

**ELDORADO GOLD CORPORATION  
INFORMATION CIRCULAR  
MARCH , 2007**

**FOR  
THE ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON May 24, 2007**

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**PURPOSE OF SOLICITATION**

This information circular (the "Information Circular") is being provided to you in connection with the solicitation of proxies by management ("Management") of Eldorado Gold Corporation (the "Company", "us", "we" or "our") for use at our annual meeting of shareholders ("Shareholders") of the Company to be held at 3:00 p.m. on May 24, 2007 and at any and all adjournments thereof (the "Meeting"), at the place and for the purposes set forth in the Notice of Meeting.

**The solicitation is made by Management.** The cost of this solicitation will be borne by us. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally or by telephone by our directors, officers or regular employees at nominal cost. We will also pay the broker-dealers, banks or other nominee Shareholders of record their reasonable expenses in mailing copies of the meeting materials to objecting beneficial owners of common shares ("Common Shares") of the Company.

Unless otherwise specified, all information provided in this Information Circular is as at March 27, 2007. All dollar amounts in this Information Circular are in Canadian currency, unless otherwise specified.

**RECORD DATE**

The directors have set April 9, 2007 as the record date for determining which Shareholders holding Common Shares of record shall be entitled to receive the Notice of the Meeting and to attend and vote at the Meeting.

**APPOINTMENT OF PROXIES**

**The persons named in the accompanying form of proxy are officers and directors of the Company and are Management designees. You as Shareholder of record have the right to designate a person (who need not be a Shareholder) to attend and vote for you at the Meeting. You may exercise this right by either striking out the printed names and inserting in the blank space provided in the enclosed form of proxy the person's name which you wish to designate or by completing another proper form of proxy and in either case delivering the completed proxy to the office of our registrar and transfer agent, Computershare Trust Company, 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 by 3 p.m., Vancouver time, on May 22, 2007.**

A proxy will not be valid unless signed by you as Shareholder of record or by your attorney duly authorized in writing. If you are the representative of a Shareholder of record that is a corporation or association, the form of proxy should bear the seal of the corporation or association, and must be executed by an officer or an attorney duly authorized in writing. If the form of proxy is executed by an attorney for an individual Shareholder or by an officer or attorney of a Shareholder that is a corporation or association, the instrument so empowering the officer or attorney, as the case may be, or a notarial copy thereof, must accompany the form of proxy.

## REVOCACTION OF PROXIES

In addition to revocation in any manner permitted by law, you may revoke your proxy by an instrument in writing signed by you as Shareholder of record or by your attorney duly authorized in writing. If you are a representative of a Shareholder that is a corporation or association, the instrument in writing should bear the seal of the corporation or association and must be executed by an officer or by an attorney duly authorized in writing. To be effective the revocation instrument must be deposited with the Company's registered office, c/o Fasken Martineau DuMoulin LLP, Suite 2100, 1075 West Georgia Street, Vancouver, British Columbia, V6E 3G2, Attention: Josh Lewis, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or, as to any matter in respect of which a vote shall not already have been cast pursuant to such proxy, with the Chairman of the Meeting on the day of the Meeting, or at any adjournment thereof, and upon either of such deposits the proxy is revoked.

## VOTING OF PROXIES

All Common Shares represented at the Meeting by properly executed proxies will be voted (including the voting on any ballot) or withheld from voting in accordance with your instruction as a Shareholder of record. If you, as a Shareholder, specify a choice on the enclosed form of proxy with respect to any matter to be acted upon, your shares will be voted in accordance with your instructions as specified in the proxy you deposit. **In the absence of any such specification, the Management designees, if named in the enclosed form of proxy, will vote in favour of the matters set out therein.**

The Management designees named in the enclosed form of proxy are directors and officers of the Company and have indicated their willingness to represent as Proxyholder the Shareholder who appoints them.

**The enclosed form of proxy, when properly signed, confers discretionary authority upon the persons named therein with respect to amendments or variations of matters identified in the Notice of Meeting and any other matters which may properly be brought before the Meeting. As of the date hereof, Management is not aware that any such amendments to, variations of or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, then the Management designees intend to vote in accordance with the judgment of Management.**

The number of votes required for approval of any matter that will be submitted to a vote of Shareholders at the Meeting is a simple majority of the votes cast, unless otherwise indicated in this Information Circular.

## SPECIAL INSTRUCTIONS FOR VOTING BY NON-REGISTERED HOLDERS

**Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Many Shareholders are "non-registered" shareholders because the shares of the Company they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares.** More particularly, a person is not a registered Shareholder in respect of shares which are held on behalf of that person (the "Non-Registered Holder") but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

There are two kinds of Non-Registered Holders - those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). Subject to the provision of National Instrument 54-101 – Communication with Beneficial Owners of Securities of Reporting Issuers ("NI 54-101"), issuers can request and obtain a list of their NOBOs from intermediaries via their transfer agents and use the NOBO list for distribution of proxy-related materials directly (not via ADP) to NOBOs.

This year, we have decided to take advantage of those provisions of NI 54-101 that permit us to directly deliver proxy-related materials to our NOBOs who have not waived the right to receive them. As a result NOBOs can expect to receive a scannable Voting Instruction Form (VIF) together with the Notice of Meeting, this Information Circular, the 2006 Annual Report and related documents from our transfer agent, Computershare Trust Company of Canada (or Computershare Investor Services Inc., as the case might be) "Computershare". These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions. In that regard, Computershare is required to follow the voting instructions properly received from NOBOs. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive. **NOBOs should carefully follow the instructions of Computershare, including those regarding when and where to complete VIFs that are to be returned to Computershare.** Should a NOBO wish to vote at the Meeting in person, the NOBO must request a form of legal proxy from Computershare that will grant the NOBO the right to attend the Meeting and vote in person.

**NOBOs that wish to change their vote must in sufficient time in advance of the Meeting contact Computershare to arrange to change their vote.**

In accordance with the requirements of NI 54-101, we have distributed copies of the Notice of Meeting, this Information Circular, the form of proxy and related documents together with the 2006 Annual Report (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Meeting Materials to OBOs unless in the case of certain proxy-related materials the OBO has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to OBOs. With those Meeting Materials, Intermediaries or their service companies should provide OBOs of Common Shares with a "request for voting instruction form" which, when properly completed and signed by such OBO and **returned to the Intermediary or its service company**, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit OBOs of Common Shares to direct the voting of the Common Shares that they beneficially own. Should an OBO of Common Shares wish to vote at the Meeting in person, the OBO should follow the procedure in the request for voting instructions provided by or on behalf of the Intermediary and request a form of legal proxy which will grant the OBO the right to attend the Meeting and vote in person. **OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the completed request for voting instructions is to be delivered.**

**Only registered Shareholders have the right to revoke a proxy. OBOs of Common Shares who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set above.**

#### **COMMON SHARES AND PRINCIPAL HOLDERS THEREOF**

As at the date of this Information Circular, we have 341,460,154 (calculated as at March 30, 2007) Common Shares issued and outstanding. Each Shareholder of record at the close of business on April 9, 2007 (the "Record Date") is entitled to one vote on a ballot at the Meeting for each Common Share held by such Shareholder. Two voting persons present or deemed to be present and authorized to cast in the aggregate not less than 5% of the total votes attaching to all shares carrying the right to vote at the Meeting will constitute a quorum at the Meeting. Voting persons are Shareholders, duly authorized representatives of Shareholders or proxyholders of Shareholders, entitled to vote at the meeting.

As at March 30, 2007, there is no person who is known to the Company, its directors or officers, to beneficially own, directly or indirectly, or to exercise control or direction over, shares carrying more than 10% of the votes attached to shares of the Company.

## ELECTION OF DIRECTORS

Our Articles and By-Laws provide that our Board of Directors (the “Board” or the “Board of Directors”) is to consist of a minimum of three (3) directors and a maximum of twenty (20) directors. The existing Board consists of eight (8) directors and for this forthcoming year, the Board proposes to fix the number of directors at eight (8). Accordingly, we intend to place before the Meeting for approval, a resolution fixing the number of directors at eight (8) directors. We also propose the persons named in the table below be nominated at the Meeting to serve as directors of the Company for the ensuing year. All nominees are currently directors of the Company. Each director elected will hold office until the next annual general meeting or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with our Articles and By-Laws, he becomes disqualified to act as a director or is removed in accordance with the *Canada Business Corporation Act* (the “CBCA”).

The Corporate Governance and Nominating Committee (the “CGNC”) is responsible for the identification of nominee directors to the Board. On an annual basis the CGNC reviews the size and composition of the Board and qualification criteria for Board members that reflects an appropriate mix of expertise, skills, attributes and personal and professional backgrounds for service as directors of the Company. The CGNC also performs an annual review of incumbent directors’ performance and attendance at Board and Committee meetings in connection with the CGNC’s consideration of Directors to be recommended for election at the Company’s annual meeting. The review seeks to identify specific areas, if any, in need of improvement or strengthening and advance discussions by the Board in an assessment of the Board’s composition and independence.

Based on its review, the CGNC recommends a slate of nominee Directors to be elected at the annual shareholders meeting who meet the established criteria and who have sufficient time available to devote to the affairs of the Company. This year the CGNC has recommended that the persons named in the table below be put forth to the shareholders as director nominees.

Except as noted under “Voting of Proxies”, proxies received in favour of Management designees will be voted for the following proposed director nominees (or for substitute nominees in the event of contingencies not known at present). No class of shareholders has the right to elect a specified number of directors or to cumulate their votes with respect to the election of directors.

### Majority Voting for Directors

The Board has adopted a policy stipulating that if the votes in favour of the election of a director nominee at shareholders’ meeting represent less than a majority of the shares voted and withheld, the nominee will submit his or her resignation promptly after the meeting, for the consideration of the CGNC. The CGNC will make a recommendation to the Board after reviewing the matter, and the Board’s decision to accept or reject the resignation offer will be disclosed to the public. The nominee will not participate in any CGNC deliberations on the resignation offer. The policy does not apply in circumstances involving contested director elections.

The following table sets forth certain information with respect to persons to be nominated for election as a director. All proposed nominees are currently directors of the Company whose current term of office will expire as of the close of the Meeting. The following information concerning the respective nominees has been furnished by each of them:

Name of and Province and Country of Residence of Proposed Nominee Directors and Present Position with the Company	Principal Occupation <sup>(1)</sup>	Director Since	Approximate Number of Common Shares Beneficially Owned Directly or Indirectly or over which Control or Direction is Exercised as of the Date Hereof <sup>(2)</sup>
<b>JOHN S. AUSTON</b> <sup>(4) (5)</sup> British Columbia, Canada Independent Director <sup>(6)</sup>	Corporate Director	April 2003	8,000
<b>K. ROSS CORY</b> <sup>(3) (5)</sup> British Columbia, Canada Independent Director <sup>(6)</sup>	Corporate Director	April 2003	10,000
<b>ROBERT R. GILMORE</b> <sup>(3)(4)</sup> Colorado, U.S.A. Independent Director <sup>(6)</sup>	Financial Consultant CFO of NextAction Corporation	April 2003	500
<b>GEOFFREY A. HANDLEY</b> <sup>(4) (5)</sup> New South Wales, Australia Independent Director <sup>(6)</sup>	Corporate Director 2006 to present  Executive Vice President Strategic Development, Placer Dome, retired 2006	August 2006	5,000
<b>WAYNE D. LENTON</b> <sup>(4)</sup> Arizona, U.S.A. Independent Director <sup>(6)</sup>	Independent Mining Consultant	June 1995	65,700
<b>HUGH C. MORRIS</b> <sup>(3) (5)</sup> British Columbia, Canada Independent Director <sup>(6)</sup>	Independent Mining Consultant	January 1995	210,000
<b>DONALD M. SHUMKA</b> <sup>(3)</sup> British Columbia, Canada Independent Director <sup>(6)</sup>	President & Managing Director, Walden Management Ltd.	May 2005	5,000
<b>PAUL N. WRIGHT</b> British Columbia, Canada President & Chief Executive Officer Eldorado Gold Corporation	President & Chief Executive Officer of the Company	March 1999	100,000

**Note:**

- (1) Except as set out below, the information as to occupation of the directors of the Company includes present principal occupation and occupations for the preceding five years unless the director was elected at a previous meeting of the Shareholders and was shown as a nominee for election as a director in the Information Circular of that meeting.
- (2) See "Compensation of Directors" for options granted to directors other than the President & Chief Executive Officer and, "Statement of Executive Compensation" for options granted to the President & Chief Executive Officer.
- (3) Member of the Audit Committee.

