

ELDORADO GOLD CORP /FI
Form 40-F
April 04, 2005

U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 40-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: **December 31, 2004**

Commission File Number: **001-31522**

ELDORADO GOLD CORPORATION

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Canada

(Province or other jurisdiction of incorporation or organization)

1040

(Primary Standard Industrial Classification Code Number)

N/A

(I.R.S. Employer Identification Number)

Suite 1188 550 Burrard Street

Vancouver, British Columbia

Canada V6C 2B5

(604) 687-4018

(Address and telephone number of Registrant's principal executive offices)

CT Corporation

111 Eighth Avenue, 13 Floor

New York, NY 10011

(212) 894-8940

(Name, address and telephone number of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered

Common Shares, without par value

American Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

For annual reports, indicated by check mark the information filed with this Form:

Annual information form

Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of

the period covered by the annual report:

The registrant had 276,263,776 common shares issued and outstanding at December 31, 2004.

Indicate by check mark whether the Registrant by filing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the Exchange Act). If Yes is marked, indicate the filing number assigned to the Registrant in connection with such Rule.

YES ___

NO

X___

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

YES ___X

NO

EXPLANATORY NOTE

Eldorado Gold Corporation (the Registrant) is a Canadian issuer eligible to file its annual report pursuant to Section 13 of the Securities Exchange Act of 1934 (the Exchange Act) on Form 40-F. The Registrant is a foreign private issuer as defined in Rule 3b-4 under the 1934 Act and in Rule 405 under the Securities Act of 1933. Equity securities of the Registrant are accordingly exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3.

The Registrant prepares its consolidated financial statements in accordance with Canadian generally accepted accounting principals (GAAP) and reconciled to U.S. GAAP. Unless otherwise indicated, all dollar amounts in this report are in United States dollars. The exchange rate of Canadian dollars into United States dollars, on December 31, 2004, based upon the noon buying rate in New York City for cable transfers payable in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York, was U.S.\$1.00 = CDN\$1.2034.

FORWARD-LOOKING STATEMENTS

This annual report and the exhibits attached hereto contain forward-looking statements concerning the Registrant's plans at its properties, plans related to its business and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning reserves and mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed, and in the case of mineral reserves, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as expects or does not expect, is expected, anticipat or does not anticipate, plans, estimates or intends, or stating that certain actions, events or results may, could might or will be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation:

- The Registrant's ability to generate revenue from operations, or to continue to raise funds through other sources for the further exploration and development of its properties, will be highly dependent on the price of gold, which has a history of wide fluctuation.

- The Registrant is in the business of exploring, developing, and operating natural resource properties, which by its nature involves a significant amount of risk. Discrepancies between actual and estimated reserves, and between estimated and actual metallurgical recoveries or production for the Registrant may have significant financial impact.
 - Some of the Registrant's properties are in the exploration stage and without a known body of ore. There is no guarantee that an economically feasible ore body will be found on any of these properties.
 - All of the Registrant's operations are subject to environmental regulation and other types of regulation which can make operations expensive or prohibit them altogether.
 - There may be challenges to the title of the Registrant's properties which, if successful, could impair its development and/or operations.
-

- The Registrant operates in jurisdictions in which political or economic instability may affect its ability to operate. Currency fluctuations may impact the Registrant's profitability.
- There are a number of agreements pursuant to which Common Shares of the Registrant may be issued in the future. These issuances would result in dilution to the Registrant's shareholders.
- The Registrant operates in a competitive industry and competes with other more well established companies which have greater financial resources than the Registrant.
- Operations in which the Registrant has an interest will be subject to all of the hazards and risks normally incidental to exploring, developing and operating natural resources, any of which could result in work stoppages, personal injury or death, damage to property, environmental damage and possible legal liability.
- The Registrant depends on a number of key employees, the loss of any one of whom could have an adverse effect on the Registrant.
- The Registrant, where practical, maintains insurance against risks in the operations of its business. Such insurance, however, contains exclusions and limitations on coverage. There is no assurance that such insurance will continue to be available on terms acceptable to the Registrant, if at all.
- The Registrant has options to acquire interests in, or is party to joint ventures in respect of, certain of its properties. None of these properties are core assets of the Registrant. However, the Registrant may require additional financing to meet its obligations under these agreements and there is no guarantee that such funds will be available.
- If the Registrant should require additional funds for exploration and development of its properties, which is likely, it would have to seek equity and/or debt financing which may not be available.
- The Registrant does not currently engage in hedging activities to protect itself from fluctuations in the price of gold and the effect such fluctuations might have on the Registrant's operations and results of operations.

Some of the important risks and uncertainties that could affect forward-looking statements are described further in the exhibits attached to this Registration Statement. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made, and the Registrant undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

Forward-looking statements are based on the estimates and opinions of the Registrant's management at the time the statements were made. The Registrant assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinion change.

NOTE TO UNITED STATES READERS-

DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Registrant is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare this annual report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Registrant prepares its financial statements, which are filed with this report

on Form 40-F in accordance with Canadian GAAP, and they may be subject to Canadian auditing and auditor independence standards. They may not be comparable to financial statements of the United States companies. Significant differences between Canadian GAAP and United States GAAP are described in Note 14 of the comparative audited consolidated financial statements of the Registrant.

RESOURCE AND RESERVE ESTIMATES

The terms mineral reserve, proven mineral reserve and probable mineral reserve used in the Registrant's disclosure are Canadian mining terms that are defined 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, Metallurgy and Petroleum (the CIM) Standards on Mineral Resource and Mineral Reserves (the CIM Standards), adopted by the CIM Council on August 20, 2000. These definitions differ from the definitions in the United States Securities and Exchange Commission (the Commission) Industry Guide 7 under the Securities Act of 1933, as amended. In the United States, a mineral reserve is defined as that part of a mineral deposit which could be economically and legally extracted or produced at the time of the mineral reserve determination.

The terms mineral resource, measured mineral resource, indicated mineral resource and inferred mineral resource in the Registrant's disclosure are Canadian mining terms that are defined in accordance with NI 43-101 under the guidelines set out in the CIM Standards. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Please see the Supplement to the Glossary of Terms for a summary of the differences between CIM and U.S. standards, which is filed as Document 2 and incorporated by reference in this report on Form 40-F.

ANNUAL INFORMATION FORM

The Registrant's Annual Information Form for the year ended December 31, 2004 is filed as Document 1 and incorporated by reference in this report on Form 40-F.

AUDITED ANNUAL FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Audited Annual Financial Statements

The audited consolidated financial statements of the Registrant for the years ended December 31, 2004 and 2003, including the report of the auditors with respect thereto, filed as Document 1 and incorporated by reference in this report on Form 40-F. For a reconciliation of important differences between Canadian and United States GAAP, see Note 14 to the Registrant's audited consolidated financial statements.

Management's Discussion and Analysis

The Registrant's management's discussion and analysis (MD&A) is filed as Document 4 and incorporated by reference in this report on Form 40-F.

CONTROLS AND PROCEDURES

At the end of the period covered by this report, an evaluation was carried out under the supervision of and with the participation of the Registrant's management, including its Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operations of the Registrant's disclosure controls and procedures (as defined in Rule 13a-14(c) under the Exchange Act. Based on that evaluation the CEO and the CFO have concluded that the design and operation of these disclosure controls and procedures were effective in ensuring that information required to be disclosed by the Registrant in reports that it files or submits to the Commission is recorded, processed, summarized and reported within the time periods required.

During the fiscal year ended December 31, 2004, there were no significant changes in the Registrant's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

It should be noted that while the Registrant's CEO and CFO believe that the Registrant's disclosure controls and procedures and internal control over financial reporting provide a reasonable level of assurance that they are effective, they do not expect that its disclosure controls and procedures or internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Registrant have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

NOTICES PURSUANT TO REGULATION BTR

There were no notices required by Rule 104 of Regulation BTR that the Registrant sent during the year ended December 31, 2004 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

AUDIT COMMITTEE FINANCIAL EXPERT

The Registrant's Board of Directors has determined that Robert Gilmore, Chairman of the Audit Committee, qualifies as an audit committee financial expert, as defined in Form 40-F, and is independent within the meaning of the corporate governance standards of the American Stock Exchange (the AMEX) applicable to the Registrant.

CODE OF ETHICS

The Registrant has adopted a written code of ethics, as that term is defined in Form 40-F (the Code), that applies to its President and Chief Executive Officer, the Chief Financial Officer, Controller and any other person performing similar functions with the Registrant. The Code includes, among other things, written standards for the Registrant's principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions that are required by the Commission for a code of ethics applicable to such officers. A copy of the Code is posted on the Registrant's website at www.eldoradogold.com.

No amendments to the Code were adopted during the year ended December 31, 2004. No waiver or implicit waiver, as such terms are defined in Form 40-F, were granted relating to any provision of the Code during the year ended December 31, 2004.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The fees paid by the Registrant to its independent auditor, PricewaterhouseCoopers LLP, for the years ended December 31, 2004 and December 31, 2003 are set forth below:

	Years ended December 31	
	2004	2003
	Cdn\$	Cdn\$
Audit:		192,000
	121,000	
Audit Related:		81,000
	33,000	

Tax	224,000	321,000
All Other Fees	--	--
Total	497,000	475,000

"Audit Fees" are the aggregate fees billed by PricewaterhouseCoopers LLP for the audit of the Registrant's consolidated annual financial statements, reviews of the Registrant's interim financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements.

"Audit-Related Fees" are fees charged by PricewaterhouseCoopers LLP for assurance and related services that are reasonably related to the performance of the audit or review of the Registrant's financial statements and are not reported under "Audit Fees." This category comprises fees billed for independent accountant review of the interim financial statements and MD&A, as well as advisory services associated with the Registrant's financial reporting.

"Tax Fees" are fees for professional services rendered by PricewaterhouseCoopers LLP for tax compliance, tax advice and tax planning on actual or contemplated transactions.

No fees were paid under the category "All Other Fees."

PRE-APPROVAL POLICIES AND PROCEDURES

All services to be performed by the Registrant's auditor must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditors' independence and has adopted a policy governing the provision of these services. This policy requires the pre-approval by the Audit Committee of all audit and non-audit services provided by the external auditor, other than any *de minimis* non-audit services allowed by applicable law or regulation.

Pre-approval from the Audit Committee can be sought for planned engagements based on budgeted or committed fees. No further approval is required to pay pre-approved fees. Additional pre-approval is required for any increase in scope or in final fees.

Of the total aggregate fees paid by the Registrant to its accountants during the year ended December 31, 2004, no fees were approved by the Audit Committee pursuant to the *de minimis* exception provided by Section (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

OFF-BALANCE SHEET ARRANGEMENTS

Information regarding off-balance sheet arrangements is included in the MD&A of the Registrant, which is filed as Document 5 and incorporated by reference in this report on Form 40-F.

CONTRACTUAL OBLIGATIONS

Contractual obligations of the Registrant filed as Document 6 and incorporated by reference in this report on Form 40-F.

IDENTIFICATION OF THE AUDIT COMMITTEE

The Registrant's Board of Directors has a separately-designated standing Audit Committee for the purpose of overseeing the accounting and financial reporting processes of the Registrant and audits of the Registrant's annual financial statements. As of the date of this annual report on Form 40-F, the members of the Audit Committee are Mr. Robert R. Gilmore, Mr. K. Ross Cory and Mr. Hugh C. Morris.

AMEX CORPORATE GOVERNANCE

The Registrant's common shares are listed on AMEX. Section 110 of the AMEX company guide permits AMEX to consider the laws, customs and practices of the foreign issuer's country of domicile in relaxing

certain AMEX listing criteria, and to grant exemptions from AMEX listing criteria based on these considerations. A company seeking relief under these provisions is required to provide written certification from independent local counsel that the non-complying practice is not prohibited by home country law. A description of the significant ways in which the Registrant's governance practices differ from those followed by domestic companies pursuant to AMEX standards is as follows:

Shareholder Meeting Quorum Requirement: The AMEX minimum quorum requirement for a shareholder meeting is one-third of the outstanding shares of common stock. In addition, a company listed on AMEX is required to state its quorum requirement in its bylaws. The Registrant's quorum requirement is set forth in its Memorandum and Articles. A quorum for a meeting of members of the Registrant is two persons present and being, or representing by proxy, members holding not less than 5% of the issued shares entitled to be voted at such meeting.

Proxy Delivery Requirement: AMEX requires the solicitation of proxies and delivery of proxy statements for all shareholder meetings, and requires that these proxies shall be solicited pursuant to a proxy statement that conforms to Commission proxy rules. The Registrant is a foreign private issuer as defined in Rule 3b-4 under the Exchange Act, and the equity securities of the Registrant are accordingly exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Exchange Act. The Registrant solicits proxies in accordance with applicable rules and regulations in Canada.

Shareholder Approval Requirements: AMEX requires shareholder approval when an equity compensation plan pursuant to which options or stock may be acquired by officers, directors, employees or consultants is materially amended. Under the Amex rules, a material amendment includes any increase in the number of shares to be issued under such plan other than to reflect a reorganization, stock split, merger, spinoff or similar transaction. Under the rules of the Toronto Stock Exchange (the TSX) in effect until January 1, 2005, shareholder approval was not required to increase the number of shares to be issued under an equity compensation plan where the increase in the number of shares reserved for issuance together with the number of reserves under all equity compensation arrangements could not exceed 10% of the issued shares or the issuance of shares under all equity compensation arrangements within a one year period could not exceed 10% of the issued shares and no insiders were eligible to participation in the arrangements. Shareholder approval was required for material amendments, including a reduction of the exercise price of options held by insiders. As of January 1, 2005, the TSX amended its rules to require shareholder approval for any increase in the number of shares to be issued under an equity compensation plan. Please see the Company's Management Information Circular dated March 22, 2005 for details of the Company's equity compensation plans.

The foregoing are consistent with the laws, customs and practices in Canada.

UNDERTAKING

Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Registrant filed an Appointment of Agent for Service of Process and Undertaking on Form F-X on November 5, 2004 with respect to the class of securities in relation to which the obligation to file the Form 40-F arises, which Form F-X is incorporated herein by reference.

DOCUMENTS FILED AS PART OF THIS REPORT

1. Annual Information Form of the Registrant for the year ended December 31, 2004
2. Supplement to the Glossary of Terms Included in the Annual Information Form of the Registrant for the year ended December 31, 2004.
3. The following audited consolidated financial statements of the Registrant, are exhibits to and form a part of this Report:
Auditors Report on Consolidated Financial Statements
Consolidated Balance Sheets as of December 31, 2004 and 2003;
Consolidated Statements of Operations and Deficit for the years ended December 31, 2004, 2003 and 2002;
Consolidated Statements of Cash Flows for the years ended December 31, 2004, 2003 and 2002;
Notes to Consolidated Financial Statements (which include reconciliation with United States generally accepted accounting principles).
4. Management Discussion and Analysis of Financial Conditions and Results of Operations
5. Contractual Obligations of the Registrant
6. Management's Proxy Circular dated March 22, 2005:

Statement of Compliance with TSX Corporate Governance Guidelines

Terms of Reference for the Board of Directors; the Directors; the Audit Committee and the Compensation Committee

EXHIBITS

- 99.1 Certificate of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 99.2 Certificate of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 99.3 Certificate of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 99.4 Certificate of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 99.5 Consent of PricewaterhouseCoopers LLP
- 99.6

- 99.7 Consent of Sergio Martins, MSc, Director Exploration & Geology, São Bento Mineracao S.A.
- 99.8 Consent of Norman S. Pitcher, Vice President, Exploration & Development, Eldorado Gold Corporation
- 99.9 Consent of Gary Giroux, B.A. Sc. (Geo. Eng.)
- 99.10 Consent of Watts Griffs & McOuat
- 99.11 Consent of Callum Grant, Hatch Associates, Independent Consultant
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SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

ELDORADO GOLD CORPORATION

Paul Wright

By: _____

Name:

Paul N. Wright

Title:

President and Chief Executive Officer

Date: March 30, 2005

Document 1 - Annual Information Form of the Registrant

ELDORADO GOLD CORPORATION

Suite 1188 550 Burrard Street

Vancouver, British Columbia V6C 2B5

Telephone: (604) 687-4018

Facsimile: (604) 687-4026

Website Address: www.eldoradogold.com

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2004

March 30, 2005

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PRELIMINARY NOTES

Incorporation of Financial Statements and MD&A

Incorporated by reference into this Annual Information Form (AIF) are the audited consolidated balance sheets of Eldorado Gold Corporation (Eldorado or the Company , us , we , our) as at December 31, 2004 and 2003 and consolidated statements of operations and deficit and cash flows of the Company for the years ended December 31, 2004, 2003 and 2002 together with the notes thereon, included in the Company s 2004 Financial Review. Also incorporated by reference in this AIF is the Company s management s discussion and analysis (MD&A) set out at pages 26 through 38 of the Company s 2004 Financial Review. All financial information in this AIF is prepared in accordance with Canadian generally accepted accounting principles (GAAP).

The Company prepares and files its AIF, consolidated financial statements and MD&A in United States (U.S.) dollars and in accordance with Canadian GAAP and reconciled to U.S. GAAP. The consolidated financial statements and MD&A are included with the Company s Management Proxy Circular and 2004 Financial Review and filed with Canadian regulatory authorities and are available at www.sedar.com under the Company s name. A copy of the Management Proxy Circular and 2004 Financial Review are available upon request.

Date of Information

All information in this AIF is as of March 30, 2005, unless otherwise indicated.

Forward-Looking Statements

Certain of the statements made may contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, which involve known and unknown risk, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties, which could cause actual events, or results to differ from those reflected in the forward-looking statements. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward looking statements. Specific reference is made to Narrative Description of the Business Risk Factors in this AIF and the factors discussed in the Prospectus dated November 5, 2004. Forward-looking statements in this release include statements regarding the expectations and beliefs of management. Such factors included, amongst others the following: gold price volatility; impact of any hedging activities, including margin limits and margin calls; discrepancies between actual and estimated production, between actual and estimated reserves, and between actual and estimated metallurgical recoveries; mining operational risk; regulatory restrictions, including environmental regulatory restrictions and liability; risks of sovereign investment; speculative nature of gold exploration; dilution; competition; loss of key employees; additional funding requirements; and defective title to mineral claims or property, as well as those factors discussed in the section entitled Risk Factors in this AIF and in the

Prospectus dated November 5, 2004. We do not expect to update forward-looking statements continually as conditions change and you are referred to the full discussion of the Company's business contained in the Company's reports filed with the securities regulatory authorities.

The terms Mineral Reserve, Proven Mineral Reserve and Probable Mineral Reserve referred to in the Company disclosure are Canadian mining terms as defined 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, Metallurgy and Petroleum (the CIM) CIM Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council on August 20, 2000, as may be amended from time to time by the CIM. These definitions differ from the definitions in the United States Securities & Exchange Commission (SEC) Industry Guide 7 under the Securities Act of 1933. 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.

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.

The terms Mineral Resource , Measured Mineral Resource , Indicated Mineral Resource , Inferred Mineral Resource used in the Company s disclosure are Canadian mining terms as defined in accordance with NI 43-101 under the guidelines set out in the CIM . Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

Currency And Exchange Rates

All dollar amounts in this AIF are expressed in U.S. dollars unless otherwise indicated. The revenue of the Company is derived primarily from the sale of gold, denominated in U.S. Dollars. The Company s costs are incurred in a variety of currencies, including the Canadian Dollar, the Brazilian Real, the Turkish Lira and the Chinese RMB. The Company's accounts are maintained in U.S. dollars.

The noon rate of exchange on March 29, 2005 as reported by the Bank of Canada, for the conversion of Canadian dollars into U.S. dollars was Cdn\$1.2136 per U.S.\$1.00 (Cdn.\$1.00 equals \$ 0.824).

The following table sets forth (i) the rate of exchange for the Canadian dollar, expressed in U.S. dollars, in effect at the end of the periods indicated, (ii) the average of exchange rates in effect on the last day of each month during such periods, and (iii) the high and low exchange rates during such periods, each based on the noon rate of exchange as reported by the Bank of Canada for conversion of Canadian dollars into U.S. dollars.

	Year Ended December 31,		
	2004	2003	2002
Rate at end of period	\$0.8309	\$0.7738	\$0.6339
Average rate for period	\$0.7684	\$0.7135	\$0.6368
High For Period	\$0.8494	\$0.7738	\$0.6618
Low for Period	\$0.7160	\$0.6350	\$0.6199

Metric Equivalents

For ease of reference, the following factors for converting Imperial measurements into metric equivalents are provided:

To convert from Imperial	To metric	Multiply by
Acres	Hectares	0.404686
Feet	Metres	0.304800
Miles	Kilometres	1.609344
Tons	Tonnes	0.907185
Ounces (Troy)/Ton	Grams/Tonne	34.285700

GLOSSARY

The following is a glossary of technical terms that appear in the discussion of the Company's business in this document:

adit

A passage driven horizontally into a mountainside providing access to a mineral deposit from the surface of the working of a mine.

Au

Gold.

Australasian Code

The Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves.

autoclave

The equipment used in an oxidation process in which high temperatures and pressures are applied to convert refractory sulphide mineralization into amenable oxide ore.

autogenous grinding

The grinding of ore without the use of media such as steel balls or rods.

back fill

Waste material used to fill and support the void created by mining an ore body.

banded iron

formation

A rock formation that shows pronounced banding of iron rich minerals and fine grained quartz. Where mineralized the formation contains sulfide and carbonate mineral.

CIL

A Carbon in leach. CIL is a recovery process in which a slurry of gold ore, carbon granules and cyanide are mixed together. The cyanide dissolves the gold which is then adsorbed on the carbon. The carbon is subsequently separated from the slurry, and the gold removed from the carbon.

classified tailings

Tailings material (sub-economic ground residue from mineral processing operations) which has been processed to remove fine grained solids to promote free drainage of water. Commonly used as underground fill material.

continued

A corporation formed under laws other than the federal laws of Canada may apply to be continued under the federal Canada Business Corporations Act (the CBCA) by applying for a certificate of continuance from the Corporations Directorate. Upon issuance of the certificate, such corporation becomes a corporation to which the CBCA applies as if the corporation had been incorporated under the CBCA.

crushing plant

A plant in which run-of-mine ore is physically reduced in size by mechanical crushing in order to improve the liberation of the gold particles for downstream recovery.

cut and fill

A method of stoping in which ore is removed in slices, or lifts, and then the excavation is filled with rock or other waste material known as back fill, before the subsequent slice is mined.

cyanidation

The process of extracting gold or silver through dissolution in a weak solution of sodium cyanide.

decline

An underground passageway connecting one or more levels in a mine, providing adequate traction for heavy, self-propelled equipment. Such underground openings are often driven in a downward spiral, much the same as a spiral staircase.

diamond drill

A type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock which is recovered in long cylindrical sections, an inch or more in diameter.

dilution

Waste material not separated from ore mined which was below the calculated economic cut-off grade of the deposit. Dilution results in increased tonnage mined and reduced overall grade of the ore.

dip

The angle which a geological structure forms with a horizontal surface, measured perpendicular to the strike of the structure.

doré

Unrefined gold and silver in bullion form.

flotation

A process by which some mineral particles are induced to become attached to bubbles and float, and other particles to sink, so that the valuable minerals are concentrated and separated from the host rock.

gangue

Minerals that are sub-economic to recover as ore.

grade

The weight of precious metals in each tonne of ore.

g/t

Grams of gold per metric tonne.

ha

Hectare.

heap leaching

The process of stacking ore in a heap on an impermeable pad and percolating through the ore a solution containing a leaching agent such as cyanide. The gold which leaches from the ore into the solution is recovered from the solution by carbon absorption or precipitation. The solution, after additions of the leaching agent, is then recycled to the heap to effect further leaching.

host rock

The body of rock in which mineralization of economic interest occurs.

