UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

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

OR

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

For the fiscal year ended December 31, 2008

Commission file number: 001-31522



ELDORADO GOLD CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Canada	**1040**	**N/A**
(Province or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code)	(I.R.S. Employer Identification No.)

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 System
11 Eighth Avenue, 13th Floor
New York, New York 10011
(212) 894-8940

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

Copies to:
Kenneth G. Sam
Dorsey & Whitney LLP
Republic Plaza Building, Suite 4700
370 Seventeenth Street
Denver, Colorado 80202
(303) 629-3445

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, no par value	**NYSE Amex**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **N/A**

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

For annual reports, indicate by check mark the information filed with this form:

x Annual Information Form x 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: As at December 31, 2008, 368,278,029 common shares of the Registrant were issued and outstanding.

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. x Yes ☐ No

EXPLANATORY NOTE

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

FORWARD-LOOKING STATEMENTS

This annual report on Form 40-F and the exhibits attached hereto contain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such forward looking statements concern the Company's anticipated results and developments in the Company's operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. 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", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could&# 148;, "would", "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 known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits;
- results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations;
- mining and development risks, including risks related to accidents, equipment breakdowns, labor disputes or other unanticipated difficulties with or interruptions in production;
- the potential for delays in exploration or development activities or the completion of feasibility studies;
- risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses;
- risks related to commodity price fluctuations;
- the uncertainty of profitability based upon the Company's history of losses;
- risks related to failure to obtain adequate financing on a timely basis and on acceptable terms for the Company's planned exploration and development projects;
- risks related to environmental regulation and liability;
- risks that the amounts reserved or allocated for environmental compliance, reclamation, post-closure control measures, monitoring and on-going maintenance may not be sufficient to cover such costs;

- changes in the market price of gold which, in the past, has fluctuated widely and which could affect the profitability of our operations and financial condition;
- risks related to our primary properties being located in Turkey, China and Brazil, including political, economic and regulatory instability;
- risks related to our joint venture partners;
- risks related to our land reclamation requirements for our properties which may be burdensome;
- uncertainty regarding future requirements that we fund additional reclamation work during the course of our mining activities at the Kisladag Mine and Tanjianshan Mine;
- risks related to tax assessments;
- risks related to differences between U.S. and Canadian practices for reporting resources and reserves;
- risks related to currency fluctuations;
- risks related to governmental regulations;
- uncertainty in our ability to obtain and maintain certain permits necessary to our current and anticipated operations;
- uncertainty relating to our ability to attract and maintain qualified management to meet the needs of our anticipated growth and risks relating to our ability to manage our growth effectively;
- risks related to our mineral properties being subject to prior unregistered agreements, transfers, claims or other defects in title;
- risks related to our history of losses, which we may continue to incur in the future;
- risks related to increased competition that could adversely affect our ability to attract necessary capital funding or acquire suitable producing properties for mineral exploration in the future;
- risks related to our officers and directors becoming associated with other natural resource companies which may give rise to conflicts of interests;
- political and regulatory risks associated with mining development and exploration; and
- other risks and uncertainties related to the Company's prospects, properties and business strategy.

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further in the exhibits attached to this annual report on Form 40-F. 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 the 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 Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by law. Investors are cautioned against attributing undue certainty to forward-looking statements.

NOTE TO UNITED STATES READERS - DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Company is permitted, under multi-jurisdictional disclosure system, adopted by the United States Securities and Exchange Commission (the "SEC"), to prepare this annual report in accordance with Canadian disclosure requirements, which differ from those of the United States. The Company prepares its financial statements, which are filed as Exhibit 2 to this annual report on Form 40-F, in accordance with Canadian generally accepted accounting principles ("GAAP"), and they are subject to Canadian auditing and auditor independence standards. They are not comparable to financial statements of United States companies. Significant measurement differences between Canadian GAAP and United States GAAP are described in Note 24 of the audited consolidated financial statements of the Company.

RESOURCE AND RESERVE ESTIMATES

The Company's Annual Information Form ("AIF") filed as Exhibit 1 to this annual report on Form 40-F has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") - *CIM Definition Standards on Mineral Resources and Mineral Reserves*, adopted by the CIM Council, as amended. These definitions differ from the definitions in SEC Industry Guide 7 under the United States Securities Act of 1993, as amended (the "Securities Act"). Unde r SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility st udies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC Industry Guide 7 standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this annual report and the documents incorporated by reference herein contain descriptions of our mineral deposits that may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

CURRENCY

Unless otherwise indicated, all dollar amounts in this annual report on Form 40-F are in United States dollars. The exchange rate of Canadian dollars into United States dollars, on December 31, 2008, 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.$1.2240.

ANNUAL INFORMATION FORM

The Company's AIF for the fiscal year ended December 31, 2008 is filed as Exhibit 1 and incorporated by reference in this annual report on Form 40-F.

AUDITED ANNUAL FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the years ended December 31, 2008, 2007 and 2006, including the report of the independent auditor with respect thereto, are filed as Exhibit 2 and incorporated by reference in this annual report on Form 40-F. For a reconciliation of material

measurement differences between Canadian and United States GAAP, see Note 24 to the Company's audited consolidated financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's management's discussion and analysis ("MD&A") is filed as Exhibit 3 and incorporated by reference in this annual report on Form 40-F.

TAX MATTERS

Purchasing, holding, or disposing of securities of the Company may have tax consequences under the laws of the United States and Canada that are not described in this annual report on Form 40-F.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

At the end of the period covered by this annual report for the fiscal year ended December 31, 2008, an evaluation was carried out under the supervision of, and the with the participation of, the Company's management, including its Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act). Based upon that evaluation, the Company's CEO and CFO have concluded that the disclosure controls and procedures were effective to give reasonable assurance that the information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to management, including its principal executi ve and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. The Company's management has employed a framework consistent with Exchange Act Rule 13a-15(c), to evaluate the Company's internal control over financial reporting described below. A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles

A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable assurance, not absolute assurance, that the objectives of the control system are met. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

Management, including the CEO and CFO, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2008. In making this assessment, management used the criteria set forth in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on its assessment, management has concluded that, as of December 31, 2008, the Company's internal control over financial reporting was effective and no material weaknesses in the Company's internal control over financial reporting were discovered.

On July 7, 2008, the Company completed its acquisition of Frontier Pacific Mining Corporation ("Frontier"). Management considers the acquisition of Frontier non-material to the Company's results of operations, financial position and cash flows from the date of acquisition through December 31, 2008, and believed that the internal controls and procedures at Frontier have a non-material effect on the Company's internal control over financial reporting. The Company is in the process of integrating Frontier's operations and will be expanding its internal control over financial reporting compliance program to include Frontier over the next year. Management excluded Frontier from its annual assessment of internal control over financial reporting for the year ended December 31, 2008 as permitted by the Sarbanes-Oxley Act of 2002 and applicable rules relating to business acquisitions. Frontier's operations represent $220 million of total assets and $nil of consolidated revenues as at and for the year ended December 31, 2008.

The Company is required to provide an auditor's attestation report on its internal control over financial reporting for the fiscal year ended December 31, 2008. In this annual report, the Company's independent registered auditor, PricewaterhouseCoopers LLP, must state its opinion as to the effectiveness of the Company's internal control over financial reporting for the fiscal year ended December 31, 2008. PricewaterhouseCoopers LLP has audited the Company's financial statements included in this annual report on Form 40-F and has issued an attestation report on the Company's internal control over financial reporting.

Auditor's Attestation Report

PricewaterhouseCoopers LLP's attestation report on the Company's internal control over financial reporting is included in the audit report filed with Exhibit 2 and is incorporated by reference in this annual report on Form 40-F.

Changes in Internal Control over Financial Reporting

Management, including the CEO and CFO, has evaluated the Company's internal control over financial reporting to determine whether any changes occurred during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. During the December 31, 2007 year-end audit, the Company's external auditor identified a material weakness in internal control over financial reporting relating to the application of the Company's accounting policy for calculating depreciation on its Tanjianshan ("TJS") gold mine in China. Accordingly, in the first quarter of 2008, management effected a change in its internal control over financial reporting by introducing a plan to remediate the material weakness in the Company's internal control over financial reporting.

Remediation of Material Weakness in Internal Control Over Financial Reporting

In order to remediate the material weakness described above, the Company implemented a clearly defined accounting policy and procedure, which adequately addresses the amortization of development costs related to its multiple pit mining operations. Specifically, the Company modified its Mining Interest accounting policy to clearly indicate that:

"Mineral properties, buildings, plant and equipment, and other assets whose estimated useful life is the same as the remaining life of the mine are depreciated, depleted and amortized over the mine's estimated life using the units of production method calculated on the basis of proven and probable reserves.

Capitalized development costs are allocated to each pit and are amortized over the pit's estimated life using the units of production method calculated on the basis of proven and probable reserves for that pit.

Furniture and fixtures, vehicles, computers and other assets whose estimated useful lives are less than the remaining life of the mine are depreciated on a straight line basis over the estimate useful life of the assets."

This policy as described above was communicated to all the Company's operations and has been in effect since the first quarter of 2008. The Company's only multiple pit mining operation continues to be its TJS mine in China. The Company has corrected the calculation of depreciation at this site and does not expect this accounting error to occur again.

CORPORATE GOVERNANCE

The Company's Board of Directors (the "Board of Directors") is responsible for the Company's corporate governance and has a separately designated standing Compensation Committee and Corporate Governance and Nominating Committee. The Board of Directors has determined that all the members of the Compensation and Corporate Governance Committee and Nominating Committee are independent, based on the criteria for independence and unrelatedness prescribed by Section 803 of the NYSE Amex Company Guide.

Compensation Committee

Compensation of the Company's Chief Executive Officer and all other officers is recommended to the Board of Directors for determination by the Compensation Committee. The Company's Compensation Committee is comprised of John S. Auston, Robert R. Gilmore, Geoffrey A. Handley and Wayne D. Lenton. The Compensation Committee develops, reviews and monitors director and executive compensation and policies. The Compensation Committee is also responsible for annually reviewing the adequacy of compensation for directors and others and the composition of compensation packages. The Company's CEO cannot be present during the Compensation Committee's deliberations or vote. The Company's Compensation Committee's Charter is available on the Company's website at www.eldoradogold.com.

Corporate Governance and Nominating Committee

Nominees for the election to the Board of Directors are recommended by the Nominating Committee. The Nominating Committee is comprised of John S. Auston, K. Ross Cory, Geoffrey A. Handley and Hugh C. Morris. The Nominating Committee's responsibilities include considering annually the size and composition of the Board of Directors and the qualifications of incumbent directors and recommending to the Board such changes as it sees fit; identifying and recommending, annually, qualified persons to be nominated for election or re-election to the Board of Directors; reviewing changes in applicable laws, emerging practices or other initiatives relating to directors or the Board of Directors; providing orientation programs for new directors and continuing development programs for existing directors; and reviewing annually the functioning of the Corporate Governance and Nominating Committee. The Company's Corporate Govern ance and Nominating Committee Charter is available on the Company's website at www.eldoradogold.com.

AUDIT COMMITTEE

The Company's Board of Directors has a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Company's Audit Committee comprises of K. Ross Cory, Robert R. Gilmore, Hugh C. Morris and Donald Shumka, all of whom, in the opinion of the Company's Board of Directors, are independent (as determined under Rule 10A-3 of the Exchange Act and Section 803 of the NYSE Amex Company Guide) and are financially literate. The Audit Committee meets the composition requirements set forth by Section 803 of NYSE Amex Company Guide.

The members of the Audit Committee do not have fixed terms and are appointed and replaced from time to time by resolution of the Board of Directors.

The Audit Committee meets with the President and CEO and the CFO of the Company and the Company's independent auditors to review and inquire into matters affecting financial reporting, the system of internal accounting and financial controls, as well as audit procedures and audit plans. The Audit Committee also recommends to the Board of Directors which independent registered public auditing firm should be appointed by the Company. In addition, the Audit Committee reviews and recommends to the Board of Directors for approval the annual financial statements, the MD&A, and undertakes other activities required by exchanges on which the Company's securities are listed and by regulatory authorities to which the Company is held responsible.

The full text of the Audit Committee Charter is attached to as Schedule A to the Company's AIF, which is filed asExhibit 1 and incorporated by reference in this annual report on Form 40-F.

Audit Committee Financial Expert

The Company's Board of Directors has determined that Robert R. Gilmore qualifies as a financial expert (as defined in Item 407 of Regulation S-K under the Exchange Act) and is independent (as determined under Exchange Act Rule 10A-3 and Section 803 of the NYSE Amex Company Guide).

PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES PROVIDED BY INDEPENDENT AUDITOR

The Audit Committee pre-approves all audit services to be provided to the Company by its independent auditor. Non-audit services that are prohibited to be provided to the Company by its independent auditors may not be pre-approved. In addition, prior to the granting of any pre-approval, the Audit Committee must be satisfied that the performance of the services in question will not compromise the independence of the independent auditor. Since the enactment of the Sarbanes-Oxley Act of 2002, all non-audit services performed by the Company's auditor have been pre-approved by the Audit Committee of the Company. In 2005, the Company's Audit Committee determined that non-audit services would no longer be performed by the Company's independent registered public auditing firm and management has established agreements with other service providers for such non-audit services. No non-audit services were approved pursuant to the *de minimis* exemption to the pre-approval requirement.

PRINCIPAL ACCOUNTING FEES AND SERVICES – INDEPENDENT AUDITOR

The following table shows the aggregate fees billed to the Company by PricewaterhouseCoopers LLP, Chartered Accountants, the Company's external auditor, in each of the last two years. The figures below are presented in Canadian dollars.

	2008	**2007**
Audit Fees (1):	Cdn.$993,416	Cdn.$1,256,017
Audit-Related Fees (2):	NIL	NIL
Tax Fees (3):	NIL	Cdn.$19,992
All Other Fees (4):	Cdn.$131,132	Cdn.$10,896
Other Services (5)	Cdn.$30,000	NIL
Total:	Cdn$1,154,548	Cdn$1,286,905

(1) Audit fees were paid for professional services rendered by the auditors for the audit of the Company's annual consolidated financial statements, review of quarterly consolidated financial statements and services provided for statutory and regulatory filings or engagements. Audit fees for 2007 include Cdn.$635,916 of Audit Related Fees incurred in connection with the audit of the Company's internal controls in accordance with Sarbanes Oxley 404.

(2) Audit-related fees were paid for assurance and related services by the auditors that were reasonably related to the performance of the audit or the review of the Company's financial statements that are not included in Audit Fees.

(3) Tax compliance, taxation advice and tax planning for international operations.

(4) The aggregate fees billed in each of the last two fiscal years for products and services provided by the independent registered accountant, other than the services reported above.

(5) Other services refers to IFRS Diagnostics

OFF-BALANCE SHEET TRANSACTIONS

The Company does not have any off-balance sheet financing arrangements or relationships with unconsolidated special purpose entities.

CODE OF ETHICS

The Company has adopted a Code of Business Conduct and Ethics (the "Code") for all its directors, executive officers and employees, which is posted on the Company's website, www.eldoradogold.com. The Code is also available to any person, without charge, by written request to the Company at its principal executive office, located at Suite 1188 – 550, Burrard Street, Vancouver, British Columbia, Canada V6C 2B5.

All amendments to the Code, and all waivers of the Code with respect to any of the officers covered by it, will be posted on the Company's website, www.eldoradogold.com, submitted on Form 6-K and provided in print to any shareholder who requests them. During the fiscal year ended December 31, 2008, the Company did not substantively amend, waive or implicitly waive any provision of the Code with respect to any of the directors, executive officers or employees subject to it.

CONTRACTUAL OBLIGATIONS

The information provided in the MD&A, attached as Exhibit 3 to this annual report on Form 40-F, contains the Company's disclosure of contractual obligations and is incorporated by reference herein.

The following table summarizes the remaining contractual maturities of the Company's financial liabilities and operating and capital commitments at December 31, 2008:

	(000s)					
	2009 $	**2010 $**	**2011 $**	**2012 $**	**2013 and later $**	**Total $**
Debt	150	-	-	-	-	150
Capital leases	65	65	36	23	-	189
Operating leases	2,336	2,016	1,877	1,860	2,140	10,229
Purchase obligations	33,805	11,557	11,498	11,476	-	68,336
Totals	36,356	13,638	13,411	13,359	2,140	78,904

Purchase obligations from 2010 forward relate solely to Kişladağ operations, including the estimated commitments under the unhedged diesel fuel purchase commitments for 2010 through 2012. Imputed interest relating to the Sino Gold loan is included in the debt commitment.

NOTICES PURSUANT TO REGULATION BTR

There were no notices required by Rule 104 of Regulation BTR that the Company sent during the year ended December 31, 2008 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

NYSE AMEX CORPORATE GOVERNANCE

The Company's common shares are listed on the NYSE Amex. Section 110 of the NYSE Amex Company Guide permits the NYSE Amex to consider the laws, customs and practices of foreign issuers in relaxing certain NYSE Amex listing criteria, and to grant exemptions from NYSE 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 Company's governance practices differ from those followed by domestic companies pursuant to NYSE Amex standards is as follows:

Shareholder Meeting Quorum Requirement: The NYSE Amex minimum quorum requirement for a shareholder meeting is one-third of the outstanding shares of common stock. In addition, a company listed on the NYSE Amex is required to state its quorum requirement in its bylaws. The Company's quorum requirement is set forth in its Memorandum and Articles. A quorum for a meeting of members of the Company is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the shares entitled to be voted at the meeting.

Proxy Delivery Requirement: The NYSE 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 SEC proxy rules. The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act, and the equity securities of the Company 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 Company solicits proxies in accordance with applicable rules and regulations in Canada.

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

In addition, the Company may from time-to-time seek relief from NYSE Amex corporate governance

requirements on specific transactions under Section 110 of the NYSE Amex Company Guide by providing written certification from independent local counsel that the non-complying practice is not prohibited by our home country law, in which case, the Company shall make the disclosure of such transactions available on the Company's website at www.eldoradogold.com. Information contained on its website is not part of this annual report on Form 40-F.

UNDERTAKING

The Company undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by the SEC 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 Company filed an Appointment of Agent for Service of Process and Undertaking on Form F-X with the SEC on November 5, 2004, which is hereby incorporated by reference, with respect to the class of securities in relation to which the obligation to file this annual report on Form 40-F arises.

EXHIBITS

Annual Information

1. Annual Information Form of the Company for the year ended December 31, 2008
2. The following audited consolidated financial statements of the Company, are exhibits to and form a part of this Report:

    Auditors' Reports on Consolidated Financial Statements and Internal Control Over Financial Reporting

    Consolidated Balance Sheets as of December 31, 2008 and 2007

    Consolidated Statements of Operations and Deficit for the years ended December 31, 2008, 2007 and 2006

    Consolidated Statement of Cash Flows for the years ended December 31, 2008, 2007 and 2006

    Consolidated Statements of Comprehensive Income for the years ended December 31, 2008 and 2007

    Notes to Consolidated Financial Statements (which includes a reconciliation with United States GAAP)
3. Management Discussion and Analysis

Certifications

4. Certificate of Chief Executive Officer Pursuant to Rule 13a-14(a) of the Exchange Act
5. Certificate of Chief Financial Officer Pursuant to Rule 13a-14(a) of the Exchange Act
6. 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
7. 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

Consents

8.	Consent of PricewaterhouseCoopers LLP
9.	Consent of Gary Giroux, Micon International Limited
11.	Consent of John Edward Hearne, RSG Global Pty Ltd
12.	Consents of Andy Nichols, Andre de Ruijter and Richard Alexander, Wardrop Engineering Inc.
13.*	Consent of Roberto Costa, Roberto Costa Engenharia Ltd
14.	Consent of Luke Evans, P.Eng. Scott Wilson Roscoe Postle Associates Inc.
15.	Consent of Mr. Richard Miller, P.Eng. and Eldorado Gold Corporation
16.	Consent of Mr. Norman Pitcher, P. Geo and COO, Eldorado Gold Corporation
17.	Consent of Mr. Stephen Juras, P. Geo and Manager, Geology of Eldorado Gold Corporation

* Consent to be filed upon amendment

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

By: /s/ Paul N. Wright
Name: Paul N. Wright
Title: Chief Executive Officer
Date: March 31, 2009

Exhibit 4

CERTIFICATION

I, Paul N. Wright, certify that:

1. I have reviewed this annual report on Form 40-F of Eldorado Gold Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditor and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 31, 2009

By: /s/ Paul N. Wright

Paul N. Wright
Chief Executive Officer
(Principal Executive Officer)

Exhibit 5

CERTIFICATION

I, Earl W. Price, certify that:

1. I have reviewed this annual report on Form 40-F of Eldorado Gold Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditor and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 31, 2009

By: /s/ Earl W. Price

Earl W. Price
Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATION PURSUANT TO

18 U.S.C. §1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Eldorado Gold Corporation (the "Company") on Form 40-F for the period ended December 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul N. Wright, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 31, 2009 /s/ Paul N. Wright

Paul N. Wright
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to Eldorado Gold Corporation and will be retained by Eldorado Gold Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Eldorado Gold Corporation (the "Company") on Form 40-F/A for the period ended December 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Earl W. Price, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 31, 2009 /s/ Earl W. Price

Earl W. Price
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Eldorado Gold Corporation and will be retained by Eldorado Gold Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

ELDORADO GOLD CORPORATION

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Telephone: (604) 687-4018
Facsimile: (604) 687-4026
Website Address: www.eldoradogold.com

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2008

March 31, 2009

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PRELIMINARY NOTES

Financial Statements, MD&A and Currency

Eldorado Gold Corporation (unless the context otherwise requires references to "Eldorado", the "Company", "us", "we" or "our" include Eldorado Gold Corporation and each of its subsidiaries) prepares and files its Annual Information Form ("AIF"), consolidated financial statements and Management Discussion & Analysis ("MD&A") in United States ("US") dollars and in accordance with Canadian generally accepted accounting principles ("GAAP") reconciled to US GAAP. Unless otherwise indicated, all dollar amounts in this AIF are expressed in US dollars. Our consolidated financial statements and MD&A, Management Proxy Circular and Financial Review are filed with Canadian and US regulatory authorities. These documents are available at www.sedar.com under the Company's name or by request in writing to the VP Administration and Corporate Secretary at 1188 – 550 Burrard Street, Vancouver, BC V6C 2B5.

Date of Information

All information in this AIF is as of December 31, 2008, unless otherwise indicated.

Forward-Looking Statements

Certain statements and information in this AIF, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable US and Canadian securities laws. Such forward-looking statements or information include, but are not limited to, statements or information with respect to financial disclosure, estimates of future production the future price of gold, estimation of mineral reserves and resources and estimates of exploration and development capital expenditures, permitting and our goals and strategies. Often, these statements include words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

With respect to forward-looking statements and information included in this AIF, we have made numerous assumptions including among other things, assumptions about the price of gold, anticipated costs and expenditures and our ability to achieve our goals. Even though our management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statement or information will prove to be accurate. By their nature, forward-looking statements and information are based on assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements or information. Such risks, uncertainties and other factors include among other things the following: gold price volatility; discrepancies between actual and estimated production and mineral reserves and resources; the speculative nature of gold exploration; mining operational and development risk; ability to obtain financing; currency fluctuations; environmental risks; global economic climate; ability to complete acquisitions; share price volatility; community and non-governmental actions and regulatory risks, as well as those factors discussed in the section entitled, "*Description of the Business – Risk Factors*".

See this AIF and our quarterly and annual MD&A for additional information on risks, uncertainties and other factors relating to the forward-looking statements and information. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the

factors are beyond our control. Accordingly, readers should not place undue reliance on forward-looking statements or information. We undertake no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date of this AIF except as may be required by law. All forward-looking statements and information made in this document are qualified by this cautionary statement.

The terms “mineral reserve,” “proven mineral reserve” and “probable mineral reserve” 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 as may be amended from time to time by the CIM.

The definitions of proven and probable reserves used in NI 43-101 differ from the definitions in the United States Securities and Exchange Commission ("SEC") Industry Guide 7. Under SEC Industry Guide 7 standards, a "Final" or "Bankable" feasibility study is required to report reserves, the three-year history average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and disclosed in accordance with the requirements of NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or prefe asibility studies, except in rare cases.

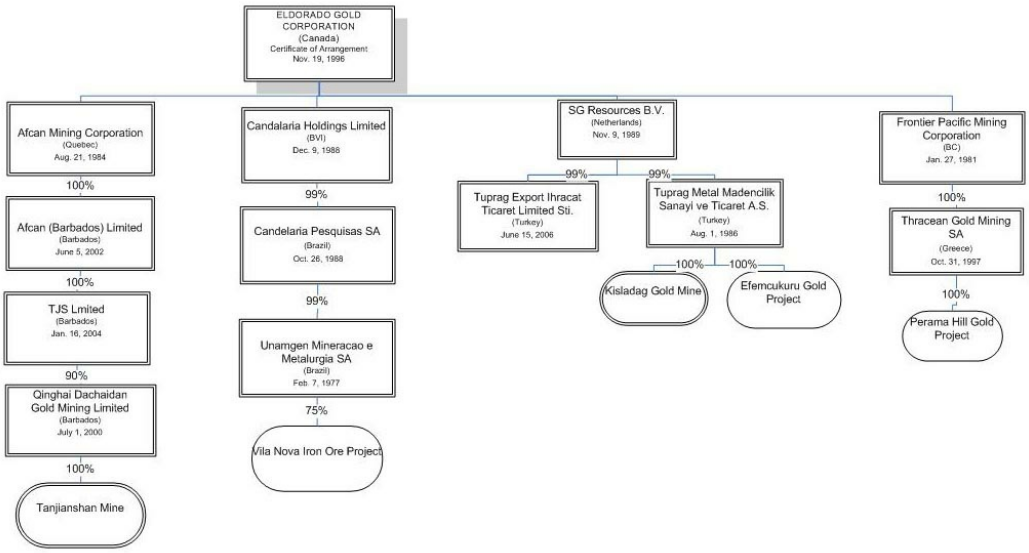
Accordingly, information contained in this report and the documents incorporated by reference herein containing descriptions of our mineral deposits may not be comparable to similar information made public by US companies subject to the reporting and disclosure requirements under US federal securities laws and the rules and regulations thereunder.

Website

Information contained on our website is not part of this AIF or incorporated by reference herein.

CORPORATE STRUCTURE

We were 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 (the “CBCA”)*. On November 19, 1996, pursuant to a plan of arrangement under the CBCA, Eldorado and HRC Development Corporation were amalgamated under the name "Eldorado Gold Corporation".



Notes:

(1) Shares in the company are 100% beneficially owned by Eldorado or a wholly owned subsidiary. Less than one percent of the shares of the subsidiary may be held by a nominee shareholder.

Our head office is located at Suite 1188 – 550 Burrard Street, Vancouver BC, Canada, V6C 2B5. The Company, through its subsidiaries, also maintains offices in:

Ankara, Turkey
Uşak, Turkey
Izmir, Turkey
Beijing, China
Xining, China
Haixi District, China
Athens, Greece
Alexandroupolis, Greece
Belo Horizonte, Brazil

Our registered and records office and address for service is care of our solicitors, Fasken Martineau DuMoulin LLP, Suite 2900 – 550 Burrard Street, Vancouver, BC, Canada V6C 0A3.

Our mining operations, the Kisladag Mine ("Kisladag" or the "Kisladag Mine") and the Tanjianshan Mine ("Tanjianshan" or the "TJS Mine") and our development projects, the Efemçukuru Gold Project ("Efemçukuru or the Efemçukuru Project"), the Vila Nova Iron Ore Project ("Vila Nova") and the Perama Hill Gold Project ("Perama" or the "Perama Hill Project") are each managed by a general manager as decentralized business units. We centrally manage exploration properties and merger and acquisition strategies, corporate financing, global tax planning and metal and currency risk management programs at our head office in Vancouver. Our risk management program is developed by senior management and monitored by the Board of Directors.

Our assets are owned through eleven subsidiaries, as shown on the organizational chart below.

BUSINESS OF THE COMPANY

We are engaged in the production of, development of and exploration for gold. We are also engaged in the acquisition of gold properties. Our business is presently focused in China and Turkey.

We are engaged in the production of gold through the mining and processing of ore. As of December 31, 2008 we have two gold mines in production, the Kisladag Mine located near Usak, Turkey and TJS located in Qinghai Province, China. Our key development property, which we are currently focused on, is the Efemçukuru Project located in Turkey. We consider Kisladag, Tanjianshan and Efemçukuru our material properties for the purposes of NI 43-101.

Our acquisition and growth strategy is to actively pursue growth opportunities by way of discovery of grass-roots exploration projects and the acquisition of advanced exploration, development or low cost production assets in Brazil, China, Greece, Turkey and the surrounding regions, preferably with sound management and potential for increased mineral resources. At any given time, discussions and activities with respect to possible opportunities may be in process, each at different stages of due diligence. Currently we have no binding agreements or commitment with respect to any such opportunities other than disclosed in this AIF and there is no assurance that any potential opportunities will be successfully completed in the future.

A description of our business, including a description of how the business developed over the past three years is set out below under “Description of the Business” and under “Finance”.

DESCRIPTION OF THE BUSINESS

SUMMARY REVIEW

Production and Operation

The following table summarizes our total production and operating information for each of the quarterly periods indicated and the fiscal year ended December 31, 2008 as compared to the fiscal year ended December 31, 2007:

	First Quarter 2008	Second Quarter 2008	Third Quarter 2008	**Fourth Quarter 2008**	Fourth Quarter 2007	**Total 2008**	Total 2007
Gold Production							
Total Ounces Produced	67,234	87,380	72,343	**81,845**	32,000	**308,802**	281,135
Commercial Production	67,234	87,380	72,343	**81,845**	32,000	**308,802**	268,643
Cash Operating Cost ($/oz)[1,4]	213	229	283	**298**	216	**257**	236
Total Cash Cost ($/oz)[2,4]	268	259	313	**319**	262	**289**	263
Total Production Cost ($/oz)[3,4]	393	293	402	**404**	522	**370**	338
Realized Price ($/oz - sold)	933	904	870	**800**	774	**876**	674
Kisladag Mine, Turkey[5]							
Commercial Production	27,228	55,490	46,863	**60,753**	-	**190,334**	135,306
Tonnes to Pad	529,480	2,092,957	2,562,343	**2,371,101**	-	**7,555,881**	4,547,860
Grade (grams / tonne)	1.18	1.47	1.05	**1.34**	-	**1.27**	1.33
Cash Operating Cost ($/oz)[4]	217	230	270	**279**	-	**254**	189
Total Cash Cost ($/oz)[2,4]	218	232	273	**281**	-	**256**	192
Total Production Cost ($/oz)[3,4]	246	273	310	**314**	-	**291**	224
Tanjianshan Mine, China[6]							
Total Ounces Produced	40,006	31,890	25,480	**21,092**	32,000	**118,468**	138,162
Commercial Production	40,006	31,890	25,480	**21,092**	32,000	**118,468**	125,670
Tonnes Milled	223,395	193,035	226,126	**216,273**	173,945	**858,829**	757,354
Grade (grams / tonne)	6.83	6.04	4.16	**4.33**	7.20	**5.31**	6.23
Cash Operating Cost ($/oz)[4]	211	229	306	**352**	216	**261**	288
Total Cash Cost ($/oz)[2,4]	302	305	387	**429**	261	**343**	342
Total Production Cost ($/oz)[3,4]	493	327	571	**664**	526	**496**	472
São Bento Mine, Brazil							
Commercial Production	-	-	-	**-**	-	**-**	7,667
Tonnes Milled	-	-	-	**-**	-	**-**	20,069
Grade (grams / tonne)	-	-	-	**-**	-	**-**	11.71
Cash Operating Cost ($/oz)[4]	-	-	-	**-**	-	**-**	208
Total Cash Cost ($/oz)[2,4]	-	-	-	**-**	-	**-**	224
Total Production Cost ($/oz)[3,4]	-	-	-	**-**	-	**-**	152

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 Costs, plus foreign exchange gain or loss, depreciation, amortization and reclamation expenses.
4 Cash operating, total cash and total production costs are non-GAAP measures. See the Section "Non-GAAP Measures"in our Q4 2008 Notes to the Financial Statements.
5 Kisladag temporarily ceased operations on August 18, 2007 and reopened on March 6, 2008.
6 The TJS Mine commenced commercial production on Februrary 1, 2007. The figures for the TJS Mine represent 100% of which we own 90%.

The “Cash Operating Costs” and “Total Production Costs” set forth above were calculated in accordance with the standard developed by The Gold Institute, a worldwide association of suppliers of gold and gold products that included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is a widely accepted standard of reporting cash costs of production in North America. Adoption of the standard is voluntary and the cost measures set forth above may not be comparable to other similarly titled measures of other companies. Total Cash Operating Costs per ounce are derived from amounts included in our Statements of Income and include mine site operating costs such as mining, processing and administration, but exclude royalties and production taxes, amortization, reclamation costs, financing costs and capital development and exploration costs. These cost s are then divided by ounces produced to arrive at the cash operating costs per ounce of production. Total Production Costs are Cash Operating Costs plus royalties and production taxes, and provision for depreciation, depletion and amortization and reclamation. This data is designed to provide additional information and are non-GAAP financial measures. It should not be considered in isolation as a substitute for measures of performance prepared in accordance with GAAP and is not necessarily indicative of operating costs under GAAP.

	Projected 2009 Production	
Mine	**Ounces**	**Cash Cost**
Kisladag	230,000 – 240,000	$265/oz.
Tanjianshan	95,000 – 100,000	$385/oz.

Reserves and Resources

Reserves

Eldorado has estimated proven and probable mineral reserves for Kisladag, Efemçukuru, Tanjianshan and Vila Nova. All reserves are calculated as of December 31, 2008 in accordance with NI 43-101 and CIM. Reserves for Kisladag and Tanjianshan are based on a gold price of $725 and for Efemçukuru $530 per ounce. Iron ore reserves for Vila Nova are based on a price of $53.60 per dry metric ton.

The cut-off grades for the gold deposits are based on assumptions for plant recovery, gold value, mining dilution and recovery, along with operating and capital cost projections that are based on historical production figures. We may need to recalculate estimated reserves and resources based on actual production or exploration results. Changes in metal prices, increased production costs or changes in the recovery rate may make it unprofitable to develop the proven and probable reserves at a particular property or for a specific mine.

2009 Proven and Probable Reserves

Eldorado Gold Mineral Reserves, December 31, 2008

GOLD	RESERVES		
Property	**Tonnes (000)**	**Grade (Au g/t)**	**In-situ Gold ounces (000)**
Kisladag			
Proven	67,746	1.08	2,353
Probable	93,811	1.05	3,170
Total	161,557	1.06	5,523
Tanjianshan			
Proven	5,609	3.77	680
Probable	1,152	3.71	137
Total	6,761	3.76	817
Efemçukuru			
Proven	1,320	11.89	505
Probable	2,465	9.04	716
Total	3,785	10.04	1,221
Total			
Proven	74,675	1.47	3,538
Probable	97,428	1.28	4,023
Total	172,103	1.37	7,561

IRON	RESERVES	
Property	**Tonnes (000)**	**Grade (Fe %)**
Vila Nova		
Proven	2,285	63.5
Probable	6,987	60.2
Total	9,272	61.0

Notes:
1) Gold price used for Kisladag and Tanjianshan $725/oz and for Efemçukuru $530/oz.
2) Gold cut-off grades (g/t): Kisladag: 0.35 g/t oxide, 0.50 g/t sulphide; Tanjianshan: 1.3 g/t JLG oxide, 1.64 g/t JLG sulphide; Efemçukuru: 4.5 g/t
3) Qualified Persons: Richard Miller, P.Eng. and Manager, Mine Engineering of the Company is responsible for the Kisladag and Tanjianshan reserves; Andy Nichols, P.Eng., Chief Mining Engineer of Wardrop Engineering is responsible for the Efemçukuru reserves;
4) The Mineral Reserves are included in the Mineral Resources.
5) Mineral Reserves from the TJS Mine represent 100% of which we own 90%.
6) The cut-off grades for the despoits are based on certain assumptions for plant recovery, gold values, mining dilution and recovery, along with operating and capital cost projections that are based on historical production figures. Estimated mineral reserves 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 probably mineral reserves unprofitable to develop at a particular property or for a specific mine.
7) All mineral reserves are calculated in accordance with NI 43-101 (as defined above).

Reconciliation of Reserves

The following table reconciles Eldorado's mineral reserves for Kisladag and Tanjianshan after taking into account gold production for 2008:

Mine	Mineral Reserves Dec. 31, 2007			Mined in 2008			Other Increases/Decreases in 2008			Mineral Reserves Dec. 31, 2008		
	Tonnes (000)	Grade g/t	Oz. (000)	Tonnes (000)	Grade g/t	Oz. (000)	Tonnes (000)	Grade g/t	Oz. (000)	Tonnes (000)	Grade g/t	Oz. (000)
Kisladag	153,330	1.12	5,500	7,556	1.27	310	15,783	0.66	333	161,557	1.06	5,523
TJS[4]	7,342	3.96	934	859	5.34	147	278	3.36	30	6,761	3.76	817

Notes:
1) Gold price used is $725/oz.
2) Gold cut-off grades (g/t): Kisladag Mine: 0.35 g/t oxide, 0.50 g/t sulphide; TJS Mine: 1.3 g/t JLG oxide, 1.64 g/t JLG sulphide.
3) Qualified Person: Richard Miller, P.Eng, Manager, Mine Engineering of the Company is responsible for the Kisladag Mine and the TJS Mine mineral reserve.
4) Mineral reserves for the TJS Mine represent 100% of which we own 90%.
5) Mineral reserve estimates are included in the mineral resources.
6) The cut-off grades for the deposits are based on certain 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 mineral resources and mineral reserves 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 mineral reserves unprofitable to develop at a particular property or for a specific mine.
7) All mineral reserves are calculated in accordance with NI 43-101 (as defined above).

The following table presents the measured, indicated and inferred mineral resources for Kisladag, Tanjianshan, Efemçukuru, Perama and Vila Nova. All resources are calculated in accordance with NI 43-101 and CIM. These resource estimates include the estimated reserves outlined above.