- (4) Member of the Compensation Committee.
- (5) Member of the CGNC.
- (6) A director is considered independent in accordance with the Terms of Reference – Directors.

*John S. Auston* (B.Sc Honours Geology, McGill University; M.Sc Mineral Exploration, McGill University) was first elected to the Board of Directors of Eldorado Gold Corporation on April 30, 2003. Mr. Auston also serves as a Corporate Director at Cameco Corporation and Centerra Gold Inc. Previously he was President & CEO of Ashton Mining of Canada Inc. from 1996 to 2000 and President & CEO of Granges Inc. from 1993 to 1995. Prior to this he held various senior executive positions in the minerals arm of the British Petroleum Group from 1980 to 1992. Mr. Auston is an independent director and a member of the Compensation Committee and the CGNC.

*K. Ross Cory* (MBA, Finance and International Business, UBC; B.Sc General Science, UBC) was elected to the Board of Directors of Eldorado Gold Corporation on April 30, 2003. Mr. Cory also serves as a Corporate Director of Northern Peru Copper Corp.. Mr. Cory has served in various senior executive and director capacities with Raymond James Ltd. (formerly Goepel, McDermid Inc. and Goepel Shields & Partners Inc.) since 1989 and is currently on long term leave. Mr. Cory is an Independent Director and a member of the Audit Committee and the Chairman of the CGNC.

*Robert R. Gilmore* (BSBA Accounting, University of Denver; CPA, Colorado) was elected to the Board of Directors of Eldorado Gold Corporation on April 30, 2003. Mr. Gilmore is a Financial Consultant and CFO of NextAction Corporation. From 1991 to 1997 Mr. Gilmore was the Chief Financial Officer of Dakota Mining Corporation and was the Chief Financial Officer of Teamshare Inc. in 2002. Mr. Gilmore also serves as a Corporate Director for Frontera Copper Corporation, Global Med Technologies and Pixxures, Inc. Mr. Gilmore is an Independent Director, Chairman of the Audit Committee and a member of the Compensation Committee.

*Geoffrey A. Handley* (B.Sc.Honors, James Cook University of North Queensland) was appointed to the Board of Directors of Eldorado Gold Corporation in August 2006. Mr. Handley was most recently Executive Vice President, Strategic Development with Placer Dome. He has 30 years of extensive experience in the mining resource industry. and also serves as a Corporate Director for Endeavour Silver Corp., Boart Longyear, Oryx Mining and Exploration and Pan Australian Mr. Handley is an Independent Director and a member of the Compensation Committee and the CGNC.

*Wayne D. Lenton* (B.Sc Metallurgical Engineering, Montana School of Mines) was elected to the Board of Directors of Eldorado Gold Corporation in June 1995. Mr. Lenton is an Independent Mining Consultant and serves on the Board of Directors of Energold Drilling Ltd. and North American Tungsten Corp. Ltd. From 1993 to 1995 Mr. Lenton served as the President & CEO of Canada Tungsten Inc., 1989 to 1993 President & CEO and Chairman of the Board of Canamax Resource Inc., 1985 to 1993 President & CEO and Chairman of the Board of Canada Tungsten Mining Corporation. Mr. Lenton is an Independent Director and the Chairman of the Compensation Committee.

*Hugh C. Morris* (B.Sc Mining Geology, University of the Witwatersand; PhD Mining Geology, University of the Witwatersand; Fellow of the Royal Society of Canada; President, Canadian Global Change Program; Past President, Geological Association of Canada) was elected to the Board of Directors of Eldorado Gold Corporation in January 1995. Mr. Morris is an Independent Mining Consultant and serves on the Board of Pacific Institute for the Mathematical Sciences, Diamondex Resources Ltd., Eureka Resources Ltd., Pacific Northern Gas Co. and Trix Minerals Corporation. Mr. Morris served as the Chief Executive Officer and Chairman of Imperial Metals Corporation from 1983 to 1993 and was the acting President & Chief Executive Officer of Eldorado Gold Corporation from November 1998 to March 1999. Mr. Morris is an Independent Director, the Non-Executive Chairman of the Board of Eldorado and a member of the Audit Committee and the CGNC.

*Donald M. Shumka* (MBA, Harvard University; BA, UBC) was appointed to the Eldorado Board of Directors effective May 3, 2005. Mr. Shumka is and has been since 2004, the President and Managing Director of Walden Management Ltd a firm that provides financial consulting and advisory service to financial, manufacturing and processing industries. From 1993 to 2004, he was Managing Director, Raymond James Ltd. He has extensive financial and management experience - 15 years in investment banking with Raymond James and CIBC World Markets, Canadian investment firms and 25 years in the forest industry where he was for a decade the Vice President Finance and Chief Financial Officer of West Fraser Timber Co. Ltd., Mr. Shumka is an Independent Director and a member of the Audit Committee.

*Paul N. Wright* (B.Sc Mining Engineering, Newcastle University; Member, Canadian Institute of Mining & Metallurgy) was elected to the Board of Directors of Eldorado Gold Corporation in 1999. Mr. Wright has served as the President & CEO of Eldorado Gold Corporation since March 1999. Prior to his appointment as President & CEO Mr. Wright was the President & Chief Operating Officer of the Company, the Senior Vice President Operations and the Vice President Mining. Prior to joining the Company in 1996, Mr. Wright was the Vice President Mining & Project Development with Granges Inc. from 1991 to 1996, and the Manager Western Operations, Redpath Group of Cos. from 1986 – 1991. Mr. Wright is an executive director of the Company.

On an annual basis the Company's directors are asked to confirm the information disclosed herein including their directorships.

### STATEMENT OF EXECUTIVE COMPENSATION

#### Summary Compensation Table

The following table provides a summary of compensation earned during the financial year ended December 31, 2006 by our President & Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and three of our most highly compensated executive officers (other than the CEO and CFO) whose total annual salary and bonus was in excess of \$150,000 (collectively, the "Named Executive Officers").

Name and Principal Position with the Company	Year	Annual Compensation			Long Term Compensation			All Other Compensation <sup>(2)</sup> CDN(\$)
		Salary CDN(\$)	Bonus CDN (\$)	Other Annual Compensation <sup>(1)</sup> CDN(\$)	Awards		Payouts	
					Securities Under Options/SARs Granted (#)	Restricted Shares Or Share Units CDN(\$)	LTIP Payouts CDN(\$)	
Paul N. Wright President & Chief Executive Officer	2006	475,000	267,188	Nil	275,000	Nil	Nil	32,071
	2005	446,250	541,078	Nil	400,000	Nil	Nil	30,781
	2004	425,000	358,294	Nil	1,000,000	Nil	Nil	21,306
Earl W. Price Chief Financial Officer	2006	251,000	78,437	Nil	150,000	Nil	Nil	33,097
	2005	227,160	176,049	Nil	150,000	Nil	Nil	9,714
	2004	216,300	110,854	Nil	450,000	Nil	Nil	17,282
Norman Pitcher <sup>(3)</sup> Chief Operating Officer	2006	281,000	91,325	Nil	150,000	Nil	Nil	23,142
	2005	225,280	136,450	Nil	300,000	Nil	Nil	20,041
	2004	148,130	79,002	Nil	175,000	Nil	Nil	8,065
Berne Jansson <sup>(4)</sup> Vice President, Operations	2006	250,000	70,313	Nil	100,000	Nil	Nil	11,661
	2005	223,750	75,421	Nil	125,000	Nil	Nil	31,429
	2004	169,195	71,370	Nil		Nil	Nil	32,344
Dawn Moss Corporate Secretary	2006	142,000	48,280	Nil	100,000	Nil	Nil	21,920
	2005	123,600	79,104	Nil	150,000	Nil	Nil	20,151
	2004	114,000	49,020	Nil	175,000	Nil	Nil	16,160

**Note:**

- (1) The aggregate amount of perquisites and other personal benefits that are less than \$50,000 and 10% of the total annual salary and bonus for any of the Named Executives are not reported.

- (2) Unless otherwise specified, amounts reported in this column refer to the dollar values of insurance premiums paid with respect to term life insurance, medical benefits and amounts contributed in respect of an employee registered retirement savings plan.
- (3) Norman Pitcher joined the Company on November 3, 2003 in the position of Manager, Exploration and was appointed Vice President, Exploration & Development on May 14, 2004 and further to the position of Chief Operating Officer on July 1, 2005
- (4) Berne Jansson joined the Company on September 1, 2003 in the position of General Manager, Kisladag Project, Turkey and was appointed Vice President, Operations on March 31, 2005.

### Option Grants During the Financial Period Ended December 31, 2006

We granted the following options to the Named Executive Officers during the financial year ended December 31, 2006:

#### Option/SARs Grants During 2006 Financial Year

Name	Common Shares Under Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in financial year	Exercise or Base Price (CDN\$/Share)	Market Value of Common Shares Underlying Options on the Date of Grant (CDN\$/Share)	Expiration Date
Paul N. Wright	275,000	18.5%	\$5.65	\$5.65	February 1, 2011
Earl W. Price	150,000	10%	\$5.65	\$5.65	February 1, 2011
Norman Pitcher	150,000	10%	\$5.65	\$5.65	February 1, 2011
Berne Jansson	100,000	6.7%	\$5.65	\$5.65	February 1, 2011
Dawn Moss	100,000	6.7%	\$5.65	\$5.65	February 1, 2011

Note:

- (1) See "Incentive Stock Option Plans" for a description of the terms that apply to the options.

#### Aggregated Options Exercised During 2006 Financial Year and Financial Year-End Option Values

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (CDN\$)	Unexercised Options/SARs at December 31, 2006 Exercisable/Unexercisable (#)	Value of Unexercised in-the-Money Options/SARs at December 31, 2006 Exercisable/Unexercisable <sup>(1)</sup> (\$)
Paul N. Wright	200,000	454,322	1,033,332 / 316,668	2,564,998 / 513,302
Earl W. Price	100,000	279,232	500,000 / 150,000	1,240,500 / 213,000
Norman Pitcher	100,000	173,740	400,000 / 200,000	900,500 / 360,000
Berne Jansson	50,000	119,265	253,333 / 121,667	622,950 / 209,550
Dawn Moss	175,000	425,965	98,333 / 116,667	213,100 / 191,000

Note:

- (1) Based on a market value of Cdn\$6.31 per share, being the closing trading price per Common Share on the TSX as of December 29, 2006. These options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

### Employment Contracts

The Company has entered into employment agreements with each of Paul N. Wright, Earl W. Price, Norman S. Pitcher, Berne Jansson and Dawn L. Moss.

Mr. Paul Wright entered into an Employment Agreement with the Company dated May 13, 2004. The Employment Agreement is for an indefinite term and contains provisions regarding base salary, short-term incentives, paid vacation time, eligibility for benefits and option grants. The Employment Agreement also contains confidentiality provisions of indefinite application and non-competition clauses that apply for one year following termination. Under the terms of Mr. Wright's Employment Agreement upon termination without cause, adverse change in his salary, duties or responsibilities, or in the case of change of control<sup>(1)</sup> Mr. Wright is entitled to receive \$2,226,564 (calculated as of December 31, 2006), based upon an amount equal to three times his salary and bonus in the twelve months prior to termination and any amounts owed in respect of vacation or sick leave and continuation of his benefits for twelve months after his termination (collectively, the "Severance Package"). In addition, if a change in control occurs, Mr. Wright has the right to elect, under his Employment Agreement, to terminate his employment by

notice in writing within 30 calendar days of the change and receive his Severance Package. In accordance with Mr. Wright's stock option agreements all options become fully vested in the event of a change of control.