HQ

Denotes specific diameter of core in diamond drill.

leach

Gold being dissolved in cyanide solution in heap leaching or in tanks in a processing plant (agitated leach, carbon in pulp, carbon in leach).

long hole open stope

A method of mining involving the drilling of holes typically up to 30 meters long into an ore body and then blasting a slice of rock which falls into an open space. The broken ore is extracted and the resulting open chamber is not filled with supporting material.

microns

0.000001 meters.

mill

A plant where ore is crushed and ground to expose metals or minerals of economic value, which then undergo physical and/or chemical treatment to extract the valuable metals or minerals.

millimeters

0.001 meters

Mine

An excavation in the earth for the purpose of extracting minerals. The excavation may be an open pit on the surface or underground workings.

mineral reserve

That part of a measured or indicated mineral resource which could be economically mined, demonstrated by at least a preliminary feasibility study that includes adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined. Mineral reserves are those parts of mineral resources which, after the application of all mining factors, result in an estimated tonnage and grade which, in the opinion of the qualified person(s) making the estimates, is the basis of an economically viable project after taking account of all relevant processing, metallurgical, economic, marketing, legal, environment, socio-economic and government factor. Mineral reserves are inclusive of diluting material that will be mined in conjunction with the mineral reserves and delivered to the treatment plant or equivalent facility. The term mineral reserve need not necessarily signify that extraction facilities are in place or operative or that all governmental approvals have been received. It does signify that there are reasonable expectations of such approvals. Mineral reserves are subdivided into proven mineral reserves and probable mineral reserves. Mineral reserves fall under the following categories:

proven mineral reserves

That part of a measured mineral resource that is the economically mineable part, demonstrated by at least a preliminary feasibility study that includes adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

probable mineral reserves

That part of an indicated and in some circumstances a measured mineral resource that is the economically mineable part demonstrated by at least a preliminary feasibility study that includes adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

mineral resource

A concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources fall under the following categories:

measured mineral***resource***

That part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

indicated mineral***resource***

That part of a mineral resource for which quantity grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

inferred mineral***resource***

That part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

mineralization

Rock containing minerals or metals of potential economic interest.

metallurgy

The science of extracting metals from ores by mechanical and chemical processes and preparing them for use.

open-pit mine

An excavation for removing minerals which is open to the surface.

ounce or oz

Troy ounce, equal to approximately 31.103 grams.

ore

A natural aggregate of one or more minerals which, at a specified time and place, may be mined and sold at a profit, or from which some part may be profitably separated.

oxide ore

Mineralized rock in which some of the original minerals, usually sulphide, have been oxidized. Oxidation tends to make the ore more porous and permits a more complete permeation of cyanide solutions so that minute particles of gold in the interior of the minerals will be readily dissolved.

oz/t

Troy ounces per short ton.

ramp

An inclined underground tunnel which provides access for mining or a connection between levels of a mine.

RC

Reverse Circulation.

recovery

A term, generally stated as a percentage, used in process metallurgy to indicate the proportion of valuable material obtained in the processing of an ore.

refractory material

Gold mineralized material in which the gold is not amenable to recovery by conventional cyanidation without any pre-treatment. The refractory nature can be either silica or sulphide encapsulation of the gold or the presence of naturally occurring carbon which reduces gold recovery.

run of mine

Pertains to the ore which has been mined but not crushed.

shaft

A vertical or sub-vertical passageway to an underground mine for moving personnel, equipment, supplies and material, including ore and waste rock.

short ton

Equal to 2,000 pounds, equivalent to 0.893 long tons or 907.185 kilograms.

shrinkage stoping

A method of stoping which utilises part of the broken ore as a working platform and as support for the walls.

stope

An underground excavation from which ore is being extracted.

strike

Azimuth of a plane surface aligned at right angles to the dip of the plane used to describe the orientation of stratigraphic units or structures.

sulphide ore

Ore containing a significant quantity of unoxidized sulfides.

tailings

The material that remains after all metals or minerals of economic interest have been removed from ore during milling.

tonne

A metric tonne, 1000 kilograms or 2,204.6 pounds.

waste

Barren rock in a mine, or mineralized material that is too low in grade to be mined and milled at a profit.

winze

A vertical or inclined shaft sunk from a point inside a mine.

ELDORADO GOLD CORPORATION

CORPORATE STRUCTURE

Eldorado Gold Corporation (the Company, Eldorado, us, we, or our) was incorporated by Memorandum of Association on April 2, 1992 under the *Companies Act* (Bermuda) under the name Eldorado Corporation Ltd. On April 23, 1996, Eldorado was continued under the *Company Act* (British Columbia) and changed its name to Eldorado Gold Corporation. On June 28, 1996, Eldorado was continued under the *Canada Business Corporations Act*. On November 19, 1996, pursuant to a plan of arrangement, Eldorado and HRC Development Corporation were amalgamated under the laws of Canada under the name "Eldorado Gold Corporation".

The Company's head and principal office is located at Suite 1188 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5. The Company, through its subsidiaries, also maintains administrative offices in:

Ankara, Turkey

Usak, Turkey

Izmir, Turkey

Beijing, China

São Bento Mine, Santa Barbara, Minas Gerais, Brazil.

The Company's registered and records office and address for service is care of its solicitors, Fasken Martineau DuMoulin LLP, Suite 2100 - 1075 West Georgia Street, Vancouver, BC Canada, V6E 3G2.

The Company's mining operation, the São Bento Mine is managed by a general manager as a decentralized business unit. Exploration and acquisition strategies, corporate financing, global tax planning, and metal and currency risk management programs are managed centrally. The Company's risk management programs are subject to central overview by the Board of Directors.

Eldorado owns its material assets through 11 subsidiaries. The particulars regarding the Company's subsidiaries are as indicated on the Company's organizational chart set out above. Unless the context otherwise requires, references to the Company, us,

NS Shares in the Company are 100% beneficially owned by Eldorado Gold Corporation or a wholly-owned subsidiary. 1% of the shares of the Company may be held by a nominee shareholder

we , our includes Eldorado Gold Corporation and each of its subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Eldorado, together with its subsidiaries, is engaged in the mining and processing of gold ore and the exploration for, and the acquisition and development of, gold-bearing mineral properties. Eldorado's business is presently focused in Brazil and Turkey. The Company's goal is to create a portfolio of low cost mining assets with a strong financial base.

Operations

From Jan 1, 2002 to February 28, 2005 the Company has invested US\$20.024 million in capital expenditures at its São Bento Mine in Brazil.

In August 2000, the Company entered into a letter of intent with AngloGold which confirmed the intention of Eldorado and AngloGold to enter into an agreement designed to further both parties' interests in and around the São Bento Mine and AngloGold's adjacent properties in the state of Minas Gerais, Brazil. On October 30, 2002 the Company entered into an agreement with AngloGold on terms and conditions prescribed in the letter of intent.

As of March 1, 2002, an agreement was signed which established the terms of an Option Agreement between the Company and Companhia Vale do Rio Doce (CVRD) whereby the Company was granted an option to purchase the Brumal property (located near the São Bento Mine) in its entirety following expenditure of \$1.5 million in a staged work program to be completed over 2.5 years. On March 3, 2003 the Company and CVRD terminated the Option Agreement.

On April 2, 2003 the Company announced its intention to deepen its shaft at São Bento (the Shaft Deepening Project). The shaft deepening project will deepen the shaft by approximately 370 meters, providing a bottom working elevation approximately 1,300 meters below surface at an estimated cost of US\$12 million and is being funded through internally generated cash flows from the São Bento Mine. The shaft deepening project began in the 2nd quarter of 2003 and completion is expected in August 2005. In 2004 we continued to advance our shaft-deepening project. The shaft-deepening project has created more challenging work conditions due to a high level of waste handling, poor ground conditions and the presence of a metabasite intrusive that intersects the ore body in the area scheduled for mining. We expect to complete the shaft-deepening project at the São Bento mine in the third quarter of 2005 and we expect to expand the mine's ventilation system.

The Company's 2004 exploration drilling program at the São Bento mine did not establish the continuity of the mineralization below the intrusive at the 34th level of the mine. Infill drilling above the intrusive in an area previously defined as probable reserve has resulted in a reduced estimate of reserves in this area. This loss of reserves has reduced the mine life of the São Bento operation which is now forecast to end in late 2007 or early 2008. We are pursuing the acquisition of additional ore reserves and/or mill feed in the immediate area to extend the life of the São Bento mine operations.

Turkey Development

Kisladag

Our key development property is the Kisladag project located in Usak Province, Turkey. We completed a Scoping Study on the property in 2000, a Prefeasibility Study in May 2001, an Addendum Report to the Prefeasibility Study in November 2001, an Updated Reserve Report in May, 2002, a Feasibility Study in March 2003 and Feasibility Cost Update, May 2004.

In 2003 Kisladag received two significant permits from the Turkish Government, the Environmental Positive Certificate (the Certificate) and the Establishment Permit. The acceptance of the Environmental Impact Assessment report and the issuance of the Certificate was a major achievement in

the permitting process and the receipt of the Establishment Permit provides approval for water use and effluent discharge plans, as well as defining the health protection zone and medical treatment facilities for the Kisladag Mine operation.

On April 1, 2003 we announced the results of the feasibility study for its 100% owned Kisladag Gold Project. The study prepared by Hatch Associates, Vancouver reported 4,532,000 ounces of proven and probable reserves. By the year-end, additional drilling efforts determined a 17% increase in reserves increasing proven and probable reserves to 5,310,900 ounces.

On July 29, 2003 we announced the results of the Optimization Study for its Kisladag Project. The Optimization Study, prepared by Hatch successfully demonstrated the opportunities to both improve the financial performance of the Kisladag Project and accelerate the expansion of the Kisladag Project to full production levels.

In April 2004, we acquired all the public and private land, updated the Feasibility Study to reflect 2004 projected costs, completed the permitting process and obtained all approvals from the Turkish authorities for constructing the Kisladag mine. In the fourth quarter, we began installing site services and completing two process water wells. In December, we began earthwork excavation for constructing the first phase of the leach pad. Kisladag mine construction is expected to be completed in the fourth quarter of 2005, with commissioning leading to startup as planned by the end of 2005. We expect the Kisladag mine to begin producing gold at an annualized rate of 164,000 ounces in its first year of operations, increasing in year two to 240,000 ounces. Cash operating costs are expected to be \$165 per ounce for a planned mine life of 14 years.

In 2004 certain litigation began by third parties against Tüprag and the Turkish Ministry of Forestry and Environment seeking to cancel the Kisladag Environmental Positive Certificate for Kisladag on the basis of an alleged threat to the environment. We are confident with both the methodology of the Environmental Impact Assessment (EIA) Report and Tüprag s compliance with all procedural steps taken in obtaining the Kisladag Environmental Positive Certificate. We continue to believe that ultimately such litigation shall be successfully defended.

Efemcukuru

As part of the EIA process for our Efemçukuru project a public meeting was held at the town of Efemçukuru on February 2, 2005 by the Turkish Ministry of the Environment to obtain input from local residents about our proposed mine. The meeting was well attended providing excellent dialogue with and input from the local residents. We will address the questions and concerns of local residents in our EIA study, which we are in the process of completing for submission to the Ministry of Environment in the 2nd quarter of 2005. Once we receive a positive certificate, we will prepare a Feasibility Study and continue obtaining the necessary permits to construct and operate the mine. We currently have the data we need to prepare the Feasibility Study, and we expect to complete it by the second quarter of 2006. Our development schedule for the Efemçukuru project, following approval of the EIA, anticipates that the mine will begin producing gold in late 2007.

In 2004 certain litigation continued to be ongoing by third parties against Tüprag and the Turkish Ministry of Energy and Natural Resources seeking to cancel the mineral license for the Efemçukuru project on the basis of an alleged threat to the water quality in the environment. In the course of the litigation against the Ministry and Tüprag concerning the Efemçukuru project, a lower administrative court has issued an injunction which, while in effect, would bar the commencement of mining activities at the Efemçukuru project. We are confident that we will prevail in the case when it is heard in the higher courts. It is not anticipated that a delay in the overall project will occur as a consequence of the legal proceedings. Permitting activities are continuing.

Exploration

Turkey

Kaymaz

In 2003, the Company wrote-down its Kaymaz Gold Project (Kaymaz) from US\$4.275 million to nil as at present Kaymaz is no longer technically viable as an onsite mine and gold recovery operation.

In 2004 our exploration activities in Turkey centered on three areas: the Western Pontides, the Demir Joint Venture and the Biga Peninsula. In the Western Pontides, we control 145,200 hectares in 42 exploration licenses that are 100% owned by our subsidiary, Tüprag. The targets in this area are large, bulk tonnage, high sulfidation-type precious metal systems and low sulfidation-type precious metal vein systems. In 2004, we undertook a range of activities including mapping and sampling to provide drill targets for the year ahead. Our 50/50 Demir Joint Venture consists of 27 licenses covering a total of 58,642 hectares. This property, discovered during a reconnaissance program in 2001 and 2002, includes a porphyry-style gold-molybdenum-copper deposit that has alteration styles similar to those at Kisladag. In 2004, we completed the permitting and construction of six kilometers of roads through the center of the anomaly for mapping, sampling and drill access. Results from the sampling will guide our drill program for 2005. In the Biga Peninsula area of western Turkey, we control 25 exploration licenses covering 38,244 hectares. Reconnaissance work will continue in 2005 and we may carry out additional drilling.

Brazil

In 2004, we pursued several exploration opportunities and obtained mineral licenses on two properties in northern Brazil's Amapa State and another in Rio Grande do Norte State.

Our land position at Amapa State totals 120,000 hectares and our work program in 2004 focused on geologic mapping, stream and soil sampling and geophysics to define drill targets. These properties host large geochemical gold anomalies as well as artisanal gold mining, in the same rock formations that host major deposits in Venezuela, Surinam and Guyana.

In Rio Grande do Norte State results from a 4 hole exploration program in the Bonfim area were negative, and the property was subsequently dropped.

In February 2005 Eldorado contracted Amec Americas to examine the viability of the Piaba project in North East Brazil. This project is 50% held by Eldorado and hosts a significant resource in weathered and fresh rock. The purpose of the study is to allow Eldorado to make an informed decision on whether further work is warranted on the project given current gold prices.

China

In October 2003 the Company signed an agreement with the China National Gold Group Corporation (CNGC) for the exclusive right to review their portfolio of operating mines, development projects and exploration projects for a period of 5 months. The Company continues with this review which has been expanded to include joint reviews of other identified opportunities in China external to CNGC. Subsequent to the fiscal year-end the parties have agreed to extend this period of review to May 31, 2004. A further extension of our agreement with CNGC terminated on August 31, 2004.

On January 11, 2005, we signed a Memorandum of Understanding with Shandong Gold Corporation (Shandong) outlining possible joint ventures on one advanced exploration property and two development projects. Shandong is a publicly traded company listed on the Shanghai Exchange with

assets in excess of \$362 million. Shandong's revenue is derived from the production and sale of gold, silver, sulfur concentrate ore and gold & silver jewelry. Located in eastern China's Shandong Province, China's largest gold producing region claiming approximately a quarter of China's total gold production and 60% of the domestic industry's total gold profits, they produced approximately 150,000 ounces of gold in 2004 from two underground mines. On November 21, 2004 Shandong signed an acquisition agreement for its third underground mine. The acquisition was approved by their shareholders on December 28, 2004.

Finance

On February 15, 2002, the Company completed a private placement financing (the February 2002 Financing) of 59,523,810 special warrants (the February 2002 Warrants) at Cdn\$0.42 per special warrant. Each special warrant entitled the holder to acquire one common share of the Company. The final prospectus of the Company in respect of the February 2002 Financing was received by the British Columbia, Alberta, Ontario and Quebec Securities Commissions on May 14, 2002.

Prior to May 31, 2002 the Company was a party to a credit agreement with NM Rothschild & Sons Limited (NMR). Since the inception of the credit facility (the ARCA) with NMR in September 1996 the Company entered into various amendments to ARCA and paid down its long term debt to NMR eliminating the debt on May 31, 2002.

The profitability of the Company's operations is significantly affected by changes in the gold price. The gold price can fluctuate widely. Prior to May 31, 2002 the Company was involved in hedging activities that protected the Company from the fluctuations of the price of gold and minimise the effect of declines in gold prices on results of operations for a period of time. On May 31, 2002, the Company's hedging requirement under its credit agreement with NM Rothschild was eliminated. On November 25, 2002, the Company's hedge book was eliminated.

On December 23, 2002, the Company completed a financing (the December 2002 Financing) of 28,750,000 units (the Units) at Cdn\$1.60 per Unit. Each Unit entitled the holder to acquire one common share of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of Cdn\$2.00 until December 23, 2003. Each whole warrant was exercisable to acquire one common share of the Company at Cdn\$2.00 for one year. The final prospectus of the Company in respect of the December 2002 Financing was received on December 16, 2002.

On January 10, 2003, the United States Securities & Exchange Commission declared the Company's registration statement on Form 40-F effective.

On January 23, 2003, the Company's Common Shares began trading on the American Stock Exchange under the symbol EGO.

On March 21, 2003, the Company was added to the S&P/TSX Composite Index and the Global Industry Classification Standard Sector Material, Gold.

On August 25, 2003, the Company completed a financing of 25,000,000 units at a price of Cdn\$3.10 per unit with a syndicate of underwriters for gross proceeds of Cdn\$77,500,000 (\$55,320). Net proceeds after payments of all expenses relating to the offering were Cdn\$73,999,000 (\$52,822). Each unit consisted of one common share in the capital of the Company and one-half of one common share purchase warrant. The Warrants were issued pursuant to a Warrant Indenture dated August 25, 2003 between the Company and Computershare Trust Company of Canada. Each warrant entitles the holder thereof to acquire one common share at a price of Cdn\$4.10 until August 25, 2004. On August 16, 2004, pursuant to a supplemental warrant indenture, the warrants were extended to expire on August 25, 2005.

On September 29, 2003 the Company eliminated its outstanding Convertible Debenture debt leaving the Company in a debt-free position.

On November 12, 2004, the Company completed a financing of 20,700,000 shares at a price of Cdn\$3.75 per share with a syndicate of underwrites for gross proceeds of Cdn\$77,625,000 (\$65,083). Net proceeds after payments of all expenses relating to the offering were Cdn\$74,103,000 (\$62,140).

NARRATIVE DESCRIPTION OF THE BUSINESS

The Company operates the 100% owned São Bento mine Santa Barbara, Minas Gerais, Brazil. The Company's gold production is derived from the São Bento Mine.

Production and Operating Summary

The following table summarizes certain production and operating information relating to the Company's São Bento Gold Mine for each of the years indicated:

Production and Operating Information

Year	Ore Tonnes	Grade (g/t)	Recovery (%)	Production (ozs.)	Operating Cash Costs (1)	Total Production Costs (2)
					\$	\$
2004	366,729	8.40	89	82,024	294	358
2003	374,130	9.13	92	95,049	234	364
2002	381,295	9.47	93	103,533	184	282
2001	417,609	9.13	91	102,841	216	306
2000	525,893	7.95	93	112,950	195	270
1999	540,014	8.18	92	126,581	184	251
1998	467,215	7.60	93	108,572	250	324

(2)

Calculated in accordance with the Gold Institute Production Cost Standard, pursuant to which total production costs comprise total cash costs (operating cash costs plus royalties) plus depreciation, depletion and reclamation provisions.

Reserves and Resources Summary

A qualified person, as defined in National Instrument 43-101, has verified the technical data disclosed herein relating to the São Bento, Kisladağ and Efemcukuru properties. The names of and other information relating to the persons who made the reserve and resource estimates, their relationship to the Company and qualifications are listed below:

São Bento Mine, Brazil

Name:	Sergio Martins	Company:	São Bento Mineração S.A
Position:	Geology Manager	Relationship:	Employee of a subsidiary of the Company
Qualification:	M.Sc. (Geo. & Mineral Resources)		
	Member of the Ass. of P. Geologist of Brazil, Society of Economic Geologists of U.S.		

Name: Norm Pitcher Company: Eldorado Gold Corporation
 Position: Vice President Relationship: Senior Officer of the Company
 Exploration &
 Development

Qualification: P.Geo

Professional Engineers
 and Geoscientists of
 British Columbia

Kisladag Project, Turkey

Name: Gary Giroux Company: Micon International Limited
 Position: Associate Relationship: Independent Consultant
 Qualification: B.A. Sc., (Geo. Eng.),
 M.A. Sc., (Geo. Eng.)

Member of the Ass. of
 P.Eng and Geoscientist
 of B.C.

Name: Callum Grant Company: Hatch Associates Ltd.
 Position: Associate Relationship: Independent Consultant
 Qualification: B.Sc. Geology Honors,

M.Eng.Member of
 P.Eng. & Geoscientists
 of B.C.

Member of P.Eng. of
 Ontario

Efemçukuru Project, Turkey

Name: Gary Giroux Company: Micon International Limited
 Position: Associate Relationship: Independent Consultant
 Qualification: B.A.Sc., (Geo. Eng.)

M.A. Sc., (Geo. Eng.)

Member of Ass. of
P.Eng. and
Geoscientists of B.C.

Proven and probable reserves, calculated as of December 31, 2004 for São Bento and Kisladag and December 31, 2000 for Efemçukuru, have been derived from Measured and Indicated Resources and are based on a gold price of U.S.\$375/oz for Sao Bento, US\$350 for Kisladag and US\$325/oz. for Efemcukuru. Cut off grade for the deposits are based on the assumptions for plant recovery, gold value, mining dilution and recovery, along with operating and capital costs projections that are based on the historical production figures. Estimated reserves and resources may have to be recalculated based on actual production or exploration results. Market price fluctuation of gold, as well as increased production

costs or alteration in recovery rate may render the proven and probable reserves unprofitable to develop at a particular property or for a specific mine.

Reserves

The Company has estimated proven and probable mineral reserves for the São Bento Mine and for its Kisladag and Efemçukuru development projects. Except as noted, all reserves are calculated in accordance with National Instrument 43-101. The estimate of the Company's proven and probable reserves for São Bento and Kisladag (as set forth in the table below) was calculated as at December 31, 2004 and was based on a gold price of US\$375 per ounce for São Bento and US\$350 for Kisladag and at cut-off grades as set out below. Our 2004 exploration drilling program (2,791 meters of in-fill drilling and 17,612 meters of exploration drilling) at the São Bento mine did not establish the continuity of the mineralization below the intrusive at the 34th level of the mine. Infill drilling above the intrusive in an area previously defined as probable reserve has resulted in a reduced estimate of probable reserves in this area. This loss of reserves has reduced the mine life of the São Bento operation which is now forecast to end in late 2007 or early 2008. In May 2004 the Kisladag mine plan was revised to reflect operating cost changes which resulted in a marginal decrease in reserves of 249,000 ounces. The Company's estimate of its proven and probable reserves for Efemçukuru was calculated as at December 31, 2000 and are based on a gold price of \$325 per ounce and a cut-off grade as set out below.

The cut-off grades used in the reserve estimations are listed below:

São Bento:

4.50 g/t

Kisladag: Oxide

0.35 g/t

Primary

0.50 g/t

Efemçukuru:

6.00 g/t

Proven and Probable Reserves

Mine or Project	Ownership	Location	Tonnes (x1000)	Grade (g/t)	Contained Ounces (x1000)	
São Bento mine (Dec 31, 2004)	100%	Brazil	Proven:	315	9.40	95
			Probable:		7.85	212
				839	8.27	307
			Total:	1,154		
Kisladag Project (Dec 31, 2004)	100%	Turkey	Proven:	54,008	1.25	2,170
			Probable:		1.11	2,891
				81,012	1.16	5,062
			Total:	135,020		
Efemçukuru Project (Dec 31, 2000) ⁽¹⁾	100%	Turkey	Proven & Probable:	1,856	13.14	784
			Total:			
Total:			Proven:	54,323	1.30	2,266
			Probable:	83,707	1.44	3,877
			Total:	138,030	1.39	6,153

(1) Reserve estimates for Efemçukuru have not been updated and were made before NI 43-101 came into force and have not been revised in accordance with NI 43-101.

Reconciliation of Reserves in Ounces

The following table provides a reconciliation of the Company's mineral reserves after gold production for 2004.

Mine	Reserves December 31, 2003	Recovered in 2004 (X1000)	Other Increase (Decrease) in Reserves 2004	Reserves December 31, 2004 (X1000)
-------------	---	--	---	---

	(X1000)		(X1000)	
São Bento mine (oz)	506	99	100	307

Resources⁽¹⁾

The following table sets forth the measured, indicated and inferred mineral resources for São Bento and certain of the Company's development and exploration projects as at the date noted and based on a gold price and cut-off grade as set out below. Except as noted, all resources are calculated in accordance with NI 43-101. These resource estimates include the estimated reserves disclosed above.

