

Eldorado Gold Corporation

Consolidated Balance Sheets

Expressed in thousands of U.S. dollars

	June 30 2000 (Unaudited)	June 30 1999 (Unaudited)	December 31 1999
ASSETS			
Current Assets			
Cash	\$ 2,465	\$ 2,914	\$ 3,253
Restricted cash (Note 1)	5,913	2,200	3,269
Accounts receivable	3,793	5,466	3,095
Inventories	6,738	4,853	6,669
	<u>18,909</u>	<u>15,433</u>	<u>16,286</u>
Mine property, plant and equipment	78,346	85,438	81,976
Mineral properties and deferred development	28,407	26,665	27,685
Investments and advances	311	406	325
Future income taxes (Note 3)	751	-	1,513
Other assets and deferred charges	1,694	2,912	1,877
	<u>\$ 128,418</u>	<u>\$ 130,854</u>	<u>\$ 129,662</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 8,525	\$ 12,255	\$ 11,065
Current portion of long term debt (Note 1)	8,751	477	6,732
	<u>17,276</u>	<u>12,732</u>	<u>17,797</u>
Provision for reclamation costs	5,627	5,959	5,399
Deferred gain (Note 2)	9,239	14,786	12,401
Future taxes payable	207	231	228
Convertible debentures	2,690	3,184	2,941
Long term debt (Note 1)	20,338	30,863	24,613
	<u>55,377</u>	<u>67,755</u>	<u>63,379</u>
SHAREHOLDERS' EQUITY			
Share capital (Note 4)	310,530	304,407	304,865
Equity portion of convertible debentures	6,460	5,966	6,209
Deficit	(243,949)	(247,274)	(244,791)
	<u>73,041</u>	<u>63,099</u>	<u>66,283</u>
	<u>\$ 128,418</u>	<u>\$ 130,854</u>	<u>\$ 129,662</u>

Approved by the Board

/Paul N. Wright/

Director

/Wayne D. Lenton/

Director

Eldorado Gold Corporation

Consolidated Statements of Operations and Deficit

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

	Three months Ended June 30 2000 (Unaudited)	Three months Ended June 30 1999 (Unaudited)	Period ended June 30	
			2000 (Unaudited)	1999 (Unaudited)
Revenue				
Gold sales	\$ 13,198	\$ 16,319	\$ 27,782	\$ 31,166
Interest and other income	123	1,476	244	1,687
	<u>13,321</u>	<u>17,795</u>	<u>28,026</u>	<u>32,853</u>
Expenses				
Operating costs	8,294	10,870	17,256	19,377
Depletion, depreciation and amortization	3,064	3,413	6,091	6,565
General and administrative	837	807	1,529	1,510
Exploration expense	139	100	217	172
Interest and financing costs	734	737	1,459	1,506
Reclamation	134	233	281	446
Foreign exchange (gain)	127	(24)	(34)	(169)
	<u>13,329</u>	<u>16,136</u>	<u>26,799</u>	<u>29,407</u>
Profit (loss) before the undernoted items	<u>(8)</u>	<u>1,659</u>	<u>1,227</u>	<u>3,446</u>
Reorganization and closure costs	<u>-</u>	<u>(207)</u>	<u>-</u>	<u>(335)</u>
Profit (loss) before income taxes	<u>(8)</u>	<u>1,452</u>	<u>1,227</u>	<u>3,111</u>
Taxes				
Current	674	(269)	608	(458)
Future	(578)	-	(743)	-
Net income (loss) for the period	<u>\$ 88</u>	<u>\$ 1,183</u>	<u>\$ 1,092</u>	<u>\$ 2,653</u>
Deficit at the beginning of the period	(243,912)	(248,342)	(244,791)	(249,698)
Interest on equity portion of convertible debentures	(125)	(115)	(250)	(229)
Deficit at end of the period	<u>\$ (243,949)</u>	<u>\$ (247,274)</u>	<u>\$ (243,949)</u>	<u>\$ (247,274)</u>
Income (loss) per share - U.S.\$	<u>\$ -</u>	<u>\$ 0.02</u>	<u>\$ 0.01</u>	<u>\$ 0.04</u>
Income (loss) per share - CDN.\$	<u>\$ -</u>	<u>\$ 0.03</u>	<u>\$ 0.02</u>	<u>\$ 0.06</u>