Mr. Earl Price entered into an Employment Agreement with the Company dated May 13, 2004. The Employment Agreement is for an indefinite term and contains provisions regarding base salary, paid vacation time, eligibility for benefits and option grants. The Employment Agreement also contains confidentiality provisions of indefinite application and non-competition clauses that apply for one year following termination. Under the terms of Mr. Price's Employment Agreement upon termination without cause, adverse change in his salary, duties or responsibilities, or in the case of change of control<sup>(1)</sup> Mr. Price is entitled to receive \$658,874 (calculated as of December 31, 2006), based upon an amount equal to two times his salary and bonus in the twelve months prior to termination and any amounts owed in respect of vacation or sick leave and continuation of his benefits for twelve months after his termination (collectively, the "Severance Package"). In addition, if a change in control occurs, Mr. Price has the right to elect, under his Employment Agreement, to terminate his employment by notice in writing within 30 calendar days of the change and receive his Severance Package. In accordance with Mr. Price's stock option agreements all options become fully vested in the event of a change of control.

Mr. Norman Pitcher entered into an Employment Agreement with the Company dated May 13, 2004 and amended in December 2006. The Employment Agreement is for an indefinite term and contains provisions regarding base salary, paid vacation time, eligibility for benefits and option grants. The Employment Agreement also contains confidentiality provisions of indefinite application and non-competition clauses that apply for one year following termination. Under the terms of Mr. Pitcher's Employment Agreement, upon termination without cause; adverse change in his salary, duties or responsibilities; or in the case of change of control<sup>(1)</sup> Mr. Pitcher is entitled to receive \$744,650 (calculated as of December 31, 2006), based upon an amount equal to two times his salary and bonus in the twelve months prior to termination and any amounts owed in respect of vacation or sick leave and continuation of his benefits for twelve months after his termination (collectively, the "Severance Package"). In addition, if a change in control occurs, Mr. Pitcher has the right to elect, under his Employment Agreement, to terminate his employment by notice in writing within 30 calendar days of the change and receive his Severance Package. In accordance with Mr. Pitcher's stock option agreements all options become fully vested in the event of a change of control.

Mr. Berne Jansson entered into an employment agreement with the Company dated September 2003 and amended in March 2005. The Employment Agreement is for an indefinite term and contains provisions regarding base salary, paid vacation time, eligibility for benefits and option grants. The Employment Agreement also contains confidentiality provisions of indefinite application and non-competition clauses that apply for one year following termination. Under the terms of Mr. Jansson's Employment Agreement upon termination without cause; adverse change in his salary, duties or responsibilities; or in the case of change of control<sup>(1)</sup> Mr. Jansson is entitled to receive \$640,626 (calculated as of December 31, 2006), based upon an amount equal to two times his salary and bonus in the twelve months prior to termination and any amounts owed in respect of vacation or sick leave and continuation of his benefits for twelve months after his termination (collectively, the "Severance Package"). In addition, if a change in control occurs, Mr. Jansson has the right to elect, under his Employment Agreement, to terminate his employment by notice in writing within 30 calendar days of the change and receive his Severance Package. In accordance with Mr. Jansson's stock option agreements all options become fully vested in the event of a change of control.

Ms. Dawn Moss entered into an Employment Agreement with the Company dated May 13, 2004. The Employment Agreement is for an indefinite term and contains provisions regarding base salary, paid vacation time, eligibility for benefits and option grants. The Employment Agreement also contains confidentiality provisions of indefinite application and non-competition clauses that apply for one year following termination. Under the terms of Ms. Moss's Employment Agreement upon termination without cause, adverse change in her salary, duties or responsibilities, or in the case of change of control<sup>(1)</sup> Ms. Moss is entitled to receive \$380,560 (calculated as of December 31, 2006), based upon an amount equal to two times her salary and bonus in the twelve months prior to termination and any amounts owed in respect of vacation or sick leave and continuation of his benefits for twelve months after her termination (collectively, the "Severance Package"). In addition, if a change in control occurs, Ms. Moss has the right to elect, under his Employment Agreement, to terminate her employment by notice in writing within 30 calendar days of the change and receive his Severance Package. In accordance with Ms. Moss's stock option agreements all options become fully vested in the event of a change of control.

**Note:**

- (1) Change of control means:
- (i) an acquisition of 40% or more of the voting rights attached to all outstanding voting shares of the Company;
  - (ii) the amalgamation or consolidation (the "Transaction") of the Company with, or merger of the Company unless (a) the Company is the surviving company after the Transaction; and (b) after giving effect to the Transaction at least 60% of the voting rights attached to all outstanding voting shares of the Company or the company resulting from the Transaction are held by at least 60% of the voting rights attached to all outstanding voting shares of the Company immediately before giving effect to the Transaction;
  - (iii) the direct or indirect transfer, conveyance, sale, lease or other disposition, by virtue of a single event or a related series of such events, of 90% or more of the assets of the Company in terms of gross fair market value to any person unless (a) the disposition is to a corporation; and (b) immediately after the disposition, at least 60% of the voting rights attached to all outstanding voting shares of the corporation are owned by the Company or its affiliates or by persons who held at least 60% of the voting rights to all outstanding voting shares of the Company immediately before giving effect to the disposition.

**Indebtedness of Directors, Executive Officers, Officers and Employees**

As of March 30, 2007 there was no indebtedness to us or any of our subsidiaries (other than routine indebtedness) or to another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement provided by us or any of our Subsidiaries by our current and former directors, officers and employees.

**Composition of the Compensation Committee**

During the year ended December 31, 2006, the following individuals served as members of our Compensation Committee: Wayne Lenton (Chairman), John Auston, Geoffrey Handley and Robert Gilmore, who were all Independent Directors of the Company during the time they served. None of the members of our Compensation Committee are officers or employees or were former officers or employees of the Company or any of our subsidiaries, had or has any relationship that requires disclosure hereunder in respect of indebtedness owed to the Company or any interest in material transactions involving the Company. In addition, none of our executive officers have served on the Compensation Committee (or in the absence of such committee the entire Board of Directors) of another issuer whose executive officer is a member of our Compensation Committee or Board of Directors. See "Corporate Governance – Compensation Committee".

**Report On Executive Compensation**

The Company's commitment is to enhance shareholder value through the discovery and acquisition of gold reserves, and the operation of profitable mines. In order to maximize its commitment, the Company designs its compensation packages to attract highly skilled, experienced and knowledgeable employees in a competitive human resource market by providing appropriate salaries and incentives and by creating a work environment that allows employees to maximize his/her potential within their chosen careers.

The Compensation Committee is responsible for, among other things, the annual review of the Company's short-term and long-term policies for attracting, developing and motivating executive officers of the Company. The Compensation Committee met 3 times in 2006 to review compensation policies relating to the Company and its subsidiaries and to approve specific compensation awards and benefits.

*Executive Compensation Practices*

The mandate of the Compensation Committee is to review the terms of employment of the Company's executive officers annually, to review and approve, on an annual basis the Chief Executive Officer's and the senior executives performance objectives and assess the performance of the Chief Executive Officer for the prior year, to review the competitiveness and effectiveness of the Company's compensation plan, and to report to the Board the Committee's findings and recommendations. The Terms of Reference for the Compensation Committee approved by the Board of Directors on February 3, 2006 are attached as Schedule "A" hereto and can be found on the Company's website [www.eldoradogold.com](http://www.eldoradogold.com).

The Compensation Committee's executive compensation practices are based on combining the talents of the executive officers with the Company's stated commitments. Executive compensation addresses both the short-term and long-term interests of the Company and is linked to the performance of the Company and individual accomplishments. The Company compensates executive officers at a level and in a manner that allows the Company to be able to attract, motivate and retain individuals with exceptional executive skills. In addition, the executive compensation packages recognize and reward executive officers based upon their individual and corporate performance as determined and approved on an annual basis by the Board of Directors. The Compensation Committee monitors levels of executive remuneration to determine whether overall compensation reflects the

Company's objectives and philosophies and meets the Company's desired relative compensation position. The key components comprising executive officer compensation are base salary, annual bonus (short-term incentives), participation in the executive's RRSP contribution and in an incentive stock option plan (long-term incentives).

The Compensation Committee approves salary ranges for executive officers of the Company based on competitive industry data for the markets in which the Company operates, including the Coopers Consulting 2006 Mining Salary Survey Corporate Report – Canada. In establishing base salaries and salary ranges, the objective of the Compensation Committee sets target levels which, over time, will be competitive with market salaries. The Company's compensation practices set target levels consistent with the median level in the group of comparable companies. Individual levels, which are set annually, may vary from this objective, depending upon individual performance levels. The Chief Executive Officer does not participate in discussions or reviews relating to his own compensation.

As noted above, the Company provides annual incentive compensation to executive officers, including the Named Executives, through the provision of incentive bonuses (Short Term Incentive Plan "STIP"). The STIP is designed to give an incentive to stretch the participant's contribution; align the individual's contribution with Company objectives, communicate key objectives which are valued most highly and reward senior management employees for achieving objectives commensurate with the business and operations of the Company. The STIP provides for annual cash awards based on corporate, operational and individual results when measured against predetermined objectives and performance measures. Incentive bonuses are awarded annually to senior management, based on criteria as approved by the Board of Directors, and upon a detailed review of Company and individual performance over the prior financial year relative to each participant's area of responsibility. The bonuses for the Named Executive Officers are set out under the Summary Compensation Table.

In determining the annual cash awards the Compensation Committee undertakes a process beginning in the first quarter of each calendar year. The Committee meets with senior management to confirm the participants in the STIP and the corporate, operational and personal objectives of each participant. In determining the objectives of the STIP Management and the Committee take into consideration the Company's budget and business plan for the coming year and the individual participant's role within the Company. Objectives are assigned to the individual participant according to the Company's budget and plan and the participant's position, expertise and level of influence in the corporate and operational areas of the Company's activities. Personal objectives are decided in consultation between Management and the individual participant and provided to the Compensation Committee for approval. Weightings are applied to the individual participant's objectives according to his/her ability to impact the success of the objectives. The STIP is recommended by the Compensation Committee to the Board of Directors for approval.

During the first quarter of the following year, the Compensation Committee performs, with Management, a detailed review of each participant's performance against his/her individual objectives as set early in the previous year. The Committee may also take into consideration major events that have significant impact on the Company, but were outside the stated objectives in the STIP. In consultation with Management the Compensation Committee will make a determination of the cash award to be paid in accordance with the STIP and make a recommendation to the Board of Directors for approval of the payment of the STIP to the participants.

The Company also has in place an Incentive Stock Option Plan, Officers and Directors (the "D&O Plan"). We established the D&O Plan on April 30, 2003. Subsequent amendments to the D&O Plan were approved by the resolution of our Shareholders on April 28, 2005. The D&O Plan was designed to encourage executive officers to focus on the long-term interests of the Company and its Shareholders. The Board establishes and specifically approves each stock option grant and the terms and conditions of each stock option grant, so long as such terms and conditions are not inconsistent with the provisions of the D&O Plan. Stock Options granted to officers under the D&O Plan are typically vested in three tranches over two years and are issued at the closing price of the Company's shares on the TSX on the day prior to the granting of the options. (Refer to the section on "Incentive Stock Option Plans" for additional information). The Company issued 900,000 options to the Named Executives under the incentive stock option plan during 2006.

#### *CEO Compensation*

The Compensation Committee's CEO Compensation evaluates the President & CEO's compensation package and compares such package with competitive compensation packages for positions of similar responsibility at gold mining companies that are, like the Company, publicly held. By undertaking this evaluation the Compensation

Committee determined that the President & CEO's compensation package is appropriately designed to enhance shareholder value and to provide compensation commensurate with the performance of the President & CEO. In assessing the compensation paid to the President & CEO, the Committee also reviews available industry data relating to such companies collected from independent compensation surveys including the Coopers Consulting 2006 Mining Salary Survey Corporate Report – Canada, the Western Compensation & Benefits 2006 National Executive Compensation Survey and information available in the public records. The President & CEO's salary increase for 2006 (an increase from Cdn\$446,250 to Cdn\$475,000 per year) was recommended by the Compensation Committee and approved by the Board of Directors and was determined to be competitive with similar positions and recognizes his contribution to the Company's achievements. A bonus of Cdn\$267,188 was awarded to the President & CEO pursuant to criteria, objectives and weightings determined in accordance with the 2006 Budget and Plan and approved by the board of Directors in recognition of his achievements in 2006. His total compensation package for 2006 was \$742,188.

