



June 30, 2002

Report to Shareholders

**Suite 920, Guinness Tower
1055 West Hastings Street
Vancouver, British Columbia
V6E 2E9**

**Phone: (604) 687-4018
Fax: (604) 687-4026
E-Mail: info@eldoradogold.com
www.eldoradogold.com**

Expressed in thousands of U.S. dollars

	June 2002 (unaudited)	June 2001 (Restated) (unaudited)	December 31 2001 (Restated) (audited)
ASSETS			
Current Assets			
Cash	\$ 8,266	\$ 2,290	\$ 4,752
Restricted cash	1,008	-	475
Accounts receivable	4,366	3,758	3,747
Inventories	5,902	4,647	5,069
	<u>19,542</u>	<u>10,695</u>	<u>14,043</u>
Mine property, plant and equipment	64,696	68,991	66,495
Mineral properties and deferred development	31,428	30,127	30,673
Investments and advances	125	262	122
Other assets and deferred charges	1,098	2,065	1,961
	<u>\$ 116,889</u>	<u>\$ 112,140</u>	<u>\$ 113,294</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 9,119	\$ 6,802	\$ 11,769
Current portion of long term debt (Note 4)	2,650	5,008	6,243
	<u>11,769</u>	<u>11,810</u>	<u>18,012</u>
Provision for reclamation costs	3,467	3,467	3,467
Deferred gain	3,708	4,665	5,621
Future income taxes	196	177	178
Convertible debentures (Note 5)	6,719	8,393	8,482
Long term debt (Note 4)	950	12,871	9,103
	<u>26,809</u>	<u>41,383</u>	<u>44,863</u>
SHAREHOLDERS' EQUITY			
Share capital (Note 6)	334,372	316,373	316,406
Shares to be issued for convertible debenture (Note 5)	1,706	-	-
Equity portion of convertible debentures	1,094	1,400	1,400
Deficit	(247,092)	(247,016)	(249,375)
	<u>90,080</u>	<u>70,757</u>	<u>68,431</u>
	<u>\$ 116,889</u>	<u>\$ 112,140</u>	<u>\$ 113,294</u>

Approved by the Board

"Paul N. Wright"

Director

Approved by the Board

"Hugh C. Morris"

Director

Eldorado Gold Corporation

Consolidated Statements of Operations and Deficit

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

	Three months		Three months	
	Ended	Ended	Six months ended	
	June 30	June 30	June 30	
	2002	2001	2002	2001
		(Restated)		(Restated)
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue				
Gold sales	\$ 9,279	\$ 8,812	\$ 15,215	\$ 18,144
Interest and other income	1,977	467	3,136	589
	<u>11,256</u>	<u>9,279</u>	<u>18,351</u>	<u>18,733</u>
Expenses				
Operating costs	5,570	6,488	8,466	12,879
Depletion, depreciation and amortization	2,440	2,258	4,883	4,464
General and administrative	724	728	1,403	1,485
Exploration expense	149	229	268	365
Interest and financing costs	321	766	710	1,651
Gain on conversion of convertible debenture	(463)	-	(463)	-
Foreign exchange loss	(78)	(76)	87	120
	<u>8,663</u>	<u>10,393</u>	<u>15,354</u>	<u>20,964</u>
Profit (loss) before the undernoted items	<u>2,593</u>	<u>(1,114)</u>	<u>2,997</u>	<u>(2,231)</u>
Gain (loss) on disposals of mine property, plant and equipment	(196)	-	(196)	89
Profit (loss) before income taxes	<u>2,397</u>	<u>(1,114)</u>	<u>2,801</u>	<u>(2,142)</u>
Taxes				
Current	(498)	(59)	(518)	81
Future	-	-	-	(203)
Net income (loss) for the period	<u>\$ 1,899</u>	<u>\$ (1,173)</u>	<u>\$ 2,283</u>	<u>\$ (2,264)</u>
Deficit at the beginning of the period	(248,991)	(245,843)	(249,375)	(244,752)
Deficit at end of the period	<u>\$ (247,092)</u>	<u>\$ (247,016)</u>	<u>\$ (247,092)</u>	<u>\$ (247,016)</u>
Weighted average number of shares outstanding	<u>136,698,457</u>	<u>102,285,772</u>	<u>119,695,228</u>	<u>97,144,787</u>
Basic - Income (loss) per share - U.S.\$	<u>\$ 0.01</u>	<u>\$ (0.01)</u>	<u>\$ 0.02</u>	<u>\$ (0.02)</u>
Basic - Income (loss) per share - CDN.\$	<u>\$ 0.02</u>	<u>\$ (0.01)</u>	<u>\$ 0.03</u>	<u>\$ (0.03)</u>
Diluted - Income (loss) per share - U.S.\$	<u>\$ 0.01</u>	<u>\$ (0.01)</u>	<u>\$ 0.02</u>	<u>\$ (0.03)</u>

