive water conservation and recycling programs to reduce our need to withdraw water. At Jinfeng, where precipitation is higher, we capture rainwater run-off from our land and buildings, which we then treat and use in production. All water that comes into contact with our sites is treated and tested before being used or discharged back into the environment (e.g. rivers, lakes and reinjection into groundwater).

WATER FLOW THROUGH A MINE SITE

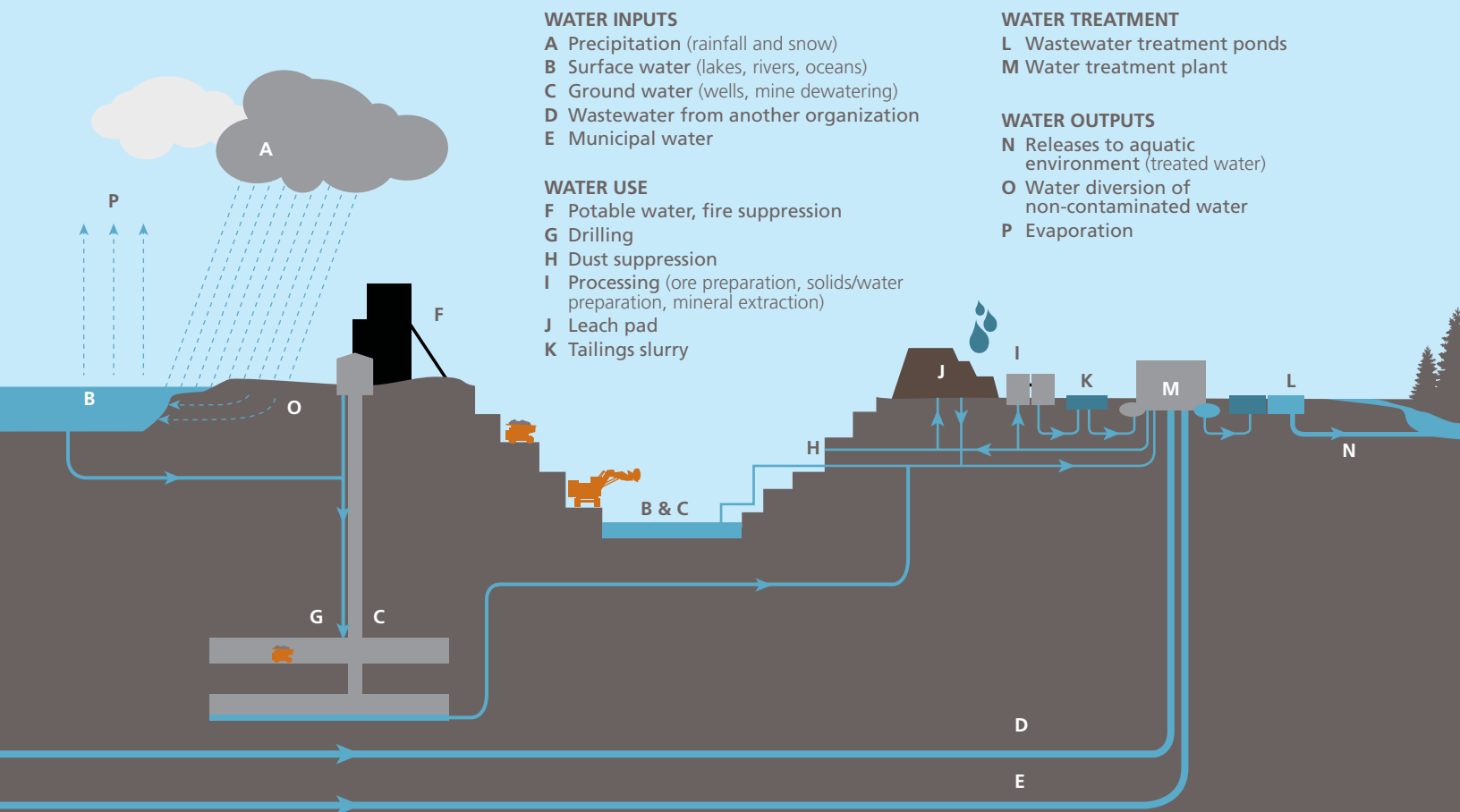


TABLE 7: TOTAL WATER WITHDRAWAL

(Thousands m ³)	Turkey		China			Greece	2015 Total	2014 Total ⁽¹⁾⁽²⁾
	Kiřladađ	Efemçukuru	Jinfeng	White Mountain	Tanjianshan	Stratoni, Skouries, Olympias ⁽³⁾		
Surface water (rivers, lakes, and oceans)	0	0	2,041	0	656	0	2,697	2,613
Ground water (wells, underground mine water)	836	713	0	944	0	6,250	8,743	8,232
Rainwater collected/stored	0	0	384	0	0	0	384	84
Wastewater from another organization	0	0	0	0	0	0	3	–
Municipal water	0	0	0	22	1	0	23	3
Total	836	713	2,425	966	657	6,250	11,850	10,932
Water efficiency (m³/oz)	3.0	7.1	16.2	12.4	6.7			

(1) No data was collected on wastewater used from other organizations in 2014. As a result, total water withdrawals may have been slightly higher than presented in the total for 2014.

(2) A correction was made to White Mountain's reported groundwater withdrawals in 2014, from 226,000 m³ to 1,159,000 m³. The previously stated value was total production water used by the site's processing plant in 2014.

(3) Water efficiency was not calculated for our Greece assets. Gold recovered at Olympias is from tailings retreatment, and does not offer a reasonable basis for comparability.

Our reported water efficiency is not a true reflection of site water use or its correlation to production. In reality, due to the need to dewater our mines, we withdraw far more water than we use and consequently our actual water efficiency is much higher. As we continue to improve our

data collection and reporting, we are investigating new data sources in order to improve our understanding of water balances and to calculate our water efficiency as a relationship of water used in production per ounce of gold produced.

TABLE 8: VOLUME OF WATER PROCESSED BY WATER TREATMENT PLANTS

(Thousands m ³)	Turkey		China			Greece	2015 Total
	Kiřladađ	Efemçukuru	Jinfeng	White Mountain	Tanjianshan	Stratoni, Skouries, Olympias	
Volume of water processed	29,141	713	2,127	1,075	941	2,204	36,201

Our site water treatment plants operate continuously year-round to reduce our reliance on external water sources. Kiřladađ uses a leach pad to extract gold from ore, treating and circulating approximately 14,000 gallons of water per minute through a closed system, with minor losses attributable to evaporation. Approximately 35 times more water is recycled and reused by the site compared to new water withdrawals.

Other sites, like Tanjianshan, do not allow any water to be openly discharged back into the environment. All water is reused through process plants, including grey water from sewage.

ENERGY USE

Energy use at our operations is a significant operating cost, and related air emissions are one of our major environmental impacts.

In 2015, international stakeholders and governments continued to express increasing concern about the risks and potential impacts associated with climate change. The general trend across most jurisdictions, including where we operate, is emphasis on regulation that may penalize heavy greenhouse gas (GHG) emitters. As a result of both the upfront costs associated with energy use at our operations and the potential for our operating jurisdictions to impose GHG emission levies, improving the energy efficiency of our operations is important for us.

In some of our operating jurisdictions, energy efficiency and GHG emission reduction goals are already represented in regulations. For example, in Turkey each year, an energy usage declaration is made to the government, and every four years, an energy-efficiency study must be performed and submitted to the government. At Jinfeng, in accordance with the government energy reduction policy issued by the National Development and Reform Commission in 2011, a five-year target was set to reduce energy consumption by 2,100 tons of standard coal between 2011 and 2015. During this time, Jinfeng reduced energy consumption by 3,325 tonnes of standard coal, exceeding performance by 58%.

See Table 10 below for further information on the energy intensity performance achieved at our gold mining operations.

TABLE 9: ENERGY CONSUMPTION

(GJ)	Turkey		China			Greece	Company Total
	Kişladağ	Efemçukuru	Jinfeng	White Mountain	Tanjianshan	Stratoni, Skouries, Olympias	
Purchased electricity	330,042	143,201	528,000	238,140	320,000	190,000	1,749,383
Liquefied petroleum gas	715 ⁽¹⁾	0	0	4	0	0	719
Diesel for mobile equipment	995,663	66,615	91,500	92,749	66,660	54,543	1,367,730
Gasoline for mobile equipment	0	0	1	2,800	5,175	18,271	26,247
Diesel for generators	16,466	0	0	0	16,230	24,084	56,780
2015 Totals	1,342,886	209,816	619,501	333,693	408,065	286,898	3,200,859
2014 Totals	1,329,114	197,062	658,195	362,753	430,623	267,059	3,244,806

(1) Liquefied Petroleum Gas (LPG) was not used in 2015. The amount reported reflects Liquefied Natural Gas (LNG) used at the Kişladağ site.

Between 2015 and 2014, we reduced company-wide energy consumption by 1%. However, with reduced gold production our overall energy efficiency actually decreased to 4.53 GJ/oz. With the exception of Jinfeng, we saw lower grades of material across each of our sites, which means that we mined and processed more ore to maintain production levels. Kişladağ experienced the biggest drop in ore grade, and saw the largest increase in total material moved per ounce. Jinfeng's gold production was lower, so even though the site used less energy in 2015, there was a net increase in energy intensity.

Haulage fleet vehicle diesel use and electricity consumption are the company's primary energy sources. Kişladağ remains our largest energy user, with the site's vehicle fleet consuming more diesel than the rest of the company combined. With a deepening pit, Kişladağ's haul trucks are having to travel further each year to transfer material to our crushing system and the waste dump. Jinfeng's mill is the largest amongst Eldorado's operations, with an annual capacity of 1.5 million tonnes of ore, and is therefore our largest electricity user. Tanjianshan and White Mountain have the second and third largest mills respectively, capable of processing 1.1 million and 800 thousand tonnes of ore. Kişladağ's crushing circuit is the final major energy user at our sites.

TABLE 10: ENERGY INTENSITY

(GJ/oz Au Produced) ⁽¹⁾	Turkey		China			Greece	Company Total ⁽¹⁾
	Kişladağ	Efemçukuru	Jinfeng	White Mountain	Tanjianshan	Stratoni, Skouries, Olympias ⁽²⁾	
2015	4.77	2.09	4.14	4.27	4.18	–	4.12
2014	4.27	1.99	3.91	4.25	4.00	–	3.86

(1) Weighted average.

(2) Gold is not produced at Stratoni and our Skouries and Olympias gold assets are in development.

MANAGING our OUTPUTS

The activities and outputs of our activities can have a significant and lasting impact on the natural environment surrounding each of our mines. Waste management, protecting biodiversity and reclamation are important activities at our mines and were highlighted in our 2015 materiality analysis as important environmental aspects. In this section, we summarize our management approach and 2015 performance, and highlight some example case studies of broader initiatives being undertaken at our sites to limit any negative impacts from our activities.



Tanjianshan roaster complex at dawn, China

WASTE MANAGEMENT

Different forms of waste are generated through our mining activities, including overburden, waste rock, tailings, slag, mine water, sludge and refuse. Across all our sites, waste rock is the primary form of waste generated, which has been extracted from the mining areas in order to access ore. Waste rock contains no economically valuable material.

Waste generated at our operations is sorted and classified as hazardous or non-hazardous waste, in line with regulations. All types of waste, including hazardous waste, are stored and disposed of with consideration for their potential environmental impacts. Management programs are developed and implemented on a site-by-site basis, depending on the characteristics of the waste being generated. For example, at Efemçukuru, where waste rock has acid rock drainage potential, storage areas are lined and seepage is collected and treated before disposal. Where waste rock does not pose any toxicity risk, such as at White Mountain, it is partially reused for mine backfill.

Waste management activities and objectives represent significant elements of our ISO 14001 environmental management systems. As per local regulations in each of our operating jurisdictions, all disposed waste types and quantities are recorded in legal disposal documents that are periodically submitted to host governments. We conduct due diligence on our waste disposal contractors, and periodically visit disposal and recycling contractors to evaluate their environmental practices.

DUST CONTROL AND MANAGEMENT

The creation of dust is one of our impacts that we manage closely and actively. Major sources of dust emissions include:

- Blasting operations in the open pit area
- Loading, haulage and offloading of ore and waste rock
- Operation of crushing units
- Traffic on roads that are in general use

Where our operations have the potential to create significant dust, we ensure that water tank trucks continuously perform on-site watering activities to suppress dust. In dry seasons, materials are dampened before we conduct blasting operations. Water spraying and closed dust collecting systems are provided around our operations, and particularly at the primary crusher and the fine ore stockpile areas. Water sprayers are also used on conveyor belts at certain intervals. With a view to measuring the results of these mitigation activities, regular dust measurements are taken around our operations and in neighbouring villages on daily and monthly bases.

SPOTLIGHT: MANAGING OUR TAILINGS

Tailings management is a core activity at our operations and is embedded in our daily monitoring and management practices.

Tailings are the material that remains after the mineral extraction process is completed, and are primarily a mixture of ground rock and water. Tailings are typically stored in a specially designed tailings storage facility and can contain trace amounts of chemicals from the extraction process, making them acidic or alkaline. Their safe management and disposal is a priority for us in order to protect the nearby environment and communities.

We manage our tailings facilities consistent with robust government regulations, accepted international standards and best practices. Our tailings facilities are all site-specific and have been carefully designed and constructed by specialized engineering consulting firms, in line with regulations, in order to minimize environmental risks. At each of our facilities we have:

- Conducted extensive studies to locate the facility away from sensitive environmental areas such as lakes, streams, wetlands and key biodiversity zones
- Designed the extraction process so that tailings contain as few impurities as possible and are environmentally stable
- Constructed the facilities to be able to withstand extreme weather and seismic events
- Installed upstream and downstream monitoring facilities to measure water quality

We also have comprehensive tailings management systems in place at each of our operations. These include:

- Plans and procedures that identify clear roles, responsibilities and communication channels for personnel responsible for tailings management
- Ongoing training of personnel responsible for tailings management
- Operational controls such as real-time monitoring of tailings facilities, routine inspections and risk assessments, and regular maintenance programs
- Emergency preparedness and response plans,
- Periodic review of tailings facility design, construction, operation and closure plans to facilitate ongoing relevance and alignment with current best practices
- Oversight from corporate head office to verify completion of any updates or corrective actions and to identify opportunities for shared learning across company operations

As part of our commitment to continuous improvement of our tailings management practices, our site teams conduct daily monitoring of the tailings facilities, and our were recently audited by an internationally recognized expert in tailings management and dam safety. Our most recent external audit did not identify any major deficiencies in our tailings management practices.

We will look to strengthen our management approach by further aligning our operating practices with MAC's TSM Tailings Management Protocol. This is based on a Plan, Do, Check, Act system of continuous improvement.

BIODIVERSITY and RECLAMATION

We implement programs to preserve biodiversity at and near our operations. These programs have been developed through engagement with experts and local communities, and are focused on implementing conservation strategies consistent with the mitigation hierarchy (avoidance, minimization, rehabilitation and/or offset).

BIODIVERSITY

There are areas of rich biodiversity near several of our operations and development projects. The identification and classification of protected areas vary by jurisdiction. As a result, jurisdiction-specific and international protected areas are taken into account during baseline assessment studies that feed into the EIA. Baseline assessments of flora and fauna are conducted to identify all species present, as well as their population and habitat characteristics. As a condition of receiving the necessary permits to proceed with building a project, we must outline impact avoidance or remediation plans that are specific to each project site. Our biodiversity management plans at each site represent the criteria by which state authorities evaluate our performance. Biodiversity objectives and management plans are critical components of our site-specific environmental management systems.

In 2015, an additional in-depth study of biodiversity impacts was completed at our Kışladağ operation in partnership with Hacettepe University. Professionals from the University conducted similar studies in the region of the mine and were retained to update our evaluation of biodiversity impacts near Kışladağ. A report was delivered in January 2016, and no perceptible impacts on biodiversity outside of the direct mining area were detected.

RECLAMATION

Our approach to reclamation is centred on:

- Designing mine closure and reclamation plans, before we even begin mine construction
- Ensuring sufficient funds are allocated to carry out our reclamation obligations
- Continuously reclaiming land during operation
- Engaging with all relevant stakeholders to understand land-use objectives for reclaimed land

Before we begin production at our operations, we strip vegetal soil (topsoil and subsurface soil) from the areas where the ore will be extracted or facilities will be erected. This stripped vegetal soil is stored in designated areas and it is used later in rehabilitation activities.

In areas where we have completed mining activities, rehabilitation activities are conducted in a progressive manner over several years. We develop rehabilitation plans based on research conducted as part of baseline assessments. By starting rehabilitation efforts during the operating phase of the mine, we can improve the visual appearance of landscaping, minimize dust and help expedite the completion of mine closure.

- In 2015, 23 hectares of land were reclaimed to the agreed end use at our operations.

Flowers at Jinfeng, China

PLANNING NOW FOR MINE CLOSURE

Our stakeholders have made it clear that mine closure is a critical component of the mining life cycle. Mine closure planning for each of our operations begins during the project development stage, with extensive preparation going into the site's EIA submission document. Each EIA includes a fully detailed mine closure plan to be used in the event of a planned closure, a sudden or unplanned closure, or a temporary closure (suspension). These plans begin as a concept and evolve throughout the mine's life, through regular and critical reviews conducted both internally and externally.

Using the Mining Association of Canada's TSM Mine Closure Framework as a guide, we consider the following areas while planning for a future mine closure:

1. Natural Environment

We strive to return disturbed areas to a stable state for post-mining land use. This includes removing all equipment, closing pits and shafts, treating all water sources as required, and revegetating waste rock facilities, tailings dams and leach pads. Wherever possible, we aim to conduct concurrent revegetation of land during the operating phase.

2. Socioeconomic Impacts

We work with local communities and host governments to implement and support strategies that mitigate impacts associated with the mine's closure. This includes local capacity-building through economic diversification programs, education and skills development for both the local communities and our employees, and the development of subcommittees to help manage the reclamation and closure process.

3. Health and Safety

We take into account numerous health and safety considerations during both operations and the closure process. Many of our mine sites use hazardous substances, such as diesel and toxic heavy metals, or produce hazardous wastes that must be controlled to prevent exposure to the environment and public. Further, there are often vertical or near-vertical faces in the open pits following operation. Our Mine Closure Plans are designed to remove health and safety risks after a mine's closure.

4. Financial Obligations

The aim of thorough closure planning and cost estimating is to ensure that investment, development and operating decisions take into account any potential future financial impacts. Working with our lead closure consultants, The Mines Group, we annually review the total estimated cost for closing, decommissioning, demolishing, rehabilitating and post-closure monitoring at each of our projects while complying with industry best practices and all applicable laws. Consistent with Canadian securities requirements, the accounting obligations are defined by the Financial Accounting Standards Board (FAS 143) and adhere to all legal obligations and compliance requirements within each of our operating jurisdictions. Close collaboration between the finance and operations teams allow for annual reports on adjustments to this "Asset Retirement Obligation."



Reclaimed arable land at Jinfeng, China

SPOTLIGHT: RECLAMATION PLANNING AT JINFENG

In order to improve the living standards of local people by increasing the quantity of arable land surrounding our Jinfeng operation, we have been working with the state and county on Eldorado-funded plans to implement a land reclamation project. At a former rock dump, we are planting shrubs in slope areas and transforming flat surfaces into fertile farmland. Over two years, the land is cultivated so that the soil has enough phosphorus, available potassium and total nitrogen to support crop growth. For a region that has very little flat land, this project will result in approximately 324 hectares of arable land for farming, which will be handed over to the government upon completion.



Fruit trees grow on rehabilitated land at Jinfeng, China

OUR PEOPLE

Our success is a result of the dedicated employees and contractors who work for us and our global subsidiaries. It is our people's motivation and commitment to excellence that drives our performance and helps us achieve our corporate objectives. As such, we aim to ensure that all of our employees and contractors are working in safe and effective environments.



Employees on site at Efemçukuru, Turkey

Fostering an Effective Work Environment

In accordance with the relevant law and regulations, we uphold strong and fair labour practices. We believe in equal opportunities and base our hiring practices on skills and experience. We strive to ensure that male and female employees are paid equally for equivalent jobs. As outlined in our Code of Business Conduct and Ethics, everyone at Eldorado is expected to maintain a safe and healthy work environment, and promote a workplace that is free from discrimination and harassment on any basis, including race, colour, religion, gender, age, national origin, disability or sexual orientation.

We aim to maintain the best possible relations with our workforce. Our human resources approach is based on a series of principles and values that include:

- Employing people from local communities
- Promoting a culture that builds a common identity for staff in all workplaces

- Undertaking transparent employment practices
- Providing professional training to facilitate lifelong learning
- Emphasizing in-house staff development based on professional skills and personal abilities, and promoting staff internally

OUR WORKFORCE

We aim to hire workers from nearby communities whenever possible. At the operation and project level, 99% of employees and contractors are nationals. We believe in training local employees for senior roles. Turkish, Greek, Brazilian, Chinese and Romanian employees form part of the management teams working in their respective home countries, alongside a small number of expatriate employees. Please see Tables 11 and 12 for a detailed breakdown of our employee and contractor numbers.

TABLE 11: OUR EMPLOYEES

	Total Employees	Percentage Female	Percentage Nationals ⁽¹⁾	Percentage from Local Communities ⁽²⁾
Kışladağ	785	5%	99%	82%
Efemçukuru	433	5%	99%	48%
Turkey – Other	60	25%	98%	N/A ⁽⁴⁾
Jinfeng	826	13%	99%	19%
Tanjianshan	419	15%	99%	78%
White Mountain	620	16%	99%	84%
Eastern Dragon	31	13%	100%	77%
China – Other	33	48%	91%	0%
Halkidiki assets (Olympias, Skouries, Stratoni)	1,011	9%	99%	87%
Perama Hill site & Sapes office	10	40%	100%	10%
Greece – Other	41	39%	98%	2% ⁽⁵⁾
Tocantinzinho	9	11%	100%	11%
Brazil – Other ⁽³⁾	19	26%	100%	100%
Romania (Certej site & Deva office)	221	15%	99%	62%
Canada	45	36%	76%	62%
Netherlands	5	40%	20%	0%
Barbados	3	67%	100%	100%
Total	4,571	12%	99%	65%

(1) We define “nationals” as citizens of the host country.

(2) We define “local” as national employees from the closest neighbouring villages and communities to our sites.

(3) The numbers above are for Eldorado’s Belo Horizonte office and do not include Vila Nova, which went on care and maintenance in early 2015.

(4) Information not available.

(5) “Local employee” refers to residents of Halkidiki region only.

TABLE 12: OUR CONTRACTORS ⁽¹⁾

	Turkey		China		Greece	
	Kışladağ	Efemçukuru	Jinfeng	White Mountain	Tanjianshan	Stratoni, Skouries, Olympias
Total	473	324	205	329	219	1,005
Percentage female	1%	6%	15%	5%	10%	8%
Percentage nationals	100%	100%	100%	100%	100%	100%
Percentage from local communities	60%	35%	25%	70%	68%	61%

(1) Contractor numbers fluctuate over the course of a given year. The data displayed in Table 12 represents the average of the number of contractors as at January 31, 2016 and December 31, 2015. The contractor numbers above do not include contractors we hire elsewhere in Greece, Brazil, Romania and Canada.

TABLE 13: NEW EMPLOYEE HIRES

	Turkey		China		Greece	
	Kışladağ	Efemçukuru	Jinfeng	White Mountain ⁽¹⁾	Tanjianshan	Stratoni, Skouries, Olympias
Total number of new hires	74	46	18	100	18	41
Percentage new hires female	1%	0.2%	56%	9%	55%	12%
Percentage new hires nationals	99%	100%	100%	100%	100%	100%
Percentage new hires from local communities	74%	48%	56%	30%	55%	41%

(1) 70 temporary workers were hired at White Mountain as boiler workers in 2015.

TABLE 14: EMPLOYEE TURNOVER (VOLUNTARY & INVOLUNTARY)

	Turkey		China		Greece	
	Kışladağ	Efemçukuru	Jinfeng	White Mountain	Tanjianshan	Stratoni, Skouries, Olympias
Male turnover	4%	7%	8.5%	2.4%	8.5%	2.6%
Female turnover	8%	5%	0.6%	0.3%	0.6%	11.6%

TABLE 15: EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

	Turkey		China		Greece	
	Kışladağ	Efemçukuru	Jinfeng	White Mountain	Tanjianshan	Stratoni, Skouries, Olympias
Percentage employees covered by collective bargaining agreements	71%	69%	100%	100%	0% ⁽¹⁾	66%

(1) Union membership at Tanjianshan is voluntary, though most hourly workers use individual Bargaining Agreements.



Monitoring the floatation process at Olympias, Greece



Sample testing at Efemçukuru, Turkey

DEVELOPING OUR PEOPLE

Developing workforce capacity and conducting regular training across all of our sites is an ongoing priority. The majority of our workforce comes from local communities and regions, and often have no prior mining experience. We see the social and economic benefits of fostering a local workforce and economy, and we invest in relevant training and development to improve the productivity and safety of our employees. We are proud of the low turnover rates across each of our sites, as the retention of personnel is a great indicator of both our company performance and employee satisfaction.

Training and Up-Skilling

All new recruits and interns at our facilities undergo training on safety, accident prevention, environmental issues and company procedures, among other topics. Ongoing training priorities are defined based on job requirements, performance evaluation notes and legal requirements, and consist of occupational, leadership, technical, and safety and environment training. Even at sites with a long mining history and well-established workforce, such as Tanjianshan, we see the benefits of training to improve employee capacity, productivity, and health and safety performance.

TABLE 16: EMPLOYEE TRAINING HOURS

	Turkey		China			Greece
	Kışladağ	Efemçukuru	Jinfeng	White Mountain	Tanjianshan	Stratoni, Skouries, Olympias
Average number of hours training per employee	41	52	27	58	10	9

KEEPING our PEOPLE SAFE

Safety is a core value at Eldorado and is fully ingrained in the way we do business. From design criteria through to operations, we strive to reduce risk through elimination, substitution, engineering controls, procedures, training and protective equipment. Our managers are expected to lead by example, and prioritize and implement safe attitudes and initiatives to promote a culture of safety.



Employees underground at Efemçukuru, Turkey

CREATING A SAFETY CULTURE

Our approach to health and safety is a balance between equipping individuals with the skills to recognize hazards and the values to make the right decisions, and ensuring that strong policies, procedures and systems are in place to safeguard workplaces. We continue to strengthen our safety culture by taking a holistic view towards safety leadership that incorporates psychological aspects (how our people feel), behavioural aspects (what our people do) and situational aspects (our policies, procedures and systems).

Through a global commitment to leadership and training, identification of risks, management and mitigation of risks, being prepared for incidents, and learning from incidents, we are succeeding at making our workplaces safer.