**Compensation Committee report approved by:**

Wayne Lenton, Chairman  
John Auston  
Robert Gilmore  
Geoffrey Handley

**Incentive Stock Option Plans (the "Plans")**

In addition to the D&O Plan, we established an incentive stock option plan for our employees, consultants and advisors (the "Employee Plan"). The Employee Plan was established on June 6, 1994. Subsequent amendments to the Employee Plan approved by resolutions of our Shareholders effective June 5, 1995, June 27, 1996, May 31, 2000, April 30, 2003, May 13, 2004 and April 28, 2005. The Employee Plan provides that, the Board of Directors may from time to time grant options to acquire Common Shares to any person who is an employee, consultant or advisor of us or our affiliates or a director or officer of our affiliates. Options under the Plans are non-assignable and non-transferable otherwise than by will or by laws governing the devolution of property in the event of death. Each option entitles the holder to purchase one Common Share, subject to certain adjustments. The exercise price for options granted under the Plans will be determined by the Board of Directors on the date of the grant, which price may not be less than the market value. Market value is defined under the Option Plan as the closing price of the Common Shares on the TSX on the trading day immediately preceding the grant day and if there is no closing price, the last sale prior thereto. The term of the Options granted is determined by the Board of Directors, but may not exceed ten years, typically options are granted in five year terms Pursuant to the terms of the Plans, additional terms and conditions may be imposed by the Board of Directors on options granted under the Plans. The Board imposes vesting restrictions on options granted under the Plans. The Plans do not provide for the Company financially assisting any optionee in connection with the exercise of options.

The Plans permit the granting of options to eligible participants to purchase up to a maximum of 24,872,038 Common Shares (13,813,688 for the Employee Plan and 11,058,350 for the D&O Plan) (representing 7% (4.0% for the Employee Plan and 3.0% for the D&O Plan) of the issued and outstanding Common Shares as of the date hereof) which have been reserved for issuance under the Plans. As of the date hereof, 9,950,501 options (4,315,501 for the Employee Plan and 5,635,000 for the D&O Plan) to purchase 9,950,501 Common Shares or 3.1% of the issued and outstanding Common Shares have been granted to eligible participants, 12,312,307 Common Shares have been issued pursuant to the exercise of 12,312,307 options and a total of 2,609,230 (700,880 for the Employee Plan and 1,908,350 for the D&O Plan) options remain available to grant under the Plans. Options that have expired or were exercised, cancelled or otherwise terminated are available for subsequent grants under the Plans.

Under a Compromise Agreement, dated September 12, 2005 (the "Afcan Transaction"), we acquired all of the issued and outstanding shares of Afcan Mining Corporation ("Afcan"), a gold mining company listed on the TSX with a late stage development project in the People's Republic of China. At the date of the Afcan Transaction, Afcan had in place an incentive stock option plan (the "Afcan Plan") whereby there were 594,997 options (the "Afcan Options") outstanding to three employees of Afcan (the "Afcan Employees") who continued into the employment of Eldorado or Qinghai Dachaidan Mining Limited, a subsidiary of the Company. Pursuant to the Afcan Transaction and approval of the TSX the Afcan Options were converted and the Afcan Employees received one option (the "New Afcan Option") for every 6.5 Afcan Options. A total of 91,538 Afcan Options were converted into New Afcan Options under a separate share reserve in addition to the Plans. The Afcan Options continue to be directed under the terms and conditions of the Afcan Plan and the option agreements with the Afcan Employees. The number of Eldorado shares reserved for the New Afcan Options as of today's date is 61,539. Terms and

conditions of the Afcan Plan are available at [www.sedar.com](http://www.sedar.com) as adopted by the board of directors of Afcan on March 17, 1998 and approved by the shareholders of Afcan on January 11, 1999 and amendments thereto.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights As at December 31, 2006 (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights As at December 31, 2006 (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) As at December 31, 2006 (c)</b>
Equity compensation plans approved by securityholders	7,276,643	3.82	5,656,730
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>7,276,643</b>	<b>3.82</b>	<b>5,656,730</b>

Each Plan provides that the maximum number of Common Shares that may be issued and issuable to eligible participants pursuant to options granted under the Plan, when taken together with the number of Common Shares issued and issuable to eligible participants under our other previously established or proposed share compensation arrangements, may not exceed 9% of the issued and outstanding Common Shares on a non-diluted basis. The Employee Plan provides that the maximum number of Common Shares issued and issuable pursuant to options granted under the Employee Plan to eligible participants, together with the number of Common Shares issued and issuable to such participants under any other previously established or proposed share compensation arrangements may not exceed 5% of the Common Shares outstanding on a non-diluted basis at the date of grant of the options. The D&O Plan provides that the maximum number of Common Shares issued and issuable pursuant to options granted under the D&O Plan to eligible participants, together with the number of Common Shares issued and issuable to such participants under any other previously established or proposed share compensation arrangements, may not exceed 4% of the Common Shares outstanding on a non-diluted basis at the grant of the options.

The total number of Common Shares that may be reserved for issuance to any one participant pursuant to options granted under the D&O Plan may not exceed 1% of the Common Shares outstanding (on a non-diluted basis) on the grant date of the options. The Employee Plan prohibits the granting of options to any single individual to purchase in excess of one-half of one percent (0.5%) of the then outstanding Common Shares. The total number of Common Shares that may be reserved for issuance to non-executive directors under both Plans is limited to 0.5% of the issued Common Shares on the date of grant.

Subject to the limitations set out above the Plans permit reloading of Common Shares in circumstances where options have been exercised, which provision would need to be re-approved every three years in accordance with TSX requirements.

Unless otherwise determined by the Board in accordance with the terms of the Plan, if the holder of an option ceases to be an eligible participant under a Plan due to

- (a) retirement or disability, the holder has up to 365 days to exercise any vested options;
- (b) in the case of the D&O Plan only, termination of employment within the six months following a change of control, the holder has 180 days from the date of such termination to exercise vested options;
- (c) death, the holder's estate has 365 days to exercise vested options;
- (d) any reason other than death, disability, retirement, change of control or cause, in the case of the Employee Plan, the Board may in its discretion provide holders with 30 days to exercise vested

option and in the case of the D&O Plan, a holder has 30 days or such later date as the Board may fix to exercise vested options;

provided that no option may be exercised following the expiration of the applicable exercise period.

In the event that:

- (a) we amalgamate, consolidate with or merge with or into another body corporate, holders of options under the D&O Plan will, upon exercise thereafter of such option, be entitled to receive and compelled to accept, in lieu of Common Shares, such other securities, property or cash which the holder would have received upon such amalgamation, consolidation or merger if the option was exercised immediately prior to the effective date of such amalgamation, consolidation or merger;
- (b) the exchange or replacement of Common Shares with those in another company is imminent because of a proposed merger, amalgamation or other corporate arrangement or reorganization, the Board may, in its discretion, determine the manner in which all unexercised options, granted under the Plans shall be treated including, for example, requiring the acceleration of the time for the exercise of outstanding Options and of the time for the fulfillment of any conditions or restrictions on such exercise; and
- (c) an offer to purchase all of the Common Shares is made by a third party, the Board may, in its discretion, require the acceleration of the time for the exercise of the options granted under the Plans and of the time for the fulfillment of any conditions or restrictions on such exercise.

The Board may, subject where required to the terms and conditions in the Plans, securities regulators, the TSX and/or AMEX approval, from time to time amend, suspend or terminate the Plans in whole or in part. Pursuant to the Plans, the Board is specifically authorized to amend or revise the terms of the Plans without obtaining Shareholder approval in the following circumstances:

- (a) to change the vesting provisions;
- (b) to change the termination provisions of the options or Plan which does not extend beyond the original expiry date;
- (c) to amend the eligibility requirements of eligible participants which would have the potential of broadening or increasing insider participation;
- (d) to add cashless exercise feature, payable in cash or securities, whether or not the feature provides for a full deduction of the number of underlying Common Shares from the reserved Common Shares;
- (e) to add a deferred or restricted share unit or any other provision which results in an eligible participant receiving securities while no cash consideration is received by the Company; and
- (f) other amendments of a housekeeping nature.

Pursuant to the TSX requirements, shareholder approval is required for amendments that involve:

- (a) amendments to the number of securities issuable under the arrangement, including an increase to a fixed maximum, increase to a fixed maximum percentage or a change from a fixed maximum number to a fixed maximum percentage (an increase does not include reloading after exercise provided that the fixed maximum is not increased);
- (b) the addition of any form of financial assistance;
- (c) any amendment to the financial assistance provision which is more favourable to participants;
- (d) in circumstances where the amendment could lead to a significant or unreasonable dilution in the issuer's outstanding securities or may provide additional benefits to eligible participants, especially insiders at the expense of the issuer and its existing securityholders.

The exercise price of any outstanding option may not be reduced unless Shareholder approval is obtained. The Plans and the TSX also requires that disinterested shareholder approval be obtained in accordance with regulatory requirements if the exercise price of any outstanding option granted to an insider is reduced or the exercise period extended to the benefit of insiders.

Subject to certain limited exceptions, shareholder approval is required under the AMEX rules for any “material amendment” to a stock option plan pursuant to which options may be acquired by officers, directors, employees or consultants of an AMEX listed company. A “material amendment” includes, but is not limited to the following:

- (a) any material increase in the number of shares to be issued under the plan (other than to reflect a reorganization, stock split, merger, spin-off or similar transaction);
- (b) any material increase in benefits to participants, including any material change to:
  - (i) permit a repricing (or decrease in exercise price),
  - (ii) reduce the price at which shares or options to purchase shares may be offered, or
  - (iii) extend the duration of the plan;
- (c) any material expansion of the class of participants eligible to participate in the plan; and
- (d) any expansion in the types or options or awards provided under the plan.

The Plans must be reconfirmed, every three years, by a resolution passed by a majority of the votes cast by Shareholders at a meeting of Shareholders and if the Plan is not reconfirmed by the Shareholders as required by this provision, no further grants of options may be made under the Plan.

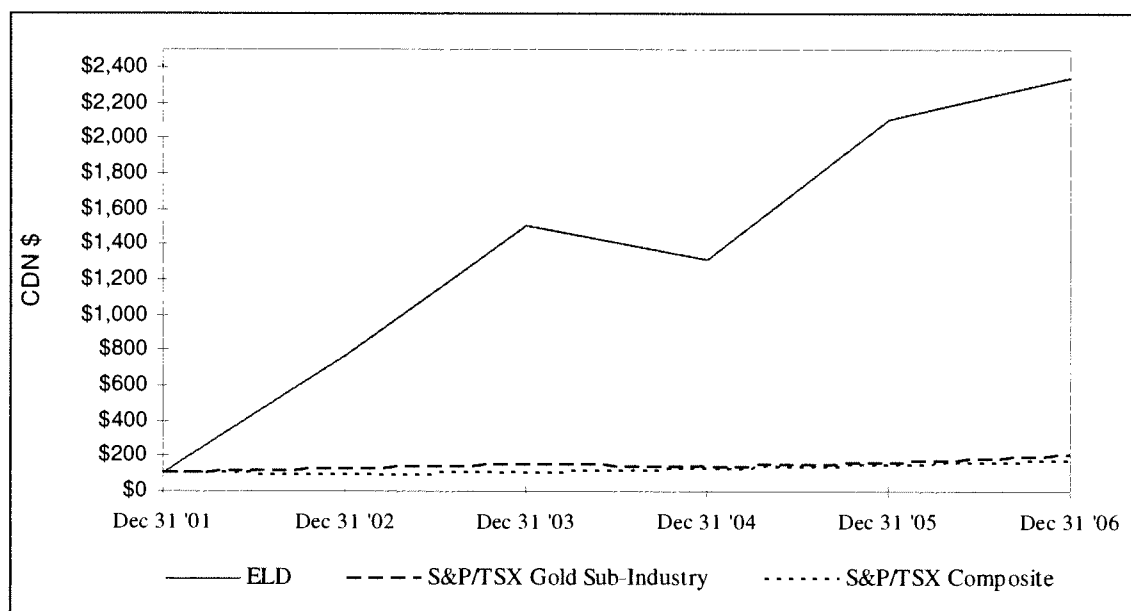
In addition, the Plans and any outstanding options thereunder may be amended or terminated by the Board if the amendment or termination is required by any securities regulators, a stock exchange or a market as a condition of approval of a distribution to the public of Common Shares, or to obtain or maintain a listing or quotation of our Common Shares.

