



ELDORADO GOLD
C O R P O R A T I O N

March 31, 2002

Report to Shareholders

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Eldorado Gold Corporation
Consolidated Balance Sheets
Expressed in thousands of U.S. dollars

	March 2002	March 2001	December 31 2001
	(unaudited)	Restated (unaudited)	(audited)
ASSETS			
Current Assets			
Cash	\$ 9,369	\$ 3,196	\$ 4,752
Restricted cash	1,005	5,339	475
Accounts receivable	3,399	4,382	3,747
Inventories	6,151	4,666	5,069
	<u>19,924</u>	<u>17,583</u>	<u>14,043</u>
Mine property, plant and equipment	65,758	69,753	66,495
Mineral properties and deferred development	31,389	29,764	30,673
Investments and advances	122	272	122
Other assets and deferred charges	1,371	1,579	1,961
	<u>\$ 118,564</u>	<u>\$ 118,951</u>	<u>\$ 113,294</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 11,634	\$ 6,835	\$ 11,769
Current portion of long term debt (Note 4)	2,743	6,176	6,243
	<u>14,377</u>	<u>13,011</u>	<u>18,012</u>
Provision for reclamation costs	3,467	3,467	3,467
Deferred gain	4,633	5,421	5,621
Future income taxes	185	169	178
Convertible debentures	8,532	8,348	8,482
Long term debt (Note 4)	3,677	16,611	9,103
	<u>34,871</u>	<u>47,027</u>	<u>44,863</u>
SHAREHOLDERS' EQUITY			
Share capital (Note 5)	316,636	316,367	316,406
Special warrants (Note 5)	14,648	-	-
Equity portion of convertible debentures	1,400	1,400	1,400
Deficit	(248,991)	(245,843)	(249,375)
	<u>83,693</u>	<u>71,924</u>	<u>68,431</u>
	<u>\$ 118,564</u>	<u>\$ 118,951</u>	<u>\$ 113,294</u>

Approved by the Board

"Paul N. Wright"

Director

"Wayne D. Lenton"

Director

Eldorado Gold Corporation
Consolidated Statements of Operations and Deficit
Expressed in thousands of U.S. dollars except per share amounts

	Three months ended	
	March 31	
	2002	2001
		Restated
	(unaudited)	(unaudited)
Revenue		
Gold sales	\$ 5,936	\$ 9,332
Interest and other income	1,159	122
	<u>7,095</u>	<u>9,454</u>
Expenses		
Operating costs	2,896	6,391
Depletion, depreciation and amortization	2,443	2,206
General and administrative	679	757
Exploration expense	119	136
Interest and financing costs	389	885
Foreign exchange loss	165	196
	<u>6,691</u>	<u>10,571</u>
Profit (loss) before the undernoted items	<u>404</u>	<u>(1,117)</u>
Gain on disposals of mine property, plant and equipment	-	89
Profit (loss) before income taxes	<u>404</u>	<u>(1,028)</u>
Taxes		
Current	(20)	140
Future	-	(203)
Net income (loss) for the period	<u>\$ 384</u>	<u>\$ (1,091)</u>
Deficit at the beginning of the period	(249,375)	(244,752)
Deficit at end of the period	<u>\$ (248,991)</u>	<u>\$ (245,843)</u>
Weighted average number of shares outstanding	<u>102,365,723</u>	<u>86,589,679</u>
Income (loss) per share - U.S.\$	<u>\$ -</u>	<u>\$ (0.01)</u>
Income (loss) per share - CDN.\$	<u>\$ -</u>	<u>\$ (0.02)</u>

Eldorado Gold Corporation
Consolidated Statements of Cash Flows
Expressed in thousands of U.S. dollars