Core principles of our health and safety approach include:

- That safe work practices and productivity go hand in hand
- Risk identification and control
- Education and training
- Empathy in leadership
- Continuous improvement through the review of safety performance

HEALTH AND SAFETY MANAGEMENT SYSTEMS

Each of our operations has established a site-specific Occupational Health and Safety policy that is aligned with our corporate policy, to monitor and report lead and lag indicators. We have found site-specific approaches to be particularly successful as they account for cultural attitudes towards safety and can be targeted at areas of priority. Site-specific health and safety targets are defined annually as part of the management review element of our health and safety management systems.

Weekly health and safety incident reports are prepared by each site and region outlining weekly, month-to-date and year-to-date statistics, including:

- **Near misses** – an event which, in different circumstances, could have resulted in harm to people, damage to property or loss to a process
- **First aid incidents** – care is provided to a person who is injured or who suddenly becomes ill (e.g. disinfecting a cut, applying a bandage, helping someone who is choking, etc.)
- **Medically treated injuries** – an injury or disease that resulted in a certain level of treatment (not first aid treatment) given by a physician or other medical personnel (e.g. prescription medication, sutures, therapeutic treatment)
- **Restricted work injuries** – an injury or disease that resulted in the restriction of work or motion, including temporary or permanent transfer to another job
- **Lost-Time Injuries** – a work-related injury or disease that resulted in time lost from work of at least one day or shift, a permanent disability, or a fatality
- **Fatalities** – death resulting from an accident

Health and safety reporting is reviewed during weekly operational calls between site General Managers and Eldorado's Corporate office, including the Chief Operating Officer and Senior Vice President of Operations. All reported incidents are discussed, and the results of any investigations are provided during these calls.

To complement our internal systems, we use the internationally recognized OHSAS 18001 Occupational Health and Safety management framework to help us better identify and manage safety risks and improve our safety performance.

Our Kışladağ and Efemçukuru mines in Turkey and our Halkidiki assets in Greece are certified to OHSAS 18001. Our Chinese operations have established Occupational Health and Safety management systems that are consistent with OHSAS 18001. However, they have not yet sought certification, for the same reasons that they have not sought certification for their environmental management systems: the decision was made to focus on achieving and maintaining certification under the International Cyanide Management Code (ICMC), a component of which includes an assessment of health and safety management practices. We have now achieved ICMC certification at our Jinfeng and Tanjianshan operations, with our White Mountain operation passing all operational aspects of the ICMC compliance audit.

Ensuring Contractor Safety

We communicate our minimum expectations regarding contractor health and safety practices within all tender notices and project assignments at Eldorado's mining facilities. They form an integral part of the contracts Eldorado signs with each consultant. The objective of these rules is to ensure that contractors carry out work safely and in-line with Eldorado's standards; prevent accidents among their staff, our staff or third parties; and avoid damage or harm to facilities and equipment belonging to the contractor, Eldorado or third parties.



Tagging in at Efemçukuru, Turkey

SAFETY PERFORMANCE

We accomplished very strong health and safety performance in 2015, with a 25% reduction to our Lost-Time Injury Frequency Rate compared to the prior year – the fourth consecutive year of reduction. Unfortunately, we were deeply saddened to have had a fatal accident in February 2016 at our Stratoni mine in Greece. Employee health and safety is our highest priority and we continue to review and reinforce our safety practices across each of our sites and projects to prevent similar incidents from occurring.

- We are constantly modernizing infrastructure, procedures and equipment
- We inform, train, listen to, mobilize and actively engage with all employees about Occupational Health and Safety issues
- We prevent accidents by carrying out constant checks, assessing occupational risks and immediately taking suitable measures
- We strive for our policy to be consistently applied in every partnership we build

TABLE 17: FATALITIES, LTIFR AND TRIFR PER MILLION HOURS WORKED⁽¹⁾

	Turkey		China		Greece	2015 Total	2014 Total
	Kışladağ	Efemçukuru	Jinfeng	White Mountain	Tanjianshan ⁽¹⁾		
Fatalities⁽²⁾	0	0	0	0	0	0	0
LTIFR	2	0.7	0	0.4	0	2.1	1.03
TRIFR⁽³⁾	5.49	14.21	1.79	1.35	0.51	6.97	4.59

(1) Data by gender is not available.

(2) Reported performance is for the 2015 calendar year; however, we are deeply saddened to report a fatality on February 29, 2016 at our Stratoni mine in Greece.

(3) TRIs include medically treated injuries, restricted work injuries, and lost-time injuries.

(4) An adjustment to the reported LTIFR in 2014 occurred following updated site data for total working hours, falling from 1.44 to 1.38.

EMERGENCY RESPONSE

Emergency response programs are in place at all of our operations. Our emergency response teams are made up of employees who have received additional training in emergency protocols, procedures and equipment. The emergency response programs include extensive emergency drills and emergency training, such as mine rescue drills, fire drills, CPR and first aid training, and training in the use of hazardous materials suits and other safety equipment. Our emergency response teams maintain close working relationships with community-based emergency responders.

SAFETY BEYOND THE MINE

Our commitment to health and safety does not end with our employees and contractors. We also consider local stakeholders' health and safety in all of our activities. To promote health and safety in the communities near our operations, all of our sites have informal or formal mutual aid assistance programs in which Eldorado's emergency response teams help in community emergencies, if requested. At our Chinese mines, clinics offer both Western and traditional Chinese medicine. Employees and community members may choose between the two when seeking treatment. Health programs at our sites provide basic medical treatments and services for employees, contractors, including immunizations and medical checkups.



Making a safety commitment board at Tanjianshan, China

SPOTLIGHT: IMPROVING WORKER SAFETY AT TANJIANSHAN: HANDS UP FOR SAFETY INITIATIVE

In 2013 our Tanjianshan mine noticed a number of incidents related to preventable hand injuries. To raise awareness of the hazards and to remind employees of the importance of their hands, the Hands Up for Safety initiative was introduced. Employees participated in games and exercises that provided a fun yet powerful demonstration of the difficulties of conducting simple tasks while dealing with a hand injury. Hand safety statistics and safety practices were also discussed, and employees signed pledges of their commitment to safety.

After the Hands Up for Safety group session, hand injuries at Tanjianshan decreased from 64% of all site injuries in 2013 to 31% of all site injuries in 2014. In 2015, there was only one minor hand injury at Tanjianshan, and it did not result in a lost-time injury. In fact, Tanjianshan has not had a lost-time injury for over two years.



Welding at Tanjianshan, China

GRI G4 'CORE' CONTENT INDEX

General Standard Disclosures	Description of Indicator	Page Number, Link, or Location of Information
STRATEGY AND ANALYSIS		
G4-1	Letter from CEO	4-5
ORGANIZATIONAL PROFILE		
G4-3	Organization name	53
G4-4	Primary brands, products, and services	1, 10, 11, 53
G4-5	Location of headquarters	1, 53
G4-6	Number of countries where the organization has significant operations	3
G4-7	Nature of ownership	1, 3
G4-8	Markets served	3, 10, 11, 15-17
G4-9	Scale of the organization: employees, operations, net revenues, production	1, 3, 10-11
G4-10	Employee numbers (by region, type and gender)	41-42
G4-11	Percentage of employees covered by collective bargaining agreements	42
G4-12	Organization's supply chain	14-17
G4-13	Significant changes during the reporting period	7
G4-14	Precautionary principle	10-11, 25, 31. We recognize there are environmental and social impacts from our operations. Eldorado Gold is committed to using a precautionary approach throughout the lives of our mines, and before any activities commence we assess the potential environmental and social impacts, and evaluate how to avoid, control, or mitigate these, even when impacts are not scientifically certain.
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	13
G4-16	Memberships of associations	20
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	All entities included in the organization's consolidated financial statements	Please see Eldorado Gold's 2015 Annual Information Form – www.eldoradogold.com/investors/financial-information/filings/
G4-18	Process for defining report content and aspect boundaries	22-23
G4-19	List all Material Aspects	23
G4-20	Which Aspects are material within the organization	23
G4-21	Which Aspects are material external to the organization	23
G4-22	Restatements of information	0 ("About This Report"), 46
G4-23	Significant changes from previous reporting periods in the Scope and Aspect boundaries	The scope of the report has not changed. Material aspects were determined in our formal materiality assessment undertaken in 2015, per pages 22-23.

General Standard Disclosures	Description of Indicator	Page Number, Link, or Location of Information
STAKEHOLDER ENGAGEMENT		
G4-24	List of stakeholder groups	20
G4-25	Basis for identification and selection of stakeholders with whom to engage	20-22
G4-26	Organization's approach to stakeholder management	20-21
G4-27	Key topics and concerns raised through stakeholder engagement	21, 23
REPORT PROFILE		
G4-28	Reporting period	0 ("About This Report")
G4-29	Date of most previous report	2014 Sustainability Report, published April 2015.
G4-30	Reporting cycle	0 ("About This Report")
G4-31	Contact point	0 ("About This Report")
G4-32	GRI Reporting Level	0 ("About This Report")
G4-33	External assurance	0 ("About This Report")
GOVERNANCE		
G4-34	Governance structure of the organization	18-19, www.eldoradogold.com/about-us/governance/
ETHICS AND INTEGRITY		
G4-56	Values, principles, standards and norms of behaviour of the organization	19, www.eldoradogold.com/about-us/governance/

GRI G4 'CORE' CONTENT INDEX

- Fully reported against the GRI G4 guidelines
- Partially reported against the GRI G4 guidelines

MATERIAL ASPECTS	Report Section	Page Number	Level of Reporting	Identified Omission(s) and Reason(s) for Omission(s)	Comments & Links
ECONOMIC / OPERATIONS					
Economic Performance					
G4-DMA	CEO Letter, Our Business, Contributing to Sustainable Development, Our Value Chain and Local Procurement, Our Communities	5, 10, 11, 14-15, 17, 25	●		
G4-EC1	Our Performance and Targets, Payments to Suppliers, Payments to Governments, Local Community Investment	1, 8, 17, 19, 25	●	Payments to Providers of Capital and Economic Value Retained has not been reported. This data is available within Eldorado's 2015 Financial Report.	www.eldoradogold.com/investors/financial-information/annual-reports/
HEALTH, SAFETY, ENVIRONMENT					
Overall Environmental Performance					
G4-DMA	Year In Review, Our Performance and Targets, Our Approach to Responsible Mining, Managing our Inputs, Managing our Outputs, Biodiversity and Reclamation	7-9, 13, 32-39	●		
Waste Management					
G4-DMA	Waste Management, Spotlight: Managing our Tailings	37	●		
G4-EN24	The number of reportable spills that occurred at Eldorado's sites in 2015 (0)	6	●		
Water					
G4-DMA	Managing our Environmental Footprint, Managing our Inputs	28-34	●		
G4-EN8	Water Use	33-34	●		
G4-EN10	Volume of water treated as a percentage of total water use (305%), Water Use	6, 33-34	●	Water recycled and reused is currently not reported. We report on the total volume of water treated by our water treatment plants as a percentage of total water use.	
Health and Safety					
G4-DMA	Letter from the CEO, Year In Review, Our Performance and Targets, Our Approach to Responsible Mining, Keeping our People Safe	4, 7-9, 13, 45-47	●		
G4-LA6	Safety Performance	46	●	Safety performance is not broken down by employees and contractors or gender, as we do not internally track and report by these breakdowns. Site safety performance is reported in accordance with local government requirements.	

MATERIAL ASPECTS	Report Section	Page Number	Level of Reporting	Identified Omission(s) and Reason(s) for Omission(s)	Comments & Links
HEALTH, SAFETY, ENVIRONMENT (Continued)					
Biodiversity and Reclamation					
G4-DMA	Our Business, Biodiversity and Reclamation	10–11, 38–39	●		
G4-MM1	2015 Highlights & Year in Review, Reclamation	6, 38	●	At this time, we do not report on the total land disturbed and not yet rehabilitated, or the total amount of new land disturbed.	www.eldoradogold.com/investors/financial-information/annual-reports/
G4-MM2	Biodiversity	38	●		
Energy Use					
G4-DMA	Managing our Environmental Footprint, Managing our Inputs	28–31, 35	●		
G4-EN3	Energy Consumption	35	●		
G4-EN5	Energy Intensity	35	●		Energy intensity ratio calculated based on total energy consumption (scope 1 and scope 2 sources).
GOVERNANCE					
Permits and Licences					
G4-2	CEO Letter, Year In Review, Our Business, Stakeholder Engagement, Managing our Environmental Footprint	5, 7, 10–11, 21, 31	●		
Emergency Preparedness					
G4-DMA	Managing our Environmental Footprint, Emergency Response	30, 47	●		
Workforce Skills Development					
G4-DMA	Managing our Environmental Footprint, Emergency Response	30, 47	●		
G4-DMA	Our People	40–43	●		
G4-LA1	New Employee Hires, Employee Turnover	42	●	We do not monitor or report on new employee hires or employee turnover by age group.	
G4-LA9	Employee Training Hours	43	●	We do not track training hours by gender.	Training hours reflect Eldorado Gold employee training and does not include training hours provided to Contractors.
G4-LA11	Sustainability Factors in Compensation	19	●	We do not track our performance review information by gender or employment category.	We aim for all our employees (100%) to conduct regular (annual, if not more frequent) performance reviews.

GRI G4 'CORE' CONTENT INDEX

- Fully reported against the GRI G4 guidelines
- Partially reported against the GRI G4 guidelines

MATERIAL ASPECTS	Report Section	Page Number	Level of Reporting	Identified Omission(s) and Reason(s) for Omission(s)	Comments & Links
COMMUNITY					
Social Licence					
G4-24	List of stakeholder groups	20	●		
G4-25	Basis for identification and selection of stakeholders with whom to engage	20-22	●		
G4-26	Organization's approach to stakeholder management	20-21	●		
G4-27	Key topics and concerns raised through stakeholder engagement	21, 23	●		
G4-DMA	Stakeholder Engagement, 2015 Materiality Assessment, Our Communities – Building Opportunities, Spotlight: The Four Party Coalition	20-27	●		
G4-SO1	Stakeholder Engagement, Our Communities – Building Opportunities, Environmental Impact Assessments	20-21, 24-27, 31	●	At this time, we are unable to report the number of site stakeholder engagement plans based on stakeholder mapping.	
G4-SO11	Requests and Complaints Received	20-21	●	At this time, we do not track the number of grievances addressed and resolved during the reporting period.	Our sites review and investigate all requests, complaints and grievances filed at our sites. As we review our current grievance mechanisms, we aim to improve the tracking of these grievances from filing to closure.
Localization of Goods and Services					
G4-DMA	Our Value Chain and Local Procurement, Our People	16-17, 40-43	●		
G4-EC6	Our Employees (Percentage Nationals, Percentage from Local Communities)	41-42	●		
G4-EC9	Payments to Suppliers	16-17	●		We report on the total number of employees hired from local communities – not just Senior Management – as we believe this is more compelling statistic to demonstrate our local hiring preferences and influence.

MATERIAL ASPECTS	Report Section	Page Number	Level of Reporting	Identified Omission(s) and Reason(s) for Omission(s)	Comments & Links
COMMUNITY (Continued)					
Community Investment					
G4-DMA	CEO Letter, Our Business, Contributing to Sustainable Development, Our Value Chain and Local Procurement, Our Communities	5, 10, 11, 14-15, 17, 25	●		
G4-EC1	Our Performance and Targets, Payments to Suppliers, Payments to Governments, Local Community Investment	1, 8, 17, 19, 25	●	Payments to Providers of Capital and Economic Value Retained has not been reported. This data is available within Eldorado's 2015 Financial Report.	www.eldoradogold.com/investors/financial-information/annual-reports/
G4-EC7	Local Community Investment, Community Investment by Operation	25-27	●		

MINERAL RESERVES

as of December 31, 2015

	Proven Mineral Reserves			Probable Mineral Reserves			Total Proven & Probable		
	Tonnes (x1000)	In-situ oz g/t	In-situ oz (x1000)	Tonnes (x1000)	In-situ oz g/t	In-situ oz (x1000)	Tonnes (x1000)	In-situ oz g/t	In-situ oz (x1000)
GOLD									
Certej	22,788	1.93	1,414	21,500	1.43	988	44,288	1.69	2,402
Eastern Dragon	837	11.07	297	2,168	6.46	447	3,005	7.70	744
Efemçukuru	801	8.31	214	3,367	6.84	740	4,168	7.12	954
Jinfeng	5,360	3.94	680	9,767	3.77	1,183	15,127	3.83	1,863
Kişladağ	48,581	0.85	1,333	282,378	0.67	6,065	330,959	0.70	7,398
Olympias	4,851	8.65	1,349	11,236	7.54	2,724	16,087	7.87	4,073
Perama	2,477	4.44	354	7,220	2.68	621	9,697	3.13	975
Skouries	73,474	0.91	2,148	79,262	0.64	1,643	152,736	0.77	3,791
Tanjianshan	1,340	2.18	94	1,267	3.83	156	2,607	2.98	250
Tocantinzinho	16,699	1.53	821	22,914	1.36	1,003	39,613	1.43	1,824
White Mountain	3,510	3.26	368	2,446	3.10	244	5,956	3.20	612
Total Gold	180,718	1.56	9,072	443,525	1.11	15,814	624,243	1.24	24,886
SILVER									
Certej	22,788	10	7,004	21,500	12	8,551	44,288	11	15,555
Eastern Dragon	837	81	2,178	2,168	67	4,628	3,005	70	6,806
Olympias	4,851	124	19,339	11,236	130	46,962	16,087	128	66,301
Perama	2,477	3	254	7,220	4	897	9,697	4	1,151
Stratoni	428	172	2,367	227	184	1,343	655	176	3,710
Total Silver	31,381	31	31,142	42,351	46	62,381	73,732	39	93,523
COPPER									
	Tonnes (x1000)	%	In-situ t (x1000)	Tonnes (x1000)	%	In-situ t (x1000)	Tonnes (x1000)	%	In-situ t (x1000)
Skouries	73,474	0.54	394	79,262	0.48	382	152,736	0.51	776
Total Copper	73,474	0.54	394	79,262	0.48	382	152,736	0.51	776
LEAD									
Olympias	4,851	4.1	199	11,236	4.4	494	16,087	4.3	693
Stratoni	428	6.6	28	227	7.3	17	655	6.9	45
Total Lead	5,279	4.3	227	11,463	4.5	511	16,742	4.4	738
ZINC									
Olympias	4,851	5.1	247	11,236	6.0	674	16,087	5.7	921
Stratoni	428	10.2	44	227	10.3	23	655	10.2	67
Total Zinc	5,279	5.5	291	11,463	6.1	697	16,742	5.9	988

Notes on Mineral Resources and Reserves

1. Mineral reserves and mineral resources are as of December 31, 2015.
2. Mineral reserves are included in the mineral resources.
3. The mineral reserves and mineral resources are disclosed on a total project basis.
4. The Olympias mineral reserves and mineral resources now exclude the remaining old tailings material.
5. Vila Nova mineral reserves have been removed from the Reserve tabulation due to not being economic at projected long term iron ore prices.

Mineral Reserve Notes

1. **Long Term Metal Price Assumptions:**
Gold = \$1,200/oz. Silver = \$16.00/oz (for Stratoni it was \$7.74/oz Ag as governed by a streaming agreement with Silver Wheaton (Caymans) Ltd.); Copper = \$3.00/lb; Pb price = \$2,000/t and Zn price = \$2,000/t.
2. **Cut-off grades:**
Kışladağ: \$7.30 NSR; Efemçukuru: 3.48 g/t Au; Perama Hill: 0.8 g/t Au; Tanjianshan: 1.30 g/t Au (JLG) , 1.7 g/t Au (QLT South), 3.80 g/t Au (QLT); Jinfeng: 0.65 g/t Au (open pit), 2.3g/t Au (underground); White Mountain: 1.8 g/t Au; Eastern Dragon: 1.0 g/t Au (open pit), 1.7g/t Au (underground); Tocantinzinho: 0.42 g/t Au; Skouries: \$12.00 NSR (open pit), \$33.33 NSR (underground); Olympias: \$76.00 NSR; Stratoni: 15.54% Zn Equivalent grade (=Zn%+Pb%*1.20+Ag%*165); Certej: 0.90 g/t Au Equivalent grade (=Au(g/t)+Ag(g/t)*0.0121).

3. Qualified Persons:

Richard Miller, P.Eng., General Manager, Kışladağ Mine, is responsible for the Kışladağ reserves.
John Nilsson, P.Eng., of Nilsson Mine Services, is responsible for the Skouries open pit, Certej and Tocantinzinho reserves.
Doug Jones (Registered Member – SME), Senior Vice President, Operations for the Company, is responsible for the Tanjianshan, Jinfeng, White Mountain, Eastern Dragon, Efemçukuru, Olympias, Stratoni and Perama reserves.
Colm Keogh, P.Eng., Principal Mining Engineer, AMC Mining Consultants (Canada) Ltd., is responsible for the Skouries underground reserves.

MINERAL RESOURCES

as of December 31, 2015	Measured Resources			Indicated Resources			Total Measured & Indicated			Inferred Resources		
	Tonnes (x1000)	In-situ oz g/t (x1000)		Tonnes (x1000)	In-situ oz g/t (x1000)		Tonnes (x1000)	In-situ oz g/t (x1000)		Tonnes (x1000)	In-situ oz g/t (x1000)	
GOLD												
Certej	27,518	1.80	1,592	62,463	1.23	2,472	89,981	1.40	4,064	12,228	0.96	376
Eastern Dragon	800	12.48	322	2,700	6.04	530	3,500	7.50	852	2,200	2.67	190
Efemçukuru	2,343	8.82	665	2,573	7.84	649	4,916	8.31	1,314	5,524	4.75	844
Jinfeng	6,887	4.16	920	13,029	3.78	1,581	19,916	3.91	2,501	7,818	3.83	962
Kışladağ	48,232	0.82	1,276	441,134	0.59	8,325	489,366	0.61	9,601	372,643	0.40	4,792
Olympias	4,464	9.97	1,431	10,644	8.55	2,926	15,108	8.97	4,357	3,955	8.34	1,060
Perama	3,064	4.30	424	9,375	3.18	958	12,439	3.46	1,382	8,766	1.96	554
Piavitsa	–	–	–	–	–	–	–	–	–	10,542	5.70	1,932
Sapes	–	–	–	2,423	6.08	474	2,423	6.08	474	1,011	10.65	347
Skouries	100,018	0.79	2,534	189,263	0.47	2,867	289,281	0.58	5,401	170,136	0.31	1,680
Tanjianshan	2,007	2.13	137	3,384	3.01	327	5,391	2.68	464	4,341	3.85	537
Tocantinzinho	17,530	1.51	851	31,202	1.26	1,264	48,732	1.35	2,115	2,395	0.90	69
White Mountain	4,206	3.64	491	2,678	3.45	297	6,884	3.56	788	1,685	6.98	378
Total Gold	217,069	1.53	10,643	770,868	0.91	22,670	987,937	1.05	33,313	603,244	0.71	13,721
SILVER												
Certej	27,518	9	7,768	62,463	9	17,833	89,981	9	25,601	12,228	3	1,364
Eastern Dragon	800	91	2,400	2,700	67	5,900	3,500	73	8,300	2,200	20	1,500
Olympias	4,464	142	20,380	10,644	147	50,305	15,108	146	70,685	3,955	118	15,050
Perama	3,064	3	335	9,375	9	2,833	12,439	8	3,168	8,766	7	1,860
Piavitsa	–	–	–	–	–	–	–	–	–	10,542	57	19,156
Stratoni	644	201	4,162	412	212	2,808	1,056	205	6,970	490	169	2,662
Total Silver	36,490	30	35,045	85,594	29	79,679	122,084	29	114,724	38,181	34	41,592
COPPER												
	Tonnes (x1000)	%	In-situ t (x1000)	Tonnes (x1000)	%	In-situ t (x1000)	Tonnes (x1000)	%	In-situ t (x1000)	Tonnes (x1000)	%	In-situ t (x1000)
Skouries	100,018	0.48	484	189,263	0.40	758	289,281	0.43	1,242	170,136	0.34	578
Total Copper	100,018	0.48	484	189,263	0.40	758	289,281	0.43	1,242	170,136	0.34	578
LEAD												
Olympias	4,464	4.7	210	10,644	5.0	532	15,108	4.9	742	3,955	3.9	153
Stratoni	644	7.7	50	412	7.9	33	1,056	7.9	83	490	6.4	31
Total Lead	5,108	5.1	260	11,056	5.1	565	16,164	5.1	825	4,445	4.1	184
ZINC												
Olympias	4,464	5.8	259	10,644	6.8	724	15,108	6.5	983	3,955	4.3	171
Stratoni	644	10.6	68	412	11.7	48	1,056	11.0	116	490	8.8	43
Total Zinc	5,108	6.4	327	11,056	7.0	772	16,164	6.8	1,099	4,445	4.8	214
IRON												
Vila Nova	2,212	59.3		10,982	58.5		13,194	58.7		9,519	59.7	
Total Iron	2,212	59.3		10,982	58.5		13,194	58.7		9,519	59.7	

Mineral Resource Notes

1. Cut-off grades:

Kışladağ: 0.25 g/t Au; Efemçukuru: 2.5 g/t Au; Perama Hill: 0.5 g/t Au; Jinfeng: 0.5 g/t Au (open pit), 2.0 g/t Au (underground); Tanjianshan: 1.0 g/t Au (JLG), 1.0 g/t Au (QLT South), 2.5 g/t Au (QLT); White Mountain: 1.0 g/t Au; Eastern Dragon: 1.0 g/t Au; Tocantinzinho: 0.3 g/t Au; Certej: 0.7 g/t Au; Skouries: 0.20 g/t Au Equivalent grade (open pit), 0.60 g/t Au Equivalent grade (underground) (=Au g/t + 1.6*Cu%); Piavitsa: 3.5 g/t Au; Sapes: 2.5 g/t Au (underground), 1.0 g/t Au (open pit). Resource cut-offs for Olympias and Stratoni are geological-based due to the sharpness of the mineralized contacts and the high-grade nature of the mineralization.

2. Qualified Persons:

Stephen Juras, Ph.D., P.Geo., Director, Technical Services for the Company, is responsible for all of the Company's mineral resources except for those associated with Sapes.

Peter Lewis, Ph.D., P.Geo., Vice President, Exploration for the Company, is responsible for the Sapes mineral resources.