The Board may also amend or terminate any outstanding option, including, but not limited to, substituting another award of the same or of a different type or changing the date of exercise; provided, however that, the holder of the option must consent to such action if it would materially and adversely affect the holder.

A copy of the Plans may be obtained by any Shareholder by request in writing to our Corporate Secretary at #1188 – 550 Burrard Street, Vancouver, British Columbia, V6C 2B5.

### PERFORMANCE GRAPH

The following chart compares the total cumulative shareholder return for CDN\$100 invested in common shares of Eldorado with the total cumulative shareholder return of the S&P/TSX Composite Index and the total cumulative shareholder return of the TSE Gold Index for the period commencing December 31, 2001 and ending December 31, 2006.



### COMPENSATION OF DIRECTORS

Directors of the Company who are not officers or employees (the “Independent Directors”) are compensated for their services as directors through a combination of retainer fees and meeting attendance fees. In 2006, the annual retainer fee paid to such directors other than the Chairman of the Board was CDN\$20,000 and the annual retainer paid to our Non-Executive Chairman was CDN\$35,000. The Chairman of the Audit Committee received an additional annual retainer of CDN\$7,500. The Chairman of the CGNC and the Chairman of the Compensation Committee received an additional annual retainer of CDN\$4,000 and Directors receive a fee of CDN\$1,500 for each director meeting and CDN\$1,500 for each committee meeting attended. In 2006 Directors who were required to travel to Board and/or Committee Meetings from other countries or cities were paid CDN\$750 per day (the “Travel Allowance”). Directors are reimbursed for their incidental expenses incurred in connection with their services as directors.

During the financial year ended December 31, 2006, an aggregate of \$304,625 was paid in cash to the non-executive directors and the Company granted 100,000 share options to one non-executive director. The following table provides details regarding compensation paid to the Company’s directors during the year ended December 31, 2006 and details of share options under grant as of the year ended December 31, 2006.

Name	Board annual Retainer	Committee Chair Retainer	Chairman Retainer	Aggregate Board Attendance	Aggregate Committee Attendance	Total Fees Paid in Cash CDN	Share Options	
							Unexercised Options at December 31, 2006	Value of Unexercised in-the-Money Options at December 31, 2006 CDN <sup>(5)</sup>
John Auston	20,000			6 Board Meetings Attended	8 Committee Meetings Attended	\$36,000	100,000 @ \$1.90 (expiry date April 29, 2008) <sup>(1)</sup> 100,000 @ \$3.70 (expiry date January	\$702,000

						20, 2009) <sup>(2)</sup> all options fully vested	
K. Ross Cory	20,000	4,000	9 Board Meetings Attended	11 Committee Meetings Attended	55,250	100,000 @ \$1.90 (expiry date April 29, 2008) <sup>(1)</sup> 100,000 @ \$3.70 (expiry date January 20, 2009) <sup>(2)</sup> all options fully vested	\$702,000
Robert R. Gilmore	20,000	7,500	9 Board Meetings Attended	11 Committee Meetings Attended	56,875	100,000 @ \$1.90 (expiry date April 29, 2008) <sup>(1)</sup> 100,000 @ \$3.70 (expiry date January 20, 2009) <sup>(2)</sup> all options fully vested	\$702,000
Geoffrey Handley	20,000		2 Board Meetings Attended <sup>(3)</sup>	1 Committee Meeting Attended	9,500	100,000 @ \$5.35 (expiry date September 7, 2011) all options fully vested <sup>(1)</sup>	\$96,000
Wayne D. Lenton	20,000	4,000	7 Board Meetings Attended	4 Committee Meetings Attended	40,250	100,000 @ \$3.70 (expiry date January 20, 2009) <sup>(2)</sup> all options fully vested	\$261,000
Hugh C. Morris		35,000	7 Board Meetings Attended	10 Committee Meetings Attended	60,750	100,000 @ \$0.70 (expiry date February 25, 2007) <sup>(4)</sup> 100,000 @ \$3.70 (expiry date January 20, 2009) <sup>(2)</sup> all options fully vested	\$822,000
Donald M. Shumka	20,000		7 Board Meetings Attended	7 Committee Meetings Attended	41,000	100,000 @ \$3.00 (expiry May 1, 2010) <sup>(1)</sup> all options fully vested	\$331,000

- (1) In accordance with the Director Compensation Policy each Director is granted 100,000 immediately vested options upon election or appointment to the Board. Such options are granted pursuant to the terms and conditions of the D&O Plan.
- (2) In accordance with the D&O Plan the Board may grant discretionary options to Directors of the Company. The last discretionary grant of options was January 20, 2004. Discretionary options granted are vested in three tranches over two years (1/3 immediately; a further 1/3 after one year; and a further 1/3 after two years).
- (3) Mr. Geoffrey Handley was appointed to the Board of Directors was appointed in August 2006.
- (4) 100,000 options @\$0.70 granted to Mr. Morris on February 26, 2002 were fully exercised prior to expiry on February 25, 2007
- (5) Based on a market value of Cdn\$6.31 per share, being the closing trading price per Common Share on the TSX as of December 29, 2006.

Pursuant to the Company's Directors' Compensation Policy our directors are eligible to participate in the D&O Plan. The terms of the Directors' Compensation Policy include the provision of a grant of 100,000 immediately vested options to newly elected or appointed non-executive Directors. All subsequent options granted to non-executive Directors would be subject to vesting requirements in accordance with the Company's practices. In 2006, Mr. Geoffrey Handley was appointed to the Board and was granted 100,000 options pursuant to the Directors' Compensation Policy. Each option entitles Mr. Handley to acquire one common share at the exercise price of Cdn\$5.35 per share until September 7, 2006.

## DIRECTORS AND OFFICERS INDEMNIFICATION AND INSURANCE

There was no indemnification payable this financial year to our directors or officers.

We maintain liability insurance for our directors and officers in the aggregate amount of US\$20,000,000 subject to a US\$250,000 deductible loss payable by us. The premium, in the amount of US\$378,520 was paid by us for the period from July 1, 2006 to July 1, 2007. The Company, on an annual basis, examines the relevancy of the liability insurance and determines if the amount or the terms of the policy should be adjusted.

## CORPORATE GOVERNANCE

Major regulatory changes in respect of corporate governance have recently come into effect. In particular, the Canadian Securities Administrators (the "CSA") have issued National Policy 58-201 - Corporate Governance Guidelines and National Instrument 58-101 - Disclosure of Corporate Governance Practices ("NI 58-101"). The TSX also requires each listed company to discuss its approach to corporate governance annually in accordance with the NI 58-101. Additional changes also have arisen from the U.S. Sarbanes-Oxley Act of 2002, and the subsequent rules and regulations, adopted by the U.S. Securities and Exchange Commission and the rules and regulations recently adopted by the AMEX.

In 2005 the Board formed the CGNC and appointed four Independent Directors to the CGNC. In its role of corporate governance the CGNC monitors the various changes and proposed changes to corporate governance regulations and guidelines and, where appropriate amends its corporate governance practices to maintain a best practices approach to corporate governance matters. The Board believes that our practices are consistent with and in some cases go beyond most corporate governance rules and guidelines as recommended by the securities commissions and stock exchanges in the jurisdictions where the Company's shares are listed.

The following describes the Company's corporate governance practices in accordance with the disclosure requirements of Proposed NI 58-101.

### Board of Directors

The Board is currently comprised of eight Directors, seven of whom are independent and the eighth is the CEO. A director is considered independent in accordance with the Terms of Reference – Board of Directors attached to this Information Circular at Schedule A. The Board of Directors approved the Terms of Reference for a Director on March 22, 2007. These Terms of Reference can be found on the Company's website at [www.eldoradogold.com](http://www.eldoradogold.com) and attached to this Information Circular as Schedule A.

The Board has determined that the seven directors identified below, including our Chair, are Independent Directors:

John Auston	Independent
Ross Cory	Independent
Robert Gilmore	Independent
Geoffrey Handley	Independent
Wayne Lenton	Independent
Hugh Morris, Chairman	Independent
Donald Shumka	Independent

Paul Wright, our President & Chief Executive Officer is a member of our management and therefore is not an Independent Director.

The Board is satisfied that its current number of directors is appropriate, providing a diversity of views and experience while maintaining effective stewardship. The Board believes that the composition of the Board fairly represents the interests of Shareholders.

The Audit Committee holds internal control meetings with the Company's Chief Financial Officer, the Company's independent auditor PricewaterhouseCoopers and other external advisors to deal with Sarbanes-Oxley compliance matters. During the financial year ended December 31, 2006 the Audit Committee conducted such internal control meetings concurrent with its regularly scheduled Audit Committee Meetings. The Members of the Audit Committee

were not paid any additional fees for attendance at such meetings. Pursuant to the Independent Auditor’s report dated March 22, 2007 “In our opinion, management’s assessment that the company maintained effective internal control over financial reporting as of December 31, 2006 is fairly stated, in all material respects, based on criteria established in Internal Control – Integrated Framework issued by the COSO. Furthermore, in our opinion the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2006 based on criteria established in Internal Control – Integrated Framework issued by the COSO.”

The Independent Directors hold regularly scheduled meetings at which members of management are not in attendance (“In Camera Meetings”). The Board’s policy is to hold In-Camera meetings at the end of each Board Meeting and Audit Committee Meeting. An Independent Director of the Company is appointed at the In Camera Board Meetings to take and maintain the Minutes of such meetings. The Independent Directors were not paid any additional fees for attendance at such meetings.

Our Board expects that all directors should attend all meetings of the Board and all meetings of each committee on which a director is a member. The following table summarizes the attendance of Board members from January 1, 2006 to December 31, 2006:

Name	Board Meetings Attended	Audit Committee Meetings Attended	CGNC Meetings Attended	Compensation Committee Meetings Attended
John Auston <sup>(3) (4)</sup>	6 of 9	n/a	4 of 4	3 of 3
Ross Cory <sup>(2) (4)</sup>	9 of 9	6 of 6	4 of 4	n/a
Robert Gilmore <sup>(2) (3)</sup>	9 of 9	6 of 6	n/a	3 of 3
Geoffrey Handley <sup>(1) (3) (4)</sup>	2 of 9	n/a	0 of 4	0 of 3
Wayne Lenton <sup>(3)</sup>	8 of 9	n/a	n/a	3 of 3
Hugh Morris, Chairman <sup>(2) (4)</sup>	7 of 9	6 of 6	4 of 4	n/a
Donald Shumka <sup>(2)</sup>	7 of 9	6 of 6	n/a	n/a
Paul Wright	9 of 9	n/a	n/a	n/a

(1) Mr. Handley was appointed to the Board of Directors on August 29, 2006.

(2) Audit Committee Member

(3) Compensation Committee Member

(4) CGNC Member

(5) Under certain circumstances, as determined by the Board of Directors from time to time, directors are recused from attendance at Board or Committee meetings.

Certain of our Independent Directors are also directors of other reporting issuers in Canada. Refer to the Independent Directors personal information on pages 5 & 6 of this circular.

The Chairman of the Board is the chief administrative officer of the Board of Directors, responsible for providing strategic and tactical leadership to the Directors and for ensuring the smooth functioning of the Board’s processes.