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

	Three months Ended June 30 2002 (unaudited)		Three months Ended June 30 2001 (Restated) (unaudited)		Six months ended June 30 2002 (unaudited)		2001 (Restated) (unaudited)	
Cash flows from operating activities								
Net Income (loss) for the period	\$	1,899	\$	(1,173)	\$	2,283	\$	(2,264)
Items not affecting cash								
Depletion, depreciation and amortization		2,440		2,258		4,883		4,464
Future income taxes		-		-		-		203
Gain (loss) on disposals of mine property, plant and equipment		196		-		196		(89)
Interest and financing costs		50		45		100		90
Gain on conversion of convertible debenture		(463)		-		(463)		-
Amortization of hedging gain		(868)		(756)		(1,837)		(1,657)
Amortization of financing fees		23		193		50		193
Foreign exchange loss		479		(73)		490		86
		3,756		494		5,702		1,026
Decrease (increase) in accounts receivable		(967)		624		(619)		1,186
Decrease (increase) in inventories		249		19		(833)		22
Increase (decrease) in accounts payable and accrued liabilities		(2,056)		(33)		(2,591)		249
Liquidation of hedges		-		-		-		2,000
		982		1,104		1,659		4,483
Cash flow from investing activities								
Mine property, plant and equipment		(1,440)		(1,401)		(2,964)		(2,765)
Proceeds from disposals of mine property, plant and equipment		50		-		50		215
Mineral properties and deferred development		(498)		(363)		(755)		(685)
Investments and advances		-		10		-		15
Restricted cash		(3)		5,339		(533)		7,053
		(1,891)		3,585		(4,202)		3,833
Cash flow from financing activities								
Repayment of long/short term debt		(2,845)		(5,595)		(11,354)		(8,145)
Issue of common shares:								
Voting - for cash		3,120		6		17,998		6
Other assets and deferred charges		-		(87)		(114)		(85)
		275		(5,676)		6,530		(8,224)
Foreign exchange (loss) gain on cash held in foreign currency		(469)		81		(473)		(102)
Net Increase (decrease) in cash and cash equivalents		(1,103)		(906)		3,514		(10)
Cash and cash equivalents at beginning of the period		9,369		3,196		4,752		2,300
Cash and cash equivalents at end of the period	\$	8,266	\$	2,290	\$	8,266	\$	2,290
Supplemental cash flow information - (Note 8)								
Interest paid	\$	53	\$	551	\$	177	\$	1,098
Income tax paid	\$	39	\$	63	\$	59	\$	126

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2nd Quarter ended June 30, 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.

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 six months ended of 119,695,228 (Six months 2001 – 97,144,787).

3. Hedging Commitments

Gold hedging

At June 30, 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.)	302	-	-
Deferred gain (\$/oz.)	53	-	-
Total (\$oz.)	<u>355</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 5,500 ounces per month, at a price of \$302.11.

The mark to market value of the Company's hedge position at June 30, 2002 was negative \$800 at a spot price of \$324 per ounce using a contango rate of 1.55%.

The Company holds 8,000 ounces of \$275 Put Options. These Put Options expire at a rate of 4,000 ounces per month.

4. Long Term Debt

On May 30, 2002 the Company, entered into an agreement (the "Eight Amendment") with NM Rothschild. The Amendment releases the Company, upon the reduction of the Credit Facility to less than \$3,000, from the requirement of maintaining a new gold hedge position. On May 31, 2002 the Company made an additional principal payment of \$2,000 to reduce the outstanding balance of its Credit Facility to less than \$3,000.

5. Convertible Debentures

On June 20, 2002 the Company agreed, by private contract, to purchase \$2,000 of "8.25% Convertible Debentures" of the Company from Brant Investments Ltd. ("Brant") for a purchase price of 1,597,867 Common Shares of the Company. Such Common shares will be issued from treasury to Brant and the purchased Debentures will be transferred to the Company and cancelled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2nd Quarter ended June 30, 2002 and 2001 (in thousands of U.S. dollars except per share and per ounce amount)

6. 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 warrant. 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. These special warrants were converted on May 23, 2002 to shares in the Company for no additional consideration.