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS AND INFORMATION

Certain statements and information in this Report, including all statements that are not historical facts, are forward-looking statements and forward-looking information within the meaning of applicable US and Canadian securities laws. Such forward-looking statements or information include, but are not limited to, statements or information with respect to our strategy, plans, goals, outlook, financial disclosure; our future financial and operating performance, price of gold and other commodities, cash flow, cash costs, targets, production and expenditures; our mineral reserve and resource estimates; and our proposed mine development (including permitting), exploration, acquisitions, our expectation as to future performance at our mines and other events and developments that have not yet happened. Often, these statements include words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

With respect to forward-looking statements and information included in this Report, we have made numerous assumptions, estimates and opinions that may prove to be incorrect, including among other things, assumptions about the price of gold and other commodities; exchange rates; anticipated costs and expenditures; production, mineral reserves and resources and metallurgical recoveries; the impact of acquisitions, dispositions, suspensions or delays on our business; the political and economic environment in which we operate; and the ability to achieve our goals. Even though our management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there is no assurance that the forward-looking statements or information will prove to be accurate. By their nature, forward-looking statements and information are based on assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements or information. Such risks, uncertainties and other factors include, among other things, the following:

- regulatory restrictions, including environmental regulatory restrictions and liability, including actual costs of reclamation;
- risks of operating in foreign countries, including controls, regulations, changes in mining regimes or governments and political or economic developments in the countries in which we currently or may in the future conduct business;
- changes in law and regulatory requirements, including permitting, foreign investment, environmental, tax and health and safety laws and regulations;
- title, permitting and licensing risks, including the risks of obtaining and maintaining the validity and enforceability of necessary permits and licenses, the timing of obtaining and renewing such permits and licenses, and risks of defective title to mineral property;
- competition for mineral properties and merger and acquisition targets;
- environmental risks, including use and transport of regulated substances;
- infrastructure, water, energy, equipment and other input availability and durability, and their cost and impact on capital and operating costs, exploration, development and production schedules;
- volatility of global and local economic climate;
- community and non-governmental actions and regulatory risks, including the possibility of a shutdown at any of our operations;
- ability to maintain positive relationships with the communities we operate in and loss of reputation;
- gold and other metal price volatility and the impact of any related hedging activities;
- subjectivity of estimating mineral resources and reserves and the reliance on available data and assumptions and judgments used in interpretation of such data and depletion of grades or quantities of reserves;
- discrepancies between actual and estimated production, mineral reserves and resources and metallurgical recoveries;
- speculative and uncertain nature of gold and other mineral exploration;
- development, mining and operational risk, including timing, hazards and losses that are uninsured or uninsurable;
- risks of not meeting production and cost targets or estimates;
- the loss of key employees and our ability to attract and retain qualified personnel and labour disputes;
- prices for energy inputs, labour, material costs, supplies and services (including shipping) remaining consistent with expectations;
- risk associated with joint ventures;
- increased capital requirements and the ability to obtain financing;
- currency exchange fluctuations and the impact of any related hedging activities;
- risks associated with maintaining substantial levels of indebtedness, including potential financial constraints on operations, interest rate risk and credit rating risk;
- the risks that the integration of acquired businesses may take longer than expected, the anticipated benefits of the integration may be less than estimated or the costs of acquisition may be higher than anticipated;
- the impact of acquisitions and dispositions, monetization, mergers and other business combinations and transactions, including effect of changes in our portfolio of projects on our operations, capital requirements, and financial condition and ability to complete acquisitions;
- litigation risks, including the uncertainties inherent in current and future legal challenges we are, or may become, a party to;
- share capital dilution and share price volatility;
- taxation, including change in tax laws and interpretations of tax laws;
- failure, security breaches or disruption of our information technology systems; and
- risks related to natural disasters and climate change.

See our Annual Information Form and our quarterly and annual MD&A for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond our control. Accordingly, readers should not place undue reliance on forward-looking statements or information. We undertake no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date of this Report except as may be required by law. All forward-looking statements and information made in this document are qualified by this cautionary statement.

Cautionary Note about Production Outlook, Guidance and Estimates

Readers are cautioned that production outlook, guidance and estimates are subject to a variety of factors that are likely to cause actual results to vary from our estimates, and such variations may be material. Forward-looking information generally involves risks and uncertainties as described above which are, in many instances, beyond our control, including: (i) global and local economic conditions; (ii) pricing and cost factors; (iii) unanticipated events or changes in current development plans, execution of development plans, future operating results, financial conditions or other aspects of our business over time; and (iv) unfavourable regulatory developments, that could cause actual events and results to vary significantly from those included in or contemplated by such statements. The production outlook, guidance and estimates reflect certain assumptions by us, which assumptions may differ with respect to future events, economic, competitive and regulatory conditions, financial market conditions and future business decisions, including, without limitation, a continuation of existing business operations on substantially the same basis as currently exists all of which assumptions are difficult to predict and many of which are beyond our control. Accordingly, there is no assurance that the outlook, guidance and estimates are indicative of our future performance or that actual results would not differ materially from those in the outlook, guidance and estimates.

Cautionary Note to US Investors Concerning Estimates of Measured, Indicated and Inferred Resources

The terms “mineral resource”, “measured mineral resource”, “indicated mineral resource”, “inferred mineral resource” used herein are Canadian mining terms used in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) under the guidelines set out in the Canadian Institute of Mining and Metallurgy and Petroleum (the “CIM”) Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as may be amended from time to time. These definitions differ from the definitions in the United States Securities & Exchange Commission (“SEC”) Industry Guide 7. In the United States, a mineral reserve is defined as a part of a mineral deposit which could be economically and legally extracted or produced at the time the mineral reserve determination is made.

While the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource”, and “inferred mineral resource” are recognized and required by Canadian regulations, they are not defined terms under standards in the United States and normally are not permitted to be used in reports and registration statements filed with the SEC. As such, information contained herein concerning descriptions of mineralization and resources under Canadian standards may not be comparable to similar information made public by U.S. companies in SEC filings. With respect to “indicated mineral resource” and “inferred mineral resource”, there is a great amount of uncertainty as to their existence and a great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of a “measured mineral resource”, “indicated mineral resource” or “inferred mineral resource” will ever be upgraded to a higher category. Accordingly, information herein containing descriptions of our mineral deposits may not be comparable to similar information made public by US companies subject to the reporting and disclosure requirements under US federal securities laws and the rules and regulations thereunder.

FINANCIAL REVIEW

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MD&A)

for the year ended December 31, 2015

Throughout this MD&A, *Eldorado*, *we*, *us*, *our* and *the Company* mean Eldorado Gold Corporation.

This year means 2015. All dollar amounts are in United States dollars unless stated otherwise.

The information in this MD&A is as of March 23, 2016. You should also read our audited consolidated financial statements for the year ended December 31, 2015. We prepare our consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). We file them with appropriate regulatory authorities in Canada and the United States. You can find more information about Eldorado, including our Annual Information Form, on SEDAR at www.sedar.com.

About Eldorado

Based in Vancouver, Canada, Eldorado owns and operates mines around the world. Its activities involve all facets of the mining industry including exploration, development, production and reclamation.

OPERATING GOLD MINES:

- Kışladağ, in Turkey (100%)
- Efemçukuru, in Turkey (100%)
- Tanjianshan, in China (90%)
- White Mountain, in China (95%)
- Jinfeng, in China (82%)

GOLD PROJECTS:

- Perama Hill, in Greece (100%)
- Olympias, in Greece (95%)
- Skouries, in Greece (95%)
- Certej, in Romania (81%)
- Eastern Dragon, in China (75%)
- Tocantinzinho, in Brazil (100%)

OTHER MINES:

- Stratoni – Lead and Zinc Concentrates, in Greece (95%)
- Vila Nova – Iron Ore, in Brazil (100%)

ELDORADO IS LISTED ON THE FOLLOWING EXCHANGES:

- Toronto Stock Exchange ("TSX") under the symbol ELD
- New York Stock Exchange ("NYSE") under the symbol EGO

ELD is part of the S&P/TSX Global Gold Index. EGO is part of the AMEX Gold BUGS Index.

2015 Overview

SELECTED CONSOLIDATED FINANCIAL INFORMATION

- Loss attributable to shareholders of the Company of \$1,540.9 million or \$2.15 loss per share, compared to net income attributable to shareholders of the Company of \$102.6 million or \$0.14 per share in 2014.
- Dividends paid of \$11.3 million in 2015, compared to \$13.0 million in 2014.
- Liquidity was \$667.6 million at year end, including \$292.6 million in cash, cash equivalents, and term deposits, and \$375.0 million in unused lines of credit (2014 – \$876.3 million of liquidity).
- During 2015 the Company recognized non-cash impairment charges of \$1,525.2 million, net of taxes.

SELECTED PERFORMANCE MEASURES ⁽¹⁾

- Gold production of 723,532 ounces, including production from Olympias tailings retreatment (2014 – 789,224 ounces).
- Total cash costs averaged \$606 per ounce (2014 – \$557 per ounce).
- All-in sustaining cash costs averaged \$842 per ounce (2014 – \$779).
- Gross profit from gold mining operations of \$230.0 million (2014 – \$382.7 million).
- Adjusted net earnings of \$13.2 million (\$0.02 per share) compared to adjusted net earnings of \$138.7 million (\$0.19 per share) in 2014.
- Cash generated from operating activities before changes in non-cash working capital was \$193.1 million (2014 – \$342.9 million).

IMPAIRMENT CHARGES

During 2015 the Company recorded non-cash impairment charges totalling \$1,049.2 million in property, plant and equipment (net of deferred income tax recovery), and \$476.0 million in goodwill mainly related to Greece. The impairment of property, plant and equipment included \$739.9 million related to Skouries, \$214.1 million related to Certej, \$31.2 million related to Stratoni, \$35.8 million related to TJS, and \$28.2 million related to Vila Nova.

In addition to ongoing permitting issues at Skouries, higher estimated capital and operating costs affected projected cash flows from Skouries and Certej, leading to fair value estimates below these projects' carrying values. Stratoni (lead and zinc) and Vila Nova (iron ore) were both affected by the continuing world-wide slump in base metals prices.

(1) Throughout this MD&A we use cash operating cost per ounce, total cash costs per ounce, all-in sustaining cash costs, gross profit from gold mining operations, adjusted net earnings, and cash flow from operating activities before changes in non-cash working capital as additional measures of Company performance. These are non-IFRS measures. Please see page 14 for an explanation and discussion of these non-IFRS measures.

Summarized Annual Financial Results

(\$ millions except as noted)	2015	2014	2013
Revenues	863.3	1,067.9	1,124.0
Gold revenues	823.8	980.9	1,020.0
Gold sold (ounces)	705,310	774,522	725,095
Average realized gold price (\$/ounce)	1,168	1,266	1,407
Average London spot gold price (\$/ounce)	1,159	1,266	1,411
Cash operating costs (\$/ounce)	552	500	494
Total cash costs (\$/ounce)	606	557	551
All-in sustaining cash cost (\$/ounce sold)	842	779	n/a
Gross profit from gold mining operations	230.0	382.7	481.1
Adjusted net earnings	13.2	138.7	192.9
Net profit (loss) attributable to shareholders of the Company	(1,540.9)	102.6	(653.3)
Earnings (loss) per share attributable to shareholders of the Company – basic (\$/share)	(2.15)	0.14	(0.91)
Earnings (loss) per share attributable to shareholders of the Company – diluted (\$/share)	(2.15)	0.14	(0.91)
Cash flow from operating activities before changes in non-cash working capital	193.1	342.9	382.0
Capital spending – cash basis	396.0	410.7	482.0
Dividends paid – (CDN\$/share)	0.02	0.02	0.12
Cash, cash equivalents and term deposits	292.6	501.3	623.9
Total assets	5,464.6	7,393.6	7,235.2
Total long-term financial liabilities ⁽¹⁾	698.5	745.5	670.3

(1) Includes long-term debt net of deferred financing costs, other non-current liabilities, and asset retirement obligations.

REVIEW OF ANNUAL FINANCIAL RESULTS

Gold sales volumes decreased 9% year over year, reflecting decreases in gold production at Kışladağ and the Company's Chinese mines. Total cash costs per ounce increased 9% year over year, mainly due to increases in operating costs at Kışladağ and Tanjianshan. Gross profit from gold mining operations of \$230.0 million fell 40% year over year on decreasing gross margins as a result of lower sales volumes, higher unit operating costs and lower realized gold prices.

Loss attributable to shareholders of the Company was \$1,540.9 million (or \$2.15 per share), compared to a net profit attributable to shareholders of the Company of \$102.6 million (or \$0.14 per share) in 2014. The loss in 2015 was mainly due to impairment losses, net of tax, in the amount of \$1,525.2 million (\$1,423.0 million attributable to shareholders of the Company), a deferred income tax charge of \$63.5 million related to a change in income tax rates in Greece, and lower gross profits from gold mining operations.

Adjusted net earnings for the year was \$13.2 million (\$0.02 per share) as compared with \$138.7 million (\$0.19 per share) for 2014. The main factor in the decrease in adjusted net earnings was the decrease in gross profit from gold mining operations described above. Please see page 15 for a reconciliation between loss attributable to shareholders of the Company and adjusted net earnings.

Summarized Quarterly Financial Results

2015

(\$ millions except as noted)	Q1	Q2	Q3	Q4	2015
Revenues	238.3	214.2	211.5	199.3	863.3
Gold revenues	224.0	204.2	206.2	189.4	823.8
Gold sold (ounces)	181,820	170,056	182,124	171,310	705,310
Average realized gold price (\$/ounce)	1,232	1,201	1,132	1,105	1,168
Cash operating costs (\$/ounce)	521	569	552	567	552
All-in sustaining cash cost (\$/ounce sold)	729	900	835	914	842
Gross profit from gold mining operations	77.1	61.4	53.1	38.4	230.0
Adjusted net earnings (loss)	19.5	17.0	(4.0)	(19.3)	13.2
Net profit (loss) attributable to shareholders of the Company	(8.2)	(198.6)	(96.1)	(1,238.0)	(1,540.9)
Earnings (loss) per share attributable to shareholders of the Company – basic (\$/share)	(0.01)	(0.28)	(0.13)	(1.73)	(2.15)
Earnings (loss) per share attributable to shareholders of the Company – diluted (\$/share)	(0.01)	(0.28)	(0.13)	(1.73)	(2.15)
Cash flow from operating activities before changes in non-cash working capital	58.9	61.9	43.4	28.9	193.1

2014

(\$ millions except as noted)	Q1	Q2	Q3	Q4	2014
Revenues	279.9	265.5	263.5	259.0	1,067.9
Gold revenues	247.6	247.6	241.2	244.5	980.9
Gold sold (ounces)	190,628	190,621	189,321	203,952	774,522
Average realized gold price (\$/ounce)	1,299	1,299	1,274	1,199	1,266
Cash operating costs (\$/ounce)	519	489	488	505	500
All-in sustaining cash cost (\$/ounce sold)	786	829	735	761	779
Gross profit from gold mining operations	95.4	100.8	102.0	84.5	382.7
Adjusted net earnings	37.3	35.9	36.1	29.4	138.7
Net profit (loss) attributable to shareholders of the Company	31.3	37.6	19.8	13.9	102.6
Earnings per share attributable to shareholders of the Company – basic (\$/share)	0.04	0.05	0.03	0.02	0.14
Earnings per share attributable to shareholders of the Company – diluted (\$/share)	0.04	0.05	0.03	0.02	0.14
Cash flow from operating activities before changes in non-cash working capital	94.7	92.2	78.7	77.3	342.9

REVIEW OF QUARTERLY RESULTS

Loss attributable to shareholders of the Company for the quarter was \$1,238.0 million (\$1.73 per share) as compared to net profit for the quarter ended December 31, 2014 of \$13.9 million (\$0.02 per share). Adjusted loss was \$19.3 million as compared to 2014 adjusted net earnings of \$29.4 million. The main factors that impacted earnings for the fourth quarter year over year was the impairment charge attributable to shareholders of the company, net of taxes, of \$1,249.6 million recorded in the fourth quarter of 2015, and lower gold sales volumes and prices.

Operations Review and Outlook

GOLD OPERATIONS

	2015	2014	2016 outlook
Total Operating Gold Mines			
Gold ounces produced	723,532	789,224	565,000 to 630,000
Cash operating costs (\$/ounce)	552	500	585 to 620
Total cash costs (\$/ounce)	606	557	n/a
All-in sustaining cash costs (\$/ounce)	842	779	940 to 980
Sustaining capital expenditure (\$ millions)	94.9	109.0	105.0
Kişladağ			
Gold ounces produced	281,280	311,233	225,000 to 240,000
Cash operating costs (\$/ounce)	543	443	550 to 600
Total cash costs (\$/ounce)	558	461	n/a
Sustaining capital expenditure (\$ millions)	30.6	41.6	50.0
Efemçukuru			
Gold ounces produced	100,482	98,829	90,000 to 100,000
Cash operating costs (\$/ounce)	521	573	550 to 600
Total cash costs (\$/ounce)	540	595	n/a
Sustaining capital expenditure (\$ millions)	24.1	25.6	20.0
Tanjianshan			
Gold ounces produced	97,563	107,614	70,000 to 80,000
Cash operating costs (\$/ounce)	473	389	675 to 725
Total cash costs (\$/ounce)	646	559	n/a
Sustaining capital expenditure (\$ millions)	14.7	5.4	5.0
Jinfeng			
Gold ounces produced	149,655	168,50	95,000 to 105,000
Cash operating costs (\$/ounce)	587	575	700 to 750
Total cash costs (\$/ounce)	669	658	n/a
Sustaining capital expenditure (\$ millions)	10.0	16.0	15.0
White Mountain			
Gold ounces produced	78,156	85,308	75,000 to 85,000
Cash operating costs (\$/ounce)	653	617	625 to 675
Total cash costs (\$/ounce)	691	657	n/a
Sustaining capital expenditure (\$ millions)	15.5	20.4	15.0
Olympias			
Gold ounces produced from tailings retreatment	16,396	17,737	n/a

Annual Review – Operations

KIŞLADAĞ

Operating Data	2015	2014
Tonnes placed on pad	19,146,685	15,501,790
Average treated head grade (g/t Au)	0.70	1.01
Gold (ounces)		
– Produced	281,280	311,233
– Sold	280,892	311,451
Cash operating costs (\$/ounce)	543	443
Total cash costs (\$/ounce)	558	461
Financial Data (\$ millions)		
Gold revenues	326.5	392.5
Depreciation and depletion	46.5	28.1
Gross profit from mining operations	121.2	218.2
Sustaining capital expenditures	30.6	41.6

Gold production at Kişladağ was 10% lower year over year mainly as a result of lower ore grades, which were expected for this phase of the open pit. Lower ore grades were partly offset by an increase in ore tonnage and an inventory draw-down resulting from increased solution application to the leach pad. Kişladağ placed 24% more total tonnes on the leach pad at a 31% lower head grade than in 2014. Cash operating costs per ounce were higher year over year as a result of the lower grade of ore, partly offset by a decline in diesel fuel prices, and a weakening of the Turkish lira. Capital expenditures at Kişladağ in 2015 included capitalized waste stripping, equipment overhauls and sustaining construction projects.

EFEMÇUKURU

Operating Data	2015	2014
Tonnes milled	454,863	436,852
Average treated head grade (g/t Au)	7.82	8.34
Average recovery rate (to concentrate)	91.7%	93.3%
Gold (ounces)		
– Produced	100,482	98,829
– Sold	99,147	101,717
Cash operating costs (\$/ounce)	521	\$573
Total cash costs (\$/ounce)	540	\$595
Financial Data (\$ millions)		
Gold revenues	113.5	128.8
Depreciation and depletion	30.3	26.9
Gross profit from mining operations	28.0	40.2
Sustaining capital expenditures	24.1	25.6

Gold production at Efemçukuru increased 2% year over year due to favorable smelter settlement adjustments as well as an increase in mill throughput. Gold ounces sold were lower due to concentrate inventory movements. Lower cash operating costs were the result of both the impact of the weakening Turkish lira, cost reduction initiatives, and slightly higher gold production. Capital spending included costs related to capitalized underground development, mobile equipment, tailings dam construction, and process improvements.

TANJIANSHAN

Operating Data	2015	2014
Tonnes milled	1,060,176	1,045,440
Average treated head grade (g/t Au)	3.14	3.69
Average recovery rate	82.4%	81.7%
Gold (ounces)		
– Produced	97,563	107,614
– Sold	97,563	107,614
Cash operating costs (\$/ounce)	473	389
Total cash costs (\$/ounce)	646	559
Financial Data (\$ millions)		
Gold revenues	115.5	136.6
Depreciation and depletion	25.3	22.2
Gross profit from mining operations	26.8	53.5
Sustaining capital expenditures	14.7	5.4

Gold production at Tanjianshan was 9% lower year over year mainly due to lower average treated head grade, and gold-in-circuit inventory movements. Cash operating costs per ounce were higher than 2014 mainly due to lower average treated head grade and higher ore and waste tonnes mined. Capital expenditures for the year included construction of a tailings dam lift and driving the Qinlongtan ("QLT") Deep decline in order to evaluate the QLT resource.

JINFENG

Operating Data	2015	2014
Tonnes milled	1,303,863	1,470,824
Average treated head grade (g/t Au)	4.13	3.99
Average recovery rate	86.2%	86.8%
Gold (ounces)		
– Produced	149,655	168,503
– Sold	149,552	168,432
Cash operating costs (\$/ounce)	587	575
Total cash costs (\$/ounce)	669	658
Financial Data (\$ millions)		
Gold revenues	176.6	214.5
Depreciation and Depletion	37.2	52.2
Gross profit from mining operations	39.3	51.5
Sustaining capital expenditures	10.0	16.0

Gold production at Jinfeng was 11% lower year over year mainly as a result of less ore milled, partially offset by higher average treated head grade. Ore production fell year over year with the completion of the open pit in April 2015. Cash operating costs per ounce were 2% higher year over year mainly due to lower gold production. Capital expenditures for the year included underground development, mining equipment and the construction of dry stacking facilities at the flotation and carbon in leach ("CIL") tailings dams.

WHITE MOUNTAIN

Operating Data	2015	2014
Tonnes milled	849,335	850,782
Average treated head grade (g/t Au)	3.30	3.47
Average recovery rate	86.5%	86.9%
Gold (ounces)		
– Produced	78,156	85,308
– Sold	78,156	85,308
Cash operating costs (\$/ounce)	653	617
Total cash costs (\$/ounce)	691	657
Financial Data (\$ millions)		
Gold revenues	91.6	108.6
Depreciation and depletion	27.0	33.1
Gross profit from mining operations	10.5	19.2
Sustaining capital expenditures	15.5	20.4

Gold production at White Mountain was 8% lower year over year due to lower average treated head grade and gold-in-circuit inventory movements. Cash operating costs per ounce were 6% higher than in 2014 principally as a result of the lower average treated head grade. Capital expenditures for the year included underground electrical infrastructure, upgrades to the mill and backfill plant, and ongoing expansion of the tailings storage facility.

STRATONI

Operating Data	2015	2014
Tonnes ore processed (dry)	154,992	219,861
Pb grade (%)	6.5%	5.9%
Zn grade (%)	8.5%	10.5%
Tonnes of concentrate produced	40,232	58,375
Tonnes of concentrate sold	46,502	57,719
Average realized concentrate price (\$/tonne)	771 ⁽¹⁾	884
Cash Costs (\$/tonne of concentrate sold)	774	714
Financial Data (\$ millions)		
Concentrate revenues	35.9	51.0
Depreciation and depletion	8.6	8.4
Gross profit (loss) from mining operations	(12.5)	0.6
Sustaining capital expenditures	3.2	5.0

(1) Average realized price included mark to market downward adjustments to accounts receivable in the amount of \$48 per tonne.

Stratoni produced 31% less concentrate than 2014 mainly due to lower mine output. Mine output was impacted by fewer available underground production faces as well as an extended mine shutdown related to Cassandra mines' permitting issues. Stratoni reported a loss from mining operations of \$12.5 million (2014 – gross profit \$0.6 million). The loss included write down of inventory to net realizable value of \$3.3 million. In addition to the shortfall in production, the profitability of mining operations was impacted by weak lead and zinc prices. Capital expenditures for the year included upgrades to health, safety and environmental equipment, and upgrades to the water treatment plant.

VILA NOVA

Operating Data

	2015	2014
Tonnes processed	20,017	806,082
Iron ore produced	16,038	693,714
Average Grade (% Fe)	63.7%	63.1%
Iron ore tonnes		
– Sold	47,815	524,645
Average realized iron ore price ⁽¹⁾ (\$/tonne)	(8)	60
Cash costs (\$/tonne sold)	33	55

Financial Data (\$ millions)

Iron ore revenues	(0.4)	31.6
Depreciation and depletion	1.0	4.9
Gross profit (loss) from mining operations	(11.8)	(16.7)
Sustaining capital expenditures	–	1.0

(1) Average realized price includes negative adjustments to prior shipments.

A nominal amount of iron ore was processed and shipped in the first quarter of 2015 while preparing the plant for shutdown. No production was realized during the rest of the 2015 year, and sales and logistic activities remained suspended during the year due to low iron ore market prices.

Annual Review – Development Projects

KIŞLADAĞ

Design concepts were developed during 2015 for additional crushing and screening capacity to increase plant throughput at Kişladağ to 20 million tonnes per year. The crushing circuit was optimized with a change in crush size that is expected to improve gold recovery when it becomes operational in 2016.

OLYMPIAS

The Olympias plant treated 589,675 tonnes of tailings at a grade of 1.99 grams per tonne during 2015. A total of 16,396 ounces of gold were produced during the year. The Olympias plant is expected to cease treating tailings during the first quarter of 2016.

During 2015 basic engineering for Phase II was completed, and full implementation began with detailed engineering and procurement of long lead items well advanced by year end. The construction phase is expected to begin in 2016 assuming the timely receipt of the required installation permit, with commissioning forecast by the end of the year. Underground mine development and refurbishment continued at Olympias during 2015, with underground ore production for Phase II projected to begin early in 2017. During 2015, 659 metres of underground access were rehabilitated and 1,901 metres of new development were completed. In addition, approximately 330 metres were advanced on the main Stratoni-Olympias decline, bringing total decline advance project-to-date to 1,950 metres. Capital costs incurred in 2015 were \$97 million, consisting of \$72 million in construction capital and \$25 million in capitalized cost for tailings retreatment.

SKOURIES

Engineering design work for the processing plant and surface facilities progressed during 2015, with engineering at over 93% complete by year end. During the year a substantial amount of the equipment and various steel structures required to complete construction of the plant and facilities were delivered to the Skouries site, with over 80% of the procurement scope completed by the end of the year. Work continued on construction of the process plant and road access was completed to the base of the tailings dam.

Work on the development of the Skouries underground mine design was advanced during 2015 from scoping level through prefeasibility level. The underground mine design is expected to be completed in 2016. The mine is projected to achieve a throughput rate of 4.5 million tonnes per year using shaft and ramp access with sub-level open stoping along vertical development intervals of 60 metres. The open pit is expected to be used for disposal of mill tailings during the life of the underground operation. The open pit is projected to operate for a period of eight years to be followed by 22 years of underground mining. During 2015 a total of \$112.9 million was spent on Skouries, excluding capitalized exploration and capitalized interest.

On January 11, 2016 the Company announced that construction and development activities at the Skouries project were being suspended due to delays in the issuance of routine permits and licences by the Greek permitting authorities. Environmental protection works and care and maintenance activities continued to be performed in order to safeguard the environment and the assets of the Company at site at a cost of approximately \$1.0 million per month.