	Three months ended	
	March 31	
	2002	2001
	(unaudited)	Restated (unaudited)
Cash flows from operating activities		
Net Income (loss) for the period	\$ 384	\$ (1,091)
Items not affecting cash		
Depletion, depreciation and amortization	2,443	2,206
Future income taxes	-	203
Gain on disposals of mine property, plant and equipment	-	(89)
Interest and financing costs	50	45
Amortization of hedging gain	(969)	(901)
Amortization of financing fees	27	-
Foreign exchange loss	11	159
	<hr/>	<hr/>
	1,946	532
Decrease (increase) in accounts receivable	348	562
Decrease (increase) in inventories	(1,082)	3
Increase (decrease) in accounts payable and accrued liabilities	(535)	282
Liquidation of hedges	-	2,000
	<hr/>	<hr/>
	677	3,379
Cash flow from investing activities		
Mine property, plant and equipment	(1,524)	(1,364)
Proceeds from disposals of mine property, plant and equipment	-	215
Mineral properties and deferred development	(257)	(322)
Investments and advances	-	5
Restricted cash	(530)	1,714
	<hr/>	<hr/>
	(2,311)	248
Cash flow from financing activities		
Repayment of long term debt	(8,509)	(2,550)
Issue of common shares:		
Voting - for cash	230	-
Special warrants	14,648	-
Other assets and deferred charges	(114)	2
	<hr/>	<hr/>
	6,255	(2,548)
Foreign exchange (loss) gain on cash held in foreign currency	(4)	(183)
	<hr/>	<hr/>
Net Increase (decrease) in cash and cash equivalents	4,617	896
Cash and cash equivalents at beginning of the period	4,752	2,300
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	\$ 9,369	\$ 3,196
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Supplemental cash flow information - (Note 7)		
Interest paid	\$ 124	\$ 547
Income tax paid	\$ 20	\$ 63
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1st Quarter ended March 31, 2002 and 2001 (in thousands of U.S. dollars except per share and per ounce amount)

1. Nature of Operations

Eldorado Gold Corporation ("Eldorado", "the Company") is engaged in gold mining and related activities, including exploration, extraction, processing and reclamation. Gold, the primary product, is produced in Brazil and Exploration activities are carried on in Brazil and Turkey.

Management estimates that the Company has sufficient working capital and anticipated cash flow to meet its planned normal operating expenditures and debt repayments for the next fiscal year. The Company has agreed to further reduce its net debt. (Note 4)

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

2. Significant Accounting Policies

Basis of presentation

These interim financial statements do not conform in all respects to the requirements of generally accepted accounting principles for annual financial statements. These interim financial statements should be read in conjunction with the most recent annual financial statements of the company.

These financial statements follow the same accounting policies and methods of application as the most recent annual financial statements of the company.

Earnings (loss) per share

Earnings (loss) per share amounts are calculated using the weighted average number of shares outstanding during the three months ended of 102,365,723 (Three months 2001 – 86,589,679). Diluted earnings per share are not reported, as they are not materially different from the basic earnings per share.

3. Hedging Commitments

Gold hedging

At March 31, 2002, Eldorado's hedging program consists of the following spot deferred gold contracts

	2002	2003	2004
Forward gold sales contracts (ounces)	33,189	-	-
Average price (\$/oz.)	295	-	-
Deferred gain (\$/oz.)	26	-	-
Total (\$oz.)	<u>321</u>	<u>-</u>	<u>-</u>

The positions held by Eldorado are in the form of spot deferred contracts including 33,189 ounces to be delivered at a rate of 7,500 ounces per month, at a price of \$295.46.

The mark to market value of the Company's hedge position at March 31, 2002 was negative \$200 at a spot price of \$302 per ounce using a contango rate of 1.50%

During the period ended March 31, 2002, the Company bought Put Options for 24,000 ounces of Gold at a strike price of \$275, for a total cost of \$114.

The Put Options expire at a rate of 4,000 ounces per month, starting on March 26, 2002.