### **Board Mandate**

The principal role of our Board of Directors is stewardship of the Company, with its fundamental objective being the creation of shareholder value, including the protection and enhancement of the value of the Company’s assets. The stewardship responsibility means that the Board oversees the conduct of the business and supervises Management, which is responsible for the day-to-day conduct of the business. The Board shall assess and monitor the systems in place to manage the risks of the Company’s business with the objective of safeguarding the Company’s assets. In its supervisory role, the Board sets the attitude and disposition of the Company towards ethics, risk management, compliance with applicable laws and regulatory policies, environmental, safety and health practices and procedures, financial practices, disclosure and reporting. In addition to its primary accountability to shareholders, the Board is also accountable to securities and regulatory authorities in the jurisdictions where the Company is listed, and other stakeholders, such as employees, contractors, communities, and the public. The Board requires that there are long-term goals and strategic planning processes in place, to which the Board brings objectivity and judgment. The

Board is responsible for approval of the corporate strategy and for monitoring the Company's processes. The Board of Directors is responsible for succession planning for the Board and for the CEO. The complete Terms of Reference for our Board of Directors are attached as Schedule "A" to this Information Circular and can be found on our website [www.eldoradogold.com](http://www.eldoradogold.com) or by contacting our Corporate Secretary. These Terms of Reference include the Mandate of the Board of Directors.

### **Position Descriptions**

The Board has developed Terms of Reference for Directors. Such Terms of Reference are reviewed annually for compliance with corporate governance regulations and guidelines of the securities regulators and stock exchanges in the jurisdictions where the Company is listed. The Terms of Reference for Directors delineate the roles and responsibilities of the Chair of the Board and of the Chair of each Committee. The Terms of Reference were last approved by the Board of Directors on March 22, 2007 and are attached to this Information Circular. The position description for the CEO has been developed and approved by the Board of Directors and is reviewed annually by the Compensation Committee as part of the CEO's evaluation process.

### **Orientation and Continuing Education**

The Board has a formal process for the orientation of new Independent Directors regarding the role of the board, its Committees and its Directors and the nature of operations of the business. Each newly elected Independent Director is provided with one-on-one orientation by each of the senior executive officers and departmental heads and receives a Director's binder that includes information pertinent to his/her role as a Director of the Company. In addition, monthly management reports, presentations by the President & CEO at regularly scheduled Board Meetings, annually scheduled presentations by our international senior management and relevant site visits to our development projects and operations provide our Directors with updated information on the Company's activities. In 2006 the Directors had the opportunity to tour the operations at Kisladag, Turkey and Tanjianshan, China.

Information is available to the Board concerning continuing education for its Directors. The President & CEO reports to the Board on an informal and formal basis regularly. Departmental managers who can provide insight because of personal involvement, and/or certain of our advisors and consultants are invited to attend meetings of the Board on a regular basis to relay information pertinent to our business activities.

### **Director Investment Requirements**

At a meeting of the Board of Directors held March 22, 2007 the Board resolved to implement a policy requiring each director of the Company to hold a minimum number of the Company's common shares. The requirements under the policy are being determined and will be implemented during the financial year ended December 31, 2007. As of the date hereof all directors hold Common Shares in the Company. See "Election of Directors" on page 7 of this Information Circular for details regarding security holdings of the Company's directors.

### **Majority Voting for Election of Directors**

The Board has adopted a policy regarding majority voting for the election of directors. The policy is described under "Election of Directors" on page 7 of this Information Circular.

### **Ethical Business Conduct**

Eldorado Gold Corporation and its subsidiaries and affiliates are committed to the highest standards of legal and ethical business conduct. This Code of Business Conduct and Ethics (the "Code"), adopted on October 27, 2004 and reviewed annually by the Board of Directors summarizes the legal, ethical and regulatory standards that we follow and is a reminder to our directors, officers and employees ("Representatives"), of the seriousness of that commitment. Compliance with this Code and high standards of business conduct is mandatory for every Representative. The Board does not monitor compliance with the Code, but rather relies on the oversight of the Company's Internal Controls to monitor compliance with the Code.

The Code is available on our website [www.eldoradogold.com](http://www.eldoradogold.com) and on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company's name. In addition, a copy of the Code can be obtained from our Corporate Secretary by request in writing to Suite 1188 – 550 Burrard Street, Vancouver, British Columbia, V6C 2B5 or e-mail [dawnm@eldoradogold.com](mailto:dawnm@eldoradogold.com). The Code is posted in each of our offices and operations and all Representatives are

required to both acknowledge their understanding of the terms of the Code and to attest to their compliance with those terms on an annual basis. The acknowledgement and agreement to the Code forms part of the Company's employment agreements.

Pursuant to the Code we have adopted a "Whistle Blower" policy whereby Representatives can report suspected illegal or unusual behaviour by other Representatives. Representatives are able to report in confidence any known or suspected violations of laws, governmental regulations or this Code to the Chair of our Audit Committee. Additionally, Representatives may contact the Chair of our Audit Committee or our Corporate Secretary with a question or concern about this Code or a business practice. Any questions or violation reports will be addressed immediately and seriously, and can be made anonymously. The contact details where Representatives can report suspected violations and guidelines are listed in the attachment to the Code.

We will not allow any retaliation against a Representative who acts in good faith in reporting any violation.

The Chair of our Audit Committee or our Corporate Secretary will investigate any reported violations and will determine an appropriate response, including corrective action and preventative measures when required. All reports will be treated confidentially to every extent possible.

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

Each Director is responsible for understanding the roles and responsibilities of the Board as a whole and of a Director as mandated in the respective Terms of Reference for each and in our Code. In this manner the Board encourages and promotes a culture of ethical business conduct.

The Board has in place a policy whereby individual directors are able to engage any outside advisors at the Company's expense that he/she may determine is necessary in order to assist in fulfilling its responsibilities. The engagement and payment by the Company for the services of an outside advisor are subject to approval by the Chairman of the Audit Committee or the Chairman of the CGNC.

### **Nomination of Directors**

The Independent Directors are responsible for the identification and nomination of new candidates for the Board. The Directors annually participate in discussions designed to identify skill sets and individuals that would enhance the proficiency of the Board. The CGNC is responsible for the nominating process. Terms of Reference for the CGNC have been written in accordance with corporate governance regulations and guidelines of the securities regulators and stock exchanges in the jurisdictions where the Company has its securities listed and are attached as Schedule "A" hereto and can be found on our website at [www.eldoradogold.com](http://www.eldoradogold.com). The Terms of Reference establish the process of identifying, recruiting, nominating and appointing directors. In addition, all incumbent directors complete an annual questionnaire that is designed to assess the Board as a whole and to provide a opportunity for discussion on the structure and composition of the Board.

### **Assessments**

Annually the CGNC distributes a directors' questionnaire ("Directors' Questionnaire") to be completed by all Directors of the Company. The Directors Questionnaire is designed to assist the Board in assessing the Directors, the Board and its Committees to determine the effectiveness of the Board as a whole. The results of the Directors Questionnaire are tabulated and recommendations for the coming year are made to the Board based on the results of the responses.

### **Board Committees**

The Board has established three committees of directors, being the Compensation Committee, the Audit Committee and the CGNC. Each of the Committees is composed entirely of Independent Directors. Terms of Reference for the Committees are attached to this Information Circular as Schedule A and are available on the Company's website ([www.eldoradogold.com](http://www.eldoradogold.com)) or by contacting our Corporate Secretary.

### ***Compensation Committee***

As noted above, the Compensation Committee is currently composed of four Independent Directors. Mr. Wayne Lenton is the Chair of the Committee. Messrs. Auston, Gilmore and Handley served as members of the Committee for the 2006 term.

The Compensation Committee develops, reviews and monitors director and executive compensation and policies. Terms of Reference for the Compensation Committee address the description of responsibilities, powers and operations of the Compensation Committee and are attached as Schedule "A" hereto and are available on our website [www.eldoradogold.com](http://www.eldoradogold.com) or by contacting our Corporate Secretary. The Compensation Committee met 3 times in 2006 with one of the Members of the Committee absent from one meeting.

The Compensation Committee annually reviews the composition of the compensation packages and determines the adequacy of the compensation packages for senior executives of the Company. The review of executive compensation includes a detailed review of each executive's performance against his/her individual objectives as set in the previous year. The Compensation Committee is also responsible for the review of the Directors cash and equity compensation and makes recommendations to the Board of Directors in such regard. The Compensation Committee makes its recommendations to the Board based upon a review of Board objectives and responsibilities as set in the previous year and independent compensation surveys including the Coopers Consulting 2006 Mining Salary Survey Corporate Report and the Patrick O'Callaghan and Associates and Korn Ferry International Report on Corporate Board Governance and Director Compensation – a Review of 2006 together with publicly available information on the types of compensation paid to senior executives and Directors within our peer group. In 2006 the Compensation Committee did not engage an independent consultant.

#### *Audit Committee*

The Audit Committee is currently composed of four Independent Directors. Robert Gilmore is the Chair of the Committee and Messrs. Cory, Morris and Shumka served as members for the 2006 term. Each of the members of the Committee is financially literate (For particulars on the experience and education of the members of our Audit Committee please refer to pages 5 & 6 of this Information Circular.) The Audit Committee met 6 times in 2006. All members were in attendance at each of the Audit Committee Meetings.

The Audit Committee is responsible for the oversight of financial reporting, internal controls and certain public disclosure documents. The Audit Committee also recommends the appointment of our external auditors, reviews the annual audit plan and auditor compensation, reviews hiring policies regarding former staff and auditors. Audit services in 2006 were carried out by PricewaterhouseCoopers LLP ("PWC"). In 2006, the Audit Committee carried out its plan to split audit and non-audit services; non audit services were performed by audit firms and/or consultants other than PWC.

See "Audit Committee" in our annual information form and Schedule A in this Information Circular Terms of Reference – Audit Committee, for particulars regarding our Audit Committee's charter and the Audit Committee's pre-approval policies and procedures for non-audit consultant services and the service fees paid to our Auditor as well as other related matters. The Terms of Reference are also available on our website [www.eldoradogold.com](http://www.eldoradogold.com) or by contact our Corporate Secretary.

#### *Corporate Governance & Nominating Committee*

The CGNC was formed in 2005 to oversee and monitor the Company's corporate governance policies and practices, to identify, propose and nominate candidates for election as directors and to recommend a slate of nominees for election at the Company's annual shareholders meeting on behalf of the Board and to report on the CGNC's activities on a regular and timely basis to the Board. The Chair of the CGNC is Mr. Ross Cory and Messrs. Auston, Handley and Morris served as members for the 2006 term. The Terms of Reference for the CGNC are attached as Schedule A to this Information Circular. The Corporate Governance & Nominating Committee met 4 times in 2006. All members were in attendance at each of the Corporate Governance and Nominating Committee meetings.

#### **Other Matters**

##### *Environmental & Risk Assessment*

In 2006, the Board, as whole, held the responsibility for overseeing and approval of recommendations for actions, development programs and procedures to monitor that the Company's environmental, health and safety and risk

assessment practices and if necessary, to suggest changes in the Company's practices from time to time as may be warranted to keep pace with environmental, health and safety regulations, trends or developments in the mining industry and in the jurisdictions in which we operate. The Board reviews Environmental, Health & Safety and Risk Assessment Reports at regularly scheduled Board meetings.

### **APPOINTMENT OF AUDITORS**

In accordance with the recommendation of the Audit Committee, the Board recommends that at the Annual Meeting the Shareholders vote for the reappointment of PricewaterhouseCoopers LLP ("PWC") as the Company's auditors to hold office until the next annual general meeting of Shareholders and that the Shareholders authorize the Board to fix the remuneration of the auditors. PWC were first appointed as our auditors in 1992 and have since then served as our auditors.