CERTEJ

In May 2015 the Company released the results of the feasibility study for the Certelj project. The study included improvements in the mine design and further optimization of the flotation and oxidation processes for gold recovery. This study resulted in a decrease in projected capital investment and reduced life of mine operating costs, as compared with the previous feasibility study. Engineering work continued during 2015 on trade off studies with a focus on further opportunities to improve the project and increase the level of engineering confidence. Work began on amending the existing environmental permits to reflect the proposed changes, and will continue to be the focus of efforts in 2016. During 2015 a total of \$15.8 million was spent on Certelj, mainly on geotechnical and metallurgical testing, site preparation and engineering studies.

For the year ended December 31, 2015

PERAMA HILL

Project engineering was completed during the year on Perama Hill and the project was placed on care and maintenance pending receipt of the Environmental Impact Assessment approval. In 2015, a total of \$1.0 million was spent on the Perama Hill project.

EASTERN DRAGON

A key milestone was achieved in June 2015 with the receipt of the Project Permit Approval ("PPA"). The PPA, which was approved by the National Development and Reform Commission ("NDRC"), provides verification of previous permitting steps including the Environmental Protection Assessment approval. The conversion of the Exploration Licence to a Mining Licence is progressing, evidenced by formal acceptance of the application by the Ministry of Land and Resources ("MLR") on March 1, 2016. Mine personnel continue to be engaged with local, state and central government authorities to actively pursue all avenues to advance permitting while maintaining all existing agreements in good standing.

TOCANTINZINHO

The Company completed a feasibility study for the Tocantinzinho project during 2015. The project is projected to generate positive cash flows with a return rate of 13.5% after tax at a forecast gold price of \$1,250 per ounce. Capital costs incurred at Tocantinzinho in 2015 totalled \$4.1 million and were spent on engineering and site works to advance the installation of the access road to the site.

Annual Review – Exploration

A total of \$30.0 million was spent in 2015 on exploration, which included 58,000 metres of drilling. Exploration activities were conducted at 17 projects including early-stage, brownfields and in-mine programs in Turkey, China, Brazil, Greece, Serbia and Romania.

TURKEY

At the Efemçukuru mine 5,500 metres of drilling focused on establishing the grade and continuity of mineralized trends within the Kokarpinar vein system. Reconnaissance teams drill-tested porphyry-epithermal targets at the Dölek project in Northeast Turkey (1,900 metres), and conducted project generation work mainly in northern and western Turkey. Aeromagnetic data were acquired covering roughly 6,000 square kilometres in an area west of Kışladağ, which will form the basis of regional reconnaissance work in 2016, directed towards identifying new porphyry and epithermal targets.

CHINA

In China, brownfields and in-mine exploration programs were completed at Tanjianshan and White Mountain. At Tanjianshan, 4,700 metres of drilling, collared from the new underground development, defined along-strike and down-dip extensions to the high-grade Qinlongtan North deposit. Drilling was also completed at the nearby Xijingou deposit (2,200 metres), and the Dushugou and Qingshan prospects (800 metres total). At White Mountain, 14,200 metres of underground drilling were completed, focused mainly on expanding resources in the South, North, and Far North zones. Finally, a 600 metres drill program tested new exploration targets on the Anbao licence, north of Jinfeng.

BRAZIL

In Brazil, the KRB prospect in the Tocantinzinho project area was tested with 3,000 metres of drilling completed. Other exploration activities in Brazil were limited project generation, mainly in the Central Brazil gold belt and in the northeastern part of the country. In December an option agreement was signed with a private Brazilian company covering parts of the prospective Mara Rosa greenstone belt. The agreement includes the right to earn up to 100% in the subject licences.

GREECE

Exploration drilling in Greece totalled 900 metres of underground drilling that targeted extensions of the Mavres Petres deposit. Other exploration activities focused on mapping and sampling programs on our Halkidiki and Sapes licence areas, and project generation work in Northern Greece. Several new high-grade vein occurrences were identified peripheral to the Skouries deposit, and drilling targets were defined at the Tsikara and Fisoka prospects.

ROMANIA

In Romania, five exploration projects were drilled in the Certej area. A total of 5,100 metres of drilling were completed at the Muncel VMS deposit aimed at identifying gold-rich areas within the base metal system. At Magura, 8,900 metres of drilling targeted down-dip and along-strike extensions of high-grade veins that were historically explored in underground workings. At the newly acquired Certej North exploration licence, 4,700 metres of drilling were completed intersecting broad zones of peripheral porphyry and epithermal-style alteration/mineralization. Drilling programs also tested the P. Avram prospect (1,700 metres) and porphyry targets on the Deva exploration licence (650 metres).

Non-IFRS Measures

Throughout this document we have provided measures prepared in accordance with IFRS, as well as some non-IFRS performance measures as additional information for investors who also use them to evaluate our performance. Since there is no standard method for calculating non-IFRS measures, they are not a reliable way to compare us against other companies. Non-IFRS measures should be used with other performance measures prepared in accordance with IFRS. We have defined our non-IFRS measures below and reconciled them with the IFRS measures we report.

Cash Operating Cost, Total Cash Cost

The table below reconciles cash operating cost and total cash cost to operating costs. We calculate costs according to the Gold Institute Standard.

(\$ millions, except for gold ounces sold and per ounce amounts)	2015	2014
Production costs (from consolidated income statements)	469.8	508.3
Vila Nova and Stratoni production costs	38.1	72.5
Production costs – excluding Vila Nova and Stratoni	431.7	435.8
Less:		
By-product credits	(4.2)	(4.4)
Total cash cost	427.5	431.4
Less:		
Royalty expense and production taxes	(38.2)	(44.1)
Cash operating cost	389.3	387.3
Gold ounces sold	705,310	774,522
Total cash cost per ounce	606	557
Cash operating cost per ounce	552	500

All-in Sustaining Cash Cost

All-in sustaining costs are calculated by taking total cash costs and adding sustaining capital expenditures, corporate administrative expenses, exploration and evaluation costs, and reclamation cost accretion. Sustaining capital expenditures are defined as those expenditures which do not increase annual gold ounce production at a mine site, and exclude all expenditures at the Company's projects. Certain other cash expenditures, including tax payments, dividends and financing costs, are also not included. The Company believes that this measure represents the total costs of producing gold from current operations, and provides the Company and other stakeholders of the company with additional information of the Company's operational performance and ability to generate cash flows. The Company reports this measure on a gold ounces sold basis.

Calculation of All-in Sustaining Cash Costs

(\$ millions, except for gold ounces sold and all-in sustaining cash cost per ounce sold)	2015	2014
Total cash cost – excluding Vila Nova and Stratoni (per table above)	427.5	431.4
Sustaining capital spending at operating gold mines	94.9	109.0
Exploration spending at operating gold mines	10.4	9.1
General and administrative expenses ⁽¹⁾	61.4	53.6
All-in sustaining cash costs	594.2	603.1
Gold ounces sold	705,310	774,522
All-in sustaining cash cost per ounce sold	842	779

(1) Excludes G&A expenses related to business development activities and projects. Includes share-based payments expense and defined benefit pension plan expense as well as asset retirement obligation accretion expense.

Cash Flow From Operations Before Changes in Non-cash Working Capital

We use *cash flow from operations (or operating activities) before changes in non-cash working capital* to supplement our consolidated financial statements, and calculate it by not including the period to period movement of non-cash working capital items, like accounts receivable, advances and deposits, inventory, accounts payable and accrued liabilities.

We believe this provides a better indication of our cash flow from operations and may be meaningful to investors in evaluating our past performance or future prospects. It is not meant to be a substitute for cash flow from operations (or operating activities), which we calculate according to IFRS.

Adjusted Net Earnings

The Company has included non-IFRS performance measures, *adjusted net earnings* and *adjusted net earnings per share*, throughout this document. Adjusted net earnings excludes gains/losses and other costs incurred for acquisitions and disposals of mining interests, impairment charges, unrealized and non-cash realized gains/losses of financial instruments and foreign exchange impacts on deferred income tax. The Company also excludes net earnings and losses of certain associates that the Company does not view as part of the core mining operations. The Company excludes these items from net earnings to provide a measure which allows the Company and investors to evaluate the results of the underlying core operations of the Company and its ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The following table provides a reconciliation of adjusted net earnings to the consolidated financial statements for the years ended December 31:

(\$ millions, except for weighted average shares and earnings per share)	Q4 2015	2015	2014
Net (loss) earnings attributable to shareholders of the Company	(1,238.0)	(1,540.9)	102.6
Transaction costs	1.2	3.1	0.0
Losses (gains) on disposal of assets	0.2	0.2	1.9
Losses (gains) on available-for-sale securities	0.0	0.0	2.4
Loss on investment in associates	0.0	0.0	0.1
Impairment loss on investment in associates	0.0	0.0	0.0
Write-down of assets & inventory	15.2	28.5	16.5
Impairment loss on property, plant and equipment, and goodwill (net of taxes) ⁽¹⁾	1,208.9	1,423.0	0.0
Unrealized losses (gains) on foreign exchange translation of deferred income tax balances	(3.6)	38.9	15.2
Deferred income tax charge for change in Greek tax rates ⁽¹⁾	(3.2)	60.4	0.0
Total adjusted net earnings	(19.3)	13.2	138.7
Weighted average shares outstanding	716,587	716,586	716,288
Adjusted net earnings (\$/share)	(0.03)	0.02	0.19

(1) Attributable to shareholders of the Company.

Gross Profit from Gold Mining Operations

Gross profit from gold mining operations represents gross revenues from gold mining operations less production costs and depreciation, depletion and amortization related to those operations.

Financial Condition & Liquidity

OPERATING ACTIVITIES

Operating activities before changes in non-cash working capital generated \$193.1 million in cash in 2015, compared to \$342.9 million in 2014.

INVESTING ACTIVITIES

The Company invested \$396.0 million in capital expenditures this year. Evaluation and development expenditures, including capitalized drilling programs and Olympias tailings retreatment, totalled \$262.9 million, while sustaining capital spending at our producing mines totalled \$98.1 million (\$94.9 million at our producing gold mines and \$3.2 million at Stratoni and Vila Nova). We also spent \$5.0 million on land acquisitions in Turkey and Romania. A total of \$27.2 million in bond interest was also charged to capital projects. The remaining \$2.8 million related to fixed assets for our corporate offices in Canada, Brazil, Turkey, Greece, Romania and China. In addition, cash proceeds of \$17.9 million related to gold concentrate sales proceeds from tailings retreatment were recorded as cash flows from investment activities.

FINANCING ACTIVITIES

The Company paid dividends of \$10.9 million to non-controlling interests and \$11.3 million to shareholders during 2015.

The Company is suspending the cash payment of its semi-annual dividend payment effective the first quarter of 2016. The decision of the Board of Directors has been made in view of the low gold price, the terms and conditions of the Dividend Policy and the requirements of the Canada Business Corporations Act ("CBCA"). We continue to believe that a portion of funds from operations should be shared with our investors and look forward to resuming dividend payments in an environment of stronger gold prices.

Capital Resources

(\$ millions)	2015	2014
Cash, cash equivalents and term deposits	292.6	501.3
Working capital	335.4	646.2
Restricted collateralized accounts	0.2	0.3
Debt – Current and long-term	589.4	603.5

Management believes that the working capital at December 31, 2015, together with future cash flows from operations and, where appropriate, selected financing sources, including available credit lines, are sufficient to support our planned and foreseeable commitments, and dividends, if declared, in 2016 and beyond.

Contractual Obligations

As at December 31, 2015

(\$ millions)	Within 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
Debt	–	–	600.0	–	600.0
Capital leases	0.7	0.7	–	–	1.4
Operating leases	5.9	6.0	6.2	6.1	24.2
Purchase obligations	53.1	2.5	0.2	–	55.8
Totals	59.7	9.2	606.4	6.1	681.4

The table does not include interest on debt.

As at December 31, 2015, Hellas Gold had entered into off-take agreements pursuant to which Hellas Gold agreed to sell a total of 17,280 dry metric tonnes of zinc concentrates, 9,860 dry metric tonnes of lead/silver concentrates, and 26,225 gold concentrate through the financial year ending December 31, 2016.

In April 2007, Hellas agreed to sell to Silver Wheaton (Caymans) Ltd. ("Silver Wheaton") all of the payable silver contained in lead concentrate produced within an area of approximately seven square kilometres around Stratoni. The sale was made in consideration of a prepayment to Hellas of \$57.5 million in cash, plus a fixed price per ounce of payable silver to be delivered of the lesser of \$3.90 and the prevailing market price per ounce, adjusted higher every April by 1%. For the period April 2015 through March 2016, this amount is equal to \$4.14 per ounce. In October 2015 the agreement with Silver Wheaton was amended to provide an increase in the price per ounce of payable silver to be delivered to Hellas based on Hellas achieving certain exploration drilling milestones.

In May 2013, the Company, in connection with Hellas Gold, entered into a Letter of Guarantee in favour of the Greek Ministry of Environment, Energy and Climate Change, in the amount of €50.0 million, as security for the due and proper performance of rehabilitation works committed in connection with the Environmental Impact Assessment approved for the Cassandra Mines (Stratoni, Olympias and Skouries). The Letter of Guarantee is renewed annually and expires on July 26, 2026. The Letter of Guarantee has an annual fee of 57 basis points.

As at December 31, 2015, Tuprag Metal Madencilik Sanayi Ve Ticaret A.S. ("Tuprag") had entered into off-take agreements pursuant to which Tuprag agreed to sell a total of 36,000 dry metric tonnes of gold concentrate through the financial year ending December 31, 2016.

Debt

JINFENG

On January 16, 2013, Jinfeng entered into a RMB 100.0 million (\$15.4 million) working capital loan with China Commerce Bank ("CMB"). Each draw-down had a fixed interest rate of 5.6% and had a term of six months. The facility had a term of up to one year, from January 16, 2013 to January 14, 2014. In January 2014 the term of the facility was extended to January 28, 2015 and was not subsequently renewed. This facility was unsecured. The proceeds were used to fund working capital obligations. As at December 31, 2015, Jinfeng repaid the full amount under this facility.

REVOLVING CREDIT FACILITY

The Company has a \$375.0 million revolving credit facility with a syndicate of banks ("the credit facility" or "ARCA"). The ARCA matures on November 23, 2016. The ARCA is secured by the shares of SG Resources and Tuprag, wholly owned subsidiaries of the Company. The ARCA contains covenants that restrict, among other things, the ability of the Company to incur an aggregate unsecured indebtedness exceeding \$850.0 million, incur secured indebtedness up to \$200.0 million, make distributions in certain circumstances, sell material assets and carry on a business other than one related to the mining business. Significant financial covenants include a maximum debt to Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") of 3.5:1 and a minimum EBITDA to interest of 3:1. The Company is in compliance with these covenants at December 31, 2015. Loan interest is variable depending on a leverage ratio pricing grid. The Company's current leverage ratio is approximately 1.99:1. At this ratio, interest charges and fees are as follows: LIBOR plus margin of 2.00% and undrawn standby fee of 0.50%. Fees of \$4.7 million were paid in relation to the credit facility. This amount was deferred as pre-payments for liquidity services and was amortized to financing costs. No amounts were drawn down under the ARCA as at December 31, 2015.

SENIOR NOTES

On December 10, 2012, the Company completed an offering of \$600.0 million senior notes ("the notes") at par value, with a coupon rate of 6.125% due December 15, 2020. The notes pay interest semi-annually on June 15 and December 15. The Company received proceeds of \$589.5 million from the offering, which is net of the commission payment. The notes are redeemable by the Company in whole or in part, for cash:

- a) At any time prior to December 15, 2016 at a redemption price equal to 100% of the aggregate principal amount of the notes at the treasury yield plus 50 basis points, and any accrued and unpaid interest;
- b) on and after the dates provided below, at the redemption prices, expressed as a percentage of principal amount of the notes to be redeemed, set forth below, plus accrued and unpaid interest on the notes:

December 15, 2016	103.063%
December 15, 2017	101.531%
2018 and thereafter	100.000%

The early prepayment prices are to reimburse the lender for lost interest for the remaining term. The fair market value of the notes as at December 31, 2015 is \$526.9 million.

ENTRUSTED LOAN

In November 2010, Eastern Dragon, HSBC Bank (China) and QDML, our 90% owned subsidiary, entered into a RMB 12.0 million (\$2.0 million) entrusted loan agreement, which has been increased to RMB 720.0 million (\$110.9 million) through a series of amendments. Under the terms of the entrusted loan, QDML with its own funds entrusts HSBC Bank (China) to provide a loan facility in the name of QDML to Eastern Dragon. The loan can be drawn down in tranches. Each draw-down bears interest fixed at the prevailing lending rate stipulated by the People's Bank of China on the date of draw-down. Each draw-down has a term of one year and can be rolled forward at the discretion of QDML. The interest rate on this loan as at December 31, 2015 was 4.59%. As at December 31, 2015, RMB 667.1 million (\$102.7 million) had been drawn under the entrusted loan. Subsequent to December 31, 2015, RMB 3.1 million (\$0.5 million) was drawn under this loan. The entrusted loan has been recorded on a net settlement basis.

Defined Benefit Plans

The Company operates defined benefit pension plans in Canada with two components: a registered pension plan ("the Pension Plan") and a supplementary pension plan ("the SERP"). During the second quarter of 2012, the SERP was converted into a Retirement Compensation Arrangement ("RCA"), a trust account. As it is a trust account, the assets in the account are protected from the Company's creditors. The RCA requires the Company to remit 50% of any contributions and any realized investment gains to the Receiver General of Canada as refundable tax.

These plans, which are available only to certain qualifying employees, provide benefits based on an employee's years of service and final average earnings at retirement. Annual contributions related to these plans are actuarially determined and made at or in excess of minimum requirements prescribed by legislation.

Eldorado's plans have actuarial valuations performed for funding purposes. The Pension Plan last had an actuarial valuation performed as of January 1, 2014 for funding purposes with the next required valuation as of January 1, 2017. The SERP's last valuation was on January 1, 2015 for funding purposes and the next valuation will be prepared in accordance with the terms of the pension plan. The measurement date to determine the pension obligation and assets for accounting purposes was December 31, 2015.

The SERP is designed to provide supplementary pension benefits to qualifying employees affected by the maximum pension limits under the *Income Tax Act* pursuant to the registered Pension Plan. Further, the Company is not required to pre-fund any benefit obligation under the SERP.

Cash contributed to the Pension Plan and the SERP was \$2.8 million (2014 – \$2.7 million). Cash payments totalling \$0.1 million were made directly to beneficiaries during the year (2014 – \$0.2 million). The Company expects to contribute \$0.04 million to the Pension Plan and \$1.7 million to the SERP in 2016.

Equity

In 2015 the Company received net proceeds of \$0.1 million for issuing 22,610 common shares related to stock options and warrants being exercised.

Common Shares Outstanding

– as of March 23, 2016	716,587,134
– as of December 31, 2015	716,587,134
Share purchase options – as of March 23, 2016 (Weighted average exercise price per share: CDN\$7.67)	32,290,135

Managing Risk

This section describes the types of risks we are exposed to and our objectives and policies for managing them (please read the Company's Annual Information Form for additional information).

We monitor risk using our risk management review process. Management prepares a risk assessment report every quarter outlining our operational and financial risks. The Board reviews the report to evaluate and assess the risks we are exposed to in various markets, and discusses the steps management takes to manage and mitigate them.

FINANCIAL RISK

Liquidity Risk

Liquidity risk is the risk that we cannot meet our financial obligations. The Company mitigates liquidity risk through the implementation of its capital management policy by spreading the maturity dates of investments over time, managing its capital expenditures and operational cash flows, and maintaining adequate lines of credit. We use a rigorous planning, budgeting and forecasting process to help determine the funds we will need to support our ongoing operations and our expansion plans. Management believes that the working capital at December 31, 2015, together with future cash flows from operations and, where appropriate, selected financing sources, is sufficient to support our planned and foreseeable commitments in 2016 and beyond.

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will not meet its obligations and will cause the Company to incur a financial loss. The Company limits counterparty risk by entering into business arrangements with high credit-quality counterparties, limiting the amount of exposure to each counterparty and monitoring the financial condition of counterparties. For cash, cash equivalents and accounts receivable, credit risk is represented by the carrying amount on the balance sheet.

Payment for metal sales is normally in advance or within 15 days of shipment depending on the buyer. The historical level of customer defaults is negligible which reduces the credit risk associated with trade receivables at December 31, 2015.

We invest our cash and cash equivalents in major financial institutions and in government issuances, according to our short-term investment policy. The credit risk associated with these investments is considered to be low.

Currency Risk

We sell gold in US dollars, but our costs are mainly in US dollars, Canadian dollars, Turkish lira, Brazilian real, euros, Romanian lei, and Chinese renminbi. An increase in the value of any of these currencies against the US dollar can increase our production costs and capital expenditures, which can affect future cash flows. The Company has a risk management policy that includes hedging its foreign exchange exposure to reduce the risk associated with currency fluctuations. The Company currently does not have any currency hedges, but may hedge in the future.

The table below shows our assets and liabilities and debt denominated in currencies other than the US dollar at December 31, 2015. We recognized a loss of \$16.8 million on foreign exchange this year, compared to a loss of \$7.2 million in 2014.

(thousands)	Canadian dollar	Australian dollar	Euro	Turkish lira	Chinese renminbi	Swedish krona	Romanian lei	Great British pound	Brazilian real
Cash and cash equivalents	4,705	172	4,737	2,165	357,183	1,774	8,014	244	21,559
Marketable securities	25,369	–	–	–	–	–	–	–	–
Accounts receivable and other	2,261	1	6,143	54,785	182,288	–	9,212	–	10,255
Accounts payable and accrued liabilities	(12,111)	(192)	(58,596)	(97,073)	(434,573)	–	(6,027)	–	(3,953)
Other non-current liabilities	–	–	(2,158)	(11,116)	–	–	–	–	–
Debt	–	–	–	–	–	–	–	–	–
Net balance	20,224	(19)	(49,874)	(51,239)	104,898	1,774	11,199	244	27,861
Equivalent in US dollars	14,614	(14)	(54,143)	(17,622)	16,155	210	2,700	360	7,112

Accounts receivable and other current and long-term assets relate to goods and services taxes, income taxes, value-added taxes and insurance receivables. Based on the balances at December 31, 2015, a 10% increase/decrease in the exchange rates on that date would have resulted in a decrease/increase of approximately \$3.1 million in profit before taxes.

Interest Rate Risk

Interest rates determine how much interest we pay on our debt, and how much we earn on our cash and cash equivalents, which can affect future cash flows.

All of our debt is in the form of notes with a fixed interest rate of 6.125%. However, borrowings under the ARCA are at variable rates of interest and any borrowings would expose the Company to interest rate cost and interest rate risk. In the future we may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility.

Price Risk

Our profitability depends on the price of gold, which is affected by many things, including the sale or purchase of gold by central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the US dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of the world's major gold-producing countries. The cost of production, development and exploration varies depending on the market prices of certain mining consumables, including diesel fuel and electricity. Electricity is regionally priced in Turkey and China and semi-regulated by the federal governments of those countries, which reduces the risk of price fluctuations. The Company currently does not have any long-term gold hedges or other commodity hedges, but we may hedge in the future.

Sensitivity Analysis for Key Variables

	A change of	Would change our after-tax net earnings by
Currency values against the US dollar	10%	\$3.1 million
Price of gold (based on the expectations and assumptions we used in our 2016 outlook)	10%	\$49.0 million
Interest rate on variable interest debt	10%	N/A ⁽¹⁾
Price of diesel fuel	10%	\$2.1 million

(1) The Company did not have any variable interest debt outstanding at the end of 2015.

OTHER RISKS AND UNCERTAINTIES

Exploration and Development

The cost and results of our exploration and development programs affect our profitability and value. The life of a mine is fixed based on its mineral reserves, so we actively seek to replace and expand our reserves, mainly through exploration, acquisition and the development of our existing operations. Exploring for minerals involves many risks and may not lead to new economically viable mining operations or yield new reserves to replace and expand current reserves. Our reserve estimates are based on certain assumptions and affected by the inherent limitations of the estimation process.

Acquiring title to mineral properties is a detailed and time-consuming process. We take steps, in accordance with industry standards, to verify and secure legal title to mineral properties that we have, or are seeking, an interest in. Although we take every precaution to ensure that legal title to our properties is properly recorded in our name, there can be no assurance we will ultimately secure title on every property. Legal title to our properties depends on the laws in the countries we operate in, and their appropriate and consistent application.

Operations

The business of gold mining involves many operational risks and hazards. We work to reduce the risks associated with our projects by setting high operational standards, hiring and training appropriately skilled personnel, and making improvements to our operations. We maintain adequate insurance to cover normal business risk. We rely on a number of key employees. Our success depends on attracting and retaining qualified personnel in a competitive labour environment.

Environment

There may be environmental hazards at our mines or projects that we are unaware of. We may be liable for any associated losses, or be forced to do extensive remedial cleanup or pay for governmental remedial cleanup, even if the hazards were caused by previous or existing owners or operators of the property, past or present owners of adjacent properties or by natural conditions. The costs of any cleanup could have a material and adverse effect on our operations and profitability.

Laws, Regulations and Permits

Our activities are subject to extensive federal, provincial, state and local laws and regulations governing environmental protection and employee health and safety. We must obtain government permits and provide associated financial assurance to conduct certain activities. We are also subject to various conditions related to reclamation that are imposed under federal, state or provincial air, water quality and mine reclamation rules and permits.

We have budgeted for future capital and operating expenditures to obtain such permits and maintain compliance with these environmental, health and safety laws; however, any changes to these laws in the future could have an adverse effect on our financial condition, liquidity or results of operations and could delay our ability to obtain such permits.

If these laws are not complied with, we may face injunctions, damages and penalties, or our permits could be suspended or revoked. There is no assurance that we have been, or will be, in compliance with environmental, health and safety laws at all times, that our compliance will not be challenged, or that the cost of complying with current or future laws will not have a material and adverse effect on our future cash flow, results of operations and financial condition.

Litigation

All industries, including the mining industry, are subject to legal claims that are with and without merit.

We are currently involved in various routine legal and regulatory proceedings. It's unlikely that the final outcome of these routine proceedings will have a material and adverse effect on our financial condition or results of operations; however, defense and settlement costs can be substantial, even for claims that are without merit. Due to the inherent uncertainty of the litigation process and dealings with regulatory bodies, there is no assurance that any legal or regulatory proceeding will be resolved in a manner that will not have a material and adverse effect on our future cash flow, results of operations or financial condition.

Political Risk

We operate in five countries outside of North America: Turkey, China, Brazil, Romania and Greece. Our operations in these countries may be subject to political, economic and other risks that may affect our future operations and financial position.

We review these and other risks related to the business in foreign countries on an ongoing basis. Such reviews may cause us to re-evaluate and realign our business objectives and strategic direction from time to time, including considering suspension of projects or disposition of certain assets.