2009 Measured, Indicated and Inferred Gold Resources

Eldorado Gold Mineral Resources, December 31, 2008

GOLD	RESOURCES		
Property	**Tonnes (000)**	**Grade (Au g/t)**	**In-situ Gold ounces (000)**
Kisladag			
Measured	72,810	1.04	2,432
Indicated	207,070	0.82	5,430
M + I	279,880	0.88	7,862
Inferred	126,900	0.63	2,552
Tanjianshan			
Measured	6,985	3.34	751
Indicated	2,941	2.76	261
M + I	9,926	3.17	1,012
Inferred	3,493	3.54	398
Efemçukuru			
Measured	1,235	13.80	548
Indicated	3,683	8.39	993
M + I	4,918	9.75	1,541
Inferred	2,109	9.95	675
Perama			
Measured	-	-	-
Indicated	11,710	3.62	1,363
M + I	11,710	3.62	1,363
Inferred	8,733	1.96	552
Total			
Measured	81,030	1.43	3,731
Indicated	225,404	1.11	8,047
M + I	306,434	1.20	11,778
Inferred	141,235	0.92	4,177

IRON	RESOURCES	
Property	**Tonnes (000)**	**Grade (Fe %)**
Vila Nova		
Measured	2,285	63.5
Indicated	7,679	61.0
M + I	9,964	61.6
Inferred	2,022	61.2

Notes:
1) Gold price used for the Kisladag Mine and the TJS Mine was $725/oz.and for the Efemçukuru Project was $530/oz.
2) Gold cut-off grades (g/t): Kisladag: 0.4 g/t; Tanjianshan: 1.0 g/t; Efemçukuru: 3.0 g/t: Perama: 1.0 g/t
3) Stephen Juras, Ph.D., P.Geo.and Manager, Geology for the Company is the qualified person responsible for all the mineral resource estimates for the Company's material properties, namely Kisladag, Tanjianshan and Efemçukuru; the Company does not currently consider Perama or Vila Nova to be material properties

(4) The cut-off grades for the deposits are based on certain 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 mineral resources may have to be re-calculated based on actual production or exploration results.
(5) Mineral resources for the TJS Mine represent 100% of which we own 90%.
(6) Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Stephen Juras, P.Geo, and Manager, Geology of the Company is the qualified person for all mineral resource estimates of the Company and for verifying the technical data relating thereto, with the exception of Perama Hill Measured & Indicated resources. The Qualified Person for the Measured & Indicated Resources for Perama was Luke Evans, M.Sc., P.Eng., Scott Wilson Roscoe Postle Associates Inc. Qualified persons for mineral reserve estimates are as follows: Richard Miller, P.Eng. and Manager, Mine Engineering of the Company is responsible for the Kisladag and Tanjianshan reserves; Andy Nichols, P.Eng., Chief Mining Engineer of Wardrop Engineering Inc. ("WEI"), an independent qualified person is responsible for the Efemçukuru reserves and Roberto Costa, Principal of Roberto Costa Engenharia Ltda., an independent qualified person is responsible for the Vila Nova reserves and for verifying the technica l data relating thereto.

Except as otherwise noted herein, Norman Pitcher, P. Geo, and Chief Operating Officer of the Company is the Qualified Person responsible for preparing or supervising the preparation of the scientific or technical information contained in this AIF and has verified the technical data disclosure herein relating to Kisladag, Efemçukuru, Tanjianshan and Vila Nova.

REGIONAL REVIEW

Turkey



Turkey has considerable potential for gold exploration and production. A substantial mining industry supported by well-developed infrastructure exists throughout the country. Mineral production is dominated by the industrial and base metal sectors, operated by both domestic and foreign mining companies.

Kisladag

The Kisladag Mine in Uşak Province, Turkey, began commercial production on July 1, 2006.

Property Description

The Kisladag land position consists of one operating licence (number IR 7302) and a total area of 15,717 hectares. Mineral licences are granted indefinitely, assuming licence fees are paid in a timely manner.

Ownership Interest

We own a 100 percent interest in Kisladag through our wholly owned Turkish subsidiary Tüprag Metal Madencilik Sanayi Ve Ticaret A.S. (“Tüprag”).

Location, Climate and Access

Kisladag is located in western Turkey in Uşak Province, 35 kilometers southwest of the city of Uşak and 180 kilometers from the Aegean port city of Izmir. The project sits on the western edge of the Anatolian Plateau, in gentle rolling topography, at an elevation of approximately 1,000 meters. The climate is arid with hot summers and cold winters. Annual rainfall is around 425 millimeters, occurring mainly from

November to March. Economic activity in the area consists of a mixture of subsistence farming and grazing. All-season access to Kisladag is provided by paved highways and roads.

Acquisition

Kisladag is a greenfields discovery of the Company. We began in-depth exploration work in 1997 based on preliminary stream sediment analysis and satellite imaging.

Geology and Mineralization

Kisladag 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 Kisladag is hosted by a number of latitic intrusive bodies. Our exploration has outlined two alteration zones. 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 me ters 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.

Data Verification

Micon International (“Micon”) reviewed the original data used to prepare the Kisladag resource and reserve statements. Micon carried out two site visits to review the QA/QC procedures during drilling, sampling and sample preparation. Micon’s opinions are based on information in technical reports prepared by Kilborn Engineering Pacific Limited (“Kilborn”) or us. The Kisladag Mine continues to run a comprehensive QA/QC program that includes assaying for standards, blanks and assay re-runs.

Previous Exploration

Since beginning exploration at Kisladag in 1996 we have focused our exploration activities primarily on the zone known locally as Gökgöz Tepe. On the basis of early exploration we identified a gold anomaly along the north slope of Gökgöz Tepe extending approximately 1,200 meters on strike by 600 meters wide. Drill programs followed in 1997 and 1998 and effectively confirmed the potential for a low grade bulk tonnage gold deposit. In 1999 Micon and Eldorado identified a measured and indicated resource of 42.8 million tonnes at 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). We were granted a Site Selection Permit in 1999 by the Turkish authorities for a gold mining operation at Kisladag. Kilborn was commissioned in 2001 to undertake a Prefeasibility Study. The initial capital cost was estimated to be $47.4 million with a cash operating cost estimated at $154 per ounce and an average annual gold production of 103,600 ounces. Following a reverse circulation drill program in 2000 Micon reported a significant increase in the measured and indicated resource to 125.97 million tonnes at an average grade of 1.20 g/t gold, and a revised estimate of 4.85 million ounces of contained gold in oxides and primary ore (using a cut-off grade of 0.4 g/t gold). Metallurgical testwork indicated that the ore would be amenable to heap leaching. In December 2001, an Addendum to the Prefeasibility Study presented a revised initial capital cost estimate of $29.6 million and a cash operating cost estimate of $149 per ounce in consideration of the devaluation of the Turkish currency and to incorporate the option of contracting the mining operation and utilizing used crushing equipment.

Micon audited our procedures for sample collection, sample preparation and security of samples. Sample assaying is carried out by ALS Chemex in Vancouver, BC, Canada. ALS Chemex has attained ISO 9002 Registration by KPMG Quality Registrars for providing assay and geochemical analytical services. A routine of check assay duplicates and standards has been followed for all assay work completed.

For a detailed discussion of exploration activities conducted at Kisladag, including sampling and analysis, see the Kisladag Reports listed below and on page 18 of this AIF that are available under the Company's name at www.sedar.com.

Development Activities

Since acquiring Kisladag in 1997, we have advanced this property through various stages of exploration and development to production. The following is a record of the developments and related technical reports.

2000	Completed Scoping Study
May 2001	Completed Prefeasibility Study
November 2001	Completed Addendum Report to the Prefeasibility Study
May 2002	Completed Updated Reserve Report,
March 2003	Completed Feasibility Study
2003	Received Environmental Positive Certificate and Establishment Permit
March 2003	Completed Hatch Feasibility Study
July 2003	Completed Optimization Study
April 2004	Completed permitting process and obtained all approvals for constructing Kisladağ
May 2004	Completed Feasibility Cost Update.
July 2004	Turkish legislation changed so that gold mining was exempt from VAT along with other rule changes including a royalty of 1% for gold produced on site.
September 2004	The Construction permit was received for Kisladag and site activities began.
2006	Mechanical completion of the process and ancillary facilities was completed followed by commissioning and start-up. Total capital costs for Phase I were $83.0 million. On July 1, 2006, the Kisladag Mine officially began commercial production
March 2007	The second phase completed in 2007, expanded the crushing circuit, leach pad expansion and equipment maintenance facilities to increase production throughput to the final design capacity of 10 million tonnes annually. There will be minor additional subsequent construction phases associated with expanding the heap leach pad and closing the project.
July 2007	We were granted access to the lands required for constructing additional process pond capacity, the permanent storm water pond and the second phase of the leach pad installation. We completed construction of the ponds and associated piping in August 2007.
May 2008	The mining contractor was phased out of pit operations during the second half of 2008.

Recent Developments

In 2008, the Kisladag Mine produced 190,334 ounces of gold at a cash operating cost of $254 per ounce. Production for the year re-commenced on March 6, 2008 following a court decision providing for the expiration of a temporary closure of the mine and allowing resumption of all production activities. Kisladag had been temporarily closed since August 2007 (see "Litigation" section below). The successful transition to owner mining from contractor mining was completed in the third quarter of 2008, and pit production is now fully dependent on owner mining. We continue to employ a Turkish mining contractor to provide ancillary services such a hauling run-of-mine ore to the leach pad.

Projected Production

A mine production rate of 5 million tonnes per year ("mtpa") of ore was set for the first year of the Kisladag Mine's life. Annual ore production has now increased to 10 mtpa in 2008, remaining at that level until the end of mine life. The highest daily mining rate is expected to occur in 2014 totalling 71,000 tpd (ore plus waste). Total quantities of ore and waste are projected to be 161 million tonnes and 174 million tonnes (respectively) over the mine life. The overall strip ratio is projected to be 1.08:1.

A gold recovery of 81 percent is projected for the oxide ore. The primary ore has a higher sulphide content and gold recovery is projected to be 60 percent. The primary ore will require a crush size of 80 percent passing 6.3 mm.

The Kisladag ore is 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 is treated on-site in a refinery and the final mine product is gold doré bar. The total gold production in 2009 is projected to be 230,000 – 240,000 ounces at an average cost of $265/oz. Projected production per year for the balance of mine life is 240,000 ounces.

Personnel

The project currently employs 408 people, with the majority of workers drawn from the local region. Infrastructure to support the mine includes an access road, a water well field with a 13- kilometer water pipeline and a 30-kilometer power transmission line. Supplies and services are accessed from the city of Uşak, 35 kilometers to the north.

Exploration

We executed a major drill program in 2008 in and around Kisladag. We drilled 16,586 m in 45 holes targeting remnant inferred classified areas close to the design pit shape, deep mineralization below the planned pit bottom, and our new western extension zone. The western extension zone tests produced mixed results. The key finding was that the basement schist unit underlies the main mineralizing intrusion, Intrusion #1 on the western margins of the deposit. This implies a sill-like morphology for the intrusive unit in the west, not the hypothesized igneous stock shape. Both units are strongly altered and mineralized though the schist unit mineralization is of sub-economic grade. Consequence of this revised geologic interpretation was a significant loss of inferred mineral resources in this region.

Drilling at the east and southeast areas of the deposit showed that the higher gold grade zone (>1 g/t Au) at Kisladag appears to be plunging easterly. The zone remains open at depth and to the east. In the southeast area, the deep probing holes discovered a new extension to the oxide gold mineralization 40 to 80 m below surface that occurs below a 10 to 20 m thick "perched" sulphide zone. These results contributed to the increase in measured and indicated mineral resources, and partially offset the loss of inferred mineral resources. 2009 exploration plans will include continued drill testing of the deep higher grade gold mineralization and determination of the extents of the southeast oxide zone.

Litigation

Litigation by certain third parties continues against Tüprag and the Turkish Ministry of the Environment and Forests (the "MOEF") seeking to cancel the Environmental Positive Certificate for Kisladag on the basis of alleged threats to the environment and deficiencies in the Environmental Impact Assessment (the "EIA").

In 2007, a judgment on the litigation at a lower administrative court was in our favour. The plaintiff appealed that decision and as a result of the appeal on July 19, 2007 the Sixth Department of Council of State ordered the shutdown of the Kisladag mine pending a decision on the case. On August 18, 2007, mining operations were shut down except those activities approved by the Turkish authorities related to sound environmental practices. The mine remained closed during the rest of 2007.

On February 6, 2008, a decision was rendered by the Sixth Department of the High Administrative Court in Ankara, Turkey. This decision held that the existing expert reports prepared for the Lower Administrative Court were insufficient to make either a positive or negative decision on the merits of the case and referred the matter for rehearing before the Lower Administrative Court. The temporary injunction automatically expired with the decision on the case.

On February 28, 2008, the MOEF and Tüprag (as co-defendant) filed an appeal requesting that the Sixth Department of the High Administrative Court reconsider its decision on the essence of the case. This appeal is now at the High Administrative Court waiting for consideration.

On March 6, 2008 the Kisladag mine re-opened and production activities resumed.

We are confident in both the methodology of the EIA Report and Tüprag's compliance with all procedural steps taken in obtaining the Environmental Positive Certificate. We continue to believe that we will successfully defend this litigation. If we are unsuccessful in defending this litigation, our ability to conduct mining operations at Kisladag may be adversely affected, which may adversely affect production and revenue from Kisladag.

Kisladag Reports

Kisladag is the subject of the following independent reports (the "Kisladag Reports"): "Estimation of Resources, Kisladag Project, Turkey" (October 1999), "Addendum to October 1999 Report titled Estimation of Resources, Kisladag Project" (May 15, 2000) and "Update of Resources, Kisladag Project, Uşak, Turkey" (October 2000 and amended November 2000 and January 2001), all prepared by Micon International; "Kisladag Gold Project Pre-Feasibility Study" (May 2001) and "Kisladag Gold Project Pre-Feasibility Study Addendum" (December 2001), prepared by Kilborn Engineering Pacific; "Updated Reserve Report for the Kisladag Gold Project Western Turkey" (April 18, 2002 and revised May 9, 2002), prepared by Micon International; and a Feasibility Study (March 2003), the "Kisladag Optimization Study" (July 2003) and the "Feasibility Cost Update" (May 2004), all prepared by Hatch. The Kisladag Reports are available at www.sedar.com under our name, and they should be reviewed to put the preceding discussion in context.

Financing

In April 2005, HSBC Bank USA, National Association ("HSBC") authorized advances of up to $65 million to Tüprag under the terms of a term revolving credit facility due February 28, 2010 (the "Credit Facility"). As at December 31, 2006, HSBC had advanced $50 million. The Credit Facility can be drawn down in minimum tranches of $1 million plus multiples of $0.25 million. Each drawdown bears interest fixed at the prevailing LIBOR plus 0.50% on the date each tranche is drawn down. As at December 31, 2007, the Company had drawn $55 million in six tranches at a weighted average interest rate of 5.52%. Each tranche typically has a maturity of approximately 13 months. At December 31, 2008, the Company

has repaid all amounts previously drawn down on the Credit Facility. The Credit Facility is renewable at the Company's option for the term of the loan.

Efemçukuru

Efemçukuru is located in Izmir Province, and is our primary development project in Turkey.

Ownership Interest

We own a 100 percent interest in Efemçukuru through our subsidiaries. Efemçukuru consists of one operating licence No. IR 5419 covering 2,262 hectares.

Location, Climate and Access

Efemçukuru is located in Izmir Province near the coast of western Turkey, approximately 20 kilometers from the provincial capital of Izmir. The nearest settlement, the village of Efemçukuru (population 500), is located two kilometers to the south. The project is located in hilly terrain at an elevation of 520 to 760 meters. Access to Efemçukuru is provided by various paved and unpaved roads connecting the village with other local population centres.

Power will be provided to the site via a dedicated transmission line from the Urla substation approximately 20 kilometers away. Mine infrastructure will include administration buildings, the concentrator, filtration plant, tailings and waste rock impound areas. Concentrate treatment will be carried out at Kisladag.

Efemçukuru is situated within the Aegean climatic zone, which is characterized by hot and dry summers and warm and rainy winters with limited snowfall. Temperatures in the region range between 30ºC in summer and 0ºC in winter with an annual average of approximately 17ºC. Average annual precipitation is 750 mm due to the moderating influence of the Aegean Sea.

Geology and Mineralization

Gold mineralization is hosted by the 1,800 meter Kestane Beleni Vein, which contains the present resource, and the less 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.

Data Verification

Primary assaying up to 1997 was completed at SGS laboratories in Canada and France and check assays were done at Chemex and Bondar-Clegg laboratories in Vancouver, Canada. Holes KV-1 through KV-26 were fire-assayed at SGS-Xral in Toronto, Canada and holes KV-27 through KV-108 were fire assayed at the SGS laboratory in Carcassonne, France. The initial fire-assay was done on a 1 assay-ton charge with an atomic absorption (AA) finish. Over-range samples (>10 ppm Au) were re-assayed with a gravimetric finish.

Besides gold, multi-element analyses, including silver were completed on approximately 75% of the samples from drill holes KV-01 to KV-43, and on 35% of the samples from drill holes KV-44 to KV-95.

Sample pulps from the 2006-2007 drilling program were sent from the Çanakkale sample preparation facility to ALS Chemex Laboratories (Chemex) sample preparation facility in Izmir and were then shipped under the supervision of Chemex to their analytical laboratory in North Vancouver. All samples were assayed for gold by 30 g fire assay with an AA finish and for multi-element determination using fusion digest and inductively coupled plasma spectroscopy (ICP) analysis.

Samples that returned assays greater than 5 g/t were re-assayed by fire assay with a gravimetric finish. During the latest program, all samples greater than 5 g/t and less than 10 g/t Au from the pre-109 holes were re-assayed also. All geological and assay data for the project is stored in a database program developed by Maxwell Geoservices.

As a test of assay data integrity, the data used to estimate the 2009 Efemçukuru mineral resource were verified against original source data. This process was implemented as part of a database upgrading program for the Efemçukuru Project. Survey (collar and down hole) data and assay data were checked. Any discrepancies found were corrected prior to entry into the new database. Newer data entered directly into the database are periodically compared to original electronic certificates (assays) and down hole measurements and collar survey data. As a result, the data transferred for use in resource modelling are considered sufficiently free of error to be adequate for resource estimation of the Efemçukuru Project.

Previous Exploration

The target identified at Efemçukuru is a high-grade vein-hosted gold system. In 1997, we completed a drilling program along the north, middle and south ore shoots. A total of 4,092 meters of diamond drilling further delineated the initial identified resource of 660,000 ounces, which increased the resource to 1.1 million ounces contained in 2.52 million tonnes, at an average grade of 13.71 g/t. We reduced the drill hole pattern to approximately 50 by 35 meters and conducted additional diamond drilling for hydrogeological testing in the vein structure as well as the hanging wall and footwall geology. Assay data from this program were incorporated into the database for the deposit.

In 1998, Micon evaluated the geological model and confirmed a measured and indicated resource of 1.87 million tonnes at 14.26 g/t, with an inferred resource of 660,000 tonnes at 11.99 g/t. Reserves of 784,000 ounces were established during an internal Prefeasibility Study completed in 1999. As these resource estimates were made according to Australasian classification before NI 43-101 came into effect, they may vary from estimates made in accordance with NI 43-101. The estimates are provided in connection with the discussions of previous exploration and are not considered relevant by the Company. See the current resource estimates under “Description of the Business – Summary Review – Reserves and Resources”.

From 1999 to 2006, limited work was completed after the prefeasibility study as efforts were focused on the development of Kisladag. Infill and exploratory drilling commenced again in August 2006 and has continued through 2008.

Development Activities

During 2006, we initiated a drilling program at Efemçukuru designed to convert inferred resources into measured and indicated resources for the purpose of forming the basis of a new mine plan and subsequent reserve calculation and to test the potential of the system at depth. Land acquisition began in 2006, with 40% of the land acquired by December 31, 2006. We contracted WEI to conduct a feasibility study for the Efemçukuru project which was released in August 2007. The study defines an operation based on underground mining and milling of the ore on site with post treatment of gold concentrate at Kisladag. The proposed mine at Efemçukuru will operate at a production rate of 1,100 tonnes per day, producing an average of 112,400 ounces of gold annually at a cash cost of $227 per ounce.

In 2007 the drilling program at Efemçukuru largely targeted the South Ore Shoot and Transition Zone areas. The results more clearly defined the Middle Ore Shoot mineralization with the extension of the thick and gold-rich vein hosted mineralization and the recognition of near continuous stockwork gold mineralization enveloping the veins. This stockwork mineralization is predominant in the upper portions of the Middle Ore Shoot, and occurs between the main vein (defining the footwall to the system) and an upper or hanging wall vein, and in hanging wall units to the uppermost vein. Results from the South Ore Shoot holes extended the down plunge extent of the upper high grade lobe and confirmed the down plunge continuation of the lower lobe. Transition Zone and Middle Ore Shoot drilling generally confirmed predicted thicknesses and level of gold mineralization in the areas tested. Our initial results from th e North Ore Shoot drilling intersected a narrow vein interval and confirmed our earlier interpretation of a mid-grade gold zone in the North Ore Shoot. Throughout 2008 we drilled nine holes totalling 1,519 meters over the North Ore Shoot, northern and southern extents of the Kestane Beleni vein, and the paralleling Kokarpinar veins, and successfully intersected precious metal and base metal rich intercepts down-plunge from current limits

WEI completed a Feasibility Study on the Efemçukuru project in August 2007. The study is based on a conventional underground mine operating plan using cut and fill and longhole mining methods and supported by a flotation/gravity recovery circuit located on site. Concentrate produced from the circuit will be treated at a dedicated cyanide leach plant located at Kisladag. The results of the feasibility study indicate a proven and probable reserve of 1,221,000 gold ounces, mined over a 9.4 year period. Life of mine (“LOM”) cash costs are $227 per ounce, and the probability of increasing the reserve base is considered high.

For a detailed discussion of exploration activities conducted at Efemçukuru in 2008, including sampling and analysis, see the Efemçukuru Report listed below and on page 24 of this AIF that is available under the Company’s name at www.sedar.com.

Engineering and Construction

Basic engineering of the process design, mine development and infrastructure was completed in 2008 by WEI. A Turkish engineering group was brought on under the supervision of WEI, to carry out the detailed engineering according to the requirements of Turkish industrial standards. Procurement of long lead items including the SAG and ball mills was initiated in 2008. Delivery of the mills which have the longest manufacturing time is expected at the end of 2009.

Construction activity began in the second quarter of 2008 with development of the access road to the site and earthworks associated with the plant site and infrastructure. Weather delays were experienced due to abnormal precipitation levels which delayed completion of this work into 2009. Power supply to the Efemçukuru site and construction of primary surface facilities is planned for the end of 2009. Mechanical completion of the plant is expected by mid 2010. Construction of the concentrate treatment plant at Kisladag will be carried out in early 2010.

A Turkish contractor has been selected to carry out the mine preproduction underground development in preparation for mine operations. Completion of the development is expected to take 12 to 14 months and will commence in the second quarter of 2009.

Permitting

The Company continues to complete the remaining land acquisition and permitting requirements. As of December 31, 2008 approximately 78% of the private land has been purchased. The Company continues to work with villagers and government to acquire the balance of the land required for the project either through direct negotiations or regulated expropriation procedures. Permits have been received from the Forestry authorities to allow access for construction on designated forest lands.

The process of obtaining the necessary permits for a mining operation in Turkey is similar to that in other developed countries.

The key Environmental Positive Certificate is issued by the MOEF following a successful review of the EIA Report. The permit contains agreed protocols between the proponent and Ministry for mitigation methods, monitoring standards, closure procedures and financial guarantees. The EIA was submitted and receipt of the Environmental Positive Certificate was received in September 2005.

In September 2003, the Turkish Ministry of Health released changes in regulations relating to the permitting of industrial activities which significantly reduced and simplified the remaining permitting requirements for the Efemçukuru Project. This has benefitted subsequent mine permitting in Turkey. In 2004, we continued our preparation of the EIA, which we submitted to the Turkish MOEF in 2005. We received the Environmental Positive Certificate in the third quarter of 2005, signalling the successful completion of the first stage of permitting for Efemçukuru. The remaining key permits required prior to start-up of the mine include the blasting and explosive Depot permits and the trial operating permit. Permits that are required after startup and inspection include the Work Place Labour permit and Air Emission and Discharge permit.

Following start-up of operations and demonstration of compliance with all received approvals and permits, the Operating permit is then issued.

Projected Production

A mine production rate of 420,000 tonnes per year has been set for the life of mine operation at Efemçukuru, based on an average daily mill throughput of 1,100 tonnes. The average head grade to the plant will be 10.0 g/ t Au. Combined with a forecast metallurgical recovery of 86.5%, gold production will average 112,400 ounces per year at an average mine life cash cost of $227 per ounce based on the feasibility study results.

The Efemçukuru Project is a high grade underground mine operation. Mining will be done with conventional trackless equipment using mechanized cut and fill as well as longhole stoping methods. Ore will be processed through a milling and flotation concentrate circuit located at the project site. A gravity concentrate will be recovered and refined to doré on site while the flotation concentration will be transported to a gold recovery circuit located at Kisladag .

Royalties

Eldorado is required to pay 1% of the direct mine operating cost as a royalty to a third party. The average annual payment will be US$108,150 in a full production year. The total royalty included in this evaluation is US$1.03 million. This equates to US$0.27/t milled or US$0.97 per ounce produced.

Taxes

Economic evaluation indicates a post-tax IRR of 19.0% and a post-tax NPV of US$86.7 million at a discount rate of 5.0%. The post-tax base case financial model used the same inputs as the pre-tax economic evaluation:

- 3 year average gold price of US$530 per ounce (London Metal Exchange);
- concentrate transport costs;
- treatment costs at Kisladag;and
- project Royalty of 1% of direct mine operating costs.

Eldorado performed the tax evaluation using the pre-tax model developed by WEI. Corporate taxation for Turkish businesses is currently 20%. Depreciation is calculated on a unit of production method.

Personnel

Efemçukuru will employ approximately 300 people at maximum production, with the majority of workers drawn from the local region. Supplies and services will be accessed from the city of Izmir, 20 kilometers to the north.

Litigation

In 2004, litigation was filed by certain third parties against the MOEF and Tüprag seeking to cancel the mineral license for Efemçukuru on the basis of an alleged threat to the water quality in the local catchment area. During the course of this litigation, the Lower Administrative Court issued a negative decision, and while in effect the decision prevented the start of mining activities at Efemçukuru. The decision was overturned in 2005 by the High Administrative Court and the mining license has been re-issued.

On January 26, 2009, the Sixth Department of the High Administrative Court in Ankara, Turkey delivered a favourable decision for the Company in cases by certain third parties seeking to cancel the Environmental Positive Certificate for the Efemçukuru Project issued by the MOEF.

We continue to proceed with our 2009 work plan and permit application schedule.

Exploration and Development

Exploration work on Efemçukuru comprised property-wide surveys and drilling on the North Ore Shoot (NOS). We carried out a property-wide soil geochemical sampling campaign with follow-up semi-detailed geological mapping. The soil geochemical sampling results yielded interesting multi-element anomalous patterns. Intrusive related mineralization is indicated by a large Ag-Pb-Zn-Mo anomaly in the Gotkepe area in the northeast portion of the property and a smaller Bi-As-Cu anomaly in the Sogan area, footwall to our Middle Ore Shoot (MOS) deposit. Au-Ag-As anomalies are observed along the Kokarpinar vein trend, particularly in the northwest and southeast areas (the Kokarpinar vein system parallels the main Kestane Beleni system, lying in the latter's hanging wall units). A strong Au-Ag-As anomaly also occurs west of the NOS system, along the Kestane Beleni trend to the northwest . Finally, an Ag-As-Pb anomaly was observed southwest of the South Ore Shoot (SOS) deposit, in the Dedebag area.

Mapping and rock ship sampling found units containing anomalous Ag and base metal values in the Gotkepe and Dedebag areas. Local high grade gold and elevated base metal values were returned over the Kokarpinar vein anomalous zones.

Towards year end, we embarked on a 10 hole exploration drill program testing the along strike and down dip extension of the NOS. 6 exploration diamond drill holes totalling 1178 m were drilled. All holes successfully intersected narrow, base metal rich auriferous vein intervals. These data supported an increase in the NOS inferred mineral resource. Drilling will continue on the NOS trend in 2009.

Efemçukuru Reports

Efemçukuru is the subject of the following independent report (the "Efemçukuru Report"): the "Technical Report on the Efemçukuru Project" (August 2007), prepared by WEI. The Efemçukuru Report is available at www.sedar.com under our name, and should be reviewed to put the preceding discussion in context.

Exploration

In 2008, we continued to carry out exploration activities through Tüprag in the west-central prospect of Sayacik, adjacent to Kisladag as well as license holdings in the Pontide belt (the Black Sea area). Primary targets comprised porphyry mineralized systems, low sulphidation, epithermal high-grade vein systems and disseminated, high sulphidation precious metal systems. The total 2009 exploration budget for Turkey is $6.9 million. Key exploration projects are highlighted below.

Sayacik (Kisladag)
Work on the gold porphyry Sayacik Project consisted of expanded geological, geochemical and geophysical (ground magnetics) programs that covered the entire floor of this remnant caldera complex next to our Kisladag deposit. Mapping focused on discerning alteration facies and volcanic stratigraphy of the project area. Soil geochemical sampling on 200 m spaced lines yielded five areas of anomalous Au (+Ag, As, Bi) in soils: Kurt Tepe, Tavsan, Demir Tepe, Gedik and Sayacik. Permitting work for planned drill sites and geophysical line cutting also was done ahead of 2009 planned RC and diamond drilling, and an Induced Polarization (IP) geophysical survey.

Pontide Belt Region

Zonguldak Project
Work continued to complete our evaluation of this property in the western Pontide region. Focus was on two zones of previously observed copper anomalous areas lying within an area underlain by sedimentary units in contact with granitoid intrusive units (Gecmiskoy and Adatepe). The targets, located in the southernmost licenses of the property, were tested by stream sediment geochemical sampling and geological mapping. Strong Au-Cu geochemical anomalies occurred only in the Gecmiskoy target region, (southwest-most license). Follow-up geochemical sampling and mapping on this porphyry-type target is planned for 2009.

Gumushane Project
Work on our eastern Pontide Gumushane project lands (excluding our Bahcecik prospect in the northeast licenses) investigated sources for numerous stream sediment geochemical gold anomalies. Follow-up work comprised additional stream sediment geochemical sampling and geological mapping. Two gold anomalous zones were found; one in the central region of the project call Tandirlik, and another in the northwest licenses called Corak. Mapping in the Tandirlik anomaly area uncovered propylitically altered rhyolites and ignimbrites with thin and discontinuous epithermal low sulphidation quartz veins along flow-tuff contacts. No altered units were observed in the Corak area but the stream sediment gold anomalous values are among the highest in the project. The Corak area will be further explored in 2009.

Arpali Project
This precious metal porphyry prospect in the eastern Pontide region was acquired via auction late in 2008. Property scale mapping and stream sediment geochemical sampling were completed. Encouraging multi-metal anomalies (including Au) were obtained. Follow-up soil rock chip geochemical sampling was begun but not completed due to the onset of winter conditions. The limited data are delineating multi-metal anomalies in soils overlying argillic altered rocks. Completion of the soil geochemical and rock chip sampling surveys, and more detailed geologic mapping are planned activities for 2009.

Environment

We have conducted extensive environmental testing and monitoring at our Turkish development projects to firmly establish baseline data and characteristics for air, water and soil.

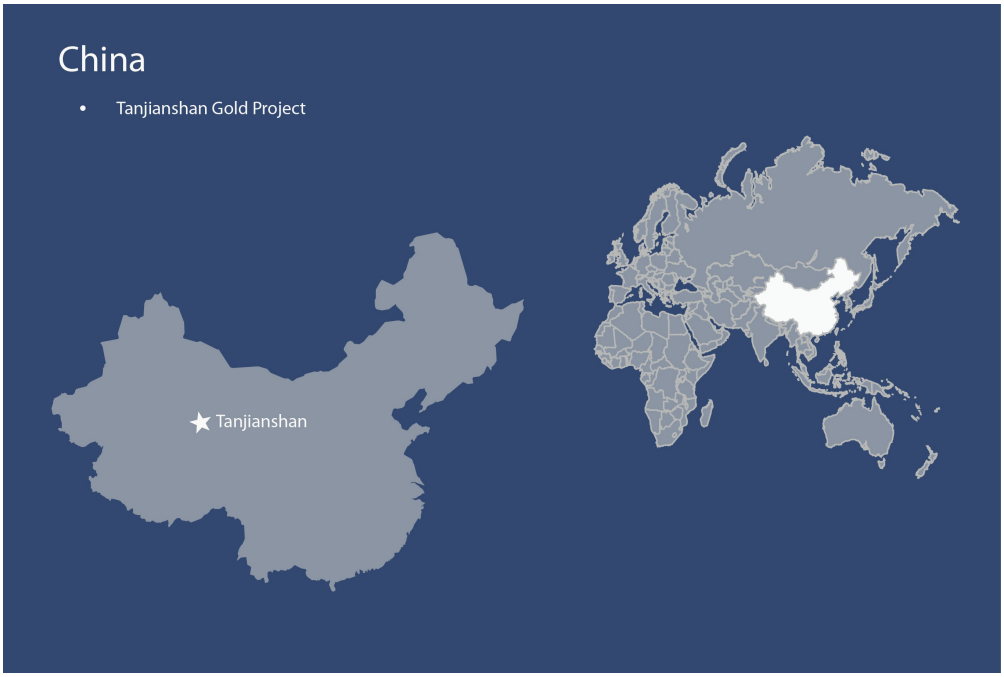
The EIA report on Kisladag provided an in-depth analysis of the potential environmental and social impacts and identified measures to mitigate these impacts. All aspects of the Kisladag design have considered international best practices used by the mining industry to protect the environment in the short and long term and to maintain the health and safety of workers and the community in which we operate. The Company continues our monitoring programs for ground water, dust, blast vibration and noise in accordance with the EIA and in close cooperation with a local Environmental Committee set up by the Usak Governor's office.

Community relations activities remain a high priority for the Company. We continue to work with the local communities to develop initiatives to support our Sustainable Development Plan in areas of health, education and infrastructure.

In 2007, site remediation efforts began at Kisladag with a program to re-establish tree cover in certain areas of the project site and with initial studies into developing test cells for cover system designs to be used to cap the leach pad and rock dumps as set out in the mine closure plan. This work has been supported by a program carried out in the Company's greenhouse facilities to investigate the different plant, shrub and tree species suitable for local propagation. This work will be ongoing over the life of the mine.

For a more in depth look at our Stakeholder and Community Relations please refer to our 2008 Annual Report.

China



The People's Republc of China (the "PRC" or "China") is situated in Eastern Asia and has a long coast bordering the East China Sea, Korea Bay, Yellow Sea and South China Sea. The total area of China is 9.6 million km^2 with an estimated population of 1.4 billion people.

China is a significant producer of commodities with its mining industry ranking third in the world. Much of the mineral production is consumed nationally. In the recent past, the government has moved to increase foreign investment in several sectors of the mining industry, including the development of a regime for Sino-foreign cooperative joint ventures and foreign participation in mineral resource exploration and mining. Our interest in our Tanjianshan Mine is held through a joint venture company, Qinghai Dachaidan Mining Limited ("QDML") which is governed by the law of the PRC.

Acquisition of Afcan Mining Corporation

On September 13, 2005, we completed the court-approved compromise transaction with Afcan Mining Corporation ("Afcan"), whereby we acquired all of the issued and outstanding shares of Afcan. Afcan indirectly owned 85 percent of TJS. Under the terms of the compromise agreement with Afcan, outstanding common shares of Afcan were exchanged for Eldorado Common Shares ("Common Shares") on the basis of one Common Share for 6.5 Afcan common shares, resulting in the issuance of a total of 23,045,151 Common Shares (the "Transaction"). In addition to shares, certain warrants and certain options were exchanged which have either been exercised, cancelled or expired. For further details see our 2007 AIF.

The Business Acquisition Report regarding our acquisition of Afcan dated January 30, 2006 was filed on SEDAR and is available at www.sedar.com.

Tanjianshan

Tanjianshan, our 90 percent controlled project, is located in Qinghai Province.

Project Description

TJS is located in the Qinghai Province of northwest China. It is comprised of four large contiguous exploration licences that total 338 km^2 in the area and that encompass two mining licences over two defined gold deposits, namely the Jinlonggou ("JLG") and Qinlongtan ("QLT") deposits, as well as numerous other prospects and anomalies.

Ownership Interest

During 2006 our ownership increased to a 90 percent interest in QDML and the Tanjianshan Mine when our capital investment reached $50.0 million. The remaining 10 percent interest is owned equally by the Qinghai Number One Geological Brigade ("Q1") (5%) and the Dachaidan Gold Mine (5%). Afcan's holding in QDML was previously owned by Sino Mining Limited, which divested Tanjianshan to Afcan in March 2003.

As noted above, Tanjianshan is comprised of the following two mining licences and four contiguous exploration licences:

Tenement	Type	Area (km^2)	Date Granted	Date Expiry
Jinlonggou	Mining	1.03	02 Sep 2004	17 Jul 2011
Qinlongtan	Mining	2.88	24 Jan 2005	17 Jan 2010
Qinlongshan	Exploration	74.90	12 May 2006	12 Feb 2010
Qingshan	Exploration	72.07	03 Nov 2005	03 Nov 2009
Jinlonggou	Exploration	86.98	12 May 2006	12 Feb 2010
Xijingou	Exploration	100.86	03 Nov 2005	03 Nov 2009
Total		**338.72**		

The exploration licenses are not surveyed tenements. Exploration licences are defined by latitude and longitude and marked on a plan, not on the ground. Definition of mining licenses may be based on either No. 3º or No. 6º Qinghai Provincial Grid and is again recorded on a plan. Sometimes the tenements are marked by pegs on site, but the co-ordinate definition takes precedence.

Owners of an exploration license have the right to explore for all minerals, save those preserved for the State, and to construct such facilities as are required by the owner to explore for such minerals. The owner also has a priority claim over applications for mining licences within the exploration licence area. Owners are obligated to begin and complete exploration within the time frame of the licence and to submit progress reports on a regular basis. Excavations and other surface disturbances are required to be rehabilitated on completion of the planned exploration. Annual maintenance costs are RMB 100 per km^2 for years 1 to 3, thereafter increasing by RMB 100 per year to a maximum of RMB 500 per km^2 per year.

Prescribed exploration expenditures per km^2 are RMB 2,000 in year 1, RMB 5,000 in year 2 and RMB 10,000 in subsequent years. These licenses are granted initially for three years, and may be extended for a further two years. There is no limit to the number of extensions that may be applied for. Currently, applications are being prepared for the exploration licenses that require extension in 2009.

The mining license is granted for a maximum initial period of three years depending on the scale of the mine; thereafter, renewal is reviewed before expiration upon the mining license holder's application. Renewal is guaranteed, provided there is compliance with mining regulations and all tax and royalty payments have been made. Owners of a mining licence have the right to construct, develop and mine the elineated mineral resource.

Currently, the JLG mining license is owned by QDML and extends from surface (3,556 mRL) to 3,378 mRL. This license was subsequently upgraded to include all mineral resources down to 3,000 mRL. This is well below the existing known resources.

The QLT mining license, previously held by Q1, has been transferred to QDML. This mining license extends vertically from surface (3,710 mRL) to 3,450 mRL.

Surface rights at TJS are currently sufficient for mining operations at the scale indicated by the Tanjianshan proven and probable reserves, as disclosed in the table titled "Proven and Probable Reserves" on page 10. To the extent that such proven and probable reserves increase, TJS surface rights will not be sufficient, and it would be necessary to obtain additional surface rights. There were three ways to obtain land use rights from the PRC government authorities: allocation, grant and lease. Different levels of government organizations have different authorities to approve the land use right application depending on the nature and areas of the land concerned. QDML may submit its application to the relevant government authorities to obtain the granted land or lease land if it deems necessary. QDML obtained the lease right dated on July 11, 2005 under which QDML is entitled to use the leased land for the area of 445,100 m^2. On February 1, 2007 QDML obtained the Phase 2 lease right under which QDML is entitled to use additional leased land for the area of 221,083 m^2. On February 1st, 2007, Phase 3 was also obtained under which QDML is entitled to use another 111,661 m^2 of additional leased land. Phase 4 application is currently under way for another 2,642,573 m^2. This lease is expected to be granted shortly.