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

As at June 30, 2002, the Company has a share option plan as described below. No compensation expense is recognized in the consolidated statements of operations and deficit 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 June 30, 2002 and the changes for the period ending on that date is presented below:

	Six month ended June 30, 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	(245,000)	0.30
Expired/Cancelled	(584,500)	0.81
Outstanding at the end of the period	5,302,500	0.54
Options exercisable at period end	5,302,500	0.54

The following table summarizes information about options granted during the period ended June 30, 2002.

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 June 30, 2002.

Stock Options			
Range Of Exercise Price (\$)	Number Outstanding At June 30, 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	500,000	1.4	0.46
0.50 to 0.65	971,500	1.9	0.53
0.70 to 0.80	110,000	3.0	0.71
0.24 to 0.51	1,826,000	4.4	0.28
0.70 to 0.71	1,652,500	4.6	0.71
0.24 to 9.40	5,302,500	2.09	0.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2nd Quarter ended June 30, 2002 and 2001 (in thousands of U.S. dollars except per share and per ounce amount)

6. Share Capital (continued)

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:

			U.S.\$		CDN.\$
Net income (loss) for the period	As reported	\$	2,283	\$	3,594
	Pro Forma	\$	1,718	\$	2,705
Basic and diluted earnings per share	As reported	\$	0.02	\$	0.03
	Pro Forma	\$	0.01	\$	0.02

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

The fair 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

7. 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 South America and Turkey.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2nd Quarter ended June 30, 2002 and 2001 (in thousands of U.S. dollars except per share and per ounce amount)

	Three months		Six months	
	ended June 30 2002 (unaudited)	ended June 30 2001 (Restated) (unaudited)	ended June 30 2002 (unaudited)	ended June 30 2001 (Restated) (unaudited)
Gold sales				
São Bento Mine	\$ 9,279	\$ 8,812	\$ 15,215	\$ 18,144
	9,279	8,812	15,215	18,144
Operating costs				
São Bento Mine	5,570	6,488	8,466	12,879
	5,570	6,488	8,466	12,879
Depletion, depreciation and amortization				
São Bento Mine	2,262	2,103	4,524	4,207
	2,262	2,103	4,524	4,207
Corporate expenses, net of interest and other income	1,295	(1,106)	1,040	(2,924)
Exploration expense	(149)	(229)	(268)	(365)
Gain (loss) disposals mine property, and equipment	(196)	-	(196)	89
Profit (loss) before income taxes	2,397	(1,114)	2,801	(2,142)
Taxes				
Current	(498)	(59)	(518)	81
Future	-	-	-	(203)
Net income (loss) for the period	\$ 1,899	\$ (1,173)	\$ 2,283	\$ (2,264)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2nd Quarter ended June 30, 2002 and 2001 (in thousands of U.S. dollars except per share and per ounce amount)

7. Segmented Information (continued)

	Three months ended		Six months ended	
	June 30 2002 (unaudited)	June 30 2001 (Restated) (unaudited)	June 30 2002 (unaudited)	June 30 2001 (Restated) (unaudited)
Revenues by geographic area				
North America	\$ 76	\$ 65	\$ 111	\$ 174
South America	11,180	9,214	18,240	18,558
Turkey	-	-	-	1
Australia	-	-	-	-
	\$ 11,256	\$ 9,279	\$ 18,351	\$ 18,733
Net income (loss) by geographic area				
North America	\$ (362)	\$ (1,466)	\$ (1,417)	\$ (3,085)
South America	2,401	460	3,987	1,010
Turkey	(124)	(158)	(260)	(202)
Australia	(16)	(9)	(27)	13
	\$ 1,899	\$ (1,173)	\$ 2,283	\$ (2,264)

	Six months ended		
	June 30 2002 (unaudited)	June 30 2001 (Restated) (unaudited)	December 31 2001 (Restated) (audited)
Segment assets			
São Bento Mine	\$ 77,572	\$ 78,206	\$ 78,855
Total assets for reportable segments	77,572	78,206	78,855
Mineral properties and deferred development			
Other	31,428	30,127	30,673
	7,889	3,807	3,766
	\$ 116,889	\$ 112,140	\$ 113,294
Assets by geographic area			
North America	\$ 7,319	\$ 3,257	\$ 3,324
South America	77,706	78,405	79,011
Turkey	31,857	30,477	30,959
Australia	7	1	-
	\$ 116,889	\$ 112,140	\$ 113,294

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2nd Quarter ended June 30, 2002 and 2001 (in thousands of U.S. dollars except per share and per ounce amount)

8. Supplementary Cash Flow Information

	Six months ended June 30, 2002 (unaudited)		Six months ended June 30, 2001 Restated (unaudited)	
Financing activities				
Long term debt backend fees accrual	\$	(106)	\$	(494)
Increase in long term debt		106		494
Interest accrual on convertible debentures		100		90
Convertible debentures		1,763		(90)
Gain on conversion of convertible debenture		(463)		-
Shares to be issued for convertible debenture		(1,706)		-
Equity portion of convertible debenture		306		-
	\$	-	\$	-

Management Discussion and Analysis

2nd Quarter ended June 30, 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").