Other Information

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We are required to make estimates that affect the amount of assets, liabilities, contingent liabilities, revenue and expenses we report. We have identified the following critical accounting policies and estimates. You can find all of our significant accounting policies in note 3 of our 2015 consolidated financial statements.

Inventories

We value finished goods (including metal concentrates, doré and iron ore), work-in-process, heap leach ore and stockpiled ore at the average production cost or its net realizable value – whichever is lower.

We consider ore stacked on our leach pads and in process at our mines as work-in-process inventory and record their value in earnings, and include them in the cost of sales based on ounces of gold sold, using the following assumptions in our estimates:

- the amount of gold we estimate is in the ore stacked on the leach pads
- the amount of gold we expect to recover from the stacks
- the amount of gold and other metals in the mill circuits
- the amount of gold and other metals in concentrates
- the gold and other metal prices we expect to realize when the gold and other metals is sold

If our estimates or assumptions are inaccurate, we could be required to write down the value we have recorded on our work-in-process inventories, which would reduce our earnings and working capital. At December 31, 2015, the average cost of inventory was below its net realizable value.

Reserves and Resources

Our estimates for Kışladağ, Efemçukuru, Tanjianshan, Jinfeng, White Mountain, Perama Hill, Tocantinzinho, Eastern Dragon, Skouries, Olympias, Stratoni, Certej and Vila Nova are based on the definitions adopted by the Canadian Institute of Mining, Metallurgy and Petroleum, and in compliance with Canadian National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (NI 43-101), developed by the Canadian Securities Administrators.

You will not be able to compare the mineral reserve and resources information in this report with similar information from US companies. The United States Securities & Exchange Commission (SEC) defines a mineral reserve as the part of a mineral deposit that can be economically and legally extracted or produced. It does not recognize the terms measured, indicated and inferred mineral resources (mining terms under NI 43-101), and does not accept them in reports and registration statements. You should not assume that:

- the mineral reserves defined in this report qualify as reserves under SEC standards
- the measured and indicated mineral resources in this report will ever be converted to reserves
- the inferred mineral resources in this report are economically mineable, or will ever be upgraded to a higher category

Value Beyond Proven and Probable Reserves ("VBPP")

On acquisition of a mineral property, we prepare an estimate of the fair value of the exploration potential of that property and record this amount as an asset, called *value beyond proven and probable*, as at the date of acquisition. As part of our annual business cycle, we prepare estimates of proven and probable reserves for each mineral property. The change in reserves, net of production, is used to determine the amount to be converted from VBPP to proven and probable reserves subject to amortization.

Property, Plant and Equipment

We depreciate most of our mining properties, plant and equipment using the unit-of-production method, where the value of property is reduced as reserves are depleted. We base this on mining rates and our estimates of reserves. If these change, we could be required to write down the recorded value of our mining properties, plant and equipment, or to increase the amount of future depreciation, depletion and amortization expense, both of which would reduce our earnings and net assets.

At each reporting period if there are indicators of an impairment of property, plant and equipment, we assess whether there has been impairment. In the event of impairment we would be required to write down the recorded value of our mining properties, plant and equipment, which would reduce our earnings and net assets.

For producing properties, we base our assessment on the future net cash flows we expect the property will generate. There may be an impairment if metal prices have declined, production costs have increased, or metal recoveries are lower than previously estimated.

For non-producing properties, we base our assessment on whether there are factors that might indicate the need for a write-down. There may be an impairment if we believe current economics or permitting issues will prevent us from recovering the costs we have deferred for the property.

Goodwill and Impairment Testing

We account for business combinations using the purchase method of accounting. We record the fair market value of assets acquired and liabilities assumed as of the date of acquisition, and record any excess of the purchase price over fair value as goodwill. When the excess is negative it is recognized immediately in income. The assumptions underlying fair value estimates are subject to significant risks and uncertainties.

We review and evaluate the carrying amount of goodwill in the fourth quarter of every fiscal year, and when events or changes in circumstances suggest that the carrying amount may not be fully recoverable. Management is required to make a judgement with respect to which cash generating units (CGUs) should be grouped together for goodwill testing purposes, including the assessment of operating segments, the highest level at which goodwill can be tested.

To test the recoverability of the carrying amount of goodwill we compare the fair value of our CGUs or operating segments to their carrying amounts. Calculating the estimated fair values of these CGUs or operating segments requires management to make estimates and assumptions with respect to future production levels, operating and capital costs in our life-of-mine ("LOM") plans, long-term metal prices, foreign exchange rates and discount rates. Changes in any of the assumptions or estimates used in determining the fair values could impact the impairment analysis. If a CGU's or operating segment's carrying value exceeds its fair value, we compare its carrying value to the implied fair value of its goodwill, and charge the amount the carrying value exceeds fair value to operations.

At December 31, 2015, our consolidated balance sheet included \$50.3 million in goodwill all pertaining to White Mountain.

Asset Retirement Obligations

We estimate the mine closure date, the discount rate, the inflation rate and the timing reclamation costs to determine the carrying value of an asset retirement obligation.

Income Taxes

We record income taxes using income tax rates we expect to apply in the years we estimate the various temporary differences will be recovered or settled. Where the tax laws and regulations are unclear or subject to varying interpretations, these estimates could change, and materially affect the amount of income tax liabilities recorded at the balance sheet date.

Pension Plans

We use various actuarial assumptions to estimate our obligations and expenses, including a long-term estimate of the expected rate of return on plan assets, the discount rate, the rate of salary escalation and the average remaining service period of active employees expected to receive benefits.

Key assumptions – pension plans	December 31, 2015		December 31, 2014	
	Pension Plan	SERP	Pension Plan	SERP
Expected long-term rate of return on plan assets	4.0%	4.0%	4.0%	4.0%
Discount rate – Beginning of year	4.0%	4.0%	4.8%	4.8%
Discount rate – End of year	4.0%	4.0%	4.0%	4.0%
Rate of salary escalation	2.0%	2.0%	2.5%	2.5%
Average remaining service period of active employees expected to receive benefits	8.5 years	8.5 years	7.2 years	7.2 years

Upcoming Changes in Accounting Standards

The following standards have been published and are mandatory for Eldorado's annual accounting periods no earlier than January 1, 2018:

- IFRS 9 "*Financial Instruments*" – This standard was published in July 2014 and replaces the existing guidance in IAS 39, 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the extent of the impact of the adoption of this standard.
- IFRS 15 "*Revenue from Contracts with Customers*" – This standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgemental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. This standard is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Company does not expect this standard to have a material impact on its consolidated financial statements.
- IFRS 16 "*Leases*" – This standard was published in January 2016 and replaces the existing guidance in IAS 17, 'Leases'. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The accounting treatment for lessors will remain largely the same as under IAS 17. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019, with early adoption permitted. The Company is currently evaluating the extent of the impact of the adoption of this standard.

There are other new standards, amendments to standards and interpretations that have been published and are not yet effective. The Company believes they will have no material impact on its consolidated financial statements.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the CEO and CFO, as appropriate to allow for timely decisions about public disclosure.

Management, including the CEO and CFO, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as at December 31, 2015, as defined in the rules of the US Securities and Exchange Commission and Canadian Securities Administrators. Based on this evaluation, they concluded that our disclosure controls and procedures are effective in providing reasonable assurance that the information required to be disclosed in reports we filed or submitted under United States and Canadian securities legislation was recorded, processed, summarized and reported within the time periods specified in those rules.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management, including the CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting, and used the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013) to evaluate the effectiveness of our controls in 2015. Based on this evaluation, management concluded that our internal control over financial reporting was effective as at December 31, 2015 and provided a reasonable assurance of the reliability of our financial reporting and preparation of the financial statements.

No matter how well designed, however, any system of internal control has inherent limitations. Even systems determined to be effective can provide only reasonable assurance of the reliability of financial statement preparation and presentation.

KPMG LLP, an independent registered public accounting firm, has audited the effectiveness of internal control over financial reporting, and has expressed their opinion in their report included with our annual consolidated financial statements in Form 40-F.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the year ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

QUALIFIED PERSON

Except as otherwise noted, Paul Skayman, P. Eng., the Company's Chief Operating Officer, is the Qualified Person under NI 43-101 who approved the scientific or technical information contained in this MD&A and has verified the technical data disclosed in this document.

FORWARD-LOOKING INFORMATION AND RISKS

This MD&A includes statements and information about what we expect to happen in the future. When we discuss our strategy, plans and future financial and operating performance, or other things that have not yet happened in this review, we are making statements considered to be *forward-looking information* or *forward-looking statements* under Canadian and United States securities laws. We refer to them in this document as *forward looking information*.

Key things to understand about the forward-looking information in this document:

- It typically includes words and phrases about the future, such as: *plan, expect, forecast, intend, anticipate, believe, estimate, budget, scheduled, may, could, would, might, will*, as well as the negative of these words and phrases.
- Although it represents our current views, which we consider to be reasonable, we can give no assurance that the forward-looking information will prove to be accurate.
- It is based on a number of assumptions, including things like the future price of gold, anticipated costs and spending, and our ability to achieve our goals.
- It is also subject to the risks associated with our business, including:
 - the changing price of gold and currencies and the impact of any hedging activities
 - actual and estimated production and cost of production
 - discrepancies between actual and estimated mineral reserves and resources
 - the speculative nature of gold exploration
 - risks associated with mining operations and development
 - regulatory, title, permitting and licensing risks
 - acquisition risks
 - other risks that are set out in our Annual Information Form

If our assumptions prove to be incorrect or the risks materialize, our actual results and events may vary materially from what we currently expect.

Forward-looking information is designed to help you understand management's current views of our near and longer-term prospects, and it may not be appropriate for other purposes. We will not necessarily update this information unless we are required to by securities laws.

The Company's operations are subject to a number of risks and other uncertainties, including risks related to the Company's foreign operations, government, environmental and other regulations and operating costs. Occurrence of various factors and uncertainties of risk cannot be accurately predicted and could cause actual results to differ significantly from our current expectations and result in a material adverse effect on the Company's operations or profitability. A comprehensive discussion of the Company's risks and uncertainties is set out in our Annual Information Form dated March 27, 2015. By this reference we hereby incorporate this discussion as a part of this MD&A. The reader is directed to carefully review this discussion for a proper understanding of these risks and uncertainties.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of Eldorado Gold Corporation is responsible for the integrity and fair presentation of the financial information contained in this annual report. Where appropriate, the financial information, including financial statements, reflects amounts based on management's best estimates and judgements. The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Financial information presented elsewhere in the annual report is consistent with that disclosed in the financial statements.

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Management has established and maintains a system of internal accounting control designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, financial information is reliable and accurate and transactions are properly recorded and executed in accordance with management's authorization. This system includes established policies and procedures, the selection and training of qualified personnel and an organization providing for appropriate delegation of authority and segregation of responsibilities. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management has a process in place to evaluate internal control over financial reporting based on the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission (2013) in Internal Control – Integrated Framework. Based on this assessment, management has concluded that as at December 31, 2015, the Company's internal control over financial reporting was effective.

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee, which is composed entirely of independent directors. The Audit Committee meets periodically with management, the Company's outside advisors and the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the Company's shareholders.

KPMG, an independent registered public accounting firm, appointed by the shareholders, has audited the Company's financial statements in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) and has expressed their opinion in their report titled "Independent Auditors' Report of Registered Public Accounting Firm". The effectiveness of the Company's internal control over financial reporting as at December 31, 2015 has also been audited by KPMG, and their opinion is included in their report titled "Report of Independent Registered Public Accounting Firm".



Paul N. Wright
President & Chief Executive Officer



Fabiana E. Chubbs
Chief Financial Officer

March 23, 2016
Vancouver, British Columbia, Canada

INDEPENDENT AUDITORS' REPORT OF REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Eldorado Gold Corporation

We have audited the accompanying consolidated financial statements of Eldorado Gold Corporation, which comprise the consolidated balance sheets as at December 31, 2015 and December 31, 2014, the consolidated income statements, statements of comprehensive income, changes in equity and cash flows for each of the years in the two-year period ended December 31, 2015, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Eldorado Gold Corporation as at December 31, 2015 and December 31, 2014, and its consolidated financial performance and its consolidated cash flows for each of the years in the two-year period ended December 31, 2015, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Other Matter

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Eldorado Gold Corporation's internal control over financial reporting as of December 31, 2015, based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013), and our report dated March 23, 2016 expressed an unmodified (unqualified) opinion on the effectiveness of Eldorado Gold Corporation's internal control over financial reporting.



Chartered Accountants

Vancouver, Canada

March 23, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Eldorado Gold Corporation

We have audited Eldorado Gold Corporation's (the Company) internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying report titled "Management's Responsibility for Financial Reporting". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013).

We also have audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company as of December 31, 2015 and December 31, 2014 and the related consolidated income statements, statements of comprehensive income, changes in equity and cash flows for each of the years in the two-year period ended December 31, 2015, and our report dated March 23, 2016 expressed an unmodified (unqualified) opinion on those consolidated financial statements.



Chartered Accountants

Vancouver, Canada

March 23, 2016

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of US dollars)

For the year ended December 31	Note	2015	2014
Assets			
<i>Current assets</i>			
Cash and cash equivalents	6	288,189	498,514
Term deposits		4,382	2,800
Restricted cash		248	262
Marketable securities		18,331	4,251
Accounts receivable and other	7	85,468	117,995
Inventories	8	175,626	223,412
		572,244	847,234
Deferred income tax assets	17	–	104
Other assets	10	83,147	43,605
Defined benefit pension plan	16	10,897	12,790
Property, plant and equipment	11	4,747,759	5,963,611
Goodwill	12	50,276	526,296
		5,464,323	7,393,640
Liabilities & equity			
<i>Current liabilities</i>			
Accounts payable and accrued liabilities	13	236,819	184,712
Current debt	14	–	16,343
		236,819	201,055
Debt	14	589,395	587,201
Other non-current liability		6,166	49,194
Asset retirement obligations	15	102,636	109,069
Deferred income tax liabilities	17	607,871	869,207
		1,542,887	1,815,726
<i>Equity</i>			
Share capital	18	5,319,101	5,318,950
Treasury stock		(10,211)	(12,949)
Contributed surplus		47,236	38,430
Accumulated other comprehensive loss		(20,572)	(18,127)
Deficit		(1,583,873)	(31,721)
Total equity attributable to shareholders of the Company		3,751,681	5,294,583
Attributable to non-controlling interests		169,755	283,331
		3,921,436	5,577,914
		5,464,323	7,393,640

The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the Board of Directors



John Webster
Director



Paul N. Wright
Director

Date of approval: March 23, 2016

CONSOLIDATED INCOME STATEMENTS

(Expressed in thousands of US dollars except per share amounts)

For the year ended December 31	Note	2015	2014
Revenue			
Metal sales		863,292	1,067,899
Cost of sales			
Production costs	26	469,818	508,280
Inventory write-down		12,024	13,469
Depreciation and amortization		178,978	177,227
		660,820	698,976
Gross profit		202,472	368,923
Exploration expenses		17,853	16,230
Mine standby costs		10,244	–
General and administrative expenses		56,191	68,196
Defined benefit pension plan expense	16	1,670	1,620
Share-based payments	19	15,877	18,775
Impairment loss on property, plant and equipment and goodwill	11, 12	1,881,665	–
Other write-down of assets		16,451	3,001
Foreign exchange loss		16,794	7,176
Operating profit (loss)		(1,814,273)	253,925
Loss on disposal of assets		159	1,926
Loss on marketable securities and other investments		–	2,415
Loss on investments in associates		–	102
Other income		(5,661)	(9,436)
Asset retirement obligation accretion	15	2,411	2,326
Interest and financing costs	27	18,328	28,779
Profit (loss) before income tax		(1,829,510)	227,813
Income tax expense (recovery)	17	(184,368)	121,269
Profit (loss) for the year		(1,645,142)	106,544
Attributable to:			
Shareholders of the Company		(1,540,895)	102,607
Non-controlling interests		(104,247)	3,937
Profit (loss) for the year		(1,645,142)	106,544
Weighted average number of shares outstanding (thousands)			
Basic	28	716,586	716,288
Diluted		716,590	716,300
Earnings per share attributable to shareholders of the Company:			
Basic earnings (loss) per share		(2.15)	0.14
Diluted earnings (loss) per share		(2.15)	0.14

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of US dollars)

For the year ended December 31	Note	2015	2014
Profit (loss) for the year		(1,645,142)	106,544
Other comprehensive income (loss):			
Change in fair value of available-for-sale financial assets		(2,232)	(2,353)
Realized gains on disposal of available-for-sale financial assets		–	1,878
Actuarial gains on severance obligation		642	–
Actuarial losses on defined benefit pension plans	16	(855)	(596)
Total other comprehensive loss for the year		(2,445)	(1,071)
Total comprehensive income (loss) for the year		(1,647,587)	105,473
Attributable to:			
Shareholders of the Company		(1,543,340)	101,536
Non-controlling interests		(104,247)	3,937
		(1,647,587)	105,473

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of US dollars)

For the year ended December 31	Note	2015	2014
Cash flows generated from (used in):			
Operating activities			
Profit (loss) for the year		(1,645,142)	106,544
Items not affecting cash:			
Asset retirement obligation accretion		2,411	2,326
Depreciation and amortization		178,978	177,227
Unrealized foreign exchange loss		2,250	1,154
Deferred income tax expense (recovery)		(261,232)	27,795
Loss on disposal of assets		159	1,926
Loss on investment in associates		–	102
Other write-down of assets		16,451	3,001
Impairment loss on property, plant and equipment and goodwill		1,881,665	–
Loss on marketable securities and other investments		–	2,415
Share-based payments		15,877	18,775
Defined benefit pension plan expense		1,670	1,620
		193,087	342,885
Property reclamation payments		(722)	(3,038)
Changes in non-cash working capital	20	29,393	(56,502)
		221,758	283,345
Investing activities			
Net cash paid on acquisition of subsidiary	5(a)	–	(30,318)
Purchase of property, plant and equipment		(396,027)	(410,690)
Proceeds from the sale of property, plant and equipment		3,481	147
Proceeds on production of tailings retreatment		17,918	26,599
Purchase of marketable securities		(16,312)	(3,313)
Proceeds from the sale of marketable securities		–	1,521
Redemption of (investment in) term deposits		(1,582)	31,902
Decrease (increase) in restricted cash		(345)	31
		(392,867)	(384,121)
Financing activities			
Issuance of common shares for cash		121	1,996
Proceeds from contributions from non-controlling interest		1,600	40,000
Dividend paid to shareholders		(11,257)	(13,010)
Dividend paid to non-controlling interests		(10,929)	(12,466)
Purchase of treasury stock		(2,394)	(6,413)
Long-term and bank debt proceeds		8,171	32,625
Long-term and bank debt repayments		(24,528)	(32,622)
		(39,216)	10,110
Net decrease in cash and cash equivalents		(210,325)	(90,666)
Cash and cash equivalents – Beginning of year		498,514	589,180
Cash and cash equivalents – End of year		288,189	498,514

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in thousands of US dollars)

For the year ended December 31	Note	2015	2014
Share capital			
Balance – Beginning of year		5,318,950	5,314,589
Shares issued upon exercise of share options, for cash		121	1,996
Transfer of contributed surplus on exercise of options		30	2,141
Transfer of contributed surplus on exercise of deferred phantom units		–	224
Balance – End of year		5,319,101	5,318,950
Treasury stock			
Balance – Beginning of year		(12,949)	(10,953)
Purchase of treasury stock		(2,394)	(6,413)
Shares redeemed upon exercise of restricted share units		5,132	4,417
Balance – End of year		(10,211)	(12,949)
Contributed surplus			
Balance – Beginning of year		38,430	78,557
Share-based payments		16,258	18,503
Shares redeemed upon exercise of restricted share units		(5,132)	(4,417)
Recognition of other non-current liability and related costs		(2,290)	(51,848)
Transfer to share capital on exercise of options and deferred phantom units		(30)	(2,365)
Balance – End of year		47,236	38,430
Accumulated other comprehensive loss			
Balance – Beginning of year		(18,127)	(17,056)
Other comprehensive loss for the year		(2,445)	(1,071)
Balance – End of year		(20,572)	(18,127)
Deficit			
Balance – Beginning of year		(31,721)	(121,318)
Dividends paid		(11,257)	(13,010)
Profit (loss) attributable to shareholders of the Company		(1,540,895)	102,607
Balance – End of year		(1,583,873)	(31,721)
Total equity attributable to shareholders of the Company		3,751,681	5,294,583
Non-controlling interests			
Balance – Beginning of year		283,331	251,045
Profit (loss) attributable to non-controlling interests		(104,247)	3,937
Dividends declared to non-controlling interests		(10,929)	(11,651)
Increase during the period		1,600	40,000
Balance – End of year		169,755	283,331
Total equity		3,921,436	5,577,914

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of US dollars, unless otherwise stated)

1. General Information

Eldorado Gold Corporation ("Eldorado" or the "Company") is a gold exploration, development and mining company. The Company has operations and ongoing exploration and development projects in Turkey, China, Greece, Brazil and Romania. The Company acquired Glory Resources Ltd. ("Glory") in March 2014. Glory has the Sapes project in Thrace, Greece.

Eldorado is a public company which is listed on the Toronto Stock Exchange and New York Stock Exchange and is incorporated and domiciled in Canada.

2. Basis of Preparation

These consolidated financial statements, including comparatives, have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Certain prior period balances have been reclassified to conform to current period presentation.

The consolidated financial statements were authorized for issue by the Board of Directors on March 23, 2016.

UPCOMING CHANGES IN ACCOUNTING STANDARDS

The following standards have been published and are mandatory for Eldorado's annual accounting periods no earlier than January 1, 2018:

- IFRS 9 '*Financial Instruments*' – This standard was published in July 2014 and replaces the existing guidance in IAS 39, '*Financial Instruments: Recognition and Measurement*'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the extent of the impact of the adoption of this standard.
- IFRS 15 '*Revenue from Contracts with Customers*' – This standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgemental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. This standard is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Company does not expect this standard to have a material impact on its consolidated financial statements.
- IFRS 16 '*Leases*' – This standard was published in January 2016 and replaces the existing guidance in IAS 17, '*Leases*'. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The accounting treatment for lessors will remain largely the same as under IAS 17. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019, with early adoption permitted. The Company is currently evaluating the extent of the impact of the adoption of this standard.

There are other new standards, amendments to standards and interpretations that have been published and are not yet effective. The Company believes they will have no material impact on its consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Expressed in thousands of US dollars, unless otherwise stated

3. Significant Accounting Policies

The principal accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, and have been applied consistently by all Eldorado entities.

3.1 BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

(i) Subsidiaries and Business Combinations

Subsidiaries are entities controlled by Eldorado. Control exists when Eldorado is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for business acquisitions. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The excess of the cost of acquisition over the fair value of Eldorado's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets acquired, the difference, or gain is recognized directly in the income statement.

Transaction costs, other than those associated with the issue of debt or equity securities, which the Company incurs in connection with a business combination, are expensed as incurred.

The most significant wholly-owned and partially-owned subsidiaries of Eldorado, are presented below:

Subsidiary projects owned	Location	Ownership interest	Status	Operations and development
Tüprag Metal Madencilik Sanayi ve Ticaret AS ("Tüprag") Efemçukuru Mine	Turkey	100%	Consolidated	Kişladağ Mine
Qinghai Dachaidan Mining Ltd. ("QDML")	China	90%	Consolidated	TJS Mine
Sino Guizhou Jinfeng Mining Ltd. ("Jinfeng")	China	82%	Consolidated	Jinfeng Mine
Sino Gold Jilin BMZ Mining Ltd.	China	95%	Consolidated	White Mountain Mine
Heihe Rockmining Ltd. ("Eastern Dragon")	China	75%	Consolidated	Eastern Dragon Project
Hellas Gold SA ("Hellas") Olympias Project Skouries Project	Greece	95%	Consolidated	Stratoni Mine
Thracean Gold Mining SA	Greece	100%	Consolidated	Perama Hill Project
Glory Resources Ltd.	Greece	100%	Consolidated	Sapes Project
Unamgen Mineração e Metalurgia S/A	Brazil	100%	Consolidated	Vila Nova Iron Ore Mine
Brazauro Resources Corporation ("Brazauro")	Brazil	100%	Consolidated	Tocantinzinho Project
Deva Gold SA ("Deva")	Romania	81%	Consolidated	Certej Project

(ii) Investments in Associates (Equity Accounted for Investees)

Associates are those entities where Eldorado has the ability to exercise significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20% and 50% of the voting power of another entity.

Associates are accounted for using the equity method (equity accounted investees) and are recognized initially at cost. The consolidated financial statements include Eldorado's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of Eldorado, from the date that significant influence commences until the date that significant influence ceases.

3. Significant Accounting Policies (continued)

When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has an obligation to make, or has made, payments on behalf of the investee.

At each balance sheet date, each investment in associates is assessed for indicators of impairment.

(iii) Transactions with Non-Controlling Interests

For purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Eldorado treats transactions in the ordinary course of business with non-controlling interests as transactions with third parties.

(iv) Transactions Eliminated on Consolidation

Intra-company and intercompany balances and transactions, and any unrealized income and expenses arising from all such transactions, are eliminated in preparing the consolidated financial statements.

3.2 FOREIGN CURRENCY TRANSLATION

(i) Functional and Presentation Currency

Items included in the financial statements of each of Eldorado's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in US dollars, which is the Company's functional and presentation currency, as well as the functional currency of all significant subsidiaries.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement.

3.3 PROPERTY, PLANT AND EQUIPMENT

(i) Cost and Valuation

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment in value. When an asset is disposed of, it is derecognized and the difference between its carrying value and net sales proceeds is recognized as a gain or loss in the income statement.

(ii) Property, Plant and Equipment

Property, plant and equipment include expenditures incurred on properties under development, significant payments related to the acquisition of land and mineral rights and property, plant and equipment which are recorded at cost on initial acquisition. Cost includes the purchase price and the directly attributable costs of acquisition or construction required to bring an asset to the location and condition necessary for the asset to be capable of operating in the manner intended by management.

3. Significant Accounting Policies (continued)

(iii) Depreciation

Mine development costs, property, plant and equipment and other mining assets whose estimated useful life is the same as the remaining life of the mine are depreciated, depleted and amortized over a mine's estimated life using the units-of-production method calculated based on proven and probable reserves.

Capitalized development costs related to a multi-pit operation are amortized on a pit-by-pit basis over the pit's estimated life using the units-of-production method calculated based on proven and probable reserves related to each pit.

Property, plant and equipment and other assets whose estimated useful lives are less than the remaining life of the mine are depreciated on a straight-line basis over the estimated useful life of the assets.

Where components of an asset have a different useful life and cost that is significant to the total cost of the asset, depreciation is calculated on each separate component.

Depreciation methods, useful lives and residual values are reviewed at the end of each year and adjusted if appropriate.