Fees for audit-related and non-audit services paid to PWC in 2006 are as follows:

Total Audit Fees	\$ 738,304
Audit Related Services	\$ 537,433
Taxation Services	\$ 18,489

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than as set forth in this Information Circular, none of our directors or senior officers, nor any person who has held such a position since the beginning of our last completed financial year, nor any proposed nominees for election as a Director of the Company, nor any of their respective associates or affiliates, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and the appointment of auditors.

### **INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS**

We are not aware of any material interest, direct or indirect, of any Shareholder who holds more than 10% of the voting rights attached to the Common Shares, any proposed nominee for election as a director, any director or officer of the Company or subsidiary of the Company or any Shareholder who holds more than 10% of the voting rights attached to the Common Shares of the Company or any associate or affiliate of any of the foregoing, in any transaction which has been entered into since the commencement of our most recent completed financial year or in any proposed transaction which, in either case, has materially affected or will materially affect us or any of our subsidiaries.

### **SHAREHOLDERS PROPOSALS**

Pursuant to Section 137 of the CBCA, any notice of a Shareholder proposal intended to be raised at next year's annual meeting of Shareholders of the Company must be submitted to the Company at its registered office, to the attention of the Secretary, on or before January 29, 2007, to be considered for inclusion in the management proxy circular for the annual meeting of the Shareholders next year

It is our position that Shareholder proposals need be recognized only if made in accordance with the foregoing procedure and the provisions of the CBCA.

### **ADDITIONAL INFORMATION**

Additional information relating to us is available at [www.sedar.com](http://www.sedar.com) under our name. Financial information is provided in our comparative financial statements and MD&A for our most recently completed financial year. Copies of our financial statements and Management Discussion & Analysis can be obtained from our Corporate Secretary by contacting the Corporate Secretary in writing at Suite 1188 – 550 Burrard Street, Vancouver, British Columbia V6C 2B5 or by e-mail at [dawnm@eldoradogold.com](mailto:dawnm@eldoradogold.com). Copies of such documents will be provided to Shareholders free of charge.

**OTHER MATTERS**

**The Management knows of no other matters to come before the Meeting of Shareholders other than those referred to in the Notice of Meeting. However, if any other matters which are not known to the Management shall properly come before the said Meeting, the form of proxy given pursuant to the solicitation by Management will be voted on such matters in accordance with the best judgment of the persons voting the proxy.**

**APPROVAL**

The contents and sending of this Information Circular have been approved by our directors.

**BY ORDER OF THE BOARD OF DIRECTORS**

*/s/Paul N. Wright*

Paul N. Wright  
President & Chief Executive Officer

**SCHEDULE 'A'**

**TERMS OF REFERENCE**

Board of Directors

Director

Audit Committee

Compensation Committee

Corporate Governance and Nominating Committee

# **ELDORADO GOLD CORPORATION**

## **BOARD OF DIRECTORS**

### **Terms of Reference**

#### **I. ROLE AND RESPONSIBILITIES**

- A. The principal role of the Board of Directors (“Board”) is stewardship of the Company, with its fundamental objective being the creation of shareholder value, including the protection and enhancement of the value of its assets. The stewardship responsibility means that the Board oversees the conduct of the business and supervises Management, which is responsible for the day-to-day conduct of the business. The Board shall assess, and require that systems are in place to manage the risks of the Company’s business with the objective of safeguarding the Company’s assets. In its supervisory role, the Board sets the attitude and disposition of the Company towards ethics, risk management, compliance with applicable laws and regulatory policies, environmental, safety and health policies, financial practices, disclosure and reporting. In addition to its primary accountability to shareholders, the Board is also accountable to government authorities and other stakeholders, such as employees, contractors, communities, and the public.
- B. The principal responsibilities of the Board required to ensure the overall stewardship of the Company are as follows:
- (i) the Board shall review and monitor the Company’s long-term goals and the strategic planning process on an annual basis. The Chief Executive Officer (“CEO”), with the involvement of the Board, shall establish long-term goals for the Company. The CEO formulates the Company’s strategy, policies and proposed actions and presents them to the Board for approval. The Board brings objectivity and judgement to this process. The Board is responsible for the approval of the strategy and for monitoring the process;
  - (ii) the Board shall identify and have an understanding of the principal risks associated with the Company’s business, and reviews and monitors the systems in place to manage those risks effectively. The risks span the Company’s entire business to include environmental, operating, political, financial, geological, and legal and regulatory risks;
  - (iii) the Board shall evaluate the processes in place to enable it to supervise and measure Management’s, and in particular the CEO’s, performance in carrying out the Company’s stated objectives. These processes should include appropriate training, development and succession of Management and to the extent footnoted satisfy itself as to the integrity of the CEO and other executive officers that they create a culture of integrity throughout the organization

- (iv) the Board shall review and monitor the internal controls and management information systems in place to monitor the Company's operations. The Board shall review and monitor the Company's compliance with applicable laws, regulations and policies pertaining to the Company in all applicable jurisdictions; and
  - (v) Those Members of the Board proficient in the technical aspects of preparing a reserve and resource calculation shall review and report to the Audit Committee regarding the preparation and calculation procedure of the reserve and resource calculation and the credentials of the qualified person responsible for the preparation of the reserve and resource statement and report back to the Audit Committee.
  - (vi) the Board shall adopt and review a communication policy and monitor the Company's communication program that facilitates effective communication with its stakeholders and encourages feedback from shareholders.
  - (vii) the Board shall require that the appropriate corporate governance policies and procedures are in place.
  - (viii) the Board must approve all material public disclosure such as the quarterly and annual Financial Statements of the Company and their associated MD&A's, the Annual Information Form and Management Proxy Circular.
- C. The Board is responsible for acting in accordance with its obligations contained in the *Canada Business Corporations Act*, the Company's Articles and By-laws and any other relevant legislation and regulations and each Director shall:
- (i) act honestly in good faith with a view to the best interests of the Company;
  - (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
  - (iii) exercise independent judgement; and
  - (iv) disclose any conflict of interest on any issue, including any interest in a material contract or transaction, brought before the Board and refrain from participating in the Board discussion and voting on the matter.
- D. The Board has the authority to establish a Committee or Committees and appoint Directors to be members of these Committees. With certain exceptions, the Board may delegate its powers to such Committees. The matters to be delegated to Committees of the Board and the constitution of such Committees shall be reviewed annually or more frequently, as circumstances require. From time to time the Board may create a Special Committee to examine specific issues on behalf of the Board.

There are three Committees of the Board, namely, the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. The Board has approved Terms of Reference for each of these Committees setting out their duties, responsibilities, organization, and administrative procedures. These Terms of Reference are reviewed and approved annually.

## **II. COMPOSITION AND PROCEDURE**

- A. The Board shall be constituted with a majority of individuals who qualify as Independent Directors, as defined in National Policy 58-101, National Policy 52-110 (attached as Appendix A to these Terms of Reference). A related Director is a Director who is not an Independent Director. If the Company has a significant shareholder, in addition to a majority of independent Directors, the Board shall include a number of Directors who do not have interests in or relationships with either the Company or the significant shareholder and which fairly reflects the investment in the Company by shareholders other than the significant shareholder. A significant shareholder is a shareholder with the ability to exercise a majority of the votes for the election of the Board.
- B. The Board shall encourage the CEO to bring into Board meetings, managers who can provide additional insight into the items being discussed because of personal involvement in those areas, and/or are employees who have the potential to take on greater responsibilities within the Company and whom the CEO believes should be given more exposure to the Board.
- C. The Board shall require appropriate orientation and continuing education of directors. Management reports and presentations and relevant site visits to its operations provide Directors with updated information on the Company. New directors receive a Board Manual containing relevant management information, historical public information and the Terms of Reference for the Board of Directors, a Director and the Committees of the Board.
- D. The Independent Members of the Board will meet after each regularly scheduled meeting of the Board, or when it is deemed necessary by the Chairman of the Board, without any member of the Company's Management present for the purposes of evaluating Management and discussing such other matters as may be appropriate. The Independent Directors will appoint a Member to act as Secretary of the 'In Camera' Meetings. Minutes generated from the meetings of the Independent Directors will be maintained by the Chairman. Any business items arising from the meetings will be brought to the attention of the Corporate Secretary and be added to the Agenda of the next regularly scheduled Board Meeting.
- E. An individual Director may engage any outside advisors at the expense of the Company that the Director deems necessary in fulfilling the Director's responsibilities in appropriate circumstance. The appointment of such outside advisors will be subject to the approval of the Chairman of the Audit Committee

Approved by the Board of Directors, March 22, 2007

**ELDORADO GOLD CORPORATION**

**BOARD OF DIRECTORS**

**TERMS OF REFERENCE**

**APPENDIX A**

Definitions

*Independence*

**British Columbia Instrument 52-509**

In this Instrument, a director of an issuer is independent if

- (a) a reasonable person with knowledge of all the relevant circumstances would conclude that the director is independent of management of the issuer and of any significant shareholder, or
- (b) the issuer is a reporting issuer in a jurisdiction other than British Columbia and the director is independent under MI 52-110

**Multilateral Instrument 58-201**

In this Instrument, a director of an issuer is independent if

- (1) In a jurisdiction other than British Columbia, a director is independent if he or she would be independent within the meaning of section 1.4 of Multilateral Instrument 52-110.
- (2) In British Columbia, a director is independent if
  - (a) a reasonable person with knowledge of all the relevant circumstances would conclude that the director is independent of management of the issuer and of any significant security holder, or
  - (b) the issuer is a reporting issuer in a jurisdiction other than British Columbia, and the director is independent under subsection (1).

**Multilateral Instrument 52-110 Audit Committees**

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the issuer.

- (2) For the purposes of subsection (1), a “material relationship” is a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgement.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
  - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
  - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
  - (c) an individual who:
    - i. is a partner of a firm that is the issuer’s internal or external auditor,
    - ii. is an employee of that firm, or
    - iii. was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
  - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
    - i. is a partner of a firm that is the issuer’s internal or external auditor,
    - ii. is an employee of that firm and participates in its audit, assurance of tax compliance (but not tax planning) practice, or
    - iii. was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
  - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer’s current executive officers serve or served at the same time on the entity’s compensation committee; and
  - (f) an individual who, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

- a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
  - b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and 3(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior services with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
- (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
  - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
- (a) has previously acted as an interim chief executive officer of the issuer, or
  - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committees of the issuer on a part-time basis.
- (8) For the purpose of this section an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

# **ELDORADO GOLD CORPORATION**

## **DIRECTOR**

### **Terms of Reference**

#### **I. PURPOSE**

As a member of the Board, each Director shall:

- A. fulfil the legal requirements and obligations of a Director, which means that he or she must have a comprehensive understanding of the statutory and fiduciary roles of a Director;
- B. represent the interests of all shareholders in the governance of the Company and act in the best interests of the Company; and
- C. participate in the review and approval of corporate policies and strategy and monitor their implementation.

#### **II. DUTIES AND RESPONSIBILITIES**

##### **A. Board Activity**

As a member of the Board, each Director shall:

- (i) exercise good judgement;
- (ii) act with integrity;
- (ii) use his/her abilities, experience and influence constructively;
- (iii) be available to Management and the Board as a resource;
- (iv) respect confidentiality;
- (v) advise the Chief Executive Officer (“CEO”) and/or Chairman of the Board of Directors (“Chair”) in advance of a meeting of the Board when proposing to introduce significant and/or previously unknown information of a material nature at a Board meeting;
- (vi) understand the difference between governing and managing, and not encroach on Management’s responsibilities;

- (vii) disclose any conflict of interest on any issue, including any interest in a material contract or transaction, brought before the Board and refrain from participating in the Board discussion and voting on the matter;
- (viii) when appropriate, communicate with the Chair, President & CEO and/or other Officers of the Company;
- (ix) demonstrate a willingness and availability for one-on-one consultation with the CEO;
- (x) evaluate the CEO's and the Company's performance;
- (xi) assist in maximizing shareholder value;
- (xii) be a positive force with a demonstrated interest in the long-term success of the Company; and
- (xiii) exercise independent judgement, regardless of the existence of the relationships or interests which could interfere with the exercise of independent judgement.