		Tonnes (X000)	Grade g/t	Contained Ounces (X000)	
<u>São Bento Mine</u> , ⁽²⁾					
Brazil	Measured:	332	12.78	136	
100% owned	Indicated:	672	11.21	242	
	Inferred:	257	11.20	379	
(December 31, 2004)	Measured:	59,081	1.23	2,336	
<u>Kisladag</u> ,	Cut off grade:	6.4 g/t		4,856	
Turkey	Gold Price:	\$335.00	0.97		
<u>Efemçukuru</u> , ⁽³⁾	Indicated:	665	15.11	1,097	
100% owned	Inferred:	45,500	0.75 13.94	525	
Turkey	Inferred:	552	12.07	214	
(December 31, 2003)	Cut off grade:	0.4 g/t			
100% owned	Cut off grade:	8.0 g/t			
	Gold Price:	\$350.00			
(December 31, 2000)	Gold Price:	\$325			
<u>Kaymaz</u> , ⁽³⁾					
Turkey	Measured & Indicated: ⁽³⁾				
100% owned		1,086	6.25	218	
(December 31, 2000)	Cut off grade:				
	Gold Price:	2.0g/t			
		\$350.00			
<u>Küçükdere</u> , ⁽³⁾					
Turkey	Measured & Indicated: ⁽³⁾		1,276	6.43	264
100% owned			2.0g/t		
(December 31, 2000)	Cut off grade:		\$350.00		
	Gold Price:				
<u>Piaba</u> ⁽³⁾⁽⁴⁾					
Brazil	Measured & Indicated: ⁽³⁾		6,273	1.27	256
			4,322	1.28	178

(December 31, 2000) Inferred: 2.0g/t
\$350.00
Cut off grade:
Gold Price:

(1)

Mineral resources which are not mineral reserves do not have demonstrated economic viability.

(2)

The mineral resource estimates were prepared by the Company for São Bento and certain of the Company's development and exploration projects.

(3)

Resource estimates for Efemçukuru, Kaymaz and Küçükdere and Piaba have not been updated and were made before NI 43-101 came into force and have not been revised in accordance with NI 43-101.

(4)

Reflects Eldorado's 50% interest.

OPERATIONS

The São Bento Mine

The Company owns one operating mine: the São Bento Mine located near Belo Horizonte, Minas Gerais, Brazil.

This property is the subject of independent reports (the São Bento Reports) Review of Ore Reserves and Metallurgical Operations at São Bento Mineração, Brazil prepared by Watts Griffis & McOuat and dated February 5, 1996, an independent report Review of Operations at São Bento Mineração, Brazil prepared by Watts, Griffis & McOuat and dated May 13, 1996, an Addendum to Review of Operations

at São Bento Mineração, Brazil prepared by Watts, Griffis & McOuat and dated April 27, 2000, revised May 10, 2000 and an Addendum to A Review of Operations at São Bento Mineração Brazil prepared by the Company, dated April 15, 2002, revised April 30, 2002 (collectively, the Reports). Copies of the Reports are available at www.sedar.com under the Company's name. The full Reports should be reviewed in order to put the following discussion in context.

Ownership Interest

The Company owns 100% of the São Bento mine through its various subsidiaries, including its wholly-owned Brazilian subsidiary São Bento Mineração S.A. The mine site covers an area of 800 hectares and consists of one mining concession. A single contiguous mining concession of 1,221 hectares, also owned 100% by São Bento Mineração S.A., adjoins the northeastern boundary of the mine site.

Location, and Access

The São Bento mine is located in the municipality of Santa Barbara, Minas Gerais State, Brazil, approximately 110 kilometers by road east of Belo Horizonte, the state capital, and 375 kilometers north of Rio de Janeiro. The mine site is accessed by good paved roads and a rail line services the two cities.

Acquisition

The São Bento Mine was acquired from Gencor Limited on July 4, 1996, as part of a portfolio of assets located in Brazil and Turkey.

History

The area around the São Bento mine has been worked for gold intermittently since the 1860s. The mine was operated by various companies until 1947. Gencor acquired the São Bento mine in the 1970s and, in July 1984, decided to develop the São Bento mine in two phases. The first phase, with a process capacity of 20,000 tonnes per month using an internal winze system to access the ore body, was completed in late 1986. The winze system was later replaced by inclines capable of handling 35,000 tonnes per month of ore and waste. The second phase began in 1988 and consisted of sinking a vertical shaft and doubling the capacity of the grinding and oxidation circuits in the processing plant. Gencor installed a one-tank BIOX® pilot plant in 1991 and a second BIOX® tank in February 1995. In July 1996 the Company acquired, from Gencor, the São Bento mine. In 1998 an optimization and expansion program was completed, operations became more mechanized, converting to trackless long-hole sub-level mining.

Geology and Mineralization

The São Bento mine is situated in the Quadrilátero Ferrífero (Iron Quadrangle) of Minas Gerais State. The stratigraphy is comprised of volcanic rocks, chemical sediments and pelitic sediments all of which have been subjected to greenschist metamorphism. The lithologies are typical of greenstone belts in Africa, Australia and Canada and are dated as Archean in age.

The formations have been strongly folded along northeast trending axis. Dips are steep, generally in the range of 45-50°. Mineralization at the São Bento mine is restricted to a sequence of chemical and fine-grained sediments and tuffs of the Nova Lima Group. Four formations have been identified on the property: the Carrapato Formation; the Lower Iron Formation; the Basal Iron Formation; and the São Bento Formation. Gold mineralization is localized in the Basal Iron Formation.

On the basis of lateral lithologic variations, the Basal Iron Formation is subdivided along strike into three portions: Orebody No. 1; Orebody No. 2; and the São Bento/Pinta Bem or Orebody No. 3. The Basal Iron Formation has its greatest thickness in the Orebody No. 1 area where it is approximately 35 meters thick and at least six periods of gold/sulphide mineralization are evident. The ore zone is distinctly banded and consists of alternating layers of sulphide and iron carbonates. Gold occurs in close association with sulphides and may be free, on crystal boundaries, or enclosed in sulphide grains. Grain sizes of the host rock minerals and sulphides range from 0.5 to 5.0 millimeters and gold grains range from 1 to 250

microns with an average of 70 microns. The ratio of sulphur to gold is consistent in the range of 0.62 to 0.64 and ore zones exhibit very uniform average gold content. Below the mine's 26 level horizon a meta basaltic dike dipping at approximately 42 degrees bisects the BIF from foot wall to hanging wall. A zone of fragmentation is encountered local to the intrusive with localized flattening of the BIF dip angle. Below this horizon drilling has identified continuation of the BIF structure and mineralization subdivided into lower and upper ore zones which have been traced down to the 30 level boundary pillar.

Mining

The São Bento mine is an underground mine accessed by an adit on level 11 and a vertical shaft which services the surface, level 11 and levels 17 to 23. The vertical shaft is used to hoist ore and waste to the surface and to deliver workers and materials to level 17 and below. In its current configuration, the vertical shaft hoisting capacity is approximately 100,000 tonnes per month. A twin ramp system accesses the orebody between the 21 and 25 levels reverting to a single ramp beyond 25 level.

The predominant mining method at São Bento is long hole open stoping. The ore is hauled with diesel trucks on levels below the 23rd level up to the 23rd level. The São Bento mine employs 804 workers. The mine and plant operate seven days per week 24 hours per day. Projected mine life based on existing reserves and planned gold production will be approximately three years.

The processing plant at São Bento is a conventional grinding and milling operation using an autogenous mill. Once the ore is milled, it goes to a flotation unit where the concentrate of sulphides containing gold is separated from the tailings. This concentrate is then forwarded to an oxidation process through three biooxidation reactors using the BIOX® process and/or through two autoclaves. Gold is recovered in a six-stage CIL circuit to produce doré. The processing plant has a current design capacity of 40,000 tonnes per month and gold recovery is approximately 92%. Tailings are classified to produce a sand product used for underground backfill and the final tailing is sent to the tailings impound area. Production in 2004 was 82,024 ounces of gold at a cash cost of \$294 per ounce.

Recent Mine Developments

Overhaul of the #1 Autoclave was scheduled and completed during the 1st Quarter 2003.

In the 2nd Qtr. 2003 the Company received an unconditional renewal of the Operating License from the State Environmental Agency (FEAM).

In the 2nd Quarter 2003 the Company initiated preparations for the 5.2 meter diameter concrete lined shaft to be deepened by approximately 370 meters at an approximate cost of \$12.0 million. The shaft deepening is designed to provide a bottom working elevation approximately 1,300 meters below surface of the mine's 28th level. The estimated cost of the shaft deepening project is \$12.0 million and is being funded through internally generated cash flows from

the São Bento Mine. In 2004 we continued to advance the shaft-deepening project which will be completed in August 2005. The shaft-deepening project has created more challenging work conditions due to a high level of waste handling, poor ground conditions and the presence of a metabasite intrusive that intersects the ore body in the area scheduled for mining.

The 2004 exploration drilling program of 2,791 meters of infill drilling and 17,612 meters of exploration drilling did not establish the continuity of the mineralization below the intrusive at the 34th level of the mine. Infill drilling above the intrusive in an area previously defined as probable reserve has resulted in a reduced estimate of probable reserves in this area. This loss of reserves has reduced the mine life of the São Bento operation which is now forecast to end in late 2007 or early 2008. We are pursuing the acquisition of additional ore reserves and/or mill feed in the immediate area to extend the life of the São Bento mine operations.

In 2004 higher cash costs per ounce were driven by lower production levels. Production was negatively impacted by the high level of waster handling, poor ground conditions and the presence of the metabiste

intrusive that intersects the orebody in the area scheduled for mining. The intrusive altered the local mineralogy of the ore, which caused higher oxygen and cyanide consumption.

Capital Expenditures

The Company incurred US\$9.0 million in capital expenditures on the São Bento mine in 2003 and US\$5.7 million in capital expenditures on the São Bento mine in 2004. Anticipated capital expenditures for 2005 are US\$9.0 million including the shaft deepening capital expenditures. Funding for these expenditures will come from internally generated cash flows from operations.

Safety

On March 16, 2003 a fatality occurred as a result of a fall of ground. Mine management continues to work with the Ministry of Labor to focus on efforts to improve worker awareness and safe work practices to establish a safe working environment throughout the mine. The incident rate of lost time accidents to date compares favourably with the average for similar underground operations in Ontario.

Minesite Exploration

Current minesite exploration efforts in 2005 will focus on converting inferred resources into the measured & indicated resource category.

Data Verification

The original data including drill hole logs assay results have been reviewed by Norman Pitcher, P.Geo, a qualified person under NI 43-101 and the Vice President, Exploration and Development for the Company and by Sergio Martins, Director, Exploration and Geology of Sao Bento. No irregularities were found.

Associated Projects

On October 30, 2002 the Company completed an agreement with AngloGold under the basic terms of a the letter of intent signed in August 2000, including the following:

1)

The Company, through its wholly owned subsidiary, São Bento Mineração S.A. was granted a mining lease under which it will have the right to explore, develop and mine any reserves it discovers down dip beyond the 30th level, its existing property boundary with AngloGold. In exchange, a net smelter royalty on the production from gold recovered from AngloGold properties will be paid to AngloGold according to a graduated scale ranging from 0.5% at a gold price less than \$275 per ounce to a maximum of 4.0% at a gold price of \$399 per ounce or greater.

2)

AngloGold will be granted an option valid for a period of 3 years, providing AngloGold with the rights, in the event that a mining operation is developed on its adjacent properties, to access any surplus capacity at the São Bento plant

and to expand the plant at AngloGold's sole cost and without disruption to the Company's operations. Operating costs for the plant would be borne by both companies *pro rata* according to their proportionate planned and actual use of the facility. In addition to sharing in any unit cost savings from utilizing an expanded plant, Eldorado will receive a net smelter royalty based on the same graduated scale as AngloGold's royalty and payable on all gold produced from the AngloGold property that is processed through the Eldorado facility.

Following the finalization of the agreement with AngloGold, the Company successfully executed an extensive definition and exploration drilling program totalling in excess of 17,500 meters, designed to both increase reserves and extend the resource base. Subsequently the Company announced its intention to deepen the shaft at Sao Bento to provide a bottom working platform approximately 1300 meters below surface at the 28th level.

In the 2nd Quarter 2003 the Company initiated preparations for the 5.2 meter diameter concrete lined shaft to be deepened by approximately 370 meters at an approximate cost of \$12.0 million. The shaft deepening is

designed to provide a bottom working elevation approximately 1,300 meters below surface of the mine's 28th level. The estimated cost of the shaft deepening project is \$12.0 million and is being funded through internally generated cash flows from the São Bento Mine. In 2004 we continued to advance the shaft-deepening project which will be completed in August 2005.

An Option Agreement signed as of March 1, 2002 established the terms between the Company and Companhia Vale do Rio Doce (CVRD) whereby the Company was granted an option to purchase the Brumal property in its entirety following expenditure of \$1.5 million in a staged work program to be completed over 2.5 years. Upon successful completion of the \$1.5 million work program and exercise of the option, purchase of the property would occur through the payment of \$5.0 million in four instalments commencing at the time of exercising the option to purchase and with the final payment coinciding with the second anniversary of commercial production. Under the agreement, gold production at the São Bento mine from the Brumal ore in excess of 500,000 ounces will be subject to a Net Smelter Royalty paid to CVRD according to a graduated scale ranging from 1% at a gold price of less than \$300 per ounce, to a maximum of 4% at a gold price greater than \$400 per ounce. The drill program was designed to confirm and extend the mineralization within the Banded Iron Formation. Drilling commenced in March 2002 and a total of 3,069 meters of were completed for a expenditures of \$241,000. The drilling program failed to determine the continuity of the mineralization and the Company and CVRD terminated the agreement on March 3, 2003.

Our 2004 exploration drilling program at the São Bento mine did not establish the continuity of the mineralization below the intrusive at the 34th level of the mine. Infill drilling above the intrusive in an area previously defined as probable reserve has resulted in a reduced estimate of probable reserves in this area. This loss of reserves has reduced the mine life of the São Bento operation which is now forecast to end in late 2007 or early 2008. Based upon drilling results and the impact on reserves we have charged certain development costs of \$8.07 million to operating costs in 2004. We are pursuing the acquisition of additional ore reserves and/or mill feed in the immediate area to extend the life of the São Bento mine operations.

DEVELOPMENT PROJECTS

All of the Company's current development projects are located in western Turkey. Although the history of gold mining in Turkey predates Roman times, production of gold in modern times began in 2001 with the start up of the Ovacik mining operation located in Izmir province. Considerable potential for gold exploration and production exists in Turkey.

Turkey Projects

A substantial mining industry supported by a well-developed infrastructure exists throughout Turkey. Mineral production is dominated by industrial and base metal sectors operated by both domestic and foreign mining companies.

The process of obtaining the necessary permits for a mining operation in Turkey is similar to that in other developed countries. In the past, the first permit required to initiate an industrial project in Turkey is the Site Selection Permit. This permit is intended to establish the legal right of the land or concession owner to proceed with development of an industrial or commercial project. A review of the project scope is carried out by a number of local, provincial and federal government agencies to determine if conflicting land use issues exist in the project area, or may develop in the future. Approval is obtained from each agency prior to issuing the Site Selection Permit. Environmental baseline and impact studies follow receipt of the Site Selection Permit. The Environmental Impact Assessment study marks the second major step in the permitting process, culminating in the issuance of an Environmental Positive Certificate, which precedes application for the remaining technical permits.

Changes to the permitting process in 2002 no longer require receipt of the Site Selection Permit prior to approval to carry out the Environmental Impact process. The changes apply to permitting applications lodged after the gazetted date of the changes.

While certain time constraints apply to different permit applications there is no overall timeline that defines the total duration of the permitting process.

Kisladag Project, Turkey

This property is the subject of the independent reports (the **Kisladag Reports**) Estimation of Resources, Kisladag

Project, Turkey , dated October 1999, Addendum to October 1999 Report titled Estimation of Resources, Kisladag Project dated May 15, 2000, and Update of Resources, Kisladag Project, Usak, Turkey dated October, 2000 and Amended November, 2000 and January, 2001 (all prepared by Micon International); Kisladag Gold Project Pre-Feasibility Study dated May 2001 and Kisladag Gold Project Pre-Feasibility Study Addendum December, 2001 (prepared by Kilborn Engineering Pacific); and Updated Reserve Report for the Kisladag Gold Project Western Turkey dated April 18, 2002, revised May 9, 2002 (prepared by Micon International) and a Feasibility Study, March 2003 (prepared by Hatch & Associates)

Limited), the Kisladag Optimization Study , July, 2003 (prepared by Hatch & Associates) and the Feasibility Cost Update , May, 2004 (prepared by Hatch & Associates). The reports are available at www.sedar.com under the Company's name. The above mentioned reports should be reviewed in order to put the following discussion in context.

Property Description

The Kisladag Project land position consists of one pre-operating licenses, numbers IR 7302 having a total area of 15,717 ha. Mineral licenses are granted for an indefinite period of time assuming license fees are made in a timely manner.

Ownership Interest

The Company owns a 100% interest in the Kisladag project through its wholly-owned Turkish subsidiary Tüprag Metal Madencilik Sanayi Ve Ticaret Limited Sirketi (Tüprag).

Location, Climate and Access

The project is located in Western Turkey in Uşak Province, 35 km. southwest of the city of Uşak and 180 km. from the Aegean port city of Izmir. The terrain is of rolling hills with elevations ranging from 900 to 1200 meters. The area has warm dry summers and cool winters. The average temperature is 14°C with a maximum of 40°C and minimum of -3°C. The annual rainfall is 425 mm with most of the rain falling between November and March. There are a number of small villages within the concession area where the people are engaged in marginal farming of wheat from non-irrigated lands and the grazing of domestic livestock. All-season access to the Kisladag project is provided by paved highways and roads.

Acquisition

The Kisladag property was acquired from Gencor Limited on July 4, 1996, as part of a portfolio of assets located in Brazil and Turkey.

Geology and Mineralization

The Kisladag project is located in one of several mid to late Tertiary volcanic complexes in western Turkey, related to subduction along the Hellenic Trench southwest of Turkey. In the Kisladag region the volcanoes erupted onto a basement of schist at the northeast margin of the Menderes Massif.

Gold mineralization at the Kisladag project is hosted by a number of latitic intrusive bodies. Exploration conducted by the Company has outlined two alteration zones on the Kisladag project. The Gökgöz Tepe alteration zone covers approximately 12 square kilometers. At Gökgöz, a coarsely porphyritic latite is host to the bulk of the gold mineralization and has undergone extensive and intensive hydrothermal alteration. An early potassic phase of alteration has been recognized which is overprinted by later quartz-tourmaline and advanced argillic alteration. Gold mineralization forms an annular zone around a later weakly mineralized stock of similar composition. Gold is associated with multiple phases of tourmaline-pyrite, pyrite and quartz-pyrite veining and brecciation and is accompanied by small amounts of base metals, principally zinc and molybdenum. Oxidation in the deposit is shallow over the barren intrusive but extends to depths of 40 to 50 meters to the west and east. Limonite is the most abundant oxide mineral, usually occurring along fractures in thin colloform layers and in disseminated patches around weathered pyrite.

The Sayacik alteration zone is located six kilometers southwest of Gökgöz Tepe and covers approximately six square kilometers. Moderate to strong silicification occurs for approximately 1.5 kilometers in andesitic tuffs. Quartz barite veinlets cutting the tuff contain up to 100 parts per million silver in grab samples.

Data Verification

The original data used in the preparation of the Kisladağ resource and reserves statements has been reviewed by Micon International. Micon has carried out two site visits to review QA/QC procedures followed by

the Company during drilling, sampling and sample preparation. Micon's opinions are based upon information contained in technical reports prepared by Kilborn (subsequently acquired by SNC Lavalin) or the Company.

Previous Exploration

Since 1996, Eldorado's exploration activities at Kisladag have focused primarily on the zone known locally as Gökgöz Tepe using stream sediment sampling, geochemical soil sampling and an Induced Polarization (IP) geophysical survey. On the basis of this work, a gold anomaly was identified along the north slope of Gökgöz Tepe extending approximately 1,200 metres on strike by 600 metres wide. This work was followed in 1997 by 2,745 metres of trench sampling, and 1,541 metres of percussion drilling.

In 1998, a six hole HQ diamond drilling program (1,059 m) probing the main anomaly target followed the gold mineralization to depths of greater than 250 metres and effectively confirmed the potential for a low grade bulk tonnage gold deposit, and in 1999 an additional 5,212 metres of HQ core drilling and 1,600 metres of trenching extended the strike length and depth of the deposit. Based on the trenching, percussion drilling and core drilling data available to that date, Micon International and Eldorado identified a Measured and Indicated resource of 42.8 million tonnes of 1.49 g/t, plus an Inferred resource of 31.1 million tonnes at 1.35 g/t (all based on a 0.8 g/t cut-off grade).

In 2000, a reverse circulation (RC) drill program totalling 7,605 metres (and 577 m of DDH) led to a revised resource estimate and a significant increase in the deposit's contained metal content. That year, Micon International reported a Measured and Indicated Resource of 125.97 million tonnes for the deposit at an average grade of 1.20 g/t gold, that is 4.85 million ounces of contained gold in oxides and primary ore (using a cut-off grade of 0.4g/t Au).

In 2002, a combined total of 10,700 m drilling (RC and DDH) was completed.

Metallurgical testwork initiated during 1999 and 2000 by Eldorado indicated that the ore would be amenable to heap leaching, and in 1999 Eldorado was granted a Site Selection Permit by the Turkish authorities for a gold mining operation at the Kisladag Project site. Early receipt of this permit was made possible by the high level of support the Project has received from within the Usak province as well as at the central government level.

Based on the concept of recovering gold by heap leaching, in 2001 Eldorado commissioned a Prefeasibility Study by Kilborn Engineering Pacific Limited (Kilborn). This study considered an operation to treat 3.4 million tonnes per annum of material based on an owner operated mining fleet and a three stage crushing circuit generating a final crush size of 100% minus 8 mm. The objective of this approach was to minimize capital expenditure in the early years and allow for expansion to develop the total resource at a later date. Initial capital cost was estimated to be US\$47.4 million with a cash operating cost estimated at US\$154 per ounce and an average annual gold production of 103,600

troy ounces.

Subsequent to issuing the Prefeasibility Study, Kilborn was asked to review the Project conditions in light of devaluation of the Turkish currency and to incorporate the option of contracting the mining operation and utilising used crushing equipment. An Addendum to the Prefeasibility Study was issued in December 2001 presenting a revised initial capital cost estimate of US\$29.6 million and a cash operating cost estimate of US\$149 per ounce.

The Company's procedures for sample collection, sample preparation and security of samples have been audited by Micon International. Sample assaying is carried out by ALS Chemex (Chemex) in Vancouver, B.C., Canada. ALS Chemex has attained ISO 9002 Registration by KPMG Quality Registrars for the principal laboratory in Vancouver for the provision of assay and geochemical analytical services. A routine of check assays duplicates and standards has been followed for all assay work completed.

For a detailed discussion of the exploration, including sampling and analysis, conducted at Kisladag, see the Kisladag Reports. Copies of the reports are available on SEDAR.

Current Development Activities

Since 1997, the Project has advanced through various stages of exploration to final feasibility stage. Preparation of this Feasibility Study followed an extensive drilling, which culminated in a further increase in the mineral resource at Kisladag as reported in September 2003. Current activity is focused on obtaining the necessary permits and approvals to advance the project to a construction decision in 2004.

In March 2003 a Feasibility Study was prepared in accordance with the Standards of Disclosure for Mineral Projects as defined by National Instrument 43-101 followed by an Optimization Study in July 2003 and an additional 7,057 meters of additional drilling in 2003.

The Measured and Indicated Mineral Resource estimated at a cut off grade of 0.4 g/t Au is 214.8 million tonnes at a grade of 1.04 g/t Au containing 7.2 million ounces of gold. In order to meet regulatory requirements, a mine production schedule has been developed to include only Measured and Indicated Resources. Inferred mineral resources within the design pit have not been considered reserve and have been assigned as waste material. The total Proven and Probable Mineral Reserves are estimated to be 135.0 million tonnes at a grade of 1.16 g/t Au. Of the total reserve, approximately 23% is oxide ore and 77% is primary ore. This quantity of ore will sustain the feed to a heap leach facility for a period of 14 years and gold will continue to be recovered in Year 15.

In 2003 Kisladag received two significant permits from the Turkish Government, the Environmental Positive Certificate (the Certificate) and the Establishment Permit. The acceptance of the Environmental Impact Assessment report and the issuance of the Certificate was a major achievement in the permitting process and the receipt of the Establishment Permit provides approval for water use and effluent discharge plans, as well as defining the health protection zone and medical treatment facilities for the Kisladag Mine operation.

On July 29, 2003 Eldorado announced the results of the Optimization Study for its Kisladag Project. The Optimization Study, prepared by Hatch successfully demonstrated the opportunities to both improve the financial performance of the Kisladag Project and accelerate the expansion of the Kisladag Project to full production levels.

In April 2004 the Company completed the acquisition of all the public lands held by the Treasury Department and private lands required for the development of the Kisladag Project.