The total cost was deferred and it will be taken into income over the term of the Put Options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1st Quarter ended March 31, 2002 and 2001 (in thousands of U.S. dollars except per share and per ounce amount)

4. Long Term Debt

On February 15, 2002 the Company, entered into an agreement (the "Seventh Amendment") with NM Rothschild where among other things, agreed to pay to NM Rothschild a principal payment on the loan facility of an amount equal to 50% of the net proceeds of the February 15, 2002 private placement. On February 19, 2002 a \$7,470 principal payment was made to NM Rothschild. The Company further agreed to deposit \$1,000 in the Company's Reserve Account, make an additional principal payment of \$1,039 on March 31, 2002 which was made and entered into a revised principal repayment schedule in which the Company will make monthly payments of \$200 beginning on April 30, 2002 to January 31, 2003 and \$250 beginning on February 28, 2003. The remaining long term loan balance of \$3,677 is payable in 2003 in monthly installments.

5. Share Capital

On February 15, 2002 the Company completed a private placement of 59,523,810 special warrants at a price of \$0.42 per special warrants. Each special warrant entitles the holder to receive one common share of the Company at no additional cost. In consideration for acting as Eldorado's Underwriters in respect of the sale of the special warrants, the agents will receive a cash commission, and compensation warrants exercisable, without payment of additional consideration, for that number of compensation options equal to 5,952,381 special warrants. The compensation options will be exercisable up until twelve months from the date of the final receipt for the final prospectus at an exercise price of \$0.49 per special warrant. Gross proceeds from the placement were Cdn\$25,000. On February 15, 2002 the funds were released upon receipt of shareholder approval satisfactory to the Toronto Stock Exchange.

Effective January 1, 2002, the Company adopted the new standard for accounting for Stock based Compensation.

As at March 31, 2002, the Company has a share option plan as described below. No compensation expense is recognized for this plan when options are granted pursuant to the plan. Consideration paid for shares on exercise of the share options is credited to share capital.

Stock option plan

The Company established a share purchase option plan ("the Plan") in June 1994. Amendments to the Plan were approved in June 1995, June 1996 and May 2000. The Board of Directors administers the Plan, whereby it may from time to time grant up to a total of 10,200,000 options to directors, officers, employees, consultants or advisors. All options granted under the Plan shall expire not later than the tenth anniversary of the date the options were granted. The exercise price of an option is determined by the Board of Directors, but shall not be less than the common shares of the Company on the Toronto Stock Exchange on the last business day before the date on which the options is granted. Vesting and terms are at the discretion of the Board of Directors.

A summary of the Company's options at March 31, 2002 and the changes for the period ending on that date is presented below:

	Three month ended March 31, 2002	
	Shares	Weighted average exercise price
Outstanding at the beginning of the period	4,479,500	0.51
Granted	1,652,500	0.71
Exercised	(115,000)	0.28
Expired/Cancelled	(584,500)	0.81
Outstanding at the end of the period	5,432,500	0.53
Options exercisable at period end	5,432,500	0.53

Shares	Weighted average exercise price	Weighted average fair value
1,432,500	0.71	0.34
145,000	0.70	0.34
75,000	0.71	0.36

The following table summarizes information about share options outstanding as at March 31, 2002.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1st Quarter ended March 31, 2002 and 2001 (in thousands of U.S. dollars except per share and per ounce amount)

5. Share Capital (continued)

Stock Options			
Range Of Exercise Price (\$)	Number Outstanding At Mar. 31, 2002	Weighted-Average Remaining Contractual Life (years)	Weighted Average Exercise Price (\$)
0.80 to 9.40	242,500	0.5	1.34
0.40 to 1.00	550,000	1.7	0.45
0.50 to 0.65	971,500	2.1	0.53
0.70 to 0.80	110,000	3.2	0.71
0.24 to 0.51	1,906,000	4.5	0.27
0.70 to 0.71	1,652,500	4.9	0.71
0.24 to 9.40	5,432,500	2.20	0.31

Had the company determined compensation costs on this Plan based on the fair value at the grant dates for those share options consistent with the fair value method of accounting for stock –based compensation, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

Net income (loss) for the period	As reported	\$	384
	Pro Forma	\$	(181)
Basic earnings per share	As reported		0.00
	Pro Forma		0.00
Diluted earnings per share	As reported		0.00
	Pro Forma		0.00

The pro forma amounts presented above, do not include the effect of share options granted before January 1, 2002.