For the allocated land use right, the government may approve the allocated land use right in accordance with the Catalogue for Allocated Land, which lists certain industries that may be able to use allocated land. Although the gold mining industry has not been listed in the Catalogue for Allocated Land, QDML obtained allocated land on July 11, 2005 for an area of 243,332 m^2. On February 1, 2007 QDML obtained the allocated land under which QDML is entitled to use additional allocated land for the area of 1,170,654 m^2. On February 1, 2007, QDML also obtained the allocated land under which QDML is entitled to additional allocated land for the area of 575,469 m^2. The rules have subsequently changed and allocation is now only used for social projects.

A grant of 156,000 m^2 has also been applied for as part of the Phase 4 application.

Royalty

The Co-operative Joint Venture (the "CJV") provides that Q1 and Dachaidan Gold Mine obtain a total of 4.5 percent of the net sales revenue from the gold produced by QDML as their base income directly transferred once each sale is transacted. This revenue shall be directly transferred to the account designated by each of Q1 and Dachaidan Gold Mine each time QDML sells mineral products. The 4.5 percent royalty will be evenly split between the two groups (2.25 percent each). However, in order for Q1 and Dachaidan Gold Mine to obtain such 4.5 percent royalty, approval from related tax authorities must be obtained. The royalty percentage is unaffected by the percentage ownership interests of the parties to the QDML joint venture. Total royalties paid in 2008 were $6,432,112.

Location, Climate and Access

Tanjianshan is located in the Dachaidan Region, Haixi Prefecture, Qinghai Province in the northwest of the PRC. Qinghai is a relatively large province covering 720,000 km^2 and supporting a population of approximately 5.3 million. The capital of Qinghai is Xining, which is situated in the eastern part of the province. At a local scale, the project area is located 80 kilometers northwest of Dachaidan in the Haixi Prefecture.

The camp and the mill site at Tanjianshan are located at an elevation of 3,200 meters with the main resource at between 3,300 meters and 3,550 meters. Tanjianshan is located in the Saishiteng Mountains, and there is virtually no vegetation in the area. The landscape is composed of rugged mountains with

slope angles of 45° to 50°. The Aolao River lies approximately two kilometers due east and is the only permanent river in the area.

The project area experiences a dry continental climate with low rainfall, high evaporation and generally clear skies. Winters are long and summers short, with a large daily variance in temperature range. Meteorological data collected between 1971 and 1980 at Dachaidan (75 kilometers east southeast), and at a lower elevation than the site, recorded an average annual temperature of 1.6^{o}C and annual rainfall of 200 mm. Maximum monthly temperatures are in July and August (21^{o}C) and minimum monthly temperatures are in January (-15^{o}C). Maximum monthly rainfall is in June and July (40 mm), whereas no precipitation is recorded in November, December and January. The highest temperature on record is 29.9^{o}C on July 15, 1971 and the lowest is -32.3^{o}C on January 18, 1973. Winds are frequent and strong from the west and northwest averaging 8.6 km/h and peaking at 70 km/h.

The nearest centres are Dunhuang, Gansu Province (265 kilometers by road to the north) and Ge'ermu (260 kilometers by road to the south). There are frequent flights during the summer months (tourist season) between Beijing and Dunhuang. There are also regular flights from Xining to Ge'ermu throughout the year.

The site is easily accessed by road. There is a main highway between Dunhuang and Ge'ermu or Dachaidan in Qinghai Province that passes within 12 kilometers of the plant site. The road is sealed and in good condition, ensuring year-round access throughout the area.

Geology and Mineralization

JLG lies within a low, northwest trending, mountain range (Tanjianshan) composed of Wandonggou and Tanjianshan Group rocks, with Early Palaeozoic gabbro intruding the Proterozoic rocks and Late Paleozoic porphyritic plagiogranite intruding all older units. Northwest striking thrust faults dissect the units and commonly separate blocks. Dips to both the northeast and southwest are recorded. The range to the northwest has the same mix of rocks as Tanjianshan but also includes a large block of Late Paleozoic granite. This range is host to the QLT gold deposit.

The JLG gold mineralization lies in a host rock sequence dominated by carbonaceous phyllites. The rocks are dark grey to black and display a well-developed foliation. In the central and southern parts of JLG, a number of orange brown sandstone bands are also present and act as key marker horizons. Two intrusive rock types occur within the limits of the mineralization and are both of probable intermediate composition. Both intrusive unit types occur above and below the T2 fault but in quite different styles. Above the T2 fault, the intrusives occur as steep (60°- 70°) southwest dipping, southeast trending thin bodies that clearly cut across the folded sedimentary units. Below the T2 fault and above the F30 faults, towards the M7 and Pubugou areas, diorites are volumetrically greater than above T2 fault. They occur as multiple sheeted, near horizontal sills.

Throughout JLG, common tight and isoclinal folds plunge dominantly to the south at between 20º and 30º. The tight folding has only been recorded above T2 fault. Most faults within the Jinlonggou are broadly contemporaneous. Fault patterns can be subdivided into two dominant families: northeast sinistral faults parallel to primary layering (average orientation: 87º southeast 019º) and northwest dextral faults (average orientation: 74º southwest 160º). The former occur on the northern and western parts of JLT whereas the latter are developed throughout the property. The T2 fault, exposed throughout many of the drives and crosscuts of adit PD2, is oriented approximately 15º northwest 060º. This structure, together with at least two major flat dipping splays, is sub parallel and may be related to fault F30 (25º - 45º northwest 045º). Both thrust faults bound the upper and lower limits of the sub-horizontal package of diorites.

Two host environments exist for gold mineralization at Jinlonggou, relative to the T2 fault: upper, moderately to steeply dipping, bedding plane parallel, phyllite hosted mineralization; and lower, gently dipping diorite and phyllite hosted mineralization. The 160º trending dextral faults are interpreted to

represent feeder zones to the gold mineralization. The JLG gold mineralization defines a bowl shape volume having about a 500-meter diameter and extending up to 240 meters below surface.

QLT mineralization is confined to a 50-60º east-dipping zone comprising a calcareous sandstone interlayer between two marble units. The zone is typically 5 to 10 meters wide, to a maximum of 14 meters and is oriented approximately parallel to the close to north south oriented layering. QLT mineralization has been defined 600 meters along strike and up to 300 meters down dip.

Gold is hosted within the pyrite and arsenopyrite crystals. Minor amounts occur within quartz grains enclosed in pyrite. A strong relationship exists between gold and fine grained sulphide minerals.

Current Exploration

Prior to Eldorado acquiring Tanjianshan in 2005, field work and mining operations were restricted to the period from April to October. Mining and processing operations were on a care and maintenance basis from November to March inclusive. In 2005/2006, we continued our field work and mine construction activities throughout the winter months.

In 2005, exploration at Tanjianshan consisted of 68 core holes totalling 9,378 meters. Exploration was successful and extended the JLG mineralization to the east into the M7 and Pubugou area. Outside of these deposits, we also drilled an additional 2,186 meters as part of a regional exploration program that included mapping and trenching.

The 2006 program conducted infill drilling at both the QLT and JLG deposits, along with reconnaissance exploration of targets located between the two main deposits. At JLG, 44 holes were drilled for 5,923 meters, designed to upgrade the inferred resource into measured and indicated. At QLT, 39 holes were drilled for 3085 meters, both to upgrade inferred resources and to sterilize an area to the west of the pit for waste rock disposal. Regional exploration focused on two areas between JLG and QLT and one area north of QLT. This work consisted of geologic mapping, rock chip sampling, induced polarization geophysics and drilling six diamond drill holes.

In 2007, exploration at TJS consisted of near-deposit and regional targets. Our near-deposit targets included JLG North and XJG at the JLG deposit, and QLT South and QLT Deep around the QLT deposit. TJS regional targets consisted of QLT Far South, Wandonggou (WDG) and Huanglvgou (HLG) – Longbaigou (LBG). We augmented our mapping and trenching programs on these targets with diamond drilling, completing 19,800 meters in 146 holes in 2007. We also drilled 10 reverse circulation holes totalling 925 meters.

In 2008 exploration work on our TJS licenses concentrated on the XJG prospect, the QLT area and the Dushugou (“DSG”) prospect. Primary targets were for JLG style, structurally controlled, phyllite hosted high grade gold mineralization at JLG and DSG, and QLT-style calcareous sandstone hosted high grade gold mineralization at QLT. We drilled 18,387 meters in 84 drill holes, with the majority drilled at XJG and QLT.

The XJG prospect, located immediately east of our JLG deposit, was shown to be related to JLG through folding. XJG lies on the south limb of an open antiformal fold and JLG occupies the north limb. Gold mineralization is hosted in carbonaceous phyllites intruded by numerous barren felsic intrusive dikes. The mineralization, similar in style and grade to JLG sediment hosted mineralization, consists of lenses displaying high aspect ratios and steep southerly dips. Drilling was able to define two main areas with sufficient continuity to permit the estimation of inferred mineral resources. Most of the identified mineralization lies more than 100 meters below surface. Limited work testing the southward extension of the zone is planned for 2009

Programs in and around our mined out QLT open pit deposit focussed on evaluating the host zone to our original QLT deposit below the open pit floor and to the south. Geological mapping programs showed that the generally north-south trending zone is traceable for a number of kilometres south of the mined

deposit before disappearing under cover of alluvial gravels. Drilling to the south failed to build on the positive intercepts of the 2007 campaign. Structural complexity (faulting and folding) is likely the cause and all existing data will be re-evaluated in 2009 to assess future potential here. We also plan to evaluate the QLT trend southward under the gravel cover in 2009.

Deep drilling programs testing the depth extents of the QLT main deposit demonstrated that the mineralized horizon does not extend at depth at its moderate east dip. Instead drill tests towards the end of the year showed that the ore horizon experienced a dip change to near vertical. This new interpretation will be further drill tested in 2009 with the goal being to define a suitably sized resource for future underground mining.

The DSG prospect, located about 5 km north of our JLG deposit, lies in an area of previously untested anomalous geochemical samples along a 2 km long structural zone. Main units in this zone are sericite altered carbonaceous phyllites and minor intermediate intrusive units. The area was mapped and drill tested on numerous widely spaced lines. Geochemically anomalous Au and As zones were defined at the eastern end and will be tested further in 2009.

Data Quality and Verification

Quality control procedures were instigated at the outset of the field program, and routine monitoring remains an essential part of the program. Analysis for gold was done on sawn half core samples using fire assay (AA finish) on a 50 gram charge. Standard reference materials, blank and field duplicate samples are inserted prior to shipment from the site to monitor the quality control of the assay data. In addition, about 10 percent of the samples were re-submitted for duplicate analysis at a second laboratory. These measures provided controls and checks on both accuracy and precision of the analyses.

Aspects of the field work such as survey and bulk density determinations were also checked. These were conducted by repeat measurements using different operators or different methods.

Historic data (pre-2004 and comprising about 30 percent of all data) was validated for use in mineral resource estimation. These data were validated by re-sampling underground adits and crosscuts, re-assaying drill core sample pulp material, reviewing collar and down hole survey data, and comparing database entries to source material (where available).

In summary, the quality control programs and validation work demonstrated that the assay data were sufficiently accurate and precise, and that the database is sufficiently free of error to support mineral resource estimation of the JLG and QLT deposits.

Previous Exploration

Afcan drill core data currently supports around 60 percent of the Tanjianshan mineral resource. The remaining 40 percent relies on older data from campaigns conducted by previous owners. A comprehensive validation program, under the supervision of DevMin, was executed on this data. Devmin concluded that this data is of sufficient quality to be included for use to estimate mineral resources at Tanjianshan.

The earliest exploration work in the area was in the late 1950s when Qinghai No. 5 Exploration Brigade explored for petroleum. No work was recorded during the 1960s. Comprehensive reconnaissance, prospect investigation and regional surveys started in the early 1970s with work undertaken mainly by Qinghai No. 5 and No. 6 Exploration Brigades. During this period, a number of mineral prospects were discovered, including copper at Yixianshan, a pyrrhotite-pyrite prospect at Huanglushan, pyrite at QLT and limonite at Tanjianshan.

Lode gold in the area was discovered in the late 1970s by the Qinghai No. 5 Exploration Brigade Geology Team at Zhishigou, and this discovery intensified gold exploration work along the Chaidamu Northern Margin tectonic zone.

Gold was initially discovered at JLG during the course of uranium exploration in 1989 by Q1, following which limited mining of both that deposit and QLT was completed. At JLG, the Q1 team generated exploration data in 29 surface drilled core holes; completed underground development on three levels and accompanying raises and sub-levels; and conducted extensive surface sampling in trenches, shallow pits or shafts on section lines 30 meters apart.

From April to November 2003, Afcan conducted data review, data validation, geological mapping, underground and surface sampling and core drilling.

In 2004, Afcan undertook additional drilling programs at both JLG and QLT.

Previous Production

In 1992, a production team from Q1 began mining and processing the near surface oxide ore by heap leaching, and starting in 1995, primary material was mined from underground. This material was processed by roasting a float sulphide concentrate followed by a CIL circuit. Gold recovery by this method is estimated to have been around 82 percent. Heap leach recovery is estimated to have been 48 percent.

The mining at JLG was from underground workings that included development on three levels (adits PD1 and PD4 at 3,408 mRL; adit PD2 at 3,378 mRL; and adit PD3 at 3,442 mRL) and accompanying cross-cuts, rises, sub-levels and open stopes. These workings, which total more than four kilometers, lie within the currently defined limits of the gold mineralization.

The majority of the mined material was processed by heap leaching. The sites or pads (now inactive) are numerous but small, and are located in adjacent valleys north and east of the workings. Material on these pads is planned to be re-processed through our mill.

Waste rock generated by this past mining lies in small piles adjacent to each adit entrance. Some of it was used for construction purposes, and the remainder will either be used for ongoing construction or re-processed through our mill during mining.

The following table summarizes production at JLG since the start of operations in 1992. After signing the CJV in 2002, JLG ceased operations.

Jinlonggou Mine – Past Production

Year	Heap Leach Production		Primary Production		Total Production		
	Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t Au)	Tonnes	Grade (g/t/Au)	oz
1992	15,045	7.27			15,045	7.27	3,517
1993	23,920	8.60			23,920	8.60	6,614
1994	42,279	7.13			42,279	7.13	9,692
1995	52,724	6.05	3,027	8.01	55,751	6.16	11,035
1996	52,128	6.38	5,191	8.40	57,319	6.56	12,095
1997	34,800	6.41	4,593	7.99	39,393	6.59	8,352
1998	38,283	7.54	3,899	14.32	42,182	8.17	11,076
1999	38,028	5.62	16,856	8.15	54,884	6.40	11,288
2000	36,610	5.64	21,062	8.63	57,672	6.73	12,482
2001	33,245	7.19	23,133	7.25	56,378	7.21	13,077
2002	26,088	4.82	28,404	7.92	54,492	6.44	11,275
Total	**393,154**	**6.52**	**106,166**	**8.22**	**499,321**	**6.88**	**110,503**

At QLT, Q1's exploration program included excavating 143 surface trenches and 14 core holes. Approximately 100,000 tonnes at 10 g/t Au of oxide ore was mined over a period of four years.

Development and Operations

All ore and waste are currently mined via conventional, open pit mining methods and using a mining contractor. The operation uses selective mining techniques to separate ore and waste. Waste dumps are located adjacent to the existing pits.

The treatment plant flowsheet is based on material being fed into a ROM bin and through a single stage crushing circuit to a mill feed bin/stockpile. This bin/stockpile is then fed through a single stage SAG mill and a classification circuit. QLT material is then fed through a conventional CIL circuit and then the tailings are floated with the sulphide material removed for subsequent treatment.

JLG material is treated based on the sulphide content. If the sulphide level is low, the material is also treated through a conventional CIL circuit. If the sulphide level is sufficiently high, the material is fed through a flotation circuit and then dewatered. The QLT and JLG flotation concentrate are then blended for an optimal sulphur grade before being fed to the two-stage roasting circuit.

The solid product from the roaster then passes through a regrind mill to break down agglomerates and is then leached in a CIL circuit. The roaster off-gas passes through a cooling/cleaning circuit, an arsenic recovery circuit and an acid plant. The recovered sulphuric acid and arsenic trioxide are sold.

For high sulphide JLG ore, if the remaining gold grade is high enough, the flotation tails can be leached through the CIL circuit.

The gold loaded carbon is then removed from both CIL circuits for gold recovery by Zadra methods, and electrowinning. Gold doré is produced at site.

Test work indicates that expected gold recoveries for Tanjianshan deposits, based on the selected treatment route, will range from 82 percent to 93 percent. The Aolao River is the primary source of raw water, which is pumped to a tank located close to the plant and used to supply water to the plant and the process water tank. Potable water is supplied to the plant and camp sites from the raw water system through a water treatment system.

Annual electrical power requirements for Tanjianshan are estimated to be approximately 8,000 kilowatts. The power line from Xitieshan provides sufficient electrical power to meet these requirements and will also cover any increase in power demand in case of expansion.

A tailings management facility ("TMF") can be described as a "hill side tailings impoundment." The TMF has a maximum height of about 40 meters and uses the downstream construction method to minimize risks associated with the TMF. The TMF has been designed as a 'nil discharge' facility with all free water returned to the treatment plant during operation. The tailings impound is located approximately one kilometer downstream from the plant site. The tailings dam has been lined with HDPE to ensure that there is minimal risk of spills or leakage.

Personnel

At the end of 2008, QDML had a workforce of 661 people at TJS.

Construction

Construction began on Phase 1 in April 2005 and was completed in December 2006. Capital costs were $48.2 million. Construction of Phase 2 began in June 2007 with commissioning expected early in 2009. Expected capital costs for Phase 2, which includes the two-stage roaster, off-gas conversion to sulphuric acid and arsenic recovery, are $US 49.4 million.

Production

The first gold pour occurred on December 2, 2006. Commercial production began February 1, 2007. TJS received its Gold Mining Certificate from the National Development and Reform Commission (NDRC) in March 2007. The Gold Mining Certificate certifies QDML an official gold producer under the Laws of the PRC. The Certificate is the first one granted to a North American gold producer with operations in China.

A mine production rate of 0.8 million tonnes per year ("mtpa") of ore is projected for TJS LOM. The average daily production rate for ore is expected to be 2,300 tpd. Total quantities of ore and waste are projected to be 61.5 million tonnes LOM. A gold recovery of 82.4 percent is projected for the combined sulphide and oxide ore.

The ore requires a crush size of 80 percent passing 150 mm. The crushed ore is then ground in a SAG mill to 80 percent passing 75 micron. For oxide ore, the ground ore slurry is leached first with cyanide and then floated to recover the gold bearing sulphides. For sulphide ore, the ground ore slurry is floated first, followed by cyanide leach of the flotation tail. Flotation concentrates recovered from both ore types are roasted and then leached with cyanide. The final mine product is gold doré bar.

Approximately 860,000 tonnes of ore were milled in the twelve months ended December 2008 at an average grade of 5.31 g/t, resulting in 118,468 ounces of gold produced at an average cash operating cost of $261 per ounce.

Capital expenditures for 2008 were $40.5 million. The major component of the capital spending was the planned Phase 2 construction program, which includes a roaster facility to treat sulphide ore from the newly opened JLG pit as well as tailings dam expansion work.

In 2008, TJS made the transition to contractor mining to lower overall unit mining costs. During the year, the contractor delivered the cost savings and peformed to expectations.

Tanjianshan Reports

Tanjianshan is the subject of the following technical reports: "Tanjianshan Gold Project, China, Technical Report" (dated September 2005, revised January 30, 2006 and effective September 2005, prepared for Eldorado in part by RSG Global and in part by the Company); and "Tanjianshan Gold Project, Qinghai Province, China, Bankable Feasibility Study Report" (dated April 2004 and prepared for Afcan by RSG Global). The Tanjianshan Reports are available at www.sedar.com under our name, and should be reviewed to put the preceding discussion in context.

Exploration

The focus in China for exploration has been the TJS claim block in Qinhai Province. In addition, limited regional exploration and property evaluations are carried out from the Beijing office. The 2009 exploration budget for China is $4.4 million.

Brazil



Vila Nova Iron Ore Project

Project Description

The project is located in the southern Amapá State, Brazil. This open pit mine will operate for approximately nine years and produce lump ore and sinter feed products for shipping out of Santana Port. This operation will require the building of a crushing, screening and separation plant and also screening and handling facilities at Santana Port. The Santana Port is operated by the Santana Port Authority and is located on the North bank of the Amazon River, in the town of Santana, approximately 18 km upstream from the city of Macapa, the capital of the State of Amapa.

Ownership Interest

We have a 75% ownership interest in the Vila Nova Iron Ore Project with our joint venture partner DSI controlling 25%.

Location, Climate and Access

Vila Nova is located 175 km west of Macapa, the capital of the Amapa State in northeastern Brazil. The site topography comprises mostly flat platforms delimited by small slopes and with dense plant

vegetation throughout the area. The nearby Vila Nova River, which flows through the property, is the main drainage in the province and will be used for water supply.

The climate is that of a tropical rainforest with a rainy season in which 85% of the precipitation generally occurs and a dry season. Annual rainfall is 2,300 mm and relative humidity is 95%. The annual temperature ranges from 23° C to 35° C.

The Vila Nova project holds the mining rights granted by the Brazilian National Production Department ("DNPM") (ref. Process #850.048/80) and declared in Mining Concession #145-91 published in the Federal Gazette (Diário Oficial da União) on 18/07/1991, and amended on 31/05/2007. The said rights belong to Mineracao Amapari SA, a wholly owned subsidiary of DSI. The total area of the mining rights is 4,254 ha of which 1,475 ha covers the Vila Nova project and is 75% controlled by Eldorado.

The Vila Nova project site infrastructure will consist of those facilities necessary to support the mining, benefaction and transportation requirements. Infrastructure improvements will be required at the mine site and also at the Santana Port. The Vila Nova project additions will include maintenance shops, accommodations, water and electrical supply, crushing and screening facilities, a gravity separation system and a tailings dam.

The tailings dam will be constructed of compacted earth from areas near the dam. Construction will be in two phases: phase 1 to be sufficient until Year 4 production and a phase 2 will raise the crest of the dam to allow containment of all tailings generated during the remainder of the nine year mine life.

Acquisition

In 2005 we signed an agreement whereby we had an option (the "Option") to acquire 50 percent of the Vila Nova Iron Ore project from DSI by spending $0.2 million on exploration expenditures and $0.2 million in option payments over two years (2005-2006). Once exercised we would be committed to fully fund the first $8.0 million of project capital, and then 50 percent of the capital requirements beyond this $8.0 million. We exercised the Option at the end of 2006.

During 2007, we renegotiated the terms of the 50/50 JV Agreement with DSI. As a result Eldorado now owns 75% of the Vila Nova project with the balance of 25% owned by DSI. In exchange for its increase in the ownership of Vila Nova, Eldorado has agreed to pay $2.8 million to DSI and finance up to Brazilian Reals 57 million of the preproduction capital expenditures of the Vila Nova project. Preproduction costs in excess of the Brazilian Reals 57 million threshold will be financed by the parties to the level of their respective shared ownership of the projects on a 75-25% basis.

Geology and Mineralization

The Vila Nova iron ore deposit is a 10 to 40 meter thick, steeply dipping outcropping hematite body that trends approximately north-south with a narrower fold limb extending to the northwest. The resource contains massive and laminated hematite with minor intercalations of schist in the central and southern part of the ore body and softer more granular hematite in the north, particularly north of the Vila Nova River where it becomes interspersed with iron rich schist (itabirite).

An inferred mineral resource of 8.7 million tonnes was estimated with an iron content of 61.5 percent at the Vila Nova project. The inferred mineral resource was based on 19 diamond drill holes located on section lines 100 meters to 200 meters apart over a strike length of 1,400 meters.

Data Quality and Verification

Prior to modelling, the Vila Nova database was verified by Eldorado against source data. These checks were conducted on assay, collar coordinate and down hole survey data. No significant discrepancies were observed. As a result, the mineral resource database is deemed sufficiently free of error to be adequate for resource estimation.

We implemented and monitored two types of duplicate data for our quality control: regularly submitted coarse reject duplicates and submissions to a second laboratory. Results show good reproducibility and no bias in the assay process.

History

The existence of the high grade iron deposit at Santa Maria do Vila Nova has been known for at least six decades.

In 1948, Ackermann, a geologist who had been retained by the Federal Territory of Amapá at that time, published a paper on the mineral resources of the area, with emphasis on the Santa Maria iron ore. Between 1946 and 1947, Hanna Exploration Co., a North American company, which had been hired by the government of the territory, carried out rotary drilling in the Santa Maria area, focusing on iron ore.

In 1983, a stretch of land approximately 4300 m long (and a few hundred meters across), trending N60W (2600 meters) and extending towards N10E (1700 meters), was mapped by the company Mineração Amapari SA, which applied for a claim on the area at the DNPM (Brazilian National Production Department).

Between January 1983 and July 1987 Mineração Amapari SA, conducted gold and iron exploration activities and utilized the data produced by the Hanna drilling, which totalled 1,662 meters, featuring a low recovery. The company was granted the mining rights.

São Bento Mineração SA entered into an agreement with Mineração Amapari SA in 2005 to evaluate the Vila Nova iron ore deposit. Subsequent work entailed topographic and geological mapping, surface sampling, diamond drilling, chemical analyses of surface and drill core samples, metallurgical characterization testing, review of mineral resources and reserves.

Development Activities

In 2006, we completed a Prefeasibility Study (the “Study”) and prepared permit and license applications to support construction and mining. The Study was managed and prepared by Roberta Costa Engenharia Ltda. of Belo Horizonte, Brazil. It was based on an expanded mineral resource for the project. This new mineral resource included the results of an additional nine drill holes and extensive metallurgical testwork. The new data allowed most of the project’s mineral resources to be classified as measured and indicated mineral resources.

The 2006 Study used a conservative case for iron ore prices. An average of $40 per tonne of product was used to generate the economic pit shell. The economic analysis in the Study used $55 per tonne of product, approximately equal to 2006 prices. Eighty-seven percent of ROM ore will be recovered and sold as lump ore and sinter fines following crushing, screening and concentration at the minesite. Operating cash flow was estimated at $109.1 million yielding a pre-tax NPV (0 percent discount) estimate of $91.7 million. The mine life was estimated to be five years. Sufficient mine engineering and metallurgical test work has been completed to allow declaration of Proven and Probable mineral reserves. Eldorado received expressions of interest from third parties to purchase future production and negotiated access to the local railroad and port facilities. The project received all necessary permits required for constru ction, and the deforestation and mining licenses were granted during the first half of 2007. According to the Study the expected construction period will be approximately one year.

In 2007, we updated the Study. The updated Study was managed and prepared by Roberto Costa Engenharia Ltda. of Belo Horizonte, Brazil. The block model was updated by Eldorado during the second quarter of 2007 incorporating data from additional drilling. In the prior 2006 pre-feasibility study conservative 2005 ore prices were used for the pit optimization. In the updated Study we used 2006 level prices averaging $54 per tonne of finished product FOB Santana Port, approximately 9.5 percent below the 2007 level.

In February 2008 we announced the signing of a non-binding Memorandum of Understanding ("MOU") with BHP Billiton regarding the future sale of iron ore from Vila Nova. Changes in the market conditions brought about by world global economic crisis has reopened negotiations with BHP Billiton on the supply agreement. In addition this has prompted the company to explore other marketing opportunities.

Vila Nova is presently forecasted to have a LOM of 9 years and is expected to produce approximately 900,000 dry metric tonnes of lump ore and sinter fines per year. All permits required to initiate construction have been obtained and plant construction has been initiated. Pre-production mining activity commenced in the fourth quarter of 2008. Shipping of ore to the port will now be dependent on successfully completing negotiations on the sales contract and agreement on specific terms for rail transportation of the ore to Santana Port. The project financial model presented previously will be updated following settlement of the above contracts.

Construction

Detailed engineering and procurement of equipment for the process and materials handling equipment needed for the mine site has been completed. Construction of the plant equipment and infrastructure was completed in Q1 2009. Commissioning of the plant will take place in Q2 2009. Completion of the material handling equipment for the rail head, and Santana port will follow agreements on the final sales contract.

Projected Production

Vila Nova will be a standard open pit mine operation. Mining will be done with hydraulic excavators and highway-type haul trucks with conventional rock boxes. Drilling and blasting will be required in certain areas.

A mine production rate of 900,000 tonnes of iron ore per year has been set for the life of mine operations at Vila Nova.

Permitting

Work on the Vila Nova Iron Ore project is governed by numerous permits and licenses issued by two Brazilian agencies: Environmental Agency of Amapá State (SEMA) and the DNPM. All permits required to initiate construction have been obtained.

Personnel

The project will employ approximately 350 people at maximum production, with the majority of workers drawn from the local region.

Royalties

A royalty of 2.0% on revenues will be payable to the Brazilian government.

Taxes

The maximum general corporate tax rate in Brazil is 34%. However, due to its location the Project will be eligible for a reduced tax rate of 15.25%, which is the rate used in the economic analysis described above.

Vila Nova Reports

Vila Nova is the subject of the following technical reports: “Vila Nova Iron Ore Project, Technical Report” (dated July 2007), prepared for Eldorado in part by Roberto Costa, Roberto Costa Engeharia Ltda. and in part by the Company. The Vila Nova Report is available at www.sedar.com under our name, and should be reviewed to put the preceding discussion in context.

Vila Nova Gold

Under a joint venture agreement dated April 7, 2005 with DSI Consult & Mineracao Amapari (“DSI”) the Company acquired an option to earn 84 percent interest in the Vila Nova gold project in Amapa State by making staged property payments totalling $5.2 million over three years (2005-2007). In 2005, we drilled nine diamond drill holes (764 meters) beneath garimpero workings, and we conducted detailed mapping and sampling of those workings. Field crews also completed a soil sampling survey on the extensions of the main trend of mineralization. An airborne geophysical survey was undertaken to provide regional drill targets identified through earlier mapping and surface channel sampling. Two target types emerged from this preliminary work: widespread, lower-grade gold envelopes (0.5 to 3.0 g/t) in silica and/or carbonate altered zones within and surrounding the iron formation units, and narrow high-grade intervals occurring in sulphide bearing, silica-rich iron formation layers where they intersect the hinge areas of the numerous tight folds in the project area. Results from the initial 2005 drill program indicated that gold mineralization occurs both in wider, lower grade zones and in narrow, high grade shoots. Both types of mineralization are hosted by BIF, similar to the host rock at São Bento.

In 2006, work consisted of diamond drilling, surface sampling, soil geochemical sampling and ground geophysical surveys. Drilling totalled 6,920 meters in 50 drill holes and tested ground below and between existing garimpero workings. In the rock-exposed southern region of the project, we conducted soil geochemical and IP geophysical surveys on 200 to 400 meter spaced lines. The results of these surveys guided our selection of drill targets in the area.

Two target types emerged from this work: widespread, lower grade gold mineralized zones (0.5 to 2.0 g/t gold) in altered zones associated with iron formation units; and narrow, structurally controlled and discontinuous higher grade gold-bearing intervals within the iron formation units. Structural evaluation of the project towards the end of 2006 found that although the Vila Nova gold mineralization occupies a north-south high strain corridor, there is an absence of higher grade zones normally expected in such geologic environments. This may indicate that the Vila Nova hydrothermal system explored thus far is either too weak or dispersed over a large volume of rock. On January 30, 2007 the joint venture agreement was terminated.

Vila Nova Reconnaissance

We hold a 100 percent interest in exploration licenses totalling 152,000 hectares surrounding the former Vila Nova gold project ground. This land is prospective resulting from the mineralized trends identified in the Vila Nova project extending onto them. A review of existing regional airborne geophysical data has defined numerous targets along regional structural lineaments. In 2007, grassroots evaluation of these targets was undertaken. Work largely consisted of soil and stream silt geochemical sampling. No geochemical or geologic anomalies were found. We have discontinued our efforts in this region.

Exploration

In 2009, exploration in Brazil will consist of general reconnaissance work in Para state and the Tocantinzinho Project (see “Associated Projects”). The total 2009 exploration and development budget for Brazil is $6.2 million.

General Reconnaissance

A regional reconnaissance program was planned and executed in the Carajas and Tapajos regions of Para state. We focused on lands displaying potential for precious metals that were open or in public tender, or likely to become open or enter in public tender. Identified areas were prospected and geochemically sampled. By year end we entered 12 claims into the public tender process. Successfully tendered claims will receive more detailed mapping and sampling programs in 2009.

Associated Projects

Piaba Project, Maranhão State

Effective January 31, 2007, we sold our 50 percent share ownership of Aurizona Goldfields Limited, which holds the Piaba Project, together with all rights and obligations, to Luna Gold Corp. (“Luna"). On closing, Eldorado received US$0.5 million and 3 million shares of Luna. Under the agreement, Luna will make additional payments of US$1.0 million on the first anniversary of the closing, US$1.5 million on the second anniversary of the closing and US$1.0 million on the first, second and third anniversary of the commencement of commercial production. We have received the first payment of $US1 million.

Effective December 30, 2008 Eldorado signed an Amendment to the Purchase Agreement with Luna Gold Corp. which granted a one year deferral on the anniversary payment of $1.5 million due January 31, 2009 to January 31, 2010.

Luziânia Project, Goias State

We have transferred our interest in the Luziânia project to our joint venture partner. We retain a 5 percent royalty interest.

Tocantinzinho (Brazauro Resources Joint Venture)

On July 8, 2008, Eldorado entered into an option agreement with Brazauro Resources Corporation (“Brazauro”) under which Eldorado can acquire from Brazauro a 60% to 75% interest in the Tocantinzinho Project in Brazil in return for purchasing Brazauro securities (“units”), undertaking $9.5 million of exploration and development expenditures and paying Brazauro $90.0 million plus a production decision fee of up to $10.0 million. On July 24, 2008, Eldorado subscribed for 8,800,000 units of Brazauro at a price of C$0.95 per unit. Each unit includes one common share of Brazauro and one warrant. Each warrant will entitle the holder to acquire one-half of one common share of Brazauro at a price of C$1.30 per share for a period of 18 months.

Our 2008 work commitments on this JV project comprised diamond drilling and camp upgrading. We took over as project operator in September and drilled 3520 meters in 11 drill holes by year end. The gold mineralization occurs in a hydrothermally altered felsic intrusive phase along the margins of a larger granitic body. Two phases of gold mineralization are present: a strongly quartz+sulphide veined high grade gold zone (greater than 5.0 g/t) and a larger enveloping zone of lower grade gold mineralization (0.5 to 2.0 g/t). Focus of the program was twofold: infill drilling between existing drill fences to upgrade inferred resources and to test down plunge and lateral extents of this gold deposit. Returned assays are confirming the extent and grades of the gold mineralization in areas previously classified as inferred resources. Mineralization is still open to depth in the south portion of the deposit. Drill testing will continue in 2009.

Acquisitions and Dispositions

São Bento

The São Bento Mine ceased mining operations on January 20, 2007. During its 20-year life 1.8 million ounces of gold were produced at São Bento. Sales from São Bento totalled 10,641 ounces of gold at an average price of $649 per ounce while production cash costs averaged $208 per ounce.

In 2008 Eldorado entered into a letter agreement (the “Agreement”) with AngloGold Ashanti (“AngloGold”) for the sale of all the shares of São Bento Gold Limited (“SBGL”) together with its wholly owned subsidiary São Bento Mineracao S.A. which in turn holds all the assets and liabilities of

the São Bento Mine. Sao Bento ceased ore production in January 2007, at which time SBM's process plant and facilities were placed on care and maintenance and reclamation activities began.

Under the terms of the Agreement, AngloGold acquired all the shares in SBGL for a total consideration of US$70 million, settled by the issuance of shares in AngloGold freely tradable on the New York Stock Exchange in the form of American Depositary Shares of AngloGold. Certain pieces of underground mining equipment transferred to Eldorado's Efemçukuru Project in Turkey and its Vila Nova Iron Ore Project in Brazil were excluded from this transaction. Eldorado also retained a group of approximately 20 senior management and exploration team members in Brazil. As a term of the Agreement, Eldorado was provided with a right of first refusal on any future disposition by AngloGold of São Bento or AngloGold's adjacent Corrego do Sitio Gold Project for a period of three years.

On December 15, 2008, we completed the sale of SGBL, which indirectly holds the São Bento Mine in Brazil, to AngloGold for $70.0 million payable by the issuance of 2,701,660 common shares of AngloGold resulting in a gain on the sale of $72.5 million. The transaction has received all necessary regulatory approvals in Brazil and the Republic of South Africa. As of December 31, 2008 we had sold 1,566,500 AngloGold shares for cash of $25.5 million and accounts receivable of $16.2 million, generating a gain of $1.1 million over the cost of the shares. The remaining 1,135,160 shares were valued at $31.5 million at December 31, 2008 and are considered marketable securities. The shares generated an unrealized gain of $2.0 million when marked to the market price at year end. All the remaining AngloGold shares were sold in January 2009.

REGIONAL REVIEW

Greece



Acquisition of Frontier Pacific Mining Corporation

In 2008, the Company completed the acquisition of Frontier Pacific Mining Corporation ("Frontier") and as a result the Company acquired a 100% interest in the Perama Hill Project. Under the terms of the agreement, each Frontier common share was exchanged for 0.122 common shares of Eldorado, CA$0.0001 in cash and one Exchange Receipt. Each Exchange Receipt entitles the holder to receive, for an additional consideration, an additional 0.008 Eldorado common shares if, prior to July 1, 2009, a Joint Ministerial Resolution is issued in Greece by the Joint Ministerial Council (comprised of the ministries of the Environment, Agriculture, Development and Health) accepting the Environmental Terms of Reference drafted by the Ministry of Environment regarding Frontier's Perama Hill Project.

Eldorado issued 20,339,334 common shares and paid an aggregate of $16,000 in cash in connection with this transaction. No value was assigned to the Exchange Receipts as we believe it is highly unlikely that the condition for their exchange into Eldorado shares will be met.

The Business Acquisition Report regarding our acquisition of Frontier dated September 15, 2008 was filed on SEDAR and is available at www.sedar.com.

Perama Hill Project

Property Description

Perama Hill is located in the eastern Thrace region of northern Greece, and is our primary development project in Greece. The Property consists of two Mining Titles (MT) covering an area of 1,897.5 ha, and two Mining Exploration Licenses (MEL) covering an area of 1,762.7 ha. There are also seventeen MEL applications covering an area of 11,531 ha.

Ownership Interest

We own a 100% percent interest in the Perama Hill Project through our Greek subsidiary, Thracean Gold Mining S.A. ("TGM").

Location, Climate and Access

The Perama Hill gold deposit is located 30 kilometers northwest of the city of Alexandroupolis and 20 kilometers south of the town of Sapes in the eastern Thrace region of northern Greece. Access to the property is via a paved road from Alexandroupolis to the town of Perama and then on a dirt road for approximately 1 km.

The deposit is situated in hilly terrain 5 km north of the Aegean Sea and is sparsely vegetated with small oak trees and Mediterranean thorn and scrub bushes. In this part of Greece summers are hot and dry and winters are mild and wet. The average monthly temperature is 30˚C from June to August and generally from 5 to 15 ˚C from December to February, the coldest months.