In May 2004 the Company completed a Feasibility Cost Update (the Study) to the Feasibility Study (March 2003). The Study incorporated an up to date review of the elements contributing to the operating and capital cost structure of the Kisladag Project. The Study specifically included the addition of the Value Added Tax in Turkey to the costs of

goods and services used in the construction and operation of the Project. Escalation in the cost of construction and operating materials, such as concrete, steel and fuel were also included.

In July 2004 the government of Turkey passed into law two major pieces of legislation. The Turkish VAT Law was amended to exempt the gold mining industry from paying VAT on their activities, including exploration, construction, purchase of equipment, mine operation, smelting and refining. The amendment positively impacted the Kisladag Project. The initial capital investment for the project will decrease by \$10.7 million and cash operating cost will decrease by \$23.00 per ounce to \$165.00 per ounce. In addition, the Mining Law consolidated the activity of all sectors of the industry including, hard rock, soft rock and industrial minerals mining as well as quarrying and aggregate industries. The amendments included: access to lands previously restricted from mining activities will now be possible through a general regulation of the Council of Ministers; fund fees of 5% on capital installations on Forest Lease Lands no longer apply; the Expropriation Law No. 2942 which governs procedure to acquire land critical to fulfillment of investment now applies to mining activities; and a Royalty on ore processed off-site will be paid to the State for mining activities amount to 2% of the sales value of the ore mined, ore processed at site at the operators plant is reduced to 1%.

The Company received the final permit for the Kisladag Project in September 2004 and site activities began in September 2004. Production is predicted to start at the end of 2005 following an 18-month design and construction period. The initial capital cost for construction of the Project is estimated to be US\$62.6 million. The Company plans to move to an owner operated mining fleet in Year 3 at an estimated cost of US\$47 million. Life of mine cash operating cost is estimated to be US\$165 /oz based on US\$4.12 per tonne of ore processed.

A mine production rate of 5 million tonnes per year of ore has been set for the first year of the mine's life. Average daily production rates is expected to be 16,100 tonnes per day (tpd) in ore and 13,000 tpd in waste during this initial year. Annual ore production is expected to increase to 10 mtpa the following year, remaining at that level until the end of mine life. The highest daily production rate is expected to occur in Year 7 with a total movement of 79,000 tpd (ore plus waste). Total quantities of ore and waste will be 135 million tonnes and 108 million tonnes respectively over the mine life. The overall strip ratio will be 0.8. A mining contractor will initially be employed for waste movement and ore mining. In Year 3 of operations, we expect to begin to phase in our own mining fleet and mine workforce for completion of the Project.

Extensive metallurgical bench scale studies and column leach tests have identified that Kisladag ore is amenable to heap leaching technology. A gold recovery of 81% is projected for the oxide ore. The primary ore has a higher sulphide content and gold recovery is projected to be 60%. The ore will require a crush size of 80% passing 6.3 mm and a leach period of ninety days.

The Kisladag ore will be processed in a standard heap leach facility containing a three stage crushing circuit, an overland conveyor to the heap leach pad, mobile conveyors and a stacker for placing the ore and a carbon adsorption facility (ADR plant) for recovering the gold. The carbon will be treated on site in a refinery and the final product will be gold doré bar. The average gold production in the first year of operation is expected to be 164,000 ounces per annum increasing to 240,000 ounces per annum for the balance of mine life.

We are proceeding with construction and preproduction mining at the Kisladag site in 2005. To date contractual agreements have been signed for the main access roads, leach pad earthworks, leach pad soil liner, plant site bulk earthworks, process waterline, high tension powerline and substation and freight forwarding.

The Project is expected to employ 356 people at maximum production, the majority of workers being drawn from the local region. Infrastructure to support the mine will include an access road, a water well field with a 13 km water pipeline and a 30 km power transmission line. Supplies and services are available in the city of Usak, 35 km to the north.

Certain litigation continues by third parties against Tüprag and the Turkish Ministry of Forestry and Environment seeking to cancel the Kisladag Environmental Positive Certificate for Kisladag on the basis of an alleged threat to the environment. The Company is confident with both the methodology of the Environmental Impact Assessment (EIA) Report and Tüprag 's compliance with all procedural steps taken in obtaining the Kisladag Environmental Positive Certificate. The Company continues to believe that ultimately such litigation shall be successfully defended.

Permitting

The process of obtaining the necessary permits for a mining operation in Turkey is similar to that in other developed countries. The first permit required to initiate an industrial project in Turkey is the Site Selection Permit. This permit was issued to Eldorado by the Provincial Governors Office in 1999 and confirms that there are no development conflicts in the proposed Project area.

The key Environmental Positive Certificate is issued by the Ministry of Environment following a successful review of the Environmental Impact Assessment (EIA) Report. The permit contains agreed protocols between the proponent and Ministry for mitigations methods, monitoring standards, closure procedures and financial guarantees. The EIA has been submitted and receipt of the Environmental Positive Certificate was received in April 2003.

In September 2003, the Turkish Ministry of Health released changes in regulations relating to the permitting of industrial activities which significantly reduce and simplify the remaining permitting requirements for the Kisladag Project and will benefit subsequent mine permitting in Turkey. The changes incorporate permission for water use, electrical use, sanitation and certain other design features affecting public health issues into the Establishment Permit issued by the Ministry of Health. Zoning approval is then required from the Ministry of Public Works, a process clarification of intended land use with related government agencies. Intended legal access to the lands in question is required at this stage. Submission and approval of construction level drawings is required for permission to begin construction of facilities.

Following start-up of operations and demonstration of compliance with all received approvals and permits the Operating Permit is then issued as the final stage of the permitting process.

Construction

Construction of the Kisladag facilities will be completed in two major phases. The first phase will comprise the bulk of the infrastructure, equipment and earthworks required to process both oxide and primary ore during the first year of operation. The second phase, expected in year two of operations will entail an expansion to the crushing circuit to increase production throughput to final design capacity of 10 million tonnes per annum. There will also be minor subsequent construction phases associated with expansion of the heap leach pad and closure of the Project. During Years 1 and 2 a contractor will be used to carry out all mining operations. The Company will introduce a owner operated mining fleet in Year 3 to complete mining to end of mine life.

The duration of the engineering, design and construction activities will be approximately 18 months. With the receipt of the Construction Permit in Q3 of 2004 we were able to commence construction in Q3 2004. The critical path activity will be procurement of long delivery process equipment. Pre-production mining activities commenced in the Q1 2005 and the crushing plant will be commissioned in the Q4 2005. Crushed pre-production ore will be delivered to the heap leach pad for three months until full production commences. The first gold is expected to be poured at the end of 2005.

Efemçukuru Project, Turkey

Ownership Interest

The Company owns a 100% interest in the Efemçukuru project through its wholly-owned Turkish subsidiary Tüprag. The Efemçukuru project consists of two pre-operation licenses covering 3,072 hectares.

Location and Access

The Efemçukuru project area lies near the coast of western Turkey, approximately 20 kilometers from the provincial capital of Izmir. The village of Efemçukuru, with a population of 500, located two kilometers south of the Efemçukuru project, is the nearest settlement. The project is located in hilly terrain with a range of elevation from 520 to 760 meters. Access to the Efemçukuru project is provided by various paved and unpaved roads which connect the village with other local population centres.

Geology and Mineralization

Gold mineralization is hosted by the 1,800 meter long Kestane Beleni Vein, which contains the present resource, and the less well explored Kokarpinar Vein, which is 2,500 meters in length. Both strike southeasterly (160°E), dip 60°E to 70°E northeast and postdate the emplacement of rhyolitic dikes, although the veins may follow dike-occupied fracture zones for short distances.

Mineralization occurs as open space fillings. Multi-stage breccia, quartz carbonate veinlets, cockade and laminated textures are common. Non-metallic host rock minerals include quartz, rhodonite and rhodochrosite. Associated sulphides include pyrite, pyrrhotite, chalcopyrite, sphalerite and galena, and their oxidized products. Most of the gold is very fine (2.5 to 50 microns), occurring as free grains in quartz and carbonate, and as inclusions in sulphide minerals. Lower grade stockwork mineralization occurs locally between ore shoots, and is relatively abundant in the hanging wall irrespective of rock type. Such stockworks are not common in the footwall.

Previous Exploration

The target identified at the Efemçukuru project is a high-grade vein-hosted gold system. A drilling program was completed by the Company in 1997 along the north, middle and south ore shoots. A total of 4,092 meters of diamond drilling was carried out to further delineate the initial identified resource of 660,000 ounces. This resulted in an increase in the resource to 1.1 million ounces contained in 2.52 million tonnes at an average grade of 13.71 grams per tonne. The drill hole pattern has been reduced to approximately 50 by 35 meters. Additional diamond drilling was carried out for hydrogeological testing in the vein structure as well as the hanging wall and foot wall rocks. Assay data from this program has been incorporated into the database for the deposit. The geological model was evaluated by Micon International in 1998 confirming a measured and indicated resource of 1.87 million tonnes @ 14.26 g/t with an inferred resource of 660,000 tonnes @ 11.99 g/t. Reserves of 784,000 ounces were established during an internal pre-feasibility study completed in 1999. The foregoing estimates of resources were made according to Australasian classification before NI 43-101 came into force, they may vary materially from estimates made in accordance with NI 43-101. The estimates use the same classifications as set out in NI 43-101 (although not separately disclosed). The estimates are provided in connection with the discussions of previous exploration.

Current Development Activities

The pre-feasibility study covering resource and reserve estimation, mining, processing and disposal of waste rock and tailings was completed in March, 1999. The planned production rate is 250,000 tonnes of ore per year yielding approximately 90,000 ounces of gold.

Revisions to the pre-feasibility study have been made to reflect the alternative of processing flotation concentrates at the Kisladag operation in a stand-alone processing circuit. This alternative has resulted in a reduction in the anticipated cash cost of production from \$176 per ounce to \$148 per ounce. Transporting concentrate to Kisladag will be less expensive than the original plan to transport concentrate to Sao Bento.

Through Q2 2004, work continued in the preparation of the Environmental Impact Assessment (EIA) Report. This report is expected to be completed and submitted to the Ministry of the Environment (MOE) in Q3 2004. Upon approval of the study and receipt of the positive certificate from the MOE, the full feasibility work programme, including drilling, will commence. The project presently contains a defined high-grade resource in excess of 1 million

ounces.

As part of the EIA process for our Efemçukuru project a public meeting was held at the village of Efemçukuru on February 2, 2005 by the Turkish Ministry of the Environment to obtain input from local residents about our proposed mine. The meeting was well attended providing excellent dialogue with and input from the local residents. We will address the questions and concerns of local residents in our EIA study, which we are in the process of finishing for submission to the Ministry of Environment in the 2nd quarter of 2005.

Once we receive a positive certificate, we will prepare a Feasibility Study and continue obtaining the necessary permits to construct and operate the mine. We currently have the data we need to prepare the Feasibility Study, and we expect to complete it by the second quarter of 2006. Our development schedule for the Efemçukuru project, following approval of the EIA, anticipates that the mine will begin producing gold in late 2007.

Certain litigation continues to be ongoing by third parties against Tüprag and the Turkish Ministry of Energy and Natural Resources seeking to cancel the mineral license for the Efemçukuru project on the basis of an alleged threat to the water quality in the local catchment area. In the course of the litigation against the Ministry and Tüprag concerning the Efemçukuru project, a lower administrative court has issued an injunction which, while in effect, would bar the commencement of mining activities at the Efemçukuru project. The Company is confident that it will prevail in the case when it is heard in the higher courts. It is not anticipated that a delay in the overall project will occur as a consequence of the legal proceedings. Permitting activities are continuing.

Permitting

In 2003 changes to the permitting process in Turkey no longer requires receipt of the Site Selection Permit prior to embarking on Environmental Impact studies. The Ministry of Environment (MOE) is now the sole body responsible for both the Environmental Impact Assessment (EIA) positive certificate and Site Selection Permit. These changes have been made to streamline the process and provide an adjudicative step at which conflicting opinions are resolved. These changes will allow the Company to proceed with the work necessary to prepare an EIA study for the property to be submitted in Q3 2004. Resolution of previous conflicting regulations between the central government and Izmir municipality will be resolved by the MOE.

Kaymaz Project, Turkey

Property Description

The Kaymaz Project land position consists of two pre-operation licenses, numbers ONIR 4127 and ONIR 4777, and two operation licenses numbers IR 2984 and IR 5262 with a combined area of 11,915.81 ha.

Ownership Interest

The Company owns a 100% interest in the Kaymaz Project through its wholly-owned Turkish subsidiary Tüprag Metal Madencilik San. Ve Tic. Ltd. Sti. (Tüprag).

Location and Access

The Kaymaz project is located in western Turkey, approximately 70 kilometers east of the provincial capital of Eskisehir. The village of Kaymaz (population 3,000) is three kilometers west of the project site, which is at an elevation of about 1,100 meters on the Anatolian Plateau. Access is provided by the Ankara-Eskisehir highway, which passes two kilometers south of the Kaymaz area.

Geology and Mineralization

Gold mineralization at the Kaymaz project occurs within a sequence of deformed and altered marine sediments and associated ophiolites which were strongly metamorphosed during the Cretaceous and early Tertiary periods. Ultramafic sections were strongly serpentinized and deformed into a series of folds with north-northwest trending axis. This sequence is intruded by northeasterly dipping, sill-like bodies of the Karakaya granite.

Mineralization is believed to be epithermal in character and associated with brecciation and silicification. At Damdamca Tepe, higher grading mineralization occurs as a tabular body measuring about 180 meters in length, five to 45 meters in thickness and extending below 85 meters from surface. The zone is approximately parallel to a granite contact, and enclosed within a halo of lower grade mineralization. At Topkaya,

economically significant mineralization occurs in small pod-like bodies within a zone 600 meters in length and 20 to 30 meters in horizontal width. The north-striking Kizilagil Zone, located about 1,200 meters south of Damdamca Tepe, is hosted in silicified calcschists and marbles of the basement Sivrihisar Formation and dips steeply in an easterly direction with a strike length of 275 meters and an average width of 14 meters. Located 3,500 meters south of Damdamca, the Küçük Mermerlik Tepe Zone occurs in flat-lying to gently dipping silicified serpentinites in an area unique for its lack of granite bodies.

Current Development Activities

A full feasibility study for the Kaymaz project was completed by the Company in 1997. The study proposed an open pit operation with a cyanide gold recovery plant located on site. The reserves were determined to be approximately 973,000 tonnes at an average grade of 6.04 g Au/t. Ore production was estimated at 150,000 tonnes per year, producing 25,000 ounces of gold per year at a cash cost of approximately \$180 per ounce. Total capital costs were estimated at approximately \$14 million. As the estimates of reserves were made before NI 43-101 came into force, they may vary materially from estimates made in accordance with NI 43-101. The estimates use the same classifications as set out in NI 43-101 (although not separately disclosed). The estimates are provided in connection with the discussion of previous exploration.

All necessary permits were obtained for the project by 1997, with the exception of the construction permit. However, litigation was commenced by third parties against the Ministry of Environment over the environmental permit previously granted for the Kaymaz project and the planned use of cyanide in the gold recovery process. An appeal from the MOE on the previous negative decision has been rejected. The Company plans to review its approach to the Project. Any subsequent material changes will require a new application for the Environment Positive Certificate and a new EIA study.

In 2003, the Company wrote-down its Kaymaz Gold Project (Kaymaz) from US\$4.275 million to nil as at present Kaymaz is no longer technically viable as an onsite mine and gold recovery operation. The Company continues to consider alternative routes to develop the project.

Küçükdere Project, Turkey

Ownership Interest

The Company owns a 100% interest in the Küçükdere project through Tüprag. The Küçükdere project consists of one operation license covering 9,784 hectares and one pre-operation license covering 632 hectares.

Location and Access

The Küçükdere project area is located near the west coast of Turkey, approximately 10 kilometers southeast of the town of Edremit (population 36,000) and approximately 125 kilometers north of the provincial capital of Izmir. The village of Küçükdere (population 500) is the nearest settlement and the project is located approximately one kilometer south of the village, three kilometer south of the Balıkesir-Canakkale highway.

Geology and Mineralization

Gold mineralization at Küçükdere is hosted exclusively by andesitic porphyry which was emplaced during the early Paleogene. Gold occurs as free grains within quartz and carbonate host rock in a series of quartz-carbonate veins which are subvertical with north to northeasterly strikes, or are flat-lying to northwesterly dipping with northerly to

easterly strikes. Five vein zones have been identified, extending from Coraklik Tepe in the south to Firincik Tepe in the north. Within each zone, veins form a series of discontinuous lenses and pods over a strike of nearly four kilometers. Individual veins range in thickness from less than one meter to 30 meters, and vary in length from a few meters to more than 200 meters. The veins are controlled by north-northeast trending shears and dilatant zones developed in the andesite porphyry stock and are surrounded by pervasive propylitic alteration to moderate argillic alteration.

Previous Exploration

Exploration work at Küçükdere was conducted between 1989 and 1991. A feasibility study was completed by Gencor Limited in early 1992. The study was based on an open pit mining operation supported by a CIL treatment plant running at 770 tonnes per day. An environmental impact study completed by an independent Turkish engineering firm did not identify any significant adverse impacts from the proposed operation. Project permitting was initiated by submitting an environmental impact report in November 1992.

Current Development Activities

Engineering work has been conducted to resolve some of the environmental issues associated with the initial feasibility study. Revision of the previous study and environmental impact report are required, should the Company pursue an alternate route to develop Kucukdere.

EXPLORATION PROPERTIES

In 2004 the Company incurred an aggregate of \$4.14 million in exploration expenditures. The distribution of expenditures by region was 34% in Brazil, 41% in Turkey, 17% in China and 8% on other exploration initiatives. The Company anticipates an expenditure of \$5.80 million in 2005.

The Company's exploration activities are directed from Vancouver, British Columbia, where all exploration projects and opportunities are evaluated and prioritised. Exploration activities at the existing mine, including exploration near the minesite, are managed from the local minesite office.

Brazil**Piaba Project, Maranhão State***Ownership Interest*

The Company owns a 50% interest in the Piaba Project through its 50% ownership of Aurizona Goldfields Corporation (Aurizona Goldfields). The Piaba Project consists of one mining concession covering an area of 9,981 hectares. Three additional applications for exploration permits cover an additional area of approximately 20,100 hectares to the west.

In February 2005 Eldorado contracted Amec Americas to examine the viability of the Piaba project in North East Brazil. hosts a significant resource in weathered and fresh rock. The purpose of the study is to allow Eldorado to make an informed decision on whether further work is warranted on the project given current gold prices. See Joint Ventures .

Luziânia Project, Goiás State*Ownership Interest*

The Company has transferred its interest in the Luziânia Project to its joint venture partner. The Company retains a 5% royalty interest.

Tartarugalzinho Project, Amapa State

Ownership Interest

The Company owns a 100% interest in the Tartarugalzinho Project covering an area of 80,000 hectares.

In 2004 work crews focused on geologic mapping, soil sampling and geophysics to define drill targets. In the early 1980 s this area was explored by BP Minerals, which defined a gold stream sediment anomaly approximately 10 kilometers long by 6 kilometers wide. In total, Eldorado controls over 40 kilometers of the geologic trend which hosts this anomaly, and has scattered garimpero workings throughout.

Cassipore Project, Amapa State

Ownership Interest

The Company owns a 100% interest in the Cassipore Project covering an area of 40,000 hectares.

At Cassipore a gold soil geochem anomaly measuring approximately 8 kilometers long by 3 kilometers wide was defined by a previous operator. This operator also drilled 50 short holes within a limited portion of the anomaly to define a resource in the saprolite. Eldorado controls 40,000 hectares in this package. In 2004 work crews In Rio Grande do Norte State, Eldorado obtained 1,050 hectares north of the Bonfim Mine and has made applications for an additional 8,000 hectares. The target at Bonfim North is the down plunge extension of the fold which hosts mineralization at the mine. In 2004 Eldorado took 450 stream, soil and rock samples and surveyed geophysical lines for an IP programme that began in late May.

Rio Grande do Norte State

In Rio Grande do Norte State, Eldorado obtained 1,050 hectares north of the Bonfim Mine and made applications for an additional 8,000 hectares in 2004. The target at Bonfim North was the down plunge extension of the fold which hosts mineralization at the mine. Eldorado took 450 stream, soil and rock samples and surveyed geophysical lines for an IP programme that began in late May. The results from a four hole exploration program were negative and the

property has been subsequently dropped.

Turkey

In 2004 the Company continued to carry out exploration work through its 100% owned subsidiary Tuprag Metal Mining in the Biga Peninsula in western Turkey, the western Pontide belt as well as the west central Anatolian Plateau around Kisladag with its joint venture partner Demir Export. Primary targets remain low sulphidation epithermal high grade vein systems as well as disseminated high sulphidation precious metals systems. The Company's land position throughout the country has increased in 2004 through a recent series of government sponsored auctions. Eldorado has licenses covering over 300,000 hectares in Turkey.

Western Pontides

Ownership Interest

The Company owns a 100% interest, through its wholly owned subsidiary, Tuprag, in 42 exploration licenses covering 145,200 hectares.

The primary focus for the 2004 field season in Turkey was in the Western Pontide belt where the western portion of the Black Sea/Pontide volcanic arc extends over 250 kilometers. The targets in this area are large, bulk tonnage, high sulfidation-type precious metal systems and low sulfidation-type precious metal vein systems. In 2004, we undertook a range of activities including mapping and sampling to provide drill targets for 2005.

Biga Peninsula

Ownership Interest

The Company owns a 100% interest, through its wholly owned subsidiary, Tuprag, in 25 exploration licenses covering over 38,244 hectares.

In the Biga Peninsula area of western Turkey drilling was carried out in 2004 on three wholly owned prospects totaling 2,000 meters has been completed with follow up planned for the Keditasi prospect, where a shallow dipping quartz structure was drill tested. A strongly mineralized silica zone on a newly acquired adjacent license area will be followed up during the coming field season to trace the strike extension of the main zone. Initial surface sampling of this 1,600 meter long zone returned grades up to 3 g/t in rock chip samples. Reconnaissance work will continue in 2005 and we may carry out additional drilling.

Demir Joint Venture

Ownership Interest

The Company owns a 50% interest, through its wholly owned subsidiary, Tuprag, in 27 licenses covering over 58,642 hectares.

Our 50/50 Demir Joint Venture, discovered during a reconnaissance program in 2001 and 2002, includes a porphyry-style gold-molybdenum-copper deposit that has alteration styles similar to those at Kisladag. In 2004, we completed the permitting and construction of six kilometers of roads through the center of the anomaly for mapping, sampling and drill access. Results from the sampling will guide our drill program for 2005. See [Joint Ventures](#) .

China

In October 2003 the Company signed an agreement with China National Gold Corporation s (CNGC) for the exclusive right to review their portfolio of operating mines, development projects and exploration projects. The Company completed its review and on September 30, 2004 our agreement with CNGC terminated.

In addition to the CNGC assets identified by Eldorado, the Company evaluated a number of exploration properties brought to the Company by various third parties.

On January 11, 2005, we signed a Memorandum of Understanding with Shandong Gold Corporation (Shandong) outlining possible joint ventures on one advanced exploration property and two development projects.

JOINT VENTURES

Brazil

Aurizona Regional Project, Maranhão State, Brazil

Ownership Interest

The Company and Cesbra Cia. Estanifera do Brasil are each 50% participants in an incorporated joint venture formed to pursue the exploration and development of the Piaba and Aurizona Regional Projects in Maranhão state in north-eastern Brazil. The properties consist of 42 exploration permits covering an area of approximately 367,484 hectares, together with 17 applications for exploration permits, with priority confirmed status, covering an area of approximately 152,397 hectares.

The joint venture corporation, Aurizona Goldfields Corporation, holds its mineral interests through a wholly-owned Brazilian subsidiary, Mineração Aurizona, S.A.

In February 2005 Eldorado contracted Amec Americas to examine the viability of the Piaba project in North East Brazil. This project hosts a significant resource in weathered and fresh rock. The purpose of the study is to allow Eldorado to make an informed decision on whether further work is warranted on the project given current gold prices.

Pedra Branca Platinum-Palladium Project, Ceará State, Brazil

The Company entered into a Joint Venture Agreement with Altoro Gold Corp. (Altoro) on October 8, 1999. Altoro can acquire a 70% interest in the project by spending \$2.0 million on exploration on the property over a 3-year period. Altoro, at Eldorado's discretion, can earn a 90% interest in the project by spending an additional \$1.0 million. In February 2000 Altoro optioned its interest to Hunter Dickinson Inc. (HDI), whereby HDI can earn a 60% interest by spending \$7.0 million over four years. Hunter Dickinson have declined to continue their option and the property has reverted back to Altoro. Altoro has been acquired by Solitario Resources. Solitario is continuing to explore on the property. The Company is proceeding with arrangements for the joint venture agreement between Unamgen and Solitario to be converted to an NSR on the properties contained within the joint venture. The exploration licences held under the Joint Venture Agreement on the Pedra Branca Property expired in August 2003. The technical report prepared by Solitario did not support a resource and therefore the licences were turned back into the DNPM.