The fare values of options included in the pro forma amounts presented above, have been estimated using an option-pricing model. Assumptions used in the pricing model are as follows:

- a) average risk-free interest rate 4.3%
- b) expected life 5 years
- c) expected volatility 50%
- d) expected dividends nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1st Quarter ended March 31, 2002 and 2001 (in thousands of U.S. dollars except per share and per ounce amount)

6. Segmented Information

All of Eldorado's operations are related to the gold mining industry. In 2002 and 2001 Eldorado had one producing mine, São Bento, with mining and exploration assets located in North America, South America and Turkey.

	Three months	
	ended March 31 2002 (unaudited)	ended March 31 2001 (unaudited)
Gold sales		
São Bento Mine	\$ 5,936	\$ 9,332
	<u>5,936</u>	<u>9,332</u>
Operating costs		
São Bento Mine	2,896	6,391
	<u>2,896</u>	<u>6,391</u>
Depletion, depreciation and amortization		
São Bento Mine	2,262	2,104
	<u>2,262</u>	<u>2,104</u>
Corporate expenses, net of interest and other income	(255)	(1,818)
Exploration expense	(119)	(136)
Gain on disposals of mine property, plant and equipment	-	89
Profit (loss) before income taxes	<u>404</u>	<u>(1,028)</u>
Taxes		
Current	(20)	140
Future	-	(203)
Net income (loss) for the period	<u>\$ 384</u>	<u>\$ (1,091)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1st Quarter ended March 31, 2002 and 2001 (in thousands of U.S. dollars except per share and per ounce amount)

6. Segmented Information (continued)

	Three months ended	
	March 31 2002 (unaudited)	March 31 2001 (unaudited)
Revenues by geographic area		
North America	\$ 35	\$ 109
South America	7,060	9,344
Turkey	-	1
Australia	-	-
	\$ 7,095	\$ 9,454
Net income (loss) by geographic area		
North America	\$ (1,055)	\$ (1,619)
South America	1,586	550
Turkey	(136)	(44)
Australia	(11)	22
	\$ 384	\$ (1,091)

	Three months ended		
	March 31 2002 (unaudited)	March 31 2001 (unaudited)	December 31 2001 (audited)
Segment assets			
São Bento Mine	\$ 77,670	\$ 79,393	\$ 78,855
Total assets for reportable segments	77,670	79,393	78,855
Mineral properties and deferred development			
Other	31,389	29,764	30,673
	9,505	9,794	3,766
	\$ 118,564	\$ 118,951	\$ 113,294
Assets by geographic area			
North America	\$ 9,052	\$ 9,019	\$ 3,324
South America	78,250	79,602	79,011
Turkey	31,256	30,329	30,959
Australia	6	1	-
	\$ 118,564	\$ 118,951	\$ 113,294

7. Supplementary Cash Flow Information

	Three months ended	
	March 31, 2002 (unaudited)	March 31, 2001 (unaudited)
Financing activities		
Long term debt backend fees accrual	\$ (83)	\$ (104)
Increase in long term debt	83	104
Interest accrual on convertible debentures	50	45
Convertible debentures	(50)	(45)
	\$ -	\$ -

Management Discussion and Analysis

1st Quarter ended March 31, 2002 and 2001 (in thousands of U.S. dollars except per share and per ounce amounts)

Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Eldorado Gold Corporation (the "Company" or "Eldorado") should be read in conjunction with the unaudited consolidated financial statements and the notes. The Company prepares and files its interim consolidated financial statements and MD&A in United States dollars ("US\$") and in accordance with Canadian generally accepted accounting principles ("GAAP").