Geology and Mineralization

Perama Hill is considered to be a stratabound, sediment hosted deposit of Eocene to Oligocene age located at a structural intersection along the eastern edge of a large graben. The deposit is hosted by a felsic volcanic sandstone overlying a package of andesitic volcanic breccias.

The deposit extends 750 meters in a north-south direction and up to 300 meters east-west. Thickness varies from 15 to 20 meters on the flanks to over 120 meters at the center of the deposit. The gold mineralization has been deposited by structurally controlled feeders in the andesite which disseminated into the sandstone, which hosts 80 percent of the gold. Mineralogic studies indicate that the gold mineralization is fine grained (less than 2 microns) and evenly distributed throughout the deposit.

Data Verification

The data for the Perama Hill Project were verified by Roscoe Postle Associates Inc. ("RPA") as part of their report "Report on Perama Hill Gold Deposit Mineral Resource Estimate" January 27, 2004. The verification was carried out using several different methods to validate the drill hole database, and it was RPA's opinion that the database is valid and suitable for supporting resource estimation work.

Previous Exploration

The general area of the Perama Hill Deposit was recognized as having epithermal gold potential in 1994 based on a regional geochemical survey. The "discovery outcrop" was sampled in 1995 and a channel sample across the stockwork zone yielded 1.88 g/t over a length of 48 meters.

Reverse circulation and diamond drilling programs were conducted starting in 1996 and continued until 1998. These drilling programs also included sterilization and geotechnical holes. The last major phase of drilling was completed in September 1998, and the total drilling completed on the project is 212 holes

(18,208 meters) for resource evaluation and 33 holes (1,244 meters) for geotechnical and sterilization purposes.

The procedures used to log and sample diamond and reverse circulation holes were according to industry accepted standards, and split core and reverse circulation chips have been retained and stored by TGM. A quality control\quality assurance designed by a third party consultant was implemented at the start of the core drilling in 1997, and involved the insertion of blank and standards into the sample stream, as well as running duplicate samples and cross-checks. RPA has reviewed the QA\QC program has concluded that it meets industry standards and the assays are suitable for resource estimation.

No exploration has been conducted on the property since 1998.

Development Activities

Kvaerner completed a feasibility study in 2000 which envisioned an open pit mine followed by conventional CIL treatment of the ore. Kvaener updated the capital and operating cost estimates in May 2003.

In 2008 Frontier Pacific commissioned Scott Wilson Inc to do an update of the operating and capital costs for Perama Hill. After Eldorado acquired Frontier Pacific this study was put on hold pending advancement of the permitting process.

Construction

There have been no construction activities at the Perama Hill Project.

Permitting

The approval process is initiated by the submission of an Environmental Impact Study (“EIS”) to the Ministry of Environment (“MOE”), which acts as the lead agency in the permitting process. The MOE carries out a detailed review of the EIS and also coordinates input from the Ministries of Agriculture, Culture, Development, and Health. There is also a public consultation process that involves a series of public meetings.

In parallel with the EIS process the MOE establishes, in consultation with the proponent, the Environmental Terms of Reference (“ETR”), which defines the environmental criteria under which the mine will operate. Once the EIS has been reviewed and the ETR finalized, the MOE approves the EIS. The final step is the approval of the EIS by the five ministries involved.

TGM submitted the EIS for the Project in October 2000. The required public consultations were completed and until mid-2008 TGM was waiting for approval of the EIS. In a separate action, a lawsuit was brought against the project challenging the zoning of the project. The Athens Supreme Administrative Court ruled in favour of the plaintiff in this case which effectively rendered the submitted EIS null and void. It is Eldorado’s intention to resubmit the EIS in 2009 and to restart the permitting process under its direction.

Personnel

The project will employ approximately 200 people at maximum production, with the majority of workers drawn from the local region. Supplies and services will be accessed largely from the city of Alexandroupolis.

Perama Reports

Perama is the subject of the following technical reports: “Report on Perama Hill Gold Deposit Mineral Resource Estimate (dated January 27, 2004 and revised May 13, 2004), prepared by Roscoe Postle Associates Inc. The Perama Report is available at www.sedar.com under Frontier Pacific Mining Corporation, and should be reviewed to put the preceding discussion in context.

Litigation

In 2000 Petitions for Annulment of the Pre-Approval Act (the “Act”), responsible for establishing the environmental impact study framework, were filed against the MOE for Perama Hill. On August 18, 2008 the 5th Session of the Conseil d’Etat (the “CDE”) held the challenged Act as illegal, accepted the petition for annulment and invalidated the Act, thereby invalidating the submission of the Perama Hill environmental impact study. The decisions of the CDE are definitive and final. The Company plans to submit a new submission for application of the Perama Hill Environmental Terms of Reference under the amended Pre-Approval Act.

FINANCE

The following provides an overview of our financing activities over the past three completed financial years.

In April 2005, HSBC authorized advances of up to $65 million to Tüprag under the terms of a term revolving Credit Facility due February 28, 2010. As at December 31, 2006, HSBC had advanced $50 million. The Credit Facility can be drawn down in minimum tranches of $1 million plus multiples of $0.25 million. Each drawdown bears interest fixed at the prevailing LIBOR plus 0.50% on the date each tranche is drawn down. As at December 31, 2007, the Company has drawn $55 million in six tranches at a weighted average interest rate of 5.52%. Each tranche typically has a maturity of approximately 13 months. The Credit Facility is renewable at the Company's option for the term of the loan. As at December 31, 2008 the Company has repaid all amounts previously drawn on the Credit Facility.

At December 31, 2008, $65 million remained available under the revolving Credit Facility.

Under the terms of the Credit Facility, Eldorado is required to fully collateralize any HSBC advances to Tüprag with funds of an equal amount deposited on account with HSBC.

On August 25, 2005, Eldorado made a credit facility available to Afcan in the amount of $15.0 million. Loans under the facility had an interest at a rate equal to LIBOR plus 3 percent per annum. Upon the completion of the Transaction, the loan was converted to an inter-company loan. Proceeds of the credit facility were used primarily to fund Tanjianshan obligations of QDML.

On September 13, 2005, as part of the Afcan Acquisition, we secured 2 loans totalling $2.13 million payable to Sino Gold Limited. The balance of the first loan of $0.7 million was repaid during the fourth quarter of 2005. The second loan consisted of a $1.75 million interest free loan repayable in equal annual instalments of $0.4 million on December 31 of each year until December 2008, with a final instalment of $0.15 million due December 31, 2009.

On February 7, 2006, we completed our financing of 30,000,000 common shares with a syndicate of underwriters and the underwriter's over-allotment of 4,500,000 common shares for a total of 34,500,000 common shares at CDN$5.40 per common share for gross proceeds of US$186,300,000. The net proceeds to us were CDN$178,848,000 and the underwriters received a cash commission of CDN$7,452,000.

During 2006 QDML secured working capital loans from the China Construction Bank. Interest on the loans is calculated monthly and payable quarterly. The loans are collaterized by way of irrevocable letters of credit drawn on HSBC not to exceed $21.25 million in total. The letters of credit had an expiry date of February 17, 2007 that is deemed automatically extendable without amendment for a period of one year unless HSBC provides notice 45 days prior to the expiration date of its intent not to extend the term. The HSBC letters of credit were collaterized by the current portion of restricted cash, which was held by HSBC as restricted cash in a collateral account. In April 2008, QDML repaid the loan and the HSBC letters of credit were cancelled.

In November 2007, QDML entered into a $15 million revolving facility ("the Facility") with HSBC Bank (China). The Facility had a term of one year and is subject to review and renewal annually. The Facility is secured by way of an irrevocable letter of credit drawn on HSBC Bank USA, National Association. Eldorado must maintain at all times a security coverage ratio of 105% of the amounts drawn down. The letter of credit had an expiry date of November 8, 2008 and was secured by Eldorado's funds held by HSBC as restricted cash. The Facility can be drawn down in minimum tranches of $0.1 million or in

integral multiples of $0.01 million. Each drawdown bears interest fixed at the prevailing lending rate stipulated by the People's Bank of China with a 10% markdown. As at December 31, 2007, the Company has drawn down $10 million (RMB 73.5 million) at a weighted average interest rate of 5.994%. Each tranche has a maturity of six months. In November 2008, the Facility was renewed for a second year with the following changes to its original terms. The interest rate is fixed at the prevailing lending rate stipulated by the People's Bank of China with a 20% mark up and the security coverage ratio was set at 110% of the amount drawn down. At December 31, 2008, $15 million remained available under the Facility.

On July 2, 2008 the Board of Directors of QDML approved a US$ 3 million dividend distribution to its shareholders. This resulted in a repatriation of US$2.7 million from our Chinese subsidiary.

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 AM price fixing for gold on December 31, 2008 was $865.00 per ounce.

FOREIGN CURRENCY EXPOSURE

All of Eldorado's revenues from gold sales are denominated in US dollars, while the majority of its operating costs are denominated in the local currencies of the countries in which it operates. We monitor the economic environment, including foreign exchange rates, in these countries on an ongoing basis.

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

December 2008	($176,000)
December 2007	$4,658,000
December 2006	$2,050,000
December 2005	($547,000)

GOLD REFINING, SALES AND HEDGING ACTIVITIES

Valcambi SA in Switzerland and the Istanbul Gold Refinery refines the gold doré production from our Kisladag mine, Turkey to market delivery standards. Metalor, China and HZGS Henan Zhongjin Gold in Henan Province, China began refining Tanjianshan's gold doré to market delivery standards.

We monitor and consider the use of a variety of hedging techniques to mitigate the impact of downturns in the gold market and provide adequate cash flow for operations. In 2008, we sold our gold production to bullion dealers on a spot market basis. As of the date of this report, we do not have any gold or currency hedges in place.

Our future hedging activities will depend on an ongoing assessment of the gold market, our hedging strategy, financing restrictions and other factors.

CURRENCY AND EXCHANGE RATES

Our revenue is derived primarily from the sale of gold, denominated in US dollars. Our costs are incurred in a variety of currencies, including the Canadian dollar, the Brazilian Real ("Real"), the Turkish Lira ("Lira"), the Euro ("Euro") and the Chinese Renminbi ("RMB"). Our accounts are maintained in US dollars.

The noon rate of exchange on December 31, 2008, as reported by the Bank of Canada, for converting Canadian dollars into US dollars was Cdn$0.8210 per US$1.00 (Cdn$1.00 equals US$1.2180).

The following table sets forth: (i) the rate of exchange for the Canadian dollar, expressed in US 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 converting Canadian dollars into US dollars.

	Year Ended December 31,			
	2008	**2007**	**2006**	**2005**
Rate at end of period	0.8210	1.0088	0.8581	0.8577
Average rate for period	0.9381	0.9304	0.8817	0.8254
High for period	1.0289	1.0905	0.9099	0.8690
Low for period	0.7711	0.8437	0.8528	0.7872

EMPLOYEE RELATIONS AND PERSONNEL

As at December 31, 2008, Eldorado and its subsidiaries had hourly workers, contractors and permanent employees worldwide (Brazil: 75, Canada: 30; China: 661, Greece: 8; Turkey: 710). We also engage a number of contractors to work on specific projects. None of our employees belong to a union, except for some of the hourly workers at Kisladag and Tanjianshan. The labour agreement at Kisladag is valid for a 3 year term and due to be renewed December 31, 2009. We consider our employee relations to be good.

COMPETITION

We compete with other mining companies for acquiring mineral claims, permits, concessions and other mineral interests as well as for recruiting and retaining qualified employees. There is significant competition for the limited number of gold acquisition opportunities and, as a result, we may be unable to acquire attractive gold mining properties on terms we consider acceptable.

RISK FACTORS

The following risks and uncertainties may have a material adverse effect on our operations and the market price or value of our securities.

Risks Related to Financial Matters

Gold price volatility may affect our profitability.

The profitability of our operations is significantly affected by changes in the gold price. The gold price can fluctuate widely and is affected by numerous factors beyond our control, including industrial and jewellery demand, inflation and expectations with respect to the rate of inflation, the strength of the United States dollar and of other currencies, interest rates, gold sales by central banks and international institutions, forward sales by producers, global or regional political or economic events, and production

and cost levels in major gold-producing regions such as South Africa and China. 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.

Between 2003 and 2008, the price of gold as quoted on the London Bullion Market ranged between a low of $319.90 and a high of $1,011.25 per ounce, based on the P.M. fixing price for gold. The gold price used in the 200 8 mineral resource and mineral reserve estimates for the Kisladag Mine and the TJS Mine was $725 per ounce and for the Efemçukuru Project was $530 per ounce. Reserve calculations and life-of-mine plans using significantly lower gold prices could result in reduced estimates of mineral resources and mineral reserves, in material write-downs of our investment in mining properties and increased amortization, reclamation and closure charges.

If gold prices were to decline significantly or for an extended period of time, we might be unable to continue our operations, develop our properties or fulfill our obligations under our agreements with our partners or under our permits and licenses. As a result, we might lose our interest in, or be forced to sell, some of our properties, or our profitability and cash flow might be negatively affected.

If we engage in gold hedging activities it may minimize the effect of a decline in the gold price on the results of our operations but it may also limit the price that can be realized on our gold.

As of the date of this AIF, we have no gold hedges in place, but we may engage in hedging activities in the future. H edging activities are intended to protect a company from the fluctuations of the price of gold and to minimize 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.

Mineral resource and mineral reserve estimates are only estimates and there is no certainty that the indicated levels of gold production will be realized by us.

The proven and probable mineral reserve figures set forth in this AIF are estimates, and there is no certainty that the indicated levels of gold production will be realized. Mineral reserve estimates may require revision based on various factors such as actual production experience, market price fluctuations of gold, results of drilling, metallurgical testing, production costs or recovery rates. For example, cut-off grades for our deposit estimates are based on certain 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 mineral resources and mineral reserves may have to be recalculated based on actual production or exploration results. Market price fluctuations of gold, as well as increased production costs or alteration in recovery rate, may render the proven and probable miner al reserves unprofitable to develop at a particular property or for a specific mine. Any material reduction in estimates of our mineral reserves or our ability to extract these mineral reserves could have a material adverse effect on our future cash flow, results of operations and financial condition.

There are numerous uncertainties inherent in estimating proven and probable mineral reserves and measured, indicated and inferred mineral resources, including many factors beyond our control. The estimation of mineral resources and mineral reserves is a subjective process, and the accuracy of any such estimates are a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable. There can be no assurance that these estimates will be accurate, that mineral reserve and mineral resource figures will be accurate, or that mineral resources or mineral reserves can be mined or processed profitably. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Furthermore, it cannot be assumed that all or any part of the measured mineral resources, indicated mineral resources, or an inferred mineral resource will ever be upgraded to a higher category.

Definitional standards for reporting mineralized material differ between United States reporting standards and the Canadian standards used in this document.

The disclosure in this AIF uses terms that comply with reporting standards in Canada and certain estimates are made in accordance with NI 43-101. In addition, the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of the measured mineral resources, indicated mi neral resources, or inferred mineral resources will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility, pre-feasibility studies or other economic studies, except in rare cases.

Accordingly, information contained in this AIF containing descriptions of our mineral deposits may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

Our failure to achieve our production estimates could have a material adverse effect on our future cash flow, results of operations and financial condition.

Estimates of future production for our mining operations as a whole are derived from our five-year mining plans. These estimates are subject to change.

We cannot give any assurance that we will achieve our production estimates. Our failure to achieve our production estimates could have a material and adverse effect on any or all of our future cash flow, results of operations and financial condition. 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 above, and as set out below:

- actual ore mined varying from estimates in grade, tonnage and metallurgical and other characteristics;
- mining dilution;
- pit wall failures or cave-ins;
- industrial accidents;
- equipment failures;
- natural phenomena such as inclement weather conditions, floods, blizzards, droughts, rock slides and earthquakes;
- encountering unusual or unexpected geological conditions;
- changes in power costs and potential power shortages;
- shortages of principal supplies needed for operation, including explosives fuels, chemical reagents, water, equipment parts and lubricants;
- litigation;
- strikes and other actions by labour at unionized locations; and
- restrictions imposed by government agencies.

Such occurrences could result in damage to mineral properties, interruptions in production, injury or death to persons, damage to our property or the property of others, monetary losses and legal liabilities.

These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable. 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 our 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.

Fluctuations in the price and availability of energy and other commodities could affect our profitability.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploitation and/or development of our projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploitation and/or development of our projects will be commenced or completed on a timely basis, if at all; the resulting operations will achieve the anticipated production volume, or the construction costs and ongoing operating costs associated with the exploitation and/or development of our advanced projects will not be higher than anticipated. In addition, unusual or infrequent weather ph enomena, sabotage or other interference in the maintenance or provision of such infrastructure could adversely affect our operations and profitability.

The profitability of our business is affected by the market prices and availability of commodities which are consumed or otherwise used in connection with our operations and development projects, such as diesel fuel, electricity, steel, concrete, and cyanide. Prices of such commodities also can be subject to volatile price movements, which can be material and can occur over short periods of time, and are affected by factors that are beyond our control. Operations consume significant amounts of energy, and are dependent on suppliers to meet these energy needs. In some cases, no alternative source of energy is available. An increase in the cost, or decrease in the availability, of construction materials such as steel and concrete may affect the timing and cost of our development projects. If the costs of certain commodities consumed or otherwise used in connection with our operations and development projects were to increase significantly, and remain at such levels for a substantial period of time, we may determine that it is not economically feasible to continue commercial production at some or all of our operations or the development of some or all of our projects, which could have an adverse impact on our profitability.

Our ability to acquire critical resources such as input commodities, drilling equipment, tires and skilled labour due to increased worldwide demand, may cause unanticipated cost increases and delays in delivery times, thereby impacting operating costs, capital expenditures and production schedules.

We may need to raise additional financing in the future to fund our exploration and development program.

We estimate that our current financial resources will be sufficient to undertake our presently planned exploration and development program**.** Further exploration on, and development and construction of, our mineral resource projects in Brazil, China, Greece and Turkey may require additional capital. In addition, a positive production decision on our current development project would require significant capital for project engineering and construction. Accordingly, the continuing development of our properties may depend upon our ability to obtain financing through the joint venturing of projects, debt financing, and equity financing or other means. There is no assurance that we will be successful in obtaining the required financing on terms acceptable to us, if at all.

We may incur losses associated with foreign currency fluctuations.

We operate in a number of jurisdictions outside of North America, predominantly Brazil, China, Greece and Turkey, and incur certain expenses in foreign currencies. Currently, revenue from operations i s received in United States dollars while a significant portion of our operating expenses are incurred in Canadian dollars, Euro, Lira, Real and RMB. In 2008, we incurred certain reclamation costs at the São Bento Mine in Real and production costs at the Kisladag Mine in Lira and the TJS Mine in RMB, the value of all of which fluctuate and are subject to changes in the respective countries' political and economic conditions. A portion of our construction costs and operating expenses in 2008 were in Lira and RMB which also have been subject to currency exposure.

We are subject to fluctuations in the rates of currency exchange between United States dollars and these currencies, and such fluctuations may materially affect our future cash flow, results of operations and financial condition. Consequently, construction, development and other costs may be higher than we anticipate. We currently do not hedge against currency exchange risks, although we may do so from time to time in the future.

Certain factors outside of our control may affect our ability to support the carrying value of goodwill.

The Company evaluates the carrying value of recorded goodwill to determine whether current events and circumstances indicate such carrying amount may no longer be recoverable. This evaluation involves a comparison of the estimated fair value of the Company's reporting units to their carrying values. The Company's fair value estimates are based on numerous assumptions and it is possible that actual fair value could be significantly different than these estimates. In the absence of any mitigating valuation factors, the Company's failure to achieve its valuation assumptions or declines in the fair value of its reporting units may, over time, result in an impairment change.

Risks related to our business and operations

Regulatory requirements significantly affect our mining operations and may have a material adverse effect on our future cash flow, results of operations and financial condition.

We conduct operations in a number of jurisdictions outside of North America, predominantly Brazil, China, Greece and Turkey. The laws in each of these countries differ significantly and may change. Mining operations and 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. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing our mines and other facilities in compliance with such laws a nd regulations are significant.

Failure to comply with applicable laws and regulations may result in enforcement actions and include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

New laws and regulations, amendments to existing laws and regulations, administrative interpretation of existing laws and regulations, or more stringent enforcement of existing laws and regulations, whether in response to changes in the political or social environment in which we operate or otherwise, could have a material adverse effect on our future cash flow, results of operations and financial condition.

There are numerous additional risks related to our foreign investments and operations that may limit or disrupt a project.

The majority of our activities and investments are located in foreign countries. Our foreign investments include operations and /or exploration and development projects in Brazil, China, Greece and Turkey.

These investments are subject to the risks normally associated with conducting business in foreign countries. Some of these risks are more prevalent in countries that are less developed or have emerging economies, including uncertain political and economic environments, as well as risks of war and civil disturbances or other risks that 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. In addition, we may face import and export regulations, including restrictions on the export of g old, disadvantages of competing against companies from countries that are not subject to Canadian and United States laws, including the *Foreign Corrupt Practices Act*, restrictions on the ability to pay dividends offshore, and risk of loss due to disease and other potential endemic health issues. Although we are 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 we have operations or conduct exploration activities, the mineral rights or certain portions of such rights are owned by the relevant governments. Such governments have entered into contracts with us and our subsidiaries, or granted permits or concessions that enable us to conduct operations or development and exploration activities on such lands. Notwithstanding such arrangements, our ability to conduct our operations or development and exploration activities on such

lands is subject to changes in government policy over which we have no control. If such a change were to occur that

affected our right or the rights of any of our subsidiaries to conduct operations or development and exploration activities, it could have a material adverse effect on the results of our operations.

For example, the TJS Mine is located in China. The Chinese government plays a significant role in regulating the mining industry by implementing industrial policies. It also exercises significant control over China's economic growth through the allocation of resources, control of foreign currency-denominated obligations and provisions in its Foreign Investment Guidelines for Foreign Investment. Furthermore, the Chinese economy has experienced significant growth in the past 20 years. Such growth has been uneven both geographically and among various sectors of the economy. The Chinese government has implemented various measures from time to time to control the rate of economic growth. These measures may have a material adverse effect on the results of our operations.

Companies with a foreign ownership component operating in China may be required to work within a framework that is different to that imposed on domestic Chinese companies. The Chinese government currently allows foreign investment in certain mining projects under central government guidelines. Changes in these guidelines may have a material adverse effect on the results of our operations.

In addition, in China, the exporting of gold requires certain approvals. There is no assurance that such approvals can be obtained. Hence, most gold producers in China sell their gold through the Shanghai Gold Exchange. Currently the Shanghai Gold Exchange serves as a spot market of gold for its members and gold is traded through it at market price

Furthermore, foreign exchange transactions in China (including the repatriation of investment returns and capital) continue to be subject to foreign exchange controls. Currently we may repatriate our profits and dividends in foreign currency but may not repatriate our capital except with the approval of the Chinese State Administration of Foreign Exchange.

We cannot provide any assurances that we will be issued the necessary exploration and mining permits and licences, or if issued that they will be renewed or that we can comply with the conditions imposed.

All mineral resources in most of the countries where we operate are owned by their respective governments, and mineral exploration and mining activities may only be conducted by entities that have obtained or renewed exploration or mining permits and licences in accordance with the relevant mining laws and regulations. No guarantee can be given that the necessary exploration and mining permits and licences will be issued to us or, if they are issued, that they will be renewed, or that we will be in a position to comply with all conditions that are imposed.

Nearly all mining projects require government approval. There can be no certainty that these approvals will be granted to us in a timely manner, or at all.

We cannot provide any assurances that our joint venture partners will not veto our plans for the business and prevent us from achieving our objectives.

Mining projects are often conducted through an unincorporated joint venture or an incorporated joint venture company. Joint ventures can often require unanimous approval of the parties to the joint venture or their representatives for certain fundamental decisions such as an increase or reduction of registered capital, merger, division, dissolution, amendment of the constating documents, and the pledge of the joint venture assets, which means that each joint venture party may have a veto right with respect to such decisions, which could lead to a deadlock.

In particular, our interest in the TJS Mine is through a joint venture company established under and governed by the laws of China. Our joint venture partners in China are state-sector entities and, like other state-sector entities, their actions and priorities may be dictated by government policies, instead of purely commercial considerations.

As gold exploration is highly speculative and involves many risks, we cannot provide any assurance that our gold exploration efforts will be successful.

Gold exploration is highly speculative in nature, involves many risks and frequently is not productive. There can be no assurance that our gold exploration efforts will be successful. Success in increasing mineral reserves is a result of a number of factors, including the quality of our management and 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 mineral 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 our exploration programs will result in the expansion or replacement of current mineral reserves with new mineral reserves.

Development projects are uncertain and consequently it is possible that actual cash operating costs and economic returns will differ significantly from those estimated for a project prior to production.

Mine development projects, including our development at the Efemçukuru Project, typically require a number of years and significant expenditures during the development phase before production is possible.

Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and receipt of adequate financing. The economic feasibility of development projects is based on many factors such as:

- estimation of mineral reserves;
- anticipated metallurgical recoveries;
- environmental considerations and permitting;
- future gold prices; and
- anticipated capital and operating costs of such projects.

Our 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 mineral 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 that 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.

Any of the following events, among others, could affect the profitability or economic feasibility of a project:

- unanticipated changes in grade and tonnage of ore to be mined and processed;
- unanticipated adverse geotechnical conditions;
- incorrect data on which engineering assumptions are made;
- costs of constructing and operating a mine in a specific environment;
- availability of labour;
- availability and costs of processing and refining facilities;
- availability of economic sources of power;
- adequacy of water supply;
- availability of surface tenure on which to locate processing and refining facilities;

- adequate access to the site, including competing land uses (such as agriculture and illegal mining);
- unanticipated transportation costs;
- government regulations (including regulations with respect to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, as well as the costs of protection of the environment and agricultural lands);
- fluctuations in gold prices; and
- accidents, labour actions and force majeure events.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production. In the past, we have adjusted our estimates based on changes to our assumptions and actual results.

We need to continually obtain additional mineral reserves for gold production.

Because mines have limited lives based on proven and probable mineral reserves, we must continually replace and expand our mineral reserves as our mines produce gold. Our ability to maintain or increase our annual production of gold will depend in significant part on our mining operations at the Kisladag Mine and the TJS Mine and our development of the Efemçukuru Project; our ability to expand existing operations through successful exploration; and our ability to develop new projects and undertake acquisitions, all of which will enable us to expand both mineral reserves and production.

We are subject to a number of risks and hazards that may result in damage to our property, delays in our business and possible legal liability.

Our operations are subject to a number of risks and hazards including:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- failure of processing and mining equipment;
- labour disputes;
- supply problems and delays;
- changes in the regulatory environment;
- 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 and fire;
- 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. Satisfying such liabilities may be very costly and could have a material adverse effect on our future cash flow, results of operations and financial condition.

Our properties may be subject to environmental hazards

Environmental hazards may exist on our development projects which are currently unknown to us. We may be liable for losses associated with such hazards, or may be forced to undertake extensive remedial cleanup action or to pay for governmental remedial cleanup actions, even in cases where such hazards have been caused by previous or existing owners or operators of the property, or by past or present owners of adjacent properties or natural conditions. The costs of such cleanup actions may have a material adverse impact on our operations and profitability.

We cannot provide assurance that we have been or will be at all times in complete compliance with environmental, health and safety laws or that the cost of complying with current and future environmental, health and safety laws will not materially adversely affect our future cash flow, results of operations and financial condition.

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

While we have budgeted for future capital and operating expenditures to maintain compliance with environmental, health and safety laws, any future changes to these laws could adversely affect our financial condition, liquidity or results of operations.

Failure to comply with applicable environmental, health and safety laws can result in injunctions, damages, suspension or revocation of permits and imposition of penalties. There can be no assurance that we have been or will be at all times in complete compliance with such laws or permits, that our compliance will not be challenged or that the costs of complying with current and future environmental, health and safety laws and permits will not materially or adversely affect our future cash flow, results of operations and financial condition.

We may not be able to maintain adequate insurance against the risks of our business.

Where considered practical to do so, we maintain insurance against risks in the operation of our business in amounts that we believe to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. We cannot provide any 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 is considered too expensive relative to the perceived risk.

We compete with other companies with greater financial resources.

We operate in a competitive industry and compete with other more well-established companies which have greater financial resources than we do. We face strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, base and precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than us. As a result of this competition, we may be unable to maintain or acquire attractive mining properties on terms we consider acceptable or at all. Consequently, our revenues, operations and financial condition could be materially adversely affected.

If we fail to hire and retain our key personnel, it may have an adverse effect on our operations.

We depend on a number of key personnel, including Paul N. Wright, our President and Chief Executive Officer; Norman S. Pitcher, our Chief Operating Officer; and Earl W. Price, our Chief Financial Officer. The loss of any one of these personnel could have an adverse effect on our operations. We have employment contracts with each of these key personnel. We do not have key man life insurance.

Our ability to manage growth effectively will require us to continue to implement and improve our management systems and to recruit and train new employees. Although we have done so in the past and expect to do so in the future, we cannot assure that we will be successful in attracting and retraining skilled and experienced personnel.

Our business depends on good relations with our employees.

We are dependent on our workforce to extract and process minerals. We have programs to recruit and train the necessary manpower for our operations and endeavour to maintain good relations with our workforce in order to minimize the possibility of strikes, lockouts, and other stoppages at our work sites. A prolonged labour disruption at any of our development projects could have a material adverse impact on our operations as a whole.

We cannot give any assurance that title to our mineral properties will not be challenged.

While we have investigated title to all of our mineral claims and, to the best of our knowledge, title to all of our properties is in good standing, the properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. There may be valid challenges to the title of our properties, which, if successful, could impair development and/or operations. We cannot give any assurance that title to our properties will not be challenged.

We are subject to litigation risks.

All industries, including the mining industry, are subject to legal claims, with and without merit. In addition to the litigation in Turkey as described under the heading "*Recent Developments – Turkey*" above and under the heading "*Development Projects – Turkey Projects*" in this AIF, we are also involved in various routine legal and regulatory proceedings. We believe it is unlikely that the final outcome of these legal or regulatory proceedings will have a material adverse effect on our financial condition or results of operations. However, defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process and dealings with the regulatory bodies, there can be no assurance that the resolution of any particular legal or regulatory proceeding will not have a material adverse effect on o ur future cash flow, results of operations or financial condition.

We are subject to risks related to community action.

All industries, including the mining industry, are subject to community actions. In recent years, communities and non-governmental organizations have become more vocal and active with respect to mining activities at or near their communities. These parties may take actions such as road blockades, applications for injunctions seeking work stoppage and lawsuits for damages. These actions can relate not only to current activities but also in respect of decades old mining activities by prior owners of subject mining properties.

We are subject to risks relating to the global economy.

Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede our access to capital or increase the cost of capital. In 2007 and 2008, the global credit markets experienced serious disruption due to a deterioration in residential property values, defaults and delinquencies in the residential mortgage market and a decline in the credit quality of mortgage-backed securities. These problems led to a slow-down in residential housing market transactions, declining housing prices, delinquencies in non-mortgage consumer credit and general decline in consumer confidence. These conditions worsened in 2008 and are continuing in 2009, causing a loss of confidence in the broader global credit and financial markets and resulting in the collapse of, and government intervention in, ma jor banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially.

These unprecedented disruptions in the current credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions could, among other things, make it more difficult for us to obtain, or increase the cost of obtaining, capital and financing for our operations. Failure to raise capital when needed or on reasonable terms may have a material adverse effect on our business, financial condition and results of operations.

Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be adversely affected.

We are also exposed to liquidity risks in meeting our operating and capital expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact our ability to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to us. If these increased levels of volatility and market turmoil continue, our operations could be adversely impacted and the trading price of the Common Shares could be adversely affected.

As a result of current global financial conditions, numerous financial institutions have gone into bankruptcy or have been rescued by government authorities. As such, we are subject to the risk of loss of its deposits with financial institutions that hold our cash.

Risks related to acquisitions

Risks inherent in acquisitions that we may undertake could adversely affect our growth and financial condition.

We are actively pursuing the acquisition of advanced exploration, development and production assets consistent with our acquisition and growth strategy. From time to time, we may also acquire securities of or other interests in companies with respect to which we may enter into acquisitions or other transactions. Acquisition transactions involve inherent risks, including:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of our key employees or the key employees of any business we acquire;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, companies or securities.

Any one or more of these factors or other risks could cause us not to realize the benefits anticipated to result from the acquisition of properties or companies, and could have a material adverse effect on our ability to grow and on our financial condition.

We cannot give any assurance that we will successfully identify and complete an acquisition transaction and, if completed, that the business acquired will be successfully integrated into our operations.

While we continue to seek acquisition opportunities consistent with our acquisition and growth strategy, we cannot be certain that we will be able to identify additional suitable acquisition candidates available for sale at reasonable prices, to consummate any acquisition or to integrate any acquired business into our operations successfully. Acquisitions may involve a number of special risks, circumstances or legal

liabilities. These and other risks related to acquiring and operating acquired properties and companies could have a material adverse effect on our results of operations and financial condition. In addition, to acquire properties and companies, we would use available cash, incur debt, issue our common shares or other securities, or a combination of any one or more of these. This could limit our flexibility to raise capital, to operate, explore and develop our properties and to make additional acquisitions, and could further dilute and decrease the trading price of our Common Shares. When evaluating an acquisition opportunity, we cannot be certain that we will have correctly identified and managed the risks and costs inherent in the business that we are acquiring.

From time to time, we engage in discussions and activities with respect to possible acquisitions. At any given time, discussions and activities can be in process on a number of initiatives, each at a different stage of development. While at the present time we have no binding agreement or commitment to enter into any such transaction, we are actively pursuing potential acquisitions. We can provide no assurance that any potential transaction will be successfully completed, and, if completed, that the business acquired will be successfully integrated into our operations. If we fail to manage our acquisition and growth strategy successfully, it could have a material adverse effect on our business, results of operations and financial condition.

There may be no right for shareholders to evaluate the merits or risks of any future acquisition undertaken by us.

There may be no right for our shareholders to evaluate the merits or risks of any future acquisition undertaken by us except as required by applicable laws and regulations.

Risks Related to Our Common Shares

Further equity issuances may substantially dilute the interests of our shareholder and may have an adverse effect on the market price of our securities.

We may require additional funds to fund our exploration and development programs and potential acquisitions. If we issuing additional equity securities, such issuances may substantially dilute the interests of our shareholders.

Furthermore, a number of our existing agreements provide for additional issuances of shares that may result in dilution to shareholders.

Issuances of substantial amounts of our securities, or the availability of such securities for sale, could adversely affect the prevailing market prices for our securities. A decline in the market prices of our securities could impair our ability to raise additional capital through the sale of securities should we desire to do so.

The Common Shares may experience price and volume fluctuations.

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of our securities.

In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm our profitability and reputation.

We do not expect to pay dividends on our Common Shares in the foreseeable future.

We have never paid cash dividends on the Common Shares. We currently intend to retain our future earnings, if any, to fund the development and growth of our business, and do not anticipate paying any cash dividends on the Common Shares for the foreseeable future. As a result, you will have to rely on capital appreciation, if any, to earn a return on your investment in the Common Shares in the foreseeable future. Furthermore, we may in the future become subject to contractual restrictions on, or prohibitions against, the payment of dividends.

We follow corporate governance requirements of Canadian corporate and securities laws.

Non-Canadian residents holding the Common Shares should be aware that we follow the corporate governance requirements of applicable Canadian corporate and securities laws, which may differ from corporate governance requirements under laws applicable in their place of residence. In addition, although we substantially comply with the corporate governance guidelines of NYSE AMEX, we have obtained exemptions from NYSE AMEX permitting us to follow the shareholder meeting quorum requirements of our by-laws, which provide that a quorum is met by two persons holding or representing not less than 5 percent of the outstanding voting shares (as compared to 33 1/3 percent under NYSE AMEX -A requirements).

In addition, we may from time to time seek other relief from NYSE AMEX corporate governance requirements on specific transactions under Section 110 of the NYSE AMEX Company Guide by providing written certification from independent local counsel that the non-complying practice is not prohibited by our home country laws, in which case, we shall make the disclosure of such transactions available on our website at www.eldoradogold.com. Information contained on our website is not part of this AIF.

We may fail to achieve and maintain the adequacy of internal control over financial reporting as per the requirements of the Sarbanes-Oxley Act.

We have documented and tested during our most recent fiscal year, our internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act ("SOX"). SOX requires an annual assessment by management and an independent assessment by our independent auditors of the effectiveness of our internal control over financial reporting. We may fail to achieve and maintain the adequacy of our internal control over financial reporting as such standards are modified, supplemented, or amended from time to time, and we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 of SOX. Our failure to satisfy the requirements of Section 404 of SOX on an ongoing, timely basis could result in the loss of investor confidence in the reliability of our financial statements, which in turn could harm the our business and negatively impact the trading price of the Common Shares or market value of our other securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. There can be no assurance that we will be able to remediate material weaknesses, if any, identified in future periods, or maintain all of the controls necessary for continued compliance, and there can be no assurance that we will be able to retain sufficient skilled finance and accounting personnel, especially in light of the increased demand for such personnel among publicly traded companies. Future acquisitions of companies may provide us with challenges in implementing the required processes, procedures and controls in the acquired operations. Acquired companies may not have disclosure controls and procedures or internal control over financial reporting th at are as thorough or effective as those required by securities laws currently applicable to us.

No evaluation can provide complete assurance that our internal control over financial reporting will detect or uncover all failures of persons within us to disclose material information otherwise required to be reported. The effectiveness of our controls and procedures could also be limited by simple errors or

faulty judgments. In addition, as we continue to expand, the challenges involved in implementing appropriate internal controls over financial reporting will increase and will require that we continue to improve our internal controls over financial reporting. Although we intend to devote substantial time and incur costs, as necessary, to ensure ongoing compliance, we cannot be certain that it will be successful in complying with Section 404.

If any of the foregoing events, or other risk factor events as described herein occurs, our business, financial condition or results of operations could likely suffer. In that event, the market price of our securities could decline and investors could lose all or part of their investment.

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 December 31, 2008, 368,278,029 (December 31, 2007, 344,208,540) Common Shares were issued and outstanding, and no Non-Voting Shares were 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 our assets for the purpose of winding up our affairs; and the entitlement to dividends. Distributions in the form of dividends, if any, will be set by the Board of Directors. For more information, see "Dividend Policy". Holders of Common Shares are entitled to receive notice of all shareholder meetings and to attend and vote their shares at the meetings. Each Common Share carries with it the right to one vote.

If Non-Voting Shares were outstanding, the holders of these shares would be entitled to participate equally with the holders of the Common Shares with respect to dividend payment; asset distribution resulting from a liquidation, dissolution or winding-up; or the distribution of our assets for the purpose of winding up our affairs. Holders of Non-Voting Shares are entitled to receive notice of and to attend all meetings of the shareholders, but (except as required by law) they are not entitled to vote at any such meeting. Our articles state that holders of Non-Voting Shares may not vote separately as a class but will have one vote for each share on a proposal to amend the articles to increase or decrease any maximum number of authorized 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 pa rt 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 Share, 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 40 percent 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 at the same time 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 the 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 CBCA. 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).