Turkey

Kemaliya Project, Erzincan Province, Central Turkey

The Company signed an Option Agreement with Anatolia Minerals Development Ltd. whereby Anatolia can earn a 66.66 % interest in the property by spending \$0.5 million over a 5-year period. In April 2000 Anatolia entered into an agreement with Rio Tinto whereby Rio Tinto can earn a 70% interest and dilute the interest of Eldorado and Anatolia in the project by spending \$10.5 million in exploration and funding a feasibility study. Upon Rio Tinto fulfilling the terms of their agreement, Eldorado's interest in the project would be diluted to 10% and Anatolia will be diluted to a 20% interest. On February 9, 2004 the Company signed an agreement converting its interest in the property to a 1% NSR on the property.

Demir Export

In May 2001 the Company signed an agreement with Demir Export A.S. which established the basis for joint exploration, development and subsequent exploration of metal mines in Turkey. The joint venture parties participated in reconnaissance exploration work in 2001 in the area of interest in western Turkey. In 2003 the Company spent approximately \$80,000 towards a work program for the joint venture. In April 2004 the parties agreed to extend agreement for a further two year period. In 2004, we completed the permitting and construction of six kilometers of roads through the center of the anomaly for mapping, sampling and drill access. Results from the sampling will guide our drill program for 2005.

GOLD MARKET AND PRICE

Gold is used primarily for product fabrication and investment. Gold is traded on international markets and individual buyers and sellers generally are unable to influence its price. The London price fixing for gold on December 30, 2004 was \$435.60 per ounce.

FOREIGN CURRENCY EXPOSURE

All of the Company's revenues from gold sales are denominated in U.S. dollars, whereas the majority of its operating costs are denominated in the local currencies of the countries in which the Company operates. The

Company monitors the economic environment, including foreign exchange rates, in these countries on an ongoing basis. To the extent feasible, the Company hedges its local currency foreign exchange exposure vis-à-vis the U.S. dollar with the objective of minimising its foreign currency denominated costs.

The foreign exchange gains/(losses) realized in the last four financial years is as follows:

December 2004	\$196,000
December 2003	\$6,494,000
December 2002	(\$1,046,000)
December 2001	(\$173,000)

GOLD REFINING, SALES AND HEDGING ACTIVITIES

Degussa Brasil Ltda. in Brazil is currently refining the Company's gold to market delivery standards for all Brazilian production. The Company believes that no adverse effect would result if it lost the services of its current refiners, because other refiners are available.

The Company has employed a variety of hedging techniques with the objective of mitigating the impact of downturns in the gold market and providing adequate cash flow for operations. In 2004, the Company sold its gold production to bullion dealers on a spot market basis and through forward sales and other hedging agreements. As of the date of this report, the Company has no gold or currency hedges in place.

The Company's hedging activities will depend upon an ongoing assessment of the gold market, its hedging strategy, financing restrictions and other factors.

ENVIRONMENTAL

The Company conducts mining operations in Brazil and exploration and development activities in Brazil, Turkey and China. Such operations are subject to various laws, rules and regulations governing the protection of the environment. The Company has adopted environmental practices designed to ensure that it complies with, or exceeds, all currently applicable environment regulations. All of the Company's operations are in compliance in all material respects with applicable environmental legislation.

The São Bento Mine, Brazil

The São Bento Mine continues to operate within all Brazilian federal, state and local laws and regulations. In instances where environmental laws have not evolved to cover certain aspects of the operation, the Company operates within accepted world standards. Considerable emphasis continues to be directed towards improving safeguards to

the environment. An example of this is the modification to plant drainage to capture all runoff in the tailings impoundment. The mine maintains a greenhouse to cultivate native species for reclamation and is currently revegetating an abandoned open pit.

In 2004 there were no incidents adversely affecting the environment. The mine maintains a process of providing information to FEAM, the state agency in charge of environmental protection and regulation. In addition, the mine is participating in a multi-stakeholder group studying background values of arsenic in the area and communities surrounding the mine. In 2003 the São Bento Mine opened the Centre of Environmental Education establishing environmental education programs for Company personnel and the public. In 2004 the São Bento Mine won an Environmental Preservation Award recognizing the mine's environmental management program, which includes the creation of a 180-hectare park area on the mine site.

Turkey

The Company has conducted extensive environmental testing and monitoring at its Turkish development projects to firmly establish baseline data and characteristics for air, water and soil.

The Environmental Impact Assessment report on the Kisladag Project provided an in-depth analysis of the environmental and social impacts which the Project will generate and identified measures to be taken to mitigate these impacts. All aspects of the Project design have considered international best practices followed by the mining industry world wide to protect the environment in the short and long terms and maintain the health and safety of its workers and the community in which it operates.

In 2004 the Company dedicated a potable water system for nine local villages surrounding Kisladag. Also in 2004 the Company equipped a mobile community medical van with supplies and equipment. In 2005 the Company will continue to work with the Canadian International Development Agency to implement one of the agriculture initiatives identified through the Sustainable Development Plan undertaken for the area.

EMPLOYEE RELATIONS AND PERSONNEL

As at February 28, 2005 the Company and its subsidiaries had approximately 881 (Brazil-804, Canada-17, Turkey-58, China-2) hourly workers, contractors and permanent employees world-wide. The Company also engages a number of contractors to supply work on specific projects. None of the Company's employees belong to a union, except for the hourly workers at the São Bento mine in Brazil. Labour agreements in Brazil are mandated to one year contracts. A new labour agreement with the Santa Barbara Gold and Precious Metals Extraction Industry Workers Union was signed during the 3rd Qtr 2004 without disruption. The Kisladag mine will employ approximately 365 people at maximum production, the majority of the workers will be drawn from the local region. The Company considers its employee relations to be good.

COMPETITION

The Company competes with other mining companies for the acquisition of mineral claims, permits, concessions and other mineral interests as well as for the recruitment and retention of qualified employees. There is significant competition for the limited number of gold acquisition opportunities and, as a result, the Company may be unable to acquire attractive gold mining properties on terms it considers acceptable.

RISK FACTORS

Gold Price Volatility

The profitability of the Company's operations is significantly affected by changes in the gold price. The gold price can fluctuate widely and is affected by numerous factors beyond the Company's control, including industrial and jewellery demand, inflation and expectations with respect to the rate of inflation, the strength of the U.S. dollar and of other currencies, interest rates, gold sales by central banks, forward sales by producers, global or regional political or economical events, and production and cost levels in major gold-producing regions such as South Africa. In addition, the gold price is sometimes subject to rapid short-term changes because of speculative activities. The supply of gold consists of a combination of new production from mining and existing stocks of bullion and fabricated gold held by governments, public and private financial institutions, industrial organizations and private individuals. As the amounts produced in any single year constitute a small portion of the total potential supply of gold, typical variations in current production do not necessarily have a significant impact on the supply of gold or its price.

Impact of Gold Hedging Activities

As of the date hereof, the Company has no gold hedges in place but may engage in hedging activities in the future. Hedging activities are intended to protect the Company from the fluctuations of the price of gold

and to minimise the effect of declines in gold prices on results of operations for a period of time. Although hedging activities may protect a company against low gold prices, they may also limit the price that can be realized on gold that is subject to forward sales and call options where the market price of gold exceeds the gold price in a forward sale or call option contract.

Reserve and Resource Estimates

The proven and probable reserve figures set forth in this AIF are estimates, and there is no certainty that the indicated levels of gold production will be realized. Reserve estimates may require revision based on various factors such as actual production experience, market price fluctuations of gold, production costs or recovery rates. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Certain reserve and resource estimates included herein were made before NI 43-101 came into force and may vary materially from estimates made in accordance with NI 43-101.

Production Estimates

Estimates of future production for the São Bento Mine and for the Company as a whole are derived from the Company's five-year mining plans. The plans are developed based on, among other things, mining experience, reserve estimates, assumptions regarding ground conditions and physical characteristics of ores (such as hardness and presence or absence of certain metallurgical characteristics) and estimated rates and costs of production. Actual production may vary from estimates for a variety of reasons, including risks and hazards of the types discussed previously, actual ore mined varying from estimates in grade and metallurgical and other characteristics, mining dilution, pit wall failures or cave-ins, strikes and other actions by labour at unionized locations, restrictions imposed by government agencies and other factors. Estimates of production from properties not yet in production or from operations that are to be expanded are based on similar factors (including, in some instances, feasibility studies prepared by Company personnel and/or outside consultants) but it is possible that actual cash operating costs and economic returns will differ significantly from those currently estimated. It is not unusual in new mining operations to experience unexpected problems during the start-up phase. Delays often can occur in the commencement of production.

Regulatory Requirements

Mining operations, development and exploration activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Mining is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production.

Risk of Sovereign Investments

Some of the Company's activities and investments are located in foreign countries. The Company's material foreign investments include operations in Brazil and exploration and development projects in Brazil, Turkey and China.

These investments are subject to the risks normally associated with conducting business in foreign countries. Some of these risks are more prevalent in countries which are less developed or have emerging economies, including uncertain

political and economical environments, as well as risks of war and civil disturbances or other risks which may limit or disrupt a project, restrict the movement of funds or result in the deprivation of contract rights or the taking of property by nationalization or appropriation without fair compensation, risk of adverse changes in laws or policies of particular countries, increases in foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits, limitations on ownership and repatriation of earnings and foreign exchange controls and currency devaluations.

Although the Company is not currently experiencing any significant or extraordinary problems in foreign countries arising from such risks, there can be no assurance that such problems will not arise in the future.

In the countries where the Company has operations or conducts exploration activities, the mineral rights or certain portions of such rights are owned by the relevant governments. Such governments have entered into contracts with the Company and its subsidiaries, or granted permits or concessions that enable them to conduct operations or development and exploration activities on such lands. Notwithstanding such arrangements, the Company's ability to conduct its operations or development and exploration activities on such lands is subject to changes in government policy over which the Company has no control. If such a change were to occur that affected the right of the Company or any of its subsidiaries to conduct operations or development and exploration activities, it could have a material adverse effect on the results of the Company's operations.

Speculative Nature of Gold Exploration and Uncertainty of Development Projects

Gold exploration is highly speculative in nature, involves many risks and frequently is not productive. There can be no assurance that the Company's gold exploration efforts will be successful. Success in increasing reserves is a result of a number of factors, including the quality of the Company's management, its level of geological and technical expertise, the quality of land available for exploration and other factors. Once gold mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. As a result of these uncertainties, no assurance can be given that the Company's exploration programs will result in the expansion or replacement of current reserves with new reserves.

Development projects have no operating history upon which to base estimates of future cash operating costs. Particularly for development projects, estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of gold from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns will differ significantly from those currently estimated for a project prior to production. It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays often can occur in the commencement of production.

Mining/Operations Risks

The business of gold mining is subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geologic formations or other geological or grade problems, unanticipated changes in metallurgical characteristics and gold recovery, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, periodic interruptions due to inclement or hazardous weather conditions, and other acts of God or unfavourable operating conditions and bullion losses. Such risks could result in damage to, or destruction of, mineral properties or processing facilities, personal injury or death, loss of key employees, environmental damage, delays in mining, monetary losses and possible legal liability.

Risks of Non-Availability of Insurance

Where considered practical to do so the Company maintains insurance against risks in the operation of its business in amounts which it believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. There can be no assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability. In some cases, coverage is not available or considered too expensive relative to the perceived risk.

Dilution

There are a number of agreements pursuant to which common shares of the Company may be issued in the future. This would result in further dilution to the Company's shareholders.

Competition

The Company operates in a competitive industry and competes with other more well established companies which have greater financial resources than the Company.

Key Employees

The Company depends on a number of key employees, the loss of any one of whom could have an adverse effect on the Company.

Additional Funding Requirements

Although the Company currently has sufficient financial resources to undertake its presently planned exploration and development program, further exploration on, and development of, the Company's mineral resource properties in Brazil and Turkey will require additional capital. In addition, a positive production decision on any of the Company's development projects would require significant capital for project engineering and construction. Accordingly, the continuing development of the Company's properties will depend upon the Company's ability to obtain financing through the joint venturing of projects, debt financing, and equity financing or other means. There is no assurance that the Company will be successful in obtaining the required financing on terms acceptable to it, if at all.

Title Matters

While the Company has investigated title to all of its mineral claims and to the best of its knowledge, title to all its properties is in good standing, the properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

DESCRIPTION OF CAPITAL STRUCTURE

Share Capital

Our authorized capital consists of an unlimited number of Common Shares and an unlimited number of convertible non-voting shares (Non-Voting Shares), of which, as of the date hereof, 276,458,943 Common Shares are issued and outstanding, and non Non-Voting Shares are issued and outstanding.

All of the Common Shares rank equally as to voting rights, participation in a distribution of our assets on a liquidation, dissolution or winding-up or other distribution of assets for the purpose of winding up of our affairs and the entitlement to dividends. Distributions in the form dividends, if any, will be set by the Board of Directors. For particulars on our dividend policy, see Dividend Policy . The holders of the Common Shares are entitled to receive notice of all meetings of shareholders and to attend and vote the shares at the meetings. Each Common Share carries with it the right to one vote.

If Non-Voting Shares were outstanding, the holders of such shares would be entitled to participate equally with the holders of the Common Shares with respect to the payment of dividends and the distribution of our assets on a liquidation, dissolution or winding-up or the distribution of our assets for the purpose of winding up our affairs. The holders of the Non-Voting Shares are entitled to receive notice of and to attend all meetings of the shareholders but except as required by law, are not entitled to vote at any such meeting, Our articles provide that holders of Non-Voting Shares may not vote separately as a class but shall have one

vote in respect of each share on a proposal to amend the articles to increase or decrease any maximum number of authorized shares of the Non-Voting Shares or increase any maximum number of authorized shares having rights or privileges equal or superior to the Non-Voting Shares, effect an exchange, reclassification or cancellation of all or part of Non-Voting Shares, or create a new class of shares equal or superior to the Non-Voting Shares. Each issued Non-Voting Share may at any time be converted at the option of the holder into one Common Shares, provided that no such conversion may occur, if on the date of the conversion and after giving effect to the conversion, the holder and its affiliates would beneficially own in the aggregate 40% or more of the issued and outstanding Common Shares.

If Non-Voting Shares were outstanding, neither the Common Shares nor the Non-Voting Shares may be subdivided, consolidated, reclassified or otherwise changed unless contemporaneously therewith the other class of shares is subdivided, consolidated, reclassified or otherwise changed in the same proportion and in the same manner. No stock dividend may be declared or paid in respect of either the Common Shares or the Non-Voting Shares unless the stock dividend is declared equally on both classes of shares. No rights offering may be made to holders of Common Shares or Non-Voting Shares unless such rights offering is made equally to all holders of both classes of shares.

Provisions as to the modifications, amendment or variation of the rights attached to our shares are contained in our articles and the *Canada Business Corporations Act*. Generally speaking, substantive changes to the share capital require the approval of the shareholders by special resolution (at least 2/3 of the votes cast).

Warrants

As of the date hereof, 12,442,650 Warrants are issued and outstanding. The Warrants were issued pursuant to an indenture, dated as of August 25, 2003 (the *Warrant Indenture*) between the Company and Computershare Trust Company of Canada (the *Warrant Trustee*), as trustee thereunder. The *Warrant Indenture* was subsequently amended by a supplemental warrant indenture dated August 16, 2004 between the Company and the *Warrant Trustee* (collectively with the *Warrant Indenture*, the *Supplemental Warrant Indenture*) to extend the expiry date of the Warrants to 5:00 p.m. (Vancouver time) on August 25, 2004 to 5:00 p.m. (Vancouver time) on August 25, 2005.

Subject to certain adjustments, each whole Warrant entitles the holder to purchase one Common Share at an exercise price of Cdn\$4.10 per Common Share.

Under the *Supplemental Warrant Indenture* the Company is entitled to purchase by invitation to tender, by private contract or otherwise, any of the Warrants then outstanding, at the lowest price at which, in the opinion of the directors of the Company are obtainable and on such other terms as the Company may determine, and any Warrants so purchased will be cancelled.

The Supplemental Warrant Indenture provides for adjustment in the number of Common Shares issuable upon the exercise of Warrants, including upon:

(i)

the issuance of Common Shares or securities exchangeable for or convertible into Common Shares (other than a Rights Offering as defined below) to all or substantially all the holders of the common shares as stock dividend or distribution;

(ii)

the subdivision, redivision or change of the Common Shares into a greater number of shares; and

(iii)

the reduction, combination or consolidation of the Common Shares into a lesser number of shares.

The Supplemental Warrant Indenture also provides for adjustment in the type and/or number of securities or other property issuable upon the exercise of the Warrants, or for the participation of the holder of Warrants in the offering of convertible or exchangeable securities upon the exercise of the Warrants (as the cases may be), in the event of the following additional events: (1) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled to purchase Common Shares, or securities exchangeable for or convertible into shares of the Company or property or assets

of the Company (other than dividends paid in the ordinary course (including a stock dividend or distribution referred to in (i) above) or a Rights Offering, as defined below), (2) reclassifications of the Common Shares or a capital reorganization of the Company; (3) consolidations, amalgamations or mergers of the Company with or into another entity; or (4) the sale or conveyance (other than to one of the Company's wholly-owned subsidiaries) of the Company's property and assets as an entirety or substantially as an entirety to another corporation or other entity. In addition, the Warrant Indenture provides for adjustment in the exercise price in the event of the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the Current Market Price, as defined in the Warrant Indenture, for the Common Shares on such record date (a Rights Offering).

No adjustment in the exercise price or the number of Common Shares purchasable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least 1% or the number of Common Shares purchasable upon exercise of the Warrants by at least one one-hundredth of a Common Share. In addition, no adjustment will be made if the issue of any Common Shares, rights, options, warrants or securities exchangeable or convertible into Common Shares is being made pursuant to the Warrant Indenture or pursuant to the exercise of directors, officers, employees or consultants stock options granted under the Company's stock option or similar plans or being made to satisfy existing instruments issued and outstanding as of the date of the Warrant Indenture.

No fractional Common Shares will be issued upon the exercise of any Warrants, but the Company shall pay the holder who would otherwise be entitled to receive a fractional share upon the exercise of Warrants an amount that is equal to the Current Market Price as defined in the Warrant Indenture, if such amount is equal to or greater than Cdn\$5.00. Holders of Warrants do not have any voting rights or any other rights which a holder of a Common Share would have.

From time to time, the Company and the Warrant Trustee, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making certain changes that do not prejudice the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that prejudices the rights of the holders of the Warrants may only be made by extraordinary resolution, which will be defined in the Warrant Indenture as either: (1) a resolution passed at a meeting of the holders of Warrants at which there are present in person or represented by proxy holders of Warrants entitled to acquire at least 25% of the aggregate number of Common Shares which may be acquired upon the exercise of all the then outstanding Warrants and passed by the affirmative vote of holders of Warrants entitled to acquire not less than 66-2/3% of the aggregate number of Common Shares which may be acquired upon the exercise of all the then outstanding Warrants represented at the meeting; or (2) an instrument in writing signed by holders of Warrants entitled to acquire not less than 66-2/3% of the aggregate number of Common Shares which may be acquired upon the exercise of all the then outstanding Warrants.

For a discussion of our option plan please see our Management Proxy Circular dated March 22, 2005.

MARKET FOR SECURITIES

Eldorado's common shares are listed and posted for trading on The Toronto Stock Exchange (the "TSX") under the symbol "ELD" and on the American Stock Exchange (the "AMEX") under the symbol "EGO". The common shares of Eldorado were listed on the TSX on October 23, 1993 and on the AMEX on January 23, 2003. The following sets out the price range and volumes traded or quoted on the TSX on a monthly basis for each month of the most recently completed financial year:

Trading Price and Volume

Month	High	Low	Close	Volume
	Cdn\$	Cdn\$	Cdn\$	
January/04	3.80	3.57	3.70	41,300,600
February/04	3.94	3.83	3.86	26,805,400
March/04	3.80	3.65	3.77	36,594,300
April/04	3.60	3.41	3.44	38,342,300
May/04	3.46	3.42	3.45	71,797,800
June/04	3.62	3.41	3.47	18,889,500
July/04	3.48	3.23	3.30	33,339,800
August/04	3.51	3.26	3.51	12,542,700
September/04	4.15	4.05	4.09	39,087,100
October/04	3.94	3.71	3.90	36,710,700
November/04	4.10	3.82	3.93	29,069,200
December/04	3.60	3.52	3.55	19,138,700

DIVIDEND POLICY

Eldorado has not paid dividends on the common shares since its incorporation, nor has it any present intention of paying dividends, as it anticipates that the cash resources of Eldorado will be used to undertake exploration, development and expansion programs on its mineral properties as well as the acquisition of additional mineral resource properties.

DIRECTORS AND OFFICERS

The Company's Articles and By-Laws provide that the Board is to consist of a minimum of three (3) directors and a maximum of twenty (20) directors. The number of directors has been fixed at six (6).

At each annual meeting of shareholders of the Company, the entire Board of Directors retires and directors are elected for the next term. Each director serves until the close of the next annual meeting or until his successor is elected or appointed, unless his office is earlier vacated in accordance with our Articles or with the provisions of the CBCA.

Not less than 25% of the members of our Board of Directors are required to be resident Canadians, in accordance with the CBCA.

The names and provinces of residence, offices held within the Company and principal occupations of the directors and executive officers of the Company (the information concerning the respective directors and executive officers has been furnished by each of them) are as follows:

John S. Auston ⁽²⁾ British Columbia	Director of the Company since April 30, 2003.
Canada	President & CEO of Ashton Mining (1996 – 2000); currently a director of Cameco Corporation, GGL Diamond Corp. and Centerra Gold
Independent Director	
K. Ross Cory ⁽¹⁾ British Columbia	Director of the Company since April 2003; Various senior executive & director capacities with Raymond James Ltd. (formerly Goepel McDermid) since 1989.
Canada	
Independent Director	

Name and Province/State of Residence	Principal Occupation
Robert R. Gilmore ⁽¹⁾⁽²⁾	Director of the Company since April, 2003;
Colorado	Independent Financial Consultant; formerly
United States	Chief Financial Officer of Teamshare Inc. (2000-2002); Chief Financial Officer US Gold Independent Financial Consultant (1997-2000); currently a director of MK Resources.
Independent Director	
Chairman, Audit Committee	
Wayne D. Lenton ⁽²⁾	Director of the Company since June, 1995; Independent Mining Consultant since March, 1995; currently a director of Energold Mining Inc. and North American Tungsten Corporation Ltd.
Arizona	
United States	
Independent Director	
Hugh C. Morris ⁽¹⁾	Chairman of the Board of the Company since January, 1995, Acting President from November 24, 1998 to March 24, 1999 and Acting Chief Executive Officer of the Company from November 24, 1998 to October 1, 1999; Independent Mining Consultant since April, 1993; currently a director of Pacific Institute for the Mathematical Sciences, Diamondex Resources Ltd., Eureka Resources Ltd. and Pacific Northern Gas and Triex Minerals Corporation.
B.C., Canada	
Independent Director	
Non-Executive Chairman	
Dawn L. Moss	Corporate Secretary since October 27, 2000; Corporate Administrator of the Company from November 1998 to October 2000; Corporate Development Officer of Diagem International Inc. from February 1998 to November 1998
B.C., Canada	
Corporate Secretary	
Norman S. Pitcher	Vice President, Exploration & Development
B.C., Canada	
Vice President, Exploration & Development	Since May 2004; Manager, Evaluations of the Company from November 2003 to May 2004; Chief Geologist for Pan American Silver 1997 to November 2003.
Earl W. Price	Chief Financial Officer since Jan 1, 2003; Vice President, Finance of the Company October 2001 Dec 31, 2002; Senior Operations Controller of the Company since March, 1997
B.C., Canada	
Chief Financial Officer	
Paul N. Wright	Director of the Company since March 1999; President and Chief Executive Officer since October 1, 1999, President and Chief Operating Officer from March, 1999 to October, 1999;
B.C., Canada	
President, Chief Executive Officer and Director	

Senior Vice President, Operations from October, 1997 to March, 1999; Vice President, Mining from July, 1996 to October, 1997

(1)

Member of Audit Committee

(2)

Member of Compensation Committee

Each of the directors of Eldorado has been a director since the last annual shareholders meeting of the Company. Each of their respective terms will expire at the next annual shareholders meeting of the Company. See Management Information Circular dated March 22, 2005. None of the directors or officers of the Company have been or are subject to a cease trade order, insolvency proceedings or securities penalties or was with an issuer subject to a cease trade order, insolvency proceedings or securities penalties.