(iv) Subsequent Costs

Expenditure on major maintenance or repairs includes the cost of replacement parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that further future economic benefit will flow to the Company, the expenditure is capitalized. Similarly, overhaul costs associated with major maintenance are capitalized when it is probable that future economic benefit will flow to the Company and any remaining costs of previous overhauls relating to the same asset are derecognized. All other expenditures are expensed as incurred.

(v) Deferred Stripping Costs

Stripping costs incurred during the production phase of a mine are considered production costs and included in the cost of inventory produced during the period in which the stripping costs are incurred, unless the stripping activity can be shown to be a betterment of the mineral property, in which case the stripping costs are capitalized. Betterment occurs when stripping activity increases future output of the mine by providing access to additional reserves. Stripping costs incurred to prepare the ore body for extraction are capitalized as mine development costs (pre-stripping). Capitalized stripping costs are amortized on a unit-of-production basis over the proven and probable reserves to which they relate.

(vi) Borrowing Costs

Borrowing costs are expensed as incurred except where they are directly attributable to the financing of construction or development of qualifying assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalized up to the date when substantially all the activities necessary to prepare the asset for its intended use are complete.

Investment income arising on the temporary investment of proceeds from borrowings is offset against borrowing costs being capitalized.

(vii) Mine Standby and Restructuring Costs

Mine standby costs and costs related to restructuring a mining operation are charged directly to expense in the period incurred. Mine standby costs include labour, maintenance and mine support costs during temporary shutdowns of a mine.

3.4 EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURES

(i) Exploration

Exploration expenditures reflect the costs related to the initial search for mineral deposits with economic potential or obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with the acquisition of mineral licences, prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. All expenditures relating to exploration activities are expensed as incurred except for the costs associated with the acquisition of mineral licences which are capitalized.

3. Significant Accounting Policies (continued)

(ii) Evaluation

Evaluation expenditures reflect costs incurred at projects related to establishing the technical and commercial viability of mineral deposits identified through exploration or acquired through a business combination or asset acquisition.

Evaluation expenditures include the cost of:

- a) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve;
- b) determining the optimal methods of extraction and metallurgical and treatment processes;
- c) studies related to surveying, transportation and infrastructure requirements;
- d) permitting activities; and
- e) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

Evaluation expenditures are capitalized if management determines that there is evidence to support probability of generating positive economic returns in the future. A mineral resource is considered to have economic potential when it is expected the technical feasibility and commercial viability of extraction of the mineral resource is demonstrable considering long-term metal prices. Therefore, prior to capitalizing such costs, management determines that the following conditions have been met:

- There is a probable future benefit that will contribute to future cash inflows;
- The Company can obtain the benefit and control access to it; and
- The transaction or event giving rise to the benefit has already occurred.

The evaluation phase is complete once technical feasibility of the extraction of the mineral deposit has been determined through preparation of a reserve and resource statement, including a mining plan as well as receipt of required permits and approval of the Board of Directors to proceed with development of the mine.

(iii) Development

Development expenditures are those that are incurred during the phase of preparing a mineral deposit for extraction and processing. These include pre-stripping costs and underground development costs to gain access to the ore that is suitable for sustaining commercial mining, preparing land, construction of plant, equipment and buildings and costs of commissioning the mine and mill.

Expenditures incurred on development projects continue to be capitalized until the mine and mill moves into the production stage. The Company assesses each mine construction project to determine when a mine moves into production stage. The criteria used to assess the start date are determined based on the nature of each mine construction project, such as the complexity of a plant or its location. Various relevant criteria are considered to assess when the mine is substantially complete and ready for its intended use and moved into the production stage. Some of the criteria considered would include, but are not limited to, the following: (1) the level of capital expenditures compared to construction cost estimates; (2) the completion of a reasonable period of testing of mine plant and equipment; (3) the ability to produce minerals in saleable form (within specification); and (4) the ability to sustain ongoing production of minerals.

Alternatively, if the factors that impact the technical feasibility and commercial viability of a project change and no longer support the probability of generating positive economic returns in the future, expenditures will no longer be capitalized.

3.5 GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of Eldorado's share of the net assets of the acquired business at the date of acquisition. When the excess is negative (negative goodwill), it is recognized immediately in income. Goodwill on acquisition of subsidiaries and businesses is shown separately as goodwill in the financial statements. Goodwill on acquisition of associates is included in investments in significantly influenced companies and tested for impairment as part of the overall investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Expressed in thousands of US dollars, unless otherwise stated

3. Significant Accounting Policies (continued)

Goodwill is carried at cost less accumulated impairment losses and tested annually for impairment. Impairment losses on goodwill are not reversed. The impairment testing is performed annually or more frequently if events or changes in circumstances indicate that it may be impaired.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units ("CGUs") that are expected to benefit from the business combination in which the goodwill arose. If the composition of one or more cash generating units to which goodwill has been allocated changes due to a re-organization, the goodwill is re-allocated to the units affected.

The gain or loss on disposal of an entity includes the carrying amount of goodwill relating to the entity sold.

3.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

Other long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment test is performed when the impairment indicators demonstrate that the carrying amount may not be recoverable, and it is reviewed at least annually.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows or CGUs.

Value in use is determined as the present value of the future cash flows expected to be derived from an asset or CGU based on the detailed mine and/or production plans. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value less cost to sell is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. For mining assets, fair value less cost to sell is often estimated using a discounted cash flow approach because a fair value is not readily available from an active market or binding sale agreement. Estimated future cash flows are calculated using estimated future prices, mineral reserves and resources, operating and capital costs. All assumptions used are those that an independent market participant would consider appropriate. Non-financial assets other than goodwill impaired in prior periods are reviewed for possible reversal of the impairment when events or changes in circumstances indicate that an item is no longer impaired.

3.7 FINANCIAL ASSETS

(i) Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges.

(b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities of greater than 12 months after the end of the reporting period, which are classified as non-current assets. Eldorado's loans and receivables comprise cash and cash equivalents, restricted cash, accounts receivable and other, and other assets in the balance sheet.

3. Significant Accounting Policies (continued)

(c) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Eldorado's available-for-sale financial assets comprise marketable securities not held for the purpose of trading.

(ii) Recognition and Measurement

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Gain or loss on marketable securities' in the period in which they arise. Dividend income from 'financial assets at fair value through profit or loss' is recognized in the income statement as part of other income when Eldorado's right to receive payments is established.

Gains or losses arising from changes in the fair value of available-for-sale financial assets are recognized in other comprehensive income and presented within equity. When marketable securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in other comprehensive income are included in the income statement as 'Gain or loss on marketable securities'.

(iii) Impairment of Financial Assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset that was previously recognized in profit or loss – is removed from equity and recognized in the income statement.

All impairment losses are recognized in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. Impairment losses recognized for equity securities are not reversed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Expressed in thousands of US dollars, unless otherwise stated

3. Significant Accounting Policies (continued)

3.8 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are recognized initially at fair value on the date a derivative contract is entered into. Subsequent to initial recognition, derivatives are measured at fair value, and changes in fair value thereafter are recognized in profit and loss. Fair values for derivative instruments are determined using valuation techniques, using assumptions based on market conditions existing at the balance sheet date. Derivatives are not accounted for using hedge accounting.

3.9 INVENTORIES

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- i) Product inventory consists of stockpiled ore, ore on leach pads, crushed ore, in-circuit material at properties with milling or processing operations, gold concentrate, other metal concentrate, iron ore stockpile awaiting shipment, doré awaiting refinement and unsold bullion. Product inventory costs consist of direct production costs including mining, crushing and processing; site administration costs; and allocated indirect costs, including depreciation and amortization of property, plant and equipment.

Inventory costs are charged to production costs on the basis of quantity of metal sold. The Company regularly evaluates and refines estimates used in determining the costs charged to production costs and costs absorbed into inventory carrying values based upon actual gold recoveries and operating plans.

Net realizable value is the estimated selling price, less the estimated costs of completion and selling expenses.

- ii) Materials and supplies inventory consists of consumables used in operations, such as fuel, chemicals, reagents and spare parts, which are valued at the lower of average cost and net realizable value and, where appropriate, less a provision for obsolescence. Costs include acquisition, freight and other directly attributable costs.

3.10 TRADE RECEIVABLES

Trade receivables are amounts due from customers for bullion, doré, gold concentrate, other metal concentrates and iron ore sold in the ordinary course of business.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less a provision for impairment where necessary.

3.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with maturities at the date of acquisition of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3.12 SHARE CAPITAL

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares held by the Company are classified as treasury stock and recorded as a reduction of shareholders' equity.

3.13 TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3. Significant Accounting Policies (continued)

3.14 DEBT AND BORROWINGS

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost, calculated using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities and other borrowings are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility and other borrowings will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility and borrowings will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the loan to which it relates.

3.15 CURRENT AND DEFERRED INCOME TAX

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized either in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings. The tax rate used is the rate that is substantively enacted.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.16 EMPLOYEE BENEFITS

(i) Defined Benefit Plans

Certain employees have entitlements under Company pension plans, which are defined benefit pension plans. For defined benefit plans, the level of benefit provided is based on the length of service and earnings of the person entitled.

The cost of the defined benefit plan is determined using the projected unit credit method. The related pension liability recognized in the consolidated balance sheet is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets.

The Company obtains actuarial valuations for defined benefit plans for each balance sheet date. Actuarial assumptions used in the determination of defined benefit pension plan liabilities are based on best estimates, including rate of salary escalation and expected retirement dates of employees. The discount rate is based on high-quality bond yields, as per IAS 19. The assumption used to determine the interest income on plan assets is equal to the discount rate, as per IAS 19.

Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income, without recycling to the statement of income in subsequent periods. Current service cost, the vested element of any past service cost, the interest income on plan assets and the interest arising on the pension liability are included in the same line items in the statement of income as the related compensation cost.

Past service costs are recognized immediately to the extent the benefits are vested, and otherwise are amortized on a straight-line basis over the average period until the benefits become vested.

3. Significant Accounting Policies (continued)

(ii) Termination Benefits

Eldorado recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing benefits as a result of an offer made to encourage voluntary termination. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(iii) Short-Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if Eldorado has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.17 SHARE-BASED PAYMENT TRANSACTIONS

The Company applies the fair value method of accounting for all stock option awards and equity-settled restricted share units and performance share units. Under this method the Company recognizes a compensation expense for all stock options awarded to employees, based on the fair value of the options on the date of grant which is determined by using the Black-Scholes option pricing model. For equity-settled restricted share units, compensation expense is recognized based on the quoted market value of the shares. For equity-settled performance share units, compensation expense is recognized based on the fair value of the shares on the date of grant which is determined by a valuator.

The fair value of the options, restricted share units and performance share units are expensed over the vesting period of the awards with a corresponding increase in equity. No expense is recognized for awards that do not ultimately vest. Deferred share units are liability awards recorded at the quoted market price at the grant date. The corresponding liability is marked to market at each reporting date.

3.18 PROVISIONS

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. They are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Rehabilitation and Restoration

Provision is made for mine rehabilitation and restoration when an obligation is incurred. The provision is recognized as a liability with a corresponding asset recognized in relation to the mine site. At each reporting date the rehabilitation liability is re-measured in line with changes in discount rates, and timing or amount of the costs to be incurred. The rehabilitation liability is classified as an 'Asset retirement obligation' on the balance sheet.

The provision recognized represents management's best estimate of the present value of the future costs required. Significant estimates and assumptions are made in determining the amount of restoration and rehabilitation provisions. Those estimates and assumptions deal with uncertainties such as: requirements of the relevant legal and regulatory frameworks, the magnitude of necessary remediation activities, and the timing, extent and costs of required restoration and rehabilitation activity.

These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognized is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for operating sites are recognized in the balance sheet by adjusting both the restoration and rehabilitation asset and provision. Such changes give rise to a change in future depreciation and financial charges.

3. Significant Accounting Policies (continued)

3.19 REVENUE RECOGNITION

Revenue from the sale of bullion, doré, gold concentrate, other metal concentrates and iron ore is recognized when persuasive evidence of an arrangement exists, the bullion, doré, metal concentrates and iron ore has been shipped, title has passed to the purchaser, the price is fixed or determinable, and collection is reasonably assured. Revenues realized from sales of pre-commercial production are recorded as a reduction of property plant and equipment.

Our metal concentrates are sold under pricing arrangements where final metal prices are determined by market prices subsequent to the date of shipment. Provisional revenue is recorded at date of shipment based on metal prices at that time. Adjustments are made to the provisional revenue in subsequent periods based on fluctuations in the market prices until date of final metal pricing. Consequently, at each reporting period the receivable balances relating to sales of concentrates change with the fluctuations in market prices.

3.20 FINANCE INCOME AND EXPENSES

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, and impairment losses recognized on financial assets. All borrowing costs are recognized in profit or loss using the effective interest method, except for those amounts capitalized as part of the cost of qualifying property, plant and equipment.

3.21 EARNINGS (LOSS) PER SHARE

Eldorado presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which comprise warrants and share options granted to employees.

4. Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each period end. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas requiring the use of management estimates include assumptions and estimates relating to determining defined proven and probable reserves, value beyond proven and probable reserves, fair values for purposes of purchase price allocations for business acquisitions, asset impairment analyses, asset retirement obligations, share-based payments and warrants, pension benefits, valuation of deferred income tax assets, the provision for income tax liabilities, deferred income taxes, and assessing and evaluating contingencies.

Actual results could differ from these estimates. Outlined below are some of the areas which require management to make significant estimates and assumptions in determining carrying values.

PURCHASE PRICE ALLOCATION

Business combinations require estimates to be made at the date of acquisition in relation to determining asset and liability fair values and the allocation of the purchase consideration over the fair value of the assets and liabilities.

4. Critical Accounting Estimates and Judgements (continued)

In respect of mining company acquisitions, purchase consideration is typically allocated to the mineral reserves and resources being acquired. The estimate of reserves and resources is subject to assumptions relating to life of the mine and may change when new information becomes available. Changes in reserves and resources as a result of factors such as production costs, recovery rates, grade or reserves or commodity prices could impact depreciation rates, asset carrying values and environmental and restoration provisions. Changes in assumptions over long-term commodity prices, market demand and supply, and economic and regulatory climates could also impact the carrying value of assets, including goodwill.

ESTIMATED RECOVERABLE RESERVES AND RESOURCES

Mineral reserve and resource estimates are based on various assumptions relating to operating matters, including, with respect to production costs, mining and processing recoveries, cut-off grades, as well as assumptions relating to long-term commodity prices and, in some cases, exchange rates, inflation rates and capital costs. Cost estimates are based on feasibility study estimates or operating history. Estimates are prepared by appropriately qualified persons, but will be impacted by forecasted commodity prices, inflation rates, exchange rates, capital and production costs and recoveries, amongst other factors. Estimated recoverable reserves and resources are used to determine the depreciation of property, plant and equipment at operating mine sites, in accounting for deferred stripping costs, in performing impairment testing and for forecasting the timing of the payment of decommissioning and restoration costs. Therefore, changes in the assumptions used could impact the carrying value of assets, depreciation and impairment charges recorded in the income statement and the carrying value of the decommissioning and restoration provision.

CURRENT AND DEFERRED TAXES

The Company calculates current and deferred tax provisions for each of the jurisdictions in which it operates. Actual amounts of income tax expense are not final until tax returns are filed and accepted by the relevant authorities. This occurs subsequent to the issuance of financial statements. Therefore, profit in subsequent periods will be affected by the amount that estimates differ from the final tax returns.

Estimates of recoverability are required in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the balance sheet. The Company also evaluates the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions before they expire against future taxable income. Deferred tax liabilities arising from temporary differences on investments in subsidiaries, joint ventures and associates are recognized unless the reversal of the temporary differences is not expected to occur in the foreseeable future and can be controlled.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future production and sales volumes, commodity prices, reserves, operating costs, decommissioning and restoration costs, capital expenditures, dividends and other capital management transactions.

Judgement is also required in the application of income tax legislation. These estimates and judgements are subject to risk and uncertainty and could result in an adjustment to current and deferred tax provisions and a corresponding credit or debit to profit.

IMPAIRMENT OF NON-CURRENT ASSETS AND GOODWILL

Non-current assets are tested for impairment when events or changes in circumstances suggest that the carrying amount may not be fully recoverable. We conduct an annual test for impairment of goodwill in the fourth quarter of each fiscal year and at any other time of the year if an indicator of impairment is identified.

Calculating the estimated fair values of CGUs for non-current asset impairment tests and CGUs or groups of CGUs for goodwill impairment tests requires management to make estimates and assumptions with respect to future production levels, operating and capital costs in our life-of-mine ("LOM") plans, long-term metal prices, foreign exchange rates and discount rates. Changes in any of the assumptions or estimates used in determining the fair values could impact the impairment analysis.

Management is also required to make judgements with respect to the level at which goodwill is tested for impairment. Judgements include an assessment of whether CGUs should be grouped together for goodwill testing purposes at a level not larger than an operating segment or tested at the individual CGU level.

5. Acquisitions and Other Transactions

A) ACQUISITION OF GLORY

In March 2014, Eldorado completed the acquisition of all of the issued and outstanding common shares of Glory that it did not already own. As a result, Eldorado acquired a 100% interest in the Sapes project in Thrace, Greece. Prior to the transaction, Eldorado owned 19.9% interest in Glory and the investment was accounted for as an investment in associate.

Total consideration of \$39,219 included cash for 179,504,179 shares in the amount of \$27,583, an option buy-out payment of \$1,590 to holders of Glory options, and \$10,046 related to the 44,595,920 shares of Glory that Eldorado had purchased prior to the off-market takeover bid. A total of \$1,229 was incurred as transaction costs and was capitalized as property, plant and equipment.

This transaction has been accounted for as an acquisition of assets and liabilities as Glory did not constitute a business, as defined in IFRS 3. Other than a small working capital amount, the remainder of the value for this transaction was assigned to property, plant and equipment.

Eldorado paid net cash of \$30,318 as a result of the transaction. This amount was a result of an acquired cash balance of \$84, less cash consideration of \$29,173 and transaction costs of \$1,229.

B) EASTERN DRAGON AGREEMENT

In March 25, 2014, the Company, through one of its subsidiaries, entered into a Subscription and a Shareholders agreement ("Agreements") with CDH Fortune II Limited ("CDH").

As a result of these Agreements, CDH acquired 21.5% of the total ordinary shares of Sino Gold Tenya (HK) Limited ("Tenya"), a subsidiary of the Company, and indirectly a 20% interest in the Eastern Dragon Project.

Under the terms of the Agreements, CDH has the right to require Eldorado to purchase or procure the purchase by another party of the CDH's shares in Tenya at a fixed price ("Put Option") for 90 days following the second anniversary of the Agreements.

The Agreements include other rights and obligations of the Company and CDH associated with the advancement of the Eastern Dragon Project.

This transaction has been accounted as an equity transaction with the recognition of a non-controlling interest in the amount of \$40,000 representing the consideration received. A liability in the amount of \$46,970 has been recorded at the transaction date, representing the present value of the redemption amount of the Put Option, as well as \$2,654 of transaction costs. The sum of these amounts was recorded against equity. Future changes in the present value of the redemption amount of the Put Option are being charged against equity. The present value of the liability representing the Put Option as of December 31, 2015 is \$51,484 and is included in accounts payable and accrued liabilities in the balance sheet. As of December 31, 2014 this liability was included in other non-current liabilities.

6. Cash and Cash Equivalents

(\$ thousands)	December 31, 2015	December 31, 2014
Cash at bank and on hand	240,389	444,176
Short-term bank deposits	47,800	54,338
	288,189	498,514

7. Accounts Receivable and Other

(\$ thousands)	December 31, 2015	December 31, 2014
Trade receivables	16,137	19,771
Value added and other taxes recoverable	16,195	40,378
Other receivables and advances	15,903	18,572
Prepaid expenses and deposits	37,233	39,274
	85,468	117,995

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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8. Inventories

(\$ thousands)	December 31, 2015	December 31, 2014
Ore stockpiles	30,897	44,195
In-process inventory and finished goods	36,841	64,314
Materials and supplies	107,888	114,903
	175,626	223,412

The cost of materials and supplies consumed during the year and included in production costs amounted to \$190,875 (2014 – \$244,003).

Inventory write-downs related to iron ore, zinc and lead inventories amounting to \$12,024 (2014 – \$13,469) were recognized during the year.

9. Investment in Subsidiaries

The following table summarizes the information relating to each of the Company's subsidiaries that has non-controlling interests ("NCI") with material impact on net profit. The amounts disclosed for each subsidiary are based on those included in the consolidated financial statements before inter-company eliminations. Disclosures related to Eastern Dragon and White Mountain have not been provided as these subsidiaries currently have no material impact on net profit.

(\$ thousands)	December 31, 2015			
	QDML	Jinfeng	Hellas	Deva
NCI percentage	10%	18%	5%	19%
Current assets	197,914	47,920	37,563	4,279
Non-current assets	88,194	588,335	1,777,369	396,280
Current liabilities	(24,131)	(116,356)	(748,756)	(167,749)
Non-current liabilities	(7,831)	(30,581)	(288,772)	(43,688)
Net assets	254,146	489,318	777,404	189,122
Carrying amount of NCI	21,013	16,572	33,682	56,521
Revenue	115,762	176,641	35,869	–
Net profit (loss)	9,733	23,367	(1,371,819)	(216,044)
Total comprehensive income (loss)	9,733	23,367	(1,371,819)	(216,044)
Profit (loss) allocated to NCI	1,830	5,071	(69,476)	(40,684)
Dividends paid to NCI	3,262	5,634	–	–
Cash flows from operating activities	44,973	30,874	249,719	14,805
Cash flows from investing activities	(17,934)	(12,250)	(241,428)	(19,983)
Cash flows from financing activities	(32,623)	(21,991)	–	–
Net increase (decrease) in cash and cash equivalents	(5,584)	(3,367)	8,291	(5,178)

9. Investment in Subsidiaries (continued)

(\$ thousands)	December 31, 2014			
	QDML	Jinfeng	Hellas	Deva
NCI percentage	10%	18%	5%	19%
Current assets	215,370	59,570	55,214	10,134
Non-current assets	96,011	610,952	3,087,628	630,672
Current liabilities	(26,457)	(146,685)	(509,296)	(151,183)
Non-current liabilities	(7,886)	(26,583)	(546,404)	(84,456)
Net assets	277,038	497,254	2,087,142	405,167
Carrying amount of NCI	22,445	17,136	101,558	97,205
Revenue	136,982	214,527	51,018	–
Net profit (loss)	42,917	35,040	(35,284)	887
Total comprehensive income (loss)	42,917	35,040	(35,284)	887
Profit (loss) allocated to NCI	4,231	5,155	(1,754)	–
Dividends paid to NCI	3,898	7,753	–	–
Cash flows from operating activities	46,481	65,219	234,506	23,307
Cash flows from investing activities	(8,833)	(15,956)	(240,279)	(18,731)
Cash flows from financing activities	(38,978)	(43,069)	–	–
Net increase (decrease) in cash and cash equivalents	(1,330)	6,194	(5,773)	4,576

Significant Restrictions

The Company cannot increase the draw-down limit of the entrusted loan described in note 14(d) without the consent of QDML's non-controlling interest.

10. Other Assets

(\$ thousands)	December 31, 2015	December 31, 2014
Restricted credit card deposits	39	627
Non-current accounts receivable and other	2,875	2,925
Prepaid loan costs (note 14(b))	–	1,011
Environmental guarantee deposits	13,667	14,423
Deposit on land acquisition at Jinfeng	2,739	2,907
Long-term value added and other taxes recoverable	63,827	21,712
	83,147	43,605

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Expressed in thousands of US dollars, unless otherwise stated

11. Property, Plant and Equipment

(\$ thousands)	Land and Buildings	Plant and Equipment	Capital Works in Progress	Mineral Properties and Leases	Capitalized Evaluation	Total
Cost						
Balance at January 1, 2014	329,112	1,569,539	159,584	4,223,421	55,958	6,337,614
Acquisition of Glory	–	268	–	39,285	–	39,553
Additions/transfers	36,657	93,527	11,086	287,602	13,122	441,994
Proceeds on production of tailings retreatment	–	–	–	(26,599)	–	(26,599)
Other movements	15,955	535	(26,410)	6,862	360	(2,698)
Disposals	(153)	(876)	–	–	–	(1,029)
Balance at December 31, 2014	381,571	1,662,993	144,260	4,530,571	69,440	6,788,835
Balance at January 1, 2015	381,571	1,662,993	144,260	4,530,571	69,440	6,788,835
Additions/transfers	35,866	67,649	20,588	263,183	4,674	391,960
Proceeds on production of tailings retreatment	–	–	–	(17,918)	–	(17,918)
Other movements	20	3,661	(455)	1,751	(3,094)	1,883
Disposals	(10,566)	(2,237)	(1)	(1,038)	–	(13,842)
Balance at December 31, 2015	406,891	1,732,066	164,392	4,776,549	71,020	7,150,918
Depreciation and impairment losses						
Balance at January 1, 2014	(57,360)	(459,151)	–	(136,721)	–	(653,232)
Depreciation for the year	(35,160)	(110,923)	–	(23,698)	–	(169,781)
Other movements	2,619	153	–	(5,870)	–	(3,098)
Disposals	102	785	–	–	–	887
Balance at December 31, 2014	(89,799)	(569,136)	–	(166,289)	–	(825,224)
Balance at January 1, 2015	(89,799)	(569,136)	–	(166,289)	–	(825,224)
Depreciation for the year	(32,877)	(118,474)	–	(25,756)	–	(177,107)
Other movements	(666)	(2,648)	–	(112)	–	(3,426)
Impairment losses	(15,883)	(131,637)	(4,733)	(1,253,392)	–	(1,405,645)
Disposals	7,320	922	–	1	–	8,243
Balance at December 31, 2015	(131,905)	(820,973)	(4,733)	(1,445,548)	–	(2,403,159)
Carrying amounts						
At January 1, 2014	271,752	1,110,388	159,584	4,086,700	55,958	5,684,382
At December 31, 2014	291,772	1,093,857	144,260	4,364,282	69,440	5,963,611
Balance at December 31, 2015	274,986	911,093	159,659	3,331,001	71,020	4,747,759

The amount of capitalized interest during the year ended December 31, 2015 included in property, plant and equipment was \$27,215 (2014 – \$14,450).

11. Property, Plant and Equipment (continued)

In accordance with the Company's accounting policies each CGU is assessed for indicators of impairment, from both external and internal sources, at the end of each reporting period, which may suggest that the carrying values of its assets are impaired for accounting purposes. If such indicators of impairment exist to any or all CGUs, those CGUs are tested for impairment.

The Company determined that indicators of impairment were identified in the CGUs of the Certej project, Skouries project, the Stratoni mine, the Vila Nova mine and the TJS mine. No other indicators of impairment were identified.