The following details the share capital structure as at February 28, 2009:

Common shares	370,167,724
Share purchase options	11,812,219

Voting common shares issued in 2008:

	Number of shares
Balance, December 31, 2007	344,208,540
Shares issued upon exercise of share options	3,730,155
Shares issued pursuant to Frontier acquisition	20,339,334
Balance, December 31, 2008	368,278,029

At December 31, 2008, there were no Non-Voting common shares outstanding.

Share option plans

As of December 31, 2008 the Company had two share option plans ("Plans") approved by the shareholders under which share purchase options ("Options) can be granted to directors, officers, employees, and consultants.

The Company's Employee Plan, as amended from time to time, was established in 1994. Subject to a 10 year maximum, Employee Plan Options generally have a five year term. Employee Plan Options vest at the discretion of the Board of Directors at the time an Option is granted, typically in three separate tranches over two years.

The Company's Directors and Officers Plan ("D&O Plan") was established in 2003 and amended in 2005 and 2008. Subject to a 10 year maximum, D&O Plan Options generally have a five year term. D&O Options vest at the discretion of the Board of Directors at the time an Option is granted, typically in three separate tranches over two years.

For a more detailed review of our Plans please see our most recent Management Proxy Circular.

The share purchase options granted, exercised and cancelled from January 1, 2008 to December 31, 2008 are as follows:

	Number of options
Balance, December 31, 2007	8,224,279
Granted	8,960,000
Exercised	(3,730,155)
Cancelled	(15,210)
Balance, December 31, 2008	13,438,914

At December 31, 2008, 6,119,729 share purchase options had vested and were exercisable.

MARKET FOR SECURITIES

Our common shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "ELD" and on the NYSE AMEX under the symbol "EGO". Our common shares 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 Cdn$	Low Cdn$	Close Cdn$	Volume
January-08	7.12	5.64	6.60	79,609,300
February-08	6.91	5.67	6.83	60,562,100
March-08	7.63	6.23	7.08	96,628,400
April-08	7.76	6.44	6.87	40,653,700
May-08	8.35	6.60	8.05	36,036,900
June-08	8.89	7.14	8.69	60,558,700
July-08	9.01	7.39	8.36	61,516,300
August-08	8.78	7.15	8.44	51,713,200
September-08	8.40	5.79	6.64	66,072,000
October-08	7.05	3.44	4.98	58,176,900
November-08	7.49	4.55	7.49	59,802,400
December-08	9.70	5.47	9.65	79,379,000

DIVIDEND POLICY

We have not paid dividends on common shares since incorporation, nor do we currently intend to pay dividends. We anticipate using our cash resources to undertake exploration, development and expansion programs on our mineral properties and to acquire additional mineral resource properties.

DIRECTORS AND OFFICERS

The Company's Articles and bylaws state that the Board is to consist of a minimum of three (3) and a maximum of twenty (20) directors. The number of directors has been fixed at eight (8).

At each annual meeting of the Company's shareholders, 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 or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with our Articles or with the provisions of the *CBCA*. To meet *CBCA* requirements, at least 25 percent of the members of our Board of Directors must be resident Canadians.

The names and provinces of residence, offices held within the Company and principal occupations of the directors and executive officers of the Company are listed below:

Name and Province/State of Residence	Approximate Number of Common Shares Beneficially Owned Directly or Indirectly or over which Control or Direction is Exercised as of the date hereof[2]	Principal Occupation
John S. Auston [2] [3] British Columbia Canada Independent Director	8,000	Director of the Company since April 30, 2003. President & CEO of Ashton Mining of Canada (1996 – 2000); currently a director of Cameco Corporation.
K. Ross Cory [1] [3] British Columbia Canada Independent Director	170,000	Director of the Company since April 30, 2003. Various senior executive & director capacities with Raymond James Ltd. (and predecessor companies) since 1989 (currently on long term leave); currently a director of Lumina Copper Corp.
Robert R. Gilmore[1] [2] Colorado United States Independent Director Chairman, Audit Committee	35,500	Director of the Company since April 30, 2003. Independent Financial Consultant; formerly Chief Financial Officer of Teamshare Inc. (2000-2002); Independent Financial Consultant (1997-2000); currently a director of Global Med Technologies and Layne Christensen Corporation.
Geoffrey A. Handley [2] [3] New South Wales Australia Independent Director	10,000	Director of the Company since August 2006. Formerly Executive Vice President, Strategic Development with Placer Dome (2002-2006); currently a director of Endeavour Silver Corp and Pan Australian Resources.
Wayne D. Lenton [2] Arizona United States Independent Director	49,100	Director of the Company since June 1995. Independent Mining Consultant since March 1995; currently a director of Energold Drilling Ltd. and North American Tungsten Corporation Ltd.

Name and Province/State of Residence	Approximate Number of Common Shares Beneficially Owned Directly or Indirectly or over which Control or Direction is Exercised as of the date hereof[2)]	Principal Occupation
Hugh C. Morris [(1) (3)] British Columbia Canada Independent Director Non-Executive Chairman	130,000	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., Pacific Northern Gas and Triex Minerals Corporation.
Dawn L. Moss British Columbia Canada VP Administration & Corporate Secretary	12,500	VP Administration since February 2009. Corporate Secretary since October 27, 2000. Corporate Administrator of the Company from November 1998 to October 2000.
Norman S. Pitcher British Columbia Canada Chief Operating Officer	2,500	Chief Operating Officer since July 2005. Vice President, Exploration & Development from May 2004-July 2005; Manager, Evaluations of the Company from November 2003 to May 2004; Chief Geologist for Pan American Silver from 1997 to November 2003.
Earl W. Price British Columbia Canada Chief Financial Officer	2,000	Chief Financial Officer since Jan 1, 2003. Vice President, Finance of the Company from October 2001 to December 31, 2002; Senior Operations Controller of the Company since March 1997.

Name and Province/State of Residence	Approximate Number of Common Shares Beneficially Owned Directly or Indirectly or over which Control or Direction is Exercised as of the date hereof[2)]	Principal Occupation
Donald M. Shumka [(1)] British Columbia Canada Independent Director	50,000	Director of the Company since May 3, 2005. President and Managing Director of Walden Management Ltd.; Managing Director of Raymond James (1993-2004); Managing Director of CIBC World Markets (1989-2003); Vice President Finance and Chief Financial Officer of West Fraser Timber Co. Ltd. (1979-1989); currently a director of Paladin Energy Limited and Lumina Copper Corporation.
Paul N. Wright British Columbia Canada President, Chief Executive Officer and Director	125,000	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; Senior Vice President, Operations from October 1997 to March 1999; Vice President, Mining from July 1996 to October 1997.

Notes:
1) Member of the Audit Committee
2) Member of the Compensation Committee
3) Member of the Corporate Governance & Nominating Committee

Eight of Eldorado's directors have been directors since the last annual shareholders' meeting of the Company. Each of the Director's terms will expire at the next annual shareholders meeting of the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a di rector, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially control of the Company, (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that

capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of our knowledge, and other than disclosed in this AIF, there are no known existing or potential conflicts of interest between us or any of our directors or officers, except that certain of the directors and officers serve as directors and officers of other public companies and therefore it is possible that a conflict may arise between their duties as a director or officer of Eldorado and their duties as a director or officer of such other companies.

Our directors and officers are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors or officers in accordance with the CBCA and they are expected to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

The Board takes appropriate measures to exercise independent judgement in considering transactions and agreements in respect of which a director or officer may have a material interest. Where appropriate, directors absent themselves from portions of Board and committee meetings to allow independent discussion of points in issue.

CORPORATE GOVERNANCE AND BOARD COMMITTEES

Our Board has adopted a written mandate in which it has explicitly assumed responsibility for the stewardship and overseeing the management of our business. Our Board carries out its mandate directly or through its committees described below. For further information on our corporate governance practices, see our website www.eldoradogold.com.

The Board has established three Committees of directors: the Compensation Committee, the Audit Committee and the Corporate Governance and Nominating Committee.

Compensation Committee

The Compensation Committee is composed of four independent directors. The Compensation Committee develops, reviews and monitors director and executive compensation and policies. The Committee is responsible for annually reviewing the compensation of directors and officers, and making its recommendations to the Board. Terms of Reference for the Compensation Committee describe the Committee's responsibilities, powers and operations. These Terms of Reference were approved by the Board of Directors on February 18, 2009 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 D. Lenton, Chairman
Robert R. Gilmore
John S. Auston
Geoffrey A. Handley

Audit Committee

The Audit Committee is currently composed of four independent directors. The Audit Committee is responsible for overseeing financial reporting, internal controls and public disclosure documents, as well as recommending the appointment of our external auditors, reviewing the annual audit plan and auditor compensation, approving non-audit services provided by the external auditor, reviewing hiring policies regarding former staff and auditors and evaluating our risk management procedures/systems.

The Audit Committee has adopted a Terms of Reference that reflects these and other responsibilities. The Audit Committee has adopted its Terms of Reference that require, amongst other things, its pre-approval of audit, audit-related, tax and non-audit services to be provided by Eldorado's auditors. The Terms of Reference for the Audit Committee, attached as Schedule A to this AIF, were approved by the Audit Committee and the Board of Directors on February 18, 2009 and are available in the 2009 Management Information Circular, on our website www.eldoradogold.com or by contacting our Corporate Secretary.

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

The Audit Committee is composed of the following directors:
Robert R. Gilmore, Chairman
Hugh C. Morris
K. Ross Cory
Donald M. Shumka

Each member of the Audit 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 the "Directors and Officers" section within this AIF, the 2009 Management Information Circular and our website www.eldoradogold.com.

The aggregate fees billed for professional services rendered by our auditors, PricewaterhouseCoopers LLP, to us for the years ended December 31, 2008 and 2007 are as follows:

	Years ended December 31	
	2008 CDN$	**2007 CDN$**
Audit:	993,416	1,256,017(1)
Audit Related:		
Tax:	-	19,992
All Other Fees:	131,132	10,896
Other Services	30,000 (2)	-
Total	1,154,548	1,286,905

Note:

(1) Audit Fees include CDN$635,916 of Audit Related Fees incurred in connection with the audit of the Company's internal controls in accordance with Sarbanes Oxley 404.
(2) "Other Services" relates to IFRS diagnostic services.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemptions in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), Section 3.2 of NI 52-110 (Initial Public Offerings), Section 3.4 of NI 52-110 (Events Outside of Control of

Member), Section 3.5 of NI 52-110 (Death, Disability or Resignation of Audit Committee Member), Section 3.3(2) of NI 52-110 (Controlled Companies), Section 3.6 (Temporary Exemption for Limited and Exceptional Circumstances), Section 3.8 (Acquisition of Financial Literacy) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

In 2005, our Audit Committee determined that non-audit services would no longer be performed by the Company's external auditors and management has established agreements with other service providers for such non-audit services.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is currently composed of four independent directors. The Terms of Reference for the Corporate Governance and Nominating Committee were approved by the Board of Directors on February 18, 2009 and are available on our website www.eldoradogold.com or by contacting our Corporate Secretary.

The Corporate Governance and Nominating Committee is composed of the following directors:
K. Ross Cory, Chairman
Hugh C. Morris
John S. Auston
Geoffrey A. Handley

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than has been disclosed in this AIF and regulatory actions, 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. During the last financial year we have not been subject to any penalties or sanctions imposed by a regulatory body in respect of securities legislation or regulatory requirements. We have not entered into any settlement agreement in respect of securities legislation or regulatory requirements.

Furthermore, there are no (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during its most recently completed financial year; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision in the Company; and (c) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority during its most recently completed financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

FMR LLC is a direct or indirect beneficial owner of 13.207% of the voting rights attached to the Common Shares. We are not aware of any material interest, either direct or indirect, of (i) any of our or our subsidiaries' directors or executive officers, or (ii) any associate or affiliate of any of the foregoing, in any transaction that has been entered into within our three most recent completed financial years 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 Valiant Trust Company and its principal offices are located at Suite 2950, 130 King Street West, Toronto, Ontario M5X 1A9. Our register of transfer of our Common Shares is located in the city of Vancouver, BC.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the only material contract entered into by the Company within the most recently completed financial year or before the most recently completed financial year (but after January 1, 2002) and still in effect is the Transaction and Support Agreement between the Company and Frontier dated as of June 17, 2008. See “Business of the Company – Regional Review – Greece – Acquisition of Frontier Pacific Mining Corporation”.

INTEREST OF EXPERTS

Our auditors, PricewaterhouseCoopers LLP, report that they are independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Accountants of British Columbia and are an independent public accountant with respect to the Company within the meaning of the Securities Act administered by the SEC and the requirements of the Public Company Accounting Oversight Board.

The following is a list of persons or companies whose profession or business gives authority to a statement made by the person or company named as having prepared or certified a part of that document or a report or valuation described in this AIF or in a filing made by us under National Instrument 51-102:

(1) Gary Giroux, Micon International Limited;

(2) John Edward Hearne, RSG Global Pty Ltd;

(3) Andy Nichols, Andre de Ruijter and Richard Alexander, Wardrop Engineering Inc.; and

(4) Roberto Costa, Roberto Costa Engenharia Ltda.

(5) Luke Evans, Roscoe Postle Associates Inc.

(6) Stephen Juras, Eldorado Gold Corporation

(7) Richard Miller, Eldorado Gold Corporation

(8) Norman Pitcher, Eldorado Gold Corporation

Excepting those employees of Eldorado Gold Corporation, to the knowledge of the Company, none of the persons referred to above and none of the corporations by which they are employed have received or will receive any direct or indirect interests in the property of the Company or of an associated party or an affiliate of the Company or have any beneficial ownership, direct or indirect, of securities of the Company or of an associated party or an affiliate of the Company. Please refer to the information under the headings “Kisladag Reports”, “Efemçukuru Reports”, “Tanjianshan Reports”, “Perama Reports” and “Vila Nova Reports” for detailed lists of technical reports regarding these projects and the related qualified persons who prepared them.

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 our Management Information Circular for our most recent annual meeting that involves the election of directors and in respect of the year ended December 31, 2008. As well, additional financial information is provided in our comparative Financial Statements and MD&A in respect of the year ended December 31, 2008. This additional information is available on SEDAR at www.sedar.com under the Company name. We will also provide this information upon request to our Corporate Secretary.

GLOSSARY AND METRIC EQUIVALENTS

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

To convert from metric	To imperial	Multiply by
Hectares	Acres	2.47110
Meters	Feet	3.28080
Kilometers	Miles	0.62140
Tonnes	Tonnes	1.023
Grams/Tonne	Ounces (Troy)/Ton	0.03215

The following is a glossary of technical terms that may be found in this document and in the documents incorporated by reference:

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

adsorption The attachment of one substance to the surface of another.

andesitic A rock condition where andesite, an igneous rock that has a silica content of approximately 60 percent, is present.

argillic An alteration characterized by quartz clay mix chloride.

arsenopyrite A whitish to steel gray coloured arsenian mineral (FeAsS).

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 Grinding 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.

calcareous A substance that contains calcium carbonate.

CIL 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) that 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. Once the certificate is issued, the CBCA applies to the corporation as if the corporation was incorporated under the CBCA.
crushing plant	A plant in which run-of-mine ore is reduced in size by mechanical crushing to improve the liberation of gold particles for downstream recovery.
crosscuts	An underground working or tunnel that is perpendicular to the trend of the rock layering.
Cu	Copper.
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 and providing adequate traction for heavy, self-propelled equipment. These underground openings are often driven in a downward spiral, much the same as a spiral staircase.
dextral faults	Faults whose apparent direction of relative movement to each side is towards the right.
diamond drill	A type of rotary drill in which the cutting is done by abrasion rather than ***("DDH")*** 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 that is recovered in long cylindrical sections, an inch or more in diameter.
diorites	A light to dark coloured, crystalline intrusive igneous rock, composed of calcium, sodium and iron-bearing alumino-silicate minerals.
dilution	Waste material not separated from mined ore that 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 that a geological structure forms with a horizontal surface, measured perpendicular to the strike of the structure.
doré	Unrefined gold and silver in bullion form.
electrostatic precipitator	A device or technology that recovers airborne particular matter.

fault	A surface or zone of rock fracture along which there has been displacement, from a few centimeters to a few kilometers in scale.
feeder zones	A channelway in a rock through which mineral-bearing and/or metal-bearing solutions or gases likely moved.
fire assay	A type of analytical procedure that involves the heat of a furnace and a fluxing agent to fuse a sample to collect any precious metals (such as gold) in the sample. The collected material is then analyzed for gold or other precious metals by weight or spectroscopic methods.
float sulphide concentrate	A byproduct of the flotation process containing primary metals.
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.
foliation	A parallel orientation of platy minerals or mineral banding in rocks. Most common in metamorphic rocks.
gabbro	A dark coloured, crystalline intrusive igneous rock, composed principally of the calcium, iron and magnesium bearing alumino-silicate minerals.
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 a solution through the ore that contains a leaching agent such as cyanide. The gold that leaches from the ore into the solution is recovered from the solution by carbon absorption or precipitation. After adding the leaching agent, the solution 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 the specific diameter of core in diamond drill.
IP	Induced polarization, a method of ground geophysical surveying using an electrical current to determine indications of mineralization.
isoclinal	Refers to a folded rock, in which two adjacent limbs are parallel.
km	Kilometer.
km^2	Square kilometers.
km/h	Kilometers per hour

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).
LOM	Life of mine.
long hole open stope	A method of mining that involves drilling holes (typically up to 30 meters long) into an ore body and then blasting a slice of rock that falls into an open space. The broken ore is extracted and the resulting open chamber is not filled with supporting material.
m	Meters.
m^2	Square meters.
m^3	Cubic meters.
mm	Millimeters.
micron	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.
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	The part of a measured or indicated mineral resource that 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 applying all mining factors, result in an estimated tonnage and grade that, 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 factors. The term “mineral reserve” need not necessarily signify that extractio n facilities are in place or operative or that all governmental approvals have been received, although 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 economically mineable, 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 economically mineable, 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 and 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, 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.

monzonite A coarse-grained igneous rock containing less than 10 percent quartz.

mRL Meters above sea level.

open-pit mine An excavation for removing minerals that is open to the surface.

ounce (***or oz)*** Troy ounce, equal to 31.103 grams.

ore	A natural aggregate of one or more minerals that, 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.
Paleozoic	Unit of geologic time spanning from 570 to 245 million years ago.
phyllite	A metamorphic rock containing fine-grained, planar-oriented mica minerals. This orientation imparts a layering to the rock.
plagiogranite	A light-coloured, crystalline intrusive igneous rock, composed of sodium and calcium bearing alumino-silicate minerals and quartz (SiO2).
porphyritic	Texture of an igneous rock in which larger crystals are set in a finer groundmass.
potassic	An alteration type characterized by the pressure of quartz, potassium, feldspar and biotite.
Proterozoic	Unit of geologic time spanning from 2,500 to 570 million years ago.
ramp	An inclined underground tunnel that provides access for mining or a connection between the 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.
roasting	A method of oxidizing refractory ore using heat.
roasting agglomerates	A product of the roasting process.
ROM	Run of mine. Pertains to the ore that has been mined but not crushed.
run of mine	Pertains to the ore that has been mined but not crushed.
SAG	Semi-autogenous grinding. A method of grinding rock into fine powder whereby the grinding media consist of larger chunks of rocks and steel balls.
scrubber	A device that removes SO_2 from gaseous emissions.
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 tonnes or 907.185 kilograms.

shrinkage stoping	A method of stoping that uses part of the broken ore as a working platform and as support for the walls.
sills	A tabular intrusive igneous rock that parallels the planar structure of the surrounding rock.
sinistral faults	Faults whose apparent direction of relative movement to each side is towards the left.
SO_2	Sulphur dioxide gas.
splays	A series of minor faults at the extremities of a major fault.
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: 1,000 kilograms or 2,204.6 pounds.
trachyte	A type of fine-grained igneous rock.
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.
Zadra methods	A chemical process whereby gold in solution is collected on carbon particles.

SCHEDULE A

ELDORADO GOLD CORPORATION

AUDIT COMMITTEE

Terms of Reference

PURPOSE

The purpose of the Audit Committee (the "Committee") is to oversee that Management of the Company (the "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; and to report on the Committee's activities on a regular and timely basis to the Board of Directors (the "Board").

CONSTITUTION AND MEMBERSHIP

1. The Board will appoint Directors to form the Committee annually at the Board of Directors Meeting following the Annual Shareholders Meeting.

2. The Board has determined that the Committee will be comprised of at least three Directors (the "Member" or "Members"), all of whom will meet the "independence and financial literacy" qualifications under applicable securities law and one Member shall meet the definition of a "financial expert" as defined by the United States Securities & Exchange Commission.

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.

5. The Committee or a Committee Member is able to engage any outside advisors at the Company's expense that it determines is necessary in order to assist in fulfilling the its responsibilities. The engagement and payment by the Company for the services of an outside advisor is subject to approval by the Chairman of the Audit Committee or the Chairman of the Corporate Governance Committee.

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 determined, 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 and any 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 of those Members voting at a meeting (attendance is as defined by the Company's Articles). 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 External Auditor and Management of the Company, exclusive of each other, for purposes of performing its duties. The Committee will meet with the External Auditor independent of Management at least once a year.

4. The External Auditor will be notified of meetings of the Committee and will 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 External 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;
   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;
   j) Independently and periodically review the adequacy of procedures in place for the review of public disclosure of financial information as stated or derived from the financial statements.
   k) review financial statements and MD&A before they are released to the public; and
   l) review with Members of the Board proficient in the technical aspects of preparing a reserve and resource calculation 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 External Auditor.
3. Establish guidelines for the retention of the External Auditor for any non-audit service.

4. Recommend to the Board the appointment of the External Auditor to be proposed at the annual shareholders' meeting and the compensation of the External Auditor. The External Auditor is ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders.
5. Require the External Auditor to report to the Audit Committee and:
   a) oversee the work of the External Auditor;
   b) assess the audit team;
   c) assist in the resolution of disagreements between management and the External Auditor regarding financial reporting.
6. Review and approve hiring policies regarding present and former employees of the present and former External Auditor.
7. Review with Management the Company's major financial risk exposures and the steps Management has taken to monitor and control such exposures.
8. Establish a complaint process and "whistle-blowing" procedures. Establish procedures for the receipt, retention, and treatment of any complaints regarding accounting, internal accounting controls, or auditing matters. Establish procedures for employees' confidential, anonymous submissions in accordance with the Company's "Whistle Blower Policy".
9. 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.
10. Review with Management and the External Auditor, the Company's internal accounting and financial systems and controls to assess that the Company maintains and reports on:
    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.
11. Review the External Auditor's Management Letter and the External Auditor's Report. Such Report to be directed to the Committee.
12. Review Management's report on and External Auditor's assessment of Internal Controls and report all deficiencies and remedial actions to the Board.
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. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
16. Assess the Committee's performance of the duties specified in this charter and report its finding to the Board of Directors.

Approved at a meeting of the Board of Directors held February 18, 2009.



Consolidated Financial Statements
December 31, 2008 and 2007
(Expressed in thousands of U.S. dollars)

Management's Responsibility for Financial Reporting

The management of Eldorado Gold Corporation is responsible for the integrity and fair presentation of the financial information contained in this annual report. Where appropriate, the financial information, including financial statements, reflects amounts based on management's best estimates and judgments. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada. Financial information presented elsewhere in the annual report is consistent with that disclosed in the financial statements.

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

Management has a process in place to evaluate internal control over financial reporting based on the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control – Integrated Framework*. Based on this assessment, management has concluded that as at December 31, 2008, the Company's internal control over financial reporting was effective.

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

PricewaterhouseCoopers LLP, an independent registered public accounting firm, appointed by the shareholders, has audited the Company's financial statements in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) and has expressed its opinion in the auditors' report. The effectiveness of the Company's internal control over financial reporting as at December 31, 2008 has also been audited by PricewaterhouseCoopers LLP, and their opinion is included in their report.

(Signed) Paul N. Wright

Paul N. Wright
President and Chief Executive Officer

(Signed) Earl W. Price

Earl W. Price
Chief Financial Officer

March 18, 2009
Vancouver, British Columbia, Canada

Independent Auditors' Report

To the Shareholders of Eldorado Gold Corporation

We have completed integrated audits of the consolidated balance sheets as at December 31, 2008 and 2007 and the related consolidated statements of operations and deficit, comprehensive income and cash flows for each of the years in the three year period ended December 31, 2008 of **Eldorado Gold Corporation** (the "Company") and of its internal control over financial reporting as at December 31, 2008. Our opinions, based on our audits, are presented below.

Consolidated financial statements

We have audited the accompanying consolidated balance sheets of the Company as at December 31, 2008 and 2007, and the related consolidated statements of operations and deficit, comprehensive income and cash flows for each of the years in the three year period ended December 31, 2008. These 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 of the Company's consolidated financial statements in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. A financial statement audit also includes assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and 2007 and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2008 in accordance with Canadian generally accepted accounting principles.

Internal control over financial reporting

We have also audited the Company's internal control over financial reporting as at December 31, 2008, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in

Management's report on internal control over financial reporting included in the Management's Discussion & Analysis of Financial Condition and Results of Operations. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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

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

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

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2008 based on criteria established in *Internal Control — Integrated Framework* issued by the COSO.

(Signed) PricewaterhouseCoopers LLP

Chartered Accountants
Vancouver, BC
March 18, 2009

Eldorado Gold Corporation

Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars)

	December 31, 2008 $	December 31, 2007 $
Assets		
Current assets		
Cash and cash equivalents	61,851	46,014
Restricted cash (note 6)	-	65,710
Marketable securities (note 7)	43,610	1,615
Accounts receivable and other (note 8)	36,109	28,720
Inventories (note 9)	86,966	57,525
Derivative contract (note 10)	-	2,956
Future income taxes (note 16)	175	959
	228,711	203,499
Restricted assets and other (note 11)	8,349	10,538
Mining interests (note 12)	668,309	377,705
	905,369	591,742
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	42,659	40,452
Debt - current (note 13)	139	65,422
Future income taxes (note 16)	1,097	-
	43,895	105,874
Debt - long-term (note 13)	-	139
Contractual severance obligations	-	1,479
Asset retirement obligations (note 14)	4,812	8,290
Future income taxes (note 16)	60,043	26,781
	108,750	142,563
Non-controlling interest	4,799	-
Shareholders* Equity		
Share capital (note 17(a))	931,933	753,058
Contributed surplus (note 17(b))	19,378	13,083
Accumulated other comprehensive income (note 17(c))	(5,971)	214
Deficit	(153,520)	(317,176)
	791,820	449,179
	905,369	591,742

Commitments (note 20)

See accompanying notes to consolidated financial statements.

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)

	2008 $	2007 $	2006 $
Revenue			
Gold sales	277,723	179,302	77,641
Interest and other income	10,508	9,397	7,048
	288,231	188,699	84,689
Expenses			
Operating costs	92,004	72,691	45,850
Depletion, depreciation and amortization	25,995	20,041	1,763
General and administrative	38,299	26,798	19,030
Exploration	12,316	11,634	12,719
Mine standby costs	2,432	6,575	-
Asset retirement obligation costs (note 14)	3,108	604	661
Foreign exchange loss (gain)	176	(4,658)	(2,050)
	174,330	133,685	77,973
Gain on disposal of assets	(70,774)	(3,602)	(41)
Gain on marketable securities	(2,475)	(221)	(904)
Interest and financing costs	2,940	3,415	1,586
Loss (gain) on derivative contract (note 10)	2,956	(2,083)	-
Writedown of assets	-	-	2,186
	106,977	131,194	80,800
Income before income taxes and non-controlling interest	181,254	57,505	3,889
Income tax (expense) recovery (note 16)			
Current	(25,403)	(4,823)	(2,080)
Future	12,904	(17,261)	1,491
	(12,499)	(22,084)	(589)
Non-controlling interest	(5,099)	-	-
Net income for the year	163,656	35,421	3,300
Deficit, beginning of year:			
As previously reported	(317,176)	(353,470)	(356,770)
Change in accounting policy	-	873	-
As adjusted	(317,176)	(352,597)	(356,770)
Deficit, end of year	(153,520)	(317,176)	(353,470)
Weighted average number of shares outstanding			
Basic	355,132	343,194	337,376
Diluted	356,308	344,621	339,177
Earnings per share			
Basic income (loss) per share - US$	0.46	0.10	0.01
Diluted income (loss) per share - US$	0.46	0.10	0.01
Basic income (loss) per share - Cdn$	0.50	0.11	0.01
Diluted income (loss) per share - Cdn$	0.49	0.11	0.01

See accompanying notes to the consolidated financial statements.

Eldorado Gold Corporation

Consolidated Statements of Cash Flows
For the years ended December 31,

(Expressed in thousands of U.S. dollars, unless otherwise stated)

	2008 $	2007 $	2006 $
Cash flows generated from (used in):			
Operating activities			
Net earnings for the year	163,656	35,421	3,300
Items not affecting cash			
Asset retirement obligations costs	3,108	604	661
Contractual severance expense	-	721	1,377
Depletion, depreciation and amortization	25,995	20,041	1,763
Unrealized foreign exchange (gain) loss	(3,950)	796	-
Future income taxes (recovery) expense	(12,904)	17,261	(1,491)
Gain on marketable securities	(2,475)	(221)	(904)
Gain on disposal of assets	(70,774)	(3,602)	(41)
Imputed interest and financing costs	39	67	91
Stock-based compensation	11,866	7,267	3,542
Fair value of bonus cash award units	1,815	-	-
Pension expense	1,478	-	-
Non-controlling interest	5,099	-	-
Loss (gain) on derivative contract	2,956	(2,083)	-
	125,909	76,272	8,298
Property reclamation payments	(1,225)	(5,496)	-
Contractual severance payments	(953)	(2,458)	(598)
Changes in non-cash working capital (note 19)	(18,187)	1,487	(30,208)
	105,544	69,805	(22,508)
Investing activities			
Mining interests			
Acquisition of Frontier net of cash received (note 4)	7,479	-	-
Capital expenditures	(123,950)	(97,886)	(95,170)
Sales and disposals	5,214	1,482	1,845
Marketable securities			
Purchases	(20,462)	(1,556)	-
Disposals	25,737	663	-
Pension plan contributions (note 15)	(3,791)	-	-
Value added taxes recoverable on mining interests	-	-	(7,579)
Restricted cash	71,515	5,540	(29,550)
	(38,258)	(91,757)	(130,454)
Financing activities			
Capital stock			
Share issuance costs	-	-	(7,089)
Issuance of common shares for cash	14,730	9,500	171,225
Dividend paid to non-controlling interest	(300)	-	-
Long-term and bank debt			
Proceeds	5,000	24,859	15,367
Repayments	(70,879)	(26,360)	(400)
	(51,449)	7,999	179,103
Net increase (decrease) in cash and cash equivalents	15,837	(13,953)	26,141
Cash and cash equivalents - beginning of year	46,014	59,967	33,826
Cash and cash equivalents - end of year	61,851	46,014	59,967

Supplementary cash flow information (note 19)

See accompanying notes to the consolidated financial statements.

Eldorado Gold Corporation

Consolidated Statements of Comprehensive Income
For the year ended December 31,

(Expressed in thousands of U.S. dollars, unless otherwise stated)

	2008 $	2007 $
Net earnings for the period ended December 31,	163,656	35,421
Other comprehensive income (loss)		
Unrealized gains (losses) on available-for-sale investments (note 17(c))	(6,431)	209
Realized gains on available-for-sale investments (note 17(c))	(61)	(270)
Reversal on acquisition of Frontier (note 4)	(153)	-
Other than temporary impairment charges	460	-
Comprehensive income for the period ended December 31,	157,471	35,360

See accompanying notes to the consolidated financial statements.

(Expressed in thousands of U.S. dollars, unless otherwise stated)

1. Nature of operations

Eldorado Gold Corporation ("Eldorado" or "the Company") is a gold exploration, development, mining and production company. The Company has ongoing exploration and development projects in Brazil, China, Turkey and Greece. On July 1, 2006, the Company began production in Turkey, and on February 1, 2007, the Company began production in China. Production at the Kişladağ mine in Turkey was suspended in August 2007 as a result of a court injunction and the mine remained shut down throughout the rest of that year. The court injunction was removed in February 2008 and the mine restarted production on March 6, 2008. Production operations in Brazil ceased in the second quarter of 2007 and the São Bento mine ("São Bento") was sold to AngloGold Ashanti on December 15, 2008.

2. Significant accounting policies

(a) *Basis of presentation and principles of consolidation*

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and presented in United States dollars. As disclosed in note 24, Canadian GAAP differs in certain material respects from accounting principles generally accepted in the United States ("US GAAP"). The consolidated financial statements include the wholly owned and partially owned subsidiaries of the Company, the most significant of which are presented below:

Subsidiary	Location	Ownership interest	Status	Operations and development projects owned
Qinghai Dachaidan Mining Ltd (QDML)	China	90%	Consolidated	TJS Gold Mine
Tüprag Metal Madencilik Sanayi ve Ticaret AS	Turkey	100%	Consolidated	Ki*lada* Gold Mine Efemcukuru Project
Unamgen Mineração e Metalurgia S/A	Brazil	100%	Consolidated	Vila Nova Iron Ore Mine (75% owned)
Thracean Gold Mining SA	Greece	100%	Consolidated	Perama Hill Project

All material inter-company balances and transactions have been eliminated.

(b) *Use of estimates*

The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include assumptions and estimates relating to determining defined ore bodies, value beyond proven and probable reserves, fair values for purposes of impairment analysis and valuation of derivative contracts, reclamation obligations, non-cash stock-based compensation and warrants, pension benefits, valuation allowances for future income tax assets and future income tax liabilities. Actual results could differ from these estimates.

(Expressed in thousands of U.S. dollars, unless otherwise stated)

2. Significant accounting policies (continued)

(c) *Cash and cash equivalents*

Cash and cash equivalents consist of cash and highly liquid investments having maturity dates of three months or less from the date of acquisition that are readily convertible to cash.

(d) *Inventories*

i. Product inventory consists of stockpiled ore, ore on leach pads, crushed ore, in-circuit material at properties with milling or processing operations and doré awaiting refinement, all of which are valued at the lower of average cost and net realizable value. Product inventory costs consist of direct production costs including mining, crushing and processing; site administration costs; and allocated indirect costs, including depreciation, depletion and amortization of mining interests.

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

ii. Materials and supplies inventory consists of consumables used in operations, such as fuel, chemicals, reagents and spare parts, which are valued at the lower of average cost and replacement cost and, where appropriate, less a provision for obsolescence.

(e) *Investments*

On January 1, 2007, the Company adopted the new accounting standard related to financial instruments. Under the standard, investments classified as available for sale are reported at fair value with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss until such gains or losses are realized or an other than temporary decline in fair value has been determined to have occurred. Factors that contribute to an other than temporary decline include a significant and prolonged decline in fair value below its cost, and the existence of factors such as significant adverse changes in the market and economic environments in which the Company operates, which indicate the prospects for recovery in the fair value of the investment are compromised in the near term.

Investments classified as held-for-trading are reported at fair value with unrealized gains or losses included in earnings. Marketable securities and investments in equity securities held for the purpose of trading are classified as held-for-trading and those that are not held for the purpose of trading are classified as available-for-sale.

(f) *Deposits*

Deposits, such as those required by governmental authorities for possible environmental liabilities, are classified as held-for-trading.

2. Significant accounting policies (continued)

(g) *Financial instruments*

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about the financial instruments.

Derivative financial instruments are reported at fair value with unrealized gains or losses included in earnings. Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from the markets.

(h) *Mining interests*

Mining interests include development expenditures and property, plant and equipment recorded at cost. Cost includes expenditures incurred on properties under development and the estimated fair value of any related asset retirement obligation at the time the obligation is originally recorded. Significant payments related to the acquisition of land and mineral rights are capitalized as incurred.

Mineral properties, buildings, plant and equipment, and other assets whose estimated useful life is the same as the remaining life of the mine are depreciated, depleted and amortized over a mine's estimated life using the units of production method calculated based on proven and probable reserves. Capitalized development costs related to a multi-pit operation are amortized on a pit-by-pit basis over the pit's estimated life using the unit of production method calculated based on proven and probable reserves related to each pit. Furniture and fixtures, vehicles, computers and other assets whose estimated useful lives are less than the remaining life of the mine are depreciated on a straight-line basis over the estimated useful life of the assets.

When events or changes in circumstances suggest impairment of long-lived assets, estimated undiscounted future net cash flows are calculated using estimated future gold prices, proven and probable reserves, value beyond proven and probable reserves, and estimated net proceeds from the disposition of assets on retirement less operating and sustaining capital and reclamation costs. If projected undiscounted future cash flows are less than the carrying value, the estimated fair value is calculated using discounted future net cash flows and the asset is written down to fair value with an impairment charge to operations. Management assesses the asset for impairment by comparing its fair value, determined using their best estimates of fair value based on the information available.

(i) *Exploration and development*

Exploration costs are charged against operations as incurred until a mineral resource having economic potential is identified on a property, from which time a property is considered to be a development project and such expenditures are capitalized as development costs. Costs incurred after the property is placed into production that increase production volume or extend the life of the mine are capitalized.

A mineral resource is considered to have economic potential when it is expected that proven and probable reserves can be economically developed considering long-term metal prices. Therefore, prior to capitalizing such costs, management determines that the following conditions have been met:

2. Significant accounting policies (continued)

i. There is a probable future benefit that will contribute to future cash inflows;

ii. The Company can obtain the benefit and control access to it, and;

iii. The transaction or event giving rise to the benefit has already occurred.

(j) *Foreign currency translation*

Monetary assets and liabilities denominated in currencies other than the United States dollar are translated into United States dollars using rates of exchange in effect at the balance sheet date. Revenue and expense items denominated in foreign currencies are translated at average rates. Non-monetary items are translated at historical rates. Any gains and losses are reflected in earnings.

(k) *Capital lease obligations*

Leases that transfer substantially all of the benefits and risks of ownership to the Company are accounted for as capital leases. Assets recorded under capital leases are amortized on a straight-line basis over the term of the lease. Obligations recorded under capital leases are reduced by lease payments net of imputed interest.

(l) *Asset retirement obligations*

Asset retirement obligations ("AROs") represent the estimated discounted net present value of statutory, contractual or other legal obligations relating to site reclamation and restoration costs that the Company will incur on the retirement of assets and abandonment of mine and exploration sites. AROs are added to the carrying value of property, plant, equipment and mining interests as such expenditures are incurred and amortized against income over the useful life of the related asset. AROs are determined in compliance with recognized standards for site closure and mine reclamation established by government regulation.

Over the life of the asset, imputed interest on the ARO liability is charged to operations as "accretion of asset retirement obligations" using the discount rate used to establish the ARO. The offset of accretion expense is added to the balance of the ARO.

Where information becomes available that indicates a recorded ARO is not sufficient to meet, or exceeds, anticipated obligations, the obligation is adjusted accordingly and added to, or deducted from, the ARO. In the event that the adjustment occurs after the mine in question has closed, the adjustment is added to or deducted from earnings.