Second Quarter 2002 Financial Performance

Eldorado's unaudited net income for the second quarter of 2002 was a profit of \$1,899 or \$0.01 per share compared to a loss of \$1,173 or (\$0.01) per share in the second quarter of 2001. Revenues were higher in the second quarter of 2002 as gold production of 27,702 ounces exceeded gold production of 26,654 ounces in the second quarter of 2001. Realized gold price of \$304 in second quarter of 2002 exceeded the previously comparable quarter of 2001 of \$297. Other income for the quarter was higher than the second quarter of 2001 as \$1,900 of autoclave repair insurance contingency was released from the balance sheet as the repair project was completed under budget. In the second quarter of 2002 the Company purchased \$2,000 of its outstanding convertible debentures for a purchase price of 1,597,867 common shares of the Company. This purchase resulted in a gain on the conversion of the debenture of \$463.

The Company's unaudited net income for the first six months of 2002 was a profit of \$2,283 or \$0.02 per share compared to a loss of \$2,264 or (\$0.02) per share in the first six months of 2001. The Company ended the second quarter 2002 with unrestricted cash of \$8,266 compared to \$4,752 as at December 31, 2001. Total debt was reduced from \$15,346 as at December 31, 2001 to \$3,600 including fees in the six month period ended June 30, 2002. Cash flow from operations after working capital changes for the six months ending June 30, 2002 was \$1,659 or \$0.01 per share compared with cash generation of \$4,483 or \$0.05 per share for the six months ending June 30, 2001.

	2nd Quarter 2002	2nd Quarter 2001	Six months 2002	Six months 2001
Gold Revenue	\$ 9,279	\$ 8,812	\$ 15,215	\$ 18,144
Net Income (loss)	\$ 1,899	\$ (1,173)	\$ 2,283	\$ (2,264)
Net Income per share (loss)	\$ 0.01	\$ (0.01)	\$ 0.02	\$ (0.02)
Cash Flow from operations	\$ 982	\$ 1,104	\$ 1,659	\$ 4,483
Cash Flow per share (loss)	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.05

Decreased revenues in the six months of 2002 compared with the same period in 2001 occurred as a result of reduced production. Reduced production in the six months 2002 compared to the six months 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 average realized price of gold per ounce in the six month period of 2002 was \$300 per ounce compared to \$299 in the same six month period of 2001.

Other income of \$3,136 an increase of \$2,547 over the first six months of 2001, a result of recording \$1,118 of cash received from the autoclave business interruption insurance claim and \$1,900 in autoclave repair insurance claim during the six months ended June 30, 2002.

Production São Bento Mine

	2002 2nd Quarter	2001 2nd Quarter	2002 Six Months	2001 Six Months
Gold Production				
Ounces	27,702	26,654	44,664	54,740
Cash Operating Cost (\$/oz)	195	238	184	229
Total Cash Cost (\$/oz)	201	243	190	235
Total Production Cost (\$/oz)	296	323	301	317
Realized Price	304	297	300	299
São Bento Mine, Brazil				
Ounces	27,702	26,654	44,664	54,740
Ore tonnes	96,519	107,504	185,861	221,359
Grade (grams/tonne)	9.23	9.36	9.53	9.31
Cash Operating Cost (\$/oz)	195	238	184	229
Total Cash Cost (\$/oz)	201	243	190	235
Total Production Cost (\$/oz)	296	323	301	317

Management Discussion and Analysis

2nd Quarter ended June 30, 2002 and 2001 (in thousands of U.S. dollars except per share and per ounce amounts)

Gold production in the second quarter of 2002 for the São Bento mine was 27,702 ounces (Y-T-D 44,664 ounces). This compares to second quarter 2001 gold production at São Bento of 26,654 ounces (54,740 ounces for the first six months of 2001). The mine is returning to its normal levels of production after the completion of the repair at the #2 autoclave and elimination of power restrictions in the first quarter of 2002.