First Quarter 2002 Financial Performance

Eldorado Gold Corporation's unaudited net income for the first quarter of 2002 was a profit of \$384 (\$0.00 per share) compared to a loss of \$1,091 (\$0.01 per share) in the first quarter of 2001. The Company ended the first quarter 2002 with unrestricted cash of \$9,369 compared to \$4,752 as at December 31, 2001. Total bank debt was reduced from \$15,346 as at December 31, 2001 to \$6,420 including fees in the first quarter ended March 31, 2002. NMR Amendment fees of \$500 have been reclassified to accounts payable. Cash flow from operations after working capital changes for the first quarter ending March 31, 2002 was \$677 (\$0.01 per share) compared with cash generation of \$3,379 (\$0.04 per share) for the first quarter ending March 31, 2001.

Thousands of U.S. dollars except share amounts

	1st Quarter 2002	1st Quarter 2001
Gold Revenue	\$ 5,936	\$ 9,332
Net Income (loss)	\$ 384	\$ (1,091)
Net Income per share (loss)	\$ -	\$ (0.01)
Cash Flow from operations	\$ 677	\$ 3,379
Cash Flow per share (loss)	\$ 0.01	\$ 0.04

Decreased revenues in the first quarter of 2002 compared with the same period in 2001 occurred as a result of reduced production and lower realized gold price. Reduced production in the first quarter 2002 compared to the first quarter 2001 was a result of the December 10, 2001 shutdown of the #2 autoclave at Sao Bento for major repairs. Repairs were completed and the autoclave was restarted on March 23, 2002. As at March 31, 2002 the autoclave is operating at a full capacity. The realized price of gold per ounce in the first quarter of 2002 was \$292 per ounce compared to \$302 in the first quarter of 2001.

Other income increased by \$1,037 over the first quarter of 2001, a result of recording \$1,058 of cash received from the autoclave business interruption insurance claim.

Production São Bento Mine

	2002 1st Quarter	2001 1st Quarter
Gold Production		
Ounces	16,963	28,086
Cash Operating Cost (\$/oz)	166	221
Total Cash Cost (\$/oz)	171	228
Total Production Cost (\$/oz)	310	311
Realized Price	292	302
Sao Bento Mine, Brazil		
Ounces	16,963	28,086
Ore tonnes	89,342	113,855
Grade (grams/tonne)	9.85	9.25
Cash Operating Cost (\$/oz)	166	221
Total Cash Cost (\$/oz)	171	228
Total Production Cost (\$/oz)	310	311

Gold production in the first quarter of 2002 for the São Bento mine was 16,963 ounces. This compares to first quarter 2001 gold production at São Bento of 28,086 ounces. Production in the first quarter of 2002 was lower than the comparable quarter in 2001 a result of the shut down the #2 autoclave for repairs on December 10, 2001. The #2 autoclave repairs were successfully completed and the autoclave commenced operation on March 23, 2002. The Company is forecasting production to return to historical levels of production of 10,000 ounces per month for the remainder of 2002.

Management Discussion and Analysis

1st Quarter ended March 31, 2002 and 2001 (in thousands of U.S. dollars except per share and per ounce amounts)

In the first quarter of 2002 the São Bento mine produced 89,342 tons of ore at a grade of 9.85 grams per tonne. This compares to 113,855 tons of production in the first quarter of 2001 at a grade of 9.25 grams per tonne. Of the 89,342 tons of ore mined 40,000 tons remain in above ground inventory compared to nil inventory in the first quarter of 2001. The \$982 value of the additional ore inventory is reflected as an increase in inventory on the balance sheet.

Effective June 1, 2001, the government of Brazil issued a resolution requiring all consumers of electrical power to reduce their usage by 20%. On March 1, 2002 the 20% restriction on power usage was ended and the Sao Bento operations have returned to full power allocations.