2. Significant accounting policies (continued)

(m) *Stock-based compensation*

Stock-based compensation is measured at the estimated fair value of the consideration received or the estimated fair value of the equity instruments issued or liabilities incurred, whichever estimate is more reliable. Compensation expense is recognized on the graded method over the stock option vesting period. The fair values attributable to unvested stock options that are forfeited are credited to earnings.

Bonus cash awards units are measured at the amount by which the quoted market value of the shares covered by the grant exceeds the option price.

(n) *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 income tax rates expected to apply in the years in which temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in rates is included in operations. A future income tax asset is recorded when the probability of the realization is more likely than not.

(o) *Revenue recognition*

Revenue from the sale of bullion is recognized when persuasive evidence of an arrangement exists, the bullion has been shipped, title has passed to the purchaser, the price is fixed or determinable, and collection is reasonably assured.

(p) *Earnings (loss) per share*

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.

(q) *Capitalization of interest*

Where the Company has secured debt financing to finance the cost of specific projects, interest is capitalized on the related construction and development project until the project begins commercial operation or the development ceases.

2. Significant accounting policies (continued)

(r) *Stripping costs*

Stripping costs incurred during the production phase of a mine are considered production costs and are included in the cost of inventory produced during the period in which stripping costs are incurred. Pre-stripping costs incurred to prepare the ore body for extraction are capitalized as mine development costs. Production is deemed to have commenced when saleable minerals are extracted from an ore body.

(s) *Mine standby and restructuring costs*

Mine standby costs and costs related to restructuring a mining operation are charged directly to expense in the period incurred. Examples of mine standby costs are labour, maintenance and mine support costs during temporary shutdowns of a mine. Examples of restructuring costs are severance payments to employees laid off as a result of outsourcing the mining function.

(t) *Defined benefit pension plan*

Defined benefit pension plan obligations are based on actuarial determinations. The projected benefit method prorated on services is used to determine the accrued benefit obligation. Actuarial assumptions used to determine defined benefit pension plan liabilities are based upon our best estimates of expected plan performance, salary escalation rates and retirement dates of employees. The expected return on plan assets is estimated based on the fair value of plan assets, asset allocation and expected long-term returns on these components.

Past service costs are amortized on a straight-line basis over the expected average remaining service period of active members at the time of the past service event.

Differences between the actuarial liabilities and the amounts recorded in the financial statements will arise from changes in plan assumptions, changes in benefits or through experience as results differ from actuarial assumptions. Cumulative differences that are greater than 10% of either the fair value of the plan assets or the accrued benefit obligation, whichever is greater, are amortized over the expected average remaining service period of active members.

Certain comparative figures have been reclassified to conform to the current year's presentation.

3. Changes in accounting policies and new accounting developments

Capital Disclosures (Section 1535)

Effective January 1, 2008, Eldorado adopted Section 1535, "Capital Disclosures", which requires disclosure of qualitative and quantitative information that enables readers to evaluate the Company's objectives, policies and processes for managing capital as well as the implications of non-compliance. Disclosures required by this standard are included in note 21.

3. Changes in accounting policies and new accounting developments(continued)

Inventories (Section 3031)

Effective January 1, 2008, the Company adopted Section 3031, "Inventories". This Section prescribes the accounting treatment for inventories and provides guidance on the determination of inventory cost and its subsequent recognition as an expense, including any writedown to net realizable value. It also provides guidance on the cost formulas used to assign costs to inventories. The adoption of this new accounting policy did not have any impact on the Company's consolidated financial statements.

Financial Instruments – Disclosures (Section 3862) and Presentation (Section 3863)

Effective January 1, 2008, Eldorado adopted Section 3862, "Financial Instruments – Disclosures" and Section 3863 "Financial Instruments – Presentation". These sections require entities to disclose quantitative and qualitative information in their financial statements that enables readers to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks. Disclosures required by these standards are included in note 22.

Income statement presentation of tax loss carryforward recognized following an unrealized gain recorded in other comprehensive income (EIC Abstract 172)

In August 2008, the CICA issued EIC-172, "Income statement presentation of tax loss carryforward recognized following an unrealized gain recorded in other comprehensive income". This new abstract provides guidance on whether the tax benefit from recognizing tax loss carryforwards consequent to the recording of unrealized gains in other comprehensive income, such as unrealized gains on available-for-sale financial assets, should be recognized in net income or in other comprehensive income. This abstract should be applied retrospectively, with restatement of prior periods from the date of adoption of Section 3855, "Financial Instruments", for all interim and annual reporting periods ending on or after December 31, 2008. The adoption of this new accounting policy did not have any impact on the Company's consolidated financial statements.

Goodwill and intangible assets (Section 3064)

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Other Intangible Assets". This new standard provides guidance on recognizing, measuring, presenting and disclosing goodwill and intangible assets and is effective beginning January 1, 2009 and applies prospectively.

Concurrent with the adoption of this standard, EIC-27, "Revenues and Expenditures in the Pre-operating Period", will be withdrawn. This will result in a change to the Company's accounting for the start-up of mining operations, as pre-commercial production costs will no longer be capitalized as an asset. The adoption of this new accounting policy will not have any material impact on Eldorado's consolidated financial statements.

3. Changes in accounting policies and new accounting developments(continued)

Business Combinations (Section 1582)

In January 2009, the CICA issued Handbook Section 1582, "Business Combinations", which requires that all assets and liabilities of an acquired business be recorded at fair value at acquisition. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period on or after January 1, 2011.

Consolidations (Section 1601) and Non-Controlling Interest (Section 1602)

In January 2009, the CICA issued Handbook Section 1601, "Consolidations" ("CICA 1601"), and Section 1602, "Non-Controlling Interests" ("CICA 1602"). CICA 1601 establishes standards for preparing consolidated financial statements and CICA 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities (EIC Abstract 173)

In January 2009, the CICA issued EIC Abstract 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". The EIC requires the Company to take into account the Company's own credit risk and the credit risk of the counterparty in determining the fair value of financial assets and financial liabilities, including derivative instruments. This abstract applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2010. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

4. Acquisition of Frontier Pacific Mining Corporation

Eldorado completed the acquisition of all of the issued and outstanding common shares of Frontier Pacific Mining Corporation ("Frontier") on July 7, 2008. As a result, Eldorado acquired a 100% interest in the Perama Hill gold project in Greece and other exploration projects in Peru and Colombia.

Under the terms of the offer, each Frontier common share was exchanged for 0.122 common shares of Eldorado, C$0.0001 in cash and one Exchange Receipt. Each Exchange Receipt entitles the holder to receive an additional 0.008 Eldorado common shares if, prior to July 1, 2009, a Joint Ministerial Resolution is issued in Greece by the Joint Ministerial Council (comprised of the ministries of the Environment, Agriculture, Development and Health), accepting the Environmental Terms of Reference drafted by the Ministry of Environment regarding the Perama Hill project.

(Expressed in thousands of U.S. dollars, unless otherwise stated)

4. Acquisition of Frontier Pacific Mining Corporation (continued)

The Company issued 20,339,334 common shares and paid $16 in cash in connection with this transaction. No value was assigned to the Exchange Receipts as the Company considers it highly unlikely that the condition for their exchange into Eldorado shares will be met. Eldorado incurred acquisition costs of $3,935.

As at the date of the transaction, Eldorado held 4,871,300 common shares of Frontier with a total cost of $3,412, net of the reversal of the unrealized gain of $153 included in comprehensive income.

This transaction has been accounted for as an asset acquisition because Frontier was in the development stage. These consolidated financial statements include 100% of Frontier results from July 7, 2008 to December 31, 2008.

The allocation of the purchase price of the shares of Frontier is as follows:

	$
Purchase price:	
Share consideration	158,574
Cash consideration	16
Cost of shares previously acquired	3,412
Transaction costs	3,935
Total purchase price	165,937
Fair value of net assets acquired:	
Cash	11,947
Accounts receivables and other	1,135
Other assets	154
Mining interests	207,091
Liabilities	(2,434)
Due to Eldorado	(517)
Future income taxes payable	(51,439)
	165,937

As at July 6, 2008, Frontier had borrowed $517 from the Company to fund ongoing administration costs. Amounts owing are eliminated on consolidation from July 7, 2008 forward.

Eldorado received net cash proceeds from the Frontier transaction of $7,479, made up of an acquired cash balance of $11,947 less cash consideration of $16, transaction costs of $3,935 and intercompany debt outstanding of $517.

(Expressed in thousands of U.S. dollars, unless otherwise stated)

5. Sale of São Bento Gold Ltd. andSão Bento Mineração S.A.

Effective December 15, 2008, Eldorado sold its wholly owned Bermudian subsidiary, São Bento Gold Ltd. and its wholly owned Brazilian subsidiary São Bento Mineração S.A. to AngloGold Ashanti. The Company received $70,000 payable by the issuance of 2,701,660 common shares of AngloGold Ashanti. Costs of disposition totalled $426. There were no taxes payable as a result of the transaction. The gain on sale is calculated as follows:

	$
Assets	
Current assets	
Cash	104
Accounts receivable	341
Inventories	733
Tax receivable	1,653
	2,831
Mining interest	6,611
Total Assets	9,442
Liabilities	
Current liabilities	
Account payable	4,453
Contractual severance obligations	526
Current portion of asset retirement obligations	1,603
	6,582
Asset retirement obligations	4,489
Future income taxes	1,252
Total Liabilities	12,323
	(2,881)
Consideration received - shares	70,000
Costs of disposition	(426)
Gain on disposition of subsidiary	72,455

(Expressed in thousands of U.S. dollars, unless otherwise stated)

6. Restricted cash

Restricted cash represents short-term interest-bearing money market securities and funds held on deposit as collateral. As at December 31, 2008, the Company had repaid all the amounts drawn previously on its revolving credit facilities for Turkey and China.

	December 31, 2008 $	December 31, 2007 $
Collateral account against the HSBC bank loan – Turkey (note 13(a))	-	55,000
Collateral account against the HSBC bank loan – China (note 13(b))	-	10,500
Electricity deposit	-	210
	-	65,710

7. Marketable securities

	December 31, 2008 $	December 31, 2007 $
Marketable securities – Available for sale	12,084	1,615
Marketable securities – Held for trading	31,514	-
Warrants – Held for trading	12	-
	43,610	1,615

8. Accounts receivable and other

	December 31, 2008 $	December 31, 2007 $
Value added and other taxes recoverable	8,454	19,829
Other receivables and advances	20,535	3,986
Prepaid expenses and deposits	7,120	4,905
	36,109	28,720

9. Inventories

	December 31, 2008 $	December 31, 2007 $
Ore stockpiles	24,199	8,484
In-process inventory including doré	43,825	33,573
Materials and supplies	18,942	15,468
	86,966	57,525

10. Derivative contract

In December 2004, São Bento Mineração SA entered into an energy supply contract with Companhia Energetica de Minas Gerais ("CEMIG"). With the closure of São Bento in 2007, the energy contracted for 2007 and 2008 exceeded the estimated consumption for that period and, accordingly, this contract was accounted for as a derivative financial instrument, which is measured at fair value with unrealized gains or losses reported in earnings.

In accordance with the transitional provision of the financial instrument standard, the asset fair value of this contract of $873 as at January 1, 2007 has been recorded with a credit directly to deficit.

The fair value as at December 31, 2007 was calculated based on a capital asset pricing model ("CAPM") to estimate the forward price of Brazilian electricity for 2008, adjusted by the Brazilian real and US dollar forward exchange rates and then discounted for time value.

CAPM estimates the risk-adjustment applied to spot electricity prices as a means to deriving a forward price.

Assumptions used to calculate the fair value of this contract as at December 31, 2007 are as follows:

Quantity of energy to purchase	78,880.20 MWh
Set price per contract	$24.50/MWh
Spot price in Brazilian reals	R$502.45/MWh
Forward price of energy (range)	$111.78/MWh – $54.75/MWh
US treasury yield (range)	2.90% – 3.31%

This resulted in a fair value of the asset of $2,956 and the recognition of an unrealized gain for the year ended December 31, 2007 of $2,083.

As a result of the sale of the mine on December 15, 2008, the balance of the derivative contract at December 31, 2008 was nil.

11. Restricted assets and other

	December 31, 2008 $	December 31, 2007 $
Environmental guarantee deposit	2,495	8,300
Restricted long-term asset – SERP (note 15)	3,505	-
Accrued pension benefit asset	111	-
Goodwill	2,238	2,238
	8,349	10,538

The environmental guarantee deposit is held on account with a Turkish bank pursuant to environmental and pollution guarantees required by the Turkish Ministry of the Environment. The funds earn interest at prevailing bank rates, and the interest earned on these deposits is included in interest and other income.

(Expressed in thousands of U.S. dollars, unless otherwise stated)

12. Mining interests

	December 31, 2008		
	Cost $	**Accumulated depreciation, depletion and amortization $**	**Net book value $**
Producing properties	415,720	60,086	355,634
Properties under development	301,159	494	300,665
	716,879	60,580	656,299
Other mineral interests	12,010	-	12,010
	728,889	60,580	668,309

	December 31, 2007		
	Cost $	**Accumulated depreciation, depletion and amortization $**	**Net book value $**
Producing properties	366,991	32,961	334,030
Properties under development	43,675	-	43,675
	410,666	32,961	377,705
Other mineral interests	-	-	-
	410,666	32,961	377,705

13. Debt

	December 31, 2008 $	**December 31, 2007 $**
Current:		
HSBC term revolving credit facility	-	55,000
HSBC revolving credit facility due November 30, 2008	-	10,062
Sino Gold Limited loan	139	360
	139	65,422
Long-term:		
Sino Gold loan due December 31, 2009	-	139
	-	139

13. Debt (continued)

(a) *HSBC term revolving credit facility*

HSBC has authorized advances of up to $65,000 to Tüprag Metal Madencilik Sanayi Ve Ticaret Limited Surketi ("Tüprag"), a wholly owned subsidiary of the Company, under the terms of a term revolving credit facility due February 28, 2010 (the "Credit Facility"). As at December 31, 2008, the Company has repaid all the amounts drawn previously on the facility. The Credit Facility can be drawn down in minimum tranches of $1,000 plus multiples of $250. Each drawdown bears interest fixed at the prevailing LIBOR plus 0.50% on the date the tranche is drawn down.

Under the terms of the Credit Facility, Eldorado is required to fully collateralize any HSBC advances to Tüprag with funds of an equal amount deposited on account with HSBC (note 6).

(b) *HSBC revolving credit facility*

In November 2007, Qinghai Dachaidan Mining Limited ("QDML"), our 90% owned subsidiary, entered into a $15,000 revolving facility ("the Facility) with HSBC Bank (China). As at December 31, 2008, the Company has repaid all amounts previously drawn on the Facility. The Facility can be drawn down in minimum tranches of $100 or in integral multiples of $10. Each drawdown bears interest fixed at the prevailing lending rate stipulated by the People's Bank of China with a 10% markdown. The Facility has a term of one year and is subject to annual review and renewal. In November 2008, the Facility was renewed for a second year and the interest rate is fixed at 1.2 times the prevailing lending rate stipulated by the People's Bank of China.

The facility is collateralized by way of irrevocable letter of credit drawn on HSBC Bank USA, National Association ("HSBC"). Eldorado should maintain at all times a security coverage ratio of 110% of the amounts drawn down. The letter of credit has an expiry date of December 1, 2009 and is collateralized by Eldorado's funds held by HSBC as restricted cash.

Subsequent to year-end, QDML drew down $5,000 under the Facility.

(c) *Sino Gold loan*

The consideration paid for the Tanjianshan property in 2003 included a non-interest-bearing loan from Sino Gold Limited (the "Loan"). Imputed interest has been calculated using a discount rate of 8%.

The Loan is repayable in equal annual instalments of $400 on December 31 of each year until 2008, with a final instalment of $150 due on December 31, 2009. Payment of the third annual instalment was made in December 2008, resulting in an outstanding balance at December 31, 2008 of $139 excluding imputed interest.

(Expressed in thousands of U.S. dollars, unless otherwise stated)

13. Debt (continued)

	December 31, 2008 $	December 31, 2007 $
Fair value of loan outstanding	150	550
Less: imputed interest	11	51
	139	499

14. Asset retirement obligations

	December 31, 2008			
	Brazil $	**China $**	**Turkey $**	**Total $**
Balance at beginning of year	4,463	1,218	3,118	8,799
Accretion during the year	377	68	187	632
Revisions to estimate of final obligation	3,229	-	(532)	2,697
Payments	(1,225)	-	-	(1,225)
Disposal (see note 5)	(6,091)	-	-	(6,091)
Balance at end of year	753	1,286	2,773	4,812
Estimated undiscounted amount	1,350	1,775	6,823	9,948

	December 31, 2007			
	Brazil $	**China $**	**Turkey $**	**Total $**
Balance at beginning of year	9,595	1,155	2,941	13,691
Accretion during the year	364	63	177	604
Revisions to estimate	-	-	-	-
ARO liability paid	(5,496)	-	-	(5,496)
Balance at end of year	4,463	1,218	3,118	8,799
Less: current portion	509	-	-	509
Long-term portion	3,954	1,218	3,118	8,290
Estimated undiscounted amount	5,149	1,775	5,919	12,843

14. Asset retirement obligations (continued)

The ARO estimates attributable to our mines have been determined with reference to independent studies obtained by the Company (Brazil – 2006, Turkey and China – 2007) that assumed a closure in 2014 in Brazil, 2017 in China and 2024 in Turkey.

The net present values contemplate credit-adjusted risk-free interest rates of between 5% and 7%.

Revision to estimate of final obligation in Brazil includes $2,476 related to São Bento and $753 related to the Vila Nova project ("Vila Nova"). ARO costs included in the Statement of Operations and Deficit include the São Bento revision of $2,476 and accretion during the year of $632.

15. Defined benefits plans

During the year ended December 31, 2008, the company implemented a defined benefit pension program with two components: a registered pension plan ("the Pension Plan") and a non-registered supplementary pension plan ("the SERP"). These plans, which are only available to certain qualifying employees, provide benefits based on an employee's years of service and final average earnings at retirement. There are no indexation features. Annual contributions to these plans are actuarially determined and made at or in excess of minimum requirements prescribed by legislation.

The Company's plans are actuarially evaluated for funding purposes on a three-year cycle. Both of the plans were last actuarially evaluated on January 1, 2008 for funding purposes and the next required valuation will be as of January 1, 2011. The measurement date used to determine all of the accrued benefit obligation and plan assets for accounting information was December 31, 2008.

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

Total cash payments
Total cash payments for pension benefits for 2008, including cash contributed to the Pension Plan and the SERP were $3,791. No cash payments were made directly to beneficiaries during the year. The Company expects to contribute $88 to the Pension Plan and $1,313 to the SERP in 2009 based on minimum funding requirements.

The estimated future pension payments for the next five years and five years thereafter are as follows:

	2009 $	2010 $	2011 $	2012 $	2013 $	2014 and later $
Estimated future pension payments	-	-	61	450	450	2,429

(Expressed in thousands of U.S. dollars, unless otherwise stated)

15. Defined benefit plans (continued)

The details of the Company's benefit plans as at December 31, 2008 are as follows:

	December 31, 2008	
	Pension Plan	**SERP**
	$	**$**
Accrued benefit obligation		
Balance at beginning of year	-	-
Current service cost	104	378
Past service costs (net of qualifying transfer)	326	3,570
Qualifying transfer	561	-
Interest cost	49	197
Benefits paid	-	-
Actuarial gains	(287)	(108)
Balance at end of year	753	4,037
Plan assets		
Fair value at beginning of year	-	-
Actual return on plan assets	17	-
Employer's contribution [(1)]	270	-
Qualifying transfer	561	-
Benefit paid	-	-
Fair value at end of year	848	-
Funded status		
Fair value of plan assets	848	-
Accrued benefit obligation	753	4,037
Plan surplus (deficit)	95	(4,037)
Unamortized actuarial gains	(243)	(108)
Unamortized past service cost	259	2,828
Net accrued benefit asset (liability)	111	(1,317)

[(1)] The Company has deposited $3,505 in an investment account to fund its SERP obligation. This amount is included in restricted assets and other (note 11)

(Expressed in thousands of U.S. dollars, unless otherwise stated)

15. Defined benefit plans (continued)

The accrued benefit asset (liability) is included in the Company's balance sheet as follows:

	December 31, 2008	
	Pension Plan $	**SERP $**
Restricted assets and other (note 11)	111	-
Accounts payable and accrued liabilities	-	(1,317)
Total	111	(1,317)

The net expense recognized for the Company's defined benefit plans is as follows:

	December 31, 2008		
	Pension Plan $	**SERP $**	**TOTAL $**
Current service cost	104	378	482
Interest cost	49	194	243
Expected gains on plan assets	(45)	-	(45)
Amortization of past service costs	66	732	798
Net pension expense	174	1,304	1,478

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

The following table summarizes the defined benefit plans' weighted average asset allocation percentages by asset category at December 31, 2008:

	Pension Plan	**SERP**	**Combined**
Cash and equivalents	6%	5%	5%
Fixed income	94%	52%	55%
Equity	0%	43%	40%
Total	100%	100%	100%

(Expressed in thousands of U.S. dollars, unless otherwise stated)

15. Defined benefit plans (continued)

Significant assumptions
The significant assumptions used are as follows:

	December 31, 2008	
	Pension Plan	**SERP**
Expected long term rate of return on plan assets	6.50%	6.50%
Discount rate beginning of year	5.25%	5.25%
Discount rate end of year	7.50%	7.50%
Rate of salary escalation	4.50%	4.50%
Average remaining service period of active employees expected to receive benefits	5 years	5 years

The assumptions for the expected long-term rate of return on plan assets for the purposes of the actuarial valuation are based on the asset mix of the portfolio, historical data from similar plans and the review of projected returns by asset class.

16. Income taxes

The significant components within the Company's future tax liability are as follows:

	December 31, 2008 $	**December 31, 2007 $**
Future income tax assets		
Mining interest	3,824	17,109
Loss carry forwards	30,655	113,807
Other	2,367	8,630
Liabilities	1,897	5,000
	38,743	144,546
Valuation allowance	(35,946)	(137,919)
	2,797	6,627
Future income tax liabilities		
Mining interest	61,149	16,921
Unrealized gains on foreign exchange translation and other	2,613	15,528
	63,762	32,449
Net future income tax liabilities	60,965	25,822

16. Income taxes (continued)

This is represented on the balance sheet as:

	December 31, 2008 $	December 31, 2007 $
Current future income tax assets	(175)	(959)
Current future income tax liabilities	1,097	-
Long-term future income tax liabilities	60,043	26,781
	60,965	25,822

Income tax expense differs from the amount that would result from applying the statutory Canadian federal and provincial tax rates to income before income taxes. These differences result from the following items:

	2008 $	2007 $	2006 $
Net income before taxes	181,254	57,505	3,889
Statutory tax rate	31.00%	34.12%	34.12%
Tax expense at the statutory income tax rate	56,189	19,620	1,327
Tax effect of:			
Losses not recognized	4,249	6,265	1,070
Difference in foreign tax rates	(17,792)	(2,105)	(1,895)
Foreign exchange	(3,364)	(2,738)	4,239
Sale of São Bento	(22,462)		
Change in Greek tax rate	(10,287)	-	-
Future income tax assets not previously recognized	-	-	(7,010)
Non-deductible expense and other items	5,966	1,042	2,858
Income tax expense	12,499	22,084	589

The two major factors causing the effective tax rate to decline from 38.41% in 2007 to 6.90% in 2008 are the tax-free gain from the sale of São Bento and the reduction of the future income tax recorded on the Frontier acquisition due to a reduction in the Greek future income tax rates from 25% to 20%.

At December 31, 2008, the Company had available losses for income tax purposes of approximately $51,943 in Canada and Greece expiring in various years from 2009 to 2028.

In addition, the Company's Brazilian subsidiaries have losses of $24,000 (December 31, 2007 – $268,000) that can be used to offset taxable income, and $24,000 (December 31, 2007 – $243,000) that can be used to offset income for social contribution tax. These losses have no expiry date and can be used to offset 30% of taxable income in any one year. The Brazilian losses declined this year due to the sale of São Bento, which at December 31, 2007 had $239,426 of losses to offset taxable income and $214,498 that could be used to offset income for social contribution tax (note 5).

(Expressed in thousands of U.S. dollars, unless otherwise stated)

17. Shareholders' equity

(a) *Authorized share capital*

The Company's authorized share capital consists of an unlimited number of voting common shares without par value and an unlimited number of non-voting common shares without par value. At December 31, 2008 there were no non-voting common shares outstanding.

Voting common shares	**Number of shares**	**Amount $**
Balance, January 1, 2006	302,577,378	573,721
Financing, February 2006, net of issue costs	34,500,000	154,406
Shares issued upon exercise of share options, for cash	1,476,075	4,234
Shares issued upon exercise of Afcan warrants, for cash	2,594,778	5,496
Warrants reallocated to share capital upon exercise	-	902
Estimated fair value of share options exercised	-	1,302
Balance, December 31, 2006	341,148,231	740,061
Shares issued upon exercise of share options, for cash	3,060,309	9,500
Estimated fair value of share options exercised	-	3,497
Balance, December 31, 2007	344,208,540	753,058
Shares issued upon exercise of share options, for cash	3,730,155	14,730
Estimated fair value of share options exercised	-	5,571
Shares issued for acquisition of Frontier	20,339,334	158,574
Balance, December 31, 2008	368,278,029	931,933

(b) *Contributed surplus*

The continuity of contributed surplus on the Consolidated Balance Sheet is as follows:

(Expressed in thousands of U.S. dollars, unless otherwise stated)

17. Shareholder's equity (continued)

	Contributed surplus attributable to:		
	Stock-based compensation $	**Other $**	**Total $**
Balance, January 1, 2006	5,979	1,996	7,975
Credited to share capital on Afcan warrants exercised after acquisition	-	(902)	(902)
Non-cash stock-based compensation	3,542	-	3,542
Options exercised, credited to share capital	(1,302)	-	(1,302)
Balance, December 31, 2006	8,219	1,094	9,313
Non-cash stock-based compensation	7,267	-	7,267
Options exercised, credited to share capital	(3,497)	-	(3,497)
Balance, December 31, 2007	11,989	1,094	13,083
Non-cash stock-based compensation	11,866	-	11,866
Options exercised, credited to share capital	(5,571)	-	(5,571)
Balance, December 31, 2008	18,284	1,094	19,378

(c) *Accumulated other comprehensive income (loss)*

Accumulated other comprehensive income includes the following:

	2008 $	**2007 $**
Balance, beginning of period	214	275
Unrealized gains (losses) on available-for-sale investment-net of taxes	(6,431)	209
Other than temporary impairment charges	460	-
Realized gains on sale of available-for-sale investment transferred to net income	(61)	(270)
Reversal on acquisition of Frontier (note 4)	(153)	-
Balance, end of period	(5,971)	214

(Expressed in thousands of U.S. dollars, unless otherwise stated)

18. Stock-based compensation

(a) *Share option plans*

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

The Company's Employee Plan, as amended from time to time, was established in 1994. Subject to a 10-year maximum, Employee Plan Options generally have a five-year term. Employee Plan Options vest at the discretion of the Board of Directors at the time an Option is granted, typically in three separate tranches over two years. As at December 31, 2008, a total of 662,701 Options (December 31, 2007 – 1,618,511) were available to grant to employees, consultants or advisors under the Employee Plan.

The Company's Directors and Officers Plan ("D&O Plan") was established in 2003 and amended in 2005. Subject to a 10-year maximum, D&O Plan Options generally have a five-year term. D&O Options vest at the discretion of the Board of Directors at the time an Option is granted, typically in three separate tranches over two years. As at December 31, 2008, a total of 1,138,041 Options (December 31, 2007 – 2,999,850) were available to grant to directors and officers under the D&O Plan.

The continuity of share purchase options outstanding is as follows:

	Weighted average exercise price Cdn$	Number of options	Contractual weighted average remaining life (years)
Balance, December 31, 2006	3.82	7,276,463	2.8
Granted	6.67	4,108,125	
Exercised	3.10	(3,060,309)	
Cancelled	5.25	(100,000)	
Balance, December 31, 2007	5.36	8,224,279	3.1
Granted	5.50	8,960,000	
Exercised	3.95	(3,730,155)	
Cancelled	6.55	(15,210)	
Balance, December 31, 2008	5.71	13,438,914	3.9

At December 31, 2008, 6,119,729 share purchase options (December 31, 2007 – 5,064,193) with a weighted average exercise price of Cdn$5.69 (December 31, 2007 – Cdn$4.64) had vested and were exercisable.

(Expressed in thousands of U.S. dollars, unless otherwise stated)

18. Stock based compensation (continued)

Options outstanding at December 31, 2008 are as follows:

	December 31, 2008				
	Total options outstanding			Exercisable options	
Range of exercise price Cdn$	Shares	Weighted average remaining contractual life (years)	Weighted average exercise price Cdn$	Shares	Weighted average exercise price Cdn$
$3.00 to $3.99	826,100	0.8	3.48	826,100	3.48
$4.00 to $4.99	5,389,338	4.8	4.88	1,538,670	4.88
$5.00 to $5.99	1,307,138	2.8	5.42	1,047,957	5.48
$6.00 to $6.99	2,823,000	4.1	6.43	899,331	6.42
$7.00 to $7.99	3,093,338	3.4	7.20	1,807,671	7.16
	13,438,914	3.9	5.71	6,119,729	5.69

(b) *Stock-based compensation expense*

The exercise prices of all Options granted during the period were at or above the market price at the grant date. Stock-based compensation expense is calculated using a Black-Scholes option pricing model to determine the estimated fair values of all Options granted. The value determined on the date an Option is granted is recorded over the vesting period of each respective option. This expense has been included in the undernoted expenses in the Consolidated Statements of Operations as follows:

	2008 $	2007 $	2006 $
Operating costs	1,526	1,504	359
Exploration	1,401	1,009	170
Administrative	8,939	4,754	3,013
Total	11,866	7,267	3,542

The assumptions used to estimate the fair value of Options granted during the years ended December 31, 2008, 2007 and 2006 were:

	2008	2007	2006
Risk-free interest rate (range)	2.39% – 3.48%	3.53% – 4.25%	4.0% – 4.5%
Expected volatility (range)	40% – 53%	42% – 53%	42% – 50%
Expected life (range)	3.4 years	4 years	4-5 years
Expected dividends	Nil	Nil	Nil

18. Stock based compensation (continued)

(c) *Bonus Cash Award Units plan*

In August 2007, the directors adopted a Bonus Cash Award Units ("BCAU") plan with an effective date of August 2, 2007. The plan provides for the Board of Directors (the "Directors") to grant BCAUs to officers, employees and consultants subject to vesting and other conditions as determined by the Directors; however, the vesting period may not exceed five years from the grant date, but may be accelerated at the discretion of the Directors. The settlement of BCAUs must be made in cash and is calculated as the excess of trading price of Eldorado shares traded on the Toronto Stock Exchange ("TSX") on the trading day on which the designated participant elects to exercise their BCAU over the trading price of Eldorado shares traded on the TSX on the grant day.

As of December 31, 2008, 587,500 BCAUs with a vesting date of February 8, 2009 were outstanding. The carrying value of the BCAUs at December 31, 2008 was $2,059, and is reflected in accrued liabilities on the balance sheet. The Company paid $1,658 in bonus cash award units in the year 2008. The related cost in the amount of $3,473 is included in general and administrative expense in the Consolidated Statements of Operations.

19. Supplementary cash flow information

	2008 $	2007 $	2006 $
Changes in non-cash working capital			
Accounts receivable and prepaids	7,504	1,976	(2,129)
Inventories	(26,057)	(16,900)	(26,222)
Accounts payable and accrued liabilities	366	16,411	(1,857)
	(18,187)	1,487	(30,208)
Supplementary cash flow information			
Income taxes paid	3,952	2,887	434
Interest paid	24,971	4,078	2,566
Non-cash investing and financing activities			
Shares issued on acquisition of Frontier	158,574	-	-
Shares received on sale of São Bento	70,000	-	-

(Expressed in thousands of U.S. dollars, unless otherwise stated)

20. Commitments

The Company's contractual obligations, not disclosed on the balance sheet, at December 31, 2008, include:

	2009 $	2010 $	2011 $	2012 $	2013 and later $
Operating leases and property expenditures	2,336	2,016	1,877	1,860	2,140
Purchase obligations	33,805	11,557	11,498	11,476	-
Totals	36,141	13,573	13,375	13,336	2,140

Purchase obligations from 2010 forward relate solely to Kişladağ operations, including the estimated commitments under the unhedged diesel fuel purchase commitments for 2010 through 2012.

21. Capital disclosure

Eldorado's objectives when managing capital are to:

a) safeguard our ability to continue as a going concern,
b) have sufficient capital to develop our mining projects and take them into production, and
c) meet external capital requirements on our credit facilities.

The Company monitors capital based on the debt to adjusted capital ratio. Debt is defined as the total of current and long-term debt shown on the balance sheet. Adjusted capital includes all components of shareholders' equity, which includes accumulated comprehensive income, share capital, contributed surplus and deficit.

Eldorado's strategy is to keep the debt to adjusted capital ratio below 40%. The debt to adjusted capital ratio at December 31, 2008 and December 31, 2007 was nil and 14.60% respectively.

22. Financial instruments

a) Fair value

The fair value of financial instruments at December 31, 2008 and December 31, 2007 is summarized as follows:

(Expressed in thousands of U.S. dollars, unless otherwise stated)

22. Financial instruments (continued)

	December 31, 2008		December 31, 2007	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Financial Assets				
Held for trading				
Cash and cash equivalents	61,851	61,851	46,014	46,014
Restricted cash	-	-	65,710	65,710
Marketable securities	31,526	31,526	-	-
Accounts receivable and other	27,655	27,655	8,891	8,891
Derivative contract	-	-	2,956	2,956
Restricted asset and other	6,000	6,000	8,300	8,300
Available for sale				
Marketable securities	12,084	12,084	1,615	1,615
Financial Liabilities				
Accounts payable and accrued liabilities	41,342	41,342	40,452	40,452
Debt	139	139	65,561	65,561

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

b) Financial risk management

Eldorado's activities expose it to a variety of financial risks, including credit risk, foreign exchange risk, interest rate risk, gold price risk and liquidity risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, restricted cash and accounts receivable. Eldorado deposits its cash and cash equivalents, including restricted cash, with high credit quality financial institutions as determined by ratings agencies. As at December 31, 2008, approximately 55% of the Company's cash and cash equivalents are held with one financial institution.

The Company sells its gold bullion exclusively to large international financial institutions or on the Istanbul and Shanghai Gold Exchanges. Payment is normally in advance or within one week of receipt of shipment. The historical level of customer defaults is negligible which reduces the credit risk associated with trade receivables at December 31, 2008.

(Expressed in thousands of U.S. dollars, unless otherwise stated)

22. Financial instruments (continued)

Currency risk

The Company operates principally in Canada, Turkey, China, Brazil and Greece, and is therefore exposed to foreign exchange risk arising from transactions denominated in foreign currencies.

Eldorado's cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are denominated in several currencies (mainly Canadian dollars, Turkish liras, Chinese renminbi and Brazilian real) and are therefore subject to fluctuation against the US dollar.

As a result of the acquisitions of Afcan and Frontier assets in 2005 and 2008 respectively, the Company recorded $56,600 of future income tax liabilities on mining interests which are recorded in local currencies. The future income tax liabilities are monetary items that are revalued each period-end at current exchange rates, with the gain or loss recorded in net earnings in the period.

The Company is exposed to currency risk through the following financial assets and liabilities, value added tax and other taxes recoverable and future income tax asset and liabilities denominated in currencies other than US dollars at December 31, 2008:

	Canadian dollar	Australian dollars	Euro	Turkish lira	Chinese renminbi	Brazilian real	Peruvian sol
Cash and cash equivalents	4,618	70	139	1,280	48,453	3,487	415
Marketable securities	14,804	-	-	-	-		
Accounts receivable and other	1,902	78	357	12,733	44,426	830	-
Future income tax receivable	-	-	-	-	1,197	-	-
Accounts payable and accrued liabilities	(8,549)	-	(153)	(14,233)	(155,879)	(2,113)	(165)
Future income tax liabilities	-	-	(26,390)	(15,302)	(88,144)	(2,826)	-
Net balance	12,775	148	(26,047)	(15,522)	(149,947)	(622)	250
Equivalent in US dollars	10,489	103	(36,462)	(10,140)	(22,025)	(277)	112

Based on the balances as at December 31, 2008, a 1% increase (decrease) in the exchange rates on that date would have resulted in a (decrease) increase of approximately $582 in earnings before income. There would be no effect in other comprehensive income.

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

22. Financial instruments (continued)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature. Eldorado's debt is not exposed to interest rate cash flow risk as the interest rate has been fixed at the time of each drawdown. The approximate average interest rate earned by the Company in 2008 on its cash and cash equivalents was 2.36% (2007 – 5.17%). A 10% increase or decrease in the interest earned from financial institutions on deposits and money market investments held at December 31, 2008 would result in a $0.1 million increase or decrease in the Company's after-tax net earnings.

Gold price risk and other price risk

Eldorado is subject to price risk for fluctuations in the market price of gold. Gold prices are affected by numerous factors beyond our control, including central bank sales, producer hedging activities, the relative exchange rate of the US dollar with other major currencies, global and regional demand and political and economic conditions. Worldwide gold production levels also affect gold prices, and the price of gold is occasionally subject to rapid short-term changes due to speculative activities. We have elected not to actively manage our exposure to gold price risk at this time. From time to time, we may use commodity price contracts to manage our exposure to fluctuations in the price of gold.

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Eldorado's other price risk includes equity price risk, whereby the Company's investments in marketable securities are subject to market price fluctuation.

Liquidity risk

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

23. Segmented information

During the period ended December 31, 2008, Eldorado had four reporting segments. The Brazil reporting segment includes the development activities of Vila Nova and exploration activities in Brazil. The Turkey reporting segment includes the operations of the Kişladağ mine, development activities of the Efemçukuru project and exploration activities in Turkey. The China reporting segment includes the operations of the Tanjianshan mine and exploration activities in China. The Greece reporting segment includes development activities on the Perama Hill project. The other reporting segment includes the operations of the Company's corporate office and exploration activities in other countries.