As at February 28, 2005, 291,700 or less than 0.11% of the Common Shares outstanding were beneficially owned, directly or indirectly, or control or direction was exercised over those shares, by the directors and senior officers of the Company as a group.

CORPORATE GOVERNANCE AND BOARD COMMITTEES

Our Board has adopted a written mandate in which it has explicitly assumed responsibility for our stewardship and responsibility for overseeing the management of our business. In that regard, our Board carries out its mandate directly or through its committees described below. For further information on our corporate governance practices see our Management Information Circular dated March 22, 2005 filed on SEDAR at www.sedar.com under the Company's name.

The Board has established two Committees of directors, being the Compensation Committee and the Audit Committee.

Compensation Committee

The Compensation Committee is currently composed of three members. All of the members of the Committee are independent. The Compensation Committee develops, reviews and monitors director and executive compensation and policies. In addition, this Committee is responsible for succession planning and oversight of pension plans. In addition, the Compensation Committee annually reviews the adequacy of compensation for directors and others, and the composition of the compensation packages. Terms of Reference for the Compensation Committee address the description of responsibilities, powers and operations of the Compensation Committee and are available on our website www.eldoradogold.com or by contacting our Corporate Secretary.

The Compensation Committee is composed of the following directors:

Wayne Lenton, Chairman

Robert Gilmore

John Auston

Audit Committee

The Audit Committee is currently composed of three directors. The Audit Committee is responsible for the oversight of financial reporting, internal controls and public disclosure documents. The Audit Committee also recommends the appointment of our external auditors, reviews the annual audit plan and auditor compensation, approve non-audit services provided by the external auditor, reviews hiring policies regarding former staff and auditors and evaluates our

risk management procedures/systems.

The audit committee has adopted a Terms of Reference that reflects these and other responsibilities. The mandate as most recently approved by the Board of Directors is attached as an appendix to this Annual Information Form.

The audit committee has adopted, as part of its Terms of Reference, policies that requires its pre-approval of audit, audit-related, tax and non-audit services to be provided by the Company's auditors. For more information on these pre-approval policies please see the Terms of Reference attached as an appendix to this Annual Information Form.

Composition of and Education and Experience of Members of the Audit Committee

The Audit Committee is composed of the following directors:

Robert Gilmore, Chairman

Hugh Morris

Ross Cory

Each of the members of the Committee is independent and financially literate. For particulars on the experience and education of the members of our Audit Committee that is relevant to the performance of his responsibilities as an audit committee member please refer to this AIF *Directors and Officers* pages 5 & 6 of the Company's Information Circular dated March 22, 2005.

The aggregate fees billed for professional services rendered by our auditors, PricewaterhouseCoopers LLP, to us for the years ended December 31, 2004 and 2003 are as follows:

	Years ended December 31	
	2004	2003
	Cdn\$	Cdn\$
Audit:	192,000	121,000
Audit Related:	81,000	33,000
Tax:	224,000	321,000
All Other Fees:	--	--
Total	497,000	475,000

LEGAL PROCEEDINGS

Other than as disclosed elsewhere herein, we are not aware of any material legal proceedings to which we are a party or to which our property is subject, nor are we aware that any such proceedings are contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The following table shows, as at March 22, 2005, each person who is known to the Company, its directors or officers, to beneficially own, directly or indirectly, or to exercise control or direction over, shares carrying more than 10% of the votes attached to shares of the Company.

Class of Securities	Name of Beneficial Owner	Amount and Nature of Ownership	Percentage of Class
Common Shares	Fidelity Management & Research Company	37,792,760	14.83%
	Fidelity Management Trust Company		

Other than as disclosed above, we are not aware of any material interest, direct or indirect, of (i) any Shareholder that is a direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of the voting rights attached to the Common Shares, (ii) any of our or our subsidiaries' directors or executive officers, or (iii) any associate or affiliate of any of the foregoing, in any transaction which has been entered into within our three most recent completed financial year or during the current financial year that has materially affected or will materially affect us.

TRANSFER AGENTS & REGISTRARS

The registrar and transfer agent for our Common Shares is Computershare Trust Company of Canada (Transfer Agent) at its principal offices located at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J2Y1.

The registrar and transfer agent for our Warrants is Computershare Trust Company of Canada at its principal offices located at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J2Y1 and 3rd Floor, 510 Burrard Street, Vancouver, B.C. V6C 3B9.

The register of transfers for our:

(i)

Common Shares is located at our Transfer Agent's principal office in Vancouver, British Columbia, and branch registers of transfer at its principal offices in Toronto, Ontario; and

(ii)

Warrants is located at the Warrant Trustees's principal offices in Vancouver, British Columbia and Toronto, Ontario.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, there are no material contracts we have entered into within the most recently completed financial year or before the most recently completed financial year (but after January 1, 2002) and still in effect, other than our Supplemental Warrant Indenture and our agreement with Anglogold as described herein.

INTEREST OF EXPERTS

Our auditors, PricewaterhouseCoopers, LLP, have prepared the audit report attached to our audited financial statements for our most recent year end.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and a statement of interests of insiders in material transactions is contained in the Management Information Circular dated March 22, 2005 that involves the election of directors and in respect of the year ended December 31, 2004. As well, additional financial information is provided in the Company's comparative Financial Statements and MD&A. The foregoing additional information is available on SEDAR at www.sedar.com under the Company name or the Company will provide to any person, upon request to the Corporate Secretary of the Company.

APPENDIX A

ELDORADO GOLD CORPORATION

AUDIT COMMITTEE

Terms of Reference

PURPOSE

The purpose of the Audit Committee is to oversee that Management has in place an effective system of internal financial controls for reviewing and reporting on the Company's financial statements; to monitor the independence and performance of the Company's external auditor (the Auditor); to oversee the integrity of the Company's financial disclosure and reporting and to monitor Management's compliance with legal and regulatory requirements.

CONSTITUTION AND MEMBERSHIP

1.

The Board will appoint Directors to form an Audit Committee (the Committee) annually at the Board of Directors Meeting following the Annual Shareholders Meeting.

2.

The Committee will be comprised of three Directors (the Member or Members), all of whom will meet the independence and financial literacy requirements of the Company's regulators.

3.

The Board may remove or replace a Member at any time. A Member will serve on the Committee until the termination of the appointment or until a successor is appointed.

4.

The Board will appoint the Chairman of the Committee. The Corporate Secretary of the Company will keep minutes of each meeting.

MEETINGS

1.

Meetings of the Committee will be held at the request of a Member of the Committee, the Chief Executive Officer, the Corporate Secretary or the Auditor of the Company at such times and places as may be determine, but in any event at least to review the Company s quarterly and annual financial disclosure. Twenty-four (24) hours advance notice of each meeting given orally, by telephone, or in writing delivered by facsimile or electronic mail together with an agenda will be given to each Member unless all Members are present and waive notice, or if those absent waive notice in writing.

2.

A majority of members of the Committee will constitute a quorum. Decisions of the Committee will be by an affirmative vote of the majority. Powers of the Committee may also be exercised by resolution in writing signed by all the members of the Committee.

3.

The Committee will have access to the Auditor and Management of the Company, exclusive of each other, for purposes of performing its duties. The Committee will meet with the Auditor independent of Management at least once a year.

4.

The Auditor will be notified of meetings of the Committee and may attend if requested to do so by a Member or by Management.

RESPONSIBILITIES

The Committee will have the following duties and responsibilities:

1.

Review with the Auditor and with the Management of the Company prior to the recommendation of the approval of the consolidated financial statements of the Company by the Board:

a)

the audited annual and unaudited quarterly financial statements including the notes thereto to that such statements present fairly the financial position of the Company and the results of its operations;

b)

the appropriateness of the Management Discussion and Analysis of operations contained in the audited annual and unaudited quarterly report and its consistency with the financial statements;

c)

any report or opinion proposed to be rendered in connection with the financial statements, including independent expert reports;

d)

any significant transactions which are not a normal part of the Company's business;

e)

the nature and substance of significant accruals, reserves and other estimates;

f)

issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls;

g)

all significant adjustments proposed by Management or by the Auditor;

h)

the specifics of any unrecorded audit adjustments;

i)

if applicable, any impairment provisions based on ceiling test calculations; and

j)

review management's quarterly and annual earnings release

k)

the mineral reserve calculation procedure and the credentials of the qualified person.

2.

Review and approve the audit and review and pre-approve non-audit services, except those non-audit services permitted by the regulators, and related fees and expenses and determine the independence of the Auditor.

3.

Establish guidelines for the retention of the Auditor for any non-audit service.

4.

Recommend to the Board the appointment of the Independent Auditor for proposal at the annual shareholders' meeting and the compensation of the Independent Auditor. The Auditor is ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders.

5.

Review internal controls with the independent auditor and its perception of the Company's financial and accounting personnel, any material recommendations which the Auditor may have, the cooperation which the Auditor received during the course of their review and the adequacy of their access to records, data and other requested information.

6.

Oversee the work of the independent auditor.

7.

Review hiring policies regarding former employees of the Company's independent auditor.

8.

Review with Management the Company's major financial risk exposures and the steps Management has taken to monitor and control such exposures.

9.

Establish whistle-blowing procedures.

10.

Advise the Board with respect to the Company's policies and procedures regarding compliance with new developments in generally accepted accounting principles, laws and regulations and their impact on the consolidated financial statements of the Company.

11.

Review with management and the Auditor, the Company's internal accounting and financial systems and controls to satisfy itself that the Company maintains:

a)

the necessary books, records and accounts in reasonable detail to accurately and fairly reflect the Company's transactions;

b)

effective internal control systems; and

c)

adequate processes for assessing the risk of material misstatement of the financial statements and for detecting control weaknesses or fraud.

12.

Review the auditor's management letter and the independent auditor report. Such report to be directed to the Committee.

13.

Direct and supervise the investigation into any matter brought to its attention within the scope of its duties.

14.

Perform such other duties as may be assigned to it by the Board of Directors from time to time or as may be required by applicable regulatory authorities or legislation.

15.

Report regularly and on a timely basis to the Board of Directors on matters coming before the Committee.

16.

Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

17.

Assess the Committee's performance of the duties specified in this charter and report its findings to the Board of Directors.

Approved at a meeting of the Board of Directors held May 13, 2004

Robert Gilmore

Dawn Moss

Audit Committee Chairman

Corporate Secretary

Document 2 - Supplement to the Glossary of Terms Included in the Annual Information Form of the Registrant for the Year Ended December 31, 2004

SUPPLEMENT TO THE GLOSSARY OF TERMS
INCLUDED IN THE ANNUAL INFORMATION FORM OF THE REGISTRANT
FOR THE YEAR ENDED DECEMBER 31, 2004

Mineral Reserve The terms mineral reserve , proven mineral reserve and probable mineral reserve, as used in this report, are Canadian mining terms as defined in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the CIM) Standards on Mineral Resources and Mineral Reserves (the CIM Standards), adopted by the CIM Council on August 20, 2000. CIM Standards differ from the standards in the United States.

Under United States standards:

reserve means that part of a mineral deposit which can be economically and legally extracted or produced at the time of the reserve determination;

economically, as used in the definition of reserve, implies that profitable extraction or production has been established or analytically demonstrated to be viable and justifiable under reasonable investment and market assumptions; and

legally, as used in the definition of reserve, does not imply that all permits needed for mining and processing have been obtained or that other legal issues have been completely resolved. However, for a reserve to exist, there should be a reasonable certainty based on applicable laws and regulations that issuance of permits or resolution of legal issues can be accomplished in a timely manner.

Mineral reserves are categorized as follows on the basis of the degree of confidence in the estimate of the quantity and grade of the deposit.

Under United States standards, proven or measured reserves are defined as reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; (b) grade and/or quality are computed from the results of detailed sampling; and (c) the sites for inspection, sampling and measurement are spaced so closely and the geographic character is so well defined that size, shape, depth and mineral content of reserves are well established.

Under United States standards, probable reserves are defined as reserves for which quantity and grade and/or quality are computed from information similar to that of proven reserves (under United States standards), but the sites for inspection, sampling, and measurement are further apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven mineral reserves, is high enough to assume continuity between points of observation.

Mineral Resource 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. As such, information contained in this report concerning descriptions of mineralization and resources under Canadian standards may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the Securities and Exchange Commission. Indicated mineral resource and inferred mineral resource have a great amount of uncertainty as to their existence and a great uncertainty as to their economic and legal feasibility. It can not be assumed that all or any part of an indicated mineral resource or inferred mineral resource will ever be upgraded to a higher category. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.

Document 3 Audited Financial Statements of the Registrant for the Year Ended December 31, 2004

December 31, 2004

Report to Shareholders

Suite 1188, Bentall 5

550 Burrard Street

Vancouver, British Columbia

V6C 2B5

Phone: (604) 687-4018

Fax: (604) 687-4026

Management's Responsibility for Financial Reporting

The financial statements and the information contained in the annual report have been prepared by and are the responsibility of Management of the Company. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and reconciled to accounting principles generally accepted in the United States as set out in note 14 and, where appropriate, reflect management's best estimates and judgements based on currently available information.

The Audit Committee of the Board of Directors, consisting of three members, meets periodically with management and the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting matters prior to submitting the financial statements to the Board for approval.

The Company has developed and maintains a system of internal control to provide reasonable assurance that financial information is accurate and reliable.

The Company's independent auditors, PricewaterhouseCoopers LLP were appointed by the shareholders and they have conducted an audit in accordance with Canadian generally accepted auditing standards and their report follows.

Earl W. Price

Paul N. Wright

Chief Financial Officer

President and Chief Executive Officer

March 17, 2005

AUDITORS REPORT

To the Shareholders of Eldorado Gold Corporation

We have audited the consolidated balance sheets of Eldorado Gold Corporation as at December 31, 2004 and 2003 and the consolidated statements of operations and deficit and cash flows for the years ended December 31, 2004, 2003 and 2002. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2004 and 2003 and the results of its operations and its cash flows for the years ended December 31, 2004, 2003 and 2002 in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

Vancouver, BC

Canada

February 11, 2005

Eldorado Gold Corporation
Consolidated Balance Sheets
As At December 31
(Expressed in thousands of U.S. dollars)

	2004	2003
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 135,390	\$ 105,465
Accounts and other receivables	8,705	3,213
Inventories (Note 3)	5,927	5,623
	150,022	114,301
Property, plant and equipment (Note 4)	52,337	23,784
Mineral properties and deferred development (Note 4)	22,676	32,287
Investments and advances (Note 8)	1,224	1,258
Deferred loss (Note 6)	-	329
	\$ 226,259	\$ 171,959
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 6,005	\$ 7,164
	6,005	7,164
Asset retirement obligation (Note 5)	8,059	7,172
Contractual severance obligation	636	318
Future income taxes (Note 9)	4,598	3,830
	19,298	18,484
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	508,373	444,665
Contributed surplus	1,094	1,094
Stock based compensation (Note 7)	5,138	1,418
Deficit	(307,644)	(293,702)
	206,961	153,475
	\$ 226,259	\$ 171,959

Commitments and Contingencies (Note 10)

Approved by the Board

"Robert Gilmore"

Director

"Paul Wright"

Director

Eldorado Gold Corporation
Consolidated Statements of Operations and Deficit
For The Years Ended December 31
(Expressed in thousands of U.S. dollars except per share amounts)

	2004		2003		2002
Revenue					
Gold sales	\$ 33,153	\$	36,814	\$	34,051
Interest and other income	2,762		1,415		5,245
	35,915		38,229		39,296
Expenses					
Operating costs	32,459		22,604		19,027
Depletion, depreciation and amortization	4,431		10,321		10,699
General and administrative	5,531		4,961		3,238
Exploration expense	4,136		1,956		1,078
Interest and financing costs	25		569		1,156
Loss (gain) on settlement of convertible debenture	-		227		(463)
Stock based compensation expense	3,720		1,418		-
Accretion of asset retirement obligation	430		406		383
Foreign exchange (gain) loss	(196)		(6,494)		1,046
	50,536		35,968		36,164
(Loss) profit before the undernoted items	(14,621)		2,261		3,132
Writedown of assets	-		(44,645)		(415)
Gain (loss) on disposals of property, plant and equipment	30		(186)		(205)
(Loss) profit before income taxes	(14,591)		(42,570)		2,512
Tax recovery (expense) (Note 9)					
Current	1,406		1,107		(1,121)
Future	(757)		(3,570)		387
Net (loss) income for the year	\$ (13,942)	\$	(45,033)	\$	1,778
Deficit at the beginning of the year:					
As previously reported	(293,702)		(247,649)		(249,785)
Change in accounting policy	-		(1,020)		(662)
As restated	\$ (293,702)	\$	(248,669)	\$	(250,447)
Deficit at the end of the year	\$ (307,644)	\$	(293,702)	\$	(248,669)
Weighted average number of shares outstanding	257,643,212		221,770,349		147,597,481
Basic (loss) income per share - U.S.\$	\$ (0.05)	\$	(0.20)	\$	0.01
Basic (loss) income per share - CDN.\$ - (yearly avg. rate)	\$ (0.07)	\$	(0.28)	\$	0.02
Diluted (loss) income per share - U.S.\$	\$ (0.05)	\$	(0.20)	\$	0.01

Eldorado Gold Corporation
Consolidated Statements of Cash Flows
For The Years Ended December 31
(Expressed in thousands of U.S. dollars)

	2004	2003	2002
Cash flows from operating activities			
Net (loss) income for the year	\$ (13,942) \$	(45,033) \$	1,778
Items not affecting cash			
Depletion, depreciation and amortization	4,431	10,321	10,699
Future income taxes	757	3,570	(387)
Writedown of assets	28	44,929	415
Loss on disposals of property, plant and equipment	8	-	205
Loss (gain) on settlement of convertible debenture	-	227	(463)
Interest and financing costs	-	127	249
Amortization of hedging gain	329	(2,286)	(3,550)
Stock based compensation expense	3,720	1,418	-
Contractual severance expense	318	318	-
Accretion of asset retirement obligation	430	406	383
Foreign exchange loss (gain)	450	(6,850)	1,784
	(3,471)	7,147	11,113
(Increase) decrease in accounts and other receivable	(5,492)	(1,833)	1,585
(Increase) decrease in inventories	(304)	(607)	(425)
(Decrease) increase in accounts payable and accrued liabilities	(1,159)	(1,061)	(2,985)
	(10,426)	3,646	9,288
Cash flow from investing activities			
Property, plant and equipment	(22,772)	(9,391)	(5,334)
Proceeds from disposals of property, plant and equipment	357	-	64
Mineral properties and deferred development	(573)	(3,604)	(2,285)
Investments and advances	-	(1,196)	37
Proceeds from disposals of investments and advances	70	-	-
Restricted cash	-	-	475
	(22,918)	(14,191)	(7,043)
Cash flow from financing activities			
Repayment of long-term debt	-	-	(15,476)
Repayment of convertible debentures	-	(7,150)	-
Issue of common shares:			
Voting - for cash	63,708	78,619	47,966
Other assets and deferred charges	-	-	(95)
	63,708	71,469	32,395
Foreign exchange gain (loss) on cash held in foreign currency	(439)	6,914	(1,765)
Net increase (decrease) in cash and cash equivalents	29,925	67,838	32,875
Cash and cash equivalents at beginning of the year	105,465	37,627	4,752
	\$ 135,390 \$	105,465 \$	37,627

Cash and cash equivalents at end of the year

Supplemental cash flow information

Interest paid	\$	-	\$	541	\$	937
Income tax paid	\$	166	\$	242	\$	382

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

1. Nature of operations

Eldorado Gold Corporation (Eldorado , or Company) is engaged in gold mining and related activities, including exploration and development, extraction, processing and reclamation. Gold, the primary product, is produced in Brazil. Development and construction of a mine and processing facility is underway in Turkey. Exploration activities are carried on in Brazil, Turkey and China.

The Company has not determined whether all its development properties contain ore reserves that are economically recoverable. The recoverability of the amount shown for mineral properties and deferred development is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing, licenses and permits to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties. The amounts shown as mineral properties and deferred development represent net costs to date, less amounts amortized and/or written off, and do not necessarily represent present or future values.

2.

Significant accounting policies

Basis of consolidation

The consolidated financial statements include the accounts of Eldorado and its subsidiaries. The consolidated financial statements have been prepared using accounting principles generally accepted in Canada. As described in note 14, these principles differ in certain material respects from accounting principles generally accepted in the United States.

Foreign currency translation

Eldorado's subsidiaries are integrated operations. The financial statements and other transactions stated in foreign currencies are translated into U.S. dollars using the temporal method, as noted below:

- Monetary assets and liabilities are translated at the exchange rate at the balance sheet dates;
- Non-monetary assets are translated at historical rates;

- Revenue and expense items are translated at the average rate for the year except for depletion,
- depreciation and amortization of property, plant and equipment which are translated at the same rate as the assets to which they relate; and
- Translation gains and losses are included in operations.

Cash and cash equivalents

Cash and cash equivalents include those short-term money market instruments which on acquisition have a term to maturity of three months or less. The Company limits its exposure to credit loss by placing its cash with institutions which are believed to be credit-worthy.

Inventories

In-process inventories, including ore stockpiles when applicable, are valued at the lower of average production costs and net realizable value, after a reasonable allowance for further processing costs. Materials and supplies are valued at average cost and where appropriate less a provision for obsolescence.

Investments

Investments in shares of other companies are carried at cost or at cost less amounts written off to reflect an impairment in value that is other than temporary.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

Property, plant and equipment

Property, plant and equipment are carried at cost, including costs associated with properties under development. Assets used in commercial production are subject to depreciation and depletion over their estimated useful lives, on the basis described below:

Mineral properties and capitalized development costs for an underground operation - where the mine operating plan calls for production from well defined ore reserves, the life of mine method is applied.

Buildings, machinery, mobile and other equipment - depreciated on a straight-line basis over the life of the mine.

Management of the Company regularly reviews the carrying value of each mineral property. Where information is available and conditions suggest impairment of long lived assets, estimated future net cash flows from each property are calculated using estimated future gold prices, proven and probable reserves, value beyond proven and probable reserves, operating, capital and reclamation costs and estimated proceeds from the disposition of assets on an undiscounted basis. If it is determined that the future cash flows are less than the carrying value and the fair value is less than the carrying value, a write-down to the estimated fair value is made with a charge to operations. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses if the carrying value can be recovered.

Management's estimates of mineral prices, recoverable proven and probable reserves, resources, operating capital and reclamation costs are subject to risks and uncertainties, which may affect the assessment of recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term, which could adversely affect management's estimate of the net cash flow to be generated from its properties.

Exploration and development

Exploration costs are charged against operations as incurred until a mineral resource is established on a property, from which time exploration expenditures are capitalized.

Deferred financing charges

Deferred financing charges consist of commissions and expenses related to establishing the related indebtedness and have been amortized to operations over the life of such indebtedness.

Asset Retirement Obligation

The fair value of liabilities for asset retirement obligations is recognized in the period they are incurred. A corresponding increase to the carrying amount of the related asset is recorded and depreciated over the life of the asset. The amount of the liability is subject to re-measurement at each reporting period.

Revenue recognition

Revenues from the sale of bullion are recognized when the goods have been delivered and title passes to the purchaser.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Financial statement items subject to significant estimates include property, plant and equipment and related depletion, depreciation and amortization, the recoverability of mineral properties and deferred development costs, asset retirement obligations and stock based compensation. Actual results could differ from those estimates.

Share option plan

The Company uses fair-value accounting for awards of stock options to employees, officers and directors under the share option plans. Consideration paid for shares on exercise of the share options is credited to share capital.

Income taxes

Future income taxes are recognized for the future income tax consequences attributable to differences between the carrying values of assets and liabilities and their respective income tax bases. Future income tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in rates is included in operations in the period that includes the enactment date. A future income tax asset is recorded when the probability of the realization is more likely than not.

Earnings (loss) per share

Earnings or loss per share are presented for basic and diluted net income (loss). A basic earnings per share is computed by dividing net income or loss by the weighted average number of outstanding common shares for the year. The computation of diluted earnings per share reflects the dilutive effect of the exercise of stock options and warrants

outstanding as at year-end using the treasury stock method.

3.