First quarter 2002 total cash costs at São Bento were \$171 per ounce compared to \$228 per ounce in 2001. The total cash cost for the first quarter of 2002 include \$58 per ounce reduction in costs a result of increase in ore inventory at the mine site. The increase in ore inventory is the result of shutting down the #2 autoclave for major repairs while continuing to operate the mine a full production thereby building an ore stockpile ahead of the processing plant. The ore stockpile will be processed over the remainder of 2002 to assure maximum production from the autoclaves during the year. During the repair of the autoclave the Company received \$1,700 of business interruption insurance related to 2002. Of the \$1,700 business interruption received \$642 was recorded as a reduction of cash costs covering fixed costs incurred during the autoclave shutdown in the first quarter. This \$642 is reflected as a \$38 per ounce reduction in cash costs. The remainder of the business interruption insurance was credited to other income.

Consolidated Gold Production Cost per Ounce

	1st Quarter 2002	1st Quarter 2001
Direct mining expenses	\$ 253	\$ 200
Currency hedging	-	22
Inventory change	(58)	(6)
Third party smelting, refining and transportation	4	5
Vancouver Costs	5	1
By-product credits	-	(1)
Business Interruption credit	(38)	-
Cash operating cost per ounce	\$ 166	\$ 221
Royalties and Production taxes	5	7
Total cash costs per ounce	\$ 171	\$ 228
Depreciation/Depletion	133	75
Exchange (Gain)/ Loss	6	8
Reclamation and mine closure	-	-
Total production costs per ounce	\$ 310	\$ 311

Financial Condition and Liquidity

Cash from operations

Operations after changes in working capital generated cash flow of \$677 in the first quarter of 2002 compared to \$3,379 in the first quarter 2001. The decrease in cash from operations in the first quarter of 2001 is mainly due to liquidation of the Company's gold hedge position of \$2,000 that occurred in the first quarter 2001.

Financing activities

On February 15, 2002, the Company completed a private placement of 59,523,810 special warrants at a price of Cdn\$0.42 per special warrants. Gross proceeds from the placement were Cdn\$25,000 or US\$14,648.

On February 15, 2002 the Company, entered into an agreement (the "Seventh Amendment") with NM Rothschild where among other things, agreed to pay to NM Rothschild a principal payment on the loan facility of an amount equal; to 50% of the net proceeds of the February 15, 2002 private placement. On February 19, 2002 a \$7,470 principal payment was made to NM Rothschild. On March 31, 2002 an additional principal payment of \$1,039 was made to NM Rothschild.

Management Discussion and Analysis

1st Quarter ended March 31, 2002 and 2001 (in thousands of U.S. dollars except per share and per ounce amounts)

Forward Sales and Other Commitments

At March 31, 2002, Eldorado's hedging program consists of the following spot deferred gold contracts.

Gold ounces

Spot deferred contracts

Amount hedged	33,189	-	-
Average price (\$/oz.)	\$ 295	\$ -	\$ -

Fixed forward contracts

Amount hedged	-	-	-
Average price (\$/oz.)	\$ -	\$ -	\$ -

The positions held by Eldorado are in the form of spot deferred contracts including 33,189 ounces to be delivered at a rate of 7,500 ounces per month, at a price of \$295.46. The mark to market value of the Company's hedge position at March 31, 2002 was negative \$200 at a spot price of \$302 per ounce using a contango rate of 1.50%.

During the period ended March 31, 2002, the Company purchased Put Options for 24,000 ounces of Gold at a strike price of \$275, for a total cost of \$114. The Put Options expire at a rate of 4,000 ounces per month, starting on March 26, 2002. The total cost of the Put Options was deferred and it will be taken into income over the term.

Forecast

The Company is forecasting gold production for 2002 of 105,000 ounces at a cash cost of \$185 per ounce.