Eldorado Gold Corporation

Consolidated Statements of Cash Flows

Expressed in thousands of U.S. dollars

	Three months Ended June 30 2000 (Unaudited)	Three months Ended June 30 1999 (Unaudited)	Period ended June 30 2000 (Unaudited)	1999 (Unaudited)
Cash flows from operating activities				
Net income (loss) for the period	\$ 88	\$ 1,183	\$ 1,092	\$ 2,653
Items not affecting cash				
Depletion, depreciation and amortization	3,064	3,413	6,091	6,565
Provision for reclamation costs	134	233	281	446
Amortization of future income taxes	597	-	762	-
Interest on equity portion of convertible debentures	(125)	(115)	(250)	(229)
Amortization of hedging gain	(1,581)	-	(3,162)	-
Foreign exchange loss (gain)	8	168	(5)	725
Other	(33)	-	(54)	(20)
	2,152	4,882	4,755	10,140
(Increase) decrease in accounts receivable	126	(1,614)	(698)	(673)
Decrease (Increase) in inventories	(226)	668	(69)	708
Increase (Decrease) in accounts payable and accrued liabilities	342	(228)	(2,560)	(2,337)
	2,394	3,708	1,428	7,838
Cash flow from investing activities				
Mine property, plant and equipment	(1,147)	(2,203)	(2,290)	(4,267)
Mineral properties and deferred development	(474)	(275)	(722)	(600)
Investments and advances	34	-	14	-
Restricted cash	122	(2,200)	(2,644)	(2,200)
Other assets and deferred charges	30	100	12	(265)
	(1,435)	(4,578)	(5,630)	(7,332)
Cash flow from financing activities				
Long term debt	(1,021)	(5,224)	(2,256)	(5,236)
Liquidation of hedges		5,199	-	5,199
Issue of common shares: Voting - for cash	(17)	-	5,665	-
	(1,038)	(25)	3,409	(37)
Foreign exchange (loss) gain on cash held in foreign currency	(8)	(168)	5	(725)
Net Increase in cash and cash equivalents	(87)	(1,063)	(788)	(256)
Cash and cash equivalents at beginning of the period	2,552	3,977	3,253	3,170
Cash and cash equivalents at the end of period	\$ 2,465	\$ 2,914	\$ 2,465	\$ 2,914

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2000 and 1999

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

1. Long Term Debt and Restricted Cash

	<u>Second Quarter Ended June 30,</u>	
	2000	1999
Restricted cash		
Reserve Account	\$3,312	-
Liquidity Account	<u>2,601</u>	-
	\$5,913	-
Long term debt		
Corporate loan facility	\$28,000	\$30,000
Equipment purchase loan	751	999
Energold Mining Ltd. loan	<u>338</u>	<u>341</u>
	29,089	31,340
Current portion	<u>(8,751)</u>	<u>(477)</u>
	<u>\$20,338</u>	<u>\$30,863</u>

Restricted cash

Commencing on March 31, 1999 the Company as part of the Amended and Restated Credit Agreement with NM Rothschild & Sons Ltd. ("NM Rothschild"), signed December 31, 1998, agreed to the establishment of a reserve account in which the Company agreed to deposit cash quarterly under certain circumstances. The purpose of this account is to serve as a reserve against future payments of principal, interest and other amounts due under the Loan Agreement. As at June 30, 2000 the amount held in the reserve account was \$3,312.

Effective on March 1, 2000, in connection with the equity financing described in Note 4, the Company as part of a Second Agreement and Amendment to Amended and Restated Credit Agreement with NM Rothschild, agreed to the establishment of a liquidity account in which the Company agreed to deposit cash quarterly under certain circumstances. The purpose of this account is to serve as a reserve against future payments of principal, interest and other amounts due under the Loan Agreement. As at June 30, 2000 the amount held in the Liquidity Account was \$2,601.

Corporate loan facility

Under an amended agreement dated December 31, 1998, Eldorado and NM Rothschild entered into a credit facility of \$35,000 of which \$28,000 remains outstanding as at June 30, 2000. The loan bears interest at a floating rate set at LIBOR plus 2.00%, which was 8.614% at June 30, 2000. Drawings under this credit facility had been used to fund the ongoing expansion and optimization program at Eldorado's mines as well as for general corporate purposes. Under certain circumstances, incremental prepayments of principal may be required. The re-payment schedule on the NM Rothschild corporate facility is as follows:

	July 1- Dec. 31, 2000	2001	2002	2003
Loan re-payment	\$ 4,000	\$ 8,000	\$ 8,000	\$ 8,000

As a condition of the NM Rothschild credit facility, the Company is required to maintain, so long as amounts are outstanding under the facility, a hedge position sufficient to cover forecasted capital,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2000 and 1999

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

1. Long Term Debt and Restricted Cash (continued)

operating and debt servicing requirements on a rolling basis for the shorter of either the next 36 months or six months after the scheduled maturity date of the facility. As security for this loan, Eldorado has granted NM Rothschild a general security agreement over the assets of Eldorado as well as claims over the mine assets in Brazil and Mexico and the exploration and development properties in Turkey.

2. Hedging Commitments

Gold hedging

At June 30, 2000, Eldorado's hedging program consists of the following flat forward and spot deferred gold contracts.