For the Skouries project, the Company identified indicators of impairment from both internal and external sources of information. Those were comprised of delays in the permitting process, higher projected capital and operating costs and placement of the project on care and maintenance. For the Stratoni mine, the Company identified the sustained low prices of lead and zinc as indicators of impairment. For the TJS mine, changes in the mine plan resulted in an impairment. The assumptions and valuation method used in our asset impairment review for these assets are the same as those described for the annual impairment testing of goodwill (note 12).

For the Vila Nova mine, the Company identified the sustained low price of iron ore as indicators of impairment. The key assumptions used for the calculation of Vila Nova were an iron price of \$70 and a discount rate of 5%.

For the Certej project, the Company completed a feasibility study which reflected higher capital and operating costs than had been assumed in the purchase price allocation used to record the Company's acquisition of European Goldfields Inc. The key assumptions used for the calculations were as follows:

Gold price (\$/oz)	\$1,300
Silver price (\$/oz)	\$20
Inflation rate	2%
Discount rate	7%

As at December 31, 2015, the Company recorded impairment charges totalling \$1,405,645 (\$1,049,196 net of deferred income tax recovery), excluding the impairment of goodwill totalling \$476,020 (note 12). Impairment charges comprised of \$1,042,066 (\$739,867 net of deferred income tax recovery) to the Skouries project, \$43,974 (\$31,222 net of deferred income tax recovery) to the Stratoni mine, \$254,910 (\$214,125 net of deferred income tax recovery) on our Certej project, \$36,462 (\$35,749 net of deferred income tax recovery) to the TJS mine and \$28,233 to the Vila Nova mine.

These impairment charges were applied to the property, plant and equipment based on the relative carrying amounts of the assets as at December 31, 2015 that were subject to impairment charges. At December 31, 2015, the carrying amount of our Skouries project, our Certej project and our TJS mine after impairment charges was \$309,110, \$396,279 and \$50,497, respectively. The full value of the property, plant and equipment was impaired at the Stratoni mine and the Vila Nova mine; as a result the carrying amount of the Stratoni mine and Vila Nova mine is nil.

The values assigned to the key assumptions represent management's assessment of future trends in the gold mining industry and in the global economic environment. The assumptions used are management's best estimates and are based on both current and historical information from external and internal sources.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Expressed in thousands of US dollars, unless otherwise stated

12. Goodwill

(\$ thousands)	2015	2014
Cost		
Balance at January 1,	526,296	526,296
Impaired during the year	(476,020)	–
Balance at December 31,	50,276	526,296

Impairment Tests for Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may not be recoverable. Impairment is determined for goodwill by assessing the recoverable amount of each CGU or group of CGUs to which the goodwill relates. Where the recoverable amount of the CGU is less than its carrying amount including goodwill, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Goodwill is allocated to the individual CGUs of TJS and White Mountain in China and to a group of CGUs in Greece.

The recoverable amount of a CGU or group of CGUs is determined based on the higher of fair value less costs to sell and value-in-use. These calculations use projections based on financial budgets approved by management. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The estimates of future cash flows were derived from the most recent LOM plans with mine lives ranging from 6 to 38 years.

Key assumptions used for fair value less costs to sell calculations are as follows:

	2015	2014
Gold price (\$/oz)	1,100 – 1,300	1,300
Silver price (\$/oz)	16 – 18	20
Copper (\$/lb)	2.59 – 2.86	3.00
Lead (\$/lb)	0.82 – 0.91	0.95
Zinc (\$/lb)	0.91	1.00
Inflation rate	2%	2%
Discount rate	5% – 9%	7% – 9%

Based on the goodwill impairment test performed on its CGUs, the Company concluded that the goodwill was recoverable in the CGU of White Mountain; however, goodwill was not recoverable in the CGU of TJS and the group of CGUs in Greece. The discounted cash flow model yielded an impairment of the full carrying value of goodwill of Greece (\$473,782) and TJS (\$2,238).

The above assumptions have been used for the analysis of the recoverability of goodwill and the CGUs to which it relates. The discount rates used reflect specific risks relating to the relevant CGUs.

Permitting delays and increased capital and operating costs have negatively affected the cash flow at the Skouries project, which was the main contributor to the decline in the cash flows of the group of CGUs in Greece.

As at December 31, 2015, the goodwill balance is allocated to the White Mountain CGU in the amount of \$50,276.

The recoverable amount of CGUs is sensitive to change in gold prices. A 27% decrease in the long-term gold price, in isolation, could cause the carrying value to exceed the recoverable amount of White Mountain's CGU.

12. Goodwill (continued)

The Company believes that a long-term decline in the gold price environment would result in changes in operating cost inputs that may offset the impact of a lower gold price environment.

The values assigned to the key assumptions represent management's assessment of future trends in the gold mining industry and in the global economic environment. The assumptions used are management's best estimates and are based on both current and historical information from external and internal sources.

13. Accounts Payable and Accrued Liabilities

(\$ thousands)	December 31, 2015	December 31, 2014
Trade payables	97,345	83,566
Taxes payable	5,857	6,230
Accrued expenses	133,617	94,916
	236,819	184,712

14. Debt

(\$ thousands)	December 31, 2015	December 31, 2014
Current:		
Jinfeng China Merchant Bank ("CMB") working capital loan (a)	–	16,343
Non-current:		
Senior notes (c)	589,395	587,201
Total debt	589,395	603,544

(a) Jinfeng CMB Working Capital Loan

On January 16, 2013, Jinfeng entered into a RMB 100.0 million (\$15,400) working capital loan with CMB. Each draw-down had a fixed interest rate of 5.6% and had a term of six months. The facility had a term of up to one year. In January 2014, the term of the facility was extended to January 28, 2015 and was not subsequently renewed. This facility was unsecured. The proceeds were used to fund working capital obligations.

As at December 31, 2015, Jinfeng has repaid the full amount under this facility.

(b) Revolving Credit Facility

The Company has a \$375.0 million revolving credit facility with a syndicate of banks ("the credit facility" or "ARCA"). The ARCA matures on November 23, 2016. The ARCA is secured by the shares of SG Resources and Tuprag, wholly owned subsidiaries of the Company.

The ARCA contains covenants that restrict, among other things, the ability of the Company to incur an aggregate unsecured indebtedness exceeding \$850.0 million, incur secured indebtedness up to \$200.0 million, make distributions in certain circumstances, sell material assets and carry on a business other than one related to the mining business. Significant financial covenants include a maximum debt to Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") of 3.5:1 and a minimum EBITDA to interest of 3:1. The Company is in compliance with these covenants at December 31, 2015.

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14. Debt (continued)

Loan interest is variable, dependent on a leverage ratio pricing grid. The Company's current leverage ratio is approximately 1.99:1. At this ratio, interest charges and fees are as follows: LIBOR plus margin of 2.00% and undrawn standby fee of 0.50%. Fees of \$4,728 were paid in relation to the credit facility. This amount was deferred as pre-payments for liquidity services and was amortized to financing costs. As at December 31, 2015, the prepaid loan cost on the balance sheet was nil (2014 – \$1,011) (note 10).

No amounts were drawn down under the ARCA as at December 31, 2015.

(c) Senior Notes

On December 10, 2012, the Company completed an offering of \$600.0 million senior notes ("the notes") at par value, with a coupon rate of 6.125% due December 15, 2020. The notes pay interest semi-annually on June 15 and December 15. The Company received proceeds of \$589.5 million from the offering, which is net of the commission payment. The notes are redeemable by the Company in whole or in part, for cash:

- i) At any time prior to December 15, 2016 at a redemption price equal to 100% of the aggregate principal amount of the notes at the treasury yield plus 50 basis points, and any accrued and unpaid interest;
- ii) On and after the dates provided below, at the redemption prices, expressed as a percentage of principal amount of the notes to be redeemed, set forth below, plus accrued and unpaid interest on the notes:

December 15, 2016	103.063%
December 15, 2017	101.531%
2018 and thereafter	100.000%

The early prepayment prices are to reimburse the lender for lost interest for the remaining term. The fair market value of the notes as at December 31, 2015 is \$526.9 million.

Net deferred financing costs of \$10,605 have been included as an offset in the balance of the notes in the financial statements and are being amortized over the term of the notes.

(d) Entrusted Loan

In November 2010, Eastern Dragon, HSBC Bank (China) and QDML entered into an entrusted loan agreement, which currently has an approved limit of RMB 720.0 million (\$110,878).

Under the terms of the entrusted loan, QDML with its own funds entrusts HSBC Bank (China) to provide a loan facility in the name of QDML to Eastern Dragon. The loan can be drawn down in tranches. Each draw-down bears interest fixed at the prevailing lending rate stipulated by the People's Bank of China on the date of draw-down. Each draw-down has a term of one year and can be rolled forward at the discretion of QDML. The interest rate on this loan as at December 31, 2015 was 4.59%.

As at December 31, 2015, RMB 667.1 million (\$102,735) had been drawn under the entrusted loan.

Subsequent to December 31, 2015, RMB 3.1 million (\$477) was drawn under this loan.

The entrusted loan has been recorded on a net settlement basis.

15. Asset Retirement Obligations

(\$ thousands)	Greece	Brazil	China	Turkey	Romania	Total
At January 1, 2015	46,344	3,110	23,709	34,454	1,452	109,069
Accretion during the year	938	66	480	890	37	2,411
Revisions to estimate of obligation	(7,037)	911	(1,096)	(881)	(19)	(8,122)
Settlements	(242)	–	(171)	(309)	–	(722)
At December 31, 2015	40,003	4,087	22,922	34,154	1,470	102,636
Estimated undiscounted amount	68,372	4,113	28,795	50,349	2,323	153,952

The Company's asset retirement obligations relate to the restoration and rehabilitation of the Company's mining operations and projects under development. The expected timing of the cash flows in respect of the provision is based on the estimated life of the various mining operations. The decrease in the estimate of the obligation in 2015 in all countries was mainly due to favourable foreign exchange rates which lowered the unit costs of the reclamation activities. Additionally, slightly higher discount rates further contributed to a lower net present value of the reclamation obligation. These favourable movements in Greece were offset marginally by the increased disturbance at the Skouries project.

The provision is calculated as the present value of estimated future net cash outflows based on the following key assumptions:

(%)	Greece	Brazil	China	Turkey	Romania
At December 31, 2014					
Inflation rate	2.0	2.0	2.0	2.0	2.0
Discount rate	0.7 to 2.8	2.1	1.1 to 2.1	2.2 to 2.7	2.5
At December 31, 2015					
Inflation rate	2.0	2.0	2.0	2.0	2.0
Discount rate	0.6 to 3.0	0.6	1.0 to 2.3	2.2 to 2.9	2.7

The discount rate is a risk-free rate determined based on US Treasury bond rates. US Treasury bond rates have been used for all of the mine sites, as the liabilities are denominated in US dollars and the majority of the expenditures are expected to be incurred in US dollars. The inflation rates used in determining the present value of the future net cash outflows are based on worldwide inflation rates.

Environmental guarantee deposits exist with respect to the environmental rehabilitation of the mines in China (note 10).

Additionally, the Company has a €50.0 million Letter of Guarantee to the Ministry of Environment of Greece as security for the due and proper performance of rehabilitation works in relation to the mining and metallurgical facilities of the Kassandra Mines (Stratoni, Olympias and Skouries) and the removal, cleaning and rehabilitation of the old Olympias tailings. This Letter of Guarantee is renewed annually, expires on July 26, 2026 and has an annual fee of 57 basis points.

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16. Defined Benefit Plans

(\$ thousands)	December 31, 2015	December 31, 2014
Balance sheet obligations (asset) for:		
Pension Plan	554	839
Supplemental Pension Plan	(11,452)	(13,629)
	(10,898)	(12,790)

(\$ thousands)	December 31, 2015	December 31, 2014
Income statement charge for:		
Pension Plan	203	198
Supplemental Pension Plan	1,467	1,422
	1,670	1,620
Actuarial losses (gains) recognized in the statement of other comprehensive income in the period (before tax)	855	596
Cumulative actuarial losses recognized in the statement of other comprehensive income (before tax)	14,974	14,119

The Company operates defined benefit pension plans in Canada with two components: a registered pension plan ("the Pension Plan") and a supplemental pension plan ("the SERP"). During the second quarter of 2012, the SERP was converted into a Retirement Compensation Arrangement ("RCA"), a trust account. As it is a trust account, the assets in the account are protected from the Company's creditors. The RCA requires the Company to remit 50% of any contributions and any realized investment gains to the Receiver General of Canada as refundable tax.

These plans, which are only available to certain qualifying employees, provide benefits based on an employee's years of service and final average earnings at retirement. Annual contributions related to these plans are actuarially determined and made at or in excess of minimum requirements prescribed by legislation.

Eldorado's plans have actuarial valuations performed for funding purposes. The Pension Plan last had an actuarial valuation performed as of January 1, 2014 for funding purposes with the next required valuation as of January 1, 2017. The SERP's last valuation was on January 1, 2015 for funding purposes, and the next valuation will be prepared in accordance with the terms of the pension plan. The measurement date to determine the pension obligation and assets for accounting purposes was December 31, 2015.

The SERP is designed to provide supplementary pension benefits to qualifying employees affected by the maximum pension limits under the Income Tax Act pursuant to the registered Pension Plan. Further, the Company is not required to pre-fund any benefit obligation under the SERP.

Total Cash Payments

The amount contributed to the Pension Plan and the SERP was \$2,798 (2014 – \$2,700). Cash payments totalling \$135 were made directly to beneficiaries during the year (2014 – \$156). The expected contribution to the Pension Plan is \$37 and \$1,746 to the SERP in 2016.

16. Defined Benefit Plans (continued)

The amounts recognized in the balance sheet are determined as follows:

(\$ thousands)	December 31, 2015			December 31, 2014		
	Pension Plan	SERP	Total	Pension Plan	SERP	Total
Present value of obligations	2,522	31,565	34,087	2,763	33,320	36,083
Fair value of plan assets	(1,968)	(43,016)	(44,984)	(1,924)	(46,949)	(48,873)
Liability (asset) on balance sheet	554	(11,451)	(10,897)	839	(13,629)	(12,790)

The movement in the defined benefit obligation over the year is as follows:

(\$ thousands)	2015			2014		
	Pension Plan	SERP	Total	Pension Plan	SERP	Total
Balance at January 1,	2,763	33,320	36,083	2,407	31,529	33,936
Current service cost	176	1,972	2,148	172	2,076	2,248
Interest cost	104	1,246	1,350	114	1,487	1,601
Actuarial loss (gain)	26	1,300	1,326	280	940	1,220
Benefit payments	–	(135)	(135)	–	(156)	(156)
Exchange gain	(547)	(6,138)	(6,685)	(210)	(2,556)	(2,766)
Balance at December 31,	2,522	31,565	34,087	2,763	33,320	36,083

The movement in the fair value of plan assets of the year is as follows:

(\$ thousands)	2015			2014		
	Pension Plan	SERP	Total	Pension Plan	SERP	Total
At January 1,	1,924	46,949	48,873	1,930	45,490	47,420
Interest income on plan assets	77	1,751	1,828	88	2,141	2,229
Actuarial gain (loss)	(55)	(416)	(471)	66	558	624
Contributions by employer	334	2,464	2,798	–	2,700	2,700
Benefit payments	–	(135)	(135)	–	(156)	(156)
Exchange loss	(312)	(7,597)	(7,909)	(160)	(3,784)	(3,944)
At December 31,	1,968	43,016	44,984	1,924	46,949	48,873

The amounts recognized in the income statement are as follows:

(\$ thousands)	2015			2014		
	Pension Plan	SERP	Total	Pension Plan	SERP	Total
Current service cost	176	1,972	2,148	172	2,076	2,248
Interest cost	104	1,246	1,350	114	1,487	1,601
Expected return on plan assets	(77)	(1,751)	(1,828)	(88)	(2,141)	(2,229)
Defined benefit plans expense	203	1,467	1,670	198	1,422	1,620

The actual return on plan assets was \$1,687 (2014 – \$3,124).

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16. Defined Benefit Plans (continued)

The principal actuarial assumptions used were as follows:

(%)	2015		2014	
	Pension Plan	SERP	Pension Plan	SERP
Expected return on plan assets	4.0	4.0	4.0	4.0
Discount rate – Beginning of year	4.0	4.0	4.8	4.8
Discount rate – End of year	4.0	4.0	4.0	4.0
Rate of salary escalation	2.0	2.0	2.5	2.5
Average remaining service period of active employees expected to receive benefits	8.5 years	8.5 years	7.2 years	7.2 years

The assumption used to determine the interest income on plan assets is equal to the discount rate, as per IAS 19.

Plan Assets

The assets of the Pension Plan and the amounts deposited in the SERP account are managed by a major investment management company and are invested only in conformity with the investment requirements of applicable pension laws.

The following table summarizes the defined benefit plans' weighted average asset allocation percentages by asset category:

(%)	December 31, 2015		December 31, 2014	
	Pension Plan	SERP	Pension Plan	SERP
Investment funds				
Money market	3	4	1	8
Canadian fixed income	97	4	99	4
Canadian equities	–	19	–	20
US equities	–	19	–	16
International equities	–	9	–	7
Other ⁽¹⁾	–	45	–	45
Total	100	100	100	100

(1) Assets held by the Canada Revenue Agency in the refundable tax account.

The sensitivity of the overall pension liability to changes in the weighted principal assumptions is:

	Change in assumption	Impact on overall liability
Discount rate	Increase by 0.5%	Decrease by \$2,496
	Decrease by 0.5%	Increase by \$2,256
Salary escalation rate	Increase/decrease by 0.5%	Increase/decrease by \$105

17. Income Tax Expense and Deferred Taxes

Total income tax expense (recovery) consists of:

(\$ thousands)	December 31, 2015	December 31, 2014
Current tax expense	76,864	93,474
Deferred tax expense (recovery)	(261,232)	27,795
	(184,368)	121,269

Total income tax expense (recovery) attributable to geographical jurisdiction is as follows:

(\$ thousands)	2015	2014
Turkey	61,726	74,959
China	37,022	37,263
Greece	(247,903)	5,005
Brazil	5,719	2,761
Canada	–	–
Romania	(41,140)	201
Other jurisdictions	208	1,080
	(184,368)	121,269

Factors affecting income tax expense (recovery) for the year:

(\$ thousands)	2015	2014
Profit (loss) before income tax	(1,829,510)	227,813
Canadian statutory tax rate	26.00%	26.00%
Tax expense (recovery) on net income (loss) at Canadian statutory tax rate	(475,673)	59,231
Items that cause an increase (decrease) in income tax expense:		
Foreign income subject to different income tax rates than Canada	(26,713)	(17,307)
Increase in Greek tax rates	63,503	–
Non-tax effected operating losses	43,056	24,470
Non-deductible expenses and other items	13,063	13,481
Non-deductible goodwill impairment	137,397	–
Foreign exchange and other translation adjustments	45,510	16,914
Amounts under (over) provided in prior years	1,396	4,350
Investment tax credits	(13,989)	(517)
Withholding tax on foreign income	28,082	20,647
Income tax expense (recovery)	(184,368)	121,269

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17. Income Tax Expense and Deferred Taxes (continued)

The change for the year in the Company's net deferred tax position was as follows:

(\$ thousands)	2015	2014
Net deferred tax asset (liability)		
Balance at January 1,	(869,103)	(841,308)
Deferred income tax (expense) recovery in the income statement	261,232	(27,795)
Net balance at December 31,	(607,871)	(869,103)

The composition of the Company's net deferred income tax asset and liability and deferred tax expense is as follows:

Type of temporary difference	Deferred tax assets		Deferred tax liabilities		Expense (recovery) on the income statement	
	2015	2014	2015	2014	2015	2014
Property, plant and equipment	–	2,735	653,922	913,383	(256,726)	36,610
Loss carryforwards	20,389	17,590	–	–	(2,799)	(5,531)
Liabilities	18,650	28,082	–	51	9,381	(12,589)
Investment tax credits	5,665	1,078	–	–	(4,587)	6,717
Other items	12,135	6,729	10,788	11,883	(6,501)	2,588
Balance at December 31,	56,839	56,214	664,710	925,317	(261,232)	27,795

Unrecognized deferred tax assets

(\$ thousands)	2015	2014
Tax losses	151,889	128,169
Other deductible temporary differences	20,583	6,733
Total unrecognized deferred tax assets	172,472	134,902

Unrecognized Tax Losses

At December 31, 2015 the Company had losses with a tax benefit of \$151,889 (2014 – \$128,169) which are not recognized as deferred tax assets. The Company recognizes the benefit of tax losses only to the extent of anticipated future taxable income that can be reduced by the tax losses. The gross amount of the tax losses for which a tax benefit has not been recorded expire as shown on the following page.

17. Income Tax Expense and Deferred Taxes (continued)

(\$ thousands) Expiry date	Canada	Brazil	Greece	Australia	Total
2016	–	–	2,199	–	2,199
2017	–	–	5,708	–	5,708
2018	–	–	10,176	–	10,176
2019	–	–	27,095	–	27,095
2020	–	–	19,225	–	19,225
2025	7,858	–	–	–	7,858
2026	14,839	–	–	–	14,839
2027	10,703	–	–	–	10,703
2028	25,965	–	–	–	25,965
2029	23,444	–	–	–	23,444
2030	7,285	–	–	–	7,285
2031	45,351	–	–	–	45,351
2032	75,450	–	–	–	75,450
2033	64,883	–	–	–	64,883
2034	58,689	–	–	–	58,689
2035	58,634	–	–	–	58,634
No Expiry	–	19,528	–	31,179	50,707
	393,101	19,528	64,403	31,179	508,211
Capital losses with no expiry	140,477	–	–	–	140,477
Tax effect of total losses not recognized	120,468	3,390	18,677	9,354	151,889

DEDUCTIBLE TEMPORARY DIFFERENCES

At December 31, 2015 the Company had deductible temporary differences for which deferred tax assets of \$20,583 (2014 – \$6,733) have not been recognized, because it is not probable that future taxable profits will be available against which the Company can utilize the benefits. The vast majority of these temporary benefits have no expiry date.

TEMPORARY DIFFERENCES ASSOCIATED WITH INVESTMENTS IN SUBSIDIARIES

The Company has not recognized deferred tax liabilities in respect of historical unremitted earnings of foreign subsidiaries for which we are able to control the timing of the remittance and are considered reinvested for the foreseeable future. At December 31, 2015, these earnings amount to \$1,159,318 (2014 – \$1,803,336). Substantially all of these earnings would be subject to withholding taxes if they were remitted by the foreign subsidiaries.

TAX CREDITS

The Company has \$0 (2014 – \$396) of tax credits that have not been recognized.

OTHER FACTORS AFFECTING TAXATION

During the year the Turkish lira has weakened, causing a deferred income tax expense during the year of \$24,505 due to the decrease in the value of the future tax deductions associated with the Turkish operations. The Company expects that in the future significant foreign exchange movements in the Turkish lira, euro or Chinese renminbi in relation to the US dollar will cause significant volatility in the deferred income tax expense or recovery.

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18. Share Capital

Eldorado's authorized share capital consists of an unlimited number of voting common shares without par value and an unlimited number of non-voting common shares without par value. At December 31, 2015 there were no non-voting common shares outstanding (December 31, 2014 – none).

Voting common shares	Number of shares	Total \$
At January 1, 2014	716,216,690	5,314,589
Shares issued upon exercise of share options, for cash	315,914	1,996
Estimated fair value of share options exercised	–	2,141
Common shares issued for deferred phantom units	31,920	224
At December 31, 2014	716,564,524	5,318,950
Shares issued upon exercise of share options, for cash	22,610	121
Estimated fair value of share options exercised	–	30
At December 31, 2015	716,587,134	5,319,101

19. Share-Based Payments

(a) Share Option Plans

The Company has two share option plans ("Plans") approved, as amended, by the shareholders on May 1, 2014 under which share purchase options ("Options") can be granted to directors, officers, employees and consultants.

The Company's Employee, Consultant and Advisor Plan ("Employee Plan") consists of Employee Plan Options subject to a 10-year maximum. Currently all Employee Plan Options have a five-year term. Employee Plan Options vest at the discretion of the Board of Directors at the time an option is granted. Employee Plan Options granted before November 1, 2015 vest in three separate tranches over two years and Employee Plan Options granted on or after November 1, 2015 vest annually in three separate tranches commencing one year after the date of grant. As at December 31, 2015, a total of 15,510,585 options (2014 – 18,287,530) were available to grant to employees, consultants or advisors under the Employee Plan.

The Company's Directors and Officers Plan ("D&O Plan") consists of D&O Plan Options subject to a 10-year maximum. Currently all D&O Plan Options have a five-year term. D&O Plan Options vest at the discretion of the Board of Directors at the time an option is granted. D&O Plan Options granted before November 1, 2015 vest in three separate tranches over two years and D&O Plan Options granted on or after November 1, 2015 vest annually in three separate tranches commencing one year after the date of grant. As at December 31, 2015, a total of 6,810,575 Options (2014 – 9,033,015) were available to grant to directors and officers under the D&O Plan.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2015		2014	
	Weighted average exercise price (CDN\$)	Number of options	Weighted average exercise price (CDN\$)	Number of options
At January 1,	11.75	20,995,992	13.20	16,753,421
Regular options granted	6.64	8,274,440	7.78	6,365,824
Exercised	6.64	(22,610)	7.23	(315,914)
Forfeited	12.62	(3,728,388)	12.01	(1,807,339)
At December 31,	9.97	25,519,434	11.75	20,995,992

19. Share-Based Payments (continued)

At December 31, 2015, 18,273,622 share purchase options (December 31, 2014 – 15,199,444) with a weighted average exercise price of CDN\$11.17 (December 31, 2014 – CDN\$12.97) had vested and were exercisable. Options outstanding are as follows:

December 31, 2015					
Range of exercise price (CDN\$)	Total options outstanding			Exercisable options	
	Shares	Weighted average remaining contractual life (years)	Weighted average exercise price (CDN\$)	Shares	Weighted average exercise price (CDN\$)
\$3.00 to \$3.99	100,000	4.8	3.96	16,667	3.95
\$6.00 to \$6.99	8,030,710	4.1	6.66	2,759,234	6.66
\$7.00 to \$7.99	5,673,643	3.2	7.81	3,782,640	7.81
\$8.00 to \$8.99	45,405	2.3	8.19	45,405	8.19
\$10.00 to \$10.99	4,925,186	2.1	10.43	4,925,186	10.43
\$12.00 to \$12.99	507,952	1.4	12.74	507,952	12.74
\$14.00 to \$14.99	62,289	1.8	14.45	62,289	14.45
\$15.00 to \$15.99	4,075,149	1.1	15.22	4,075,149	15.22
\$16.00 to \$16.99	2,099,100	0.1	16.66	2,099,100	16.66
	25,519,434	2.7	9.97	18,273,622	11.17

Share-based payments expense related to share options for the year ended December 31, 2015 was \$11,282 (2014 – \$11,123).