In the second quarter of 2002 the São Bento mine produced 96,519 tonnes of ore at a grade of 9.23 grams per tonne (Y-T-D 185,861 tonnes at 9.53 g/t). This compares to 107,504 tonnes of production in the second quarter of 2001 at a grade of 9.36 grams per tonne (221,359 tonnes at 9.31 g/t for the first 6 months of 2001). At the end of the second quarter of 2002 the mine had approximately 36,000 tonnes of ore in above ground inventory. The additional ore inventory is reflected as an increase in inventory on the balance sheet in the amount of \$1,620.

Second quarter 2002 total cash costs at São Bento were \$201 per ounce compared to \$243 per ounce in 2001 (Y-T-D \$190 per ounce vs. \$235 per ounce in the first 6 months of 2001). The total cash costs for the second quarter of 2002 include \$12 per ounce increase in costs a result of decrease in ore inventory at the mine site. The decrease in ore inventory in the second quarter is the result of operating the plant at full capacity with the two autoclaves and operation of the Biox circuit. The ore stockpile will be processed over the remainder of 2002 to assure maximum production from the autoclaves. During the repair of the autoclave the Company received \$1,760 of business interruption insurance related to 2002. Of the \$1,760 business interruption received \$642 was recorded as a reduction of cash costs covering fixed costs incurred during the autoclave shutdown in the first quarter 2002. The remainder of the business interruption insurance was credited to other income. The company will receive a final business interruption payment in the third quarter of 2002.

Consolidated Gold Production Cost per Ounce

	2nd Quarter 2002	2nd Quarter 2001	6 Months 2002	6 Months 2001
Direct mining expenses	\$ 193	\$ 188	\$ 216	\$ 194
Currency hedging	-	39	-	30
Inventory change	12	7	(14)	0
Third party smelting, refining and transportation	4	4	3	5
Vancouver Costs	1	1	3	1
By-product credits	(0)	(1)	-	(1)
Business Interruption credit	(15)	-	(24)	-
Cash operating cost per ounce	<u>\$ 195</u>	<u>\$ 238</u>	<u>\$ 184</u>	<u>\$ 229</u>
Royalties and Production taxes	6	5	6	6
Total cash costs per ounce	<u>\$ 201</u>	<u>\$ 243</u>	<u>\$ 190</u>	<u>\$ 235</u>
Depreciation/Depletion	82	79	101	77
Exchange (Gain)/ Loss	13	1	10	5
Reclamation and mine closure	-	-	-	-
Total production costs per ounce	<u>\$ 296</u>	<u>\$ 323</u>	<u>\$ 301</u>	<u>\$ 317</u>

Financial Condition and Liquidity

Cash from operations

Operations, after changes in working capital, generated cash flow of \$1,659 in the six months of 2002 compared to \$4,483 in the first six months of 2001. The decrease in cash from operations in the six months of 2001 is mainly due to \$2,000 earned in hedge liquidation that occurred in the first quarter 2001 which was not duplicated in 2002.

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\$14,558. On May 14, 2002 the special warrants were converted to shares in the Company for no additional consideration.

On May 30, 2002 the Company entered into an agreement (the "Eight Amendment") with NM Rothschild & Sons. The Amendment releases the Company, upon the reduction of the Credit Facility to less than \$3,000, from the requirement of maintaining a new gold hedge position. On May 31, 2002 the Company make an additional principal payment of \$2,000 to reduce the outstanding balance of its Credit Facility to less than \$3,000.

Management Discussion and Analysis

2nd Quarter ended June 30, 2002 and 2001 (in thousands of U.S. dollars except per share and per ounce amounts)

On June 20, 2002 the Company agreed, by private contract, to purchase \$2,000 of "8.25% Convertible Debentures" of the Company from Brant Investments Ltd. ("Brant") for a purchase price of 1,597,867 common Shares of the Company. Such Common shares will be issued from treasury to Brant and the purchased Debentures will be transferred to the Company and cancelled.

Forward Sales and Other commitments

At June 30, 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.)	\$ 302	\$ -	\$ -

The positions held by Eldorado are in the form of spot deferred contracts including 33,189 ounces to be delivered at a rate of 5,500 ounces per month, at a price of \$302.11. The mark to market value of the Company's hedge position at June 30, 2002 was negative \$800 at a spot price of \$324 per ounce using a contango rate of 1.55%.

The Company holds outstanding put options of 8,000 ounces at a strike price of \$275 per ounce. These options expire at a rate of 4,000 ounces per month.

Forecast

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