Inventories

	2004	2003
In process inventory	\$1,913	\$1,584
Materials and Supplies	4,014	4,039
	\$5,927	\$5,623

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

4. Property, Plant and Equipment and Mineral Properties

	2004	2003
Property, plant and equipment		
São Bento mine	\$88,688	\$122,461
Accumulated depreciation and depletion	(63,998)	(59,665)
	\$24,690	\$62,796
Write downs	-	(39,758)
	\$24,690	\$23,038
 Kisladag project, under construction	 \$26,353	 \$-
 Office furniture and equipment	 \$3,076	 \$2,430
Accumulated depreciation	(1,782)	(1,684)
	\$1,294	\$746
 Total property, plant and equipment	 \$52,337	 \$23,784
 Mineral properties and deferred development	 \$22,676	 \$36,562
Write downs	-	(4,275)
Total mineral properties and deferred development	\$22,676	\$32,287
	\$75,013	\$56,071

In 2004 the Kisladag project costs incurred to December 31, 2003 of \$10,120 were transferred from mineral properties and deferred development to property, plant and equipment.

5.**Asset Retirement Obligation**

In 2003, the Company obtained an independent study to evaluate the fair value of the expected closure costs of the Company's São Bento mine. The total undiscounted amount of the estimated closure costs as determined by the study total \$9,822. In assessing the carrying amount for the asset retirement obligation management used the following key assumptions in deriving our reported figures.

Mine closure date: December 31, 2007

Credit adjusted risk-free rate: 6%

At the present time, the Company has concluded that there are no asset retirement obligations associated with the Turkish properties.

6.

Deferred Loss

The deferred loss is a result of liquidating the Company's hedge position and was accounted for as an adjustment to revenue in 2004.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

7.

Share Capital*(a) Authorized and Issued Share Capital*

Eldorado's authorized share capital consists of an unlimited number of voting and non-voting common shares with no par value. At December 31, 2004 the Company has nil non voting shares outstanding. The details of the voting common shares issued and outstanding are as follows:

2003	Shares Issued	Amount
Shares at beginning of the year	206,204,010	\$366,046
Shares for exercised stock options	3,189,500	1,301
Shares for cash consideration - Financing	25,000,000	52,822
Shares for cash consideration - Warrants	19,567,666	24,496
Shares at December 31, 2003	253,961,176	\$444,665
2004		
Shares at beginning of the year	253,961,176	\$444,665
Shares for exercised stock options	1,592,500	1,536
Shares for cash consideration - Financing	20,700,000	62,140
Shares for cash consideration - Warrants	10,100	32
Shares at December 31, 2004	276,263,776	\$508,373

On August 25, 2003, the Company completed a financing of 25,000,000 units at a price of Cdn\$3.10 per unit with a syndicate of underwriters for gross proceeds of Cdn\$77,500,000 (\$55,320). Net proceeds after payments of all expenses relating to the offering were Cdn\$73,999,000 (\$52,822). Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of Cdn\$4.10 until August 25, 2004. On August 16, 2004 the warrants were extended to expire on August 25, 2005.

During 2003 a total of 19,567,666 shares were issued for the exercise of warrants. A total of 19,520,416 shares were issued for the exercise of warrants from the December 23, 2002 financing. Proceeds of \$24,352 were received and 65,950 warrants expired unexercised. A total of 47,250 shares were issued upon exercise of the warrants issued with the August 25, 2003 financing and proceeds of \$144 were received, 12,452,750 warrants remain outstanding at December 31, 2003.

During 2004 an additional 10,100 shares were issued for the above warrants and proceeds of \$32 were received, 12,442,650 warrants remain outstanding at December 31, 2004.

On November 12, 2004, the Company completed a financing of 20,700,000 shares at a price of Cdn\$3.75 per share with a syndicate of underwrites for gross proceeds of Cdn\$77,625,000 (\$65,083). Net proceeds after payments of all expenses relating to the offering were Cdn\$74,103,000 (\$62,140).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

7.

Share Capital (continued)

(b) Share option plan

As at December 31, 2004, the Company has a share option plan as described below. The Company accounts for its grants under those plans in accordance with the fair value based method of accounting for stock based compensation. Compensation costs charged against net income in 2004 for the plans were \$3,720.

The Company established a share option plan (the Plan) in June 1994. Amendments to the Plan were approved in June 1995, June 1996, May 2000 and May 2004. The Board of Directors administered the Plan whereby from time to time, share option grants were provided for up to a total of 12,741,463 share options to directors, officers, employees, consultants or advisors.

At the Annual Meeting of Shareholders held on April 30, 2003, the Company received approval from the shareholders for the implementation of a share option plan to provide for grants of options to officers and directors of the Company separate from the Plan.

The shareholders resolved that the Plan be amended to remove the eligibility of directors and officers of the Company for grants of share options under the Plan. A separate share option plan for Officers and Directors was established (the D & O Plan).

The Plan

The Board of Directors administers the Plan, whereby it may from time to time grant share options to employees, consultants or advisors of the Company. Under the Plan 12,741,463 Common Shares (the Optioned Shares) are reserved, set aside and made available for issue provided that in no event shall options be granted entitling any single individual to purchase in excess of one half of one percent (0.5%) of the then outstanding common shares. All share

options granted under the Plan shall expire not later than tenth anniversary of the date the options were granted. The exercise price of an option is determined by the Board of Directors, but shall not be less than the quoted price of the common shares of the Company on the Toronto Stock Exchange on the last business day before the date on which the option is granted.

The D & O Plan

The Board of Directors administers the D & O Plan, whereby it may from time to time grant share options to directors & officers of the Company. Under the D & O Plan 7,000,000 common shares are reserved, set aside and made available for issue. The total number of shares that may be reserved for issuance to any one optionee pursuant to options shall not exceed 1% of the shares of the Company outstanding on a non-diluted basis on the grant date of the options. All share options granted under the D & O Plan shall expire not later than tenth anniversary of the date the options were granted. The exercise price of an option is determined by the Board of Directors, but shall not be less than the quoted price of the common shares of the Company on the Toronto Stock Exchange on the last business day before the date on which the option is granted.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

7.

Share Capital (continued)

A summary of the terms and status of Company's outstanding options at December 31, 2004 and 2003 and the changes for the years ending on those dates is presented below:

Options (Cdn\$)	Outstanding Options	Weighted Average Exercise Price
2003		
Outstanding options as at January 1, 2003	4,425,000	\$0.58
Granted	2,120,000	2.58
Exercised	(3,189,500)	0.58
Outstanding options as at December 31, 2003	3,355,500	\$1.82
Exercisable options as at December 31, 2003	2,593,833	\$1.47
2004		
Outstanding options as at January 1, 2004	3,355,500	\$1.82
Granted	3,875,000	3.67
Exercised	(1,592,500)	1.25
Outstanding options as at December 31, 2004	5,638,000	\$3.25
Exercisable options as at December 31, 2004	4,729,666	\$3.21

The following table summarises information about share options granted during the twelve months ended December 31, 2004:

Weighted average

Shares	exercise price Cdn\$
3,390,000	3.70
120,000	3.75
175,000	3.05
190,000	3.74
3,875,000	3.67

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

7.

Share Capital (continued)

As at December 31, 2004, options to purchase up to 4,831,821 (December 31, 2003 6,165,358) shares remained available to be granted under both Plans. Summaries of the Company's options outstanding, exercise prices and expiry dates are presented below.

Stock Options (Cdn\$)

Range of Exercise Prices (\$)	Number Outstanding at December 31, 2004	Weighted-Average Life Remaining (years)	Weighted Average Exercise Price (\$)
Less than 0.41	45,000	1.74	0.25
0.51 to 0.60	50,000	1.41	0.51
0.61 to 0.70	100,000	2.15	0.70
0.71 to 0.80	79,000	1.84	0.72
1.21 to 1.80	195,000	2.73	1.43
1.81 to 2.70	669,000	3.19	1.99
2.71 to 4.05	4,325,000	4.10	3.67
Greater than 4.05	175,000	3.84	4.43
Total	5,638,000	3.82	3.25

Stock Options (Cdn\$)

Range of Exercise Prices (\$)	Number Outstanding at December 31, 2003	Weighted-Average Life Remaining (years)	Weighted Average Exercise Price (\$)
-------------------------------------	---	--	--

Less than 0.41	160,000	2.77	0.26
0.41 to 0.50	208,000	0.28	0.50
0.51 to 0.60	50,000	2.77	0.51
0.61 to 0.70	205,000	2.43	0.69
0.71 to 0.80	547,500	3.07	0.71
1.21 to 1.80	255,000	3.73	1.43
1.81 to 2.70	1,270,000	4.14	2.02
2.71 to 4.05	485,000	4.75	3.60
Greater than 4.05	175,000	4.84	3.60
Total	3,355,500	3.62	1.82

Prior to 2003 the Company did not recognize expense for the fair value of options granted to employees and directors. Had the Company determined compensation costs based on the fair value at the grant dates for those share options consistent with the fair value method of accounting for stock-based compensation, the Company's net earnings and earnings per share would have been reduced to the pro forma amounts indicated below:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

7.

Share Capital (continued)

		December 31, 2002
Net earnings for the period	As reported	\$1,778
	Pro forma	\$1,302
Basic and diluted earnings per share	As reported	\$0.01
	Pro forma	\$0.01

The fair values of options included in the pro forma amounts presented above and used in the determination of compensation cost for 2003 and 2004 have been estimated using an option-pricing model. Assumptions used in the pricing model are as follows:

	December 31, 2004	December 31, 2003	December 31, 2002
	Ranging from	Ranging from	Ranging from
Average risk-free interest rate	2.5% to 3.5%	3.76% to 4.32%	4.24% to 4.71%
Expected life	3 years	5 years	5 years
Expected volatility	0.500000	0.500000	0.500000
Expected dividends	nil	nil	nil

The following table summarizes information about the warrants outstanding as at December 31, 2004 and 2003.

	Outstanding Warrants	Weighted Average Exercise Price (Cdn\$)
Warrants outstanding at January 1, 2003	19,586,368	1.68
Granted during - 2003	12,500,000	4.10
Exercised	(19,567,668)	1.69
Expired	(65,950)	2.00
Warrants outstanding and exercisable at December 31, 2003	12,452,750	4.10
Warrants outstanding at January 1, 2004	12,452,750	4.10
Granted during - 2004	-	-
Exercised	(10,100)	4.10
Expired	-	-
Warrants outstanding and exercisable at December 31, 2004	12,442,650	4.10

At December 31, 2004 there were 12,442,650 outstanding and exercisable warrants with a weighted average remaining contractual life of 0.65 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

7.

Share Capital (continued)

(c) *Shareholder rights plan*

On March 8, 1995, the Board of Directors of Eldorado adopted a Shareholder Rights Plan, which was approved by the shareholders at the Annual General meeting on June 5, 1995. Under the terms of the plan, rights are attached to the common shares. The rights become marketable and exercisable only upon the occurrence of certain specified events. If a person or group acting in concert acquires or announces its intention to acquire 20% or more of the outstanding common shares in a non-permitted bid, each right, on exercise, entitles the holders (other than the acquiring person or group) to purchase common shares of Eldorado at half the current market price per common share.

The rights are not triggered by a permitted bid which is, in effect, a bid made to all shareholders for all of the voting shares by way of a bid circular. Such an offer must remain outstanding for at least 75 days and must be accepted by shareholders holding at least 50% of the outstanding shares that are not held by the bidder. At any time prior to the rights becoming exercisable, the Board of Directors may redeem all the rights at \$.00001 per right.

(d) *Net income (loss) per share*

Net income (loss) per share was calculated on the basis of the weighted average number of shares outstanding for the year which amounted to 257,643,212 (2003 221,770,349, 2002 147,597,481). Diluted net income (loss) per share reflects the dilutive effect of the exercise of stock options and warrants outstanding as at year-end using the treasury stock method. The effect of common stock options and warrants on the net loss per share in 2004 and 2003 was not reflected as to do so would be anti dilutive. The number of shares for the diluted net income per share calculation for 2002 was 149,395,784.

8.

Financial Instruments

Fair value of financial instruments

At December 31, 2004 and 2003, the fair value of cash, and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their respective carrying values.

The aggregate estimated fair value of the Company's investments at December 31, 2004 was \$987 (2003 - \$1,817).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

9.**Taxes**

Details of income tax expense related to operations are as follows:

		2004	2003	2002
Income Taxes				
Recovery (Expense)				
	Current			
	Canada	\$(26)	\$(41)	\$45
	Foreign	1,432	1,148	(1,166)
	Future			
	Canada	-	-	-
	Foreign	(757)	(3,570)	387
		\$649	\$(2,463)	\$(734)

The reconciliation of the combined Canadian federal and provincial statutory income tax rates to the effective tax rate on earnings before taxes and other items is as follows:

2004	2003	2002
%%%		

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Statutory Rate	(35.62)	(37.62)	39.62
Losses not recognized	27.75	45.79	142.43
Foreign income subject to different tax rates	(8.71)	(17.70)	(218.25)
Foreign exchange	26.15	21.37	16.50
Loss not previously recognized	(8.61)	(3.72)	-
Non-deductible expense and other items	(5.41)	(2.33)	48.93
Effective income tax rate	(4.45)	5.79	29.23

Eldorado and its subsidiaries have tax losses from prior years, which are available to offset taxable income of future years. These tax losses expire as follows:

Year of expiry	2008	2009	2010	2011
Amount	\$4,010	\$6,725	\$5,792	\$4,958

In addition, the Brazilian subsidiaries have losses of \$135,602 which can be used to offset taxable income and \$120,511 which can be used to offset income for social contribution tax. These losses have no expiry date and can be used to offset 30% of income in any one year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

9.

Taxes (continued)

Significant components of Eldorado's future income tax assets (liability) at December 31 were as follows:

	2004	2003
Tax losses	\$53,634	\$59,010
Liabilities	(3,062)	(3,840)
Mineral properties	7,705	5,127
Capital assets	9,090	12,671
Undistributed earnings of a subsidiary	(271)	(260)
Other	4,032	2,749
	\$71,128	\$75,457
Valuation allowance	(75,726)	(79,287)
Future income tax liability	\$(4,598)	\$(3,830)

10.

Commitments and Contingencies

The Company's contractual obligations at December 31, 2004, including payments due for each of the periods indicated, are summarized as follow:

Contractual obligations	Payments due in						Total
	2005	2006	2007	2008	2009	2010 +	

Operating leases	\$279	\$216	\$171	\$171	\$175	\$950	\$1,962
Capital expenditures	18,320	-	-	-	-	-	18,320
Purchases obligations	8,082	6,607	6,607	6,209	-	-	27,505
Total	\$26,681	\$6,823	\$6,778	\$6,380	\$175	\$950	\$47,787

11.**Guarantee**

São Bento Mineração has made a guarantee deposit of approximately \$529 relating to a tax case. The Company estimates that this amount will be refunded once the tax case has been settled.

12.**Segmented Information**

All of Eldorado's operations are related to the gold mining industry. In 2004, 2003 and 2002 Eldorado had a single producing mine, São Bento, with mining and exploration assets located in South America and Turkey. In 2003, the Company began exploration activities in China.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

	Twelve months ended		
	December 31	December 31	December 31
	2004	2003	2002
Gold sales			
São Bento Mine	\$ 33,153	\$ 36,814	\$ 34,051
	33,153	36,814	34,051
Operating costs			
São Bento Mine	32,459	22,604	19,027
Accretion of asset retirement obligation	430	406	383
	32,889	23,010	19,410
Depletion, depreciation and amortization			
São Bento Mine	4,333	10,192	9,396
	4,333	10,192	9,396
Corporate expenses, net of interest and other income	(2,696)	2,250	(1,498)
(Loss) gain on settlement of convertible debenture	-	(227)	463
Stock based compensation expense	(3,720)	(1,418)	-
Exploration expense	(4,136)	(1,956)	(1,078)
Writedown of assets	-	(44,645)	(415)
Gain (loss) on disposals of property, plant and equipment	30	(186)	(205)
(Loss) profit before income taxes	(14,591)	(42,570)	2,512
Tax recovery (expense)			
Current	1,406	1,107	(1,121)
Future	(757)	(3,570)	387

Net (loss) income for the year	\$	(13,942)	\$	(45,033)	\$	1,778
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

12.**Segmented Information (continued)**

		Year ended December 31, 2004		Year ended December 31, 2003		Year ended December 31, 2002
Segment assets						
São Bento - Consolidated	\$	91,877	\$	43,408		
Total assets for reportable segments		91,877		43,408		
Turkey - Consolidated		55,089		37,174		
Canada		79,293		91,377		
	\$	226,259	\$	171,959		
Revenues by geographic area						
North America	\$	(1,664)	\$	1,216	\$	108
South America		(34,104)		36,993		39,184
Turkey		(147)		20		4
	\$	(35,915)	\$	38,229	\$	39,296
Net (loss) income by geographic area						
North America	\$	(8,031)	\$	1,273	\$	(4,971)
South America		(4,326)		(40,628)		7,279
Turkey		(1,585)		(5,678)		(530)
	\$	(13,942)	\$	(45,033)	\$	1,778
Assets by geographic area						
North America	\$	79,293	\$	91,377		
South America		91,877		43,408		

Turkey	55,089	37,174
	\$ 226,259	\$ 171,959

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

13. Supplementary cash flow information

The Company conducted non-cash investing and financing activities as follows:

	2004	2003	2002
Financing activities			
Long term debt fee accrual	\$-	\$-	\$56
Settlement of convertible debentures and accrued interest in exchange for shares	\$-	\$-	\$1,686

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

14.**Significant differences from United States accounting principles**

Canadian generally accepted accounting principles (Canadian GAAP) vary in certain significant respects from the principles and practices generally accepted in the United States (U.S. GAAP). The effect of the principal measurement differences on the Company's consolidated financial statements are quantified below and described in the accompanying notes:

	Twelve months ended December 31,		
	2004	2003	2002
Net (loss) earnings for the period reported under Canadian GAAP	\$(13,942)	\$(45,033)	\$1,778
Add (deduct)			
Property, plant and equipment costs (a)	-	14,915	(14,915)
Exploration costs (a)	(509)	671	(2,285)
Deferred gain amortization - Canadian GAAP (b)	-	-	(2,395)
Forward gold sales contracts - U.S. GAAP (b)	-	-	1,869
Accretion on convertible debentures (c)	-	127	177
Accretion on asset retirement obligation - U.S. GAAP (d)	-	-	383
Depletion, depreciation and amortization (d)	-	-	362
Future income tax	-	-	(387)
Loss (gain) on settlement of convertible debentures - Canadian GAAP (c)	-	227	(463)
Net (loss) earnings before change in accounting policy	\$(14,451)	\$(29,093)	\$(15,876)
Cumulative effect adjustment - asset retirement obligation (d)	-	(1,020)	-

Net (loss) earnings for the period under U.S. GAAP before extraordinary items	\$(14,451)	\$(30,113)	\$(15,876)
Gain on settlement of convertible debentures - U.S. GAAP (c)	-	-	294
Net (loss) earnings for the period after extraordinary items but before comprehensive income adjustments	\$(14,451)	\$(30,113)	\$(15,582)
Net (loss) earnings per common share - U.S. GAAP before and after extraordinary items			
Basic and diluted	\$(0.06)	\$(0.14)	\$(0.10)
Other comprehensive income			
Opening balance	\$233	\$1,957	\$5,195
Gold sales contracts (b)	-	(2,286)	(3,238)
Unrealized gain on investments (e)	-	562	-
Closing balance	\$233	\$233	\$1,957

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

	Twelve months ended December 31,		
	2004	2003	2002
Shareholders* equity reported under Canadian GAAP	\$206,961	\$153,475	\$118,471
Cumulative adjustments to shareholders* equity add (deduct)			
Property, plant and equipment costs (a)	-	-	(14,915)
Exploration costs (a)	(15,874)	(15,365)	(16,036)
Forward gold sales contracts (b)	-	-	-
Deferred gain (loss) on gold sales contracts (b)	-	(329)	1,957
Accretion on convertible debentures (c)	-	1,036	909
Contributed surplus	-	(1,094)	-
Equity portion of convertible debentures (c)	-	-	(1,094)
Loss (gain) on settlement of convertible debentures - Canadian GAAP (c)	-	(236)	(463)
Gain on settlement of convertible debentures - U.S. GAAP (c)	-	294	294
Asset retirement obligation (d)	-	-	1,020
Unrealized gain (loss) on investments (e)	(237)	562	-
Future income tax	-	-	-
Shareholders* equity under U.S. GAAP	\$190,850	\$138,343	\$90,143
Total assets reported under Canadian GAAP	\$226,259	\$171,959	\$142,411
Add (deduct)			

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Property, plant and equipment costs (a)	-	-	(17,194)
Exploration costs (a)	(15,874)	(15,365)	(16,036)
Forward gold sales contracts (b)	-	-	-
Investments (e)	(237)	562	-
Total assets under U.S. GAAP	\$210,148	\$157,156	\$109,181
Total liabilities reported under Canadian GAAP	\$19,298	\$18,484	\$23,940
Add (deduct)			
Deferred gain on gold sales contracts (b)	-	329	(1,957)
Convertible debentures (c)	-	-	354
Asset retirement obligation - net (d)	-	-	(3,299)
Future income tax	-	-	-
Total liabilities under U.S. GAAP	\$19,298	\$18,813	\$19,038

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

	Twelve months ended December 31,		
	2004	2003	2002
Cash flows from operating activities			
Net earnings (loss) under Canadian GAAP	\$(10,426)	\$3,646	\$9,288
Exploration costs	(509)	(3,604)	(2,285)
Cash flows from operating activities under U.S. GAAP	\$(10,935)	\$42	\$7,003
Cash flows from investing activities under Canadian GAAP			
Exploration costs	\$22,918	\$(14,191)	\$(7,043)
Cash flows from investing activities under U.S. GAAP	509	3,604	2,285
Cash flows from financing activities under Canadian and U.S. GAAP	\$(22,409)	\$(10,587)	\$(4,758)
Foreign exchange loss on cash held in foreign currency	\$63,708	\$71,469	\$32,395
Increase (decrease) in cash and cash equivalents	\$(439)	\$6,914	\$(1,765)
Cash and cash equivalents - Beginning of period	\$29,925	\$67,838	\$32,875
	\$105,465	\$37,627	\$4,752

Cash and cash equivalents -

End of period	\$135,390	\$105,465	\$37,627
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Additional supplementary cash**flow information**

Forward gold sales contracts	\$-	\$-	\$100
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a)

Property, plant and equipment and exploration costs

Exploration costs are accounted for in accordance with Canadian GAAP as disclosed in Note 2. For U.S. GAAP purposes, the Company expenses all exploration costs incurred relating to unproven mineral properties. When proven and probable reserves are determined for a property and upon completion of a feasibility study, subsequent exploration and development costs on the property are capitalized.

In 2003 the Company reported a write-down under Canadian GAAP at its São Bento mine. In 2002 the Company recorded a write down at its São Bento mine of \$14,915 due to the exclusion of inferred resources per SFAS 144 which was reversed in 2003.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

b)

Forward gold sales contracts and foreign exchange purchase commitments

Derivative instruments

For U.S. GAAP, the Company adopted Statement of Financial Accounting Standards No. 133 (SFAS No. 133) effective January 1, 2001. SFAS No. 133 requires that all derivatives be recorded on the balance sheet as either assets or liabilities at their fair value. Changes in a derivative's fair value are recognized in the earnings of the current period unless specific hedge accounting criteria are met. Management has currently not designated any of the Company's financial instruments as hedges for U.S. GAAP purposes under SFAS No. 133. Gains from hedges previously closed out are classified in other comprehensive income on transition to SFAS No. 133.

A similar guidance has been introduced in Canada, Accounting Guideline 13, Hedging Relationships, (AcG 13) which is effective for the years beginning July 1, 2003. AcG 13 addresses the identification, designation, documentation, and effectiveness of hedging transactions for the purposes of applying hedge accounting. It also establishes conditions for applying or discontinuing hedge accounting. Under the new guideline, the Company will be required to document its hedging transactions and explicitly demonstrate that the hedges are sufficiently effective in order to continue accrual accounting for positions hedged with derivatives. The effect of adopting this guideline has not yet been determined.

c)

Convertible debentures

Canadian GAAP requires that a portion of the convertible debentures be classified as equity. The difference between the carrying amount of the debentures and their face value is accreted over the life of the debt and charged to earnings (loss) for the year. Under U.S. GAAP the debentures would be classified as a liability at their face value.