**B. Preparation and Attendance**

To enhance the effectiveness of Board and Committee meetings, each Director shall:

- (i) prepare for Board and Committee meetings by reading reports and background materials prepared for each meeting;
- (ii) maintain an excellent Board and Committee meeting attendance record; and
- (iii) ensure that he or she has the necessary information to make informed decisions.

**C. Communication**

Communication is fundamental to Board effectiveness; therefore, each Director shall:

- (i) participate fully and frankly in the deliberations and discussions of the Board;
- (ii) encourage free and open discussion of the affairs of the Company by the Board and its members;

- (iv) ask probing questions focused on strategy, policy, and the Company's business plan; and
- (iv) question officers in an appropriate manner and at appropriate times on the implementation of the Company's strategy and business plan and the results obtained.

D. Committee Work

To ensure that Board Committees are effective and productive, each Director shall:

- (i) participate on Committees and become knowledgeable about the purposes and goals of all the Committees of the Board; and
- (ii) understand the process of Committee work and Management's role in supporting the work of the Board's Committees.

E. Business, Company and Industry Knowledge

Recognizing that only well-informed Board members can make appropriate decisions, each Director shall:

- (i) be knowledgeable about the Company's operations, activities, and industry;
- (ii) understand the role of the Company within the community;
- (iii) understand the regulatory, legislative, business, social and political environments within which the Company operates;
- (iv) become acquainted with the key senior management personnel of the Company; and
- (v) be knowledgeable about the Company's business sites and visit them when appropriate.

Approved by the Board of Directors on March 22, 2007

## **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.
2. 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.
3. The Board will appoint the Chairman of the Committee. The Corporate Secretary of the Company will keep minutes of each meeting.
4. 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 determine, but in any event at least to review the Company's quarterly and annual financial disclosure. Twenty-four

(24) hours advance notice of each meeting given orally, by telephone, or in writing delivered by facsimile or electronic mail together with an agenda will be given to each Member unless all Members are present and waive notice, 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, MD&A and management's quarterly and annual earnings release 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. Review and assess internal controls and procedures with the External Auditor, the External Auditor's perception of the Company's financial and accounting personnel, any material recommendations which the Auditor may have, the cooperation which the Auditor received during the course of its review and the adequacy of their access to records, data and other requested information.
  6. Require the External Auditor to report to the Audit Committee and oversee the work of the External Auditor, including the resolution of disagreements between management and the External Auditor regarding financial reporting.
  7. Review and approve hiring policies regarding present and former employees of the present and former External Auditor.
  8. Review with Management the Company's major financial risk exposures and the steps Management has taken to monitor and control such exposures.
  9. Establish a complaint process "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".
  10. Advise the Board with respect to the Company's policies and procedures regarding compliance with new developments in generally accepted accounting principles, laws and regulations and their impact on the consolidated financial statements of the Company.

11. Review with Management and the External Auditor, the Company's internal accounting and financial systems and controls to satisfy itself that the Company maintains:
  - a) the necessary books, records and accounts in reasonable detail to accurately and fairly reflect the Company's transactions;
  - b) effective internal control systems; and
  - c) adequate processes for assessing the risk of material misstatement of the financial statements and for detecting control weaknesses or fraud.
12. Review the External Auditor's Management Letter and the External Auditor's Report. Such Report to be directed to the Committee.
13. Review the External Auditor's Report on Internal Controls and report all deficiencies and remedial actions to the Board.
14. Direct and supervise the investigation into any matter brought to its attention within the scope of its duties.
15. 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.
16. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
17. Assess the Committee's performance of the duties specified in this charter and report its finding to the Board of Directors.

Approved at a meeting of the Board of Directors held March 22, 2007

**ELDORADO GOLD CORPORATION**  
**(the “Company”)**

**COMPENSATION COMMITTEE**

**Terms of Reference**

**PURPOSE**

The purpose of the Compensation Committee (the “Committee”) is to review human resource and compensation policies and best practices for recommendation to the Board of Directors; and to report on the Committee’s activities on a regular and timely basis to the Board of Directors. The Committee is also responsible for reviewing and approving management’s recommendations on compensation matters for submission to the Board of Directors for its approval.

**CONSTITUTION AND MEMBERSHIP**

1. The Board of Directors appoints Directors to form a Compensation Committee annually at the organizational meeting of the Board of Directors immediately following the Annual Shareholders Meeting.
2. The Committee is comprised of at least three Directors (“Member” or “Members”). 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.
3. All of the Members of the Committee are Independent Directors, as defined in National Policy 58-201
4. The Board appoints the Chairman of the Committee (“Committee Chair”). The Corporate Secretary of the Company will maintain the record book of the Committee.
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 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 of the Company.

## **MEETINGS**

1. Meetings of the Committee will be held at such times and places as the Committee Chair or the Corporate Secretary may determine, but in any event at least two times per year. 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 if those absent waive notice in writing.
2. A majority of Members of the Committee will constitute a quorum. Decisions of the Committee will be by an affirmative vote of the majority. Powers of the Committee may also be exercised by resolution in writing signed by all the members of the Committee.

## **RESPONSIBILITIES**

The Committee will have the following duties and responsibilities:

1. Review and advise on the Company's domestic and international compensation policies and practices.
2. Review, on an annual basis, Management's proposals regarding overall employee compensation.
3. Prepare a report, on an annual basis, on the Company's compensation practices for inclusion in the Company's Information Circular.
4. Review, on an annual basis, the compensation of the Chief Executive Officer of the Company for approval by the Board of Directors.
5. Review, on an annual basis, the Chief Executive Officer's recommendations for the Senior Executives' compensation, for approval by the Board of Directors.
6. Review on an annual basis, Management's proposals pertaining to overall employee compensation.
7. Review and approve, on an annual basis, the Chief Executive Officer's and the Senior Executives' performance objectives.
8. Assess and report to the Board of Directors on the performance of the Chief Executive Officer for the prior year.
9. Require compensation policies for the Chief Executive Officer and the Senior Executives:

- a) properly reflect their respective duties and responsibilities;
  - b) is designed to be competitive in attracting, retaining and appropriately motivating senior management personnel of high quality;
  - c) are considered against market compensation data for similar roles and levels of responsibility within the Company's industry peer group to ensure the Company offers a competitive compensation package that appropriately rewards accomplishment and results through an overall remuneration package;
  - d) aligns the interests of the Chief Executive Officer and the Senior Executives with the shareholders to maximize shareholder value; and
  - e) are based on established corporate and individual performance objectives.
10. Review recommendations for Company's stock option plans and amendments thereto for approval by the Board of Directors, the regulatory agencies and the shareholders as required by securities regulations and guidelines.
  11. Review and approve the Chief Executive Officer's recommendations for stock option grants to employees, consultants and advisors of the Company and its subsidiaries and affiliates on behalf of the Board of Directors.
  12. Review the Chief Executive Officer's recommendations for stock option grants to Officers and Directors of the Company for approval by the Board of Directors.
  13. Recommend stock option grants to the Chief Executive Officer for approval by the Board of Directors.
  14. Review and make recommendations on performance objectives and award levels for participants in the Company's Short Term Incentive Plan (the "STIP") for approval by the Board of Directors.
  15. Review Management's recommendations for awards measured against objectives determined at the beginning of each year of the STIP for approval by the Board of Directors.
  16. Require compensation policies for the Independent Directors, the Non-Executive Chairman of the Board compare favorably with the Company's peer group companies and make recommendations to the Compensation Committee for amendments to the Directors Compensation policy when warranted so that compensation:
    - a) properly reflect the respective duties and responsibilities of Independent Board Directors;
    - b) is designed to be competitive in attracting, retaining and appropriately motivating Directors of the highest quality;

- c) is competitive and appropriately rewards the Company's Independent Directors as an overall remuneration package;
  - d) aligns the interests of the Independent Directors with the shareholders to maximize shareholder value; and
17. Review executive and director compensation disclosure before being published to the public.
  18. Direct and oversee the investigation into any matter brought to its attention within the scope of its duties.
  19. 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.
  20. Review and reassess the adequacy of these Terms of Reference annually and recommend any proposed changes to the Corporate Governance/Nominating Committee for approval and recommendation to the Board of Directors.
  21. Assess the Committee's performance of the duties specified in this Terms of Reference and report its findings to the Board of Directors annually.

Approved by the Board of Directors, March 22, 2007

**ELDORADO GOLD CORPORATION**  
**(the “Company”)**

**CORPORATE GOVERNANCE AND NOMINATING COMMITTEE**

**Terms of Reference**

**PURPOSE**

The purpose of the Corporate Governance and Nominating Committee (the “Committee”) is to oversee and monitor the Company’s corporate governance policies and practices, to identify, propose and nominate candidates for election as directors and to recommend a slate of nominees for election at the Company’s annual general meeting on behalf of the Board of Directors (the “Board”) and to report on the Committee’s activities on a regular and timely basis to the Board.

**CONSTITUTION AND MEMBERSHIP**

1. The Board of Directors appoints Directors to form the Committee annually at the organizational meeting of the Board immediately following the Annual Shareholders Meeting.
2. The Committee is comprised of at least three Independent Directors (“Member” or “Members”). 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.
3. All of the Members of the Committee are Independent Directors, as defined in National Policy 58-201.
4. The Board appoints the Chairman of the Committee (“Committee Chair”). The Corporate Secretary of the Company will maintain the record book of the Committee.
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 its responsibilities. The engagement and payment by the Company for the services of an outside advisor is subject to the approval of the Audit Committee or the Chairman of the Audit Committee.

## **MEETINGS**

1. Meetings of the Committee will be held at such times and places as the Committee Chair or the Corporate Secretary may determine, but in any event at least once per year in January for the purpose of providing a slate of candidates for nomination to the Board. 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 present waive notice, and if those absent waive notice in writing.

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

## **RESPONSIBILITIES**

The Committee will have the following duties and responsibilities:

1. Review on a regular basis the Company's corporate governance policies and practices generally and make recommendations to the Board of Directors as appropriate.
2. Monitor the Company's Risk Management program.
3. Establish the size and composition of the Board and qualification criteria for Board members reflecting an appropriate mix of expertise, skills, attributes and personal and professional backgrounds for service as an Independent Director of the Company.
4. Recommend a slate of nominee Directors to be elected at the Annual Shareholders Meeting who meet the established criteria and who have sufficient time available to devote to the affairs of the Company.
5. Identify Directors for the position of Non-Executive Chairman of the Board.
6. Establish criteria for membership to the Board Committees and identify and recommend Independent Directors to serve as members on and Chairman of each Committee.

7. Perform an annual review of incumbent directors' performance and attendance at Board and Committee meetings in connection with the Corporate Governance Committee's consideration of Directors to be slated for election at the Company's annual meeting. The review shall seek to identify specific areas, if any, in need of improvement or strengthening and shall culminate in a discussion by the full Board of the results and any actions to be taken. The review and evaluation will include, among other things, an assessment of:
  - a) the Board's composition and independence;
  - b) the Board's access to and review of information from management and the quality of such information;
  - c) the Board's responsiveness to shareholder concerns
8. Develop a process to determine when a conflict of interest issues exists and review any conflict of interest issues affecting a Director.
9. Establish policy on rotating Committee assignments.
10. Work with Management in the continued development of an orientation program for new Directors, which shall be designed to both familiarize new Directors with the full scope of the Company's businesses and key challenges and to assist new Directors in developing and maintaining skills necessary or appropriate for the performance of their responsibilities.
11. Work with Management in developing and implementing appropriate continuing education programs for the Directors.
12. Review and assess annually the adequacy of the Board Committees' Terms of Reference, the Terms of Reference for a Director and for the Board of Directors and make recommendations of such to the Board.
13. Annually conduct a self-assessment of the Committee's performance for discussions. The review and discussion shall seek to identify specific areas, if any, in need of improvement or strengthening.
14. Perform any other activities consistent with these Terms of Reference, the Company's by-laws, governance legislation, guidelines and practices as the Committee or the Board deems necessary or appropriate.
15. Report at regularly scheduled Board Meetings on matters coming before the Committee.

Approved by the Board of Directors, March 22, 2007