The assumptions used to estimate the fair value of options granted during the years ended December 31, 2015 and 2014 were:

	2015	2014
Risk-free interest rate	0.39%	1.01%
Expected volatility (range)	53% – 58%	45% – 50%
Expected life (range)	0.83 – 2.85 years	0.83 – 2.83 years
Expected dividends	CDN\$0.02	CDN\$0.12
Forfeiture rate	7%	6%

The weighted average fair value per stock option was CDN\$1.75 (2014 – CDN\$1.83). Volatility was determined based on the historical volatility over the estimated lives of the options.

(b) Restricted Share Unit Plan

The Company has a Restricted Share Unit (“RSU”) plan whereby restricted share units may be granted to senior management of the Company. Once vested, an RSU is exercisable into one common share entitling the holder to receive the common share for no additional consideration. For RSUs granted before November 1, 2015, one-third vest on June 30 of the grant year, a second third vest on the first anniversary of the date of grant and the last third vest on the second anniversary of the date of grant. For RSUs granted on or after November 1, 2015, one-third vest on the first anniversary of the date of grant, a second third vest on the second anniversary of the date of grant and the last third vest on the third anniversary of the date of grant. The current maximum number of common shares authorized for issue under the RSU plan is 5,000,000.

A total of 596,089 RSUs (2014 – 877,753) at a grant-date fair value of CDN\$6.67 per unit were granted during the year ended December 31, 2015 (2014 – CDN\$7.84) under the Company’s RSU plan and 198,697 RSUs were exercisable at December 31, 2015 (2014 – 292,585).

The fair value of each RSU issued is determined as the closing share price at grant date.

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19. Share-Based Payments (continued)

A summary of the status of the RSU plan and changes during the year is as follows:

	2015	2014
At January 1,		
Granted	1,086,523	774,845
Redeemed	596,089	877,753
Forfeited	(715,889)	(566,075)
	(81,877)	–
At December 31,	884,846	1,086,523

As at December 31, 2015, 884,846 common shares purchased by the Company remain held in trust in connection with this plan (2014 – 1,086,523). At the end of the period, 225,406 restricted share units are fully vested and exercisable (2014 – 282,314). These shares purchased and held in trust have been included in treasury stock in the balance sheet.

Restricted share units expense for the year ended December 31, 2015 was \$4,147 (2014 – \$7,380).

(c) Deferred Share Units Plan

The Company has an Independent Directors Deferred Share Unit (“DSU”) plan under which DSUs are granted by the Board from time to time to independent directors (“participants”). The performance period of each DSU commences on the grant date and expires on the termination date of the participant. The termination date is when the participant ceases to be a Director of the Company. On redemption each unit entitles the participant to receive a cash payment equal to the market value of the Company’s shares on the date of redemption.

At December 31, 2015, 386,303 DSUs were outstanding (2014 – 259,037) with a value of \$1,144 (2014 – \$1,581), which is included in accounts payable and accrued liabilities.

Compensation income related to the DSUs was \$381 for the year ended December 31, 2015 (2014 – expense of \$272).

(d) Performance Share Units Plan

The Company has a Performance Share Unit (“PSU”) plan whereby performance share units may be granted to senior management of the Company. Once vested, a PSU is redeemable into one common share entitling the holder to receive the common share for no additional consideration.

A total of 624,580 PSUs were granted during the year ended December 31, 2015 under the Company’s PSU plan (2014 – none). The PSUs vest on the third anniversary of the grant date, subject to achievement of predetermined performance criteria. When fully vested the number of PSUs redeemed will range from 0% to 200% of the target award, subject to the performance of the share price over the three-year period. The current maximum number of common shares authorized for issuance from treasury under the PSU plan is 3,130,000.

Compensation expense related to PSUs for the year ended December 31, 2015 was \$829 (2014 – \$0).

20. Supplementary Cash Flow Information

(\$ thousands)	December 31, 2015	December 31, 2014
Changes in non-cash working capital		
Accounts receivable and other	(6,562)	(34,206)
Inventories	45,915	13,184
Accounts payable and accrued liabilities	(9,960)	(35,480)
Total	29,393	(56,502)
Supplementary cash flow information		
Income taxes paid	81,282	88,150
Interest paid	34,166	34,536

21. Financial Risk Management

21.1 FINANCIAL RISK FACTORS

Eldorado's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk. Eldorado's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on Eldorado's financial performance.

(a) Market Risk

(i) Foreign Exchange Risk

The Company operates principally in Canada, Turkey, China, Brazil, Greece and Romania, and is therefore exposed to foreign exchange risk arising from transactions denominated in foreign currencies. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

Eldorado's cash and cash equivalents, accounts receivable, marketable securities, accounts payable and accrued liabilities and debt are denominated in several currencies, and are therefore subject to fluctuation against the US dollar.

The table below summarizes Eldorado's exposure to the various currencies denominated in the foreign currency, as listed below:

	Canadian dollar	Australian dollar	Euro	Turkish lira	Chinese renminbi	Swedish krona	Romanian lei	Great British pound	Brazilian real
Cash and cash equivalents	4,705	172	4,737	2,165	357,183	1,774	8,014	244	21,559
Marketable securities	25,369	–	–	–	–	–	–	–	–
Accounts receivable and other	2,261	1	6,143	54,785	182,288	–	9,212	–	10,255
Accounts payable and accrued liabilities	(12,111)	(192)	(58,596)	(97,073)	(434,573)	–	(6,027)	–	(3,953)
Other non-current liability	–	–	(2,158)	(11,116)	–	–	–	–	–
Debt	–	–	–	–	–	–	–	–	–
Net balance	20,224	(19)	(49,874)	(51,239)	104,898	1,774	11,199	244	27,861
Equivalent in US dollars	14,614	(14)	(54,143)	(17,622)	16,155	210	2,700	360	7,112

Based on the balances as at December 31, 2015, a 1% increase/decrease in the US dollar exchange rate against all of the other currencies on that date would have resulted in a decrease/increase of approximately \$306 in profit (loss) before taxes. There would be no effect on other comprehensive income.

Cash flows from operations are exposed to foreign exchange risk, as commodity sales are set in US dollars and a certain amount of operating expenses are in the currency of the country in which mining operations take place.

(ii) Metal Price Risk and Other Price Risk

Eldorado is subject to price risk for fluctuations in the market price of gold and other metals. Gold and other metals prices are affected by numerous factors beyond the Company's control, including central bank sales, producer hedging activities, the relative exchange rate of the US dollar with other major currencies, global and regional demand and political and economic conditions.

Worldwide gold and other metals production levels also affect their prices, and the price of these metals is occasionally subject to rapid short-term changes due to speculative activities. The Company has elected not to actively manage its exposure to metal price risk at this time. From time to time, Eldorado may use commodity price contracts to manage its exposure to fluctuations in the price of gold and other metals.

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

Eldorado's other price risk includes equity price risk, whereby the Company's investments in marketable securities are subject to market price fluctuation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Expressed in thousands of US dollars, unless otherwise stated

21. Financial Risk Management (continued)

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature. The Company's debt is in the form of notes with a fixed interest rate of 6.13%.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, restricted cash and accounts receivable. Eldorado deposits its cash and cash equivalents, including restricted cash, with high credit quality financial institutions as determined by rating agencies.

Payment for metal sales is normally in advance or within fifteen days of shipment depending on the buyer. The historical level of customer defaults is negligible which reduces the credit risk associated with trade receivables at December 31, 2015.

(c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash and cash equivalent balances and by using its lines of credit as required. Management monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities. Contractual maturities relating to debt are included in note 14.

21.2 CAPITAL RISK MANAGEMENT

Eldorado's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of our mining projects. Capital consists of all of the components of equity: share capital from ordinary shares, contributed surplus, accumulated other comprehensive income, deficit and non-controlling interests.

Consistent with others in the industry, Eldorado monitors capital on the basis of the debt to capital ratio and debt to EBITDA. The debt to capital ratio is calculated as debt, including current and non-current debt, divided by capital. The debt to EBITDA ratio is calculated as debt, including current and non-current debt, divided by earnings before interest costs, taxes and depreciation. This policy includes a target debt to capital ratio of less than 30% and a debt to EBITDA target ratio below 3.5.

As at December 31, 2015, our debt to capital ratio was 15.0% (2014 – 10.8%) and our debt to EBITDA ratio was 1.99:1 (2014 – 1.3:1).

These policy targets are managed through the repayments and issuances of debt as well as the continuing management of operations and capital expenditures.

21.3 FAIR VALUE ESTIMATION

Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from relevant markets.

21. Financial Risk Management (continued)

The three levels of the fair value hierarchy are described below:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e., quoted prices for similar assets or liabilities).
- Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The only assets measured at fair value as at December 31, 2015 are marketable securities. No liabilities are measured at fair value on a recurring basis as at December 31, 2015.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily publicly traded equity investments classified as held-for-trading securities or available-for-sale securities.

22. Commitments

The Company's contractual obligations, not recorded on the balance sheet, at December 31, 2015, include:

(\$ thousands)	2016	2017	2018	2019 and later
Operating leases and capital expenditures	6,683	4,580	2,221	12,234
Purchase obligations	53,136	2,354	63	126
Totals	59,819	6,934	2,284	12,360

Purchase obligations in 2016 relate primarily to sustaining capital expenditures at Kışladağ, mine development projects in Greece, as well as operating and maintenance supply contracts at our operating mines.

23. Contingencies

The Company is involved in legal proceedings from time to time, arising in the ordinary course of its business. As at December 31, 2015, the amount of ultimate liability with respect to these actions will not, in the opinion of management, materially affect Eldorado's financial position, results of operations or cash flows.

24. Related Party Transactions

Key management includes directors (executive and non-executive), officers and senior management. The compensation paid or payable to key management for employee services, including amortization of share-based payments, is shown below:

(\$ thousands)	2015	2014
Salaries and other short-term employee benefits	10,106	13,199
Defined benefit pension plan	1,670	1,620
Share-based payments	9,188	12,514
	20,964	27,333

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Expressed in thousands of US dollars, unless otherwise stated

25. Financial Instruments by Category

Fair Value

The following table provides the carrying value and the fair value of financial instruments at December 31, 2015 and December 31, 2014:

(\$ thousands)	December 31, 2015		December 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
<i>Available-for-sale</i>				
Marketable securities	18,331	18,331	4,251	4,251
<i>Loans and receivables</i>				
Cash and cash equivalents	288,189	288,189	498,514	498,514
Term deposit	4,382	4,382	2,800	2,800
Restricted cash	248	248	262	262
Accounts receivable and other	69,273	69,273	77,617	77,617
Other assets	19,320	19,320	21,893	21,893
Financial Liabilities at amortized cost				
Accounts payable and accrued liabilities	236,819	236,819	184,712	184,712
Debt	589,395	526,878	603,544	600,221
Other non-current liability	–	–	49,194	49,194

26. Production Costs

(\$ thousands)	2015	2014
Labour	95,653	104,118
Fuel	36,686	51,152
Reagents	50,631	48,570
Electricity	39,104	34,865
Mining contractors	46,668	46,745
Operating and maintenance supplies and services	103,558	144,281
Site general and administrative costs	32,723	28,664
Inventory change	31,199	3,238
Royalties, production taxes and selling expenses	33,596	46,647
	469,818	508,280

27. Interest and Financing Costs

(\$ thousands)	2015	2014
Interest expense	10,108	23,039
Financing fees	8,220	5,740
Total interest and financing costs	18,328	28,779

28. Earnings per Share

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

(Thousands)	December 31, 2015	December 31, 2014
Weighted average number of ordinary shares used in the calculation of basic earnings per share	716,586	716,288
Diluted impact of stock options	4	12
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	716,590	716,300

29. Segment Information

IDENTIFICATION OF REPORTABLE SEGMENTS

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer and the executive management (the chief operating decision makers or CODM) in assessing performance and in determining the allocation of resources.

The CODM considers the business from both a geographic and product perspective and assesses the performance of the operating segments based on measures of profit and loss as well as assets and liabilities. These measures include operating profit, expenditures on exploration, property, plant and equipment and non-current assets, as well as total debt. As at December 31, 2015, Eldorado had six reportable segments based on the geographical location of mining and exploration and development activities.

29.1 GEOGRAPHICAL SEGMENTS

Geographically, the operating segments are identified by country and by operating mine or mine under construction. The Turkey reporting segment includes the Kişladağ and the Efemçukuru mines and exploration activities in Turkey. The China reporting segment includes the TJS, Jinfeng and White Mountain mines, the Eastern Dragon project and exploration activities in China. The Brazil reporting segment includes the Vila Nova mine, Tocantinzinho project and exploration activities in Brazil. The Greece reporting segment includes the Stratonis mine, the Olympias, Skouries, Perama Hill and Sapes projects and exploration activities in Greece. The Romania reporting segment includes the Certej project and development activities in Romania. Other reporting segment includes operations of Eldorado's corporate office and exploration activities in other countries.

Financial information about each of these operating segments is reported to the CODM on at least a monthly basis. The mines in each of the different segments share similar economic characteristics and have been aggregated accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Expressed in thousands of US dollars, unless otherwise stated

29. Segment Information (continued)
2015

(\$ thousands)	Turkey	China	Brazil	Greece	Romania	Other	Total
Information about profit and loss							
Metal sales to external customers	443,609	384,213	(399)	35,869	–	–	863,292
Production costs	214,001	217,696	1,616	36,505	–	–	469,818
Inventory write-down	–	–	8,745	3,279			12,024
Depreciation	77,164	89,657	1,028	10,676	1	452	178,978
Gross profit (loss)	152,444	76,860	(11,788)	(14,591)	(1)	(452)	202,472
Other material items of income and expense							
Impairment loss on property, plant and and equipment and goodwill	–	38,699	28,233	1,559,823	254,910	–	1,881,665
Other write-down of assets	6,891	6,387	3,173	–	–	–	16,451
Exploration expenses	5,576	1,524	1,493	2,421	3,351	3,488	17,853
Income tax expense (recovery)	61,726	37,021	5,719	(247,722)	(41,140)	28	(184,368)
Additions to property, plant and equipment during the year	83,501	49,517	4,176	242,655	19,983	250	400,082
Information about assets and liabilities							
Property, plant and equipment ⁽¹⁾	898,027	1,327,725	179,702	1,942,419	398,147	1,739	4,747,759
Goodwill	–	50,276	–	–	–	–	50,276
	898,027	1,378,001	179,702	1,942,419	398,147	1,739	4,798,035
Debt	–	–	–	–	–	589,395	589,395

(1) Net of revenues from sale of production from tailings retreatment.

29. Segment Information (continued)

							2014
(\$ thousands)	Turkey	China	Brazil	Greece	Romania	Other	Total
Information about profit and loss							
Metal sales to external customers	524,919	460,343	31,619	51,018	–	–	1,067,899
Production costs	207,809	227,958	29,926	42,587	–	–	508,280
Inventory write-down	–	–	13,469	–	–	–	13,469
Depreciation	55,420	107,365	4,928	8,782	1	731	177,227
Gross profit (loss)	261,690	125,020	(16,704)	(351)	(1)	(731)	368,923
Other material items of income and expense							
Other write-down of assets	–	3,001	–	–	–	–	3,001
Exploration expenses	3,415	2,682	3,796	1,395	2,092	2,850	16,230
Income tax expense	74,959	37,263	2,761	6,085	201	–	121,269
Additions to property, plant and equipment during the year	88,844	50,410	5,399	253,685	18,730	404	417,472
Information about assets and liabilities							
Property, plant and equipment ⁽¹⁾	895,035	1,407,558	205,091	2,817,855	636,134	1,938	5,963,611
Goodwill	–	52,514	–	473,782	–	–	526,296
	895,035	1,460,072	205,091	3,291,637	636,134	1,938	6,489,907
Debt	–	16,343	–	–	–	587,201	603,544

(1) Net of revenues from sale of production from tailings retreatment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Expressed in thousands of US dollars, unless otherwise stated

29. Segment Information (continued)

The Turkey and China segments derive their revenues from sales of gold. The Brazil segment derives its revenue from sales of iron ore. The Greece segment derives its revenue from sales of zinc, lead and silver concentrates.

The measure of total debt represents the current and long-term portions of debt.

29.2 ECONOMIC DEPENDENCE

At December 31, 2015, each of our Chinese mines had one major customer, to whom each sells its entire production, as follows:

TJS Mine	Henan Zhongyuan Gold Smelter Factory Co. Ltd.of Zhongjin Gold Holding Co. Ltd.
Jinfeng Mine	China National Gold Group
White Mountain Mine	Refinery of Shandong Humon Smelting Co. Ltd.

29.3 SEASONALITY/CYCLICALITY OF OPERATIONS

Management does not consider operations to be of a significant seasonal or cyclical nature.

30. EVENTS OCCURRING AFTER THE REPORTING DATE

On January 11, 2016, the Company announced that due to delays on the issuance of routine permits and licences by the Greek authorities, that would allow Hellas Gold to complete the construction of the Skouries processing plant, construction and development activities at the Skouries project have been suspended. Environmental protection works and care and maintenance activities will continue to be performed in order to safeguard the environment and the assets of the Company at site at a cost of approximately \$1.0 million per month.

BOARD OF DIRECTORS, OFFICERS AND SENIOR MANAGEMENT TEAM

BOARD OF DIRECTORS

Robert Gilmore ^{(1) (2)}

Non-executive Chairman of the Board and
Independent Director

K. Ross Cory ^{(1) (3)}

Independent Director

Pamela Gibson ^{(3) (4)}

Independent Director

Geoffrey Handley ^{(2) (4)}

Independent Director

Michael Price ^{(1) (4)}

Independent Director

Steven Reid ^{(2) (4)}

Independent Director

Jonathan Rubenstein ^{(2) (3)}

Independent Director

Donald Shumka ^{(1) (3)}

Independent Director

John Webster ⁽¹⁾

Independent Director

Paul Wright

President and Chief Executive Officer

EXECUTIVE OFFICERS

Paul Wright

President and Chief Executive Officer

Fabiana Chubbs

Chief Financial Officer

Paul Skayman

Chief Operating Officer

Dawn Moss

Executive VP Administration
and Corporate Secretary

SENIOR MANAGEMENT

Jason Cho

VP, Corporate Development

Dale Churcher

VP, Engineering

Doug Jones

Senior VP, Operations

Peter Lewis

VP, Exploration

Krista Muhr

VP, Investor Relations and
Corporate Communications

David Bickford

VP and General Manager, Turkey

Eduardo Moura

VP and General Manager, Greece

Lincoln Silva

VP and General Manager, Brazil

Nicolae Stanca

VP and General Manager, Romania

Shane Williams

VP, Capital Projects

Jacinta Zaleski

VP, Human Resources

Committees of the Board of Directors

(1) Audit Committee

(2) Compensation Committee

(3) Corporate Governance and Nominating Committee

(4) Sustainability Committee

SHAREHOLDER INFORMATION

STOCK EXCHANGES

Eldorado is traded on the Toronto Stock Exchange (TSX: ELD) and on the New York Stock Exchange (NYSE: EGO)

INVESTOR CONTACT INFORMATION

For inquiries related to Eldorado Gold's operating activities and financial performance:

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Vice President Investor Relations
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For inquiries related to shares, dividends or change of address:

Computershare Investor Services
1 800 564 6253
www-us.computershare.com/Investor/Contact/Enquiry

ANNUAL SHAREHOLDERS MEETING

May 25, 2016
3:00pm Pacific Time

Vancouver Club
915 West Hastings Street
Vancouver, BC V6C 1C6

TRANSFER AGENT AND REGISTRAR

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AUDITORS

KPMG LLP
Vancouver, BC

LEGAL COUNSEL

Fasken Martineau DuMoulin LLP
Vancouver, BC Canada

Dorsey & Whitney LLP
Denver, CO USA

SOURCES OF SHAREHOLDER INFORMATION

These financials are one of several sources of information for shareholders of Eldorado Gold Corporation. Other sources include:

- The comparative interim financial statements published quarterly.
- The Management Proxy Circular describing the matters to be considered at the Annual Meeting of Shareholders.
- The Annual Information Form, Form 40-F and other corporate and continuous disclosure documents available on the Company's website, the SEDAR website (www.sedar.com) and the US Securities and Exchange Commission website (www.sec.gov).

Section 303A.11 of the NYSE Listed Company Manual permits foreign private issuers to follow home country practices in lieu of certain provisions of the NYSE Listed Company Manual. A foreign private issuer that follows home country practices in lieu of certain provision of the NYSE Listed Company Manual must disclose any significant ways in which its corporate governance practices differ from those followed by domestic companies. A description of the significant ways in which the Company's governance practices differ from those followed by domestic companies pursuant to the NYSE Listed Company Manual is available on the Company's website at www.eldoradogold.com.

COMPANY FILINGS

www.sedar.com
www.sec.gov

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CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS AND INFORMATION

Certain statements and information in this Report, including all statements that are not historical facts, are forward-looking statements and forward-looking information within the meaning of applicable US and Canadian securities laws. Such forward-looking statements or information include, but are not limited to, statements or information with respect to our strategy, plans, goals, outlook, financial disclosure; our future financial and operating performance, price of gold and other commodities, cash flow, cash costs, targets, production and expenditures; our mineral reserve and resource estimates; and our proposed mine development (including permitting), exploration, acquisitions, our expectation as to future performance at our mines and other events and developments that have not yet happened. Often, these statements include words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

With respect to forward-looking statements and information included in this Report, we have made numerous assumptions, estimates and opinions that may prove to be incorrect, including among other things, assumptions about the price of gold and other commodities; exchange rates; anticipated costs and expenditures; production, mineral reserves and resources and metallurgical recoveries; the impact of acquisitions, dispositions, suspensions or delays on our business; the political and economic environment in which we operate; and the ability to achieve our goals. Even though our management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there is no assurance that the forward-looking statements or information will prove to be accurate. By their nature, forward-looking statements and information are based on assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements or information. Such risks, uncertainties and other factors include, among other things, the following:

- regulatory restrictions, including environmental regulatory restrictions and liability, including actual costs of reclamation;
- risks of operating in foreign countries, including controls, regulations, changes in mining regimes or governments and political or economic developments in the countries in which we currently or may in the future conduct business;
- changes in law and regulatory requirements, including permitting, foreign investment, environmental, tax and health and safety laws and regulations;
- title, permitting and licensing risks, including the risks of obtaining and maintaining the validity and enforceability of necessary permits and licenses, the timing of obtaining and renewing such permits and licenses, and risks of defective title to mineral property;
- competition for mineral properties and merger and acquisition targets;
- environmental risks, including use and transport of regulated substances;
- infrastructure, water, energy, equipment and other input availability and durability, and their cost and impact on capital and operating costs, exploration, development and production schedules;
- volatility of global and local economic climate;
- community and non-governmental actions and regulatory risks, including the possibility of a shutdown at any of our operations;
- ability to maintain positive relationships with the communities we operate in and loss of reputation;
- gold and other metal price volatility and the impact of any related hedging activities;
- subjectivity of estimating mineral resources and reserves and the reliance on available data and assumptions and judgments used in interpretation of such data and depletion of grades or quantities of reserves;
- discrepancies between actual and estimated production, mineral reserves and resources and metallurgical recoveries;
- speculative and uncertain nature of gold and other mineral exploration;
- development, mining and operational risk, including timing, hazards and losses that are uninsured or uninsurable;
- risks of not meeting production and cost targets or estimates;
- the loss of key employees and our ability to attract and retain qualified personnel and labour disputes;
- prices for energy inputs, labour, material costs, supplies and services (including shipping) remaining consistent with expectations;
- risk associated with joint ventures;
- increased capital requirements and the ability to obtain financing;
- currency exchange fluctuations and the impact of any related hedging activities;
- risks associated with maintaining substantial levels of indebtedness, including potential financial constraints on operations, interest rate risk and credit rating risk;
- the risks that the integration of acquired businesses may take longer than expected, the anticipated benefits of the integration may be less than estimated or the costs of acquisition may be higher than anticipated;
- the impact of acquisitions and dispositions, monetization, mergers and other business combinations and transactions, including effect of changes in our portfolio of projects on our operations, capital requirements, and financial condition and ability to complete acquisitions;
- litigation risks, including the uncertainties inherent in current and future legal challenges we are, or may become, a party to;
- share capital dilution and share price volatility;
- taxation, including change in tax laws and interpretations of tax laws;
- failure, security breaches or disruption of our information technology systems; and
- risks related to natural disasters and climate change.

See our Annual Information Form and our quarterly and annual MD&A for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond our control. Accordingly, readers should not place undue reliance on forward-looking statements or information. We undertake no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date of this Report except as may be required by law. All forward-looking statements and information made in this document are qualified by this cautionary statement.

Cautionary Note about Production Outlook, Guidance and Estimates

Readers are cautioned that production outlook, guidance and estimates are subject to a variety of factors that are likely to cause actual results to vary from our estimates, and such variations may be material. Forward-looking information generally involves risks and uncertainties as described above which are, in many instances, beyond our control, including: (i) global and local economic conditions; (ii) pricing and cost factors; (iii) unanticipated events or changes in current development plans, execution of development plans, future operating results, financial conditions or other aspects of our business over time; and (iv) unfavourable regulatory developments, that could cause actual events and results to vary significantly from those included in or contemplated by such statements. The production outlook, guidance and estimates reflect certain assumptions by us, which assumptions may differ with respect to future events, economic, competitive and regulatory conditions, financial market conditions and future business decisions, including, without limitation, a continuation of existing business operations on substantially the same basis as currently exists all of which assumptions are difficult to predict and many of which are beyond our control. Accordingly, there is no assurance that the outlook, guidance and estimates are indicative of our future performance or that actual results would not differ materially from those in the outlook, guidance and estimates.

Cautionary Note to US Investors Concerning Estimates of Measured, Indicated and Inferred Resources

The terms “mineral resource”, “measured mineral resource”, “indicated mineral resource”, “inferred mineral resource” used herein are Canadian mining terms used in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) under the guidelines set out in the Canadian Institute of Mining and Metallurgy and Petroleum (the “CIM”) Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as may be amended from time to time. These definitions differ from the definitions in the United States Securities & Exchange Commission (“SEC”) Industry Guide 7. In the United States, a mineral reserve is defined as a part of a mineral deposit which could be economically and legally extracted or produced at the time the mineral reserve determination is made.

While the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource”, and “inferred mineral resource” are recognized and required by Canadian regulations, they are not defined terms under standards in the United States and normally are not permitted to be used in reports and registration statements filed with the SEC. As such, information contained herein concerning descriptions of mineralization and resources under Canadian standards may not be comparable to similar information made public by U.S. companies in SEC filings. With respect to “indicated mineral resource” and “inferred mineral resource”, there is a great amount of uncertainty as to their existence and a great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of a “measured mineral resource”, “indicated mineral resource” or “inferred mineral resource” will ever be upgraded to a higher category. Accordingly, information herein containing descriptions of our mineral deposits may not be comparable to similar information made public by US companies subject to the reporting and disclosure requirements under US federal securities laws and the rules and regulations thereunder.

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