(Expressed in thousands of U.S. dollars, unless otherwise stated)

23. Segmented information (continued)

	December 31, 2008					
	Turkey $	**China $**	**Brazil $**	**Greece $**	**Other $**	**Total $**
Net mining interests						
Producing properties	190,881	163,157	-	106	1,490	355,634
Properties under development	54,378	-	38,986	207,301	-	300,665
Other mineral interests	4,151	-	7,359	-	500	12,010
	249,410	163,157	46,345	207,407	1,990	668,309

	December 31, 2007				
	Turkey $	**China $**	**Brazil $**	**Other $**	**Total $**
Net mining interests					
Producing properties	175,888	149,267	7,919	956	334,030
Properties under development	38,358		5,317	-	43,675
	214,246	149,267	13,236	956	377,705

Operations

	2008					
	Turkey $	**China $**	**Brazil $**	**Greece $**	**Other $**	**Total $**
Revenue						
Gold sales	161,442	116,281	-	-	-	277,723
Interest and other income	765	387	7,661	-	1,695	10,508
	162,207	116,668	7,661	-	1,695	288,231
Expenses except the undernoted	63,506	47,652	13,399	(4,543)	19,426	139,440
Depletion, depreciation and amortization	8,190	17,201	206	-	398	25,995
Exploration	5,865	1,897	1,235	-	3,319	12,316
Loss (gain) on disposal of assets	-	1,665	(72,455)	-	16	(70,774)
Income (loss) before tax	84,646	48,253	65,276	4,543	(21,464)	181,254
Income tax recovery (expense)	(17,866)	(10,311)	5,473	10,288	(83)	(12,499)
Non-controlling interest	-	(5,099)	-	-	-	(5,099)
Net income (loss)	66,780	32,843	70,749	14,831	(21,547)	163,656

(Expressed in thousands of U.S. dollars, unless otherwise stated)

23. Segmented information (continued)

	2007				
	Turkey $	**China $**	**Brazil $**	**Corporate $**	**Total $**
Revenue					
Gold sales	94,219	78,176	6,907	-	179,302
Interest and other income	1,869	137	2,639	4,752	9,397
	96,088	78,313	9,546	4,752	188,699
Expenses except the undernoted	39,630	45,399	(1,286)	15,776	99,519
Depletion, depreciation and amortization	4,248	15,502	-	291	20,041
Exploration	6,500	102	3,588	1,444	11,634
Income (loss) before tax	45,710	17,310	7,244	(12,759)	57,505
Income tax recovery (expense)	(9,325)	(7,941)	(4,786)	(32)	(22,084)
Net income (loss)	36,385	9,369	2,458	(12,791)	35,421

	2006				
	Turkey $	**China $**	**Brazil $**	**Corporate $**	**Total $**
Revenue					
Gold sales	39,232	-	38,409	-	77,641
Interest and other income	310	82	1,154	5,502	7,048
	39,542	82	39,563	5,502	84,689
Expenses except the undernoted	19,248	465	36,514	10,091	66,318
Depletion, depreciation and amortization	1,489	39	-	235	1,763
Exploration	4,845	172	7,702	-	12,719
Income (loss) before tax	13,960	(594)	(4,653)	(4,824)	3,889
Income tax recovery (expense)	2,113	-	(2,636)	(66)	(589)
Net income (loss)	16,073	(594)	(7,289)	(4,890)	3,300

24. Differences between Canadian and United States GAAP

These consolidated financial statements have been prepared in accordance with Canadian GAAP.

The material differences between Canadian GAAP and US GAAP affecting the Company are summarized below:

(Expressed in thousands of U.S. dollars, unless otherwise stated)

24. Differences between Canadian and United States GAAP (continued)

	2008 $	2007 $	2006 $
Statement of operations			
Net income reported under Canadian GAAP	163,656	35,421	3,300
Add (deduct) items subject to US GAAP			
Exploration costs (a)	(1,361)	(7,585)	(4,662)
Capitalized interest expense (g)	1,368	2,009	1,586
Depreciation on capitalized interest (g)	(440)	(198)	-
Bonus cash awards units (h)	187	(385)	
Deferred start-up costs and revenues (b)	(2,172)	2,172	-
Depreciation related to start-up period (b)	175	(1,401)	-
Unrealized gain (loss) on derivative contracts (c)	-	873	-
Future income taxes (d)	3,280	654	607
Net income	164,693	31,560	831
Other comprehensive income (loss) for the year under Canadian GAAP	(6,185)	(61)	228
Add (deduct) items subject to US GAAP			
Pension plans (i)	(2,736)	-	-
Comprehensive income under US GAAP	155,772	31,499	1,059
Basic and diluted earnings per share - US GAAP	0.46	0.09	0.00

	2008 $	2007 $
Accumulated other comprehensive income (loss) under US GAAP		
Beginning of year	214	275
Net unrealized gain (loss) on investments (f)	(6,185)	(61)
Pension plans (i)	(2,736)	-
End of year	(8,707)	214

	2008 $	2007 $
Assets		
Total assets reported under Canadian GAAP	905,369	591,742
Exploration costs (a)	(30,132)	(28,771)
Future income taxes (d)	4,541	1,261
Deferred start-up costs and revenues (b)	-	2,172
Depreciation related to start-up period (b)	(1,226)	(1,401)
Unrealized gain (loss) on investments (f)	-	-
Capitalized interest expense – net (g)	4,325	3,397
Total assets under US GAAP	882,877	568,400

24. Differences between Canadian and United States GAAP (continued)

	2008 $	2007 $
Liabilities		
Total liabilities reported under Canadian GAAP	108,750	142,563
Pension plans (i)	2,736	-
Bonus cash awards units (h)	198	385
Total liabilities under US GAAP	111,684	142,948
Non-controlling interest under Canadian and US GAAP	4,799	-
Shareholders' equity		
Shareholders' equity reported under Canadian GAAP	791,820	449,179
Cumulative adjustments to shareholders' equity		
Exploration costs (a)	(30,132)	(28,771)
Future income taxes (d)	4,541	1,261
Deferred start-up costs and revenues (b)	-	2,172
Depreciation related to start-up period (b)	(1,226)	(1,401)
Accumulated other comprehensive income - pension plans (i)	(2,736)	-
Bonus cash awards units (h)	(198)	(385)
Unrealized gain on investments (f)	-	-
Interest expense capitalized – net (g)	4,325	3,397
Shareholders' equity under US GAAP	766,394	425,452

	2008 $	2007 $	2006 $
Cash flows (used in) generated from:			
Operating activities under Canadian GAAP	105,544	69,805	(22,508)
Exploration costs (a)	(1,361)	(7,585)	(4,662)
Deferred start-up costs and revenues (b)	-	5,159	-
Capitalized interest expense (g)	1,368	2,009	1,586
Operating activities under US GAAP	105,551	69,388	(25,584)
Investing activities under Canadian GAAP	(38,258)	(91,757)	(130,454)
Exploration costs (a)	1,361	7,585	4,662
Deferred start-up costs and revenues (b)	-	(5,159)	-
Capitalized interest expense (g)	(1,368)	(2,009)	(1,586)
Investing activities under US GAAP	(38,265)	(91,340)	(127,378)
Financing activities under Canadian and US GAAP	(51,449)	7,999	179,103
Net increase (decrease) in cash and cash equivalents for Canadian and US purposes	15,837	(13,953)	26,141
Cash and cash equivalents – beginning of year	46,014	59,967	33,826
Cash and cash equivalents – end of year	61,851	46,014	59,967

24. Differences between Canadian and United States GAAP (continued)

A description of US GAAP that results in differences from Canadian GAAP is as follows:

(a) *Exploration costs*

Exploration costs are accounted for in accordance with Canadian GAAP as disclosed in note 2(i). For US GAAP purposes, exploration costs relating to unproven mineral properties are expensed as incurred until completion of an economic feasibility study, after which exploration and development costs are capitalized.

(b) *Deferred start-up costs and revenues*

US GAAP requires that operating profits and losses from newly commissioned operations be recorded at the time the first product is shipped. Canadian GAAP records operating profits and losses from the date commercial production commences. Under Canadian GAAP, deferred start-up costs and revenues are amortized over the life of the project.

(c) *Derivative contracts*

Under US GAAP, SFAS 133 requires that all derivatives be recorded on the balance sheet as either assets or liabilities at their fair value. Changes in the fair value of derivatives are recognized in income unless specific hedge accounting criteria are met. Commencing January 1, 2007, under Canadian GAAP, the Company adopted the new Financial Instrument Standards as disclosed in note 2. As a result of this, there are no continuing differences with respect to derivatives.

(d) *Future income taxes*

Under US GAAP, the Company would record an increase of $3,280 (2007 – $654) in future income tax recovery related to the reconciliation items described under items (a), (b) and (g) of this note.

(e) *FASB Interpretation No. 48 – Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109 (Accounting for Income Taxes) (FIN 48)*

In June 2006, the Financial Accounting Standard Board (FASB) issued Interpretation No. 48, “Accounting for Uncertainty in Income Taxes” (FIN 48), which supplements SFAS No. 109, “Accounting for Income Taxes” (SFAS No. 109), by defining the confidence level that a tax position must meet in order to be recognized in the financial statements. FIN 48 requires that the tax effect(s) of a position be recognized only if it is “more likely than not” to be sustained based solely on its technical merits as of the reporting date. The more likely than not threshold represents a positive assertion by management that a company is entitled to the economic benefits of a tax position. If a tax position is not considered more likely than not to be sustained based solely on its technical merits, no benefits of the tax position are to be recognized. The more likely than not thr eshold must continue to be met in each reporting period to support continued recognition of a benefit.

24. Differences between Canadian and United States GAAP (continued)

With the adoption of FIN 48, companies are required to adjust their financial statements to reflect only those tax positions that are more likely than not to be sustained. The Company adopted FIN 48 as of January 1, 2007. As a result of this adoption, the Company did not recognize any further increases or decreases in the liability for unrecognized tax benefits. A reconciliation of the beginning and ending amount of the unrecognized tax benefits is as follows:

	2008 $	2007 $
Balance at January 1,	10,034	8,537
Additions based on tax positions related to the current year	-	1,343
Reductions based on tax positions related to the current year	(294)	-
Additions for tax positions of prior years	-	154
Reductions for tax positions of prior years	(2,810)	-
Balance at December 31,	6,930	10,034

As at December 31, 2008, the Company has $6,930 unrecognized tax benefits (2007 – $10,034). If recognized, none of the unrecognized tax benefit would affect the effective tax rate.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits in income taxes. During the years ended December 31, 2008, 2007 and 2006, the Company recognized approximately $nil, $236 and $562 in interest and penalties. The Company had approximately $nil and $908 for paying interest and penalties accrued at December 31, 2008 and 2007 respectively.

The Company is subject to taxes in Canada, Brazil, China and Turkey. The tax years that remain subject to examination as of December 31, 2008 for these jurisdictions are:

Canada	2001 to the present
Brazil	2004 to the present
China	2007 to the present
Turkey	2004 to the present

(f) *Investments*

Under US GAAP, marketable securities are classified as “held to maturity”, “held for trading”, or “available for sale” in accordance with FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities* (“FAS 115”). Certain securities held by the Company would be classified as “available for sale” under FAS 115 and would be recorded at market value, with any unrealized gain or loss recorded in other comprehensive income.

Under Canadian GAAP prior to January 1, 2007, the Company carried its investments in public companies at cost, less provision for other than temporary declines in value. Effective January 1, 2007, with the adoption of the financial instrument standard, the Company carries these investments at fair value with unrealized gains or losses recorded in other comprehensive income. As a result there is no longer a difference.

24. Differences between Canadian and United States GAAP (continued)

(g) *Interest expense*

Under Canadian GAAP, where the Company has secured debt financing to finance the cost of specific projects, interest is capitalized on the related construction and development project until the project begins commercial operation or development ceases, at which time the interest is charged to operations. Under US GAAP, interest is capitalized on an interest avoidance basis. Under this method, regardless of the application of the loan proceeds, any interest incurred is capitalized to the cost of any development or construction project to the extent of the lesser of the interest cost incurred or the amount that can be attributed to the cost of any capital development or construction costs and any uncapitalized interest is charged to operations.

(h) *Bonus cash awards units*

Under Canadian GAAP, bonus cash awards units are measured at the amount by which the quoted market value of the shares covered by the grant exceeds the option price. Under US GAAP, Statement 123 (R) requires that awards classified as liabilities be measured at fair value at each reporting date. The fair value is estimated using an option pricing model.

(i) *Pension plans*

For US GAAP purposes, the Company is required to report the overfunded asset or underfunded liability of its defined benefit pension plans on the balance sheet. Changes in the funded status are recorded through other comprehensive income. The information set out below should be read in conjunction with the information disclosed under Canadian GAAP requirements for pension plans provided in note 15.

The funded status at the end of the year and the related amounts recognized on the statement of financial position for US GAAP purposes are as follows:

	Pension Plan $	SERP $
Funded status as at December 31, 2008		
Fair value of plan assets	848	-
Benefit obligations	753	4,037
Funded status	95	(4,037)
Amounts recognized in the balance sheet		
Non current assets	95	-
Current liabilities	-	-
Non current liabilities	-	4,037
Funded status	95	(4,037)
Amounts recognized in other comprehensive income		
Net actuarial loss (gain)	(243)	(108)
Past service cost (credit)	259	2,828
	16	2,720

24. Differences between Canadian and United States GAAP (continued)

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with an accumulated benefit obligation in excess of plan assets at December 31, 2008 are as follows:

	2008 $
Accumulated benefit obligation in excess of plan assets	
Projected benefit obligation at end of year	4,145
Accumulated benefit obligation at end of year	4,037
Fair value of plan assets at end of year	-

The Company has deposited $3,505 in an investment account to fund its SERP obligation. This amount is included in restricted asset and other (note 11).

The estimated amounts that will be amortized from accumulated other comprehensive income into net periodic benefit cost in 2009 are as follows:

	Pension Plan $	SERP $
Net actuarial loss (gain)	(46)	-
Past service cost (credit)	67	741
Total	21	741

(j) *Adoption of new United States accounting pronouncements*

(i) Fair value measurements

In September 2006, the FASB issued SFAS No. 157, “Fair Value Measurements” (SFAS No. 157), which provides a consistent definition of fair value that focuses on exit price and prioritizes, within a measurement of fair value, the use of market-based inputs over entity-specific inputs. SFAS No. 157 requires expanded disclosures about fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The provisions of SFAS No. 157 were applied prospectively. The Company adopted the provisions of SFAS No. 157 on January 1, 2008, which did not have any effect on its overall financial condition and results of operations. Fair values as of December 31, 2008 were calculated as follows:

(Expressed in thousands of U.S. dollars, unless otherwise stated)

24. Differences between Canadian and United States GAAP (continued)

	Balance at December 31, 2008 $	Quoted Prices in Active Markets for Identical Assets $ (Level 1)	Significant Other Observable Inputs $ (Level 2)	Significant unobservable inputs $ (Level 3)
Financial Assets				
Held for trading				
Cash and cash equivalents	61,851	61,851	-	-
Marketable securities	31,526	31,526	-	-
Accounts receivable and other	27,655	16,231	-	11,424
Restricted asset and other	6,000	6,000	-	-
Available for sale				
Marketable securities	12,084	12,084	-	-
Financial Liabilities				
Debt	139	-	-	139

SFAS No. 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under SFAS No. 157 are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.

Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e., quoted prices for similar assets or liabilities).

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

24. Differences between Canadian and United States GAAP (continued)

(ii) Fair value option for financial assets and financial liabilities

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – including an Amendment of SFAS No. 115" (SFAS No. 159), which permits an entity to measure certain financial assets and financial liabilities at fair value that are not currently required to be measured at fair value. Entities that elect the fair value option will report unrealized gains and losses in earnings at each subsequent reporting date. The fair value option may be elected on an instrument-by-instrument basis, with few exceptions. The Statement also establishes presentation and disclosure requirements to help financial statement users understand the effect of the election. SFAS No. 159 is effective as of the beginning of the first fiscal year beginning after November 15, 2007 and therefore became effect ive for the Company as of January 1, 2008. The Company has not elected to measure any eligible items at fair value. Accordingly, the adoption of this standard has not impacted the Company's financial condition and results of operations.

(k) *Recent United States accounting pronouncements*

(i) Hierarchy of generally accepted accounting principles

In May 2008, the FASB issued FASB Statement No. 162, "The Hierarchy of Generally Accepted Accounting Principles". This Statement identifies the sources of accounting principles and the framework for selecting the principles to be used when preparing financial statements of non-governmental entities that are presented in conformity with generally accepted accounting principles in the United States. This Statement is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles". The Company does not expect any material impact on its financial position and results of operation with the adoption of this statement.

(ii) Derivatives

In March 2008, the FASB issued Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities – an Amendment of FASB Statement No. 133" ("FAS No. 161"). FAS No. 161 enhances the disclosure requirements under FAS No. 133 pertaining to how and why an entity uses derivative instruments, how derivative instruments and related hedge items are accounted for under FAS No. 133, and how derivative instruments and related hedge items affect an entity's financial position, financial performance and cash flows. FAS No. 161 is effective for fiscal years, and interim periods within those fiscal years, beginning after November 15, 2008. The Company is currently evaluating the potential impact of adopting this statement on the Company's derivative instrument disclosures.

24. Differences between Canadian and United States GAAP (continued)

(iii) Effective Date of FASB Statement No. 157

In February 2008, the FASB issued Staff Position No. 157-2, "Effective Date of FASB Statement No. 157". FSP FAS 157-2 delayed the effective date of FAS No. 157 by one year (until fiscal years beginning after November 15, 2008) for non-financial assets and non-financial liabilities that are recognized or disclosed at fair value in the financial statements on a non-recurring basis. The Company is currently evaluating the potential impact of adopting this statement.

(iv) Business combinations

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations", which retained the underlying concepts of SFAS No. 141 in that all business combinations are still required to be accounted for at fair value under the acquisition method of accounting. However, SFAS No. 141(R) changed the method of applying the acquisition method in a number of significant aspects.

SFAS No. 141(R) will require that: (1) for all business combinations, the acquirer records all assets and liabilities of the acquired business, including goodwill, generally at their fair values; (2) certain contingent assets and liabilities acquired be recognized at their fair values on the acquisition date; (3) contingent consideration be recognized at its fair value on the acquisition date and, for certain arrangements, changes in fair value will be recognized in earnings until settled; (4) acquisition-related transaction and restructuring costs be expensed rather than treated as part of the cost of the acquisition and included in the amount recorded for assets acquired; (5) in step acquisitions, previous equity interests in an acquiree held prior to obtaining control be re-measured to their acquisition-date fair values, with any gain or loss recognized in earnings; and (6) when making adjustments to finalize initial accounting, companies revise any previously issued post-acquisition financial information in future financial statements to reflect any adjustments as if they had been recorded on the acquisition date.

SFAS No. 141(R) is effective on a prospective basis for all business combinations for which the acquisition date is on or after the beginning of the first annual period subsequent to December 15, 2008, with the exception of the accounting for valuation allowances on deferred taxes and acquired tax contingencies. SFAS No. 141(R) amends SFAS No. 109 such that adjustments made to valuation allowances on deferred taxes and acquired tax contingencies associated with acquisitions that closed prior to the effective date of this statement should also apply the provisions of SFAS No. 141(R). This standard will be applied to all future business combinations for US GAAP purposes.

(v) Non-controlling interests in consolidated financial statements

In December 2007, the FASB issued SFAS No. 160, "Non-controlling Interests in Consolidated Financial Statements, an Amendment of ARB 51" (SFAS No. 160), which amends ARB 51 to establish new standards that will govern the accounting for and reporting of non-controlling interests in partially owned consolidated subsidiaries and the loss of control of subsidiaries.

24. Differences between Canadian and United States GAAP (continued)

Also, SFAS No. 160 requires that: (1) non-controlling interest, previously referred to as minority interest, be reported as part of equity in the consolidated financial statements; (2) losses be allocated to the non-controlling interest even when such allocation might result in a deficit balance, reducing the losses attributed to the controlling interest; (3) changes in ownership interests be treated as equity transactions if control is maintained; and, (4) upon a loss of control, any gain or loss on the interest sold be recognized in earnings. SFAS No. 160 is effective on a prospective basis for all fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008, except for the presentation and disclosure requirements, which will be applied retrospectively. The Company is currently evaluating the effects, if any , that SFAS No. 160 may have on its financial condition and results of operations.

MANAGEMENT'S DISCUSSION and ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
and Audited Consolidated Financial Statements

YEAR ENDED DECEMBER 31, 2008

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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 2008 with those of 2007. For a comprehensive understanding of Eldorado's financial condition and results of operations, you should read this MD&A together with the consolidated financial statements and accompanying notes. Unless otherwise noted, all monetary amounts are in United States dollars. This MD&A is prepared as of March 18, 2009.

1. 2008 – Year in Review

Eldorado is one of the world's lowest cost gold producers engaged in gold mining and related activities including exploration, development, extraction, processing and reclamation. Based in Vancouver, Canada, Eldorado is listed on the Toronto Stock Exchange (TSX) under the symbol ELD and on the New York Stock Exchange Alternext (NYSE-A) under the symbol EGO. ELD is on the S&P/TSX Global Gold Index and EGO is part of the AMEX Gold BUGS Index. We own and operate the Kişladağ gold mine ("Kişladağ") in Turkey and the Tanjianshan gold mine ("TJS") in China, and we are developing gold projects in Turkey and Greece as well as an iron ore project in Brazil.

During the year ended December 31, 2008, we:

- Reported record earnings of $0.46 per share (2007 – $0.10),
- Produced 308,802 ounces of gold at a cash operating cost of $257 per ounce (2007 – 281,135 ounces at $236 per ounce),
- Sold 316,918 ounces of gold at a realized average price of $876 per ounce (2007 – 266,012 ounces, $674 per ounce),
- Resumed operations on March 6, 2008 at Kişladağ, which had been on standby since August 18, 2007, and completed the mine's expansion project, doubling its mining and processing capacity to a rate of 10 million tonnes of ore per year,
- Completed the sale of our São Bento gold mine in Brazil ("São Bento") to AngloGold Ashanti for $70.0 million in AngloGold Ashanti shares, resulting in a gain of $72.5 million after consideration of net liabilities divested ($0.21 per share),
- Began construction of our Efemçukuru gold mine ("Efemçukuru") in Turkey,
- Neared completion of construction of our Vila Nova iron ore mine ("Vila Nova") in Brazil,
- Acquired Frontier Pacific Mining Corporation ("Frontier") and its Perama Hill gold development project ("Perama Hill") in Greece,
- Finalized an agreement with Brazauro Resources Corporation to earn an interest in the 43,000 hectare Tocantinzinho gold project ("Tocantinzinho") in Brazil and
- Generated $105.5 million in cash from operating activities (2007 - $69.8 million), which was used to pay off debt of $70.9 million and fund ongoing development projects.

Net Income for the Year

In 2008, Eldorado's profits increased substantially over the previous year. Our consolidated net income for 2008 was $163.7 million or $0.46 per share (2007 – $35.4 million or $0.10 per share). The main contributors to our 2008 operating results were strong performances from Kişladağ and TJS as well as the $72.5 million gain on the sale of São Bento.

Sales from Kişladağ totalled 185,425 ounces of gold (2007 – 142,725 ounces) at an average price of $871 per ounce (2007 – $660), while cash operating costs averaged $254 per ounce (2007 – $189). Sales from TJS totalled 131,493 ounces of gold (2007 – 112,646 ounces) at an average price of $884 per ounce (2007 – $694), while cash operating costs averaged $261 per ounce (2007 – $288).

Net Income for the Fourth Quarter

Our consolidated net income for Q4 2008 was $100.7 million or $0.27 per share (Q4 2007 – net loss of $9.1 million or $0.03 per share). Excluding the $72.5 million gain on the sale of São Bento, our consolidated net income was $28.2 million or $0.08 per share. Gold revenues for Q4 2008 increased 159% compared to Q4 2007 due to higher selling prices and increased ounces sold. Selling prices during Q4 2008 increased 3% and units sold increased 48,063 ounces, or 151%, compared to Q4 2007. Kişladağ operations shut down on August 18, 2007 and remained shut down during all of Q4 2007, resulting in lower gold production for that quarter. Operating costs for Q4 2008 were $25.9 million, an increase of 187% over Q4 2007 due to the shutdown of the Kişladağ during Q4 2007. Costs of sales per ounce increased at TJS as a result of lower grades and recoveries from transitional ore at the newly opened Jinlonggou pit ("JLG") as well as higher stripping costs.

Financial Position

Gold has maintained its value during the current global economic crisis, with average prices up 30% as compared to 2007. In 2008, we sold 19% more ounces of gold than in 2007, at an average realized gold price of $876 per ounce, a 30% increase from 2007. In general, unit costs of our Turkish and Chinese operations have increased due to inflation and operational factors, offset at Kişladağ by gains from the weakening of the Turkish lira relative to the US dollar and at TJS by the shift to contract mining. The Turkish lira weakened by 20% relative to the US dollar during the second half of 2008. A beneficiary of the current economic crisis is the US dollar, which has gained relative to a number of currencies since August 2008.

While Eldorado's financial performance has not been negatively impacted, the economic downturn has adversely affected other exploration stage or intermediate mining companies in which Eldorado holds equity interests. In the fourth quarter, we recorded an impairment loss of $0.5 million relating to an other than temporary decline in the fair value of one of our investments. Additionally, we recorded a $5.9 million charge to other comprehensive losses related to unrealized losses on two of our investments. As part of our growth strategy, we will continue to leverage our resources by making strategic equity investments. Investments in marketable securities available-for-sale represented 1.3% of our total assets as at December 31, 2008.

Eldorado is well positioned to confront the current economic crisis with strong cash reserves and no long-term debt. At December 31, 2008, we held $61.9 million in cash and short-term deposits (2007 – $46.0 million), had no restricted cash or long-term debt (2007 – $65.7 million restricted cash, $65.5 million long-term debt) and had an environmental guarantee deposit of $2.5 million (2007 – $8.3 million). The reduction in the environmental guarantee is the result of obtaining a favourable bank guarantee. We remain hedge free.

Corporate Developments

Frontier Acquisition

On July 7, 2008, we completed the acquisition of Frontier. Under the terms of the agreement, each Frontier common share was exchanged for 0.122 common shares of Eldorado, CA$0.0001 in cash and one Exchange Receipt. Each Exchange Receipt entitles the holder to receive an additional 0.008 Eldorado common shares if, prior to July 1, 2009, a Joint Ministerial Resolution is issued in Greece by the Joint Ministerial Council (comprised of the ministries

of the Environment, Agriculture, Development and Health) accepting the Environmental Terms of Reference drafted by the Ministry of Environment regarding Perama Hill.

Eldorado issued 20,339,334 common shares and paid $0.02 million in cash in connection with this transaction. No value was assigned to the Exchange Receipts as we believe it is highly unlikely that the condition for their exchange into Eldorado shares will be met. The total consideration paid for Frontier was valued at $158.6 million and Eldorado incurred acquisition costs of $3.9 million.

This transaction was accounted for as an asset acquisition because Frontier was in the development stage. Eldorado's consolidated financial statements include 100% of Frontier results from July 7, 2008.

This acquisition affected our balance sheet as is explained in Note 4 of the consolidated financial statements. We recorded a future tax liability of $51.4 million, which results from an imputed income tax liability we incurred due to the difference between the allocated fair values and tax values of the property, plant and equipment assets we acquired.

Brazauro Agreement
On July 8, 2008, Eldorado entered into an option agreement with Brazauro Resources Corporation ("Brazauro") under which Eldorado can acquire from Brazauro a 60% to 75% interest in Tocantinzinho in Brazil in return for purchasing Brazauro securities ("units"), undertaking $9.5 million of exploration and development expenditures and paying Brazauro $90.0 million plus a production decision fee of up to $10.0 million. On July 24, 2008, Eldorado subscribed for 8,800,000 units of Brazauro at a price of C$0.95 per unit. Each unit includes one common share of Brazauro and one warrant. Each warrant will entitle the holder to acquire one-half of one common share of Brazauro at a price of C$1.30 per share for a period of 18 months.

The purchase price of the 8,800,000 units was allocated between marketable securities and mineral interest based on the fair value of the Brazauro units on July 18, 2008 – the date that Eldorado notified Brazauro of its decision to proceed with the transaction. The fair value of the units of $4.9 million was recorded in marketable securities while the value of the option of $3.4 million was record in mineral interest.

São Bento Divestiture
On December 15, 2008, we completed the sale of São Bento to AngloGold Ashanti ("AngloGold") for $70.0 million payable by the issuance of 2,701,660 common shares of AngloGold, resulting in a gain on the sale of $72.5 million after consideration of net liabilities divested. As of December 31, 2008, we had sold 1,566,500 AngloGold shares for cash of $25.5 million and accounts receivable of $16.2 million, generating a gain on disposal of $1.1 million over the cost of the shares. The remaining 1,135,160 shares were valued at $31.5 million at December 31, 2008 and reported as Marketable Securities on the Balance Sheet. The shares generated an unrealized gain of $2.0 million when marked to the market price at year-end. All of the remaining shares were sold in January 2009.

2. Production

OPERATING DATA [1]	2008	2007	2006
TOTAL GOLD PRODUCTION			
Total ounces produced	308,802	281,135	135,653
Commercial production	308,802	268,643	135,653
Cash operating costs ($/oz) [4]	$ 257	$ 236	$ 324
Total cash cost ($/oz) [2, 4]	$ 289	$ 263	$ 330
Total production cost ($/oz) [3, 4]	$ 370	$ 338	$ 343
KISLADAG MINE, TURKEY [5]			
Commercial production	190,334	135,306	70,895
Cash operating costs ($/oz) [4]	$ 254	$ 189	$ 206
Total cash cost ($/oz) [2, 4]	$ 256	$ 192	$ 208
Total production cost ($/oz) [3, 4]	$ 291	$ 224	$ 229
TANJIANSHAN MINE, CHINA [6]			
Total ounces produced	118,468	138,162	n/a
Commercial production	118,468	125,670	n/a
Cash operating costs ($/oz) [4]	$ 261	$ 288	n/a
Total cash cost ($/oz) [2, 4]	$ 343	$ 342	n/a
Total production cost ($/oz) [3, 4]	$ 496	$ 472	n/a
SAO BENTO MINE, BRAZIL [7]			
Commercial production	-	7,667	64,758
Cash operating costs ($/oz) [4]	$ -	$ 208	$ 454
Total cash cost ($/oz) [2, 4]	$ -	$ 224	$ 464
Total production cost ($/oz) [3, 4]	$ -	$ 152	$ 467

Notes
1 Cost figures calculated in accordance with the Gold Institute Standard.
2 Cash operating costs, plus royalties and off-site administration costs.
3 Total cash costs, plus foreign exchange gain or loss, depreciation, amortization and reclamation expenses.
4 Cash operating, total cash and total production costs are non-GAAP measures. See the section "Non-GAAP Measures" of this MD&A.
5 The Kişladağ mine temporarily ceased operations on August 18, 2007 and reopened on March 6, 2008.
6 The Tanjianshan mine began commercial production on February 1, 2007.
7 Q2 2007 was the last quarter of production at the São Bento mine.

3. Operations

Tanjianshan Mine
In 2008, we milled a total of 858,829 tonnes of ore at TJS at an average grade of 5.31 g/t, resulting in 118,468 ounces of gold produced at an average cash operating cost of $261 per ounce.

Capital expenditures for the year were $38.9 million, with the majority of the capital spending allocated to the Phase II construction program. At completion, Phase II will include a sulphide ore processing facility to treat sulphide ore from the newly opened JLG pit as well as an expanded tailings dam. Commissioning is expected in the first quarter of 2009.

The mining contractor operated to expectations in 2008, validating our decision to move to contract mining.

Kişladağ Mine
During 2008, approximately 7,555,881 tonnes of ore were placed on the leach pad at Kişladağ at an average grade of 1.27 g/t, and we produced 190,334 ounces of gold at an average cash operating cost of $254 per ounce. Mining operations resumed on March 6, 2008 after a court injunction forced the mine to close on August 18, 2007.

Capital expenditures for the year were $27.3 million, with capital spending allocated to mobile equipment for plant and infrastructure upgrades ($11.3 million), an excavator and trucks ($5.2 million), the lime project ($3.4 million), geological core drilling ($2.3 million) and a 200 tonne process crane ($1.7 million). The remaining $3.4 million consisted of smaller purchases and upgrades.

4. Development

Efemçukuru
We drilled 1,519 meters at Efemçukuru in 2008. Of this, 961 meters were to explore the down plunge and along-strike extensions of the North Ore Shoot and 558 meters were for geotechnical purposes to support detailed mine designs.

We received forestry permits during the year covering all the forestry land needed for construction. By the end of 2008, we had completed the new access road to the site and had cleared and grubbed the plant site, rock dump and tailings area. We began constructing the north and south underground portals during the year, as well as the access road and pad for the north portal. We have ordered items with long lead times, such as the ball and SAG mills, and we have finalized the process design criteria. We negotiated the contract for underground pre-production development and awarded it to a Turkish contractor. Manpower increased significantly as staff positions were filled during the year.

At the end of 2008, we had purchased approximately 78% of the land required for operations. An expropriation decree was awarded to our wholly owned subsidiary, Tüprag Metal Madencilik Sanayi ve Ticaret A.S. ("Tüprag") that will allow the company to acquire the remaining private land at a price set by the government. During the year, the Fourth Administrative Court in Izmir ruled in favour of the Environmental Positive Opinion issued by the Ministry of Environment and Forestry for the project.

Capital spending at Efemçukuru in 2008 was $14.3 million.

Vila Nova Iron Ore
On February 25, 2008, we received a construction permit issued by the Environmental Agency of Amapa State for the Vila Nova Iron Ore project and we were able to start construction and development activities.

During 2008, the majority of the construction was completed, including the crushing and screening plant, the run of mine ("ROM") and finished product stockpiles, and the tailings impoundment area. We finished clearing the open pit, stockpiled topsoil and took delivery of all the major mining equipment, which is ready for use. We drilled a total of 2,708 meters during the year for metallurgical characterization and mine planning, and we are continuing negotiations on the sale of the iron ore.

5. Exploration

In 2008, exploration costs increased to $19.7 million (2007 – $14.6 million) as we expanded our exploration activities in Brazil, Turkey, China and the USA. Included in these costs were $7.4 million (2007 – $3.0 million) in deferred exploration costs reported in mineral interests on the balance sheet. Exclusive of stock-based compensation costs of $1.4 million, we incurred exploration expenditures of $8.7 million in Turkey, $3.4 million in China, $3.1 million in Brazil, $1.1 million in the USA and $2.0 million in other locations.

Turkey
Our main reconnaissance focus in 2008 was on the Sayacik project, adjacent to Kişladağ. Work included detailed mapping, a magnetic geophysical survey and soil geochemical sampling. Program planning and government permitting processes were also begun for planned drill testing in 2009. We also conducted work on properties in the Central and Eastern Pontide regions of Turkey that included stream sampling and general mapping/prospecting. Positive results were obtained for the Arpali porphyry project and further work is planned in 2009.

At Efemçukuru, we completed 7 drill holes totalling 1,292 meters over the North Ore Shoot. The holes successfully intersected precious metal and base metal rich intercepts down plunge from current limits. Detailed mapping and soil geochemical sampling programs were also carried out over the property.

We executed a 45 hole, 16,586 meter exploration drilling program at Kişladağ. Results outlined areas of new oxide mineralization in the southeast portion of the deposit and confirmed lateral extensions of sulphide mineralization to the southeast and west.

Brazil
Our exploration efforts in Brazil focused on general reconnaissance of prospective lands in the Carajas and Tapajos regions of Para state. During Q4 2008, emphasis switched to managing an infill diamond drill campaign at Tocantinzinho as part of our joint venture commitment with Brazauro Resources. We drilled 3,518 meters in 11 diamond drill holes by year-end. Results confirmed extent and predicted gold grades in areas of inferred mineral resources.

China
We completed 70 drill holes totalling 15,500 meters at TJS during 2008. Most of the drilling tested the Xijinggou and Qinlongtan ("QLT") areas of the property. Xijinggou drilling outlined two main areas of gold mineralization on which inferred mineral resources were estimated at year-end. QLT drilling proved the presence of a dip reversal in the mineralized zone below the open pit floor.

USA
We conducted mapping, soil geochemical sampling and ground magnetic geophysical surveys on our joint venture projects with AuEx Ventures (Buffalo Canyon, Green Monster, Hays Canyon and Klondike North). We also executed a reverse circulation drill program on one of the projects, Klondike North, where drilling totalled 2,584 meters in 12 holes.

6. Legal

Kişladağ
On February 28, 2008, the Turkish Ministry of Environment and Forestry and Eldorado's subsidiary Tüprag (as co-defendant) filed an appeal requesting the 6th Department of the High Administrative Court reconsider its February 6 decision on the essence of the Kişladağ EIA case. This appeal is now at the high administrative court waiting for consideration. There has been no change in the status of the case since the first quarter of 2008.

Efemçukuru
On January 26, 2009, the Sixth Department of the High Administrative Court in Ankara, Turkey delivered a favourable decision for the Company in cases by certain third parties seeking to cancel the Environmental Positive Certificate for Efemçukuru issued by the Turkish Ministry of Environment and Forestry.

7. Review of Financial Results

Net income
Our consolidated net income for 2008 was $163.7 million or $0.46 per share (2007 – $35.4 million or $0.10 per share). Strong performances from Kişladağ and TJS as well as the $72.5 million ($0.21 per share) gain on the sale of São Bento, were the main factors in explaining our record net income. Additionally, net income was positively affected by a $9.2 million decrease in future income tax related to a 20% reduction in Greek income tax rates.

Gold revenues
Our gold revenues consist of gold bullion sales at spot. We sell the refined bullion either to large financial institutions or on the Istanbul and Shanghai Gold Exchanges.

Gold revenues in 2008 increased 55% over 2007 due to increases in both selling prices and sales volumes. Selling prices in 2008 increased 30% over 2007, and ounces sold in 2008 increased 19% over 2007, reflecting increased production from Kişladağ and TJS.

	2008	2007	2006
Gold ounces sold			
Kişladağ	185,425	142,725	63,352
Tanjianshan	131,493	112,646	-
São Bento	-	10,641	64,200
Total gold ounces sold	316,918	266,012	127,552
Average selling price per ounce	$ 876.32	$ 674.04	$ 608.70
Gold revenues (000s)	$ 277,723	$ 179,302	$ 77,641

Interest and other income
Interest income earned on cash, short-term money market investments and restricted cash balances held during 2008 was $2.9 million (2007 – $7.5 million). The decrease in interest income from 2007 was the result of lower average cash balances during 2008 as well as a decline in interest rates. Other income of $7.6 million in 2008 (2007 – $1.9 million) was related to the sale of excess electricity at São Bento as well as Brazilian tax credits resulting from the spin-off of Vila Nova from São Bento prior to the sale of São Bento to AngloGold.

Operating costs
Operating costs in 2008 increased 27% over 2007 due to increased sales volumes and higher costs of production at Kişladağ. At Kişladağ, production costs increased due to increased lime consumption, as ore with higher sulphide content was treated on the leach pad. Production costs at TJS were lower than 2007 as a result of lower mining costs related to the change from Company-owned mining equipment to contract mining, as well as lower strip ratios at the QLT pit.

Depletion, depreciation and amortization
Depletion, depreciation and amortization ("DD&A") expense of $26.0 million (2007 – $20.0 million) was higher than 2007 due to higher volumes of ore processed at Kişladağ.

General and administrative
General and administrative costs reflect the costs of our head office in Vancouver, Canada, as well as our liaison offices in Ankara, Turkey and Beijing, China. We have continued to add to our administrative staff to support expanding international operations. General and administrative expense of $38.3 million increased $11.5 million over 2007, primarily due to higher stock-based compensation costs allocated to general administrative expense, and the addition of administrative staff in Vancouver.

Exploration expense
Exploration activities are discussed in the section "Exploration" of this MD&A.

Mine standby costs
Mine standby costs of $2.4 million reflected the costs of maintaining Kişladağ while it was shut down in Q1 2008 (2007 – $6.6 million).

Asset retirement obligation costs
Asset retirement obligation costs in 2008 of $3.1 million reflected a $2.5 million revision to estimated future reclamation costs at São Bento prior to its sale (2007 – $0.6 million).