(\$ per ounce)	July 1- Dec. 31, 2000	2001	2002	2003
Forward gold sales contracts (ounces)	92,637	166,645	123,115	126,406
Average price (\$/oz.)	301	301	303	302
Deferred gain (\$/oz.) 1	25	18	16	15
Total (\$/oz.)	326	319	319	317

Note 1. Gains were realized by the liquidation of forward gold hedges in 1998 and 1999. An amount of \$1,581 has been recorded to earnings in the second quarter of 2000. The balance of \$9,239 will be credited to earnings as follows: \$2,283 July 1- Dec. 31, 2000; \$3,043 in 2001; \$1,956 in 2002; and \$1,957 in 2003.

The positions held by Eldorado are in the form of flat forward or spot deferred contracts including 240,000 ounces of flat forward contracts, which are being delivered at a rate of 10,000 ounces per month, at a price of \$310.

There are 268,803 ounces of spot deferred contracts priced in the range of \$268 to \$327. These spot deferred contracts can be rolled forward or deferred to later delivery dates if the spot price at the time of maturity is higher than the contract price. Spot deferred contracts are a forward sale that will accrue contango (interest) until the intended delivery date of the contract. The average price per ounce reflects the estimated cumulative net value of contango earned to the designated delivery dates. If contracts are rolled forward then for accounting purposes the profit or loss is recorded at the time the contract was first scheduled to be matched to production. The mark-to-market value at June 30, 2000 was a negative \$5,400 at a spot price of \$289.00.

NM Rothschild currently accounts for 100% of the Company's hedge positions and is also the Company's senior secured lender. The Company would not face any margin calls unless the gold price rose above \$318 per ounce, assuming a contango of 5.91%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2000 and 1999

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

2. Hedging Commitments (continued)*Currency hedging*

	<u>Second Quarter Ended June 30,</u>	
	2000	1999
Brazilian Real forward purchases		
Commitments outstanding	BRL26,200,000	7,000,000
Average Exchange Rate (BRL/USD)	1.8948	1.6877
Spot rate	1.8052	1.7597

At June 30, 2000, Eldorado had outstanding commitments to purchase the above Brazilian Reals at fixed exchange rates for forward delivery.

3. Taxes

The Company has adopted Accounting Standard 3465- Future Income Taxes. The potential future income tax asset from the adoption of this standard is not materially different from the amount that would have been calculated using the deferred tax method under Accounting Standard 3470.

4. Financing

On January 25, 2000, the Company completed a private placement of 9,500,000 special warrants at a price of Cdn\$0.90 per special warrant to raise gross proceeds of Cdn\$8,550,000. Each special warrant was exercised without payment of additional consideration for a unit (a "Unit") consisting of one common share of Eldorado and one half of a share purchase warrant (a "Warrant"). The net proceeds received from the private placement were Cdn\$7,932,000. Each whole Warrant will entitle the holder to acquire an additional common share of Eldorado at a price of Cdn\$1.10 per common share until January 24, 2002, after which time the Warrants will expire.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2000 and 1999

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

5. SEGMENTED INFORMATION

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

	Six months ended	
	June 30 2000	June 30 1999
Gold sales		
Sao Bento Mine	\$ 19,850	\$ 19,630
La Colorada Mine	7,932	11,536
	27,782	31,166
Operating costs		
Sao Bento Mine	10,230	11,583
La Colorada Mine	7,026	7,794
	17,256	19,377
Depletion, depreciation and amortization		
Sao Bento Mine	3,907	3,577
La Colorada Mine	2,000	2,807
	5,907	6,384
Corporate expenses, net of interest and other income	(2,894)	(1,341)
Exploration expenses	(217)	(172)
La Trinidad closure costs	-	(335)
Reclamation	(281)	(446)
	1,227	3,111
Profit before income taxes		
Taxes		
Current	608	(458)
Deferred	(743)	-
Net income for the period	\$ 1,092	\$ 2,653

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2000 and 1999

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

5. SEGMENTED INFORMATION

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

	Six months ended	
	June 30 2000	June 30 1999
Segment assets		
Sao Bento Mine	\$ 80,572	\$ 81,873
La Colorada Mine	9,338	13,914
La Trinidad Mine	299	399
Total assets for reportable segments	90,209	96,186
Mineral properties and deferred development	28,407	26,665
Other	9,802	8,003
	\$ 128,418	\$ 130,854
Revenues by geographic area		
North America	\$ 8,094	\$ 11,971
South America	19,915	20,845
Europe	17	37
Australia	-	-
	\$ 28,026	\$ 32,853
Net income (loss) by geographic area		
North America	\$ (3,968)	\$ (2,308)
South America	5,179	5,003
Europe	(133)	(24)
Australia	14	(18)
	\$ 1,092	\$ 2,653
Assets by geographic area		
North America	\$ 18,635	\$ 21,340
South America	80,828	82,394
Europe	28,953	27,116
Australia	2	4
	\$ 128,418	\$ 130,854