A portion of the convertible debentures was settled during 2002, resulting in a gain of \$463 under Canadian GAAP. Under U.S. GAAP, the gain on settlement would have been \$294 and would be classified as an extraordinary item. During 2003 the outstanding balance was paid resulting in a loss of \$227 under Canadian GAAP. Under US GAAP there would be no gain or loss on repayment of the outstanding convertible debentures.

d)

Asset retirement obligation

SFAS No. 143, *Accounting for Asset Retirement Obligations* was issued in June 2001. This statement addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. It requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. FAS 143 requires no restatement of prior year balances and the cumulative effect is included in the net loss for the year. Under SFAS 143, the cumulative effect for the change in accounting policy is recorded into loss for the period.

e)

Investments

Under US GAAP, marketable securities would be divided between held-to-maturity securities and available-for-sale securities. These securities classified as available-for-sale would be recorded at market value and the unrealized gain or loss would be recorded as a separate component of shareholders equity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2004, 2003 and 2002

Expressed in thousands of U.S. dollars except per share amounts

f)

New accounting pronouncements

In January 2003, the Financial Accounting Standards Board or FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities, and an Interpretation of Accounting Research Bulletin No. 51 (FIN 46). FIN 46 establishes accounting guidance for consolidation of variable interest entities by the primary beneficiary. FIN 46 applies to any business enterprise, public or private, that has a controlling interest, contractual relationship or other business relationship with a variable interest entity. In December 2003, the FASB issued Interpretation No. 46R (FIN 46 R) which supersedes FIN 46 and is effective for all Variable Interest Entities (VIEs) created after February 1, 2003 at the end of the first interim or annual reporting period ending December 15, 2003. FIN 46R is applicable to all VIEs created prior to February 1, 2003 by public entities at the end of the first interim or annual reporting period ending after March 15, 2004. The Company has determined that it has no VIEs.

In December 2004, the FASB issued SFAS 153 Exchanges of Non-Monetary Assets An amendment of APB 29. This statement amends APB 29, which is based on the principle that exchanges of non-monetary assets should be measured at the fair value of the assets exchanged with certain exceptions. SFAS 153 eliminates the exception for non-monetary exchanges of similar productive assets and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance. A non-monetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. This statement is effective for non-monetary asset exchanges occurring in fiscal periods beginning on or after June 15, 2005.

The Emerging Issues Task Force (EITF) formed a committee (Committee) to evaluate certain mining industry accounting issues, including issues arising from the application of SFAS No. 141, Business Combinations (SFAS No. 141) and SFAS No. 142, Goodwill and Other Intangible Assets (SFAS No.142) to business combinations within the mining industry, accounting for goodwill and other intangibles and the capitalization of costs after the commencement of production, including deferred stripping. The issues discussed also included whether mineral interests conveyed by leases represent tangible or intangible assets and the amortization of such assets.

The EITF reached a consensus, subject to ratification by the Financial Accounting Standards Board (FASB), that mineral interests conveyed by leases should be considered tangible assets. The EITF also reached a consensus, subject to ratification by the FASB, on other mining related issues involving impairment and business combinations.

The FASB ratified the consensus of the EITF on other mining related issues involving impairment and business combinations. The FASB also ratified the consensus of the EITF that mineral interests conveyed by leases should be

considered tangible assets subject to the finalization of a FASB Staff Position (FSP) in this regard. These issues did not have an impact on the Company s financial statements since it did not change its accounting.

The FASB also issued a FASB Staff Position (FSP) amending SFAS No. 141 and SFAS No. 142 to provide that certain mineral use rights are considered tangible assets and that mineral use rights should be accounted for based on their substance. The FSP is effective for the first reporting period beginning after April 29, 2004, with early adoption permitted. This FSP did not have an impact on the Company s financial statements. Management s Discussion & Analysis of Financial Condition and Results of Operations.

Document 4 Management s Discussion and Analysis of Financial Condition and Results of Operation

Management's Discussion and Analysis

Year ended December 31, 2004, 2003 and 2002

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis (MD&A) reviews the business of Eldorado Gold Corporation (Eldorado, we or the Company), and compares the Company's financial results for 2004 with those of 2003 and 2002. For a comprehensive understanding of Eldorado's financial condition and results of operations, you should read the MD&A together with the consolidated financial statements and accompanying notes. Unless otherwise noted, all monetary amounts are in United States dollars.

The MD&A has been prepared effective December 31, 2004 and contains certain Forward-Looking Statements within the meaning of section 21E of the United States Securities Exchange Act of 1934, as amended. All statements included here, other than statements of historical fact, and including without limitation statements regarding potential mineralization and reserves, exploration results and future plans and objectives of the Company, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that these statements will prove to be accurate, and actual results and future events could differ materially from them.

Eldorado's Consolidated Financial Statements are prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) and are filed with appropriate regulatory authorities in Canada and the United States.

1. 2004 The Year in Review

Eldorado is a gold producer based in Vancouver, Canada. We own and operate the São Bento Gold Mine (the São Bento mine, or São Bento) in Brazil and are constructing the Kisladag Mine Project (the Kisladag mine) in Turkey. We also explore for and/or acquire precious mineral properties for exploration and develop gold mineralized properties into mines.

Reserves and Resources

Our 2004 exploration drilling program at the São Bento mine did not establish the continuity of the mineralization below the intrusive at the 34th level of the mine. Infill drilling above the intrusive in an area previously defined as probable reserve has resulted in a reduced estimate of probable reserves in this area. This loss of reserves has reduced the mine life of the São Bento operation which is now forecast to end in late 2007 or early 2008. Based upon drilling results and the impact on reserves we have charged certain development costs of \$8.07 million to operating costs in 2004. We are pursuing the acquisition of additional ore reserves and/or mill feed in the immediate area to extend the life of the São Bento mine operations.

Net Loss for the Year

The consolidated net loss for 2004 was \$13.94 million or (\$0.05) per share compared with a net loss of \$45.03 million or (\$0.20) per share in 2003 and a profit of \$1.78 million or \$0.01 per share in 2002. The loss in 2004 is due to lower gold sales and higher operating costs at the São Bento Mine.

Gold Sales

In 2004, we sold 81,913 ounces of gold for \$33.15 million, including \$0.33 million in net hedging loss amortization. The average realized selling price was \$405 per ounce, or \$409 per ounce excluding the hedging loss amortization. This compares to 2003 gold sales of 95,544 ounces, which sold at a realized average price of \$385 per ounce, or \$361 per ounce excluding \$2.29 million in hedging gain amortization. The average spot price in 2004 was \$409 (2003: \$363) per ounce.

Management's Discussion and Analysis

Year ended December 31, 2004, 2003 and 2002

Improved Balance Sheet & Equity Financing

Eldorado is in a strong financial position. During 2004, we raised net of fees \$62.14 million in equity financings, and at December 31, 2004, we held \$135.39 million in cash and short-term deposits. We remain debt free and hedge free. We have sufficient funds to construct the \$63.10 million Kisladag mine, carry out our planned exploration programs in Turkey and Brazil and pursue new opportunities in China and elsewhere.

Kisladag Mine Construction Underway

In 2004, we acquired all the public and private land, updated the Feasibility Study to reflect 2004 projected costs, completed the permitting process and obtained all approvals from the Turkish authorities for constructing the Kisladag mine.

In the fourth quarter, we began installing site services and completing two process water wells. In December, we began earthwork excavation for constructing the first phase of the leach pad. Kisladag mine construction will be completed in the fourth quarter of 2005, with commissioning leading to startup as planned by the end of 2005.

We expect the Kisladag mine to begin producing gold at an annualized rate of 164,000 ounces in its first year of operations, increasing in year two to 240,000 ounces. Cash operating costs are expected to be \$165 per ounce for a planned mine life of 14 years.

Lower Production at São Bento Mine

In 2004, production at the São Bento mine was 82,024 ounces of gold at a cash cost of \$294 per ounce. Production in 2004 was negatively impacted by the high level of waste handling, poor ground conditions and the presence of the metabasite intrusive that intersects the orebody in the area mined in 2004.

Ongoing Exploration in Brazil and Turkey

We focused our 2004 exploration activities on Brazil and Turkey, completing detailed mapping, sampling and initial drill programs at various sites in these two countries. The work done in 2004 will set the stage for more detailed programs in 2005 and beyond.

Social Initiatives in Brazil and Turkey

Our São Bento mine won an Environmental Preservation Award (the 7th Premio de Excelencia da Industria Mineral e Metalurgica Brasileira) from the Brazilian publication *Minerios & Minerales*. This Award recognizes our environmental management program, which includes the creation of a protected park area on the mine site.

In the region near the Kisladag mine, we installed a water distribution system that is delivering potable water to more than 1,000 local residents in nine villages for the first time. We also funded a mobile health clinic – a vehicle fully equipped with medical supplies and personnel that travels to local communities to provide

Management's Discussion and Analysis

Year ended December 31, 2004, 2003 and 2002

an invaluable health resource for residents.

2. Outlook

Production

In 2005, we are forecasting production of 72,000 ounces at our São Bento mine, at a cash cost of \$320 per ounce. We will complete the shaft-deepening project at the São Bento mine in the third quarter of 2005 and we will expand the mine's ventilation system.

Development

We expect to complete the construction of the Kisladag mine in Turkey, on time and on budget in December 2005.

Certain litigation continues by third parties against Tüprag and the Turkish Ministry of Forestry and Environment seeking to cancel the Kisladag Environmental Positive Certificate for Kisladag on the basis of an alleged threat to the environment. The Company is confident with both the methodology of the Environmental Impact Assessment (EIA) Report and Tüprag's compliance with all procedural steps taken in obtaining the Kisladag Environmental Positive Certificate. The Company continues to believe that ultimately such litigation shall be successfully defended.

As part of the EIA process for our Efemçukuru project a public meeting was held at the town of Efemçukuru on February 2, 2005 by the Turkish Ministry of the Environment to obtain input from local residents about our proposed mine. The meeting was well attended providing excellent dialogue with and input from the local residents. We will address the questions and concerns of local residents in our EIA study, which we are finishing for submission to the Ministry of Environment in the 2nd quarter of 2005. Once we receive a positive certificate, we will prepare a Feasibility Study and continue obtaining the necessary permits to construct and operate the mine. We currently have the data we need to prepare the Feasibility Study, and we expect to complete it by the second quarter of 2006. Our development schedule for the Efemçukuru project, following approval of the EIA, anticipates that the mine will begin producing gold in late 2007.

Certain litigation continues to be ongoing by third parties against Tüprag and the Turkish Ministry of Energy and Natural Resources seeking to cancel the mineral license for the Efemçukuru project on the basis of an alleged threat to the water quality in the local catchment area. In the course of the litigation against the Ministry and Tüprag concerning the Efemçukuru project, a lower administrative court has issued an injunction which, while in effect, would bar the commencement of mining activities at the Efemçukuru project. The Company is confident that it will prevail in the case when it is heard in the higher courts. It is not anticipated that a delay in the overall project will occur as a consequence of the legal proceedings. Permitting activities are continuing

Exploration

Our exploration program for the coming year is focused on Brazil, China and Turkey.

Brazil

Total exploration expenditures in Brazil for 2005 are budgeted at \$4.10 million, which will be allocated to the Tartarugalzinho, Cassipore and Piaba projects.

Management's Discussion and Analysis

Year ended December 31, 2004, 2003 and 2002

In February 2005 Eldorado contracted Amec Americas to examine the viability of the Piaba project in North East Brazil. This project is 50% held by Eldorado and hosts a significant resource in weathered and fresh rock. The purpose of the study is to allow Eldorado to make an informed decision on whether further work is warranted on the project given current gold prices.

China

On January 11, 2005, we signed a Memorandum of Understanding with Shandong Gold Corporation (Shandong) outlining possible joint ventures on one advanced exploration property and two development projects. Shandong is a publicly traded company listed on the Shanghai Exchange with assets in excess of \$362 million. Shandong's revenue is derived from the production and sale of gold, silver, sulfur concentrate ore and gold & silver jewelry. Located in eastern China's Shandong Province, China's largest gold producing region claiming approximately a quarter of China's total gold production and 60% of the domestic industry's total gold profits, they produced approximately 150,000 ounces of gold in 2004 from two underground mines. On November 21, 2004 Shandong signed an acquisition agreement for its third underground mine. The acquisition was approved by their shareholders on December 28, 2004.

Members of our management team toured Shandong's operations early in 2005 and were impressed by the modern, efficient nature of their mines and the professionalism of Shandong's management, both at the corporate level and in the mines.

Turkey

Our 2005 exploration budget for Turkey is \$1.70 million, which will be divided among the Pontide Belt, Biga Peninsula and Demir Joint Venture. This budget allows for preliminary drilling on several projects, and we will allocate additional funds as needed. We have our own drilling rigs, processing lab and technicians thereby allowing us to do substantial exploration activities economically.

3. Exploration Activity in 2004

In 2004, we focused our exploration activities on Turkey, Brazil and China, spending a total of \$4.14 million.

Turkey

Our exploration activities in Turkey centered on three areas: the Western Pontides, the Demir Joint Venture and the Biga Peninsula.

In the Western Pontides, we control 145,200 hectares in 42 exploration licenses that are 100% owned by our subsidiary, Tüprag. The targets in this area are large, bulk tonnage, high sulfidation-type precious metal systems and low sulfidation-type precious metal vein systems. In 2004, we undertook a range of activities including mapping and sampling to provide drill targets for the year ahead.

Our 50/50 Demir Joint Venture consists of 27 licenses covering a total of 58,642 hectares. This property, discovered during a reconnaissance program in 2001 and 2002, includes a porphyry-style gold-molybdenum-copper deposit that has alteration styles similar to those at Kisladag. In 2004, we completed the permitting and construction of six kilometers of roads through the center of the anomaly for mapping, sampling and drill access. Results from the sampling will guide our drill program for 2005.

In the Biga Peninsula area of western Turkey, we control 25 exploration licenses covering 38,244 hectares.

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Reconnaissance work will continue in 2005 and we may carry out additional drilling.

Brazil

In 2004, we pursued several exploration opportunities and obtained mineral licenses on two properties in northern Brazil's Amapa State and another in Rio Grande do Norte State.

Our land position at Amapa State totals 120,000 hectares and our work program in 2004 focused on geologic mapping, stream and soil sampling and geophysics to define drill targets. These properties host large geochemical gold anomalies as well as artisanal gold mining, in the same rock formations that host major deposits in Venezuela, Surinam and Guyana.

In Rio Grande do Norte State results from a 4 hole exploration program in the Bonfim area were negative, and the property was subsequently dropped.

4. Review of Financial Results

Net (Loss) Income

In 2004, the consolidated net loss was \$13.94 million or (\$0.05) per share, compared with a net loss of \$45.03 million or (\$0.20) per share in 2003 and a profit of \$1.78 million or \$0.01 per share in 2002.

Revenues

The Company's revenues consist of sales of gold bullion. Gold bullion was sold in 2004 to a number of large institutions.

REVENUE - (\$000)	2004	2003	2002
Gold	\$33,482	\$34,528	\$30,501
Effects of hedging	(329)	2,286	3,550
Total gold sales	\$33,153	\$36,814	\$34,051
Interest and other income	2,762	1,415	5,245
	\$35,915	\$38,229	\$39,296

Interest and Other Income

Interest and other income for 2004 was \$2.76 million, which includes \$1.75 million in interest on cash and short-term money market investments and the balance of \$1.01 million in other income and credits. This compares to 2003 interest and other income of \$1.41 million, which includes \$1.20 million in interest on cash and short-term money market investments and \$0.21 million in other income and credits.

Management's Discussion and Analysis

Year ended December 31, 2004, 2003 and 2002

Expenses

EXPENSES - (\$000)	2004	2003	2002
Operating costs	\$32,459	\$22,604	\$19,027
Depletion, depreciation and amortization	4,431	10,321	10,699
General and administrative	5,531	4,961	3,238
Exploration expense	4,136	1,956	1,078
Stock based compensation expense	3,720	1,418	-
Foreign exchange (gain) loss	(196)	(6,494)	1,046
Other	455	1,202	1,076
	\$50,536	\$35,968	\$36,164

Depletion, depreciation and amortization

Depletion, depreciation and amortization expense dropped in 2004 due to the 2003 write down of the São Bento mine asset value.

General and Administrative Expenses

The higher administrative expense in 2004 reflects the continued growth of our company as we hired additional staff to support our exploration department and our China initiative. The addition of four new employees in our exploration department and the dramatic increase in the value of the Canadian dollar accounts for the majority of the increase compared to 2003.

Fees paid to PricewaterhouseCoopers LLP totaling \$381 thousand are included in the general and administrative expenses for 2004. These include audit services of \$147 thousand, audit related activities of \$62 thousand and taxation services of \$172 thousand.

Exploration Expense

The significant increase in our exploration activities in Brazil, Turkey and China accounted for the increase in spending. In Brazil, we established an exploration office in Belo Horizonte to coordinate exploration activities throughout the country.

Exploration activities by country - (\$000)	2004
Brazil	\$1,392
Turkey	1,679
China	708
Canada - exploration administration	357
Total	\$4,136

Stocked-Based Compensation Expense

The Company uses fair-value accounting for awards of stock options to employees, officers and directors under its share option plans. The cost of the options granted using fair-value accounting resulted in an expense of \$1.42 million in 2003. In 2004, an additional 3,875,000 options were granted to Eldorado employees, officers and directors resulting in an expense of \$3.72 million.

Foreign exchange (gain) loss

In 2003 the Canadian dollar strengthened against the U.S. dollar by 21.6% resulting in a \$6.49 million foreign exchange gain on Canadian funds held. In 2004 the Canadian dollar strengthened against the U.S. dollar by 7.2% resulting in a foreign exchange gain of \$0.20 million.

Management's Discussion and Analysis

Year ended December 31, 2004, 2003 and 2002

Income Taxes

Current tax recovery for 2004 was \$1.41 million compared to a tax recovery of \$1.11 million in 2003 and a tax expense of \$1.12 million in 2002. The recovery in 2004 and 2003 resulted from completing the restructuring of our inter-company debt over the two year period.

Future income tax expense of \$0.76 million in 2004, compared to a future income tax expense of \$3.57 million in 2003 and \$0.39 million in 2002, relates to a future tax liability recorded due to the appreciation of the Brazilian Real, which results in a gain on inter-company debt and therefore creates a future income tax liability. If the Brazilian Real weakens in the future, this deferred tax liability will be reversed.

5. Review of Mining Operations

São Bento Mine	2004	2003	2002
Operating Data ¹			
Gold Production			
Ounces	82,024	95,049	103,533
Cash Operating Costs (\$/oz) ⁵	\$294	\$234	\$184
Total Cash Costs (\$/oz) ^{2,5}	\$302	\$241	\$189
Total Production Costs (\$/oz) ^{3,5}	\$358	\$364	\$282
Realized Price (\$/oz sold) ⁴	\$409	\$361	\$306
São Bento Mine			
Tonnes to Mill	366,729	374,130	381,295
Average Mill Grade (grams/tonne)	7.81	8.50	8.93
Average Recovery Rate (%)	89.10	92.00	92.60

¹ Cost figures calculated in accordance with the Gold Institute Standard.

² Cash Operating Costs, plus royalties and the cost of off-site administration.

³ Total Cash Cost, plus foreign exchange gain or loss, depreciation, amortization and reclamation expenses. Total Production Costs for 2003 have been revised to include Section 3110 of the Canadian Institute of Chartered Accountants (CICA 3110 - Asset Retirement Obligation).

⁴ Excludes amortization of deferred gain or loss.

⁵ Cash operating, total cash and total production costs are non-GAAP measures that do not have any standardized meaning as prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other entities. Please see the section Non-GAAP Measures of the MD&A.

Gold production at our São Bento mine in Brazil was 16 percent lower in 2004 than 2003 and total cash costs were 25 percent higher. As the mine deepens, it is more challenging to sustain historical production levels and cash costs per ounce have increased as a result of lower gold production levels, higher oxygen and cyanide consumption and increased energy costs. Higher oxygen and cyanide consumption were driven by higher pyrrhotite content in the ore, arising from the presence of a metabasite intrusive that intersected the orebody at the area scheduled for mining in 2004.

Management's Discussion and Analysis

Year ended December 31, 2004, 2003 and 2002

In 2004 we continued to advance our shaft-deepening project at the São Bento mine which will be completed in August 2005 at an approximate cost of \$12.00 million. This project includes deepening the concrete-lined shaft by 270 meters from the 23rd to the 28th level, providing a bottom working elevation approximately 1,300 meters below surface. The shaft-deepening project has created more challenging work conditions due to a high level of waste handling, poor ground conditions and the presence of a metabasite intrusive that intersects the ore body in the area scheduled for mining.

During the year, we also completed 2,791 meters of infill drilling and 17,612 meters of exploration drilling at the São Bento mine. A total of 8,945 meters were drilled below the mine's deeper intrusive, at approximately the 3rd level. This drilling was unsuccessful in re-establishing continuity of the mineralization below the intrusive.

São Bento Mine

Gold Production and Cost per Ounce	2004	2003	2002
Direct mining expense	\$287	\$227	\$186
Currency hedging	-	-	-
Inventory change	-	1	4
Refining and selling costs	6	5	3
Vancouver costs	2	1	1
By-product credits	(1)	-	-
Business interruption credit	-	-	(10)
Cash operating costs per ounce	\$294	\$234	\$184
Royalties and production taxes	8	7	5
Total cash costs per ounce	\$302	\$241	\$189
Depletion, depreciation and amortization	53	107	87
Foreign exchange (gain) loss	(3)	12	6
Accretion of asset retirement expense	6	4	-
Total production costs per ounce	\$358	\$364	\$282

6. Financial Conditions and Liquidity

Cash from Operations

The decrease from 2003 to 2004 resulted primarily from higher cash operating costs at the São Bento mine and lower gold sales. Both higher cash operating costs and lower gold sales are a direct result of the continued congestion at the bottom of the mine as a consequence of the construction related to the shaft deepening and the requirement to handle waste and haul ore to the surface for processing.

Management's Discussion and Analysis

Year ended December 31, 2004, 2003 and 2002

Investing Activities

Over the last three years, we have invested the following in property, plant and equipment:

Capital Expenditures - (\$000)	2004	2003	2002
São Bento Mine	\$5,717	\$8,973	\$5,334
Kisladag project, under construction	\$16,233	\$3,437	\$2,209
Tüprag - others	842	57	4
	\$17,075	\$3,494	\$2,213
Vancouver and others	553	528	72
Total	\$17,628	\$4,022	\$2,285

At the São Bento mine, our capital expenditures were primarily related to the shaft-deepening project, underground ventilation and underground development. Capital expenditures at the Kisladag mine were primarily related to land acquisition and the costs related to obtaining final permits.

Financing Activities

Eldorado remains debt free and unhedged.

Proceeds from the issue of common shares

In November 2004, we completed a financing for a total of \$62.14 million net of fees. Over the past three years, we have raised \$157.50 million net of fees in public financings, which has been used to eliminate debt and fund our ongoing operations and development.

Proceeds from the issue of common shares - (\$000)	2004	2003	2002
Public Financing	\$62,140	\$52,822	\$42,536
Warrants Conversion	32	24,496	5,008
Options Exercised	1,536	1,301	468
Return to Treasury	-	-	(46)
Total Cash Raised	\$63,708	\$78,619	\$47,966

We believe Eldorado has the cash available and the ability to generate sufficient amounts of cash from operations in the short and long term to maintain planned production. We also believe that we will be able to raise capital as needed in the capital markets as opportunities for expansion arise.

Cash Resources and Liquidity

At December 31, 2004, we had cash and short-term investments of \$135.39 million resulting in working capital of \$144.02 million, compared with \$105.47 million and \$107.14 million, respectively, at the beginning of the

Management's Discussion and Analysis

Year ended December 31, 2004, 2003 and 2002

year. The significant increase in working capital resulted primarily from our completion of the \$62.14 million net of fees financing in November 2004 which was offset, to a certain degree, by expenditures for property, plant and equipment.

7. Contractual Obligations

Our contractual obligations on December 31, 2004, including payments due for each of the periods indicated, are summarized as follows:

Contractual obligations	Payments due in						Total
	2005	2006	2007	2008	2009	2010 +	
Operating leases	\$279	\$216	\$171	\$171	\$175	\$950	\$1,962
Capital expenditures	18,320	-	-	-	-	-	18,320
Purchases obligations	8,082	6,607	6,607	6,209	-	-	27,505
Total	\$26,681	\$6,823	\$6,778	\$6,380	\$175	\$950	\$47,787

Capital expenditures in 2005 of \$18,320 relate to purchases for the construction of the Kisladag mine.

8. Summary of Quarterly Results and 4th Quarter Review

	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
	2004	2004	2004	2004
Revenue	\$9,560	\$9,156	\$7,259	