Foreign exchange (gain) loss
We reported a foreign exchange loss of $0.2 million in 2008(2007 – $4.7 million gain). Foreign exchange losses in Brazil and China were partially offset by foreign exchange gains in Greece and Turkey. The major factor in the foreign exchange gains was the revaluation of future income tax liabilities denominated in non-US currencies into US dollars.

Gain on disposal of assets
We reported a net gain on the disposal of assets totalling $70.8 million (2007 – $3.6 million). The net gain included a $72.5 million gain on the sale of São Bento and a $1.7 million loss on the disposal of mining equipment at TJS.

Gain on marketable securities
In 2008 we reported a net gain on marketable securities of $2.5 million (2007 – $0.2 million). The net gain included a $1.1 realized gain on the sale of AngloGold shares, a $2.0 unrealized gain on AngloGold shares marked to market at year-end, a $0.5 million impairment adjustment to the carrying value of marketable securities treated as available for sale financial instruments and a $0.1 million unrealized loss in other marketable securities held for trading.

Interest and financing costs
Interest expense in 2008 was $2.9 million, compared to $3.4 million in 2007, reflecting the decrease in interest rates and the repayment of debt in during the year.

Unrealized gain on derivative contract
In 2007 we recorded a $3.0 million asset, reflecting the fair value of an energy contract related to São Bento, which we concluded was a derivative financial instrument. This resulted in the recognition of an unrealized gain in 2007 of $2.1 million. In 2008 we charged $3.0 million to loss on derivative contract as the life of the contract had expired prior to the sale of São Bento.

Income taxes
Current income tax expense for 2008 was $25.4 million (2007 – $4.8 million). Tax expense by country was: Turkey – $14.4 million (2007 – nil), China – $6.9 million (2007 – $4.8 million) and Brazil – $4.1 million (2007 – nil). Tax expense in Turkey was nil in 2007 due to the mine shutdown of Kişladağ in the second half of the year. Tax expense in China increased due to higher profits. Tax expense in Brazil related to a taxable gain that was triggered by the repayment of intercompany debt as part of the Vila Nova spin-off prior to the sale of São Bento. The taxes due in Brazil were completely offset by tax credits from prior years.

Future income tax recovery for 2008 was $12.9 million (2007 – expense $17.3 million). Future tax recovery (expense) by country was: Turkey – $3.5 million expense (2007 – $9.5 million expense), China – $3.4 million expense (2007 – $3.2 million expense), Brazil – $9.5 million recovery (2007 – $4.6 million expense), Greece – $10.3 million recovery (2007 – no Greek business investment). Future tax recovery in Brazil related to the reversal of unrealized foreign exchange gains on intercompany loans, while future income tax recovery in Greece related to the reduction of the Greek tax rate from 25% to 20%.

The two major factors causing the effective tax rate to decline from 38.41% in 2007 to 6.90% in 2008 are the tax-free gain from the sale of São Bento and the reduction of the future income tax recorded on the Frontier acquisition due to a reduction in the Greek future income tax rates from 25% to 20%.

Non-controlling interest
We reported a charge of $5.1 million in 2008 related to our joint venture partners' 10% interest in TJS (2007 – nil).

8. Summary of Quarterly Results

	($000 except per share amounts)			
	Year ended December 31, 2008			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue	65,148	68,238	82,462	72,383
Net income (loss)	100,724	17,040	25,155	20,737
Earnings (loss) per share - US$:				
Basic	0.27	0.05	0.07	0.06
Diluted	0.27	0.05	0.07	0.06

	Year ended December 31, 2007			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue	28,512	40,038	76,662	43,487
Net income (loss)	(9,105)	5,213	26,731	12,582
Earnings (loss) per share - US$:				
Basic	(0.03)	0.02	0.08	0.04
Diluted	-	0.02	0.08	0.04

The first quarter of 2007 included the first two months of commercial production at TJS. The third and fourth quarter of 2007 were impacted by the temporary shutdown of Kişladağ resulting from the suspension of operations from August 18, 2007 to March 6, 2008. The fourth quarter of 2008 included the $72.5 million gain ($0.21 per share) on the sale of São Bento.

9. Outlook

Eldorado plans to produce 325,000 to 340,000 ounces in 2009 at a cash operating cost of approximately $300 per ounce. Production is expected to increase at Kişladağ by approximately 40,000 to 50,000 ounces from the 2008 total of 190,334 ounces as a result of operating the mine for a full year. On the other hand, production at TJS is expected to decrease approximately 20,000 ounces from the 2008 total of 118,468 ounces due to an expected decrease in Q1 2009 production resulting from the commissioning of the sulphide ore processing facility. Assumptions used to forecast total cash costs for 2009 include: exchange rates of Cdn$1.10 = US$1.00, Brazilian Real 2.00 = US$1.00, Turkish Lira 1.45 = US$1.00, and Chinese RMB 6.50 = US$1.00; and diesel fuel = US$1.52 per liter (Kişladağ only).

Capital expenditures for 2009 are forecast at $117.1 million, including $84.8 million at Efemçukuru, $11.1 million at TJS, $10.0 million at Kişladağ, $10.6 million at Vila Nova and $0.6 in other. Exploration expenditures in 2009 are expected to amount to $18.4 million, of which $12.4 million will be expensed, with efforts focused on Tocantinzinho, TJS and general exploration in Turkey. General and administrative expense is forecast at $31.6

million for the year. Depreciation and depletion expense is expected to be $34.0 million, and we anticipate an overall effective tax rate of 30%.

10. Financial Instruments and Related Risks

Eldorado manages its exposure to financial risks, including liquidity risk, credit risk, currency risk, interest rate risk and price risk, through a risk management review process. On a quarterly basis, management prepares a risk assessment report outlining the Company's operational and financial risks. The Company's Board of Directors reviews this report with management to evaluate and assess the risks Eldorado is exposed to in various markets and the steps that the Company takes to protect itself against adverse price movements. All transactions undertaken are to support the Company's ongoing business. Eldorado does not acquire or issue derivative financial instruments for trading or speculative purposes.

The following section describes the types of risks that the Company is exposed to and its objectives and policies for managing these risk exposures.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Eldorado has a rigorous planning, budgeting and forecasting process to help determine the funds required to support its normal operating requirements on an ongoing basis and its expansion plans. The Company believes that its anticipated cash flows from operations and its holdings of cash and cash equivalents are sufficient to meet its obligations in 2009 and beyond.

At December 31, 2008, we held $61.8 million in cash and cash equivalents (December 2007 – $46.0 million) and $nil in restricted collateral accounts (December 2007 – $65.7 million), which securitize debt of $nil (December 2007 – $65.0 million).

Credit risk
Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. Credit risk is primarily associated with trade receivables; however, it also arises on cash and cash equivalents. To mitigate exposure to credit risk on financial assets, we have established policies to ensure counterparties demonstrate minimum acceptable credit worthiness and to ensure liquidity of available funds. The Company also monitors its concentration of credit risk.

Eldorado closely monitors its financial assets. We sell our products exclusively to large international financial institutions and other organizations with strong credit ratings, and payment is normally in advance or within one week of receipt of shipment. The historical level of customer defaults is negligible, and as a result, the credit risk associated with trade receivables at December 31, 2008 is considered to be negligible. We invest our cash and cash equivalents in major financial institutions and in government issuances in accordance with our short-term investment policy, and the credit risk associated with our investments is considered to be low.

As a result of current global financial conditions, numerous financial institutions have gone into bankruptcy or have been rescued by government authorities. As such, the Company is subject to the risk of loss of its deposits with financial institutions that hold the Company's cash. As at December 31, 2008, approximately 55% of the Company's cash and cash equivalents were with one financial institution.

Eldorado's maximum exposure to credit risk at December 31 was as follows:

	(000s)	
	2008	**2007**
	$	**$**
Cash and cash equivalents	61,851	46,014
Accounts receivable	36,109	28,720

The increase in accounts receivable from 2007 related to the sale of AngloGold shares in the amount of $16.2 million. This balance was received in January 2009. The remaining balance related to Turkish value added tax credits and subsidies, mining contractor advances and prepaid land leases and insurance premiums.

Market risk

a. Currency risk

Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs that Eldorado incurs in its operations. Gold is sold in US dollars and the Company's costs are incurred principally in US dollars, Canadian dollars, Turkish lira, Brazilian real and Chinese renminbi. The appreciation of non-US dollar currencies against the US dollar can increase the cost of gold production and capital expenditures in US dollar terms. We also hold cash and cash equivalents that are denominated in non-US dollar currencies that are subject to currency risk. Accounts receivable and other current and long-term assets denominated in non-US dollars relate to goods and services taxes, income taxes, value added taxes and insurance receivables. As a result of the acquisitions of Afcan Min ing Corporation ("Afcan") and Frontier assets in 2005 and 2007 respectively, we recorded $56.6 million of future income tax liabilities on mining interests that are recorded in local currencies. The future income tax liabilities are monetary items that are revalued each period-end at current exchange rates, with the gain or loss recorded in net earnings in the period.

The Company is exposed to currency risk through the following financial assets and liabilities, value added tax and other taxes recoverable and future income tax asset and liabilities denominated in currencies other than US dollars at December 31, 2008:

	($000s)						
	Canadian dollar	**Australian dollars**	**Euro**	**Turkish lira**	**Chinese renminbi**	**Brazilian real**	**Peruvian sol**
Cash and cash equivalents	4,618	70	139	1,280	48,453	3,487	415
Marketable securities	14,804	-	-	-	-		
Accounts receivable and other	1,902	78	357	12,733	44,426	830	-
Future income tax receivable	-	-	-	-	1,197	-	-
Accounts payable and accrued liabilities	(8,549)	-	(153)	(14,233)	(155,879)	(2,113)	(165)
Future Income tax liabilities	-	-	(26,390)	(15,302)	(88,144)	(2,826)	-
Net balance	12,775	148	(26,047)	(15,522)	(149,947)	(622)	250
Equivalent in US dollars	10,489	103	(36,462)	(10,140)	(22,025)	(277)	112

During the year ended December 31, 2008, Eldorado recognized a loss of $0.2 million (2007 – $4.7 million gain) on foreign exchange. Included in this amount was a $4.0 million gain resulting from the revaluation of future income taxes denominated in currencies other than US dollars (2007 – nil). Based on the above net exposures at December 31, 2008, a 10% depreciation or appreciation of the above currencies against the US dollar would result in a $5.8 million increase or decrease in our after-tax net earnings. Eldorado currently does not hedge to reduce risks associated with currency fluctuation.

b. Interest rate risk

Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. The Company's debt is not exposed to interest rate cash flow risk as the interest rate has been fixed at the time of each drawdown. As at December 31, 2008, Eldorado had an outstanding $0.1 million debt to Sino Gold Mining Limited ("Sino Gold") related to our acquisition of Afcan. The approximate average interest rate earned by the Company in 2008 on its cash and cash equivalents was 2.36% (2007 – 5.17%). A 10% increase or decrease in the interest earned from financial institutions on deposits and money market investments held at December 31, 2008 would result in a $0.1 million increase or decrease in our after-tax net earnings.

The status of our financing arrangements and obligations is as follows:

In April 2005, Tüprag entered into a $65.0 million term revolving credit facility (the "Revolving Credit Facility") with HSBC due February 28, 2010. The Revolving Credit Facility is secured by Eldorado cash deposits in restricted accounts equivalent to the HSBC advances to Tüprag. The Revolving Credit Facility bears interest fixed at the prevailing LIBOR on the date of the draw plus 1.25%. As at December 31, 2008, the Company has repaid all the amounts drawn previously on the facility.

At December 31, 2008, $65.0 million remained available under the Revolving Credit Facility.

In November 2007, our 90% owned subsidiary QDML entered into a $15.0 million revolving facility ("the Facility") with HSBC Bank (China). The Facility has a term of one year and is subject to annual review and renewal. In November 2008, the Facility was renewed for a second year and the interest rate is fixed at 1.2 times the prevailing lending rate stipulated by the People's Bank of China.

At December 31, 2008, $15.0 million remained available under the Revolving Credit Facility. Subsequent to year-end, QDML drew down $0.5 million under the Facility.

c. Price risk

Price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Eldorado's profitability depends on the price of gold, which is affected by numerous factors such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the US dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of the world's major gold-producing countries. A 10% increase or decrease in the price of gold would result in approximately a $20.0 million increase or decrease in our after-tax net earnings based on the expectations and assumptions we used in our 2009 outlook.

At present, Eldorado does not hedge gold sales.

The costs relating to Eldorado's production, development and exploration activities vary depending on the market prices of certain mining consumables, including diesel fuel and electricity. A 10% increase or decrease in diesel fuel market prices would result in approximately a $1.0 million decrease or increase in our after-tax net earnings. We are evaluating a hedge against diesel fuel price fluctuations. Electricity is regionally priced in Turkey and China and semi-regulated by the federal governments of those countries. The regulation of electricity reduces the risk of price fluctuations and we therefore do not contemplate entering into contracts to hedge against such risk.

Defined benefits plans

During the year ended December 31, 2008, the company implemented a defined benefit pension program with two components: a registered pension plan ("the Pension Plan") and a non-registered supplementary pension plan ("the SERP"). These plans, which are only available to certain qualifying employees, provide benefits based on an employee's years of service and final average earnings at retirement. Annual contributions to these plans are actuarially determined and made at or in excess of minimum requirements prescribed by legislation. The Company is not required to pre-fund any benefit obligation under the SERP. Total cash payments for pension benefits for 2008, including cash contributed to the Pension Plan and the SERP were $3.8 million. We expect to contribute $0.1 million to the Pension Plan and $1.3 million to the SERP in 2009 based on minimum funding requirements.

Capital resources

During the year ended December 31, 2008, Eldorado invested $124.0 million in capital expenditures and mine development. At Kişladağ, capital expenditures totalling $27.3 million related mostly to the Phase II expansion program. Capital expenditures at Tanjianshan totalling $38.9 million related to the sulphide ore processing construction project and stripping of the JLG pit. At Efemçukuru, development expenditures totalled $14.3 million, while at Vila Nova we spent $31.0 million on mine construction and development. We also spent $5.3 million on Tocantinzinho (including $3.4 million related to the Brazauro units purchased as part of the option agreement) and

$4.2 million on mineral licenses in Turkey. The remaining $3.0 million of expenditures relate to Perama Hill, and the acquisition of fixed assets in Vancouver, Canada and Ankara, Turkey.

During Q4 2008 we received $25.5 million on the sale of AngloGold shares.

In 2008, we received net proceeds of $14.7 million in consideration for issuing 3,730,155 common shares related to the exercise of stock options.

At December 31, 2008, we had cash and cash equivalents of $61.8 million and working capital of $184.8 million, compared with $46.0 million of cash and cash equivalents and working capital of $97.6 million at the beginning of the year. In the opinion of management, the working capital at December 31, 2008, together with future cash flows from operations, is sufficient to support the Company's commitments. The Company's total planned capital expenditures for 2009, with a focus on bringing Efemçukuru to commercial production by Q3 2010, are forecasted to be $117.1 million. These expenditures will be funded partly by cash flows from operations and partly from the sales proceeds of the AngloGold Ashanti shares received by the Company from the sale of São Bento.

Looking beyond 2009, Eldorado's cash flows from operations are expected to significantly increase with commercial production at Efemçukuru and are expected to be sufficient to support currently planned expansions and growth.

Acquisitions of additional mineral resource properties may require additional capital. Our ability to pursue growth through acquisitions will depend on our ability to obtain financing through joint venture projects, debt financing and equity financing or other means. There is no assurance that we will be successful in obtaining the required financing.

Contractual obligations and guarantees

In the normal course of business, we enter into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of our financial liabilities and operating and capital commitments at December 31, 2008:

	(000s)					
	2009 $	**2010 $**	**2011 $**	**2012 $**	**2013 and later $**	**Total $**
Debt	150	-	-	-	-	150
Capital leases	65	65	36	23	-	189
Operating leases	2,336	2,016	1,877	1,860	2,140	10,229
Purchase obligations	33,805	11,557	11,498	11,476	-	68,336
Totals	36,356	13,638	13,411	13,359	2,140	78,904

Purchase obligations from 2010 forward relate solely to Kişladağ, including the estimated commitments under the unhedged diesel fuel purchase commitments for 2010 through 2012. Imputed interest relating to the Sino Gold loan is included in the debt commitment.

11. Off-Balance Sheet Arrangements

None.

12. Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Management has identified the following critical accounting policies and estimates. Note 2 of the Company's consolidated financial statements describe all of the significant accounting policies.

Inventories
Finished goods, work-in-process, heap leach ore and stockpiled ore are valued at the lower of average production cost and net realizable value.

We record the cost of mining ore stacked on our leach pads and in process at our mines as work-in-process inventory, which we value at the lower of cost and estimated net realizable value. These costs are charged to earnings and included in cost of sales on the basis of ounces of gold recovered. The assumptions used to value work-in-process inventories include estimates of gold contained in the ore stacked on leach pads, assumptions of the amount of gold stacked that is expected to be recovered from the leach pads, the amount of gold in the mill circuits and an assumption of the gold price expected to be realized when the gold is recovered. If these estimates or assumptions prove inaccurate, we could be required to write down the recorded value of our work-in-process inventories, which would reduce our earnings and working capital. At December 31, 2008, the average cost of inventory was significantly below its net realizable value.

Reserves and resources
Mineral reserves and resources are calculated in accordance with National Instrument 43-101, as required by Canadian Securities regulatory authorities. For United States reporting purposes, Industry Guide 7 (under the *Securities Exchange Act* of 1934, as interpreted by the staff of the Securities and Exchange Commission ("SEC")) applies different standards to classify mineralization as a reserve.

We advise our investors that while the terms "mineral resource," "measured mineral resource," "indicated mineral resource" and "inferred mineral resource" are recognized and required by Canadian regulations, they are not defined terms under standards in the United States and normally are not permitted to be used in reports and registration statements filed with the SEC. As such, information contained in this report concerning descriptions of mineralization and resources required under Canadian standards may not be comparable to similar information made public by US companies in SEC filings. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves.

Mining interests
A significant portion of Eldorado's mining properties, plant and equipment is depreciated and amortized on a unit-of-production basis. Under the unit-of-production method, the calculation of depreciation, depletion and amortization of mining properties, plant and equipment is based on the amount of reserves expected to be recovered

from each location. If these estimates of reserves prove to be inaccurate, or if we revise our mining plan for a location due to reductions in the metal price forecasts or otherwise, to reduce the amount of reserves expected to be recovered, we could be required to write down the recorded value of our mining properties, plant and equipment, or to increase the amount of future depreciation, depletion and amortization expense, both of which would reduce our earnings and net assets.

In addition, generally accepted accounting principles require us to consider at the end of each period whether there has been an impairment of our capitalized mining properties, plant and equipment. For producing properties, this assessment is based on expected future net cash flows to be generated from the location. For non-producing properties, this assessment is based on whether factors that may indicate the need for a write-down are present. If the Company determines there has been an impairment because its prior estimates of future net cash flows have proven to be inaccurate, due to reductions in the metal price forecasts, increases in the costs of production, reductions in the amount of reserves expected to be recovered or otherwise, or because the Company has determined that the deferred costs of non-producing properties may not be recovered based on current economics or permitting considerations, the Company would be required to wr ite down the recorded value of its mining properties, plan and equipment, which would reduce the Company's earnings and net assets. A review of Eldorado's mining properties, plant and equipment at December 31, 2008 indicated that their estimated undiscounted net cash flows are significantly in excess of their carrying values. In our review, we used an average projected gold price of $895 per ounce for the period 2009 to 2013 and $750 per ounce from 2014 onwards.

Goodwill and impairment testing
The Company's business combinations are accounted for using the purchase method of accounting whereby assets acquired and liabilities assumed are recorded at their fair market values as of the date of acquisition and any excess of the purchase price over such fair value is recorded as goodwill.

The Company evaluates on an annual basis the carrying amount of goodwill to determine whether current events and circumstances indicate that such carrying amount may no longer be recoverable. To accomplish this, the Company compares the fair value of its reporting units to their carrying amounts. If the carrying value of a reporting unit exceeds its fair value, the Company compares the implied fair value of the reporting unit's goodwill to its carrying amount, and any excess of the carrying value over the fair value is charged to operations. Assumptions underlying the fair value estimates are subject to significant risks and uncertainties. Goodwill totalling $2.2 million related to TJS was reflected on the consolidated balance sheet at year-end 2008. A review of TJS's fair value indicated that there was no impairment of goodwill at December 31, 2008. We used a discount rate of 9% to calculate the net present value of cash flows f rom TJS in order to estimate its implied fair value.

Operating costs
We report our operating costs in accordance with the Gold Institute Standard. Future operating costs include estimates of foreign currency exchange and inflation trends.

Stock-based compensation
We use the Black-Scholes Model to determine the fair value for awards of stock options to employees, officers and directors. Key assumptions used in this model are share price, volatility and expected life of options.

Asset retirement obligation
When assessing the carrying value of the asset retirement obligation, we estimate, among other things, the mine closure date, the credit-adjusted risk-free rate, the inflation rate and the timing of reclamation costs.

Income taxes
Income taxes are recorded using income tax rates expected to apply in the years in which the temporary differences are estimated to be recovered or settled. In circumstances where the applicable tax laws and regulations are either unclear or subject to varying interpretations, it is reasonably possible that changes in these estimates could occur that would materially affect the amount of income tax liabilities recorded at the balance sheet date.

Financial instruments
Investments classified as held for trading and derivative financial instruments are reported at fair value with unrealized gains or losses included in earnings. Fair values are determined directly by reference to published price quotations in an active market when available, or by using a valuation technique that uses inputs observed from the market.

Pension plans
To measure the obligations and expenses of pension plans, we are required to set various actuarial assumptions including a long-term estimate of the expected rate of return on plan assets, the discount rate, the rate of salary escalation and the average remaining service period of active employees expected to receive benefits. The following table outlines the key assumption of our pension plans:

	December 31, 2008	
	Pension Plan	**SERP**
Expected long term rate of return on plan assets	6.50%	6.50%
Discount rate beginning of year	5.25%	5.25%
Discount rate end of year	7.50%	7.50%
Rate of salary escalation	4.50%	4.50%
Average remaining service period of active employees expected to receive benefits	5 years	5 years

13. Future Canadian Accounting Pronouncements

The CICA has issued three new standards and an EIC abstract that may affect Eldorado's financial disclosures and results of operations for interim and annual periods beginning January 1, 2009, 2010 and 2011. We will adopt the requirements beginning in the interim period ended March 31, 2009, 2010 and 2011 and we are considering the impact this will have on our financial statements.

Goodwill and Intangible Assets (Section 3064)
In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Other Intangible Assets". This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets and is effective beginning January 1, 2009. Concurrent with the adoption of this standard, EIC-27, "Revenues and Expenditures in the Pre-operating Period", will be withdrawn. This will result in a change to our accounting for the start-up of mining operations, as pre-commercial production costs will no longer be capitalized as an asset. The adoption of this new accounting policy will not have any material impact on the Company's consolidated financial statements.

Business Combinations (Section 1582)
In January 2009, the CICA issued Handbook Section 1582, "Business Combinations" ("CICA 1582"). CICA 1582 requires that all assets and liabilities of an acquired business be recorded at fair value at acquisition. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period on or after January 1, 2011.

Consolidations (Section 1601) and Non-Controlling interest (Section 1602)
In January 2009, the CICA issued Handbook Section 1601, "Consolidations" ("CICA 1601"), and Section 1602, "Non-Controlling Interests" ("CICA 1602"). CICA 1601 establishes standards for preparing consolidated financial statements and CICA 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of the new standard on its consolidated financial statements.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities (EIC Abstract 173)
In January 2009, the CICA issued EIC Abstract 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". The EIC requires the Company to take into account the Company's own credit risk and the credit risk of the counterparty in determining the fair value of financial assets and financial liabilities, including derivative instruments. This abstract applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2010. We are currently assessing the impact of the new standard on our consolidated financial statements.

International Financial Reporting Standards ("IFRS")
We have established a changeover plan to adopt IFRS by 2011 and have created an implementation team. The implementation team has started the process of assessing accounting policy choices and elections that are allowed under IFRS. We are also assessing the impact of the conversion on our business activities, including the effect on information technology and data systems, internal controls over financial reporting and disclosure controls. We will continually review and adjust our changeover plan to ensure our implementation process properly addresses the key elements of the plan.

14. Other Risks and Uncertainties

Exploration and development
The costs and results of our exploration and development programs affect our profitability and value. Since mines have finite lives based on proven reserves, we actively seek to replace and expand our reserves, primarily through recognizance exploration and acquiring, exploring and developing our existing operations. Exploration for minerals involves many risks and may not result in any new economically viable mining operations or yield new reserves to replace and expand current reserves. Determination of reserves is a process of estimation and, as such, reserve calculations are subject to the assumptions and limitations of the estimation process.

Acquiring title to mineral properties is a detailed and time-consuming process. We take steps, in accordance with industry standards, to verify and secure legal title to mineral properties in which we have or are seeking an interest. Although we take every precaution to ensure that legal title to our properties is properly recorded in the name of

Eldorado, there can be no assurance that such title will ultimately be secured on every property. The legal title to our properties depends on the appropriate and consistent application of the laws in the countries in which we operate.

Operations
The business of gold mining involves many operational risks and hazards. We work to reduce the risks associated with our projects through high operational standards, an emphasis on hiring and training appropriately skilled personnel and operational improvements. We also maintain adequate insurance to cover normal business risk.

We also rely on a number of key employees. Our success depends on attracting and retaining qualified personnel in a competitive labour environment.

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

While we have budgeted for future capital and operating expenditures to maintain compliance with environmental laws and permits, any future changes to these laws could adversely affect Eldorado's financial condition, liquidity or results of operations.

Laws and regulations
Eldorado's mining operations and exploration activities are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. These laws and regulations are subject to change, which may restrict our ability to operate. We draw on the expertise and commitment of our management team, advisors, employees and contractors to ensure compliance with current laws, and we foster a climate of open communication and co-operation with regulatory bodies.

Litigation
All industries, including the mining industry, are subject to legal claims, with and without merit. In addition to the litigation in Turkey as described under Item 6 – Legal of this MD&A and under the heading "Development Projects – Turkey Projects" in the Company's Annual Information Form and the litigation risks discussed therein, we are also involved in various legal proceedings. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on our future cash flow, results of operations or financial condition.

Political risk
Eldorado conducts operations in a number of countries outside of North America, namely Turkey, China, Brazil and Greece. These operations are potentially subject to a number of political, economic and other risks that may affect our future operations and financial position.

15. Non-GAAP Measures

Throughout this document, we have provided measures prepared according to Canadian generally accepted accounting principles (GAAP), as well as some non-GAAP performance measures. Because the non-GAAP performance measures do not have any standardized meaning prescribed by GAAP, they may not be comparable to similar measures presented by other companies. We provide these non-GAAP measures as they are used by some investors to evaluate Eldorado's performance. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP. We have defined the non-GAAP measures below and reconciled them to reported GAAP measures.

Unit costs
A reconciliation of cash operating costs calculated in accordance with the Gold Institute Standard to the cost of sales is included below:

Cash operating cost	**($000s, except cash operating cost per ounce)**		
	2008	**2007**	**2006**
Gold ounces sold	316,918	266,012	127,552
Operating costs	$92,004	$72,691	$45,850
Royalty expense and production taxes	(10,117)	(7,343)	(824)
Effects of inventory adjustments	625	(979)	(771)
Fair value of stock option grants	(1,526)	(1,504)	(359)
Expense of contractual severance costs	-	-	(1,377)
Expense of certain development costs	-	(113)	(1,129)
Cash operating cost	$80,986	$62,752	$41,390
Cash operating cost per ounce	$ 257	$ 236	$ 324

Cash operating costs are calculated in accordance with the Gold Institute Standard. Cash costs are derived from amounts included in the Consolidated Statements of Operations.

16. Other MD&A Requirements

Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com.

17. Disclosure of Outstanding Share Data

The following table describes the share capital structure as at March 18, 2009, the date of this MD&A. These figures may be subject to minor accounting adjustments prior to presentations in future consolidated financial statements.

Equity Type	Weighted average exercise price per share Cdn$	Total number of common shares
Common shares		370,329,056
Share purchase options	5.93	11,650,887

18. Control and Procedures

Disclosure controls and procedures
Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures, as defined in the rules of the U.S. Securities and Exchange Commission and Canadian Securities Administration, as at December 31, 2008. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective to a reasonable assurance standard to ensure that information required to be disclosed in reports filed or submitted by the Company under United States and Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules.

Management's report on internal control over financial reporting
The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of the Company's internal control over financial reporting. Based on this assessment, management has concluded that as at December 31, 2008, the Company's internal control over financial reporting was effective.

On July 7, 2008, we completed our acquisition of Frontier Pacific Mining Corporation ("Frontier"). We consider the acquisition of Frontier non-material to our results of operations, financial position and cash flows from the date of acquisition through December 31, 2008, and believe that the internal controls and procedures at Frontier have a non- material effect on our internal control over financial reporting. We are in the process of integrating the Frontier operations and will be expanding our internal control over financial reporting compliance program to include Frontier over the next year. We excluded Frontier from our annual assessment of internal control over financial reporting for the year ended December 31, 2008 as permitted by the Sarbanes-Oxley Act and applicable rules

relating to business acquisitions. The Frontier operations represent $220 million of total assets and $nil of consolidated revenues as at and for the year ended December 31, 2008

Management's assessment of the effectiveness of internal control over financial reporting has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, who have expressed their opinion in their report included with the Company's annual consolidated financial statements.

Changes in internal control over financial reporting
There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2008 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

19. Cautionary Statement on Forward-Looking Information

Certain statements and information in this MD&A, including all statements that are not historical facts, contain forward-looking statements and forward-looking information within the meaning of applicable US and Canadian securities laws. Such forward-looking statements or information include, but are not limited to, statements or information with respect to financial disclosure, the future price of gold, estimation of mineral reserves and exploration and development capital requirements, and our goals and strategies. Often, these statements include words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or resul ts "may", "could", "would", "might" or "will" be taken, occur or be achieved.

With respect to forward-looking statements and the information included in this MD&A, we have made numerous assumptions, including, among other things, assumptions about the price of gold, anticipated costs and expenditures and our ability to achieve our goals, even though our management believes that the assumptions made and the expectations represented by such statements or information will prove to be accurate. By their nature, forward-looking statements and information are based on assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: gold price volatility; discrepancies between actual and estimated produc tion and mineral reserves and resources; the speculative nature of gold exploration; mining operational and development risk; and regulatory risks.

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

Eldorado's consolidated financial statements are prepared in accordance with Canadian GAAP and are filed with appropriate regulatory authorities in Canada and the United States.

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants
PricewaterhouseCoopers Place
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Canada V6C 3S7
Telephone +1 604 806 7000
Facsimile +1 604 806 7806

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the inclusion in this Annual Report on Form 40-F of Eldorado Gold Corporation for the year ended December 31, 2008 of our report dated March 18, 2009 relating to the consolidated balance sheets of Eldorado Gold Corporation as at December 31, 2008 and December 31, 2007, and the related consolidated statements of operations and deficit, comprehensive income and cash flows for each of the years in the three year period ended December 31, 2008 and the effectiveness of internal control over financial reporting of Eldorado Gold Corporation as at December 31, 2008.

PricewaterhouseCoopers LLP

Chartered Accountants
Vancouver, BC, Canada
March 18, 2009

"PricewaterhouseCoopers" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership, or, as the context requires, the PricewaterhouseCoopers global network or other member firms of the network, each of which is a separate and independent legal entity.

To the Board of Directors of Eldorado Gold Corporation:

I hereby consent to the incorporation by reference in this annual report on Form 40-F of March 31, 2009 for the year ended December 31, 2008 of the description of the reports titled Updated Reserve Report for the Kisladag Gold Project, Western Turkey, dated April 18, 2002, revised May 9, 2002; Update of Resources, Kisladag Project, Usak, Turkey, dated October 11, 2000, amended November 30, 2000 and January 23, 2001; Addendum to October 1999 Report titled Estimation of Resources, Kisladag Gold Project, Usak, Turkey, dated May 15, 2000 (including Micon Map 1 & 2 of Project); and Estimation of Resources, Kisladag Gold Project, Usak, Turkey, October 1999 (the "Technical Reports") and of extracts from or a summary of the Technical Reports in written disclosure filed by Eldorado Gold Corporation and the description of certain mineral resource estimates and other information pertaining to the "Kisladag" project and to the use of my name in this annual report as a named expert.

Dated as of this 31st day of March 2009.

G H Giroux

Gary Giroux, P. Eng. MASc.



RSG Global Consulting Pty Ltd
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We're merging with

A Coffey International Limited company

Consent of Author

To the Board of Directors of Eldorado Gold Corporation

I hereby consent to the incorporation by reference in this annual report on Form 40-F of March 31, 2009 for the year ended December 31, 2008 of the description of the reports titled Tanjianshan Gold Project, China, Technical Report for Eldorado Gold Corporation, September 2005, revised January 30, 2006 with an effective date of September 2005 and Tanjianshan Gold Project, Qinghai Province, China, Bankable Feasibility Study Report for Afcan Mining Corp., April 2005 (the "Technical Reports") and of extracts from or a summary of the Technical Reports and to the use of my name under this annual report as a named expert.

Dated as of this 31st day of March 2009

John Hearne

WARDROP

March 31, 2009

Eldorado Gold Corporation
1188 Bentall 5
550 Burrard Street
Vancouver, B.C.
V6C 2B5

Dear Sir or Madam

Subject Letter of Consent

Andy Nichols
Suite 800, 555 West Hastings Street
Vancouver, B.C.
V6B 1M1
604-408-3788

Consent of Author

To the Board of Directors of Eldorado Gold Corporation

I hereby consent to the incorporation by reference in this annual report on Form 40-F as of March 31, 2009 for the year ended December 31, 2008 of the description of the report titled Efemçukuru Project, Turkey, Technical Report on the Efemçukuru Project for Eldorado Gold Corporation, August 2007, with an effective date of August 1, 2007 (the "Technical Report") and of extracts from or a summary of the Technical Reports in written disclosure filed by Eldorado Gold Corporation and to the description of certain mineral reserves of the Efemçukuru Mine and to the use of my name in this annual report as a named expert.

Dated as of this 31st day of March 2009

Andy Nichols,P.Eng.
Mining Engineer

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WARDROP

March 31, 2009

Eldorado Gold Corporation
1188 Bentall 5
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Vancouver, B.C.
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Dear Sir or Madam

Subject Letter of Consent

Andre De Ruijter
Suite 800, 555 West Hastings Street
Vancouver, B.C.
V6B 1M1
604-408-3788

Consent of Author

To the Board of Directors of Eldorado Gold Corporation

I hereby consent to the incorporation by reference in this annual report on Form 40-F as of March 31, 2009 for the year ended December 31, 2008 of the description of the report titled Efemçukuru Project, Turkey, Technical Report on the Efemçukuru Project for Eldorado Gold Corporation, August 2007, with an effective date of August 1, 2007 (the "Technical Report") and of extracts from or a summary of the Technical Reports in written disclosure filed by Eldorado Gold Corporation and to the use of my name in this annual report as a named expert.

Dated as of this 31st day of March 2009

Andre De Ruijter, P.Eng.
Senior Metallurgist
Wardrop Engineering Inc.

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Vancouver, British Columbia V6B 1M1
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WARDROP

March 31, 2009

Eldorado Gold Corporation
1188 Bentall 5
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Vancouver, B.C.
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Dear Sir or Madam

Subject Letter of Consent

Rick Alexander
Suite 800, 555 West Hastings Street
Vancouver, B.C.
V6B 1M1
604-408-3788

Consent of Author

To the Board of Directors of Eldorado Gold Corporation

I hereby consent to the incorporation by reference in this annual report on Form 40-F as of March 31, 2009 for the year ended December 31, 2008 of the description of the report titled Efemçukuru Project, Turkey, Technical Report on the Efemçukuru Project for Eldorado Gold Corporation, August 2007, with an effective date of August 1, 2007 (the "Technical Report") and of extracts from or a summary of the Technical Reports in written disclosure filed by Eldorado Gold Corporation and to the use of my name in this annual report as a named expert.

Dated as of this 31st day of March 2009

Richard Alexander, P.Eng
Senior Mechanical Engineer
RPM Technical Services Ltd

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CONSENT OF LUKE EVANS

Board of Directors
Eldorado Gold Corporation

I consent to the incorporation by reference in this annual report on Form 40-F of March 31, 2009 for the year ended December 31, 2008, of the description of the report titled "Report on Perama Hill Gold Deposit Mineral Resources Estimate" dated January 27, 2004 and revised May 13, 2004 and to the written disclosures of the Technical Report and of extracts from or a summary of the Technical Report in the written disclosure filed by Eldorado Gold Corporation and the description of certain mineral resource estimates and other information pertaining to the Perama Hill Gold Deposit and to the use of my name in this annual report as a named expert.

Dated as of this 31st day of March, 2009

(Signed) "Luke Evans"

Luke Evans, M.Sc., P.Eng.
Consulting Geological Engineer
Supervisor, Resource Estimation
Scott Wilson Roscoe Postle Associates Inc.

Eldorado Gold Corporation
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E-mail: info@eldoradogold.com

eldoradogold

Consent of Richard Miller
Manager, Mine Engineering
Eldorado Gold Corporation

To the Board of Directors of Eldorado Gold Corporation,

I hereby consent to the incorporation by reference in this annual report on Form F-40 of March 31, 2009 for the year ended December 31, 2008, of the description of the reports which were prepared under my direct supervision, the description of certain mineral reserves of the Tanjianshan Mine as at December 31, 2008 and the Kisladag Mine as at December 31, 2008 and of extracts from or a summary of the Reports and other information pertaining to the Tanjianshan Mine and to the Kisladag Mine and to the use of my name as a named expert in this annual report as a named expert.

Dated as of this 31st day of March 2009.

Richard Miller, P. Eng.

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E-mail: info@eldoradogold.com

eldoradogold

Consent of Norman Pitcher
Chief Operating Officer
Eldorado Gold Corporation

To the Board of Directors of Eldorado Gold Corporation

I hereby consent to the incorporation by reference in this annual report on Form 40-F of March 31, 2009 for the year ended December 31, 2008 of the description of the reports which were prepared under my direct supervision, the description of certain mineral reserves of the Tanjianshan Mine as at December 31, 2007 and the Kisladag Mine as at December 31, 2007 and of extracts from or a summary of the Reports and other information pertaining to the Tanjianshan Mine and to the Kisladag Mine and to the use of my name as a named expert in this annual report.

Dated as of the 31st day of March 2009

Norman Pitcher, P. Geo.

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eldoradogold

Consent of Stephen Juras
Manager, Geology
Eldorado Gold Corporation

To the Board of Directors of Eldorado Gold Corporation

I hereby consent to the incorporation by reference in this annual report on Form 40-F of March 31, 2009 for the year ended December 31, 2008 of the description of the reports which were prepared under my direct supervision, the description of all mineral resources of the Company with the exception of Perama Measured and Indicated and of extracts from or a summary of the Reports and of certain mineral resource estimates and other information pertaining to these projects and to the use of my name in this annual report as a named expert.

Dated as of the 31st day of March 2009

Stephen Juras, P. Geo.
Manager Geology

Eldorado Gold Corporation